

MANAGEMENT DISCUSSION AND ANALYSIS

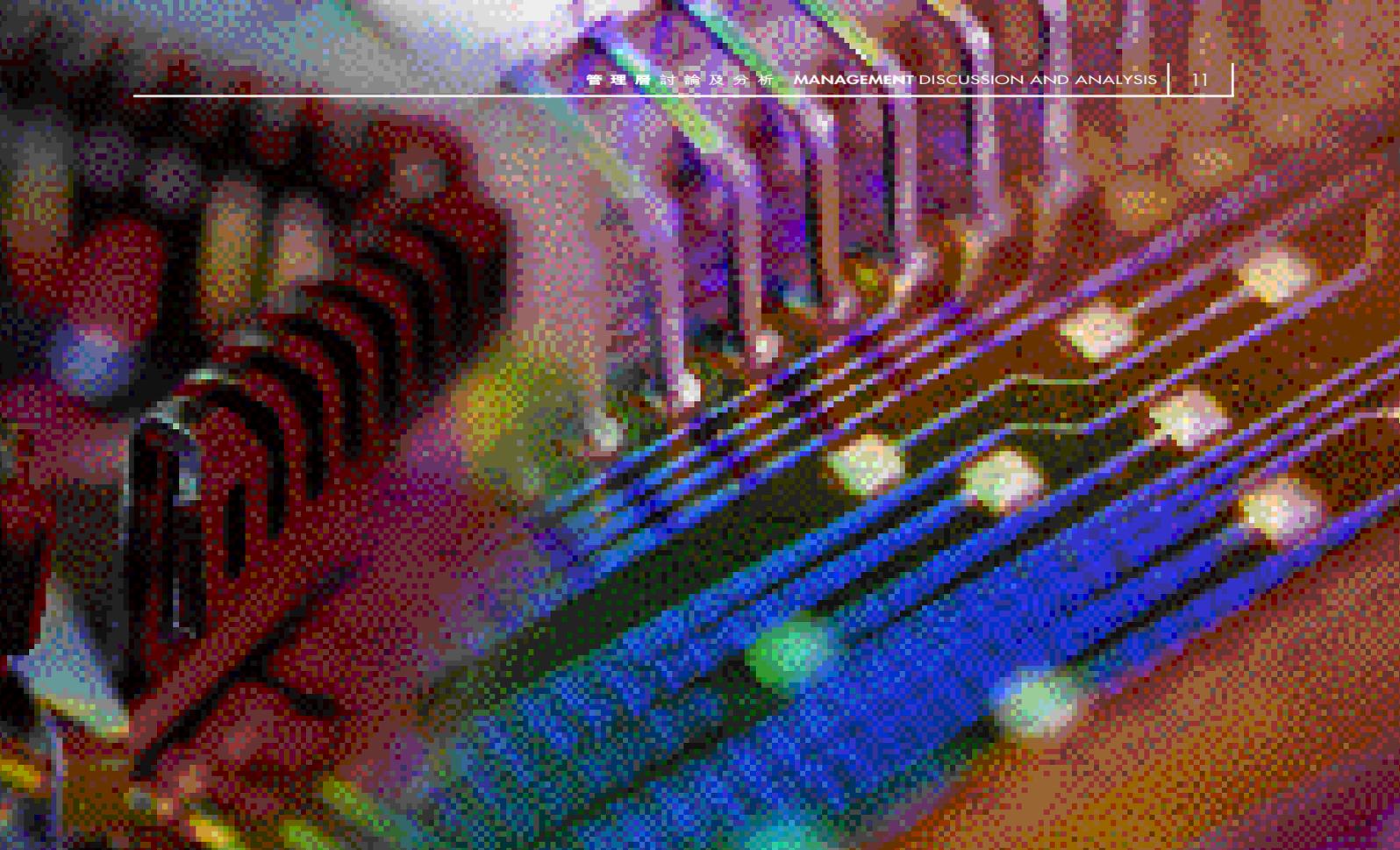
管理層討論及分析

BUSINESS REVIEW

The Group's consolidated turnover mainly comprised its leadframe operation and assembly of integrated circuits and testing services. In interpreting the financial results of the Group as compared with the previous financial year, the fact that ASAT Holdings Limited ("ASAT"), which is engaged in the provision of assembly of integrated circuits and testing services, became an associate of the Group from 29 October 1999 onwards, has to be taken into account. As from that date onwards, the Company has ceased to consolidate the results of ASAT but accounts for the results of ASAT by using the equity method of accounting. Similarly, on 29 December 2000, ASAT exercised its option rights to acquire the entire issued share capital of ASAT S.A., formerly a subsidiary of the Group incorporated in France, also carrying on the business of providing assembly of integrated circuits and testing services. The transfer of shares in ASAT S.A. was completed in January 2001. Accordingly, ASAT S.A. became a wholly owned subsidiary of ASAT, an indirect associate of the Group, and since then its results have been accounted for by using the equity method of accounting. Whilst there is a slight increment in the consolidated turnover in the leadframe operations of the Group as compared with the

業務回顧

本集團之綜合營業額主要包括引線框業務及集成電路裝配及測試服務。在分析比較本集團本年度與上年度財務業績時，須考慮ASAT Holdings Limited (「樂依文」，從事集成電路裝配及測試服務) 已由一九九九年十月二十九日起成為本集團之聯營公司。由該日起，本公司已不再綜合樂依文之業績，而以權益會計法計算樂依文之業績。同樣，樂依文於二零零零年十二月二十九日行使購股權，收購ASAT S.A.全部已發行股本。ASAT S.A.之前為本集團在法國註冊成立之附屬公司，亦從事集成電路裝配及測試服務。ASAT S.A.之股份轉讓已於二零零一年一月完成，自此ASAT S.A.成為樂依文之全資附屬公司，亦為本集團之間接聯營公司，而該公司之業績亦由當時起以權益會計法計算。儘管本集團引線框業務之綜合營業額較上一個財政年度稍有增長(如



previous financial year (as shown in note 3 to the financial statements), there has been a significant decrease in the Group's consolidated turnover for the year ended 30th April 2001, largely as a result of the deconsolidation of ASAT and ASAT S.A.

As explained in the foregoing paragraph, the Group's consolidated turnover for the year ended 30th April, 2001 amounted to HK\$821 million, representing a decrease by 54%, as compared with HK\$1,801 million in the previous financial year, largely as a result of the deconsolidation of ASAT since the second half of the financial year ended 30th April, 2000 (as