

# Chairman's Statement

## 主席報告

I have pleasure to present to shareholders the annual report of the Group for the year ended 30th April, 2001.

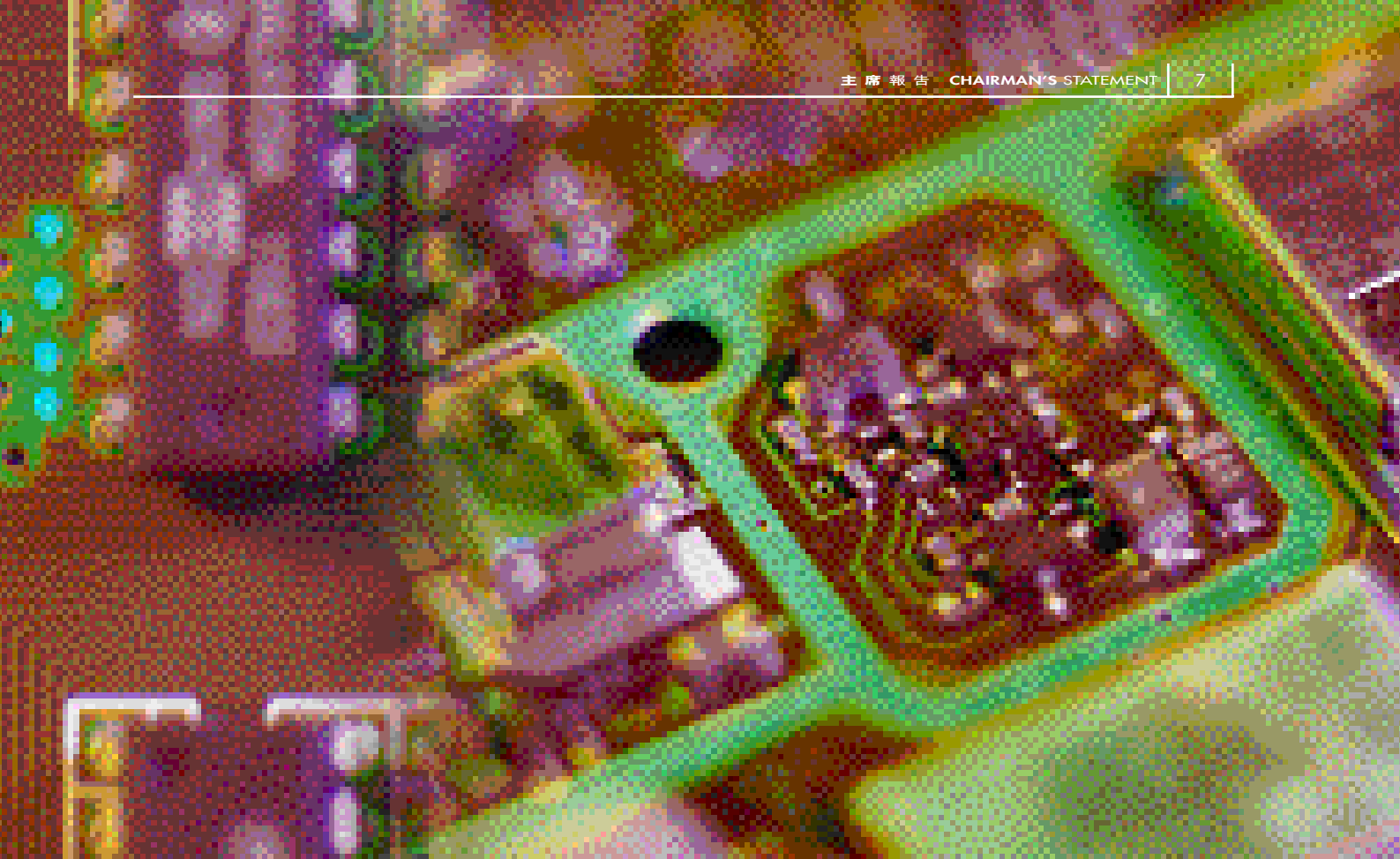
### PERFORMANCE REVIEW

In the first half of the financial year under review, the Group continued to reap the benefits of the latest round of strong growth in the semiconductor industry which commenced in early 1999. This growth followed a recovery from the industry downturn in late 1997 which was caused primarily by the Asian financial turmoil which culminated in over-supply of semiconductor products and strong price competition. In 2001, however, in stark contrast to the generally expected expansion of the global chip markets, worldwide semiconductor sales for the five months period ended 31st May, 2001 suffered a decrease of 20% over the same period in 2000. The effect of sudden market change, which the Group has experienced throughout its 20 year of corporate history, is exacerbated in relation to upstream semiconductor material/services suppliers like us. This year's about turn was characterised by an inventory overhang and a severe slow down in the end user equipment markets across the entire semiconductor industry. That, in turn, was caused by a general lack in significant technological breakthroughs in products offered on the consumer markets, which were already suffering from a loss in confidence and reduced spending due to poorer economic conditions.

本人欣然向股東提呈本集團截至二零零一年四月三十日止年度之年報。

### 業務回顧

半導體行業由一九九九年年初開始強勁增長，並延續至回顧之財政年度上半年，而本集團在此其間一直掌握有利時機而受惠。此增長源於一九九七年底半導體行業在經過亞洲金融風暴持續打擊下，出現產品供應過剩及價格競爭劇烈，整個行業轉趨不景後出現復蘇。雖然曾經普遍預期全球晶片市場於二零零一年將有所增長，但截至二零零一年五月三十一日止五個月全球半導體銷量較二零零零年同期減少20%。本集團經營二十年來已經歷不少市場轉變，了解到該等轉變之效果對本集團等上層半導體物料／服務供應商有加倍之嚴重影響。今年市況逆轉，整個半導體行業出現存貨過剩及最終使用者設備市場嚴重放緩。消費市場本已因疲弱之經濟而缺乏信心及減少消費，加上向市場提供之產品普遍欠缺重大科技突破，故出現上述之逆轉。



