ASMPT enabling the digital world

ASMPT LIMITED
(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 0522)

2024
ANNUAL REPORT

WELCOME

Dear Reader, thank you for taking the time to peruse the 2024 Annual Report for ASMPT Limited. This annual report provides a detailed view of the company's performance and outlook for the future.

ASMPT Limited is a leading global supplier of hardware and software solutions for the manufacture of semiconductors and electronics. Headquartered in Singapore, ASMPT's offerings encompass the semiconductor assembly & packaging, and SMT (surface mount technology) industries, ranging from wafer deposition to the various solutions that organise, assemble and package delicate electronic components into a vast range of end-user devices, which include electronics, mobile communications, computing, automotive, industrial and LED (displays). ASMPT partners with customers very closely, with continuous investment in R&D helping to provide cost-effective, industry-shaping solutions that achieve higher productivity, greater reliability, and enhanced quality. ASMPT is also a founding member of the Semiconductor Climate Consortium.

ASMPT is listed on the Stock Exchange of Hong Kong (HKEX stock code: 0522), and is one of the constituent stocks of the Hang Seng TECH Index, Hang Seng Composite MidCap Index under the Hang Seng Composite Size Indexes, the Hang Seng Composite Information Technology Industry Index under the Hang Seng Composite Industry Indexes, the Hang Seng Corporate Sustainability Benchmark Index, and the Hang Seng HK 35 Index. To learn more about ASMPT, please visit us at www.asmpt.com.

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CORPORATE INFORMATION

DIRECTORS

Independent Non-Executive Directors

Orasa Livasiri, *Chairman*
John Lok Kam Chong
Wong Hon Yee
Eric Tang Koon Hung
Andrew Chong Yang Hsueh
Hera Siu Kitwan

Non-Executive Directors

Hichem M'Saad
Paulus Antonius Henricus Verhagen

Executive Directors

Robin Gerard Ng Cher Tat
Guenter Walter Lauber

COMPANY SECRETARY

Kong Choon, Jupiter

AUDITOR

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Certified Public Accountants
Registered Public Interest Entity Auditors
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88 Queensway Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
MUFG Bank, Ltd.
Deutsche Bank

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

2024 FINANCIAL HIGHLIGHTS

GROUP FINANCIAL HIGHLIGHTS FOR FY 2024

Revenue of HK$ **13.23** billion (US$1.69 billion), −10.0% YoY

Bookings of HK$ **12.75** billion (US$1.63 billion), +4.0% YoY

Gross margin of **40.0**%, +70 bps YoY

Operating profit of HK$ **558.3** million, −49.4% YoY

Net profit of HK$ **342.2** million, −51.9% YoY

Basic earnings per share of HK$ **0.83**, −52.0% YoY

Order backlog of HK$ **6.05** billion (US$779.0 million) as of 31 December 2024

Full Year 2024 dividend per share (including special dividend) of HK$**0.67**

NON-HKFRS MEASURES[1]

Adjusted net profit of HK$**426.0** million for FY 2024, −42.8% YoY

Adjusted basic earnings per share of HK$**1.04** for FY 2024, −42.9% YoY

REVENUE GUIDANCE FOR Q1 2025

US$**370** million to US$**430** million

[1] For more information about the Adjusted Net Profit and Adjusted Basic earnings per share presented above, please refer to the section under "Reconciliation of HKFRS Measures to the non-HKFRS Measures" under Management Discussion and Analysis.

2024 FINANCIAL HIGHLIGHTS (continued)

	Year ended 31 Dec	
	2024 HK$'000 (audited)	2023 HK$'000 (audited)
Revenue	**13,229,079**	14,697,489
Cost of sales	**(7,940,032)**	(8,923,861)
Gross profit	**5,289,047**	5,773,628
Other income	**268,596**	183,001
Selling and distribution expenses	**(1,493,738)**	(1,606,563)
General and administrative expenses	**(1,159,807)**	(1,014,868)
Research and development expenses	**(2,077,230)**	(2,047,802)
Other gains and losses, net	**2,430**	(29,767)
Other expenses	**(155,351)**	(94,976)
Finance costs	**(201,005)**	(137,888)
Share of result of a joint venture	**28,595**	11,246
Profit before taxation	**501,537**	1,036,011
Income tax expense	**(159,313)**	(324,510)
Profit for the year	**342,224**	711,501
Profit (loss) for the year attributable to:		
Owners of the Company	**345,262**	715,353
Non-controlling interests	**(3,038)**	(3,852)
	342,224	711,501
Earnings per share		
— Basic	**HK$0.83**	HK$1.73
— Diluted	**HK$0.83**	HK$1.73

CHAIRMAN'S STATEMENT

"The Group's strategic focus on AP and its broad-based portfolio has allowed it to both navigate challenging market conditions and capitalise on emerging trends for future growth as the industry as a whole continues to evolve.

Looking ahead to 2025, we remain optimistic about the semiconductor industry's growth trajectory. We firmly believe the strong momentum in AP will persist into 2025, driven by accelerating AI adoption. We are also encouraged by the emerging trends that support our SEMI mainstream solutions business, and SMT, such as AI capabilities and needs extending from the cloud to edge computing, expansion of the EV market, adoption of 5G, the proliferation of IoT, and AR/VR.

Together, these trends position ASMPT to capitalise on a diverse range of opportunities, reinforcing our leadership in the industry and our ability to deliver sustained value in the years to come."

Orasa Livasiri
Chairman

DEAR SHAREHOLDERS, EMPLOYEES, AND STAKEHOLDERS,

It is my great pleasure to present ASMPT Limited's 2024 Annual Report. Globally, 2024 presented a mixed picture. While the AI technology revolution continued to accelerate and transform multiple aspects of society, on the other hand, geopolitical tensions, policy shifts and supply chain volatility remained, posing risks to global growth and stability.

You may recall from my message last year that we were optimistic about a rebound in the semiconductor industry in 2024, and that we were only at the start of the AI revolution. Indeed, while 2024 saw surging demand for AI-enabling chips due to significant growth in data centre servers, other sectors such as consumer electronics, automotive, and industrial applications saw a slower-than-anticipated recovery principally due to subdued consumer sentiment. Overall, these developments resulted in mixed success for the Group this year.

Global AI adoption trends boosted our Advanced Packaging solutions business, which registered continuous revenue growth. We are proud of our key AP achievements in 2024 — delivery of our first Hybrid Bonding ("HB") tool in Q3, securing TCB orders for chip-to-substrate ("C2S") applications from leading foundry customers and their OSAT partners, a major TCB breakthrough in High Bandwidth Memory ("HBM"), and strong order momentum in photonics for optical transceivers.

The strong performance of our AP solutions played a crucial role in stabilizing and driving the Group's performance in 2024, despite overall market softness. Our SEMI Solutions Segment ("SEMI") experienced a gradual recovery with improved revenue and bookings thanks to strong AP demand, while our SMT Solutions Segment ("SMT") held onto its market position by maintaining its existing customers and securing new ones, particularly for AP solutions. The Group's strategic focus on AP and its broad-based portfolio has allowed it to both navigate challenging market conditions and capitalise on emerging trends for future growth as the industry as a whole continues to evolve.

I extend my sincere gratitude to the entire ASMPT family — our global workforce, my fellow Board members and the Management team — for their dedication and collective efforts, which have been instrumental in driving our resilience, adaptability and continued growth.

Let me now cover some noteworthy developments for 2024.

LEADERSHIP RENEWAL: ENSURING CONTINUITY AND VISION

The year 2024 marked a significant evolution in ASMPT's leadership, reflecting our commitment to strategic foresight and seamless transitions.

Group CFO Katie Xu

Group CFO Katie Xu was promoted to the Group's Executive Office ("EO"), joining Group CEO Robin Ng and Group Chief Strategy Officer Guenter Lauber at the helm of ASMPT's executive leadership team. Katie, who continues in her role as Group CFO, has demonstrated exceptional operational acumen since joining us, skilfully balancing fiscal prudence with strategic investments in automation and digital transformation. Her promotion reinforces our dedication to integrating financial discipline with long-term innovation, a cornerstone that enables ASMPT to navigate and thrive amidst industry fluctuations.

In late 2024, we also saw the retirement of Mr. Wong Yam Mo ("YM"), our esteemed Group CTO, a member of the EO, and a cornerstone of ASMPT's R&D team. Over more than four decades, YM's visionary leadership transformed our R&D capabilities, growing the team from a modest 40 engineers to a formidable global force exceeding 2,000 innovators. His mentorship has fostered a culture of technical excellence, ensuring that our current Global R&D leadership is well-positioned to build upon his remarkable legacy. On behalf of the Board, I extend our deepest gratitude to YM for his outstanding leadership and wish him a well-deserved, fulfilling retirement.

With YM's departure, the baton for our Global R&D leadership was passed to two ASMPT veterans: Dr. Gary Widdowson, promoted to CTO for the SEMI Solutions Segment, and Mr. Thomas Bliem, promoted to Head of R&D for the SMT Solutions Segment.

Dr. Gary Widdowson

For the SEMI segment, Gary will unify its R&D strategy around customer-centric innovation and flexibility, bridging design and manufacturing to meet the growing industry demand for heterogeneous integration, and accelerate the development of cutting-edge semiconductor solutions. With a commitment to collaboration, best-in-class performance and cost-effectiveness, Gary places a strong emphasis on advanced packaging, mainstream technologies, and AI-driven process optimisation.

Thomas Bliem

For the SMT Segment, Thomas will focus on intelligent automation and sustainable manufacturing, tapping our established leadership in high-precision SMT systems to spearhead innovations, which include data analytics-based AI-powered process control, IoT-enabled factory ecosystems, energy-efficient production lines, miniaturisation in SMT advanced packaging and automotive electrification, creating next-generation modular platform architectures to address future customer needs.

These leadership transitions exemplify ASMPT's strength in harmonizing institutional wisdom with fresh perspectives. As we bid farewell to stalwarts like YM, we welcome the expertise of Katie, Gary, and Thomas, ensuring continuity as we venture into new frontiers. I am confident that they, alongside our exceptional leadership team across Corporate, SEMI, and SMT teams will steer ASMPT to new heights, solidifying our position at the forefront of the semiconductor and SMT industries in this era of unprecedented innovation and success.

BUILDING PILLARS FOR FUTURE GROWTH

The Group is strategically allocating its resources to drive future growth and maintain its competitive edge.

In anticipation of future growth in AP solutions, we have taken steps to expand our capabilities and product offerings, proactively enhancing our capacity in key areas such as TCB and driving innovation in HB and Silicon Photonics. By focusing on these critical areas, we are aligning our technological roadmap with the evolving needs of major AI customers.

The Group plans to allocate a majority of its incremental R&D resources to high-potential areas, including the next generation of products such as TCB and HB. This will position us at the forefront of AP, high-end mainstream semiconductor segments, and SMT solutions. In addition, the Group has also strengthened key engineering disciplines to excel in its equipment delivery.

Recognizing that our people are essential to our success, the Group completed the roll out of its Global People System ("GPS"), an advanced platform that will strengthen workforce planning and foster increased accountability across all locations. By incorporating this platform, the management team remains fully committed to building a digitally enabled, transparent, and highly efficient employee engagement ecosystem in accordance with our strategic growth objectives.

AHEAD OF CURVE IN SUSTAINABILITY EFFORTS

The Group remained committed to being the ESG leader in the semiconductor industry. Our commitment is driven by our strong POWER values — Passion, Ownership, Win, Excellence, and Respect.

In 2024, the Group made significant progress in environmental sustainability by enhancing energy efficiency and transitioning to renewable energy sources. The Group also addressed Scope 3 emissions by evaluating its value chain processes and data, setting the stage for near-term targets and comprehensive decarbonisation strategies.

On the social front, the Group is evolving its diversity, equity & inclusion ("DE&I") initiatives worldwide. Our Board of Directors has set a leading example by striving to achieve 25% female Board representation by the end of 2025. In 2024, our DE&I Team also organised various activities to raise awareness of the unique strengths and needs of its people.

More details on our sustainability initiatives and targets can be found in the 2024 ESG Report which has been released simultaneously with this Annual Report.

DIVIDEND POLICY UNCHANGED

Despite an ongoing downcycle, our SEMI saw a quarterly revenue increase of 24.1% YoY in 2024, mainly attributable to AP. In contrast, SMT experienced a quarterly revenue decline of 21.3% YoY, consistent with the continued weakness in the overall SMT market. Group full-year revenue declines 10.0% YoY to HK$13.23 billion (US$1.69 billion), and adjusted net profit was down 42.8% YoY to HK$426.0 million. Despite this, our balance sheet remained strong, with a net cash position of HK$2.42 billion at the end of 2024.

We maintain a dividend policy that distributes approximately 50% of our net profit as dividends. After careful evaluation of our short-term needs and liquid assets, the Board of Directors has unanimously recommended a special dividend of HK$0.25 per share and a total dividend of HK$0.67 per share for the full year 2024.

In the long term, we will maintain our commitment to ongoing cost optimisation initiatives and profitability improvements across the company.

CONCLUSION

Looking ahead to 2025, we remain optimistic about the semiconductor industry's growth trajectory. We firmly believe the strong momentum in AP will persist into 2025, driven by accelerating AI adoption. We are also encouraged by the emerging trends that support our SEMI mainstream solutions business, and SMT, such as AI capabilities and needs extending from the cloud to edge computing, expansion of the EV market, adoption of 5G, the proliferation of IoT, and AR/VR.

Together, these trends position ASMPT to capitalise on a diverse range of opportunities, reinforcing our leadership in the industry and our ability to deliver sustained value in the years to come.

Last but not least, let me also extend my heartfelt thanks to all of you: our customers, suppliers, and business partners for your unwavering belief and support. My deep appreciation also goes to our shareholders for their steadfast commitment and trust in us. I firmly believe that together we can realise the full potential of ASMPT as we continue to enable the digital world of the future.

Orasa Livasiri
Chairman

25 February 2025

MANAGEMENT DISCUSSION AND ANALYSIS

"We navigated a challenging 2024 that saw upside in advanced packaging solutions driven by AI and High-Performance Computing, but ongoing weakness in several end-market application areas.

Our unique and diversified portfolio, continued technology leadership, and a firm commitment to strategic R&D and infrastructure investment position ASMPT well to seize opportunities to achieve new milestones."

Ng Cher Tat, Robin
Group CEO

RESULTS SUMMARY

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

DIVIDENDS

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

GROUP BUSINESS REVIEW

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

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

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

GROUP BUSINESS REVIEW (CONTINUED)

Advanced Packaging: Unlocking Significant Growth Potential

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

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

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

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

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

Logic Applications

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

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

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

HBM Applications

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

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

GROUP BUSINESS REVIEW (CONTINUED)

Advanced Packaging: Unlocking Significant Growth Potential (Continued)

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

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

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

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

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

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

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

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

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

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

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

Photonics: Leading Market Share with Strong Order Momentum

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

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

GROUP BUSINESS REVIEW (CONTINUED)

Advanced Packaging: Unlocking Significant Growth Potential (Continued)

CPO: Silicon Photonics ("SiPh") Gaining Traction

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

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

Systems-in-Package: Enhancing Customer Engagements

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

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

Automotive: Cultivating Customers for Future Ramp Up

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

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

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

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

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

GROUP BUSINESS REVIEW (CONTINUED)

Group Financial Review

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

FY 2024 Group Financial Review

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

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

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

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

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

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

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

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

GROUP BUSINESS REVIEW (CONTINUED)

FY 2024 Group Financial Review (Continued)

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

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

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

Q4 2024 Group Financial Review

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

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

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

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

Semiconductor Solutions Segment Financial Review

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

NM: Not meaningful

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

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

(i) IC/Discrete BU revenue increased QoQ, mainly due to revenue growth in AP.

(ii) Optoelectronics BU revenue declined slightly QoQ, mainly due to weakness in advanced displays. However, its photonics solutions continued to deliver strong revenue.

(iii) CIS BU revenue remained flat QoQ at a low level due to seasonality effects from high-end smartphone applications.

GROUP BUSINESS REVIEW (CONTINUED)

Semiconductor Solutions Segment Financial Review (Continued)

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

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

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

SMT Solutions Segment Financial Review

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

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

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

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

Segment profit was HK$19.9 million in Q4 2024.

Investing For the Future

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

OUTLOOK

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

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

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

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

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

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

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

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

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

LIQUIDITY AND FINANCIAL RESOURCES

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

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

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

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

SIGNIFICANT INVESTMENT

As at 31 December 2024, Advanced Assembly Materials International Limited ("AAMI") was regarded as a significant investment of the Group as the value of the Group's investment in AAMI comprised 5% or more of the Group's total assets. Save as disclosed in this report, the information pursuant to paragraph 32(4A) of Appendix D2 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in relation to the Group's investment in AAMI is as follows:

(i)	Details of the investment in AAMI:	5,338 ordinary shares in AAMI, representing 49% equity interests in AAMI. The carrying value of the Group's investment in AAMI is HK$1,672 million.
(ii)	Fair value of the investment in AAMI:	HK$1,853 million
(iii)	The investment's size relative to the Group's total assets:	7.1%
(iv)	The performance of the investment in AAMI:	For the year ended 31 December 2024, the share of results of AAMI was HK$29 million, and HK$43 million dividend was received from AAMI.
(v)	Principal activity of AAMI and its subsidiaries:	Manufacturing and trading of materials products
(vi)	The Group's investment strategy:	Long-term investment in the materials business

As announced on 23 October 2024, the Group has proposed to dispose of its stake in AAMI to Shenzhen Original Advanced Compounds Co., Ltd. ("SOAC", a company listed on the Shanghai Stock Exchange (stock code: 603991.SH)) in consideration of new shares to be issued by SOAC and the remaining consideration in cash. This investment in SOAC, which is a listed entity, offers potential growth opportunities in the semiconductor materials field, aligning with the Group's investment strategy. The completion of the proposed transaction is subject to certain regulatory approvals and conditions precedent which are not yet satisfied as at the date of this report.

HUMAN RESOURCES

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

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

Employee Engagement & Recognition

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

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

Talent Development & Succession Planning

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

HUMAN RESOURCES (CONTINUED)

Talent Development & Succession Planning (Continued)

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

Digital Experience

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

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

Diversity, Equity & Inclusion ("DE&I")

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

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

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

ENVIRONMENTAL, SOCIAL & GOVERNANCE ("ESG")

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

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

ENVIRONMENTAL, SOCIAL & GOVERNANCE ("ESG") (CONTINUED)

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

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

More details on ASMPT's sustainability efforts and achievements are highlighted in the 2024 ESG Report that was released simultaneously with the Company's 2024 Annual Report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

RECONCILIATION OF HKFRS MEASURES TO THE NON-HKFRS MEASURES

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

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

RECONCILIATION OF HKFRS MEASURES TO THE NON-HKFRS MEASURES (CONTINUED)

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

	Three months ended 31 December 2024				
		Non-HKFRS adjustments			
	As reported HK$'000 (unaudited)	Restructuring costs HK$'000 (unaudited)	Rule 3.7 related expenses HK$'000 (unaudited)	Income tax effect HK$'000 (unaudited)	Adjusted HK$'000 (unaudited)
Profit for the period	**4,228**	**95,325**	**5,128**	**(22,747)**	**81,934**
Net profit margin	**0.1%**				**2.4%**
Profit attributable to owners of the Company	**4,387**	**95,325**	**5,128**	**(22,747)**	**82,093**
Basic earnings per share	**HK$0.01**				**HK$0.20**

	Three months ended 30 September 2024			
		Non-HKFRS adjustments		
	As reported HK$'000 (unaudited)	Restructuring costs HK$'000 (unaudited)	Income tax effect HK$'000 (unaudited)	Adjusted HK$'000 (unaudited)
Profit for the period	23,845	7,455	(1,776)	29,524
Net profit margin	0.7%			0.9%
Profit attributable to owners of the Company	25,908	7,455	(1,776)	31,587
Basic earnings per share	HK$0.06			HK$0.08

	Three months ended 31 December 2023			
		Non-HKFRS adjustments		
	As reported HK$'000 (unaudited)	Restructuring costs HK$'000 (unaudited)	Income tax effect HK$'000 (unaudited)	Adjusted HK$'000 (unaudited)
Profit for the period	75,679	1,110	(334)	76,455
Net profit margin	2.2%			2.2%
Profit attributable to owners of the Company	75,351	1,110	(334)	76,127
Basic earnings per share	HK$0.18			HK$0.18

RECONCILIATION OF HKFRS MEASURES TO THE NON-HKFRS MEASURES (CONTINUED)

	Year ended 31 December 2024				
		Non-HKFRS adjustments			
	As reported HK$'000 (audited)	Restructuring costs HK$'000 (unaudited)	Rule 3.7 related expenses HK$'000 (unaudited)	Income tax effect HK$'000 (unaudited)	Adjusted HK$'000 (unaudited)
Profit for the year	**342,224**	**103,313**	**5,128**	**(24,624)**	**426,041**
Net profit margin	**2.6%**				**3.2%**
Profit attributable to owners of the Company	**345,262**	**103,313**	**5,128**	**(24,624)**	**429,079**
Basic earnings per share	**HK$0.83**				**HK$1.04**

	Year ended 31 December 2023			
		Non-HKFRS adjustments		
	As reported HK$'000 (audited)	Restructuring costs HK$'000 (unaudited)	Income tax effect HK$'000 (unaudited)	Adjusted HK$'000 (unaudited)
Profit for the year	711,501	41,554	(8,119)	744,936
Net profit margin	4.8%			5.1%
Profit attributable to owners of the Company	715,353	41,554	(8,119)	748,788
Basic earnings per share	HK$1.73			HK$1.82

DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its principal subsidiaries are engaged in the design, manufacture and marketing of machines and tools used in the semiconductor and electronic assembly industries. Details of the Company's principal subsidiaries as at 31 December 2024 are set out in note 48 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The Directors recommend the payment of a final dividend of HK\$0.07 and a special dividend of HK\$0.25 (2023: final dividend of HK\$0.26 and special dividend of HK\$0.52) per share which, together with the interim dividend of HK\$0.35 (2023: interim dividend of HK\$0.61) per share paid during the year, amounts to a total dividend of HK\$0.67 (2023: HK\$1.39) per share for the year.

Details of the results and the financial position of the Group are set out in the consolidated financial statements on pages 62 to 163.

BUSINESS REVIEW

A review of the business of the Group during the year, an analysis of the Group's performance during the year using financial key performance indicators, a discussion on the Group's future business development, and a description of possible risks and uncertainties that the Group may face are provided in the Chairman's Statement and Management Discussion and Analysis on pages 5 to 9 and pages 10 to 23 of the annual report respectively. The financial risk management objectives and policies of the Group can be found in note 45 to the consolidated financial statements. In addition, discussions on the Group's environmental policies, relationships with its key stakeholders, and compliance with relevant laws and regulations which have a significant impact on the Group are also contained in the Management Discussion and Analysis on pages 10 to 23 of the annual report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 164 of the annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

During the year ended 31 December 2024, a total of 1,953,200 shares were issued at par under the Company's Employee Share Incentive Scheme (the "Scheme") to an independent professional trustee appointed by the Board under the Scheme (the "Trustee") and to certain employees. Details of the movements in the share capital of the Company during the year are set out in note 35 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Employee Share Incentive Scheme" in this annual report, no equity-linked agreements were entered into by the Group, or subsisted during the year ended 31 December 2024.

BANK BORROWINGS

Particulars of bank borrowings of the Group as at 31 December 2024 are set out in note 34 to the consolidated financial statements.

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

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

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2024, the Company's reserves available for distribution to shareholders amounted to HK$2,056,938,000 (2023: HK$2,020,159,000). In accordance with the Company's Articles of Association, dividends can only be distributed out of profits of the Company.

DIRECTORS

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

Independent Non-Executive Directors
Miss Orasa Livasiri, *Chairman*
Mr. John Lok Kam Chong
Mr. Wong Hon Yee
Mr. Eric Tang Koon Hung
Mr. Andrew Chong Yang Hsueh
Ms. Hera Siu Kitwan

Non-Executive Directors
Dr. Hichem M'Saad *(Note 1)*
Mr. Paulus Antonius Henricus Verhagen
Mr. Benjamin Loh Gek Lim *(Note 2)*

Executive Directors
Mr. Robin Gerard Ng Cher Tat, *Chief Executive Officer of the Group*
Mr. Guenter Walter Lauber, *Chief Strategy Officer and Chief Digitalisation Officer of the Group, and Chairman of the Group's SMT Solutions Segment*

In accordance with Article 113 of the Articles of Association, Miss Orasa Livasiri, Mr. Wong Hon Yee, Mr. Eric Tang Koon Hung and Mr. Paulus Antonius Henricus Verhagen are due to retire from the Board at the forthcoming annual general meeting to be held on 7 May 2025 (the "2025 AGM"). Further, Dr. Hichem M'Saad, who was appointed as a Director after the annual general meeting held on 8 May 2024 (the "2024 AGM"), is due to retire from the Board at the 2025 AGM in accordance with Article 117 of the Articles of Association. Dr. Hichem M'Saad and Mr. Paulus Antonius Henricus Verhagen, being eligible, will offer themselves for re-election as Directors at the 2025 AGM.

Notes:

1. Dr. Hichem M'Saad was appointed as a Director with effect from 13 May 2024.

2. Mr. Benjamin Loh Gek Lim resigned as a Director with effect from 8 May 2024.

DIRECTORS (CONTINUED)

The biographical details of the Directors as at the date of this report are set out below:

Miss Orasa Livasiri, Independent Non-Executive Director and Chairman of the Company, aged 69, was appointed to the Board as an Independent Non-Executive Director in 1994, and became acting Chairman of the Company on 9 May 2016. She was appointed as Chairman of the Company on 2 March 2017. She was a practising solicitor for more than 30 years and retired from the profession in 2012.

Mr. John Lok Kam Chong, Independent Non-Executive Director, aged 61, was appointed to the Board as an Independent Non-Executive Director on 9 March 2007. Mr. Lok is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has 20 years of experience in financial management and corporate controllership. Mr. Lok started his career as an auditor in an international accounting firm and then moved to work for some major financial information companies, including Moneyline Telerate (Hong Kong) Ltd. and Dow Jones Telerate. He is currently a director of FHL & Partners CPA Limited. Mr. Lok holds Dual Degrees in Master of Business Administration and Master of Science in Information Technology from The Hong Kong University of Science and Technology.

Mr. Wong Hon Yee, Independent Non-Executive Director, aged 77, was appointed to the Board as an Independent Non-Executive Director on 27 December 2012. Mr. Wong is a chartered engineer and a fellow of the Hong Kong Institution of Engineers. He was the associate vice president (knowledge transfer) at the City University of Hong Kong prior to his retirement in 2014. Prior to joining City University of Hong Kong, he has been involved in high-tech product design and engineering management in industry for 25 years, over 20 of which were spent at Ampex Ferrotec Ltd., a subsidiary of Ampex Corporation in the USA. He received his Bachelor of Science in Electrical Engineering from the University of Hong Kong in 1969 and Master of Science in Electrical Engineering and Computer Science (EECS) from the University of California, Berkeley in 1971.

Mr. Eric Tang Koon Hung, Independent Non-Executive Director, aged 79, was appointed as an Independent Non-Executive Director of the Company on 26 April 2013. He was formerly an Independent Non-Executive Director of the Company for the period from 6 September 2004 to 31 January 2007, and an Executive Director and the Chief Financial Officer of the Company for the period from 1 February 2007 to 1 February 2010. Mr. Tang was an independent non-executive director of EGL Holdings Company Limited (a company listed on the Main Board of the Hong Kong Stock Exchange, stock code: 06882) from 13 November 2014 to 31 May 2024. Mr. Tang qualified as a chartered accountant in Canada and is 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. Mr. Tang graduated from the University of Toronto, Canada. He holds a bachelor's degree in industrial engineering and a master's degree in business administration.

Mr. Andrew Chong Yang Hsueh, Independent Non-Executive Director, aged 59, was appointed an Independent Non-Executive Director of the Company on 21 July 2022. He is the chairman of the board of Governors of the Institute of Technical Education and serves on the board of Mapletree Industrial Trust Management Ltd., the manager for Mapletree Industrial Trust, a real estate investment trust listed on the main board of Singapore Exchange. Additionally, he is the independent chairman of the investment committees of Mapletree Europe Income Trust and Mapletree US Income Commercial Trust. He serves on the boards of NTUC Health Co-operative Limited and Employment and Employability Institute Pte. Ltd.. He has held board and advisory roles in several technology start-up companies.