shown in note 3 to the financial statements). Profit for the year was HK\$741 million, compared to HK\$1,115 million in the previous financial year. As shown in note 13 to the financial statements, this decrease was due to a decrease in the net gain on non-recurring items by HK\$268 million to HK\$564 million (2000: net gain HK\$832 million) and a net decrease in the profit for the year excluding certain non-recurring items by HK\$106 million to HK\$177 million (2000: HK\$283 million).

財務報告附註3所示)，但本集團截至二零零一年四月三十日止年度之綜合營業額則大幅減少，此乃主要由於不再綜合計算樂依文及ASAT S.A.之業績所致。

正如上文所述，由於截至二零零零年四月三十日止財政年度之下半年起不再綜合計算樂依文之業績（如財務報告附註3所示），故本集團截至二零零一年四月三十日止年度之綜合營業額為821,000,000港元，較上個財政年度1,801,000,000港元減少54%。本年度之溢利為741,000,000港元，而上一個財政年度之溢利則為1,115,000,000港元。如財務報告附註13所述，溢利減少乃由於非經常項目之淨收益減少268,000,000港元至564,000,000港元（二零零零年：淨收益為832,000,000港元），以及不包括若干非經常項目之純利減少106,000,000港元至177,000,000港元（二零零零年：283,000,000港元）所致。

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Leadframe operations

As shown in note 3 to the financial statements, sales of leadframes, heatsinks and stiffeners amounted to HK\$688 million, as compared to HK\$683 million in the previous financial year. Profit from operations amounted to HK\$75 million, as compared to HK\$84 million (before provision for slow moving inventories) in the previous financial year. The decrease in profit was a result of an inventory overhang and a deceleration in the end user equipment markets across the entire semiconductor industry starting from 2001, as reported by SIA in its press release under the title of "SIA Worldwide Chip Sales for January 2001". The period from January 2001 has proved to be very challenging to the Group, in common with the entire semiconductor industry. In the drive to stay ahead of the Group's competition, the management has adopted cost reduction programs including natural attrition/lay offs, reducing shifts, asking vendors to cut down on both the unit price and the volume of each purchase, and cutting back on capital expenditure. On the positive side, the Group's expansion of the etching operations to Dongguan, China, is proceeding on schedule. Further, the Company has stepped up its marketing and product development effort by recruiting at senior levels in both the sales/customer services and the product development engineering teams, thus enabling the Group to take advantage of the eventual market