Accordingly, the Group's results in the second half of the current financial year suffered, paring some of the profits made during the first half year. Nevertheless, a profit of HK\$741 million was recorded for the year ended 30th April, 2001, as compared to a profit of HK\$1,115 million in the previous financial year. Basic EPS for the year under review was HK\$1.45, as compared to basic EPS of HK\$2.19 for the year ended 30th April, 2000. Additional basic EPS (excluding certain non-recurring items) amounted to HK\$0.35 for the year ended 30th April, 2001, as compared to additional basic EPS (excluding certain non-recurring items) of HK\$0.56 in the previous financial year.

In a bid to address adverse market conditions, the Group has been taking vigorous steps to reduce costs while sharpening our competitive edge in our specialised markets by increases in innovative product designs and services. This has been made possible because of the significantly improved financial position of the Group, which now shows zero net debt as compared to net debt amounting to HK\$223 million as at 30th April, 2000. The Group's associate, ASAT group, which had bank balances of approximately US\$80 million (approximately HK\$624 million) as at 30th April, 2001, as compared to approximately US\$11 million (approximately HK\$86 million) a year ago, is also poised to grow at a faster rate than its competitors who

因此，本集團於本財政年度下半年之業績不免受到影響，並且抵銷上半年之部份溢利。然而，本集團截至二零零一年四月三十日止年度仍錄得741,000,000港元溢利，而上一個財政年度之溢利則為1,115,000,000港元。回顧年度之每股基本盈利為1.45港元，而截至二零零零年四月三十日止年度之每股基本盈利則為2.19港元。相對於上一個財政年度0.56港元之額外每股基本盈利(不包括若干非經常項目)，截至二零零一年四月三十日止年度之額外每股基本盈利(不包括若干非經常項目)則為0.35港元。