He stepped down as regional president and managing director of Infineon Technologies Asia Pacific Pte. Ltd. in 2017 after 30 years in the semiconductor industry. He has served on several Singapore government committees, including, the SkillsFuture Council, the Council for Skills, Innovation and Productivity and the Future Economy Council. Mr. Chong received his Bachelor of Electrical and Electronics Engineering in 1987 and Master of Business Administration in 1993 from the University of Adelaide in South Australia.

DIRECTORS (CONTINUED)

Ms. Hera Siu Kitwan, Independent Non-Executive Director, aged 65, was appointed an Independent Non-Executive Director of the Company on 1 August 2022. She is currently a non-executive director of The Goodyear Tire & Rubber Company (a company listed on Nasdaq Global Select Market) and an independent director of Vallourec SA (a company listed on Listed on Euronext in Paris). She was a supervisory board member of TeamViewer AG (a company listed in the Prime Standard of the Frankfurt Stock Exchange) from 10 December 2021 to 31 January 2025. Ms. Siu served as an independent non-executive director of Qingdao AInnovation Technology Group Co., Ltd ("AInnovation") before it was listed on the Hong Kong Stock Exchange. She resigned from AInnovation's board in November 2021.

Ms. Siu was previously the chief executive officer, Greater China, for Cisco Systems, Inc., a leading global technology company, from July 2017 until her retirement on 28 September 2020. Prior to that, she served as chief operating officer, Greater China, of Cisco from November 2016 until June 2017. From February 2014 to June 2016, she served as senior vice president and managing director, Greater China, for Pearson, LLC, a global education company that leverages technology to enhance teaching and learning. Ms. Siu was employed by SAP, a global software and data processing firm, as senior vice president and then president, of China and Hong Kong from April 2010 to June 2013, and as senior vice president, e-Commerce, Asia Pacific region, from July 2013 to January 2014. Ms. Siu holds an MBA in marketing and a Bachelor of Science in Finance from the University of Nevada, Reno.

Dr. Hichem M'Saad, Non-Executive Director, aged 59, was appointed as the chief executive officer and the chairman of the management board of ASM International N.V. ("ASM") on 13 May 2024 and was thus appointed to the Board as a Non-Executive Director on the same date. He has been a member of the management board and chief technology officer of ASM since 16 May 2022. Dr. M'Saad joined ASM in 2015 as the senior vice president and general manager of the Thermal Products business unit. From 2019, he held the role of executive vice president and general manager of Global Products, including responsibility for developing ASM's ALD, Epi, VF, and PECVD products. In addition, he has been instrumental in several of ASM's successful new innovative products, including the Intrepid ES, Synergis, Previum, and A400 DUO.

Before joining ASM, he had a 15-year tenure with Applied Materials, including positions as corporate vice president and general manager of the Dielectric Systems and Modules and the Chemical Mechanical Polishing divisions. He also served as the chief executive officer of a start-up in the solar photovoltaic industry for six years.

Dr. M'Saad received a bachelor's degree in metallurgical engineering from the Colorado School of Mines, a master's degree in materials science and engineering from Cornell University, and a PhD in materials science and engineering from the Massachusetts Institute of Technology.

Mr. Paulus Antonius Henricus Verhagen (also known as "Mr. Paul Verhagen"), Non-Executive Director, aged 59, was appointed as a Non-Executive Director of the Company on 18 May 2021. He is a member of the management board of ASM and its chief financial officer with effect from 1 June 2021. He has a proven track record and background in Dutch listed companies and the electronics industry. He had an extensive career within Royal Philips starting in the early nineties and fulfilled numerous executive positions in the Netherlands, the USA, Hong Kong and China until 2013. His last two assignments at Royal Philips from 2007 until 2013 were as executive vice president and chief financial officer of Philips Consumer Lifestyle, and executive vice president and chief financial officer of Philips Lighting. Since 2014, he has been the chief financial officer and a member of the management board of the Dutch stock market listed company Fugro N.V. until he stepped down at the end of the annual general meeting of Fugro N.V. on 22 April 2021. Mr. Verhagen is a supervisory board member of Delft University of Technology and football club PSV Eindhoven the Netherlands. He is a Dutch national and holds a master in business administration and a post graduate degree as chartered controller.

DIRECTORS (CONTINUED)

Mr. Robin Gerard Ng Cher Tat, Executive Director, aged 61, was appointed the Chief Executive Officer of the Group on 12 May 2020. He has been on the Board as an Executive Director since 28 April 2011. He was the Chief Financial Officer of the Group from 1 February 2010 until his appointment as the Chief Executive Officer of the Group. Mr. Ng holds a Bachelor of Accountancy from the National University of Singapore and a Master of Laws (Commercial Law) from the University of Derby, United Kingdom. Mr. Ng has more than 30 years of experience in finance, audit and accounting. He is a Fellow Chartered Accountant with the Institute of Singapore Chartered Accountants.

Mr. Guenter Walter Lauber, Executive Director, aged 63, was appointed as an Executive Director of the Company on 12 May 2020. He is also an Executive Vice President, Chief Strategy Officer and Chief Digitalisation Officer of the Group and Chairman of the Group's SMT Solutions Segment. Mr. Lauber has over 20 years of working experience in the SMT equipment industry. In 2007, Mr. Lauber took charge of the SMT business that was subsequently acquired by the Group in 2011. He joined the Group following the acquisition. He has a degree in electrical engineering (Dipl-Ing. FH) from the Fachhochschule Augsburg (Augsburg University of Applied Sciences), Germany.

SENIOR MANAGEMENT

As at the date of this report, the Group's senior management team includes, other than the Executive Directors, the following persons. Their biographical details are as follows:

Mr. Lim Choon Khoon, aged 65, is a Senior Vice President and Chief Executive Officer of the Semiconductor Solutions Advanced Packaging (AP). Mr. Lim's career spans key engineering, manufacturing, and regional functional and global general management roles with several global semiconductor companies. After leaving the Group for a short spell, Mr. Lim re-joined the Group in July 2006. As Chief Executive Officer of the Segment's AP Business Group, he helps provide the industry's leading first-level interconnect technologies and end-to-end solutions for AP that are well-positioned to serve and to scale with the most demanding AP needs. Mr. Lim holds a Bachelor of Science (Honours) in Production Engineering and Production Management from the University of Nottingham, United Kingdom.

Mr. Joseph Poh Tson Cheong, aged 57, is a Senior Vice President and Chief Executive Officer of the Semiconductor Solutions Mainstream. Joining the Group in 1991, Mr. Poh rapidly progressed through the ranks in various positions across its many operations providing packaging and assembly solutions including Integrated Circuit and Discrete, CMOS Image Sensor, SMT Solutions and Optoelectronics, gaining a broad exposure to the semiconductor and electronics supply chain and building strong customer relationships. Mr. Poh graduated from The University of Sydney, Australia in 1989 with a Degree in Mechanical Engineering, and received a Master of Engineering Business Management degree from the University of Warwick, United Kingdom in 1999.

Mr. Kong Choon, Jupiter, aged 56, is a Vice President, Group General Counsel and Company Secretary of the Company. He oversees the Group's legal, company secretarial, intellectual property and compliance functions, and is also the company secretary of the Company's subsidiaries in Singapore and certain other countries. Prior to joining the Group in 2001, Mr. Kong was in legal practice at a leading Singapore law firm. Mr. Kong graduated from the University of London with a bachelor of laws degree and qualified as a Barrister-at-Law (Middle Temple) of England and Wales. He is an Advocate and Solicitor of the Supreme Court of Singapore, an associate member of the Singapore Association of the Institute of Chartered Secretaries and Administrators, as well as a registered Singapore Patent Agent.

Ms. Katie Xu Yifan, aged 51, is an Executive Vice President and Chief Financial Officer of the Group. She joined the Group in 2022. Ms. Xu has more than 25 years of experience as a finance professional, with roles in both Finance and Investor Relations across technology, industrial and human capital services industries. She holds both a Bachelor of Economics, International Business Administration from the University of International Business and Economics, China, and a Master of Business Administration, Finance degree from the Thunderbird School of Global Management, United States of America.

SENIOR MANAGEMENT (CONTINUED)

Ms. Pua Gim Wee, aged 57, is a Senior Vice President and Chief People Officer of the Group. She joined the Group in 2021. Leading the Group's global human resources strategy, Ms. Pua has nearly 30 years of human resource experience in varied roles at country, regional and global levels spanning fast moving consumer goods, financial, food & beverage, information technology and automation. Ms. Pua holds both a Bachelor of Science degree from the National University of Singapore majoring in Mathematics and Economics, and a Master of Business Administration degree from the University of Adelaide, Australia.

Mr. Josef Heinrich Ernst, aged 55, is a Senior Vice President and Chief Executive Officer of the Group's SMT Solutions Segment. Beginning his career in quality management-technical analysis and production, Mr. Ernst has extensive experience across the business of the SMT Solutions Segment (which was acquired by the Group in 2011) in various global management roles in research & development, sales & marketing and therefore has deep industry knowledge of the Segment's business. He played a crucial role in setting up the Segment's factory in Singapore. Mr. Ernst has a degree in Electrical Engineering/Communication Technology (Dipl-Ing.) from the Technischen Hochschule Regensburg (Technical University Regensburg), Germany.

EMPLOYEE SHARE INCENTIVE SCHEME

The Company has adopted the Scheme for the benefit of the Group's employees and members of management. The specific objectives of the Scheme are (i) to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

The Scheme was approved by the shareholders of the Company at the Company's annual general meeting held on 7 May 2019 (the "2019 AGM"), and adopted by the Company on 24 March 2020 (the "Adoption Date"). Under the Scheme, the shares of the Company may be allocated or awarded to employees or directors of the Group as selected by the Board. The Scheme will be valid and effective for a period of ten years commencing from the Adoption Date. As at the date of this report, the remaining life of the Scheme is approximately five (5) years.

Pursuant to the Scheme, the Board may from time to time cause the Trustee to be paid certain amounts for (i) subscription of new shares of the Company for selected employees who are not connected persons of the Company and/or (ii) purchase of existing shares of the Company at the prevailing market price for selected employees who are connected persons of the Company, and the Trustee will hold the shares on trust for award to the selected employees under the Scheme upon vesting. The Trustee shall not exercise the voting rights in respect of any shares held under the trust of the Scheme.

The Board shall have absolute discretion to determine any vesting conditions as it sees fit, and to specify the date on which the shares shall vest in selected employees. On the vesting date, if the vesting conditions are fulfilled, the Trustee shall vest the relevant shares in the selected employees. Any shares not vested on the vesting date shall become returned shares for the purposes of the Scheme.

The Company may issue and allot new shares from time to time to selected employees who are not connected persons of the Company during the term of the Scheme, up to a total of 40,667,133 shares (being 10% of the number of shares in issue as at the date of approval of the scheme mandate at the 2019 AGM), provided that no more than 2% of the number of shares in issue at the commencement of a calendar year may be subscribed for pursuant to the Scheme in each calendar year. As at the date of this report, the total number of shares available for issue under the Scheme is 28,055,233 shares, representing 6.74% of the number of shares in issue. The maximum number of shares which may be awarded to a selected employee under the Scheme shall in no circumstances exceed more than 10% of the aggregate number of shares subscribed for or purchased thereunder for the benefit of all selected employees. No purchase price is payable for the shares awarded pursuant to the Scheme.

EMPLOYEE SHARE INCENTIVE SCHEME (CONTINUED)

During the year ended 31 December 2024, (i) 1,953,200 new shares were issued for the selected employees who were not connected persons of the Company, and (ii) 338,600 existing shares of the Company were purchased at the prevailing market price for the selected employees who were connected persons of the Company, including the two Executive Directors of the Company as at 31 December 2024, namely, Mr. Robin Gerard Ng Cher Tat and Mr. Guenter Walter Lauber. As at 31 December 2024, there were 19,200 shares held under in trust under the Scheme (excluding shares vested but not yet transferred to awardees).

In connection with the year ending 31 December 2025, the total number of shares in issue on 1 January 2025 was 416,458,633 shares, the maximum aggregate number of shares that may be subscribed for by the Trustee pursuant to the Scheme for the aforesaid year (being 2% of the total number of shares in issue at the commencement of the financial year) is therefore 8,329,172 shares. Assuming that the said 8,329,172 shares are subscribed in full and granted to selected employees on the date of this report, there will be a dilution effect on the shareholdings of the shareholders of 2%.

Assuming that the expected dividends during the year ending 31 December 2025 are the same as the dividends paid during the year ended 31 December 2024, employee costs estimated to be up to HK$634,099,865 (being the fair value of the shares issued, i.e. the closing price of the shares on the date of grant (assuming the closing price to be as at the date of this report) less expected dividends during the vesting periods multiplied by the maximum number of shares that may be issued) will be incurred for the year ending 31 December 2025.

Details of the shares awarded in 2024

					Number of shares					
	Unvested as at 1 January 2024	Date of Award	Closing price immediately before the date of award	Fair value of awards on the date of award	Awarded during the year	Lapsed during the year	Cancelled during the year	Vested during the year	Unvested as at 31 December 2024	Vesting period
Executive Directors										
Robin Gerard Ng Cher Tat	—	27 March 2024	HK$98.475 (26 March 2024)	HK$10,586,050	109,700	—	—	109,700	—	27 March 2024 to 16 December 2024
		19 December 2024	HK$77.000 (18 December 2024)	HK$4,368,960	59,200	—	—	—	59,200	19 December 2024 to 30 April 2027
Guenter Walter Lauber	—	27 March 2024	HK$98.475 (26 March 2024)	HK$6,494,450	67,300	—	—	67,300	—	27 March 2024 to 16 December 2024
		19 December 2024	HK$77.000 (18 December 2024)	HK$2,597,760	35,200	—	—	—	35,200	19 December 2024 to 30 April 2027
Other Selected Employees	—	27 March 2024	HK$98.475 (26 March 2024)	HK$211,035,850	2,186,900	87,700	—	2,099,200	—	27 March 2024 to 16 December 2024
		19 December 2024	HK$77.000 (18 December 2024)	HK$5,527,620	74,900	—	—	—	74,900	19 December 2024 to 30 April 2027

EMPLOYEE SHARE INCENTIVE SCHEME (CONTINUED)

Details of the shares awarded in 2024 (Continued)

Notes:

1. No purchase price is payable for the shares awarded under the Scheme.

2. The weighted average closing price of the shares on 13 December 2024 (immediately before the vesting date of 16 December 2024 on which all the awarded shares were vested) was HK$78.750.

3. The number of shares available for grant under the Scheme mandate at the beginning and the end of the year ended 31 December 2024 were 30,828,033 shares and 28,055,233 shares respectively.

4. During the year ended 31 December 2024, 2,533,200 shares were awarded pursuant to the Scheme, representing approximately 0.61% of the Company's weighted average number of shares in issue during the year.

5. During the year, the shares to be awarded to each employee, including Executive Directors and the senior management, are determined by having regard to factors such as his/her position, experience, years of service and contributions and performance in the Group during the preceding year. The Remuneration Committee believes that the awarded shares align the interests of the employees with those of the Group through the ownership of shares, dividends and other distributions paid on the shares and/or the increase in value of the shares, and to encourage and retain the employees to make contributions to the long-term growth and profits of the Group. To promote retention, the vesting conditions and the terms of the Scheme have further provided for lapsing of the awarded shares if the employees cease to be employees prior to the vesting date.

6. For details of the accounting standards and policy adopted regarding the fair value of awards, please refer to note 36 to the consolidated financial statements.

Further details of the Scheme are set out in note 36 to the consolidated financial statements.

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 (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as at 31 December 2024 as recorded in the register that is kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long positions

Shares of HK$0.10 each of the Company:

Name of director	Capacity	Number of shares held/ interested in	Percentage of shareholding in the Company *(Note)*
Robin Gerard Ng Cher Tat	Beneficial owner	560,100	0.13%
Guenter Walter Lauber	Beneficial owner	182,500	0.04%

Note: The percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 31 December 2024, being 416,458,633 shares.

Save as disclosed above, as at 31 December 2024, none of the Directors, chief executives of the Company nor their associates had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 December 2024, the following persons (other than the interests disclosed above in respect of Directors or chief executives of the Company) had interests or short positions in the share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Capacity	Number of shares held	Percentage of shareholding in the Company (Note 7)
ASM International N.V.	Interest of a controlled corporation	103,003,000 (L) (Note 2)	24.73% (L)
ASM Pacific Holding B.V.	Beneficial owner	103,003,000 (L) (Note 2)	24.73% (L)
FIL Limited	Interest of controlled corporations	41,208,068 (L) (Note 3)	9.89% (L)
Pandanus Associates Inc.	Interest of a controlled corporation	41,208,068 (L) (Note 3)	9.89% (L)
Pandanus Partners L.P.	Interest of a controlled corporation	41,208,068 (L) (Note 3)	9.89% (L)
The Capital Group Companies, Inc.	Interest of a controlled corporation	30,179,200 (L)	7.24% (L)
Fidelity Funds	Beneficial owner	29,634,300 (L)	7.11% (L)
Brown Brothers Harriman & Co.	Agent	28,300,058 (L) (Note 4)	6.79% (L)
		28,300,058 (P)	6.79% (P)
Citigroup Inc.	Approved lending agent (Note 5)	25,072,873 (L)	6.02% (L)
		8,624,150 (S)	2.07% (S)
		16,450,897 (P)	3.95% (P)
JPMorgan Chase & Co.	Interest of a controlled corporation (Note 6)	20,838,119 (L)	5.00% (L)
		1,039,619 (S)	0.24% (S)
		18,273,737 (P)	4.38% (P)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (CONTINUED)

Notes:

1. (L) — Long Position, (S) — Short Position, (P) — Lending Pool

2. ASM International N.V. was deemed to be interested in 103,003,000 shares, through the shares held by its wholly owned subsidiary, ASM Pacific Holding B.V.. Thus, their respective shareholdings represented the same block of shares.

3. Pandanus Associates Inc. is a general partner of Pandanus Partners L.P., which in turn holds as to 37.01% shareholding interest in FIL Limited. FIL Limited was deemed to be interested in these 41,208,068 shares of the Company through a series of subsidiaries. Accordingly, Pandanus Associates Inc., Pandanus Partners L.P. and FIL Limited were deemed to be interested in these shares pursuant to the SFO.

4. Based on the Disclosure of the Interest of Corporate Substantial Shareholder Notice filed by Brown Brothers Harriman & Co. on 1 October 2024, Brown Brothers Harriman & Co. was deemed to be interested in 28,300,058 shares (L) and 28,300,058 shares (P).

5. Based on the Disclosure of the Interest of Corporate Substantial Shareholder Notice filed by Citigroup Inc. on 20 December 2024, the interests held by Citigroup Inc. were held in the following capacities:

Capacity	Number of shares
Interest of a controlled corporation	8,621,976 (L) 8,624,150 (S)
Approved lending agent	16,450,897 (L)

The long position includes derivative interests in 11,226 underlying shares from listed and physically settled derivatives and 584,550 underlying shares from unlisted cash settled derivatives. The short position includes derivative interests in 33,800 underlying shares from unlisted and cash settled derivatives.

6. Based on the Disclosure of the Interest of Corporate Substantial Shareholder Notice filed by JPMorgan Chase & Co. on 31 December 2024, the interests held by JPMorgan Chase & Co. were held in the following capacities:

Capacity	Number of shares
Beneficial owner	1,930,093 (L) 1,039,619 (S)
Investment manager	408,611 (L)
Person having a security interest in shares	224,412 (L)
Trustee	1,266 (L)
Approved lending agent	18,273,737 (L)

The long position includes derivative interests in 55,120 underlying shares derived from unlisted and physically settled derivatives and 784,800 underlying shares derived from unlisted cash settled derivatives. The short position includes derivative interests in 185,657 underlying shares derived from unlisted and physically settled derivatives and 823,105 underlying shares derived from unlisted cash settled derivatives.

7. The percentages of shareholding in this table were computed based on the number of issued shares of the Company as at 31 December 2024, being 416,458,633 shares.

Save as disclosed above, as at 31 December 2024, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no other person who had any interest or short position in the shares or underlying shares of the Company.

CONNECTED TRANSACTIONS AND DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No connected transaction (defined under Chapter 14A of the Listing Rules) has been entered into by the Group during the year. None of the related party transactions as disclosed in note 47 to the consolidated financial statements constituted a discloseable connected transaction as defined under Chapter 14A of the Listing Rules.

Save as disclosed above, no transactions, arrangements or 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 or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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).

EMOLUMENT POLICY

The emolument policy of the employees of the Group is established by the management with reference to the employees' 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 has an Employee Share Incentive Scheme as an incentive to Directors and eligible employees, details of which are set out in note 36 to the consolidated financial statements.

PERMITTED INDEMNITY

Pursuant to the Company's Articles of Association, every director shall be indemnified out of the funds of the Company against all liability incurred by him/her as such director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

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

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

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK$894,000.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-Executive Directors ("INEDs") an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs to be independent.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as at the date of this report.

AUDITOR

A resolution will be submitted to the 2025 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board
Robin Gerard Ng Cher Tat
Director

25 February 2025

CORPORATE GOVERNANCE REPORT

The Group strives to attain and maintain high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. In addition, the Group is also committed to continuously improving its corporate governance practices.

ASMPT CULTURE

The Company is committed to developing a positive and progressive culture that is built on its Vision, Mission and Values, which serve as a guiding principle for its operations and decision-making processes. They provide a supportive environment for employees across the Group to excel and reach their full potential, and the Company to achieve sustained success and fulfil its duties as a responsible corporate citizen. The initiatives taken by the Company in 2024 to reinforce and enhance its positive corporate culture are set out in the Management Discussion and Analysis and the Corporate Governance sections of this Annual Report and the 2024 ESG Report. More information about the Company's Vision, Mission and Values is available on the Company's website (https://www.asmpt.com). All directors act with integrity, lead by example, and promote the Company's culture.

CORPORATE GOVERNANCE PRACTICES

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

The manner in which the principles and code provisions in the CG Code are applied and implemented are explained as follows:

THE BOARD

Board Composition

As at 31 December 2024, the Company has ten Directors, two of whom are female. The majority of Board members are Non-Executive Directors ("NEDs"). They bring to the Board a wide range of professional experience in the business, financial, legal, technical and industrial fields, which contribute to the effective direction of the Group. Members of the Board comprised nationals from Singapore, Hong Kong, Thailand, Germany, the Netherlands, Australia, USA and Tunisia. The Board considers its current composition to have achieved good diversity in terms of gender, cultural, educational background and professional experience.

THE BOARD (CONTINUED)

Board Composition (continued)

The Board composition of the Company as at 31 December 2024 is set out below:

Director / Board Committee	Audit Committee	Nomination Committee	Remuneration Committee
Independent Non-Executive Directors			
Orasa Livasiri *(Chairman of the Board)*	M	C	M
John Lok Kam Chong	C	M	M
Wong Hon Yee	—	M	C
Eric Tang Koon Hung	M	M	M
Andrew Chong Yang Hsueh	—	M	—
Hera Siu Kitwan	M	—	—
Non-Executive Directors			
Hichem M'Saad	—	M	M
Paulus Antonius Henricus Verhagen	M	—	—
Executive Directors			
Robin Gerard Ng Cher Tat *(Chief Executive Officer)*	—	—	—
Guenter Walter Lauber *(Chief Strategy Officer and Chief Digitalisation Officer of the Group, and Chairman of the Group's SMT Solutions Segment)*	—	—	—

Notes:

C — Chairman of the relevant Board committees
M — Member of the relevant Board committees

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

During the year ended 31 December 2024, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three INEDs with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise. Currently, there are two INEDs on the Board meeting the said requirements who are also members of the Board's Audit Committee. The Company has complied with and in fact exceeded the Listing Rules requirement of the INEDs representing at least one-third of the Board.

THE BOARD (CONTINUED)

Board Composition (continued)

The Company has received written annual confirmation from each INED of his or her independence pursuant to the requirements of the Listing Rules. The Company considers all INEDs to be independent in accordance with the independence guidelines set out in the Listing Rules, including Miss Orasa Livasiri, Mr. John Lok Kam Chong, Mr. Wong Hon Yee and Mr. Eric Tang Koon Hung (the "Long-serving Directors") who have served as INEDs for more than nine years as of the date of this report. Their respective lengths of tenure up to the date of this report are set out below:

	Date of Appointment as an INED	Length of Tenure
Orasa Livasiri *(Chairman)*	20 April 1994	30 years
John Lok Kam Chong	9 March 2007	17 years
Wong Hon Yee	27 December 2012	12 years
Eric Tang Koon Hung	26 April 2013	11 years

All of the Long-serving Directors have not engaged in executive management of the Group. With their extensive experience and professional knowledge in their respective legal, technical, financial management and corporate controllership fields, they have expressed objective views and given independent guidance to the Company over the years, and continue to demonstrate a firm commitment to their roles. In view of above, the Directors consider that the long services of the Long-serving Directors would not affect their exercise of independent judgment and they remain independent. The Board is satisfied that all of them have the required character, integrity and experience to continue fulfilling the role of INEDs.

Board Independence Policy

The Board recognises the importance of board independence. As at the date of this report, 60% of the Board is comprised of INEDs, representing a strong independent element on the Board so that independent views carry weight for promoting independent judgment.

The Board adopted a Policy on Independence of Directors as mechanisms to ensure that independent views and input are available to the Board.

According to the policy, a Director will not be considered independent if such Director or the Director's immediate family member:

(1) holds more than 1% of the number of issued shares of the Company;

(2) has received an interest in any securities of the Company as a gift, or by means of other financial assistance, from a core connected person or the Company itself;

(3) is or was a director, partner or principal of a professional adviser which currently provides or has within two years immediately prior to the assessment of the Director's independence by the Nomination Committee (the "Independence Assessment") provided services, or is or was an employee of such professional adviser who is or has been involved in providing such services during the same period to:

  (a) the Company or any of its subsidiaries or core connected persons;

  (b) any person who was the chief executive or a director (other than an INED) of the Company within two years prior to the Independence Assessment, or any of their close associates;

(4) currently, or within one year immediately prior to the Independence Assessment, has or had a material interest in any principal business activity of or is or was involved in any material business dealings with the Company or its subsidiaries or with any core connected persons of the Company;

THE BOARD (CONTINUED)

Board Independence Policy (continued)

(5) is on the board specifically to protect the interests of an entity whose interests are not the same as those of the shareholders as a whole;

(6) is or was connected with a director, the chief executive or a substantial shareholder of the Company within two years immediately prior to the date of the Director's proposed appointment;

(7) is, or has at any time during the two years immediately prior to the Independence Assessment been, an executive or director (other than an INED) of the Company or of any of its subsidiaries or of any core connected persons of the Company; or

(8) is financially dependent on the Company or any of its subsidiaries or core connected persons of the Company.

The Board will review the Policy on Independence of Directors on an annual basis to ensure its continued effectiveness.

The Chairman also holds separate meetings with INEDs without the presence of other Directors at least annually. Independent professional advice is sought when necessary or when requested by Directors.

During the year, the Nomination Committee reviewed the board composition and was satisfied with the independence of the Board.

Board Diversity Policy

The Board adopted a Board Diversity Policy including the following Board Diversity Statement:

"At ASMPT, we recognise that there is strength in diversity. We acknowledge and respect this diversity across our employees around the world in terms of heritage and culture, gender, sexual orientation, physical ability, neurodiversity, marital status, and age. We recognise that a diverse and inclusive workforce makes for a stronger organisation and it has been an essential factor contributing to ASMPT's success.

ASMPT is committed to maintaining the highest standards of corporate governance, and firmly believes in a fair and tolerant working environment. Diversity and equality of opportunity are encouraged throughout our global workforce, including in the composition of ASMPT's Board.

ASMPT ensures that its Board has the appropriate balance of skills, experience, and diversity of perspectives required to be effective and to support the execution of its business strategy.

Board appointments will continue to be made based on merit and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments will best enable ASMPT to serve its shareholders and other stakeholders.

Within the Board, the Nomination Committee has primary responsibility for identifying suitably qualified candidates to become Board members. In carrying out this responsibility, the Nomination Committee will consider the content and spirit of this Board Diversity Statement. The Board will also review this Statement on a regular basis to ensure its continued relevance and effectiveness, factoring both evolving societal perspectives on diversity and the needs of the Company as well."

The Board will review the Board Diversity Policy and the Board Diversity Statement on an annual basis to ensure its continued effectiveness.

