

LIQUIDITY AND FINANCIAL RESOURCES

The Group's shareholders' funds decreased to HK\$1,829,047,000 as at 31 December 2001 (2000: HK\$2,093,600,000). As there were no long term borrowing, gearing of the Group was zero, the same as the past year.

Although HK\$459.5 million was paid as dividend and HK\$153 million spent in capital investment during the twelve-month period, due to strong positive cash flow, cash on hand at 31 December 2001 was slightly reduced to HK\$478,487,000 (2000: HK\$648,804,000). In fact, the majority of capital investments were funded by the current year depreciation of HK\$151.8 million.

Except for a JPY479 million loan raised in July 2001 to hedge against our yen-based assets' exposure to currency fluctuation, with no other bank borrowing, this resulted in an all bank debt to equity ratio of only 1.6%. Current ratio significantly improved to 4.39. Receivables were tightly monitored during the year, resulting in 65 days sales outstanding (2000: 65 days).

The Group has minimal currency exposure as the majority of all sales were denominated in US dollars. On the other hand, its disbursements were mainly in US dollar, Hong Kong dollar, Singapore dollar and Renminbi. The limited yen-based receivables were covered by some accounts payables in yen to Japanese vendors and the hedging loan as stated above.

HUMAN RESOURCES

The Group adopts a competitive remuneration package for its employees. Aside from salary payments, other benefits include contributions to provident fund schemes and medical subsidies. In addition, based on the Group's financial results and individual performance, discretionary bonus and incentive shares may be granted to eligible staff. In general, salary review is conducted annually. The Group is committed to continue its rigorous staff development and training programs.

As at 31 December 2001, the total headcount of the Group worldwide was approximately 5,000 people.

流動資金及財務狀況

於二零零一年十二月三十一日止，集團的股東資金下降至港幣1,829,047,000元（二零零零年：港幣2,093,600,000元）。如去年一樣，集團並沒有長期借貸，資本負債比率為零。

儘管派發了港幣四億五千九百五十萬元股息，及於十二個月內投入港幣一億五千三百萬元作資本性投資，集團由於擁有充裕的現金流入，於二零零一年十二月三十一日，手頭現金稍降至港幣478,487,000元（二零零零年：港幣648,804,000元）。事實上，集團主要的資本性投資乃由是年港幣一億五千一百八十萬元的折舊所支付。

除了在二零零一年七月向銀行貸款四億七千九百萬日圓，以對沖我們的日圓資產面對的匯率波動，集團並沒有任何銀行借貸。銀行貸款對股本比率僅為百分之一點六，而流動比率則顯著改善至四點三九。於年內，集團緊密監察應收賬款，令應收賬款週轉率維持在六十五天（二零零零年：六十五天）。

集團主要之銷售貨幣單位為美元，因此匯率風險非常低。另一方面，集團主要以美元、港幣、新加坡幣及人民幣付款。有限量的日圓應收賬款足夠應付部份應付予日本供應商賬款及以上的對沖借貸。

人力資源

集團與員工訂立了具競爭力的薪酬制度。除員工薪金外，集團亦為員工提供其他福利，包括退休供款計劃及醫療津貼。此外，視乎集團的業績及個人表現，個別的花紅及獎勵股份可按需要分發予應嘉許員工。整體而言，集團每年會進行一次薪金調整，並致力維持其嚴謹的員工培訓計劃。

於至二零零一年十二月三十一日，集團全球共有約五千名員工。

PROSPECTS

As reflected by several companies' recently reported figures, rising utilisation of wafer foundries and sales of consumables, semiconductor assembly factories passed through their trough during the 4th quarter. Although overshadowed by the weak world economy, SIA predicts the semiconductor industry will rebound slightly by 6% in 2002, followed by strong double-digit growth in the subsequent two years. Electronic Trend Publication (ETP) has projected integrated circuits (IC) output to rise by 10% in 2002, while packaging material revenue is expected to increase by 11% according to SEMI.

The assembly equipment market usually lags behind customers' activities but leads the other semiconductor equipment sectors like wafer processing equipment by a few months. VLSI Research forecasts it will experience a marginal gain of 1% in 2002, followed by a strong year in 2003 with 50% growth. Most industry participants expect a slow first half and an increased uptake in business activities starting mid-2002.

Although we began the year with an eroded order backlog, ASM's management believes industry will continue to make investments related to enhanced technology such as finer pad pitch wire bonders to meet ever increasing die shrink requirements. In addition to technology buys, customers also need to invest in equipment to cope with new package types like QFN and flip chip. While the first few months should prove challenging times, with our diversified products, improved market position and a strong balance sheet, we believe ASM will weather the long winter and come out of the slowdown better than our competitors.

In addition to having our customers testing our completely rejuvenated product portfolio, to maintain our leadership in fine pitch wire bonders we will introduce our enhanced version of the Eagle wire bonder — the Eagle 60 — by the end of the first quarter. Featuring 15-20% productivity gain over current generation machine, the Eagle 60 is expected to further ease looping control, off-line programming and portability demands. Further development to achieve even better output per given floor space is in our roadmap, to ensure ASM is well-positioned for the market upturn.