引線框業務

如財務報告附註3所示，與上一個財政年度683,000,000港元比較，引線框、散熱器及加強桿於本年度之營業額為688,000,000港元。經營溢利為75,000,000港元，而上一個財政年度則為84,000,000港元（未計滯銷存貨撥備）。溢利減少乃由於整個半導體行業自二零零一年起存貨過剩以及最終使用者設備市場放緩所致，而有關市場情況已由半導體工業協會發表之「二零零一年一月半導體工業協會全球晶片銷量」新聞公佈中報道。本集團以至整個半導體行業自二零零一年一月起面對不少挑戰。為努力超越競爭對手，本集團管理層已採取節省成本計劃，包括讓僱員自然流失／裁員、減少輪班、要求賣家減低單位價格及交易量，以及縮減資本開支。在積極方面，本集團在中國東莞之蝕刻業務擴展計劃按進度進行中。此外，本公司亦為銷售／顧客服務部門及產品開發工程隊伍招聘高級員工，進一步加強市場推廣及產品開發實力，使

upswing by further improving on the working relationship with customers and continue to qualify new products/designs on the basis of a more competitive cost structure and enhanced production capacity.

Assembly of integrated circuits and testing services

After ASAT became an associate in October, 1999, the Group's assembly of integrated circuits and testing services operation continued to be carried on by its subsidiary, ASAT S.A., in France. As explained in the opening paragraph, ASAT S.A. also became a wholly owned subsidiary of ASAT, and hence an indirect associate to the Group, in January, 2001. Upon transfer of ASAT S.A., the Group realized a gain on disposal of HK\$39 million (2000: Nil) largely reflecting the recovery by the Group of amounts due to ASAT S.A. prior to October, 1999.

Associates

For the year ended 30th April, 2001 ASAT attained a record level of sales of HK\$2,653 million as compared to a turnover HK\$2,427 million achieved in the previous financial year. The associate's profit before costs arising on early extinguishment

本集團可藉著改善與客戶之關係、繼續以相宜之成本推出新產品／設計及提高生產能力，在最終市場復蘇時獲益。

集成電路裝配及測試服務

樂依文於一九九九年十月成為聯營公司後，本集團之集成電路裝配及測試服務由其附屬公司ASAT S.A.在法國繼續進行。正如第一段所述，ASAT S.A.已於二零零一年一月成為樂依文之全資附屬公司，亦因此成為本集團之間接聯營公司。轉讓ASAT S.A.後，本集團因出售而獲得39,000,000港元收益(二零零零年：無)，反映本集團已收回若干於一九九九年十月之前ASAT S.A.之欠款。

聯營公司

截至二零零一年四月三十日止年度，樂依文之營業額達2,653,000,000港元之新紀錄，而上年度則為2,427,000,000港元。此聯營公司未扣

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of debt and impairment loss for the current financial year amounted to HK\$322 million, as compared to a profit of HK\$455 million for the financial year ended 30th April, 2000. The drop in profit of the associate was primarily due to increases in depreciation and certain operating expenses that ASAT incurred throughout the year as it ramped up to produce higher volumes but experienced an unexpected abrupt industry slowdown toward the end of the current financial year. In response to the weak end user market demand, particularly in the communications sector, ASAT has taken positive steps to reduce its cost structure while strengthening its position with existing customers, and diversifying its customer base. As at 30th April, 2001 ASAT's balance sheet remained strong with approximately US\$80 million (approximately HK\$624 million) in cash, as compared to approximately US\$11 million (approximately HK\$86 million) as at 30th April, 2000. In January 2001, ASAT adopted a share repurchase program providing for the purchase of up to US\$20 million (approximately HK\$156 million) of its ADS through 31st January, 2002.