THE BOARD (CONTINUED)

Gender Diversity

At the end of 2024, the female representation of the Board was 20%. The Board targets to achieve at least 25% female representation on the Board by 2025. In considering the Board's succession, independent professional search firm(s) would be engaged to help identify potential candidates for NEDs, as and when appropriate. The Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified. Further details on the gender ratio of the Group and initiatives taken to improve gender diversity across senior management and the wider workforce, together with relevant data, can be found in the 2024 ESG Report of the Company.

Corporate Governance Functions

The Board is responsible for performing its corporate governance duties in accordance with its written terms of reference as set out below. It may delegate the responsibilities to one or more committees, which shall comply with the following terms of reference with regard to such duties.

- To provide independent, effective leadership to supervise the management of the Company's business and affairs to grow value responsibly, in a profitable and sustainable manner, and in the best interests of its shareholders.
- To develop and review the Company's policies and practices on corporate governance.
- To review and monitor the training and continuous professional development of Directors and senior management.
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements.
- To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors.
- To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.
- To appoint any other committees that the Board decides are needed and delegate to those committees any appropriate powers of the Board.
- To retain, oversee, compensate and determine the engagements of independent advisors to assist the Board in its activities.

During the year ended 31 December 2024, the Board has (i) reviewed the Company's policies and practices regularly to ensure compliance with legal and regulatory requirements; (ii) reviewed and monitored the training and continuous professional development of Directors; and (iii) reviewed compliance with the CG Code.

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. During the year ended 31 December 2024, the position of Chairman was held by Miss Orasa Livasiri, while the position of Chief Executive Officer was held by Mr. Robin Gerard Ng Cher Tat. Their respective responsibilities are clearly defined and set out in writing.

The Chairman provides leadership and is responsible for ensuring that the Board is functioning properly, with good corporate governance practices and procedures. 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 Group's senior management, is responsible for managing the Group's business, including the implementation of objectives, policies and major strategies and initiatives adopted by the Board.

THE BOARD (CONTINUED)

Appointment and Re-election of Directors

In accordance with the Company's Articles of Association, each Director elected by the Company at general meetings shall retire at the third annual general meeting following his election. The Director retiring shall be eligible for re-election at, and shall retain office until the close of, the general meeting at which he retires. Any person appointed as a Director by the Board either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election at such meeting.

As the 2025 AGM is the third annual general meeting following the last elections of Miss Orasa Livasiri, Mr. Wong Hon Yee, Mr. Eric Tang Koon Hung and Mr. Paulus Antonius Henricus Verhagen, they are due to retire from the Board in accordance with the Company's Articles of Association. Dr. Hichem M'Saad, who was appointed as a Director of the Company after the 2024 AGM, is also due to retire from the Board. Each of Miss Orasa Livasiri, Mr. Wong Hon Yee and Mr. Eric Tang Koon Hung has informed the Board of his/her intention not to seek re-election as a Director at the 2025 AGM. Dr. Hichem M'Saad and Mr. Paulus Antonius Henricus Verhagen, being eligible, will offer themselves for re-election as Directors of the Company at the 2025 AGM.

Nomination Committee

The composition of the Nomination Committee is set out on page 37.

The role of the Nomination Committee is to assist the Board of Directors in: (i) identifying individuals qualified to become Board members and recommending that the Board select a group of director nominees for the next annual general meeting; and (ii) ensuring that the Audit Committee, Nomination Committee and Remuneration Committee of the Board shall have the benefit of qualified and experienced INEDs.

The major duties of the Nomination Committee include the following:

- To review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

- To identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

- To assess the independence of INEDs.

- To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular, the Chairman and the Chief Executive Officer, taking into account the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future, including making recommendations on the composition of the Board generally and the balance between Executive and Non-Executive Directors appointed to the Board.

- To recommend Directors who are retiring to be put forward for re-election.

- To decide whether or not a director is able to and has been adequately carrying out his/her duties as a director of the Company, particularly when he/she has multiple board representations.

THE BOARD (CONTINUED)

Nomination Committee (continued)

The Nomination Committee held one meeting during the year ended 31 December 2024 and the attendance record is set out under "Directors' attendance records" on page 45. The following is a summary of the tasks completed by the Nomination Committee during 2024:

- reviewed the structure, size and composition of the Board and its committees;
- recommended a potential candidate for directorship to the Board;
- recommended the retiring Directors for re-election at the annual general meeting;
- reviewed and assessed the independence of the INEDs;
- reviewed Nomination Policy; and
- reviewed succession planning for Directors, in particular, for the Chairman and the Chief Executive Officer.

Nomination Policy

The Company has formally adopted a Nomination Policy which sets out the criteria and procedures for the Nomination Committee to identify, evaluate and recommend suitable candidates for directorship with a view to ensuring that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

Selection Criteria

The Nomination Committee will propose a candidate for nomination or a Director for re-election based on merit, including but not limited to the following considerations:

- The candidate's skills, knowledge and experience which are relevant to the operations of the Company and its subsidiaries.
- The Company's Board Diversity Policy, the balance of skills and experience in the composition of the Board and the requirements under the Listing Rules.
- A gender diversity target of at least 25% female representation on the Board by FY 2025.
- A person will not be eligible for nomination by the Board to stand for election by shareholders as an INED if such person has served as a director of the Company for an aggregate period of more than nine years, except over the below six-year transition period, the following requirements have been complied with:

Timing	Requirement to be complied with
Phase one — compliance by the first AGM held on or after 1 July 2028	Majority of INEDs on the Board must not be Long Serving INEDs
Phase two — compliance by the first AGM held on or after 1 July 2031	The Company must not have any Long Serving INED on their board

- A Director shall not hold directorships in a total of seven or more listed companies.
- The ability of the candidate or the re-elected Director to commit and devote sufficient time and attention to the Company's affairs.
- The candidate's character, experience and integrity, and ability to demonstrate a standard of competence commensurate with the position of a director of the Company.

THE BOARD (CONTINUED)

Nomination Policy (continued)

Nomination Process and Procedures

For appointment of a new Director, the nomination process and procedures are:

- The Nomination Committee, with or without assistance from the Company's Human Resources Department and external agencies, identifies candidates in accordance with the selection criteria set out in the Nomination Policy.
- The Nomination Committee evaluates candidates and recommends to the Board the appointment of appropriate candidates for directorship.
- The Board decides on the appointment based upon the recommendation of the Nomination Committee.
- The letter of appointment, or the key terms and conditions of the appointment, should be approved by the Remuneration Committee.
- The Company Secretary or a delegate designated by the Company Secretary shall ensure that all disclosure obligations under the Listing Rules regarding the said appointment or re-election are duly complied with.

For re-election of a Director, the nomination process and procedures are:

- The Nomination Committee reviews the overall contribution of the retiring Director to the Company.
- The Nomination Committee also reviews and determines whether the retiring Director continues to meet the selection criteria set out in the Nomination Policy.
- The Nomination Committee shall make its recommendation to the Board, which shall in turn decide whether to recommend the proposed re-election of the Director to the Company's shareholders at a general meeting.

For the nomination of a new Director by shareholders, please refer to the procedures for shareholders to propose a person for election as a Director on the Company's website (www.asmpt.com). For any person who is nominated by a shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the selection criteria set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee shall make its recommendation to the Board, which shall in turn decide whether to recommend such person to be elected as a Director at a general meeting.

Induction and continuing development for Directors

Each newly appointed Director receives a comprehensive, formal and tailored induction on the first occasion of his appointment to ensure that he has a proper understanding of the business and operations of the Company and is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Dr. Hichem M'Saad, who was appointed as a Non-Executive Director on 13 May 2024, has obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards to the requirements under the Listing Rules that are applicable to him as a director of a listed issuer, and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 22 April 2024. He has confirmed he understood his obligations as a director of a listed issuer.

The Directors are given updates on legal and regulatory developments, and business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development for Directors will be arranged whenever necessary.

The Company provides regular updates and presentations on changes and developments relating to the Group's business and the legislative and regulatory environments to the Directors.

THE BOARD (CONTINUED)

Induction and continuing development for Directors (continued)

The Directors are committed to complying with Code Provision C.1.4 of the CG Code on Directors' training. All the Directors have participated in continuous professional development to develop and refresh their knowledge and skills and have provided a record of training they received for the year ended 31 December 2024 to the Company.

The individual training received by each current Director during the year ended 31 December 2024 is summarised below:

Directors	Reading regulatory updates	Attending briefings/ seminars/ conferences relevant to the business	Attending training/briefing on regulatory development, directors' duties or other relevant topics
Independent Non-Executive Directors			
Orasa Livasiri	✓	✓	✓
John Lok Kam Chong	✓	✓	✓
Wong Hon Yee	✓	✓	✓
Eric Tang Koon Hung	✓	✓	✓
Andrew Chong Yang Hsueh	✓	✓	✓
Hera Siu Kitwan	✓	✓	✓
Non-Executive Directors			
Hichem M'Saad	✓	✓	✓
Paulus Antonius Henricus Verhagen	✓	✓	✓
Executive Directors			
Robin Gerard Ng Cher Tat	✓	✓	✓
Guenter Walter Lauber	✓	✓	✓

Board meetings

Board practices and conduct of meetings

Notices of regular Board meetings are served on 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 in a timely manner before each Board or 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.

Minutes of all Board meetings (including those of Committee meetings) are kept by the Company Secretary. Draft minutes are normally circulated to the 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 interest 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 close associates have a material interest.

THE BOARD (CONTINUED)

Board meetings (continued)

Directors' attendance records

Nine Board meetings were held during the year. The Chairman also held a meeting with the INEDs, in the absence of other Directors, to consider issues in an informal setting.

The individual attendance (either in person or through other electronic means of communication) record of each Director at the meetings of the Board, the Audit Committee, the Nomination Committee and the Remuneration Committee and the 2024 AGM, during the year ended 31 December 2024 is set out below:

	Board Meetings	Audit Committee Meetings	Nomination Committee Meeting	Remuneration Committee Meeting	2024 AGM
Number of Meetings	9	4	1	3	1
Directors	**Attendance/Number of Meetings held during the tenure of directorship**				
Independent Non-Executive Directors					
Orasa Livasiri	9/9	4/4	1/1	3/3	1/1
John Lok Kam Chong	9/9	4/4	1/1	3/3	1/1
Wong Hon Yee	9/9	N/A	1/1	3/3	1/1
Eric Tang Koon Hung	9/9	4/4	1/1	3/3	1/1
Andrew Chong Yang Hsueh	9/9	N/A	1/1	N/A	1/1
Hera Siu Kitwan	7/9	3/4	N/A	N/A	1/1
Non-Executive Directors					
Hichem M'Saad *(appointed as a Non-executive Director and a member of Nomination and Remuneration Committees on 13 May 2024)*	3/5	N/A	N/A	1/1	N/A
Benjamin Loh Gek Lim *(resigned as a Non-executive Director and a member of the Nomination and Remuneration Committees on 8 May 2024)*	3/3	N/A	1/1	2/2	0/1
Paulus Antonius Henricus Verhagen	9/9	4/4	N/A	N/A	1/1
Executive Directors					
Robin Gerard Ng Cher Tat	9/9	N/A	N/A	N/A	1/1
Guenter Walter Lauber	9/9	N/A	N/A	N/A	1/1

Note: The Company's internal auditor participated in every Audit Committee Meeting during the year. The Company's external auditor participated in three out of four of the Audit Committee Meetings during the year, and also attended the 2024 AGM.

Model code for securities transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made to all Directors, and all of the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2024.

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

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

THE BOARD (CONTINUED)

Company Secretary

The Company Secretary supports the Chairman, the Board and the Board Committees by ensuring good information flow and that Board policy and procedures are followed. He advises the Board on governance matters and facilitates the induction and professional development of Directors. The Company Secretary is an employee of the Group and has day-to-day knowledge of the Group's affairs. He was appointed by the Board in May 2019. Although the Company Secretary reports to the Chairman and the Chief Executive Officer, all Directors may call upon him for advice and assistance at any time in respect to their duties and the effective operation of the Board and the Board Committees.

During the year, the Company Secretary complied with Rule 3.29 of the Listing Rules and has taken no less than 15 hours of relevant professional training.

DELEGATION OF MANAGEMENT FUNCTIONS

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

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 (save for the delegation of authority to the Company's management to deal with small merger and acquisition opportunities as disclosed hereinafter); disposal of business unit; major investment; annual financial budget in revenue, profitability and capital expenditure; review and approval of financial performance and announcements; and matters as required by laws and regulations.

All the 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 a request to the Board.

The day-to-day management, administration and operation of the Company are delegated to 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 approved a delegation of authority to the Company's management to deal with small merger and acquisition opportunities, subject to an annual cap by transaction value in aggregate that the Company deemed fit for its business and growth strategies. The annual cap by transaction value in aggregate will be reviewed by the Board annually.

The management provides to all members of the Board monthly performance updates giving information on the Group's latest financial performance and financial position, the status of the Group's order book and the performance of individual operating segments and other relevant information. Directors can therefore have a balanced and understandable assessment of the Group's performance, position and prospects throughout the year.

During the year ended 31 December 2024, the Board had three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, to oversee particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are posted on the Company's website (www.asmpt.com) and the HKEXnews website (www.hkexnews.hk) and are available to shareholders upon request.

The Board's committees are provided with sufficient resources to discharge their duties.

REMUNERATION OF DIRECTORS

The Company has established a formal and transparent procedure for formulating policies on the remuneration of the Executive Directors of the Company. Details of the remuneration of each of the Directors of the Company for the year ended 31 December 2024 are set out on pages 106 to 107 in note 13 to the consolidated financial statements. With effect from 1 January 2022, the remuneration payable to the INEDs and NEDs are as follows:

Fee payable to:	**Per annum**
Chairman of the Board	HK$375,000
NEDs or INEDs (other than the Chairman of the Board)	HK$250,000
Chairman of the Audit Committee	HK$150,000
Member of the Audit Committee (other than the Chairman of the Audit Committee)	HK$100,000
Chairman of the Nomination Committee	HK$112,500
Member of the Nomination Committee (other than the Chairman of the Nomination Committee)	HK$75,000
Chairman of the Remuneration Committee	HK$112,500
Member of the Remuneration Committee (other than the Chairman of the Remuneration Committee)	HK$75,000

Fee/allowance payable to the Director:	**Per meeting**
Meeting attendance fee	
• Board meeting and general meeting	HK$5,000
• Committee meeting	HK$2,500
Overseas travel allowance	
• Board meeting and general meeting	HK$5,000
• Committee meeting	HK$2,500

Remuneration Committee

The composition of the Remuneration Committee is set out on page 37.

The primary function of the Remuneration Committee is to make recommendations on the remuneration policy and structure and remuneration packages of the Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

The Remuneration Committee is also responsible for establishing formal and transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his associates will participate in deciding his 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 has adopted a model wherein it determines, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. The Remuneration Committee will also review and approve performance-based remuneration by reference to corporate goals and objectives.

REMUNERATION OF DIRECTORS (CONTINUED)

Remuneration Committee (continued)

The main duties of the Remuneration Committee are as follows:

- To review and approve the performance-based remuneration of individual Executive Directors and senior management by reference to the corporate goals and objectives of the Company.
- On an annual basis, to review and approve the specific remuneration of the Chief Executive Officer including but not limited to basic salary, performance based discretionary bonus and the award of incentive shares.
- On an annual basis, to review and approve the recommendations made by the Chief Executive Officer for the remuneration of other Executive Directors and senior management, which includes their basic salary, performance based discretionary bonus and the award of incentive shares.
- To review and approve the compensation payable to the Executive Directors and senior management for any loss of or termination of office or appointment, to ensure that it is consistent with contractual terms and is otherwise fair and not excessive.
- To review and approve compensation arrangements relating to the dismissal or removal of Directors for misconduct, to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.
- To make recommendations to the Board on the remuneration of NEDs and INEDs.
- To take into account the salaries paid by comparable companies, time commitments, responsibilities and employment conditions elsewhere in the ASMPT group when determining the remuneration of an individual.
- To review and/or approve matters relating to share schemes of the Company under Chapter 17 of the Listing Rules.

The Remuneration Committee held three meetings during the year ended 31 December 2024 and the attendance records are set out under "Directors' attendance records" on page 45. The following is a summary of the tasks completed by the Remuneration Committee during 2024:

- consulted the Chairman and/or the Chief Executive Officer of the Company about their recommendations on remuneration policy and packages of the Executive Directors and senior management;
- determined the performance based discretionary bonus and bonus shares allocation for the Executive Directors and the senior management, taking into account their individual performance and market benchmarking information;
- reviewed and approved the revised remuneration package of the members of the senior management who were relocated and promoted during the year;
- considered and recommended to the Board the remuneration package of the newly appointed Non-Executive Director; and
- reviewed and recommended to the Board the key terms of the new Long-Term Incentive Plan.

REMUNERATION OF DIRECTORS (CONTINUED)

Remuneration Committee (continued)

Details of the annual remuneration of members of the senior management (including Executive Directors) by band for the year ended 31 December 2024 are as follows:

	Number of employees
HK$3,500,001 to HK$4,000,000	1
HK$5,000,001 to HK$5,500,000	3
HK$5,500,001 to HK$6,000,000	1
HK$6,000,001 to HK$6,500,000	1
HK$11,500,001 to HK$12,000,000	1
HK$17,000,001 to HK$17,500,000	1

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT

Directors' responsibilities for financial reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2024.

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 management provides such explanations and information to the Board that would enable the Board to make an informed assessment of the financial information and position of the Company put to the Board for approval.

Internal controls

During the year under review, the Board has conducted a review of the effectiveness of the internal control system of the Group.

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks, and to safeguard the assets of the Group.

The Group Internal Audit Department, which is independent of the Company's management, provides reasonable assurance and consulting services to the Company by bringing a disciplined systematic approach to evaluate and improve the effectiveness and efficiency of risk management, internal control, governance processes and the integrity of the operations. The Department is accountable to the Audit Committee of the Company and has unrestricted access to information that allows it to perform its functions. It conducts audits on financial, operational and compliance controls, and reviews controls implemented by the risk management functions of all business and functional units as well as subsidiaries. Management is responsible for ensuring that control deficiencies highlighted in internal audits are rectified within a reasonable period. The Department produces an annual internal audit plan derived from risk assessment covering analyses of ASMPT's operating environment, top management concerns, historical audit findings, as well as external business factors for the Audit Committee's review. On a quarterly basis, the head of the Group Internal Audit Department reports to the Audit Committee her audit findings and her opinions on the system of internal controls. The Audit Committee reviewed the Group's risk management and internal control systems on an annual basis, and was satisfied with the existing controls and considers the Company's risk management and internal control systems effective and adequate.

The Company has established a whistleblowing procedure and system for employees to raise concerns, in confidence, to the Audit Committee about possible improprieties, such as those relating to fraud, bribery and financial irregularities, concerning the Company.

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

Audit Committee

The composition of the Audit Committee is set out on page 37, which includes two INEDs who possess the appropriate professional qualifications or accounting or related financial management expertise. None of the members of the Audit Committee are former partners of the Company's existing external auditor.

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function, internal auditor or external auditor before submission to the Board.

- To review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment or removal of an external auditor.

- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system, including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and their training programmes and budget, and risk management system and associated procedures.

In 2024, a total of four meetings of Audit Committee were convened. The attendance record of the Audit Committee's members is shown on page 45. The following is a summary of the tasks completed by the Audit Committee during 2024:

- reviewed the Group's financial reports for the year ended 31 December 2023, for the six months ended 30 June 2024, and for the quarters ended 31 March 2024 and 30 September 2024;

- reviewed the financial reporting system;

- reviewed the effectiveness of the Group's internal control system;

- reviewed the Group's risk management system;

- reviewed the work plan for the 2024 audit and fees budget of the auditor;

- made recommendation on the re-appointment of the auditor;

- reviewed fees for non-audit services provided by the Company's auditor;

- reviewed internal audit plans for 2025;

- received internal audit reports on a quarterly basis; and

- received whistleblowing reports on a quarterly basis.

There is no material uncertainty 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 auditor.

AUDIT, INTERNAL CONTROL AND RISK MANAGEMENT (CONTINUED)

Auditor's remuneration

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 58 to 61.

During the year under review, the remuneration paid to the Company's auditor, Messrs. Deloitte Touche Tohmatsu, amounted to HK$18,397,641 in respect of audit services; HK$1,643,002 in respect of assurance related services and HK$1,074,541 in respect of non-audit services (which includes review and consultancy services, services made at the request of regulators, and taxation services), all of which were reviewed and approved by the Audit Committee.

The Audit Committee recommends the re-appointment of Messrs. Deloitte Touche Tohmatsu as auditor at the forthcoming annual general meeting.

RISK MANAGEMENT

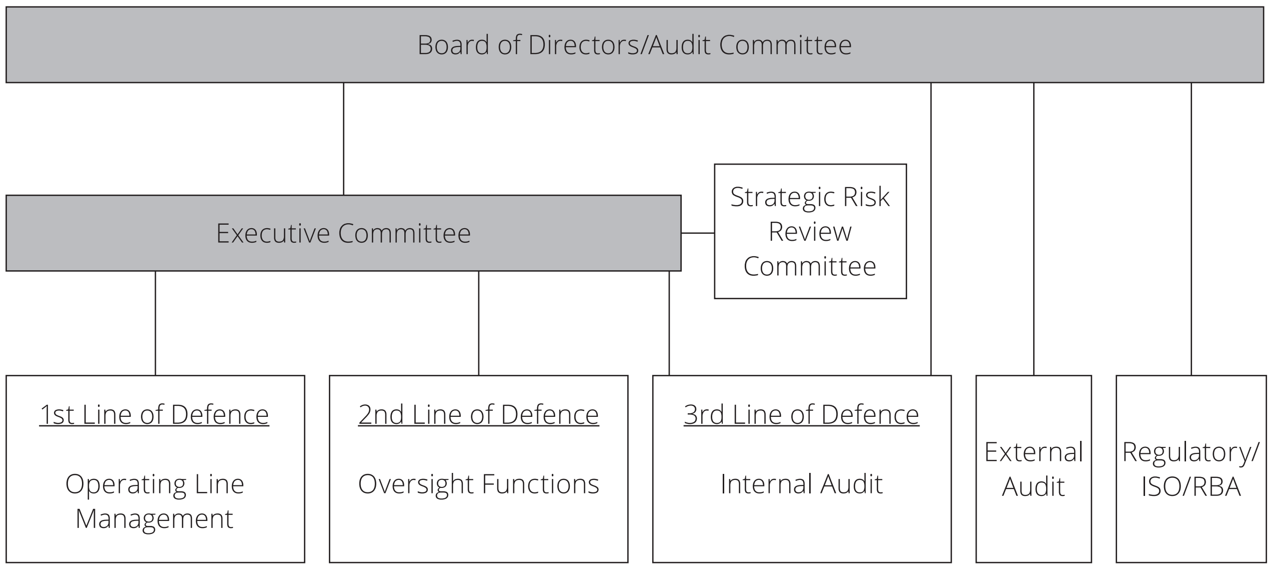
The Board of Directors acknowledges that it is responsible for the Group's risk management and for reviewing its effectiveness. The Board evaluates and determines the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and ensures that the Group establishes and maintains an appropriate and effective risk management system. The Board oversees the Company's management in the design, implementation and monitoring of the risk management system on an on-going basis. Management, on the other hand, provides confirmation to the Board on the effectiveness of these systems.

Management is delegated by the Board to advise the Board on the Group's risk-related matters. Management is also responsible for assessing the effectiveness of the Group's risk control/management system.

Risk Management and Control System

The Group has in place a risk management framework ("Framework"), which is based on the "Three Lines of Defence" model and includes a process of Strategic Risk Review. The Framework gives the Board and the management a clear overview of the effectiveness of internal controls and risk management. The Framework is a structured, systematic and effective risk and control system that manages the strategic, operational, financial, financial reporting and compliance risks and enhances clarity at all levels of the Group. The Board and the management are aware that the Framework is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Framework



RISK MANAGEMENT (CONTINUED)

Risk Management and Control System (continued)

The Framework (continued)

The Three Lines of Defence sets out clear responsibilities for overseeing and coordinating risk assessment and mitigation on a Group-wide basis so as to ensure that risks faced by the Group are effectively identified, measured, monitored and controlled.

- *1st Line of Defence — Operating Line Management*
  Line management personnel own and manage risks, and are responsible for undertaking and establishing appropriate controls to operate effectively on a daily basis. There are adequate management controls in place to monitor ongoing compliance and to highlight control breakdowns.

- *2nd Line of Defence — Oversight Functions*
  These oversight functions support the management by bringing expertise, process excellence, and management monitoring alongside the 1st Line of Defence in outlining the principles, governance, roles and responsibilities, and help ensure that the risk and control procedures are operating as intended. Oversight functions involve Finance and Tax, Information Technology, Human Resources, Legal and Compliance, and Operational Excellence that includes Quality and Inspection.

- *3rd Line of Defence — Internal Audit*
  Group Internal Audit provides an independent and objective assurance to the management on the effectiveness and adequacy of the Group's internal control systems, with a primary reporting line to the Board through the Audit Committee.

The Framework also takes into consideration the COSO Internal Control — Integrated Framework in managing risks relating to the achievement of objectives.

As a complement to the Three Lines of Defence, the Strategic Risk Review Committee reports directly to the Group's Executive Committee, which comprises the Chief Executive Officer and other senior management members of the Group. The Strategic Risk Review Committee for the year 2024 was chaired by a Vice President of the Group and comprised management representatives from different Business Segments who were responsible for various key functions within the Group. The Strategic Risk Review Committee is tasked with identifying and assessing risks that would hinder the Group from achieving its objectives, and analysing and recommending how risks are to be managed. This will enhance risk management in order that all material risks faced by the Group are identified, reviewed and appropriately managed. The Strategic Risk Review Committee reports the key risks to the Executive Committee on a regular basis and to the Board on an annual basis. Task forces have been formed and assigned to study in detail the key risks identified and recommend appropriate courses of action to manage identified risks.

The Board, with the assistance of the Executive Committee, oversees the Company's Framework and reviews the Group's top risks and emerging risks on an ongoing basis. During the year, the Board has performed a review of the Group's Framework, including its processes for risk identification and assessment, risk management processes, as well as evaluating the Group's top risks and key emerging risks, and the controls in place to mitigate such risks.

INSIDE INFORMATION

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its obligation under the Securities and Futures Ordinance and the Listing Rules, and the overriding principle that inside information should be announced immediately in compliance with the aforesaid Ordinance and Rules.

The Company makes reference to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012 in the handling and dissemination of inside information.

The Company has included in its Code of Business Conduct a strict prohibition on the unauthorised use of confidential or inside information.

The Company has also established and implemented procedures for responding to external enquiries about the Group's affairs. Senior managers of the Group are identified and authorised to act as the Company's spokespersons and to respond to enquiries on specific areas and issues.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information which enables shareholders and investors to make the best investment decisions.

Shareholders' Communication Policy

The Company has established a Shareholders' Communication Policy relating to the Company's communications with its shareholders, with the objective of ensuring that its shareholders and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments and governance), in order to enable shareholders to exercise their rights in an informed manner, and to allow shareholders and the investment community to engage actively with the Company.

General Policy

- The Board shall maintain an on-going dialogue with Shareholders and the investment community, and will revise this Policy where appropriate to ensure its effectiveness.

- Information shall be communicated to Shareholders and the investment community mainly through the Company's financial reports, annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on ASMPT's website.

- Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times. Any question regarding this Policy shall be directed to the Company's Chief Executive Officer.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS (CONTINUED)

Shareholders' Communication Policy (continued)

Communication Strategies

Shareholders' enquiries

- Shareholders may at any time send their enquiries and concerns in writing to the Investor Relations Department, which contact details are as follows:

  ASMPT Limited
  Singapore Office (Corporate Headquarters)
  2 Yishun Avenue 7
  Singapore 768924
  Republic of Singapore

  Hong Kong Office
  19/F, Gateway ts
  8 Cheung Fai Road
  Tsing Yi, New Territories
  Hong Kong

  Attn.: Investor Relations Department

Telephone:	(65) 6752 6311; (65) 6750 3172 (Singapore)
	(852) 2424 2021; (852) 2970 6329 (Hong Kong)
Fax:	(65) 6758 2287 (Singapore)
	(852) 2481 3367 (Hong Kong)
Email:	investor.relation@asmpt.com

  Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the shareholders' questions.

Corporate Communications

- Corporate communications will be provided to Shareholders in plain language and in both English and Chinese. Shareholders are encouraged to access the Company's corporate communications electronically via the Company's website (www.asmpt.com) to help protect the environment. Shareholders may change their choice of language (English and/or Chinese) of the corporate communications.

Corporate Website

- A dedicated Investors section is available on the Company's website (www.asmpt.com). Information on the Company's website is updated on a regular basis.