為應付市場逆境，本集團既積極節省成本，同時亦增加創新之產品設計及服務，集中發展專門市場，以增強本身之競爭實力。由於本集團之財政實力已大為增強，故此可以推行該等措施。本集團之負債淨額已由二零零零年四月三十日之223,000,000港元減至現時無負債淨額。本集團聯營公司樂依文集團於二零零一年四月三十日之銀行結餘約為80,000,000美元(約624,000,000港元)，一年前之銀行結

# Chairman's Statement

## 主席報告

lack such financial strength. The Group's expansion of its etching operations to Dongguan, China, together with ASAT's expansion of its assembly and packaging operations to Shenzhen, China, are proceeding according to plan and will be on time to deliver the additional and upgraded production capacity on the basis of a more competitive cost structure when the semiconductor industry recovers and resumes growth.

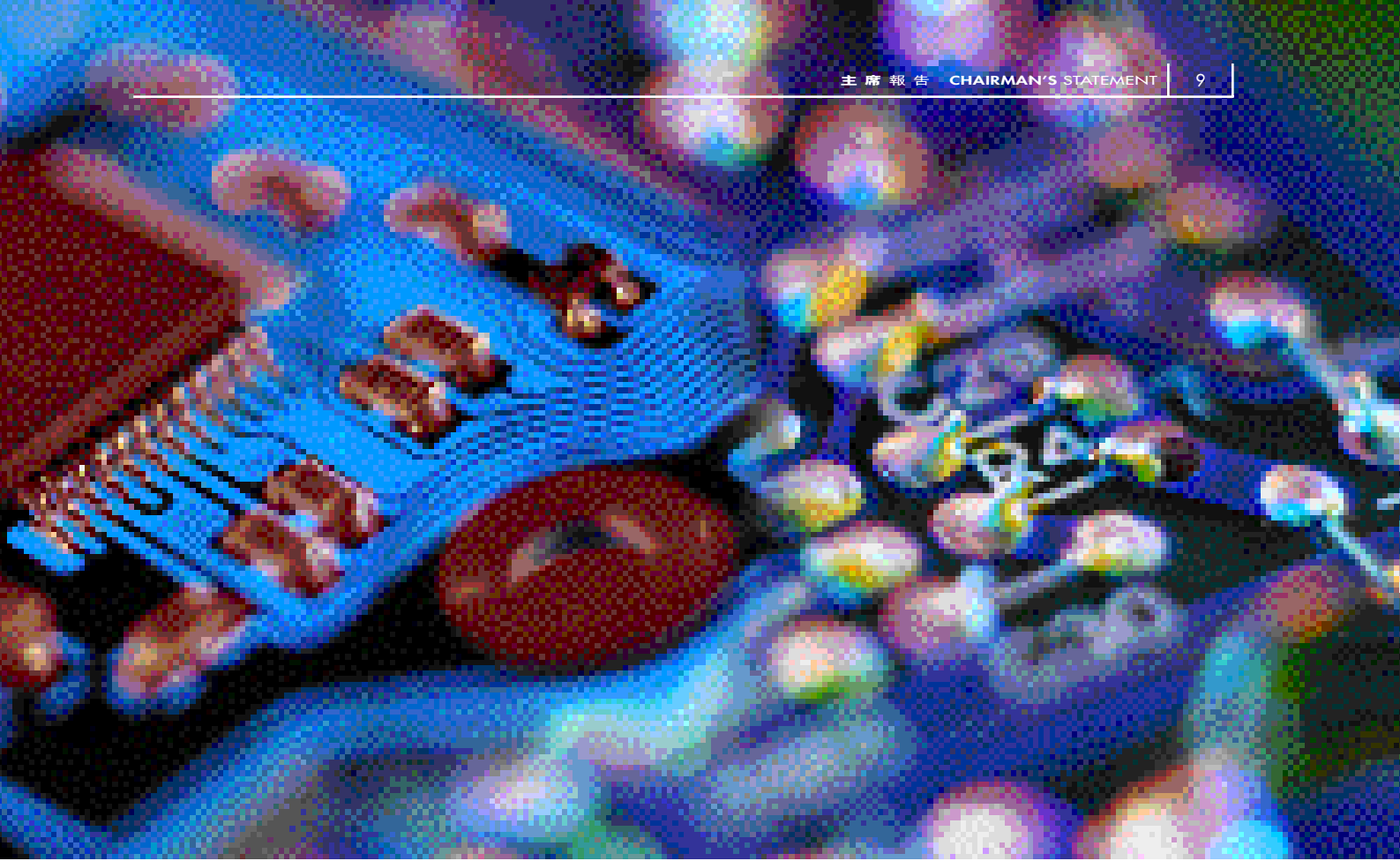
### OUTLOOK

On 3rd July, 2001, Semiconductor Industry Association ("SIA") reported that worldwide semiconductor sales in May, 2001 continued to reflect excess inventory. However, they held to the position in forecasting that the industry will begin to see the final phase of the present inventory correction late in the third quarter of the calendar year 2001 with a broad-based recovery commencing in the fourth quarter. Further, SIA noted that, from its beginning in the 1950s, the semiconductor industry has been characterized by a four-year cycle, occasionally modified by unexpected economic factors. The semiconductor industry has grown at a compound annual growth rate of 17% in recent years.

餘則約為11,000,000美元(約86,000,000港元)。借助雄厚財力，樂依文集團亦將較其他競爭者有更迅速之增長。本集團在中國東莞拓展蝕刻業務，以及樂依文集團在中國深圳拓展裝配及包裝業務，均按原定計劃進行中，當半導體行業復蘇及重新增長時，將可處於更具競爭力之成本結構，能及時擴大及提升生產能力。

### 前景

於二零零一年七月三日，半導體工業協會(SIA)報告二零零一年五月全球半導體銷量持續反映存貨過剩。然而，半導體工業協會仍然預測半導體行業現時之存貨重整期將於二零零一年第三季未完結，在第四季開始將全面復蘇。此外，半導體工業協會亦指出，除偶爾受不可預計之經濟因素影響外，半導體行業自一九五零年代開始每四年完成一次循環周期。而半導體行業近年一直以17%之複合年率增長。