In July, 2000, ASAT was listed on the NASDAQ National Market and the Company's interests in this associate was diluted from 50% to 42.6%. The Company is the single largest shareholder

除提早償還債務之成本及減值之本年度溢利為322,000,000港元，而截至二零零零年四月三十日止年度則為455,000,000港元。其溢利減少之原因，主要由於本年度致力提高產量而令折舊及若干營運開支增加，但於本財政年度後期卻遇上市況突然逆轉所致。面對最終使用者市場需求偏低，尤其是電訊行業之不景，樂依文已積極精簡成本結構，同時加強與現有客戶之關係，並擴大客戶之基礎。於二零零一年四月三十日，樂依文之資產負債表維持穩健，持有約80,000,000美元（約624,000,000港元）之現金，而二零零零年四月三十日則持有約11,000,000美元（約86,000,000港元）。於二零零一年一月，樂依文通過股份購回計劃，可於二零零二年一月三十一日前購回不超過20,000,000美元（約156,000,000港元）其本身之美國存託股份。

於二零零零年七月，樂依文於美國全國證券商自動報價協會系統（NASDAQ國際市場）上市，而本公司

in ASAT. A gain on deemed disposal by virtue of the dilution of the Group's interests in ASAT of HK\$714 million was recorded during the year under review (2000: Nil). In January, 2001 ASAT acquired ASAT S.A. in Nancy, France thus positioning ASAT to better serve the European as well as eastern U.S. markets.

EMPLOYMENT, TRAINING, DEVELOPMENT AND REMUNERATION POLICY

During the year, the Group adopted a prudent approach towards the size of the workforce and reducing headcount in areas worst affected by the market downturn through a combination of natural attrition and lay offs. At 30th April, 2001 the Group employed a total of approximately 1,100 employees, as compared to the average of 1,700 employees throughout the six months period ended 31st October, 2000, being the first half year period of the financial year under review. Despite all these changes the Group remains committed to staff training and development programs.

所佔該聯營公司之權益由於50%攤薄至42.6%，本公司仍然為樂依文之單一最大股東。在回顧年度內，攤薄本集團所佔樂依文權益而視作在本年度出售所得收益為714,000,000港元（二零零零年：無）。於二零零一年一月，樂依文收購位於法國Nancy之ASAT S.A.，更有利於樂依文為歐洲及美國東岸之市場服務。

聘用、培訓、發展及薪酬政策

年內，本集團採取審慎政策，以自然流失及裁員雙管齊下之方法，削減受到市場不景打擊最嚴重之部門人手。於二零零一年四月三十日，本集團之僱員人數合計約1,100名，而截至二零零零年十月三十一日止六個月（即回顧本財政年度上半年）之平均僱員人數約為1,700名。即使出現上述轉變，本集團對僱員培訓及發展計劃仍然相當重視。

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The remuneration policy for the Group's employees is reviewed and approved by the Executive Directors of the Company. Remuneration packages are structured to take into account the level and composition of pay and general market conditions in the respective countries and businesses in which the Group operates. Discretionary bonuses and other merit awards including staff share options are linked to the profit performance of the Group and individual performance as recognition of and reward for value creation.