- Information released by the Company to the Stock Exchange is also posted on the Company's website immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents, etc.

- All press releases and presentation materials provided in conjunction with the Company's results announcement each year will be made available on the Company's website as soon as practicable after their release.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS (CONTINUED)

Shareholders' Communication Policy (continued)

Communication Strategies (continued)

Shareholders' Meetings

- Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.

- Appropriate arrangements for the conduct of the Company's annual general meetings shall be in place to encourage Shareholders' participation.

- The Company's general meeting procedures will be monitored and reviewed, and, if necessary, changes will be made to ensure that Shareholders' needs are best served.

- Board members, including the Chairman of the Board and the Board committees, relevant management executives and external auditor will attend annual general meetings to answer Shareholders' questions.

- Shareholders are encouraged to attend shareholders' activities organised by the Company, where information about the Company, including its latest products and services, will be communicated.

Communications with Investment Community

- Investor/analysts briefings, roadshows, media interviews, marketing activities for investors and specialist industry forums etc. will be held from time to time, where appropriate, in order to facilitate communication between the Company, shareholders and the investment community.

The Company holds earnings calls with the investment community in connection with the Company's annual, interim and quarterly results. Apart from these earnings calls, the Company also conducts post-results Non-Deal Roadshows (NDRs) on a quarterly basis (except for the first quarter). During these calls or interactions, the Company's Chief Executive Officer, in conjunction with the Chief Financial Officer, will make presentations on the Group's performance to the investment community. Moreover, designated senior executives maintain regular dialogue with institutional investors to keep them abreast of the Group's development, subject to compliance with applicable laws and regulations. Including the four results announcements, approximately 350 meetings/calls with analysts, investors and media were held in 2024.

Any question regarding the Shareholders' Communication Policy may be directed to the Company's Chief Executive Officer.

The Board will review the Shareholders' Communication Policy on an annual basis to review its implementation and effectiveness.

The Board has conducted a review of the implementation and effectiveness of the Shareholders' Communication Policy during the year. After considering the following measures taken by the Company during the year, the Board is satisfied with the implementation and effectiveness of the Shareholders' Communication Policy:

- The Company's financial reports (annual and interim reports), announcements and circulars were published on the websites of the Stock Exchange and the Company as soon as practicable in accordance with the Listing Rules. Shareholders can choose to receive English and/or Chinese versions of such publications.

- Press releases and presentation materials were published on the Company's website to facilitate shareholders' and other stakeholders' understanding and appraisal of the Company's latest developments.

- The Company's 2024 AGM was conducted in hybrid format to maximise shareholder participation. Electronic voting was conducted at the 2024 AGM, which provided shareholders an option to vote online.

- On-going communications were maintained with the shareholders and the investment community by organising analyst briefings, roadshows, media interviews, etc. during the financial year.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS (CONTINUED)

Dividend Policy

The Group has a proven track record of consistently paying dividends every year through the peaks and troughs of global economic and semiconductor cycles since its HKEX listing in 1989. This has delivered consistent returns to its shareholders.

The dividend policy of the Group is to continue a consistent annual dividend payout ratio of around 50%. The actual dividend payout ratio for each year will depend on various factors, including the Group's strategy and financial performance, its liquidity and financing needs and the prevailing market outlook. The Board will review this dividend policy from time to time, with reference to factors such as the Group's future prospects and capital requirements.

Shareholders' Meeting

The general meetings of the Company provide the best opportunity for communication between the Board and the shareholders. The Chairman of the Board as well as the respective Chairman of the Audit Committee, the Nomination Committee and the Remuneration Committee or, in their absence, other members of the respective committees, and INEDs are available to answer questions at the shareholders' meetings. The Company's external auditor, Messrs. Deloitte Touche Tohmatsu, attends the annual general meeting and is available to answer questions relating to the conduct of its audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

The most recent shareholders' meeting was the 2024 AGM held on 8 May 2024 at 24/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong. All the resolutions proposed at that meeting were approved by the shareholders by poll voting. The 2024 AGM was in the form of a hybrid annual general meeting with the combination of in-room meeting and virtual meeting which allows shareholders to attend either in person, or via an online platform. This allowed shareholders to attend, submit questions, vote electronically in real time and view live streaming of the annual general meeting. Shareholders were able to view the live video broadcast and participate in voting and submit questions in written form to the annual general meeting via their mobile phones, tablets or computers. The live broadcast option broadened the reach of the annual general meeting to shareholders who were unwilling or unable to attend in person for any reason. Details of poll results are available under the investor relations section of the Company's website (www.asmpt.com) and the HKEXnews website (www.hkexnews.hk).

The 2025 AGM will be held on Wednesday, 7 May 2025, the notice of which will be sent to shareholders at least 20 clear business days before the said meeting.

Shareholder Rights

To safeguard the shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the re-election of retiring Directors.

All votes of the shareholders at shareholders' meetings are taken by poll. Poll results are posted on the Company's website (www.asmpt.com) and the HKEXnews website (www.hkexnews.hk) following the shareholders' meetings.

Procedures for shareholders to convene an extraordinary general meeting

Pursuant to the Articles of Association, shareholders holding not less than one-tenth in amount of the issued capital of the Company (hereinafter referred to as the "requisitionists") may request for an extraordinary general meeting of the Company to be convened. The requisition must be in writing and signed by the requisitionists, stating the objective of the meeting, and it should be deposited at the Company's registered office at Cayman Islands or its principal place of business in Hong Kong at 19/F, Gateway ts, 8 Cheung Fai Road, Tsing Yi, New Territories, Hong Kong.

If the Directors do not, within 21 days from the date of the requisition, duly proceed to convene a meeting, the requisitionists or any of them representing more than one-half of total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the date of requisition.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS (CONTINUED)

Procedures for putting forward proposals at shareholders' meetings

Shareholders who wish to put forward a proposal at an extraordinary general meeting should follow the procedures set out in the "Procedures for shareholders to convene an extraordinary general meeting" above.

Pursuant to Article 115 of the Company's Articles of Association, no person other than a Director retiring at a meeting shall, unless recommended by the Directors, be appointed a Director at a general meeting unless notice in writing shall have been given to the Company of the intention of any member qualified to vote at the meeting to propose any person other than a retiring Director for election to the office of Director, with notice executed by that person of his willingness to be appointed, provided that the minimum length of the period, during which such notices are given, shall be at least seven days and that the period for giving such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules.

Details of the procedure for shareholders to propose candidates for election to the Board of Directors are available on the Company's website (www.asmpt.com).

Procedures for putting enquiries to the Board

Shareholders may at any time send their enquiries and concerns in writing to the Investor Relations Department, which contact details are set out on page 54.

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the shareholders' questions.

Articles of Association of the Company

There was no change in the Articles of Association of the Company for the year ended 31 December 2024.

On behalf of the Board
Robin Gerard Ng Cher Tat
Director

25 February 2025

INDEPENDENT AUDITOR'S REPORT

Deloitte. 德勤

TO THE SHAREHOLDERS OF ASMPT LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of ASMPT Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 62 to 163, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment testing of goodwill and intangible assets with indefinite useful life under the cash-generating units in placement and printing business and ASMPT NEXX, Inc. ("NEXX")	
We identified the impairment testing of goodwill and intangible assets with indefinite useful life under the cash-generating units ("CGUs") in placement and printing business and NEXX as a key audit matter due to its complexity and significant judgment exercised by the Group's management on the impairment testing. As detailed in note 22 to the consolidated financial statements, for the purposes of impairment testing, the carrying amounts of goodwill and intangible assets with indefinite useful life under the CGUs in placement and printing business and NEXX as at 31 December 2024 were HK$623,074,000 and HK$323,421,000 respectively. Determining the amount of impairment for goodwill and intangible assets with indefinite useful life requires an estimation of the recoverable amount, which is the value in use of the CGUs to which goodwill and intangible assets have been allocated. The value in use is determined based on the cash flow projection for the CGUs discounted to its present value and requires the use of key assumptions, including sales growth rates, gross profit margin rates, terminal growth rates and discount rates applied to the cash flow projection. These estimates and judgements may be affected by unexpected changes in future market or economic conditions or discount rates applied. The management of the Group determines that there was no impairment recognized with respect to the goodwill and intangible assets with indefinite useful life allocated to the CGUs in placement and printing business and NEXX during the year ended 31 December 2024.	Our procedures in relation to assessing the appropriateness of the impairment testing of goodwill and intangible assets with indefinite useful life included: • Understanding the Group's impairment testing process, including the valuation model adopted and assumptions used; • Evaluating the appropriateness of the model used to calculate the recoverable amount; • Evaluating the reasonableness of the budgeted sales and gross margin by considering the approved financial budgets, the management's business plan, the available industry and market data; • Evaluating the historical accuracy of the financial budgets prepared by management by comparing the historical financial budgets with the actual performance; and • Engaging our valuation expert to evaluate the appropriateness of the discount rates and terminal growth rates used.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tsang Chi Wai.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 February 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Revenue	5	**13,229,079**	14,697,489
Cost of sales		**(7,940,032)**	(8,923,861)
Gross profit		**5,289,047**	5,773,628
Other income		**268,596**	183,001
Selling and distribution expenses		**(1,493,738)**	(1,606,563)
General and administrative expenses		**(1,159,807)**	(1,014,868)
Research and development expenses	7	**(2,077,230)**	(2,047,802)
Other gains and losses, net	8	**2,430**	(29,767)
Other expenses	9	**(155,351)**	(94,976)
Finance costs	10	**(201,005)**	(137,888)
Share of result of a joint venture		**28,595**	11,246
Profit before taxation		**501,537**	1,036,011
Income tax expense	11	**(159,313)**	(324,510)
Profit for the year	12	**342,224**	711,501
Profit (loss) for the year attributable to:			
Owners of the Company		**345,262**	715,353
Non-controlling interests		**(3,038)**	(3,852)
		342,224	711,501
Earnings per share	16		
— Basic		**HK$0.83**	HK$1.73
— Diluted		**HK$0.83**	HK$1.73

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Profit for the year		**342,224**	711,501
Other comprehensive income (expense)			
Items that will not be reclassified to profit or loss:			
— remeasurement of defined benefit retirement plans, net of income tax	*37*	**21,813**	16,630
— net fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income	*23*	**(33,859)**	2,736
Items that may be reclassified subsequently to profit or loss:			
— exchange differences on translation of foreign operations			
— subsidiaries		**(524,677)**	145,181
— a joint venture		**(13,055)**	(5,967)
— fair value loss on hedging instruments designated as cash flow hedges		**(24,825)**	(43,064)
Other comprehensive (expense) income for the year		**(574,603)**	115,516
Total comprehensive (expense) income for the year		**(232,379)**	827,017
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(227,122)**	833,131
Non-controlling interests		**(5,257)**	(6,114)
		(232,379)	827,017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment	17	**2,117,412**	2,189,566
Right-of-use assets	18	**1,850,316**	2,046,422
Investment properties	19	**93,333**	63,260
Goodwill	20	**954,118**	974,918
Intangible assets	21	**1,003,346**	1,020,457
Other investments	23	**48,075**	84,746
Interest in a joint venture	24	**1,671,807**	1,521,245
Finance lease receivables	25	**17,348**	—
Deposits paid for acquisition of property, plant and equipment		**9,374**	13,745
Rental deposits paid		**36,860**	31,360
Derivative financial instruments	28	**768**	177,000
Deferred tax assets	38	**750,876**	590,140
Long-term bank deposits	29	**—**	2,158
Other non-current assets		**24,996**	7,030
		8,578,629	8,722,047
Current assets			
Inventories	26	**5,989,018**	6,315,473
Trade and other receivables	27	**3,748,892**	3,972,865
Amounts due from a joint venture and its affiliates	24	**21,650**	20,641
Derivative financial instruments	28	**3,598**	41,556
Income tax recoverable		**219,082**	51,107
Other financial assets	24	**—**	39,837
Finance lease receivables	25	**9,940**	—
Bank deposits with original maturity of more than three months	29	**684,818**	365,261
Cash and cash equivalents	29	**4,417,710**	4,434,057
		15,094,708	15,240,797
Current liabilities			
Trade liabilities and other payables	30	**2,323,711**	2,364,029
Advance payments from customers	31	**643,693**	881,374
Amounts due to a joint venture and its affiliates	24	**1,004**	43,061
Derivative financial instruments	28	**51,499**	1,246
Lease liabilities	32	**206,848**	188,095
Provisions	33	**237,935**	270,487
Income tax payable		**301,303**	264,664
Bank borrowings	34	**306,205**	2,000,000
		4,072,198	6,012,956
Net current assets		**11,022,510**	9,227,841
		19,601,139	17,949,888

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Capital and reserves			
Share capital	*35*	**41,646**	41,451
Dividend reserve		**133,267**	323,314
Other reserves		**15,013,126**	15,326,282
Equity attributable to owners of the Company		**15,188,039**	15,691,047
Non-controlling interests		**103,462**	112,911
Total equity		**15,291,501**	15,803,958
Non-current liabilities			
Bank borrowings	*34*	**2,375,000**	—
Derivative financial instruments	*28*	**9,937**	—
Lease liabilities	*32*	**1,672,774**	1,841,509
Retirement benefit obligations	*37*	**31,338**	65,190
Provisions	*33*	**60,786**	47,183
Deferred tax liabilities	*38*	**100,942**	120,946
Other liabilities and accruals	*39*	**58,861**	71,102
		4,309,638	2,145,930
		19,601,139	17,949,888

The consolidated financial statements on pages 62 to 163 were approved and authorized for issue by the Board of Directors on 25 February 2025 and are signed on its behalf by:

Robin Gerard Ng Cher Tat
DIRECTOR

Guenter Walter Lauber
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company														Attributable to non-controlling interests	Total
	Share capital HK$'000	Share premium HK$'000	Employee share-based compensation reserve HK$'000	Shares held for share award scheme HK$'000 *(note 36)*	Treasury share reserve HK$'000	Capital redemption reserve HK$'000	Capital reserve HK$'000	Fair value through other comprehensive income reserve HK$'000	Other reserves HK$'000	Hedging reserve HK$'000	Translation reserve HK$'000	Retained profits HK$'000	Dividend reserve HK$'000	Sub-total HK$'000	HK$'000	HK$'000
At 1 January 2023	41,287	1,892,517	–	–	(16,264)	1,007	72,979	(30,497)	249,726	58,720	(1,105,892)	13,791,165	783,758	15,738,506	119,025	15,857,531
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	715,353	–	715,353	(3,852)	711,501
Items that will not be reclassified to profit or loss:																
Remeasurement of defined benefit retirement plans, net of income tax *(note 37)*	–	–	–	–	–	–	–	–	–	–	–	16,630	–	16,630	–	16,630
Net fair value gain on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	–	2,736	–	–	–	–	–	2,736	–	2,736
Items that may be reclassified subsequently to profit or loss:																
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	–	141,476	–	–	141,476	(2,262)	139,214
Fair value loss on hedging instruments designated as cash flow hedges	–	–	–	–	–	–	–	–	–	(43,064)	–	–	–	(43,064)	–	(43,064)
Total comprehensive income (expense) for the year	–	–	–	–	–	–	–	2,736	–	(43,064)	141,476	731,983	–	833,131	(6,114)	827,017
Sub-total	41,287	1,892,517	–	–	(16,264)	1,007	72,979	(27,761)	249,726	15,656	(964,416)	14,523,148	783,758	16,571,637	112,911	16,684,548
Recognition of equity-settled share-based payments	–	–	177,635	–	–	–	–	–	–	–	–	–	–	177,635	–	177,635
Transfer loss to retained profits due to written off the other investment	–	–	–	–	–	–	–	36,359	–	–	–	(36,359)	–	–	–	–
Purchase of shares under the Scheme *(as defined in note 36)*	–	–	–	(22,839)	–	–	–	–	–	–	–	–	–	(22,839)	–	(22,839)
Shares repurchased and cancelled	(37)	(16,227)	–	–	16,264	37	–	–	–	–	–	(37)	–	–	–	–
Shares vested under the Scheme	–	–	(27,203)	22,839	–	–	–	–	–	–	–	4,364	–	–	–	–
Shares issued under the Scheme	201	150,231	(150,432)	–	–	–	–	–	–	–	–	–	–	–	–	–
2022 final dividend paid	–	–	–	–	–	–	–	–	–	–	–	–	(783,758)	(783,758)	–	(783,758)
2023 interim dividend paid	–	–	–	–	–	–	–	–	–	–	–	(251,628)	–	(251,628)	–	(251,628)
2023 special dividend proposed	–	–	–	–	–	–	–	–	–	–	–	(215,543)	215,543	–	–	–
2023 final dividend proposed	–	–	–	–	–	–	–	–	–	–	–	(107,771)	107,771	–	–	–
At 31 December 2023	41,451	2,026,521	–	–	–	1,044	72,979	8,598	249,726	15,656	(964,416)	13,916,174	323,314	15,691,047	112,911	15,803,958

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2024

	Attributable to owners of the Company														
	Share capital HK$'000	Share premium HK$'000	Employee share-based compensation reserve HK$'000	Shares held for share award scheme HK$'000 *(note 36)*	Capital redemption reserve HK$'000	Capital reserve HK$'000	Fair value through other comprehensive income reserve HK$'000	Other reserves HK$'000 *(Note)*	Hedging reserve HK$'000	Translation reserve HK$'000	Retained profits HK$'000	Dividend reserve HK$'000	Sub-total HK$'000	Attributable to non-controlling interests HK$'000	Total HK$'000
At 1 January 2024	41,451	2,026,521	–	–	1,044	72,979	8,598	249,726	15,656	(964,416)	13,916,174	323,314	15,691,047	112,911	15,803,958
Profit for the year	–	–	–	–	–	–	–	–	–	–	345,262	–	345,262	(3,038)	342,224
Items that will not be reclassified to profit or loss:															
Remeasurement of defined benefit retirement plans, net of income tax *(note 37)*	–	–	–	–	–	–	–	–	–	–	21,813	–	21,813	–	21,813
Net fair value loss on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	–	(33,859)	–	–	–	–	–	(33,859)	–	(33,859)
Items that may be reclassified subsequently to profit or loss:															
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	–	–	(535,513)	–	–	(535,513)	(2,219)	(537,732)
Fair value loss on hedging instruments designated as cash flow hedges	–	–	–	–	–	–	–	–	(24,825)	–	–	–	(24,825)	–	(24,825)
Total comprehensive (expense) income for the year	–	–	–	–	–	–	(33,859)	–	(24,825)	(535,513)	367,075	–	(227,122)	(5,257)	(232,379)
Sub-total	41,451	2,026,521	–	–	1,044	72,979	(25,261)	249,726	(9,169)	(1,499,929)	14,283,249	323,314	15,463,925	107,654	15,571,579
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–	1,324	1,324
Recognition of equity-settled share-based payments	–	–	219,954	–	–	–	–	–	–	–	–	–	219,954	–	219,954
Share of other reserve from joint venture	–	–	–	–	–	–	–	926	–	–	–	–	926	–	926
Transfer retained profits to other reserve	–	–	–	–	–	–	–	38,741	–	–	(38,741)	–	–	–	–
Purchase of shares under the Scheme *(as defined in note 36)*	–	–	–	(35,351)	–	–	–	–	–	–	–	–	(35,351)	–	(35,351)
Arising on acquisition of additional interest in a subsidiary	–	–	–	–	–	–	–	6,077	–	–	–	–	6,077	(6,077)	–
Share incentive scheme for a subsidiary	–	–	–	–	–	–	–	899	–	–	–	–	899	561	1,460
Shares vested under the Scheme	–	–	(32,305)	34,933	–	–	–	–	–	–	(2,628)	–	–	–	–
Shares issued under the Scheme	195	187,266	(187,461)	–	–	–	–	–	–	–	–	–	–	–	–
2023 final dividend paid	–	–	–	–	–	–	–	–	–	–	–	(215,543)	(215,543)	–	(215,543)
2023 special dividend paid	–	–	–	–	–	–	–	–	–	–	–	(107,771)	(107,771)	–	(107,771)
2024 interim dividend paid	–	–	–	–	–	–	–	–	–	–	(145,077)	–	(145,077)	–	(145,077)
2024 special dividend proposed	–	–	–	–	–	–	–	–	–	–	(104,115)	104,115	–	–	–
2024 final dividend proposed	–	–	–	–	–	–	–	–	–	–	(29,152)	29,152	–	–	–
At 31 December 2024	41,646	2,213,787	188	(418)	1,044	72,979	(25,261)	296,369	(9,169)	(1,499,929)	13,963,536	133,267	15,188,039	103,462	15,291,501

Note: Other reserves mainly presents (i) the change in the non-controlling interest of subsidiaries, (ii) legal reserves for subsidiaries in the People's Republic of China ("PRC") and (iii) share incentive scheme of a subsidiary.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	NOTES	2024 HK$'000	2023 HK$'000
Operating activities			
Profit before taxation		**501,537**	1,036,011
Adjustments for:			
Depreciation of investment properties	19	**4,833**	4,790
Depreciation of property, plant and equipment	17	**355,586**	372,729
Depreciation of right-of-use assets	18	**242,877**	224,621
Amortization of intangible assets	21	**104,051**	111,041
Loss (gain) on disposal/write-off of property, plant and equipment	8	**10,562**	(3,799)
Loss (gain) on derecognition and modification of leases	8	**3,481**	(9,163)
Loss on fair value change of derivative financial instruments		**79,420**	14,603
Gain on interest rate swaps at FVTPL		**(4,584)**	—
Share of result of a joint venture		**(28,595)**	(11,246)
Gain on fair value change of derivative relating to share adjustment on earn-out clause in a joint venture	8	**—**	(20,415)
Warranty provision expenses		**91,903**	104,158
Reversal of litigation provision		**(11,676)**	—
Restructuring costs		**103,313**	41,554
Share-based payments under the Scheme		**219,954**	177,635
Share incentive scheme for a subsidiary		**1,460**	—
Interest income		**(130,457)**	(82,816)
Finance costs		**201,005**	137,888
Effect of foreign exchange rate changes on inter-company balances		**(25,219)**	49,655
Operating cash flows before movements in working capital		**1,719,451**	2,147,246
Decrease in pledged bank deposits		**—**	581
Decrease in inventories		**158,038**	1,184,204
Decrease in trade and other receivables		**138,926**	651,092
Increase (decrease) in trade liabilities and other payables		**48,524**	(545,252)
Decrease in advance payments from customers		**(218,243)**	(215,722)
(Decrease) increase in amounts due from/to a joint venture and its affiliates		**(43,066)**	30,100
(Decrease) increase in other liabilities and accruals		**(11,681)**	19,330
(Decrease) increase in other provisions		**(13,836)**	3,986
Utilization of warranty provision		**(146,725)**	(167,119)
Utilization of restructuring provision		**(54,939)**	(55,283)
Decrease in retirement benefit obligations		**(29,229)**	(37,658)
Purchase of shares under the Scheme		**(35,351)**	(22,839)
Interest element of lease rental received		**(256)**	—
Cash generated from operations		**1,511,613**	2,992,666
Income taxes paid		**(491,719)**	(661,460)
Income taxes refunded		**231**	16,772
Net cash from operating activities		**1,020,125**	2,347,978

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2024

	NOTE	2024 HK$'000	2023 HK$'000
Investing activities			
Interest received		**130,457**	82,816
Proceeds on disposals of property, plant and equipment		**24,422**	16,889
Placement of long-term bank deposits		**—**	(2,158)
Withdrawal of long-term bank deposits		**—**	14,450
Purchase of property, plant and equipment		**(343,920)**	(363,340)
Deposits paid for acquisition of property, plant and equipment		**(9,375)**	(13,745)
Additions of intangible assets		**(100,591)**	(77,614)
Net cash outflow arising on acquisitions of subsidiaries	*40*	**—**	(25,430)
Dividend received from joint venture		**42,904**	—
Incentive fee received from a shareholder of a joint venture		**9,731**	—
Refund of rental deposits		**1,200**	2,011
Payments for rental deposits		**(3,274)**	(1,695)
Additions of other investments		**—**	(28,111)
Payment of bank deposits with original maturity of more than three months		**(2,499,805)**	(468,277)
Withdrawal of bank deposits with original maturity of more than three months		**2,140,989**	256,779
Net cash used in investing activities		**(607,262)**	(607,425)
Financing activities			
Bank borrowings raised		**733,029**	38,994
Repayment of bank borrowings		**(50,000)**	(289,221)
Repayment of lease liabilities		**(205,442)**	(194,130)
Dividends paid		**(468,391)**	(1,035,386)
Payments for finance costs		**(201,005)**	(137,888)
Payment to non-controlling shareholders for acquiring additional shares		**(44,140)**	—
Capital injection from non-controlling interests		**1,324**	—
Net cash used in financing activities		**(234,625)**	(1,617,631)
Net increase in cash and cash equivalents		**178,238**	122,922
Cash and cash equivalents at beginning of the year		**4,434,057**	4,262,886
Effect of foreign exchange rate changes		**(194,585)**	48,249
Cash and cash equivalents at end of the year, represented by bank balances and cash		**4,417,710**	4,434,057

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

ASMPT Limited (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"). The corporate headquarters of the Company is located at 2 Yishun Avenue 7, Singapore 768924, Republic of Singapore. The registered address of the Company is JTC (Cayman) Limited, 94 Solaris Avenue, 2nd Floor, Camana Bay, P.O. Box 30745, Grand Cayman KY1-1203, Cayman Islands, and the address of the principal place of business of the Company in Hong Kong (where its shares are listed) is 19/F, Gateway ts, 8 Cheung Fai Road, Tsing Yi, New Territories, Hong Kong.

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

The Company acts as an investment holding company. The principal activities of the Company and its subsidiaries (the "Group") are engaged in the design, manufacture and marketing of machines and tools used in semiconductor and electronics assembly industries. The principal subsidiaries and their activities are set out in note 48.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

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

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

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

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

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

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

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 *Financial Instruments* ("HKFRS 9") clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in HKFRS 7 *Financial Instruments: Disclosure* ("HKFRS 7") in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognized during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognized during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amendments to HKFRSs in issue but not yet effective (Continued)

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements* ("HKFRS 18"), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* ("HKAS 1"). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made. HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment* ("HKFRS 2"), leasing transactions that are accounted for in accordance with HKFRS 16 *Leases* ("HKFRS 16") and measurements that have some similarities to fair value but are not fair value, such as net realizable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets* ("HKAS 36").

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of preparation of consolidated financial statements (Continued)

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organized workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework except for transactions and events within the scope of HKAS 37 *Provision, Contingent Liabilities and Contingent Assets* ("HKAS 37") or HK(IFRIC)-Int 21 *Levies* ("HK(IFRIC)-Int 21"), in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognized.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with HKAS 12 *Income Taxes* ("HKAS 12") and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below); and

- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognized in profit or loss.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of a joint venture is described below.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognized in the consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

Acquisition of additional interests in associates or joint ventures

When the Group increases its ownership interest in a joint venture but the Group continues to use the equity method, goodwill is recognized at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognized in the profit or loss in the period in which the additional interest are acquired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Revenue from contracts with customers

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or services.

A contract liability, i.e. advance payments from customers and deferred income (included in trade liabilities and other payables), represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognize revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligation (including sales of goods, installation of equipment, training services and rights to purchase certain amounts of spare parts for free), the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production of goods, or for administrative purposes (other than freehold land and property, plant and equipment under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Freehold land is not depreciated and is measured at cost less subsequent accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets other than freehold land and construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Property, plant and equipment under development for future owner-occupied purpose

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Ownership interests in leasehold land and building

When the Group makes payments for ownership interests of properties which include both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position.

Investment property

Investment property is property held to earn rentals and/or for capital appreciation.

Investment property is initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write off the cost of investment property over its estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Intangible assets (Continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful life are reported at costs less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequently accumulated impairment losses.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with carrying amount of the relevant cash generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognized immediately in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) 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 recognized for the asset (or the cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of semiconductor solutions equipment is calculated using the first-in, first-out method. Cost of surface mount technology solutions equipment is calculated using either on a first-in, first-out or weighted average method, depending on the type of inventory. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Restructurings

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Warranties

Provisions for the expected cost of assurance-type warranty obligations under the relevant sale of contracts with customers for sales of goods are recognized at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.