## DISTRIBUTION

On 29th January, 2001, the Company issued a total of 101,673,487 bonus warrants to shareholders, other than overseas shareholders, for the subscription for an equivalent number of ordinary shares in the Company. The initial subscription price was determined at HK\$6.25 per ordinary share, subject to adjustment, and is exercisable at any time up to and including 28th January, 2004. The bonus warrants were issued for the purpose of strengthening the equity base of the Company for future development. Upon full exercise of the bonus warrants, the Company will receive approximately HK\$635 million.

The Directors do not recommend the payment of a final dividend for the year ended 30th April, 2001 (2000: Nil).

## APPRECIATION

I, on behalf of the Board, would like to express my sincere gratitude to all our staff for their hard work and valuable contribution which is instrumental to the Group's ability to turn challenges into opportunities. I would also like to express my sincere appreciation to the group's customers, business associates and shareholders for their continued support.

By Order of the Board  
**Li Tung Lok**  
 Chairman

Hong Kong, 19th July, 2001

## 分派

於二零零一年一月二十九日，本公司向股東（不包括海外股東）發行共101,673,487份紅利認股權證，可合共認購相同數目之本公司普通股。持有人可於直至二零零四年一月二十八日期間（包括當日）隨時行使認股權證，初步認購價定為每股普通股6.25港元，惟或會調整。發行紅利認股權證乃旨在加強本公司之股本基礎作未來發展。倘全面行使紅利認股權證後，可為本公司帶來約635,000,000港元收益。

董事不建議派發截至二零零一年四月三十日止年度之末期股息（二零零零年：無）。

## 致謝

本集團能將挑戰化為機遇，實有賴全體員工辛勤工作、努力貢獻，本人謹代表董事會向本集團全體員工致以衷心謝意。同時，本人亦藉此機會感謝本集團客戶、業務夥伴及股東之不斷支持。

承董事會命  
 主席  
**李同樂**

香港，二零零一年七月十九日