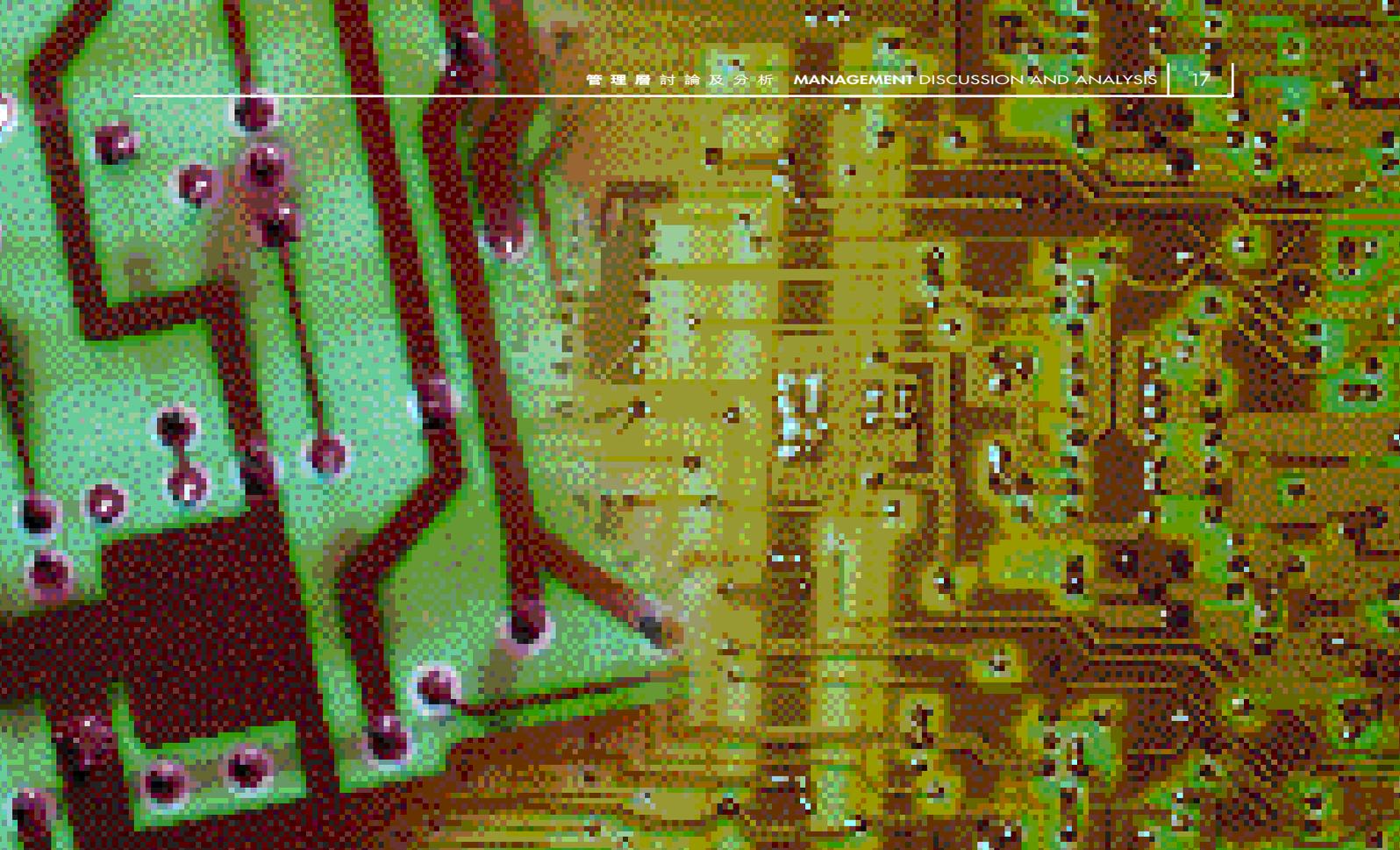
CAPITAL EXPENDITURE

During the year ended 30th April, 2001 the Group invested HK\$37 million (2000: HK\$38 million) in property, plant and equipment in its leadframe operation, and HK\$10 million (2000: HK\$139 million) in property, plant and equipment in its assembly of integrated circuits and testing services operations. The Group's projected capital expenditure for coming financial year is estimated to be approximately HK\$110 million, which is mainly earmarked for the facilities construction and fitting out of the Group's etching operations to be set up in Dongguan, China. This will be financed primarily from internal resources.

本集團之僱員薪酬政策由本公司執行董事檢討及批准。釐定整體薪酬福利時已考慮酬金水平及繳付形式，以及本集團所經營國家當地相關業務之一般市場情況。此外亦視乎本集團之溢利水平及個別僱員之表現，發放酌情花紅及其他福利獎賞如僱員購股權計劃等作為肯定及褒獎員工之貢獻價值。

資本開支

截至二零零一年四月三十日止年度，本集團對引線框業務及集成電路裝配及測試服務之物業、機器及設備分別投資37,000,000港元（二零零零年：38,000,000港元）及10,000,000港元（二零零零年：139,000,000港元）。本集團預計下個財政年度之資本開支約為110,000,000港元，主要用於本集團在中國東莞之蝕刻業務廠房建設及裝修，資金需求將主要由內部資源撥付。



FINANCIAL REVIEW

On 30th April, 2001, the Group's shareholders' funds of the Group had increased by more than double to HK\$1,293 million, when compared to the position a year ago of HK\$575 million as at 30 April, 2000. Furthermore, the Group repaid in December 2000 all of its debts to UK Lenders, approximately six years ahead of the original seven-year repayment term. Accordingly, the Group's gearing ratio has improved significantly to zero net debts as at 30th April, 2001, against a gearing ratio of 0.39 as at 30th April, 2000. Net current liabilities of the Group as at 30th April, 2001 were HK\$52 million, as compared to the Group's net current liabilities of HK\$4 million as at 30th April, 2000.