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 before taxation because it excludes items of income or expense that are taxable or deductible in other years and 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 end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized 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 and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and interest in a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognized as expense in the period in which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentive receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15"). 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 ("FVTPL")) 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 FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which HKFRS 3 *Business Combinations* ("HKFRS 3") applies.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at amortized cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI, i.e. other investments, are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets (including long-term bank deposits, trade and other receivables, amounts due from a joint venture and its affiliates, finance lease receivables, rental deposits paid, pledged bank deposits, bank deposits with original maturity of more than three months and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables. The ECL on these assets are assessed individually and/or collectively with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recovery is recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For collective assessment in lifetime ECL, the Group takes into consideration the past due information and relevant credit information.

The Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognized through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

Financial liabilities at amortized cost

The Group's other financial liabilities, including trade liabilities and other payables, amounts due to a joint venture and its affiliates, bank borrowings and other liabilities, are subsequently measured at amortized cost using the effective interest method.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Financial instruments (Continued)

Obligation arising from a contract to acquire non-controlling interests

The gross financial liability arising from contract to acquire non-controlling interests is recognized when contractual obligation to repurchase the shares in a subsidiary is established. The liability for the share redemption amount is initially recognized and measured at present value of the estimated repurchase price with the corresponding debit to the non-controlling interests. Subsequent to initial recognition, the remeasurement of the present value of the estimated gross obligation under the forward contract to acquire the non-controlling interests from the non-controlling shareholders is recognized in profit or loss.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair values at the end of the reporting period. The resulting gain or loss is recognized in profit or loss immediately.

Hedge accounting

The Group designates certain derivatives as hedging instruments for cash flow hedges.

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Hedge accounting (Continued)

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, and is included in the "other gains and losses, net" line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Discontinuation of hedge accounting

The Group discontinues hedge accounting prospectively only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. Discontinuing hedge accounting can either affect a hedging relationship in its entirety or only a part of it (in which case hedge accounting continues for the remainder of the hedging relationship).

For cash flow hedge, any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transactions are ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

Share-based payment arrangements

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting periods, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (employee share-based compensation reserve).

At the end of the reporting period, the Group revised its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share-based compensation reserve.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Share-based payment arrangements (Continued)

Awarded shares held under share award scheme granted to members of the management of the Group for their services to the Group

Shares purchased under the share award scheme are initially recognized in equity (shares held for share award scheme) at fair value of consideration paid including the transaction costs at the date of purchase.

The fair value of services received from directors and employees determined by reference to the fair value of awarded shares granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in employee share-based compensation reserve.

At the time when the awarded shares are vested, the difference in the amounts previously recognized in shares held for share award scheme and the amount recognized in employee share-based compensation reserve is transferred to retained profits.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Government grants relating to compensations of expenses are deducted from the related expenses, other government grants are presented under “other income”.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans/state-managed retirement benefit schemes/the Occupational Retirement Schemes Ordinance (“ORSO Scheme”)/the Mandatory Provident Fund Scheme (“MPF Scheme”) are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. In determining the present value of the Group’s defined benefit obligations and the related current service cost and, where applicable, past service cost, the Group attributes benefit to periods of service under the plan’s benefit formula. However, if an employee’s service in later years will lead to a materially higher level of benefit than earlier years, the Group attributes the benefit on a straight-line basis from:

(a) the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until

(b) the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Material accounting policy information (Continued)

Employee benefits (Continued)

Retirement benefit costs (Continued)

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained profits and will not be reclassified to profit or loss.

Past service cost is recognized in profit or loss in the period of a plan amendment or curtailment and a gain or loss on settlement is recognized when settlement occurs. When determining past service cost, or a gain or loss on settlement, an entity shall remeasure the net defined benefit liability or asset using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan and the plan assets before and after the plan amendment, curtailment or settlement, without considering the effect of asset ceiling (i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. However, if the Group remeasures the net defined benefit liability or asset before plan amendment, curtailment or settlement, the Group determines net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement and the discount rate used to remeasure such net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period resulting from contributions or benefit payments.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presented the first two components of defined benefit costs in profit or loss. Curtailment gains or losses are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill and intangible assets with indefinite useful life

Determining whether goodwill and intangible assets with indefinite useful life is impaired requires an estimation of the recoverable amount of the cash-generating units (the "CGUs") to which goodwill and intangible assets with indefinite useful life has been allocated, which is the higher of the value in use or fair value less cost of disposal. The value-in-use is determined based on the cash flow projection for the CGUs discounted to its present value and requires the use of key assumptions, including sales growth rates, gross profit margin rates, terminal growth rates and discount rates applied to the cash flow projection. Where the actual future cash flows are less than expected, or changes in facts and circumstances which result in downward revision of the future cash flows or upward revision of the discount rate, a material impairment loss may arise.

The carrying amount of goodwill and intangible assets with indefinite useful life as at 31 December 2024 was HK$954,118,000 (2023: HK$974,918,000) and HK$391,725,000 (2023: HK$395,645,000), respectively. No impairment was recognized on goodwill during the year ended 31 December 2024 and 2023. No impairment was provided on intangible assets with indefinite useful life for both years ended 31 December 2024 and 2023. Details of the recoverable amount calculations are set out in note 22.

Provisions

Significant estimates are involved in the determination of provision related to warranty costs, restructuring costs and legal proceedings. Accordingly, management exercises considerable judgment in determining whether there is a present obligation as a result of a past event at the reporting date, whether it is more likely than not that such warranty service, restructuring and legal proceedings will result an outflow of resources and whether the amount of the obligation can be reliably estimated with reference to the relevant correspondences and contracts with customers/counterparties. The management estimates the cost for rectification work, restructuring and legal proceedings with regard to the Group's experience in addressing such matters. As at 31 December 2024, the Group recognized provisions, including warranty provision, restructuring provision and obligation in relation to litigation amounting to HK$163,008,000 (2023: HK$221,897,000), HK$53,585,000 (2023: HK$6,908,000) and HK$27,183,000 (2023: HK$39,056,000) respectively (see note 33).

5. REVENUE

Disaggregation of revenue from contracts with customers

	2024 HK$'000	2023 HK$'000
Sales of goods and services		
Semiconductor solutions	**6,806,276**	6,365,130
Surface mount technology solutions	**6,422,803**	8,332,359
	13,229,079	14,697,489

The Group sells different equipment in the semiconductor and electronics assembly industries.

The revenue from semiconductor solutions business mainly includes the sales of standard products, and new or highly customized equipment. The revenue also includes service income from the provision of equipment installation services and training services.

The revenue from sales of standard products, including standard equipment and software, are recognized when control of the goods has transferred, being the time when the goods have been delivered.

The revenue from sales of new or highly customized equipment is recognized when customer acceptance has been obtained, which is the point of time when the customer has the ability to direct the use of the equipment and obtain substantially all of the remaining benefits of the equipment.

The revenue from sales of customer-specific-software in relation to surface mount technology solutions is recognized over time (percentage of completion by reference to direct costs incurred). The Group's work on the customer-specific-software does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for the performance completed to date.

The Group fulfills the other performance obligation of provision of maintenance services, equipment installation services and training services by completing the services for its customers. The revenue from services is recognized over time when relevant services are rendered.

The performance obligations of goods and services provided by the Group are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Sales-related warranties associated with equipment cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37.

6. SEGMENT INFORMATION

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

Segment revenues and results

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

	2024 HK$'000	2023 HK$'000
Segment revenue from external customers		
Semiconductor solutions	**6,806,276**	6,365,130
Surface mount technology solutions	**6,422,803**	8,332,359
	13,229,079	14,697,489
Segment profit (loss)		
Semiconductor solutions	**303,509**	(44,058)
Surface mount technology solutions	**598,769**	1,432,928
	902,278	1,388,870
Interest income	**130,457**	82,816
Finance costs	**(201,005)**	(137,888)
Share of result of a joint venture	**28,595**	11,246
Unallocated other income	**20,477**	20,261
Unallocated net foreign exchange loss and fair value change of foreign currency forward contracts	**(678)**	(63,103)
Unallocated general and administrative expenses	**(236,912)**	(200,752)
Unallocated other gains	**13,676**	29,537
Other expenses	**(155,351)**	(94,976)
Profit before taxation	**501,537**	1,036,011

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

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

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

6. SEGMENT INFORMATION (CONTINUED)

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

2024

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

2023

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

6. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

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

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

6. SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

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

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

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

7. RESEARCH AND DEVELOPMENT EXPENSES

Included in research and development expenses are mainly depreciation for property, plant and equipment and right-of-use assets of HK$77,085,000 (2023: HK$68,839,000), and staff costs of HK$1,286,057,000 (2023: HK$1,378,084,000) for the year ended 31 December 2024.

8. OTHER GAINS AND LOSSES, NET

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

9. OTHER EXPENSES

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

Notes:

(a) During the year ended 31 December 2024, related to compensation to employees due to targeted headcount reduction of HK$103,313,000 (2023: HK$41,554,000) was charged to restructuring costs.

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

10. FINANCE COSTS

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

11. INCOME TAX EXPENSE

	2024 HK$'000	2023 HK$'000
The charge (credit) comprises:		
Current tax:		
Hong Kong	**25,785**	19,893
PRC Enterprise Income Tax	**147,116**	23,638
Germany	**103,122**	267,387
Other jurisdictions	**134,173**	130,006
	410,196	440,924
Under(over)provision in prior years:		
Hong Kong	**9**	(24)
PRC Enterprise Income Tax	**(43,779)**	(37,465)
Germany	**12,706**	(3,873)
Other jurisdictions	**(11,644)**	16,158
	(42,708)	(25,204)
Deferred tax credit *(note 38)*	**(208,175)**	(91,210)
	159,313	324,510

11. INCOME TAX EXPENSE (CONTINUED)

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

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

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

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

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

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

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

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

11. INCOME TAX EXPENSE (CONTINUED)

The tax charge for the year can be reconciled to the profit before taxation in the consolidated statement of profit or loss as follows:

	2024 HK$'000	2023 HK$'000
Profit before taxation	**501,537**	1,036,011
Tax at the domestic income tax rate of 16.5% (2023: 16.5%) *(Note)*	**82,754**	170,942
Tax effect of share of result of a joint venture	**(4,718)**	(1,856)
Tax effect of expenses not deductible in determining taxable profit	**76,910**	51,473
Tax effect of income not taxable in determining taxable profit	**(21,193)**	(36,126)
Tax effect of tax losses not recognized	**11,668**	9,073
Tax effect of utilization of tax losses previously not recognized	**(379)**	(567)
Top-up tax under Pillar Two Rules	**17,241**	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	**63,418**	190,202
Effect of tax concessions	**(17,880)**	(12,712)
Overprovision in prior years	**(42,708)**	(25,204)
Others	**(5,800)**	(20,715)
Tax charge for the year	**159,313**	324,510

Note: The income tax rate (which is the Hong Kong Profits Tax rate) in the jurisdiction where one of the major operations of the Group is substantially based is used.

12. PROFIT FOR THE YEAR

	2024 HK$'000	2023 HK$'000
Profit for the year has been arrived at after charging (crediting):		
Directors' remunerations *(note 13)*	**33,321**	29,874
Other staff		
— Salaries, wages, bonus and other benefits	**4,661,551**	4,548,613
— Pension costs	**288,230**	281,766
— Share-based payments under the Scheme	**202,865**	163,887
Total staff costs	**5,185,967**	5,024,140
Auditors' remuneration		
— Deloitte Touche Tohmatsu network member firms	**18,398**	17,453
— Other auditors	**529**	259
	18,927	17,712
Depreciation for property, plant and equipment	**355,586**	372,729
Depreciation for right-of-use assets	**242,877**	224,621
Depreciation for investment properties	**4,833**	4,790
Amortization for intangible assets		
— Included in general and administrative expenses	**2,003**	1,502
— Included in research and development expenses	**4,070**	3,264
— Included in selling and distribution expenses	**48,378**	48,486
— Included in cost of sales	**49,600**	57,789
	104,051	111,041
Depreciation and amortization	**707,347**	713,181
Gross rental income from investment properties	**(14,485)**	(16,667)
Less: Direct operating expenses from investment properties that generate rental income	**8,863**	10,966
	(5,622)	(5,701)
Government grants *(Note)*	**(26,789)**	(45,656)
Interest income on bank deposits	**(130,457)**	(82,816)

Note: Government grants for the year ended 31 December 2024 included amounts of HK$1,360,000 (2023: HK$4,006,000), HK$2,871,000 (2023: HK$14,883,000), HK$14,181,000 (2023: HK$16,488,000) and HK$2,852,000 (2023: HK$3,324,000) which are government subsidies received from local authorities in Hong Kong, the PRC or Singapore relating to job creation and employment support, import of high technology products, development support and support for stabilizing employment, respectively. Government grants are as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs that are recognized in profit or loss in the period in which they become receivable. They are presented at net basis and are deducted to the extent of the related expenses incurred in cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in the consolidated statement of profit or loss. The excess and other government grants of HK$18,155,000 (2023: HK$36,969,000) are presented under "other income".

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

	Year ended 31 December 2024											
	Executive Director and chief executive *(Note a)*	Executive Director *(Note a)*	Non-executive Directors *(Note e)*			Independent Non-executive Directors *(Note f)*						
	Robin Gerard Ng Cher Tat HK$'000 *(Note b)*	Guenter Walter Lauber HK$'000	Paulus Antonius Henricus Verhagen HK$'000	Benjamin Loh Gek Lim HK$'000 *(Note d)*	Hichem M'Saad HK$'000 *(Note c)*	Orasa Livasiri HK$'000	John Lok Kam Chong HK$'000	Wong Hon Yee HK$'000	Eric Tang Koon Hung HK$'000	Andrew Chong Yang Hsueh HK$'000	Hera Siu Kitwan HK$'000	Total HK$'000
Fees	—	—	415	171	272	733	620	498	570	402	397	4,078
Other emoluments												
Salaries and other benefits	16,058	10,313	—	—	—	—	—	—	—	—	—	26,371
Contributions to retirement benefits schemes	81	758	—	—	—	—	—	—	—	—	—	839
Performance related incentive shares & cash bonus payments *(Note g)*	1,257	776	—	—	—	—	—	—	—	—	—	2,033
Total emoluments	17,396	11,847	415	171	272	733	620	498	570	402	397	33,321

	Year ended 31 December 2023										
	Executive Director and chief executive *(Note a)*	Executive Director *(Note a)*	Non-executive Directors *(Note e)*		Independent Non-executive Directors *(Note f)*						
	Robin Gerard Ng Cher Tat HK$'000 *(Note b)*	Guenter Walter Lauber HK$'000	Paulus Antonius Henricus Verhagen HK$'000	Benjamin Loh Gek Lim HK$'000 *(Note d)*	Orasa Livasiri HK$'000	John Lok Kam Chong HK$'000	Wong Hon Yee HK$'000	Eric Tang Koon Hung HK$'000	Andrew Chong Yang Hsueh HK$'000	Hera Siu Kitwan HK$'000	Total HK$'000
Fees	—	—	415	453	718	613	490	563	383	400	4,035
Other emoluments											
Salaries and other benefits	13,812	8,659	—	—	—	—	—	—	—	—	22,471
Contributions to retirement benefits schemes	228	703	—	—	—	—	—	—	—	—	931
Performance related incentive bonus payments *(Note g)*	1,051	1,386	—	—	—	—	—	—	—	—	2,437
Total emoluments	15,091	10,748	415	453	718	613	490	563	383	400	29,874

Notes:

(a) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

(b) Mr. Robin Gerard Ng Cher Tat is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive.

(c) Dr. Hichem M'Saad was appointed as a non-executive director of the Company on 13 May 2024.

(d) Mr. Benjamin Loh Gek Lim retired as a non-executive director of the Company on 8 May 2024.

(e) The non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

(f) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

(g) The performance related incentive bonus payments are determined with reference to the operating results, individual performance and comparable market statistics in both years.

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

During the year ended 31 December 2024, 177,000 (2023: 182,700) Awarded Shares (as defined in note 36) were granted to certain executive directors in respect of their services to the Group under the Scheme (as defined in note 36). The Group recognized total expenses of HK$17,089,000 (2023: HK$13,748,000) in relation to the Scheme which was amortized to the consolidated statement of profit or loss during the year and included in salaries and other benefits to the executive directors above. The market value for these Awarded Shares as at their vesting date was amounted to HK$13,496,000 (2023: HK$14,452,000), which was calculated with reference to the closest trading price of the Company's share of HK$76.25 (2023: HK$79.10) per share. For details regarding the Awarded Shares, please refer to note 36.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

14. FIVE HIGHEST PAID EMPLOYEES

The employee benefits of the five highest paid employees of the Group are as follows:

	2024 HK$'000	2023 HK$'000
Salaries and other benefits	**44,188**	38,752
Contributions to retirement benefits schemes	**1,012**	1,082
Performance related incentive shares & cash bonus payments	**3,912**	5,002
	49,112	44,836

For the year ended 31 December 2024, 378,400 (2023: 265,100) shares of the Company were granted to five highest paid employees in respect of their services to the Group under the Scheme. Details of the Scheme are set out in note 36 to the Group's consolidated financial statements. The Group recognized expenses of these shares amounting to HK$24,357,000 (2023: HK$19,949,000) in relation to the Scheme (as defined in note 36) which was included in salaries and other benefits above for the year ended 31 December 2024.

The five highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2024	2023
HK$5,000,001 to HK$5,500,000	**—**	1
HK$5,500,001 to HK$6,000,000	**1**	—
HK$6,000,001 to HK$6,500,000	**1**	1
HK$7,000,001 to HK$7,500,000	**—**	1
HK$7,500,001 to HK$8,000,000	**1**	—
HK$10,500,001 to HK$11,000,000	**—**	1
HK$11,500,001 to HK$12,000,000	**1**	—
HK$15,000,001 to HK$15,500,000	**—**	1
HK$17,000,001 to HK$17,500,000	**1**	—

During the year ended 31 December 2024, the five highest paid employees of the Group included two (2023: two) directors. Details of the emoluments of the directors for services rendered by them as directors are set out in note 13.

15. DIVIDENDS

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

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

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

16. EARNINGS PER SHARE

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

	2024 HK$'000	2023 HK$'000
Earnings for the purpose of calculating basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	**345,262**	715,353

	Number of shares (in thousands)	
	2024	2023
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**414,382**	412,372
Effect of dilutive potential shares: — Employee Share Incentive Scheme	**1,691**	1,746
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**416,073**	414,118

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold land outside Hong Kong HK$'000	Buildings outside Hong Kong HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fixtures and equipment HK$'000	Machinery for leases HK$'000	Construction in progress HK$'000	Total HK$'000
COST								
At 1 January 2023	15,648	1,261,405	819,792	3,602,216	89,352	45,340	160,734	5,994,487
Currency realignment	179	(13,764)	1,155	1,502	2,930	(1,149)	(4,041)	(13,188)
Acquired on acquisition of a subsidiary *(note 40)*	—	—	—	840	—	—	—	840
Additions	—	—	103,638	200,966	14,138	—	47,742	366,484
Transfer to inventories	—	—	—	—	—	(31,423)	—	(31,423)
Transfer	—	192,301	—	—	—	—	(192,301)	—
Disposals	—	—	(4,682)	(117,435)	(760)	—	—	(122,877)
Write-off	—	—	(19,748)	(73,258)	(8,288)	—	(12,134)	(113,428)
At 31 December 2023	15,827	1,439,942	900,155	3,614,831	97,372	12,768	—	6,080,895
Currency realignment	(131)	(13,156)	(14,165)	(140,443)	(62)	(36)	—	(167,993)
Additions	—	—	132,325	249,256	7,211	—	—	388,792
Transfer to inventories	—	—	—	—	—	(12,732)	—	(12,732)
Transfer to investment properties	—	(48,741)	—	—	—	—	—	(48,741)
Disposals	—	(3,051)	(4,970)	(113,408)	(1,014)	—	—	(122,443)
Write-off	—	—	(44,533)	(99,830)	(5,614)	—	—	(149,977)
At 31 December 2024	15,696	1,374,994	968,812	3,510,406	97,893	—	—	5,967,801
DEPRECIATION AND IMPAIRMENT								
At 1 January 2023	—	420,186	526,302	2,715,756	62,717	26,757	12,134	3,763,852
Currency realignment	—	(1,615)	402	3,466	2,089	(865)	—	3,477
Provided for the year	—	29,165	88,712	239,312	6,887	8,653	—	372,729
Transfer to inventories	—	—	—	—	—	(25,513)	—	(25,513)
Eliminated on disposals	—	—	(4,603)	(110,051)	(362)	—	—	(115,016)
Eliminated on write-off	—	—	(17,036)	(71,114)	(7,916)	—	(12,134)	(108,200)
At 31 December 2023	—	447,736	593,777	2,777,369	63,415	9,032	—	3,891,329
Currency realignment	—	(4,127)	(8,032)	(122,812)	(1,589)	(26)	—	(136,586)
Provided for the year	—	30,176	96,616	219,808	8,512	474	—	355,586
Transfer to inventories	—	—	—	—	—	(9,480)	—	(9,480)
Transfer to investment properties	—	(13,024)	—	—	—	—	—	(13,024)
Eliminated on disposals	—	(730)	(4,792)	(103,850)	(939)	—	—	(110,311)
Eliminated on write-off	—	—	(27,768)	(94,795)	(4,562)	—	—	(127,125)
At 31 December 2024	—	460,031	649,801	2,675,720	64,837	—	—	3,850,389
CARRYING VALUES								
At 31 December 2024	15,696	914,963	319,011	834,686	33,056	—	—	2,117,412
At 31 December 2023	15,827	992,206	306,378	837,462	33,957	3,736	—	2,189,566

The above items of property, plant and equipment, except for freehold land and construction in progress, after taking into account the residual values are depreciated on a straight-line basis at the following rates per annum:

Buildings	2% to 4.5% or over the lease terms if shorter
Leasehold improvements	10% to $33^{1}/_{3}$% or over the lease terms if shorter
Plant and machinery	10% to $33^{1}/_{3}$%
Furniture, fixtures and equipment	10% to 20%
Machinery for leases	25%

As at 31 December 2024 and 2023, the directors of the Company are of the opinion that no impairment should be provided for the property, plant and equipment, nor is there any indicator that an impairment previously recorded should be reversed.

18. RIGHT-OF-USE ASSETS

	Leasehold land HK$'000	Land and buildings HK$'000	Motor vehicles HK$'000	Others HK$'000	Total HK$'000
As at 31 December 2024					
Carrying amount	**228,611**	**1,583,134**	**28,456**	**10,115**	**1,850,316**
As at 31 December 2023					
Carrying amount	234,322	1,775,901	24,061	12,138	2,046,422
For the year ended 31 December 2024					
Depreciation charge	**7,831**	**218,439**	**14,067**	**2,540**	**242,877**
Expense relating to short-term leases					**25,969**
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets					**5,779**
Total cash outflow for leases *(Note)*					**307,986**
Additions to right-of-use assets					**198,832**
For the year ended 31 December 2023					
Depreciation charge	7,666	202,911	12,000	2,044	224,621
Expense relating to short-term leases					21,457
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets					10,485
Total cash outflow for leases *(Note)*					277,355
Additions to right-of-use assets					702,335

Note: Amount includes payments of principal of lease liabilities, short-term leases and low-value assets of HK$237,190,000 (2023: HK$226,072,000) and interest portion of HK$70,796,000 (2023: HK$51,283,000) of lease liabilities. These amounts are presented in operating or financing cash flows.

For both years, the Group leases leasehold lands, land and buildings, motor vehicles and others for its operations. Except for land leased from the Singapore Housing & Development Board for a period of 30 years (renewable upon mutual agreement on expiry for a further term of 30 years), other leases are negotiated for an average term of 14 months to 50 years (2023: 12 months to 50 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

18. RIGHT-OF-USE ASSETS (CONTINUED)

In addition, the Group owns several industrial buildings, where its manufacturing facilities are primarily located, and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group regularly entered into short-term leases for land and buildings, motor vehicles and equipment. As at 31 December 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Extension and termination options

The Group has extension and/or termination options in a number of leases for various premises, motor vehicles and others. These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessors.

The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options or not to exercise the termination options. The potential exposures to these future lease payments for (i) extension options in which the Group is not reasonably certain to exercise and (ii) termination options in which the Group is not reasonably certain not to exercise is summarized below:

	Lease liabilities recognized as at 31 December 2024 HK$'000	Potential future lease payments not included in lease liabilities as at 31 December 2024 (undiscounted) HK$'000	Lease liabilities recognized as at 31 December 2023 HK$'000	Potential future lease payments not included in lease liabilities as at 31 December 2023 (undiscounted) HK$'000
Premises	**1,299,247**	**59,223**	1,435,303	44,940
Motor vehicles	**5,816**	**473**	2,175	543
Others	**215**	**38**	489	85

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 December 2024 and 2023, there is no such triggering event.

19. INVESTMENT PROPERTIES

	HK$'000
COST	
At 1 January 2023	145,792
Currency realignment	(4,215)
At 31 December 2023	141,577
Currency realignment	(850)
Transfer from property, plant and equipment	48,741
At 31 December 2024	189,468
DEPRECIATION	
At 1 January 2023	76,307
Currency realignment	(2,780)
Provided for the year	4,790
At 31 December 2023	78,317
Currency realignment	(39)
Transfer from property, plant and equipment	13,024
Provided for the year	4,833
At 31 December 2024	96,135
CARRYING VALUES	
At 31 December 2024	93,333
At 31 December 2023	63,260

During the year, part of the Group's research and development center located in the PRC held under a medium term lease with a carrying amount HK$35,717,000 was transferred from property, plant and equipment to investment properties upon change in use.

The Group leases out various offices and manufacturing plants under operating leases with rental payable monthly.

The Group's property interests held to earn rentals or for capital appreciation purposes are measured using the cost model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties at 31 December 2024 were HK$288,918,000 (2023: HK$226,338,000). The fair value has been arrived at based on valuation carried out by Cushman & Wakefield Limited, an independent firm of qualified professional valuers not connected with the Group with appropriate qualifications and recent experiences in the valuation of similar properties in the relevant location. The valuations were arrived at using income capitalization approach. The income capitalization approach is calculated by capitalizing the rental income derived from the existing tenancies with due provision for any reversionary income potential. There has been no change of the valuation technique used from the prior year.

19. INVESTMENT PROPERTIES (CONTINUED)

In estimating the fair value of the properties, the highest and best use of the properties is their current use. Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Fair value at level 3 hierarchy as at	
	2024 HK$'000	2023 HK$'000
Research and development center located in the PRC	**176,888**	120,944
Manufacturing plant building located in Malaysia	**112,030**	105,394
	288,918	226,338

Investment properties are depreciated over the lease terms of 48 years or 22 years (2023: 48 years or 22 years) on a straight-line basis.

20. GOODWILL

	HK$'000
COST	
At 1 January 2023	1,175,733
Arising on acquisition of subsidiaries *(note 40)*	40,913
Currency realignment	5,692
At 31 December 2023	1,222,338
Currency realignment	(20,800)
At 31 December 2024	1,201,538
IMPAIRMENT	
At 1 January 2023, 31 December 2023 and 31 December 2024	247,420
CARRYING VALUES	
At 31 December 2024	954,118
At 31 December 2023	974,918

Particulars regarding impairment testing on goodwill are disclosed in note 22.

21. INTANGIBLE ASSETS

	Trade name HK$'000	Technology HK$'000	Customer bases HK$'000	Licenses and similar rights HK$'000	Total HK$'000
COST					
At 1 January 2023	394,100	617,713	543,261	147,402	1,702,476
Currency realignment	1,545	3,611	3,522	744	9,422
Acquired on acquisition of subsidiaries *(note 40)*	—	7,783	—	—	7,783
Additions	—	—	—	77,614	77,614
Write-off	—	—	—	(38)	(38)
At 31 December 2023	395,645	629,107	546,783	225,722	1,797,257
Currency realignment	(3,920)	(10,954)	(7,760)	6,018	(16,616)
Additions	—	—	—	100,591	100,591
Write-off	—	—	—	(2,568)	(2,568)
At 31 December 2024	391,725	618,153	539,023	329,763	1,878,664
AMORTIZATION					
At 1 January 2023	—	308,042	247,969	104,702	660,713
Currency realignment	—	2,473	1,645	957	5,075
Charge for the year	—	57,354	48,463	5,224	111,041
Eliminated on write-off	—	—	—	(29)	(29)
At 31 December 2023	—	367,869	298,077	110,854	776,800
Currency realignment	—	(7,202)	(4,765)	7,022	(4,945)
Charge for the year	—	48,979	48,347	6,725	104,051
Eliminated on write-off	—	—	—	(588)	(588)
At 31 December 2024	—	409,646	341,659	124,013	875,318
CARRYING VALUES					
At 31 December 2024	391,725	208,507	197,364	205,750	1,003,346
At 31 December 2023	395,645	261,238	248,706	114,868	1,020,457

The intangible assets represent trade name, technology, customer bases, and licenses and similar rights of software for the Group's operation.

The trade name is an intangible asset with indefinite useful life as the directors of the Company are of opinion that the Group could use the trade name continuously and has the ability to do so. Particulars regarding impairment testing on trade name are disclosed in note 22. The other intangible assets are amortized on a straight-line basis at below rates per annum:

Technology	7% to 10%
Customer bases	7% to 10%
Licenses and similar rights	20% to $33^1/_3$%

22. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

For the purposes of impairment testing, goodwill and trade name with indefinite useful life set out in notes 20 and 21, respectively, have been allocated to CGUs, comprising certain subsidiaries in the semiconductor solutions and surface mount technology solutions businesses. The carrying amounts of goodwill and trade name as at 31 December 2024 and 2023 allocated to these CGUs are as follows:

	Goodwill		Trade name	
	2024 HK$'000	2023 HK$'000	**2024 HK$'000**	2023 HK$'000
Semiconductor solutions business				
AMICRA *(defined below)*	**—**	—	**38,182**	38,401
NEXX *(defined below)*	**216,894**	218,143	**78,310**	78,760
AEi *(defined below)*	**22,095**	22,222	**—**	—
	238,989	240,365	**116,492**	117,161
Surface mount technology solutions business				
Placement and printing business	**406,180**	408,517	**245,111**	246,522
Borey *(defined below)*	**17,088**	17,462	**—**	—
Manufacturing execution software ("MES") business				
Critical Manufacturing Group *(defined below)*	**203,377**	218,156	**24,658**	26,378
SKT *(defined below)*	**88,484**	90,418	**5,464**	5,584
	715,129	734,553	**275,233**	278,484
	954,118	974,918	**391,725**	395,645

In addition to goodwill and trade name above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill and trade name are also included in the respective CGU or group of CGUs for the purpose of impairment assessment.

The basis of the recoverable amounts of the above CGUs or group of CGUs and their major underlying assumptions are summarized below:

22. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE (CONTINUED)

Semiconductor solutions business

The recoverable amount of the CGUs have been determined based on a value in use calculation. These calculations use cash flow projections based on financial budgets approved by the directors covering a five-year period, and the pre-tax discount rate of 20.2% (2023: 19.8%) for ASMPT AMICRA GmbH ("AMICRA"), 16.3% (2023: 16.6%) for ASMPT NEXX, Inc. ("NEXX") and 16.8% (2023: 16.8%) for ASMPT AEi, Inc. ("AEi"). The cash flows beyond the five-year period are extrapolated using a steady 3% (2023: 3%) growth rate for both AMICRA, NEXX and AEi. These growth rates are based on the economic outlook and relevant industry growth forecasts. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

For AMICRA business, management of the Group determines that there are no further impairments of this CGU and no other write-down of the assets of AMICRA is considered necessary during the years ended 31 December 2024 and 2023.

For NEXX and AEi business, management of the Group determines that there are no impairments of the respective CGU containing goodwill or trade name with indefinite useful life during the years ended 31 December 2024 and 2023.

Surface mount technology solutions business

The recoverable amount of the CGUs or group of CGUs have been determined based on a value in use calculation. For placement and printing business, that calculation uses cash flow projections based on financial budgets approved by the directors covering a five-year period, and the pre-tax discount rate of 20.1% (2023: 20.5%). The cash flows beyond the five-year period are extrapolated using a steady 2.5% (2023: 2.5%) growth rate.

For Critical Manufacturing, S.A., Soft Rock Technologies Sdn. Bhd. and Tech Rewards Solutions, S. de R.L. de C.V. (together as "Critical Manufacturing Group") and Shenzhen Shen Ke Te Information Technology Co., Ltd. ("SKT") under manufacturing execution software business and Beijing Borey Advanced Technology Co., Ltd. ("Borey"), these calculations use cash flow projections based on financial budgets approved by the directors covering a five-year period, and the pre-tax discount rate of 19.4% (2023: 20.4%) for Critical Manufacturing Group, 17.3% (2023: 18.2%) for SKT, and 16.5% (2023: 15.0%) for Borey. The cash flows beyond the five-year period are extrapolated using a steady 3% (2023: 3%) growth rate for Critical Manufacturing Group, SKT, and Borey. These growth rates are based on the economic outlook and relevant industry growth forecasts. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

For surface mount technology solutions business, management of the Group determines that there are no impairments of its CGUs or group of CGUs containing goodwill or trade name with indefinite useful life during the years ended 31 December 2024 and 2023.

23. OTHER INVESTMENTS

	2024 HK$'000	2023 HK$'000
Equity instruments measured at FVTOCI		
— Unlisted equity securities *(Note a)*	**37,897**	72,095
Equity instruments measured at FVTPL		
— Unlisted equity securities *(Note b)*	**10,178**	12,651
	48,075	84,746

Notes:

(a) The above unlisted equity investments represent investment in unlisted equity investments issued by private entities incorporated in Germany and England which are denominated in Euro and US dollar respectively. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as the Group intends to hold these unlisted equity investments for long term strategic purposes.

During the year, net fair value loss of HK$33,859,000 (2023: net fair value gain of HK$2,736,000) was recognized in other comprehensive income.

(b) The above unlisted equity securities represent investment in a private equity fund which are measured using valuation techniques based on unobservable inputs such as company specific financial information. During the year, a fair value loss of HK$2,408,000 (2023: gain of HK$209,000) was recognized under "other gains and losses, net".

24. INTEREST IN A JOINT VENTURE/AMOUNTS DUE FROM (TO) A JOINT VENTURE AND ITS AFFILIATES/OTHER FINANCIAL ASSETS

	2024 HK$'000	2023 HK$'000
Cost of investment in a joint venture	**1,417,001**	1,240,001
Share of post-acquisition profit and other comprehensive income, net of dividend received	**254,806**	281,244
	1,671,807	1,521,245

The amounts due from and to a joint venture and its affiliates are unsecured, non-interest bearing, and repayable on demand.

24. INTEREST IN A JOINT VENTURE/AMOUNTS DUE FROM (TO) A JOINT VENTURE AND ITS AFFILIATES/OTHER FINANCIAL ASSETS (CONTINUED)

Details of the Group's joint venture at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activity
			2024	2023	2024	2023	
Advanced Assembly Materials International Limited ("AAMI")	Hong Kong	Hong Kong	**49%**	44.44%	**49%**	44.44%	Investment holding and trading of materials

During the year ended 31 December 2020, the Group has deemed disposed of 55.56% of AAMI and AAMI became a joint venture of the Group with goodwill of HK$53,880,000 recognized.

According to the annual reports of AAMI for the financial years from 2021 to 2023, AAMI has achieved the mutually-agreed average adjusted earnings before interest, corporate income tax and certain items during 2021 to 2023 (the "Average Adjusted EBIT") as set out in shareholders' agreement with the investors and thus AAMI issued 894 new shares to the Group at nil consideration in May 2024 accordingly. The Group's shareholding percentage in AAMI has increased from 44.44% to 49% since then. An addition of goodwill amounting to HK$25,531,000 was recognized due to the increase of the shareholding.

Additionally, an incentive fee of US$5,100,000 is payable to the Group by the investors when AAMI met the Average Adjusted EBIT target pursuant to the shareholders' agreement.

At 31 December 2023, the fair value of the derivative arising from the above share adjustment on the earn-out clause and the contingent consideration receivable was assessed to be HK$177,000,000 and HK$39,837,000 respectively which were included in the derivative financial instruments and other financial assets in the consolidated statement of financial position.

During the year ended 31 December 2024, the share adjustment on the earn-out clause was settled by receiving the related new shares issued by AAMI. The contingent consideration receivable was partially settled and the remaining were included in the other receivables in the consolidated statement of financial position.

Pursuant to the relevant shareholders' agreement, the Group has the power to appoint two directors and the joint venture's partners have the power to appoint another three directors to form the board of directors of AAMI, and the decisions about the relevant activities of AAMI require the unanimous consent of both the Group and the joint venture partners.

On 23 October 2024, the Group entered into an agreement with Shenzhen Original Advanced Compounds Co., Ltd. ("SOAC") and the controlling shareholder of SOAC in respect of the proposed disposal of the Group interest in AAMI to SOAC (the "Proposed Transaction") in consideration of no less than 20% of the shares in SOAC after the completion of the Proposed Transaction and the remaining consideration in cash.

The completion of the Proposed Transaction is subject to the satisfaction of certain precedent conditions as per our announcement dated 23 October 2024 which are yet to fulfill as at 31 December 2024.

24. INTEREST IN A JOINT VENTURE/AMOUNTS DUE FROM (TO) A JOINT VENTURE AND ITS AFFILIATES/OTHER FINANCIAL ASSETS (CONTINUED)

Summarized financial information of a material joint venture

Summarized financial information in respect of the joint venture is set out below. The summarized financial information below represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with HKFRSs.

The joint venture is accounted for using the equity method in these consolidated financial statements.

AAMI

	2024 HK$'000	2023 HK$'000
Current assets	**1,891,876**	2,127,929
Non-current assets	**2,439,371**	2,045,872
Current liabilities	**(833,622)**	(580,234)
Non-current liabilities	**(247,837)**	(291,666)
Cash and cash equivalents	**1,100,048**	1,206,548
Current financial liabilities (excluding trade and other payables and provisions)	**(85,243)**	(71,915)
Non-current financial liabilities (excluding other payables and provisions)	**(185,015)**	(148,812)

	2024 HK$'000	2023 HK$'000
Revenue	**2,288,013**	2,141,699
Profit for the year	**60,010**	25,391
Other comprehensive expense for the year	**(26,474)**	(13,428)
The above profit for the year includes the following:		
Depreciation and amortization	**(220,963)**	(211,579)
Interest income	**48,593**	45,796
Interest expense	**(5,962)**	(8,059)
Income tax expense	**(24,107)**	(41,734)

24. INTEREST IN A JOINT VENTURE/AMOUNTS DUE FROM (TO) A JOINT VENTURE AND ITS AFFILIATES/OTHER FINANCIAL ASSETS (CONTINUED)

Summarized financial information of a material joint venture (Continued)

AAMI (Continued)

Reconciliation of the above summarized financial information to the carrying amount of the interest in AAMI recognized in the consolidated financial statements:

	2024 HK$'000	2023 HK$'000
Net assets of AAMI	**3,249,788**	3,301,901
Proportion of the Group's ownership interest in AAMI	**49%**	44.44%
The Group's share of net assets of AAMI	**1,592,396**	1,467,365
Goodwill	**79,411**	53,880
Carrying amount of the Group's interest in AAMI	**1,671,807**	1,521,245

25. FINANCE LEASE RECEIVABLES

During the year ended 31 December 2024, the Group entered into finance lease arrangements as an intermediate lessor in respect of a building for a term of three years. Interest rates inherent in the leases are fixed at the contract date over the lease terms.

As at 31 December 2024, the finance lease receivables recognized was due to the Group's sub-lease arrangement.

	Undiscounted minimum lease payments 2024 HK$'000
Finance lease receivables comprise:	
Within one year	**10,741**
In the second year	**9,846**
In the third year	**8,055**
	28,642
Gross investment in the lease	**28,642**
Less: Unearned finance income	**(1,354)**
Present value of minimum lease payment receivables	**27,288**
Analyzed as:	
Current	**9,940**
Non-current	**17,348**
	27,288

25. FINANCE LEASE RECEIVABLES (CONTINUED)

As at 31 December 2024, interest rate implicit in the above finance lease is 3.66%.

The Group is not exposed to foreign currency risk as a result of the lease arrangement, as the lease is denominated in the respective functional currency of that entity.

Details of impairment assessment are set out in note 45.

26. INVENTORIES

The carrying amount of the inventories, net of written down is made of below:

	2024 HK$'000	2023 HK$'000
Raw materials	**1,948,597**	2,027,213
Work in progress	**3,150,142**	3,230,503
Finished goods	**890,279**	1,057,757
	5,989,018	6,315,473

27. TRADE AND OTHER RECEIVABLES

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

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

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

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

27. TRADE AND OTHER RECEIVABLES (CONTINUED)

Note: (Continued)

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

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

Details of impairment assessment of trade and other receivables for the year ended 31 December 2024 are set out in note 45.

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

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

28. DERIVATIVE FINANCIAL INSTRUMENTS

	2024		2023	
	Assets HK$'000	**Liabilities HK$'000**	Assets HK$'000	Liabilities HK$'000
Shown as current				
Foreign currency forward contracts	**3,598**	**51,499**	25,900	1,246
Interest rate swaps	**—**	**—**	15,656	—
	3,598	**51,499**	41,556	1,246
Shown as non-current				
Interest rate swaps	**768**	**9,937**	—	—
Share adjustment on earn-out clause in a joint venture *(note 24)*	**—**	**—**	177,000	—
	768	**9,937**	177,000	—
	4,366	**61,436**	218,556	1,246

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

During the year ended 31 December 2020, the Group entered into interest rate swap contracts with a commercial bank to minimize its exposure to cash flow changes of its floating-rate Hong Kong dollars bank loans from bank by swapping floating interest rates to fixed interest rates. The terms of these contracts were negotiated to match with those of the hedged bank loans with the same notional amounts to principal amounts of bank loans, currency and interest rate index. The directors consider that the interest rate swap contracts are highly effective hedging instruments and have designated them as cash flow hedging instruments for hedge accounting purpose. The related interest rate swap contracts expired during the year 2024.

During the year ended 31 December 2024, the Group entered into interest rate swap contracts with a commercial bank to minimize its exposure to cash flow changes of its floating-rate Hong Kong dollars bank loans from bank by swapping floating interest rates to fixed interest rates. The terms of these contracts were negotiated to match with those of the hedged bank loans with the same notional amounts to principal amounts of bank loans, currency and interest rate index. The directors consider that the interest rate swap contracts are highly effective hedging instruments and have designated them as cash flow hedging instruments for hedge accounting purpose.

The hedges were highly effective in hedging cash flow exposure to interest rate movements. Fair value change on hedging instruments in cash flow hedge of loss of HK$24,825,000 for the year ended 31 December 2024 (2023: loss of HK$43,064,000) have been recognized in other comprehensive income and accumulated in equity. The directors expected the accumulated sum is to be released to profit or loss at various dates upon settlements of interests in the coming maturity periods after the reporting period.

Included in borrowings as disclosed in note 34 were bank loans of HK$750,000,000 (2023: HK$1,750,000,000) which were under cash flow hedges and the major terms of the interest rate swap contracts under cash flow hedges as at 31 December 2024 and 2023 are as follows:

For the year ended 31 December 2024

Notional amount	Maturity	Receive floating	Pay fixed
HK$500,000,000	**21 February 2029**	**1-month Hong Kong Interbank Offered Rate ("HIBOR") plus 0.92%**	**4.82%**
HK$250,000,000	**21 February 2029**	**1-month HIBOR plus 0.92%**	**4.22%**

For the year ended 31 December 2023

Notional amount	Maturity	Receive floating	Pay fixed
HK$1,250,000,000	21 March 2024	1-month HIBOR plus 1.1%	2.38%
HK$500,000,000	21 March 2024	1-month HIBOR plus 1.1%	2.315%

The foreign currency forward contracts as at 31 December 2024 represent two types of forward contracts, purchase of Euro and sale of US dollar, and purchase of Euro and sale of HK dollar.

For the foreign currency forward contracts that purchase of Euro and sale of US dollar, the purchase of Euro and the sale of US dollar at contract rates range from US$1.12670 to US$1.05062 (2023: US$1.07977 to US$1.12210) per one Euro with future maturity dates ranging from 22 January 2025 to 17 December 2025 (2023: 23 January 2024 to 23 July 2024) at an aggregate notional amount of US$100,200,000, equivalent to approximately HK$778,203,000 (2023: US$114,000,000, equivalent to approximately HK$890,477,000).

For the foreign currency forward contracts that purchase of Euro and sale of HK dollar, the purchase of Euro and the sale of HK dollar at contract rates range from HK$8.1195 to HK$8.5975 (2023: from HK$8.2726 to HK$8.5676) per one Euro with future maturity dates ranging from 8 January 2025 to 31 March 2025 (2023: from 19 January 2024 to 28 March 2024) at an aggregate notional amount of HK$826,322,500 (2023: HK$937,500,000).

29. LONG-TERM BANK DEPOSITS, BANK DEPOSITS WITH ORIGINAL MATURITY OF MORE THAN THREE MONTHS AND CASH AND CASH EQUIVALENTS

The long-term bank deposits with maturity of more than 1 year as at 31 December 2023 carry fixed interest rate which ranged from 3.3% to 5.5% (2024: nil) per annum.

Bank balances and bank deposits with original maturity of more than three months as at 31 December 2024 carry interest at market rates which ranged from 0% to 5.50% (2023: ranged from 0% to 5.45%) per annum.

30. TRADE LIABILITIES AND OTHER PAYABLES

	2024 HK$'000	2023 HK$'000
Trade payables	**1,290,179**	1,152,276
Deferred income *(Note a)*	**92,303**	144,277
Accrued salaries and wages	**191,374**	245,681
Other accrued charges	**494,119**	513,078
Payables arising from acquisition of property, plant and equipment	**76,946**	45,667
Gross obligation to acquire non-controlling interest *(note 39)*	**—**	44,140
Contingent consideration for acquisitions *(note 39)*	**10,085**	—
Other payables *(Note b)*	**168,705**	218,910
	2,323,711	2,364,029

Notes:

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

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

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

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

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

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

31. ADVANCE PAYMENTS FROM CUSTOMERS

The amounts represent advance payment received from customers in relation to their purchase orders of equipment placed with the Group. At 31 December 2023 and 2024, the advance payments from customers are contract liabilities and the Group does not expect to refund any of the advance payments.

When the Group receives a deposit before the delivery of equipment, this will give rise to contract liabilities at the start of the contract, until the revenue is recognized on the relevant contract. The Group typically receives a certain percentage of deposit on acceptance of purchase orders.

As at 1 January 2023, advance payments from customers amounted to HK$1,093,944,000. The advance payments from customers as at 1 January 2023 and 1 January 2024 were fully recognized as revenue during the years ended 31 December 2023 and 31 December 2024, respectively.

32. LEASE LIABILITIES

	2024 HK$'000	2023 HK$'000
Lease liabilities payable:		
Within one year	**206,848**	188,095
Within a period of more than one year but not more than two years	**186,598**	182,969
Within a period of more than two years but not more than five years	**488,010**	510,901
Within a period of more than five years	**998,166**	1,147,639
	1,879,622	2,029,604
Less: Amount due for settlement within 12 months shown under current liabilities	**(206,848)**	(188,095)
Amount due for settlement after 12 months shown under non-current liabilities	**1,672,774**	1,841,509

The weighted average incremental borrowing rates applied to lease liabilities is 3.10% (2023: 3.45%) per annum.

Lease obligations that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	Euro HK$'000	Singapore dollar HK$'000	South Korean Won HK$'000	Others HK$'000
As at 31 December 2024	**101,155**	**81,357**	**7,886**	**5,511**
As at 31 December 2023	76,323	82,945	8,335	7,753

33. PROVISIONS

The Group's provisions are analyzed for reporting purposes as:

	2024 HK$'000	2023 HK$'000
Current	**237,935**	270,487
Non-current	**60,786**	47,183
	298,721	317,670

The Group's provisions mainly comprise warranty provision of HK$163,008,000 (2023: HK$221,897,000). The movements of the warranty provision and restructuring provision are as follows:

	Warranty provision HK$'000	Restructuring provision HK$'000
At 1 January 2023	282,189	20,923
Currency realignment	2,669	(286)
Additions	104,158	41,554
Utilization	(167,119)	(55,283)
At 31 December 2023	221,897	6,908
Currency realignment	(4,067)	(1,697)
Additions	91,903	103,313
Utilization	(146,725)	(54,939)
At 31 December 2024	163,008	53,585

The warranty provision represents management's best estimate of the Group's liability under the warranty period, mainly for a period of maximum of 2 years for semiconductor solutions and surface mount technology solutions equipment based on management's prior experience.

A subsidiary of the Group was involved in litigation with a third party in relation to the infringement of a patent for which the High Court in Singapore ruled in favour of the third party. In June 2024, the High Court in Singapore issued its grounds of decision regarding the amount of damages awarded to the third party. Both parties subsequently filed appeals to the Court of Appeal. The Court of Appeal heard the appeals on 21 November 2024 and issued its decision on 22 November 2024, directing the parties to jointly derive a revised quantum of damages based on its decision.

Based on the revised quantum of damages agreed by the parties following the Court of Appeal's directive, including the estimated interest payable thereon, a provision of approximately HK$27,183,000 (31 December 2023: HK$39,056,000) was made. Reversal of the provision of HK$11,676,000 (2023: nil) was recognized in the profit or loss during the year 2024.

The remaining is mainly provision for restoration of right-of-use assets.

34. BANK BORROWINGS

	2024 HK$'000	2023 HK$'000
The carrying amount of the bank borrowings are repayable:		
Within one year	**306,205**	2,000,000
Within a period of more than one year but not exceeding two years	**2,375,000**	—
	2,681,205	2,000,000
Less: Amounts due within one year shown under current liabilities	**(306,205)**	(2,000,000)
Amounts shown under non-current liabilities	**2,375,000**	—
Variable-rate bank borrowings *(Note)*	**2,500,000**	2,000,000
Fixed-rate other bank borrowings	**181,205**	—

Note: Included in variable-rate bank borrowings were bank loans of HK$750,000,000 (2023: HK$1,750,000,000) which were under cash flow hedges and the major terms of the interest rate swap contracts under cash flow hedges at the end of the reporting period as disclosed in note 28.

The Group's bank borrowings are unsecured and unguaranteed.

The Group's variable-rate bank borrowings bear interest at HIBOR plus a margin per annum.

As at 31 December 2024, the Group has a fixed-rate other bank borrowings amounting to approximately HK$181,205,000 (2023: N/A) (note 27), repayable within one year.

The effective interest rate which include the cash flow hedges effect on the Group's bank and other bank borrowings are as follows:

	2024	2023
Effective interest rate:		
Fixed-rate other bank borrowings	**3.00%**	—
Variable-rate bank borrowings	**5.25%**	2.91%

35. SHARE CAPITAL OF THE COMPANY

	Number of shares		Share capital	
	2024 '000	2023 '000	**2024 HK$'000**	2023 HK$'000
Issued and fully paid:				
At 1 January	**414,506**	412,872	**41,451**	41,287
Shares repurchased in 2023 and cancelled	**—**	(367)	**—**	(37)
Shares issued under the Scheme *(as defined in note 36)*	**1,953**	2,001	**195**	201
At 31 December	**416,459**	414,506	**41,646**	41,451

The authorized share capital of the Company is HK$50 million, comprising 500 million shares of HK$0.10 each, at 31 December 2024 and 2023 and 1 January 2023.

During the year ended 31 December 2024, 1,953,200 (2023: 2,001,100) shares were issued at par to eligible employees and members of management under the Scheme (as defined in note 36).

36. EMPLOYEE SHARE INCENTIVE SCHEME

At the annual general meeting of the Company held on 7 May 2019, the shareholders approved the adoption of an Employee Share Incentive Scheme (the "Scheme") on 24 March 2020 (the "Adoption Date"), under which shares of the Company (the "Awarded Shares") may be allocated or awarded to employees or directors of the Company and its certain subsidiaries as determined by the Board (the "Selected Employees"). Unless otherwise cancelled or amended, the Scheme will remain valid and effective for a period of ten years commencing from the Adoption Date. Details of the Scheme were set out in the Company's circular to shareholders dated 1 April 2019.

2023

During the year ended 31 December 2023, the directors resolved to contribute HK$181 million to the Scheme, enabling an independent professional trustee appointed by the Board under the Scheme ("Trustee") to subscribe or purchase 2,447,000 shares in the Company for the benefits of certain employees and members of the management of the Group who shall remain in employment within the Group upon the expiration of vesting period on 15 December 2023 (the "2023 Vesting Date"). Thereafter, the Trustee (i) purchased a total of 361,500 shares in the Company on the Stock Exchange, and (ii) subscribed 2,001,100 shares in the Company, prior to the 2023 Vesting Date. On the 2023 Vesting Date, the Trustee transferred 361,500 shares purchased on the Stock Exchange and 1,999,100 subscribed shares to certain Selected Employees who are connected persons and not connected persons of the Company respectively. During the year ended 31 December 2023, 86,400 share entitlements were forfeited and unallocated by the Company, among which 2,000 shares subscribed by the Trustee shall continue to be held on trust by the Trustee as returned shares pursuant to the rules and trust deed of the Scheme.

36. EMPLOYEE SHARE INCENTIVE SCHEME (CONTINUED)

2024

During the year ended 31 December 2024, the directors resolved to contribute HK$168 million to the Scheme, enabling the Trustee to subscribe or purchase 2,363,900 shares in the Company for the benefits of certain employees and members of the management of the Group who shall remain in employment within the Group upon the expiration of vesting period on 16 December 2024 (the "2024 Vesting Date"). Thereafter, the Trustee (i) purchased a total of 338,600 shares in the Company on the Stock Exchange, and (ii) subscribed 1,953,200 shares in the Company, prior to the 2024 Vesting Date. On the 2024 Vesting Date, the Trustee transferred 334,600 shares purchased on the Stock Exchange and 1,941,600 subscribed shares to certain Selected Employees who are connected persons and not connected persons of the Company respectively. During the year ended 31 December 2024, 87,700 share entitlements were forfeited and unallocated by the Company, among which 4,000 shares purchased by and 11,600 subscribed by the Trustee respectively shall continue to be held on trust by the Trustee as returned shares pursuant to the rules and trust deed of the Scheme.

On 19 December 2024, the directors further resolved to contribute HK$11 million to the Scheme, enabling the Trustee to subscribe or purchase 169,300 shares in the Company for the benefits of 8 selected employees and members of the management of the Group who shall remain in employment within the Group upon the expiration of vesting date on 30 April 2027. The vesting of such shares shall be contingent on the Group's financial performance for the three years ending 31 December 2024, 2025 and 2026. The Group's performance level shall be measured using its revenue growth rate as compared to its industry peers and EBIT (earnings before interest and taxes) margin as performance indicators. No shares shall vest if the Group fails to achieve a threshold expected performance level.

Share-based payments

The fair values of the shares granted pursuant to the Scheme in 2023 and 2024 were determined with reference to market value of the shares at the award date taking into account the exclusion of the expected dividends as the employees were not entitled to receive dividends paid during the vesting of the shares.

The Group recognized share-based payments amounting to HK$219,954,000 for the year ended 31 December 2024 (2023: HK$177,635,000) in relation to the shares awarded pursuant to the Scheme by the Company, such an amount being determined by the fair values of the shares awarded at the award dates.

Movements of the shares awarded to Selected Employees under the Scheme during the year ended 31 December 2024 are as follows:

		Number of shares					
Date of award	Vesting period	At 1 January 2024	Awarded on 27 March 2024	Allocated as Awarded Shares during the year	Shares issued and vested during the year	Share entitlements forfeited by 16 December 2024	At 31 December 2024
27 March 2024	27 March 2024 to 16 December 2024	—	2,363,900	(334,600)	(1,941,600)	(87,700)	—

		Number of shares				
Date of award	Vesting period	At 1 January 2024	Awarded on 19 December 2024	Allocated as Awarded Shares during the year	Shares issued and vested during the year	At 31 December 2024
19 December 2024	19 December 2024 to 30 April 2027	—	169,300	—	—	169,300

36. EMPLOYEE SHARE INCENTIVE SCHEME (CONTINUED)

Share-based payments (Continued)

Movements of the shares awarded to Selected Employees under the Scheme during the year ended 31 December 2023 are as follows:

		Number of shares					
Date of award	Vesting period	At 1 January 2023	Awarded on 30 March 2023	Allocated as Awarded Shares during the year	Shares issued and vested during the year	Share entitlements forfeited by 15 December 2023	At 31 December 2023
30 March 2023	30 March 2023 to 15 December 2023	—	2,447,000	(361,500)	(1,999,100)	(86,400)	—

Movements of Awarded Shares purchased are as follows:

	Number of shares purchased '000	Cost of purchase HK$'000
At 1 January 2023	—	—
Shares purchased from the market during the year	362	22,839
Awarded Shares vested	(362)	(22,839)
At 31 December 2023	—	—
Shares purchased from the market during the year	339	35,351
Awarded Shares vested	(335)	(34,933)
At 31 December 2024	4	418

37. RETIREMENT BENEFIT PLANS

Defined contribution 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 ORSO Scheme and a MPF Scheme established under the Mandatory Provident Fund Schemes 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 subject only to the maximum level of payroll costs of HK$30,000 per employee per month, which contribution is matched by the employees.