During the year under review, proceeds from the issue of shares as a result of staff options exercised amounted to HK\$47 million, whereas HK\$33 million was used to buy back the Company's shares for cancellation.

財務回顧

於二零零一年四月三十日，本集團之股東資金較二零零零年四月三十日之狀況575,000,000港元增加超過一倍達1,293,000,000港元。此外，本集團於二零零零年十二月償還所有欠英國借入人之款項，較原定七年還款期提前約六年。因此，本集團於二零零零年四月三十日之淨負債資本比率0.39已大幅減少至於二零零一年四月三十日並無淨負債數額。本集團於二零零一年四月三十日之流動負債淨額為52,000,000港元，而二零零零年四月三十日之流動負債淨額則為4,000,000港元。

在回顧年度內，由於行使僱員購股權而發行股份所得款項為47,000,000港元，另外則動用33,000,000港元購回本公司股份予以註銷。

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FINANCIAL RISK MANAGEMENT

The Group's income and expenditure streams are mainly denominated in Hong Kong Dollars and US Dollars. Raw materials are usually sourced from Japan and arrangements have been reached with the suppliers that so long as US Dollar to Japanese Yen fluctuations remain within a pre-determined range neither party will call for a revision to the prices offered. As the exchange risks are perceived as not material, no exchange rate hedging contracts have been entered into.

Payment terms with customers are largely on credit. Credit evaluations of debtors are performed periodically. Bad debts have been insignificant during the year under review.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

For the purpose of early repayment of all the Group's debt, the Company has arranged a standby letter of credit to the UK lenders in relation to banking and credit facilities to a former subsidiary in the United Kingdom which were assumed by the buyer of the business of that former subsidiary and which amounted to HK\$175 million as at 30th April, 2001. In relation