37. RETIREMENT BENEFIT PLANS (CONTINUED)

Defined contribution plans (Continued)

The employees of the Group in Mainland China, Singapore and Malaysia are members of state-managed retirement benefit schemes operated by the relevant governments. The Group is required to contribute a 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.

The amount charged to profit or loss of HK$257,103,000 (2023: HK$251,242,000) represents contributions paid or payable to the plans by the Group at rates specified in the rules of the plans. For the years ended 31 December 2024 and 2023, there were no forfeitures arising from employees leaving the Group prior to completion of qualifying service period.

At 31 December 2024 and 2023, there were no forfeited contributions which arose upon employees leaving the retirement plans and which are available to reduce the contributions payable in the future years.

Defined benefit plans

Certain group entities operate funded defined benefits pension scheme for all their qualified employees.

Pension benefits provided by these group entities are currently organized primarily through defined benefit pension plans which cover virtually most of the German employees and certain foreign employees of these group entities.

Furthermore, these group entities provide other post-employment benefits, which consist of transition payments and death benefits to German employees after retirement. These predominantly unfunded other post-employment benefit plans qualify as defined benefit plans under HKFRSs.

The plan of these group entities exposes the Group to actuarial risks such as investment risk, interest rate risk and longevity risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments. Due to the long-term nature of the plan liabilities, the board of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the fund.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

37. RETIREMENT BENEFIT PLANS (CONTINUED)

Defined benefit plans (Continued)

Defined benefit plans determine the entitlements of their beneficiaries. An employee's final benefit entitlement at regular retirement age may be higher than the fixed benefits at the reporting date due to future compensation or benefit increases. The net present value of this ultimate future benefit entitlement for service already rendered is represented by the Defined Benefit Obligation ("DBO"), which is calculated with consideration of future compensation increases by actuaries. The DBO is calculated based on the projected unit credit method and reflects the net present value as of the reporting date of the accumulated pension entitlements of active employees, former employees with vested rights and of retirees and their surviving dependents with consideration of future compensation and pension increases. The most recent actuarial valuation of the DBO plan in Germany was carried out at 31 December 2024 by independent qualified actuaries, Aon Hewitt GmbH, a member of the International Actuarial Association.

In the case of unfunded plans, the recognized pension liability is equal to the DBO adjusted by unrecognized past service cost. In the case of funded plans, the fair value of the plan assets is offset against the benefit obligations. The net amount, after adjusting for the effects of unrecognized past service cost, is recognized as a pension liability or prepaid pension asset.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	31 December	
	2024	2023
Discount rate	**3.40%**	3.20%
Average longevity at retirement age	**63 years**	63 years
Expected rate of compensation increase	**2.25%**	2.25%
Expected rate of pension progression	**2.00%**	2.00%

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plans comprises:

	2024 HK$'000	2023 HK$'000
Principal pension benefit plans *(Note a)*	**16,784**	48,769
Other post-employment benefit plans *(Note b)*	**10,821**	14,365
Other retirement benefit obligations *(Note c)*	**3,733**	2,056
	31,338	65,190

37. RETIREMENT BENEFIT PLANS (CONTINUED)

Defined benefit plans (Continued)

Notes:

(a) Principal pension benefit plans

A reconciliation of the funded status of the principal pension benefit plans to the amount recognized in the consolidated statement of financial position at 31 December 2024 and 2023 is as follows:

	2024 HK$'000	2023 HK$'000
Fair value of plan assets	**644,506**	628,328
Total present value of DBO		
Defined benefit obligation (funded)	**(653,517)**	(669,034)
Defined benefit obligation (unfunded)	**(7,773)**	(8,063)
Net liability arising from defined benefit obligation	**(16,784)**	(48,769)

The actuarial valuation showed that market value of the plan assets was HK$644,506,000 (2023: HK$628,328,000) and that the actuarial value of these represented 98% (2023: 93%) of the benefits that had accrued to members.

The following table shows the movements in the present value of the plan assets for the years ended:

	2024 HK$'000	2023 HK$'000
At 1 January	**628,328**	546,508
Currency realignment	**(40,395)**	21,108
Interest income	**21,745**	17,696
Return on plan assets (excluding amounts included in net interest expenses)	**26,839**	13,464
Benefits paid	**(1,619)**	(1,504)
Employer contribution	**9,608**	31,056
At 31 December	**644,506**	628,328

The fair value of the plan assets at the end of the reporting period for each category is as follows:

Asset class

	2024 HK$'000	2023 HK$'000
Fixed income and corporate bonds	**356,784**	348,243
Equity securities	**184,729**	179,820
Cash and other assets	**102,993**	100,265
	644,506	628,328

The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

The actual return on defined benefit plan assets for the year ended 31 December 2024 was a net gain of HK$48,584,000 (2023: HK$31,160,000).

37. RETIREMENT BENEFIT PLANS (CONTINUED)

Defined benefit plans (Continued)

Notes: (Continued)

(a) Principal pension benefit plans (Continued)

The movements in the present value of the DBO for the years ended are as follows:

	2024 HK$'000	2023 HK$'000
At 1 January	**677,097**	628,520
Currency realignment	**(44,642)**	24,169
Current service cost	**26,478**	28,517
Interest cost	**22,019**	19,843
Remeasurement gains		
Actuarial gains arising from changes in financial assumptions	**(13,082)**	(4,884)
Actuarial losses (gains) arising from experience adjustments	**7,571**	(5,834)
Actuarial gains arising from changes in demographic assumptions	**(64)**	(64)
Benefits paid	**(14,087)**	(13,170)
At 31 December	**661,290**	677,097

(b) Other post-employment benefit plans

Employees who joined ASMPT GmbH & Co. KG, a subsidiary of the Company located in Germany, on or before 30 September 1983, are entitled to transition payments and death benefits. In respect of the transition payments for the first six months after retirement, participants receive the difference between their final compensation and the retirement benefits payable under the corporate pension plan.

The reconciliation of the funded status of the other post-employment benefit plans to the amount recognized in the consolidated statement of financial position is as follows:

	2024 HK$'000	2023 HK$'000
Defined benefit obligation	**10,821**	14,365

The movements in the present value of the defined benefit obligation for the other post-employment benefits for the years ended are as follows:

	2024 HK$'000	2023 HK$'000
At 1 January	**14,365**	14,726
Currency realignment	**(937)**	558
Current service cost	**308**	353
Interest cost	**427**	413
Remeasurement gains		
Actuarial gains arising from changes in financial assumptions	**(48)**	(81)
Actuarial gains arising from experience adjustments	**(63)**	(112)
Benefits paid	**(3,231)**	(1,492)
At 31 December	**10,821**	14,365

(c) Other retirement benefit obligations

As at 31 December 2024, the consolidated statement of financial position also includes liabilities for other retirement benefit obligations consisting of liabilities for severance payments in Austria and national pension fund in Korea amounting to HK$3,733,000 (2023: HK$2,056,000).

37. RETIREMENT BENEFIT PLANS (CONTINUED)

Defined benefit plans (Continued)

Significant actuarial assumptions for the determination of the defined obligation of the principal pension benefit plans and other post-employment benefit plans are discount rate and expected rate of pension progression. The sensitivity analyzes below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 50 basis points higher (lower), the defined benefit obligation would decrease by HK$26,947,000 (increase by HK$30,381,000) (2023: decrease by HK$26,366,000 (increase by HK$29,694,000)).

- If the expected rate of pension progression increases (decreases) by 50 basis points, the defined benefit obligation would increase by HK$22,353,000 (decrease by HK$20,336,000) (2023: increase by HK$21,081,000 (decrease by HK$19,212,000)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study. Main strategic choices that are formulated in the actuarial and technical policy document of the fund is asset mix based on 40% equity instruments and 60% debt instruments.

There has been no change in the process used by the Group to manage its risks from prior periods.

The Group's subsidiaries fund the service costs expected to be earned on a yearly basis.

The average duration of the benefit obligation at 31 December 2024 is 8.82 years (2023: 9.11 years).

The Group expects to make a contribution of HK$25,193,000 (2023: HK$27,128,000) to the defined benefit plans during the next financial year.

37. RETIREMENT BENEFIT PLANS (CONTINUED)

Defined benefit plans (Continued)

Amount of remeasurement of defined benefit retirement plans, net of income tax, recognized in other comprehensive income (expense) is as follows:

For the year ended 31 December 2024

	Principal pension benefit plans HK$'000	Other post-employment benefit plans HK$'000	Total HK$'000
Remeasurement gains	32,414	111	32,525
Income tax effect	(10,674)	(38)	(10,712)
	21,740	73	21,813

For the year ended 31 December 2023

	Principal pension benefit plans HK$'000	Other post-employment benefit plans HK$'000	Total HK$'000
Remeasurement gains	24,246	193	24,439
Income tax effect	(7,748)	(61)	(7,809)
	16,498	132	16,630

37. RETIREMENT BENEFIT PLANS (CONTINUED)

Defined benefit plans (Continued)

Amounts recognized in profit or loss and other comprehensive income in respect of these defined benefit plans are as follows:

For the year ended 31 December 2024

	Principal pension benefit plans HK$'000	Other post-employment benefit plans HK$'000	Total HK$'000
Service cost:			
Current service cost	26,478	308	26,786
Net interest expense	274	427	701
Components of defined benefit costs recognized in profit or loss	26,752	735	27,487
Remeasurement gains:			
Return on plan assets (excluding amounts included in net interest expense)	(26,839)	—	(26,839)
Actuarial gains arising from changes in financial assumptions	(13,082)	(48)	(13,130)
Actuarial losses (gains) arising from experience adjustments	7,571	(63)	7,508
Actuarial gains arising from change in demographic assumptions	(64)	—	(64)
Components of defined benefit costs recognized in other comprehensive income	(32,414)	(111)	(32,525)
Total	(5,662)	624	(5,038)

37. RETIREMENT BENEFIT PLANS (CONTINUED)

Defined benefit plans (Continued)

Amounts recognized in profit or loss and other comprehensive income in respect of these defined benefit plans are as follows: (Continued)

For the year ended 31 December 2023

	Principal pension benefit plans HK$'000	Other post-employment benefit plans HK$'000	Total HK$'000
Service cost:			
Current service cost	28,517	353	28,870
Net interest expense	2,147	413	2,560
Components of defined benefit costs recognized in profit or loss	30,664	766	31,430
Remeasurement gains:			
Return on plan assets (excluding amounts included in net interest expense)	(13,464)	—	(13,464)
Actuarial gains arising from changes in financial assumptions	(4,884)	(81)	(4,965)
Actuarial gains arising from experience adjustments	(5,834)	(112)	(5,946)
Actuarial gains arising from change in demographic assumptions	(64)	—	(64)
Components of defined benefit costs recognized in other comprehensive income	(24,246)	(193)	(24,439)
Total	6,418	573	6,991

Service cost and net interest expense for pension are allocated among functional costs (cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses).

The remeasurement of the net defined benefit liability is included in other comprehensive income.

38. DEFERRED TAXATION

A summary of the major deferred tax assets and liabilities recognized and movements thereon during the current and prior years is as follows:

	Depreciation/ amortization HK$'000 *(Note a)*	Lease liabilities HK$'000	Right-of-use assets HK$'000	Tax losses HK$'000	Retirement benefit obligations HK$'000 *(Note b)*	Inventories HK$'000 *(Note c)*	Trade receivables HK$'000 *(Note c)*	Provisions HK$'000 *(Note b)*	Others HK$'000	Total HK$'000
At 1 January 2023	(211,153)	313,220	(291,873)	19,266	94,417	310,618	49,418	51,945	45,177	381,035
Acquisitions of subsidiaries *(note 40)*	(29)	—	—	—	—	—	—	—	—	(29)
Credit (charge) to profit or loss for the year	23,948	137,882	(132,576)	87,068	(1,007)	(64,508)	(19,269)	(2,296)	61,968	91,210
Charge to other comprehensive income for the year	—	—	—	—	(7,809)	—	—	—	—	(7,809)
Currency realignment	657	(19,973)	19,107	125	3,548	(219)	568	(189)	1,163	4,787
At 31 December 2023	(186,577)	431,129	(405,342)	106,459	89,149	245,891	30,717	49,460	108,308	469,194
Credit (charge) to profit or loss for the year	126,152	(19,174)	32,479	123,845	6,472	(55,310)	(12,103)	(10,820)	16,634	208,175
Charge to other comprehensive income for the year	—	—	—	—	(10,712)	—	—	—	—	(10,712)
Currency realignment	747	(14,948)	13,495	(4,140)	(6,242)	(1,847)	(477)	(833)	(2,478)	(16,723)
At 31 December 2024	(59,678)	397,007	(359,368)	226,164	78,667	188,734	18,137	37,807	122,464	649,934

Notes:

(a) The deferred tax arose from the temporary difference between the carrying amounts of intangible assets and property, plant and equipment and their tax base.

(b) The deductible temporary difference arising from retirement benefit obligations and provisions would be reversed upon the settlement of the related obligations and utilization of the related provisions.

(c) The deductible temporary difference mainly arising from write-down of inventories and trade receivables and unrealized profit of inventories would be reversed upon write off and reversal of write-down of respective inventories and receivables and sales of inventories.

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2024 HK$'000	2023 HK$'000
Deferred tax assets	**750,876**	590,140
Deferred tax liabilities	**(100,942)**	(120,946)
	649,934	469,194

38. DEFERRED TAXATION (CONTINUED)

At 31 December 2024, the Group had unused tax losses of HK$1,883,083,000 (2023: HK$1,880,162,000), subject to the approval by the relevant tax authorities, available to offset future taxable profits. At 31 December 2024, a deferred tax asset amounting to HK$226,164,000 (2023: HK$106,459,000) was recognized for tax losses amounting to HK$1,209,451,000 (2023: HK$1,252,459,000) and no deferred tax asset was recognized in respect of the remaining tax losses of HK$673,632,000 (2023: HK$627,703,000) due to the unpredictability of future profit streams. At 31 December 2024, included in the unrecognized tax losses are losses of HK$15,805,000 (2023: nil) that will expire in 2029. Other losses may be carried forward indefinitely.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC entities from 1 January 2008 onwards. For certain entities located in other jurisdictions, withholding tax is also imposed on dividend. Deferred taxation has not been provided in the consolidated financial statements in respect of temporary difference attributable to accumulated profits of these subsidiaries amounting to HK$4,183,219,000 (2023: HK$7,326,435,000) and accumulated profits of a joint venture attributable to the Group amounting to HK$860,114,000 (2023: HK$741,107,000) as the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary differences will not be reversed in the foreseeable future.

39. OTHER LIABILITIES AND ACCRUALS

	2024 HK$'000	2023 HK$'000
Gross obligation to acquire non-controlling interest *(Note)*	—	44,140
Contingent consideration for acquisitions	**24,529**	23,972
Other payables and accruals	**44,417**	47,130
	68,946	115,242
Less: Contingent consideration for acquisitions/gross obligation to acquire non-controlling interest due within one year included in trade liabilities and other payables *(note 30)*	**(10,085)**	(44,140)
Amounts shown under non-current liabilities	**58,861**	71,102

Note: On 18 June 2020, the Group entered into a purchase agreement with a call and put option for acquiring the remaining shares of SKT in which the Group is obliged to acquire the remaining 40% non-controlling interest of SKT from the management shareholders (the "SKT Holders") within six months after the end of third anniversary of the acquisition if the options are exercised.

The consideration payable to the SKT Holders as at 31 December 2023 was RMB40,000,000 (equivalent to approximately HK$44,140,000). This amount has been recognized in the consolidated statement of financial position as a gross obligation with a corresponding debit to the non-controlling interest. The consideration payable to the SKT Holders has been fully settled subsequently in January 2024.

40. ACQUISITION OF SUBSIDIARIES

Acquisition of Beijing Borey Advanced Technology Co., Ltd. ("Borey") in 2023

On 13 April 2023, the Group entered into a share purchase agreement to acquire 100% equity interest in Borey, a company based in PRC, at a purchase price of RMB23,500,000 (equivalent to approximately HK$26,844,000), subject to certain adjustments as set out in the share purchase agreement ("Borey Acquisition"). Borey engages in the surface mount technology electronic assembly equipment. The Borey Acquisition was completed on 28 April 2023 and has been accounted for using the acquisition method.

Acquisition-related costs had been excluded from the cost of acquisition and recognized as an expense in the year ended 31 December 2023, within the "general and administrative expenses" line item in the consolidated statement of profit or loss. Cumulative acquisition-related costs in respect of the Borey Acquisition amounted to HK$2,091,000, of which HK$1,635,000 was charged to profit or loss in the year ended 31 December 2023 with the remaining amount charged to profit or loss in 2022.

Assets acquired and liabilities recognized at the date of acquisition were as follows:

	HK$'000
Property, plant and equipment	654
Intangible assets	7,783
Inventories	1,730
Trade and other receivables	1,063
Cash and cash equivalents	63
Trade liabilities and other payables	(2,496)
Deferred tax liabilities	(29)
	8,768
Net cash outflow arising on acquisition:	
Purchase consideration	26,844
Less: Cash and cash equivalents acquired	(63)
Contingent consideration *(Note)*	(15,278)
	11,503
Goodwill arising on acquisition:	
Purchase consideration	26,844
Less: Fair value of identified net assets acquired	(8,768)
	18,076

Note: The contingent consideration arrangement required the Group to pay the seller the rest of purchase consideration in the two instalments by reference to the specified product standard and revenue benchmark ("Milestone") of Borey for the period from 28 April 2023 to 31 July 2026 ("Relevant Period") pursuant to the share purchase agreement. At the date of acquisition, the directors consider that the fair value of the contingent consideration was the earn-out payments payable to the seller of Borey during the Relevant Period which is estimated to be approximately RMB13,375,000 (equivalent to approximately HK$15,278,000). The contingent consideration payable expected to be settled over twelve months from the reporting period is included in "other liabilities and accruals" under the non-current liabilities.

40. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Acquisition of Beijing Borey Advanced Technology Co., Ltd. ("Borey") in 2023 (Continued)

The trade receivables acquired in this acquisition had a fair value of HK$954,000, which was the same as the related gross contractual amount. It would be the best estimate from management at acquisition date of the contractual cash flows expected to be collected.

Goodwill arose in Borey Acquisition because the cost of the combination includes a control premium. In addition, the consideration paid for the combination effectively included an amount in relation to the benefit of the expected cost synergies and technological integration of surface mount technology. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Acquisition of Soft Rock Technologies Sdn. Bhd. and Tech Rewards Solutions, S. de R. L. de C. V. in 2023

During the year ended 31 December 2023, the Group acquired two companies to expand the manufacturing execution systems software solutions business.

On 7 February 2023, the Group entered into a share purchase agreement to acquire 100% equity interest in Soft Rock Technologies Sdn. Bhd. ("SRT"), a company based in Malaysia, at a purchase price of MYR7,044,000 (equivalent to approximately HK$12,921,000), subject to certain adjustments as set out in the share purchase agreement ("SRT Acquisition"). SRT is a software development company with expertise in process and factory automation. The SRT Acquisition was completed on 16 February 2023 and has been accounted for using the acquisition method.

On 12 June 2023, the Group entered into a share purchase agreement to acquire 100% equity interest in Tech Rewards Solutions, S. de R.L. de C.V. ("Tech Rewards"), a company based in Mexico, at a purchase price of MXN25,682,000 (equivalent to approximately HK$11,756,000), subject to certain adjustments as set out in the share purchase agreement ("Tech Rewards Acquisition"). Tech Rewards is a consultancy company with expertise in process and facility automation. The Tech Rewards Acquisition was completed on 4 July 2023 and has been accounted for using the acquisition method.

Acquisition-related costs for the SRT and Tech Rewards had been excluded from the cost of acquisition and recognized as an expense in the year ended 31 December 2023, within the "general and administrative expenses" line item in the consolidated statement of profit or loss. Cumulative acquisition-related costs in respect of the SRT Acquisition and Tech Rewards Acquisition amounted to HK$1,638,000, of which HK$1,528,000 was charged to profit or loss in the year ended 31 December 2023 with the remaining amount charged to profit or loss in 2022.

40. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Acquisition of Soft Rock Technologies Sdn. Bhd. and Tech Rewards Solutions, S. de R. L. de C. V. in 2023 (Continued)

Assets acquired and liabilities recognized at the respective dates of acquisition were set out as follows:

	HK$'000
Property, plant and equipment	186
Trade and other receivables	714
Cash and cash equivalents	1,198
Trade liabilities and other payables	(258)
	1,840

	HK$'000
Net cash outflow arising on acquisition:	
Total purchase consideration	24,677
Less: Cash and cash equivalents acquired	(1,198)
Contingent consideration *(Note)*	(9,552)
	13,927
Goodwill arising on acquisition:	
Total purchase consideration	24,677
Less: Fair value of identified net assets acquired	(1,840)
	22,837

Note: The contingent consideration arrangements required the Group to pay the seller 40% of the base purchase consideration by reference to the qualification of employees to the assembled workforce and team structure of SRT as of 31 December 2024 and Tech Rewards as of 3 July 2025 pursuant to the respective share purchase agreement.

At the date of acquisition of SRT, the directors consider that the fair value of the contingent consideration was the remaining purchase consideration payable to the seller of SRT on 31 January 2025 pursuant to the share purchase agreement, which is estimated to be MYR2,640,000 (equivalent to approximately HK$4,850,000).

At the date of acquisition of Tech Rewards, the directors consider that the fair value of the contingent consideration was the remaining purchase consideration payable to the seller of Tech Rewards on 4 July 2025 pursuant to the share purchase agreement, which is estimated to be MXN10,273,000 (equivalent to approximately HK$4,702,000).

The contingent consideration payables expected to be settled within twelve months from the reporting period is included in "trade liabilities and other payables" as at 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2024

40. ACQUISITION OF SUBSIDIARIES (CONTINUED)

Acquisition of Soft Rock Technologies Sdn. Bhd. and Tech Rewards Solutions, S. de R. L. de C. V. in 2023 (Continued)

The trade receivables acquired in these acquisitions had a fair value of HK$651,000, which was the same as the related gross contractual amount. It would be the best estimate from management at acquisition date of the contractual cash flows expected to be collected.

Goodwill arose in the aforementioned acquisitions because the cost of the combination includes a control premium. In addition, the consideration paid for the combination effectively included an amount in relation to the benefit of expected synergies, future market development and the assembled workforce of SRT and Tech Rewards respectively. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Impact of acquisition on the results of the Group in 2023

Included in the profit for the year ended 31 December 2023 was a loss of HK$12,324,000 attributable to Borey, SRT and Tech Rewards ("Acquired Subsidiaries") additional business generated by the Acquired Subsidiaries. Revenue for the year included HK$1,211,000 generated from the Acquired Subsidiaries.

Had the acquisition of the Acquired Subsidiaries been completed on 1 January 2023, the total amount of revenue for the year of the Group would have been HK$14,700,257,000, and the amount of the profit for the year would have been HK$699,150,000. The pro forma information was for illustrative purposes only and was not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2023, nor was it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had the Acquired Subsidiaries been acquired at the beginning of the current year, the directors of the Company calculated depreciation of property, plant and equipment based on the recognized amounts of property, plant and equipment at the date of the acquisition.

41. CONTINGENT LIABILITIES

As at 31 December 2024, the Group has provided guarantees amounting to HK$940,000 (2023: HK$680,000) to the Singapore government for work permits of foreign workers in Singapore.

42. COMMITMENTS

	2024 **HK$'000**	2023 HK$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**90,150**	76,101
Committed fund for investment in other investment	**68,583**	73,367

43. OPERATING LEASING ARRANGEMENTS

The Group as lessor

Operating leases relate to the investment property owned by the Group with lease terms up to 10 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Rental income earned by the Group from its investment property for the year are set out in note 12.

Equipment leasing income earned during the year was HK$1,363,000 (2023: HK$16,262,000). Certain of the Group's machinery held for rental purposes, with a carrying amount of HK$768,000 (2023: HK$3,736,000).

Minimum lease payments receivable on leases are as follows:

	2024 HK$'000	2023 HK$'000
Within one year	**15,362**	16,197
In the second year	**14,366**	4,771
In the third year	**—**	4,663
	29,728	25,631

44. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank borrowings, lease liabilities and equity attributable to owners of the Company, comprising issued share capital and reserves including retained profits.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues.

45. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2024 HK$'000	2023 HK$'000
Financial assets		
Financial assets at amortized cost	**8,534,497**	8,496,308
Other investments — equity instruments at FVTOCI	**37,897**	72,095
Derivative financial instruments at FVTPL	**4,366**	218,556
Other financial assets at FVTPL	**—**	39,837
Other investments — equity instruments at FVTPL	**10,178**	12,651
Financial liabilities		
Financial liabilities at amortized cost	**4,582,918**	3,839,735
Derivative financial instruments at FVTPL	**61,436**	1,246
Gross obligation to acquire non-controlling interest	**—**	44,140
Contingent consideration for acquisitions	**24,529**	23,972

Financial risk management objectives and policies

The Group's major financial instruments include other investments, other financial assets, finance lease receivables, certain other non-current assets, rental deposits paid, long-term bank deposits, bank deposits with original maturity of more than three months, cash and cash equivalents, trade and other receivables, amounts due from a joint venture and its affiliates, derivative financial instruments, trade liabilities and other payables, non-current other liabilities, amounts due to a joint venture and its affiliates, lease liabilities, (gross obligation to acquire non-controlling interest for 2023), contingent consideration for acquisitions and bank borrowings. Details of the 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 that appropriate measures are implemented on a timely and effective manner.

Market risk

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risks.

Foreign currency risk management

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 37% and 28% of the Group's sales and purchases respectively are denominated in currencies other than the functional currency of the group entities making the sales and the purchases.

45. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk management (Continued)

The carrying amounts of the group entities' foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Currency	Assets 2024 HK$'000	Assets 2023 HK$'000	Liabilities 2024 HK$'000	Liabilities 2023 HK$'000
The Group					
US dollar *(Note a)*	US$	**1,891,624**	1,321,455	**47,285**	85,619
Euro	EUR	**104,882**	111,560	**155,815**	120,446
Renminbi	RMB	**91,696**	59,903	**3,270**	3,693
Singapore dollar	S$	**90,769**	85,285	**202,368**	189,475
Japanese Yen	JPY	**6,003**	6,270	**41,296**	30,684
British Pound	GBP	**84,766**	156,997	**3,556**	6,232
Others		**63,196**	70,658	**689,801**	116,733
Inter-company balances					
US dollar *(Note b)*	US$	**3,125,864**	3,867,595	**276,202**	309,883
Euro	EUR	**6,541**	200,626	**965,126**	1,058,097
Renminbi	RMB	**511,943**	231,761	**28,239**	—
Singapore dollar	S$	**7,228**	37	**20**	20
Japanese Yen	JPY	**974**	39,684	**12,910**	5,841
British Pound	GBP	**—**	—	**144,462**	173,807
Others		**55,620**	81,702	**109,694**	91,063
Loan to foreign operations that form parts of a net investment					
US dollar *(Note c)*	US$	**793,624**	798,192	**793,624**	798,192
Euro	EUR	**5**	70,228	**—**	—
British Pound	GBP	**328,852**	316,557	**—**	—

Notes:

(a) Included in the balances are US dollar financial assets and financial liabilities of HK$680,264,000 and HK$36,785,000 (2023: HK$621,917,000 and HK$77,295,000), respectively where Hong Kong dollar is not the functional currency of the relevant group entities.

(b) Included in the balances are US dollar financial assets and financial liabilities of HK$2,264,602,000 and HK$183,613,000 (2023: HK$2,312,850,000 and HK$230,443,000), respectively where Hong Kong dollar is not the functional currency of the relevant group entities.

(c) Included in the balances are US dollar financial liabilities of HK$793,624,000 (2023: HK$798,192,000) where Hong Kong dollar is not the functional currency of the relevant group entities.

The majority of the Group's foreign currency financial assets and financial liabilities are denominated in US dollar. The Hong Kong dollars is pegged to US dollar where Hong Kong dollar is the functional currency of the relevant group entities. For other group entities having significant US dollar financial assets and financial liabilities where Hong Kong dollars is not the functional currency, they have exposure to the foreign currency exchange risk. The management conducts periodic review of the exposure and requirements of various currencies, and will consider hedging significant foreign currency exposures should the need arise.

45. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk management (Continued)

Foreign currency sensitivity analysis

The Group is mainly exposed currency risk related to Euro, US dollar, Renminbi, Japanese Yen, Singapore dollar and British Pound.

A subsidiary of the Company entered into several foreign currency forward contracts to manage its exposure to exchange rate fluctuations of the US dollar denominated receivables and bank deposits against its functional currency, Euro (see note 28).

A subsidiary of the Company entered into several foreign currency forward contracts to manage its exposure to exchange rate fluctuations of the Euro denominated inter-company loans against its functional currency, HK dollar (see note 28).

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency of the group entities against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency exchange rates. The sensitivity analysis also includes intra-group balances and loans to foreign operations that form part of a net investment where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. The analysis illustrates the impact for a 5% strengthening of the functional currency of the relevant group entities against the relevant foreign currency and a positive and negative number below indicates an increase and a decrease in profit and exchange reserve respectively. For a 5% weakening of the functional currency of the relevant group entities against the relevant foreign currency, there would be an equal and opposite impact on the profit and exchange reserve.

	Euro impact (i)		US dollar impact (ii)		Renminbi impact (iii)		Japanese Yen impact (iv)		Singapore dollar impact (v)		British Pound impact (vi)	
	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000	2024 HK$'000	2023 HK$'000
Increase (decrease) in post-tax profit	**43,363**	36,865	**(98,685)**	(101,339)	**(27,186)**	(13,556)	**2,206**	(484)	**4,980**	4,931	**2,130**	973
(Decrease) increase in translation reserve	**–**	(2,634)	**29,761**	29,932	**–**	–	**–**	–	**–**	–	**(14,959)**	(14,405)

(i) This is mainly attributable to the exposure on outstanding bank balances, derivative financial instruments, trade receivables, trade liabilities and other payables, lease liabilities, inter-company balances and loans to foreign operations denominated in Euro at the year end.

(ii) This is mainly attributable to the exposure on outstanding bank balances, trade and other receivables, trade liabilities and other payables, lease liabilities, inter-company balances and loans to foreign operations denominated in US dollar at the year end.

(iii) This is mainly attributable to the exposure on outstanding bank balances, other receivables, rental deposit, trade liabilities and other payables, lease liabilities and inter-company balances denominated in Renminbi at the year end.

(iv) This is mainly attributable to the exposure on outstanding bank balances, trade liabilities and other payables and inter-company balances denominated in Japanese Yen at the year end.

(v) This is mainly attributable to the exposure on outstanding bank balances, other receivables, trade liabilities and other payables, lease liabilities and inter-company balances denominated in Singapore dollar at the year end.

(vi) This is mainly attributable to the exposure on outstanding bank balances, trade receivables, trade liabilities and other payables, inter-company balances and loans to foreign operations denominated in British Pound at the year end.

45. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to long-term bank deposits (see note 29), variable-rate bank borrowings (see note 34) and lease liabilities (see note 32). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank deposits/balances and bank borrowings. In order to keep certain of the Group's bank borrowings at fixed rates, the Group entered into interest rate swaps to hedge against its exposures to changes in cash flows of certain bank borrowings. The critical terms of these interest rate swaps are the same to those of hedged bank borrowings. Interest rate swaps are designated as effective hedging instruments and hedge accounting is used (see note 28 for details).

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's variable-rate bank borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative variable-rate instruments at the end of the reporting period. For interest bearing bank deposits and bank borrowings, the analysis is prepared assuming the amount of assets and liabilities outstanding at the end of the reporting period were outstanding for the whole period. A 5 basis points (2023: 5 basis points) increase is used for bank deposits and 50 basis points (2023: 50 basis points) increase and decrease is used for bank borrowings when reporting interest rate risk internally to key management personnel. If interest rates had been 5 basis points and 50 basis points higher for bank deposits and bank borrowings (excluding bank loans under cash flow hedges of HK$750,000,000 (2023: HK$1,750,000,000)), respectively, or 50 basis points lower for bank borrowings (excluding bank loans under cash flow hedges of HK$750,000,000 (2023: HK$1,750,000,000) and all of other variables were held constant, post-tax profit for the year ended 31 December 2024 would decrease/increase by approximately HK$7,568,000 (2023: HK$647,000) and HK$8,177,000 (2023: HK$1,151,000) respectively. This is mainly attributable to the Group's exposure to interest rates on its certain bank balances and variable-rate bank borrowings which are not hedged against their exposures to cash flow interest rate risk at the end of the reporting period.

Credit risk management and impairment assessment

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2024 primarily attributable to trade and other receivables, finance lease receivables, amounts due from a joint venture and its affiliates, long-term bank deposits, bank deposits with original maturity of more than three months and bank balances is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancement to cover its credit risks associated with its financial assets.

Long-term bank deposits, bank deposits with original maturity of more than three months and bank balances

No allowance for impairment was made since the directors of the Company consider that the probability of default is negligible as such amounts are receivable from or placed in banks with good reputation.

Other receivables, finance lease receivables and amounts due from a joint venture and its affiliates

No allowance for impairment was made since the directors of the Company consider that the probability of default is minimal after assessing the counterparties' financial background and creditability.

45. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk management and impairment assessment (Continued)

Trade receivables

In order to minimize 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. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed at least once a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on non-credit impaired trade balances individually and credit-impaired trade balances individually and/or collectively. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Collective assessments

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed collectively as at 31 December 2024 and 31 December 2023 within lifetime ECL.

Carrying amount

Credit rating	2024 Average loss rate %	2024 Trade receivables HK$'000	2023 Average loss rate %	2023 Trade receivables HK$'000
Strong*	**0.04**	**735,257**	0.10	580,806
Good	**0.46**	**1,990,390**	0.60	2,353,937
Satisfactory	**0.68**	**281,847**	0.92	98,273
Watch list	**4.70**	**281**	1.27	64,767
		3,007,775		3,097,783

* Included notes receivables amounting to HK$587,065,000 (2023: HK$31,742,000).

45. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk management and impairment assessment (Continued)

Individual assessments

As part of the Group's credit risk management, the Group assessed credit risk of its individual customers by reference to external credit rating. The following table provides information about the exposure to credit risk for trade receivables which are assessed individually as at 31 December 2024 and 31 December 2023 within lifetime ECL.

Carrying amount

Credit rating	2024 Average loss rate %	2024 Trade receivables HK$'000	2023 Average loss rate %	2023 Trade receivables HK$'000
Strong	**0.10**	**69,566**	0.08	173,720
Good	**0.77**	**173,781**	0.84	302,418
Satisfactory	**1.97**	**18,123**	2.36	7,709
Watch list	**10.03**	**3,090**	10.88	4,065
		264,560		487,912

Quality classification definitions:

"Strong": The counterparty has very low probability of default.

"Good": The counterparty has low default risk.

"Satisfactory": The counterparty has moderate default risk.

"Watch list": Requires varying degrees of special attention and default risk is of greater concern.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and authorized banks in Mainland China with high credit-ratings.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit-ratings, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers and across diverse geographical areas.

45. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both principal and interest cash flows.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management consider that the contractual settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

At 31 December 2024

	Weighted average effective interest rate* %	On demand HK$'000	Within one year HK$'000	More than one year HK$'000	Total contractual undiscounted cash flows HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade liabilities and other payables	—	300,485	1,575,564	—	1,876,049	1,876,049
Non-current other liabilities	—	—	—	24,660	24,660	24,660
Lease liabilities	3.10	—	268,454	1,957,581	2,226,035	1,879,622
Bank borrowings	5.25	—	249,894	2,725,076	2,974,970	2,500,000
Other bank borrowings	3.00	—	184,555	—	184,555	181,205
Amounts due to a joint venture and its affiliates	—	1,004	—	—	1,004	1,004
Contingent consideration for acquisitions	—	—	10,085	14,444	24,529	24,529
		301,489	2,288,552	4,721,761	7,311,802	6,487,069
Derivatives — net settlement						
Foreign currency forward contracts	—	—	51,499	—	51,499	51,499
Interest rate swaps	—	—	787	10,224	11,011	9,937
		—	52,286	10,224	62,510	61,436

45. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk management (Continued)

At 31 December 2023

	Weighted average effective interest rate* %	On demand HK$'000	Within one year HK$'000	More than one year HK$'000	Total contractual undiscounted cash flows HK$'000	Total carrying amount HK$'000
Non-derivative financial liabilities						
Trade liabilities and other payables	—	282,158	1,490,895	—	1,773,053	1,773,053
Non-current other liabilities	—	—	—	23,621	23,621	23,621
Lease liabilities	3.45	—	256,302	2,196,892	2,453,194	2,029,604
Bank borrowings	2.91	—	2,014,494	—	2,014,494	2,000,000
Amounts due to a joint venture and its affiliates	—	43,061	—	—	43,061	43,061
Gross obligation to acquire non-controlling interest	—	—	44,140	—	44,140	44,140
Contingent consideration for acquisitions	—	—	—	23,972	23,972	23,972
		325,219	3,805,831	2,244,485	6,375,535	5,937,451
Derivatives — net settlement						
Foreign currency forward contracts	—	—	1,246	—	1,246	1,246

* Weighted average effective interest rate is determined based on the variable interest rates of outstanding bank borrowings at the end of the reporting period, after taking into account the effect of the cash flow hedges.

45. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets and financial liabilities	Fair value as at 2024	Fair value as at 2023	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Foreign currency forward contracts classified as derivative financial instruments on the consolidated statement of financial position *(note 28)*	**Asset — HK$3,598,000 Liability — HK$51,499,000**	Asset — HK$25,900,000 Liability — HK$1,246,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
Interest rate swaps, designated as for hedging-classified as derivative financial instruments on the consolidated statement of financial position *(note 28)*	**Asset — HK$768,000 Liability — HK$9,937,000**	Asset — HK$15,656,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
Other investments (classified as equity instruments at FVTOCI) *(note 23)*	**Asset — HK$37,897,000**	Asset — HK$72,095,000	Level 3	Market approach is used by comparing the latest transaction prices. Considerations such as time and condition of sales and terms of agreements are analyzed and adjustments are made, where appropriate, to arrive at an estimation of fair value.	The considerations such as time and condition may vary significantly due to difference in timing, condition of sale and terms of agreements, size and nature of similar business to derive the estimated fair value.	The higher the value of similar transactions, the higher the estimation of fair value derived from it, and vice versa.
Other investments (classified as equity instruments at FVTPL) *(note 23)*	**Asset — HK$10,178,000**	Asset — HK$12,651,000	Level 3	Market approach is used by comparing the latest transaction prices. Considerations such as time and condition of sales and terms of agreements are analyzed and adjustments are made, where appropriate, to arrive at an estimation of fair value.	The considerations such as time and condition may vary significantly due to difference in timing, condition of sale and terms of agreements, size and nature of similar business to derive the estimated fair value.	The higher the value of similar transactions, the higher the estimation of fair value derived from it, and vice versa.
Share adjustment on earn-out clause in a joint venture *(note 28)*	**N/A**	Asset — HK$177,000,000	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow into the Group arising from the share adjustment in AAMI, based on an appropriate discount rate.	AAMI would meet the amount of earn-out clause by reference to its estimated sale performance and profit from 2021 to 2023.	The higher the amount of forecast profit and enterprise value of AAMI, the higher the fair value.

45. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets and financial liabilities	Fair value as at 2024	Fair value as at 2023	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Contingent consideration receivable in other financial assets *(note 24)*	**N/A**	Asset — HK$39,837,000	Level 3	EBIT of AAMI from 2021 to 2023.	EBIT of AAMI during 2023 to achieve the EBIT target in shareholders' agreement with the shareholder of AAMI.	EBIT of AAMI during 2023.
Contingent consideration for Borey Acquisition *(as defined in note 40)*	**Liability — HK$14,444,000**	Liability — HK$14,759,000	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate.	Borey would meet the amount of specified product standards and revenue benchmark by reference to the product road map and sales forecast of Borey that could achieve.	The higher the amount of revenue, the higher the fair value, and vice versa.
Contingent consideration for SRT Acquisition and Tech Rewards Acquisition *(as defined in note 40)*	**Liability — HK$10,085,000**	Liability — HK$9,213,000	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate.	SRT and Tech Rewards would fulfill the requirements of team structure and qualification of employees by reference to the business plan of the Group MES business that could achieve.	The higher probability of fulfilling the requirements, the higher the fair value, and vice versa.

There were no transfers between Level 1, 2 and 3 in both years.

45. FINANCIAL INSTRUMENTS (CONTINUED)

Reconciliation of Level 3 fair value measurements

Financial assets (financial liabilities)

	Other investments — equity instruments at FVTOCI HK$'000	Other investments — equity instruments at FVTPL HK$'000	Share adjustment on earn-out clause in a joint venture HK$'000	Contingent consideration receivable in other financial assets HK$'000	Contingent consideration for acquisitions HK$'000	Total HK$'000
At 1 January 2023	38,051	—	156,300	39,765	—	234,116
Arising on acquisition of subsidiaries	—	—	—	—	(24,830)	(24,830)
Purchase	31,338	12,442	—	—	—	43,780
Total gain (loss):						
— in profit or loss	—	209	20,415	—	—	20,624
— in other comprehensive income	2,736	—	—	—	—	2,736
— currency realignment	(30)	—	285	72	858	1,185
At 31 December 2023	72,095	12,651	177,000	39,837	(23,972)	277,611
Transfer to interest in a joint venture	—	—	(177,000)	—	—	(177,000)
Settlements and receivables	—	—	—	(39,837)	—	(39,837)
Total loss:						
— in profit or loss	—	(2,408)	—	—	—	(2,408)
— in other comprehensive income	(33,859)	—	—	—	—	(33,859)
— currency realignment	(339)	(65)	—	—	(557)	(961)
At 31 December 2024	37,897	10,178	—	—	(24,529)	23,546

Included in other comprehensive income is an amount of HK$33,859,000 net loss (2023: HK$2,736,000 net gain) relating to other investments classified as equity instruments at FVTOCI held at 31 December 2024 and was reported as changes of "fair value through other comprehensive income reserve".

The directors consider that the carrying amounts of the other financial assets and financial liabilities recognized at amortized cost in the consolidated financial statements approximate their fair values.

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Dividend payable HK$'000	Interest payables HK$'000	Lease liabilities HK$'000	Gross obligation to acquire non-controlling interest HK$'000	Non-controlling interests HK$'000	Bank borrowings HK$'000 *(note 34)*	Total HK$'000
At 1 January 2023	—	—	1,509,202	44,780	—	2,250,000	3,803,982
Financing cash flows	(1,035,386)	(86,605)	(245,413)	—	—	(250,227)	(1,617,631)
Currency realignment	—	—	24,009	(640)	—	227	23,596
New lease entered and modification *(Note)*	—	—	690,523	—	—	—	690,523
Finance costs	—	86,605	51,283	—	—	—	137,888
Dividend declared	1,035,386	—	—	—	—	—	1,035,386
At 31 December 2023	—	—	2,029,604	44,140	—	2,000,000	4,073,744
Financing cash flows	(468,391)	(130,209)	(276,238)	(44,140)	1,324	683,029	(234,625)
Currency realignment	—	—	(65,094)	—	—	(1,824)	(66,918)
New lease entered and modification *(Note)*	—	—	120,554	—	—	—	120,554
Capital injection from non-controlling interests	—	—	—	—	(1,324)	—	(1,324)
Finance costs	—	130,209	70,796	—	—	—	201,005
Dividend declared	468,391	—	—	—	—	—	468,391
At 31 December 2024	—	—	1,879,622	—	—	2,681,205	4,560,827

Note: During the year, the Group entered into new lease agreements/renewed lease agreements for the use of leased properties, motor vehicles and office equipment range from 14 to 204 months. On the lease commencement/modification, the Group recognized right-of-use assets and lease liabilities of HK$121,017,000 and HK$120,554,000 (2023: HK$690,728,000 and HK$690,523,000) respectively.

47. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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

	2024 HK$'000	2023 HK$'000
Short-term benefits	**40,181**	39,242
Post-employment benefits	**1,989**	1,873
Share-based payments	**30,007**	24,262
	72,177	65,377

Certain shares of the Company were awarded to key management under the Scheme (see note 36 for details of the Scheme). The estimated fair value of such shares has been included in share-based payments for both years. The shares awarded to key management during the year ended 31 December 2024 and 31 December 2023 are vested within one year.

The emoluments of directors and senior management are determined by the Remuneration Committee, having regard to the performance of individuals and market trends.

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following balances with related parties:

Relationships	Nature of balances	2024 HK$'000	2023 HK$'000
Joint venture	Amount due from a joint venture	**20,433**	17,735
Subsidiaries of joint venture	Amounts due from affiliates of joint venture	**1,217**	2,906
	Amounts due from a joint venture and its affiliates	**21,650**	20,641
Joint venture	Amounts due to a joint venture	**83**	12,176
Subsidiaries of joint venture	Amounts due to affiliates of joint venture	**921**	30,885
	Amounts due to a joint venture and its affiliates	**1,004**	43,061

Transactions with a joint venture and its affiliates

During the year ended 31 December 2024, there are sales of spare parts to a joint venture and its affiliates of HK$3,102,000 (2023: HK$2,335,000), purchase of spare parts from a joint venture and its affiliate of HK$1,172,000 (2023: nil) and rental services of HK$9,655,000 (2023: HK$10,293,000).

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries at 31 December 2024 and 2023 are as follows:

Name of subsidiaries	Place of incorporation/ establishment	Nominal value of issued capital	Proportion of nominal value of issued ordinary shares/registered capital held by the Company		Principal activities
		Ordinary shares/ registered capital	Directly	Indirectly	
ASMPT ALSI B.V.	Netherlands	EUR100	—	100%	Research and development, manufacture and sale of semiconductor equipment
ASMPT AMICRA GmbH	Germany	EUR24,229,771	—	100%	Trading and manufacture of semiconductor equipment
ASMPT GmbH & Co. KG	Germany	EUR20,200,000	—	100%	Manufacture and sale of surface mount technology equipment and trading of semiconductor equipment
ASMPT Equipment (M) Sdn. Bhd.	Malaysia	MYR500,000	—	100%	Marketing service
先進半導體設備(深圳)有限公司 (ASMPT Equipment (Shenzhen) Co., Ltd.)*	PRC	US$47,835,000	—	100%	Manufacture of semiconductor equipment
ASMPT Hong Kong Holding Limited	Hong Kong	HK$1,900,000,002	100%	—	Investment holding and agency services and provision of logistics and purchasing services to group companies
ASMPT Hong Kong Limited	Hong Kong	HK$500,000 and US$60,000,000 (2023: HK$500,000)	100%	—	Trading of semiconductor equipment and surface mount technology equipment in Hong Kong and marketing service in Korea
ASMPT Japan Limited	Japan	JPY10,000,000	100%	—	Trading of semiconductor equipment and surface mount technology equipment
ASMPT Malaysia Sdn. Bhd.	Malaysia	MYR281,413,000	100%	—	Manufacture of semiconductor equipment and surface mount technology equipment
ASMPT NEXX, Inc.	United States of America	US$0.01	—	100%	Trading and manufacture of semiconductor equipment
先域微電子技術服務(上海)有限公司 (ASMPT SEMI China Ltd.)*	PRC	RMB617,100,000# (2023: US$400,000)	—	100%	Trading of semiconductor equipment
奧芯明半導體設備技術(上海)有限公司 (ASMPT SEMI Equipment (Shanghai) Co., Ltd.)*	PRC	RMB607,087,000	—	100%	Research and development, manufacture of semiconductor equipment

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Name of subsidiaries	Place of incorporation/ establishment	Nominal value of issued capital	Proportion of nominal value of issued ordinary shares/registered capital held by the Company		Principal activities
		Ordinary shares/ registered capital	Directly	Indirectly	
ASMPT SEMI USA, Inc.	United States of America	US$60,000	—	100%	Trading of semiconductor equipment
ASMPT Singapore Pte. Ltd.	Singapore	S$53,000,000	100%	—	Manufacture and sale of semiconductor equipment
先進裝配系統有限公司 (ASMPT SMT China Ltd.)*	PRC	EUR5,400,000	—	100%	Trading of surface mount technology equipment
ASMPT SMT Singapore Pte. Ltd.	Singapore	S$154,653,979	100%	—	Manufacture and sale of surface mount technology equipment
ASMPT SMT UK Limited	United Kingdom	GBP1,680,000	—	100%	Trading and manufacture of surface mount technology equipment
ASMPT SMT USA, LLC	United States of America	—	—	100%	Trading of surface mount technology equipment
先進科技(中國)有限公司 (ASMPT Technology (China) Co., Ltd.)*	PRC	US$26,000,000	—	100%	Research and development of semiconductor equipment and property investment
ASMPT Technology Hong Kong Limited	Hong Kong	HK$10,000,000	100%	—	Manufacture of semiconductor equipment and provision of research and development services
先進科技(惠州)有限公司 (ASMPT Technology (Huizhou) Co., Ltd.)*	PRC	US$114,000,000	—	100%	Manufacture of semiconductor equipment and surface mount technology equipment
ASMPT Technology Limited	Hong Kong	HK$1,000,000	100%	—	Trading of semiconductor equipment in Taiwan
深圳先進微電子科技有限公司 (ASMPT Technology (Shenzhen) Co., Ltd.)*	PRC	HK$718,300,000	—	100%	Manufacture of semiconductor equipment and surface mount technology equipment
ASMPT (Thailand) Ltd.	Thailand	Baht7,000,000	—	100%	Marketing service
Critical Manufacturing, S.A.	Portugal	EUR496,065	—	100%	Development, marketing and sales of manufacturing execution systems software solutions

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

\# Out of RMB617,100,000 registered capital, RMB429,494,000 is paid up.

48. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

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

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 insignificant subsidiaries which are mainly inactive or engaged in investment holding would, in the opinion of the directors, result in particulars of excessive length.

49. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period includes:

	2024 HK$'000	2023 HK$'000
Non-current assets		
Unlisted investments in subsidiaries	**5,144,215**	4,683,914
Loans to subsidiaries	**898,985**	898,692
Derivative financial instruments	**768**	—
Right-of-use assets	**11,421**	11,237
	6,055,389	5,593,843
Current assets		
Derivative financial instruments	**—**	33,255
Other receivables and prepayments	**3,924**	4,051
Amounts due from subsidiaries	**1,261,407**	1,894,266
Cash and cash equivalents	**549,145**	297,377
	1,814,476	2,228,949
Current liabilities		
Other payables	**15,986**	22,108
Derivative financial instruments	**16,551**	—
Lease liabilities	**1,461**	1,249
Amounts due to subsidiaries	**4,026**	7,589
Loans from subsidiaries	**1,500,195**	994,438
Bank borrowings	**97,500**	2,000,000
	1,635,719	3,025,384
Net current assets (liabilities)	**178,757**	(796,435)
	6,234,146	4,797,408
Capital and reserves		
Share capital *(note 35)*	**41,646**	41,451
Reserves *(Note)*	**4,318,513**	4,119,523
	4,360,159	4,160,974
Non-current liabilities		
Derivative financial instruments	**9,937**	—
Lease liabilities	**11,550**	11,538
Loan from a subsidiary	**—**	624,896
Bank borrowings	**1,852,500**	—
	1,873,987	636,434
	6,234,146	4,797,408

49. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

Note: Movement in reserves

	Share premium HK$'000	Employee share-based compensation reserve HK$'000	Shares held for share award scheme HK$'000	Hedging reserve HK$'000	Treasury share reserve HK$'000	Capital redemption reserve HK$'000	Capital reserve HK$'000	Retained profits HK$'000	Dividend reserve HK$'000	Total HK$'000
At 1 January 2023	1,892,517	—	—	58,720	(16,264)	1,007	56,143	2,353,235	783,758	5,129,116
Loss for the year	—	—	—	—	—	—	—	(85,775)	—	(85,775)
Fair value loss on hedging instruments designated as cash flow hedges	—	—	—	(43,064)	—	—	—	—	—	(43,064)
Total comprehensive expense for the year	—	—	—	(43,064)	—	—	—	(85,775)	—	(128,839)
Sub-total	1,892,517	—	—	15,656	(16,264)	1,007	56,143	2,267,460	783,758	5,000,277
Recognition of equity-settled share-based payments	—	177,635	—	—	—	—	—	—	—	177,635
Purchase of shares under the Scheme	—	—	(22,839)	—	—	—	—	—	—	(22,839)
Shares vested under the Scheme	—	(27,203)	22,839	—	—	—	—	4,364	—	—
Shares issued under the Scheme	150,231	(150,432)	—	—	—	—	—	—	—	(201)
Shares repurchased and cancelled	(16,227)	—	—	—	16,264	37	—	(37)	—	37
2022 final dividend paid	—	—	—	—	—	—	—	—	(783,758)	(783,758)
2023 interim dividend paid	—	—	—	—	—	—	—	(251,628)	—	(251,628)
2023 special dividend proposed	—	—	—	—	—	—	—	(215,543)	215,543	—
2023 final dividend proposed	—	—	—	—	—	—	—	(107,771)	107,771	—
At 31 December 2023	2,026,521	—	—	15,656	—	1,044	56,143	1,696,845	323,314	4,119,523
Profit for the year	—	—	—	—	—	—	—	507,798	—	507,798
Fair value loss on hedging instruments designated as cash flow hedges	—	—	—	(24,825)	—	—	—	—	—	(24,825)
Total comprehensive (expense) income for the year	—	—	—	(24,825)	—	—	—	507,798	—	482,973
Sub-total	2,026,521	—	—	(9,169)	—	1,044	56,143	2,204,643	323,314	4,602,496
Recognition of equity-settled share-based payments	—	219,954	—	—	—	—	—	—	—	219,954
Purchase of shares under the Scheme	—	—	(35,351)	—	—	—	—	—	—	(35,351)
Shares vested under the Scheme	—	(32,305)	34,933	—	—	—	—	(2,628)	—	—
Shares issued under the Scheme	187,266	(187,461)	—	—	—	—	—	—	—	(195)
2023 special dividend paid	—	—	—	—	—	—	—	—	(215,543)	(215,543)
2023 final dividend paid	—	—	—	—	—	—	—	—	(107,771)	(107,771)
2024 interim dividend paid	—	—	—	—	—	—	—	(145,077)	—	(145,077)
2024 special dividend proposed	—	—	—	—	—	—	—	(104,115)	104,115	—
2024 final dividend proposed	—	—	—	—	—	—	—	(29,152)	29,152	—
At 31 December 2024	2,213,787	188	(418)	(9,169)	—	1,044	56,143	1,923,671	133,267	4,318,513

FIVE-YEAR FINANCIAL SUMMARY

	For the year ended 31 December				
	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000 *(Note)*
Results					
Revenue					
— Continuing operations	**13,229,079**	14,697,489	19,363,495	21,947,637	14,700,250
— Discontinued operation	**—**	—	—	—	2,186,994
	13,229,079	14,697,489	19,363,495	21,947,637	16,887,244
Profit before taxation from continuing operations	**501,537**	1,036,011	3,412,991	4,092,459	826,080
Income tax expense from continuing operations	**(159,313)**	(324,510)	(794,924)	(917,279)	(189,468)
Profit from discontinued operation	**—**	—	—	—	993,891
Profit for the year	**342,224**	711,501	2,618,067	3,175,180	1,630,503
Loss (Profit) attributable to non-controlling interests	**3,038**	3,852	2,184	(6,204)	(8,987)
Profit attributable to owners of the Company	**345,262**	715,353	2,620,251	3,168,976	1,621,516

	At 31 December				
	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000
Assets and Liabilities					
Non-current assets	**8,578,629**	8,722,047	8,261,101	8,249,820	8,364,572
Current assets	**15,094,708**	15,240,797	16,515,430	18,250,971	14,799,413
Current liabilities	**(4,072,198)**	(6,012,956)	(5,246,593)	(6,889,309)	(5,335,856)
Net current assets	**11,022,510**	9,227,841	11,268,837	11,361,662	9,463,557
Non-current liabilities	**(4,309,638)**	(2,145,930)	(3,672,407)	(4,199,793)	(4,633,882)
Total equity	**15,291,501**	15,803,958	15,857,531	15,411,689	13,194,247
Non-controlling interests	**(103,462)**	(112,911)	(119,025)	(136,263)	(24,658)
Equity attributable to owners of the Company	**15,188,039**	15,691,047	15,738,506	15,275,426	13,169,589

Note: The Group discontinued its materials business after the deemed disposal of the subsidiaries of Materials business on 28 December 2020. The financial figures were extracted from the 2020 annual report.

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This annual report is printed on environmental paper