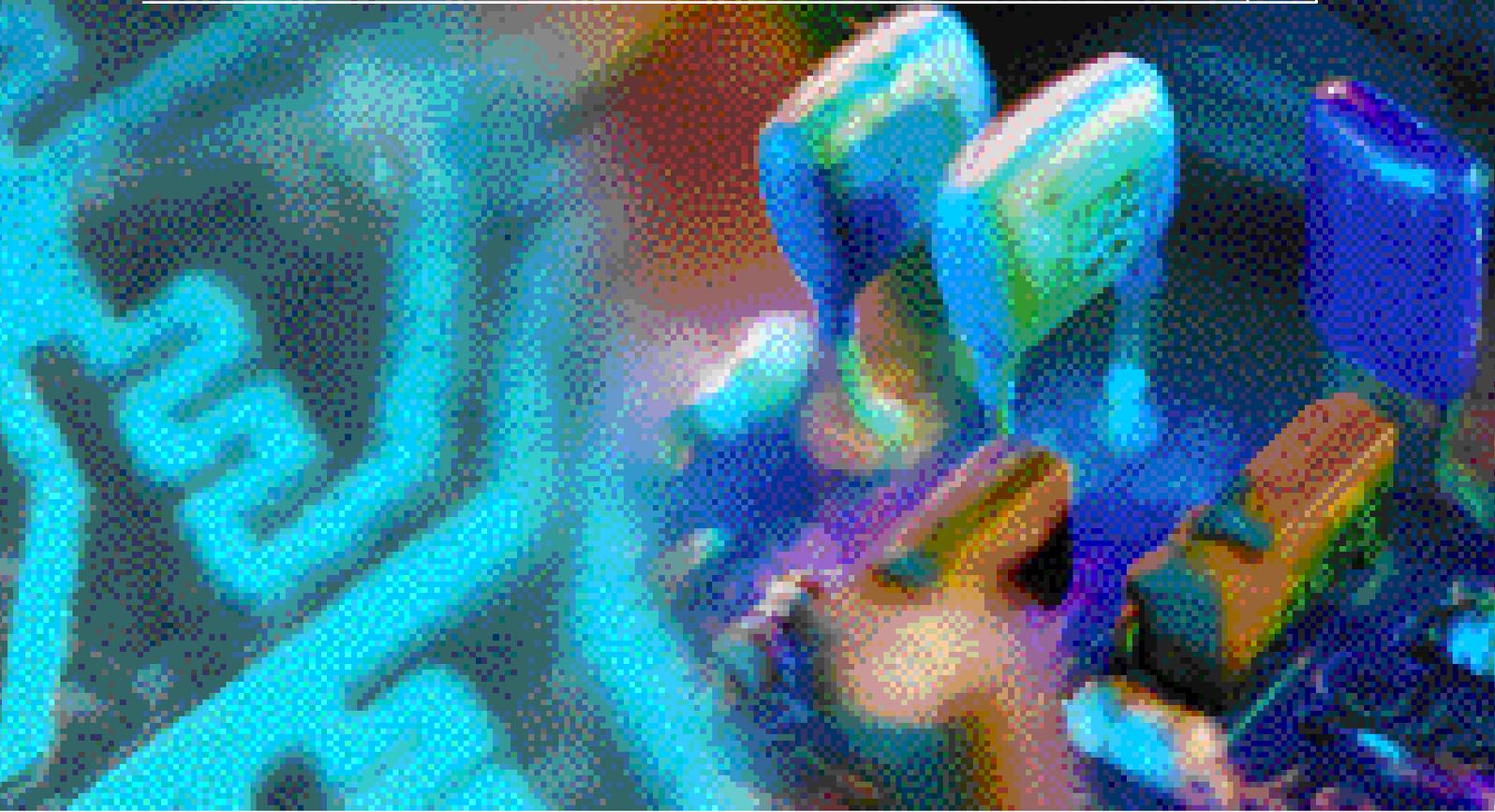
財務風險管理

本集團之收益及開支主要以港元及美元結算。原材料一般從日本採購，並且與供應商訂立安排，如美元兌日圓之匯率波動幅度介乎指定之範圍內，則任何一方將不會要求修改交易價格。由於認為匯率風險不高，故此並無訂立匯率對沖合約。

與客戶訂立之付款安排大部份以記賬方式進行，本集團會定期評估債務人之信貸。在回顧年度內，呆壞賬數額不大。

或然負債及資產抵押

為提早償還本集團所有債務，本公司訂立一備用信用證予英國借款人，就有關給予一間前英國附屬公司由購買其業務之買方承擔之銀行及信貸融資所作出之擔保，而該等信貸於二零零一年四月三十日之數額為175,000,000



to that letter of credit, the Group's properties in Hong Kong, approximately 10% of the Group's interest in ASAT, and deposits of HK\$20 million were pledged and a floating charge on the Group's rental income was created to secure the standby letter of credit.

During the year under review, the Company guaranteed HK\$23 million (2000: Nil) in respect of banking and credit facilities available to its subsidiaries as trading lines, against which no security is required.

In connection with the Group's disposal of 50% interest in ASAT on 29th October, 1999, the Group indemnified the acquiring investor group for various tax liabilities of ASAT group by pledging certain shares in ASAT to the investor group.

During the year and up to the date of this report the Group has successfully extinguished a claim for certain shares in ASAT limited, a wholly owned subsidiary of ASAT, and all additional estimated tax assessments raised against the Group and ASAT Limited.

港元。在申請上述信用證時，本集團在香港之物業、本集團所佔樂依文權益之10%及按金20,000,000港元已作出抵押，並且將本集團之租金收入作為浮動抵押，以擔保上述備用信用證。

在回顧年度，本公司為附屬公司業務所需之銀行及信貸融資作出23,000,000港元(二零零零年：無)擔保，而有關擔保無需抵押。

本集團於一九九九年十月二十九日出售所佔樂依文50%權益時，本集團向進行收購之投資者集團作出賠償保證，將若干樂依文股份抵押予投資者集團，作為樂依文集團各稅務承擔之賠償保證。

在本年度及截至本報告日期，本集團成功撤銷就有關樂依文之全資附屬公司樂依文科技有限公司之若干股份之索償，及對本集團及樂依文科技有限公司提出之所有額外稅務評估通知書。