Having participated in the photonics industry during the last three years with our laser diode die and wire bonders, ASM has also made a commitment to develop an optical fibre alignment and welding machine capable of sub-micron accuracy. We anticipate the first prototype to be ready by end of this year, to further our penetration and support of this rising optical communication component industry.

Our strategy of providing packaging development support to customers has produced dividends in the chip scale package area. Apart from becoming the customers' QFN leadframe supplier, this value-added service has enabled ASM to open some doors for our other assembly equipment. We intend to capitalize on this strategy and beef up our packaging development team, providing further solutions to customers in the flip chip arena.

展望

根據近期數間公司公佈的數字顯示，隨著晶片鑄造廠使用量及消費品銷售額上升，半導體裝嵌廠於第四季終於走過了最艱辛的階段。縱使被全球經濟疲弱陰影所影響，SIA預期，半導體業在二零零二年將輕微反彈約百分之六，隨後兩年更有雙位數字的強勁增長。Electronic Trend Publication預測集成電路產量將於二零零二年增加百分之十，而SEMI則預期包裝材料收入將增加百分之十一。

裝嵌設備業的市場活動一般都較消費市場為遲，但卻較其他半導體設備行業，如晶片裝造設備業早數個月。VLSI Research預測於二零零二年將有百分之一的輕微增長，而於二零零三年則有百分之五十的強勁增長。大部份業界人士預期上半年的業內商業活動會較為緩慢，而到二零零二年中將有顯著增加。

雖然我們於年初的積存訂單較為疲弱，ASM的管理層相信業界將繼續投資在先進的技術，如更微細的墊距焊線機以配合管芯收縮增加的需要。除科技投入外，客戶亦需要投資在新的設備以應付新的包裝類型，如QFN和覆晶焊接。我們相信首數個月仍將是充滿挑戰。但憑藉集團多元化的產品，更有利的市場定位和穩健的財務狀況，我們相信ASM能越過寒冬，較我們的競爭對手更早走出低谷。

除了給予我們的客戶測試全新的產品系列，我們將於首季末推出改良版的Eagle焊線機 - Eagle 60，以保持我們在微距焊線機的領導地位。Eagle 60的產能除較現有的焊線機多出百分之十五至二十，預期改良版將可使扭曲控制、離線設定及按需要移動更為容易及方便。此外，集團將致力提高產量對每寸空間之比率，確保ASM已準備就緒，迎接市場復甦。

於過去的三年，我們以鐳射二極管芯和焊線機積極參與光能業務，ASM同時亦致力研發光纖調準及有超微米準確度的焊接機。我們預期首個原型製品將於本年底完成，為集團進一步進軍這發展迅速的光纖通訊配件業作後盾。

我們為客戶提供包裝研發支援的策略為晶積度包裝業務帶來收益。除了成為客戶的QFN 框架供應商外，此增值服務為ASM打開其他裝嵌設備的大門。我們旨在利用此策略，加強包裝研發隊伍，為客戶於覆晶焊接方面提供更長遠的解決方案。

Similarly, our factory automation solution helps to cement ASM's working relationship with customers. Our closely integrated new product introductions also aid the forging of closer ties to strategic clients. To help customers make the best use of their capital investments, ASM has committed R&D resources to develop equipment management software — the IDEALnet — as a management tool for customers to track equipment performance, gain remote access to information and diagnostic, as well as providing them with a vehicle to improve their machine Overall Equipment Effectiveness (OEE).

With additional R&D projects like equipment management software, flip chip packaging development and the optical fibre alignment machine, our R&D spending is expected to rise moderately. Aside from leading edge products, ASM can truly differentiate itself from its competitors in its total solution approach to customers' business needs, a strategy that rivals cannot imitate easily.

APPRECIATION

After the meteoric rise in semiconductor industry growth in 2000, a correction was to be expected in 2001. ASM's strong performance in such adverse circumstances is a tribute not only to the prescience of our business strategies but also the resilience and dedication of our staff, to whom the Board expresses its profound appreciation.

Things will not be plain sailing in 2002, but we look forward with anticipation to seizing the opportunity to increase our market share as we did during the previous slowdown, and prepare ourselves to take advantage of the coming market recovery.

Arthur H. del Prado

Chairman

7 February 2002

同樣地，我們的生產自動化方案加強了ASM與客戶的關係。我們緊密地整合新產品，大大增強與策略性客戶間的連繫。ASM為協助客戶更有效地運用其資本性投資，致力投入研發資源，發展設備管理軟件 - IDEALnet。此乃一套管理工具協助客戶監察設備表現，遙距索取資料和分析，以及提供一個改善其機器整體設備效率的方法。

由於額外的研發項目，如設備管理軟件、覆晶片焊接包裝研發及光纖調準機等，預計集團的研發費用將會逐步遞增。除具領導優勢的產品外，ASM針對客戶的業務需求，提供全面的解決方案，在競爭者中突圍而出，並使競爭對手不能輕易模仿。

致謝

半導體行業經過二零零零年蓬勃發展後，已如預期於二零零一年進入調整期。ASM能在此不利的環境下仍有突出表現，不但由於我們有先見的業務策略，更有賴員工們的韌力和努力。在此，董事局向他們表示深切的感謝。

邁向二零零二年，前路將不會是平坦的，但我們將如以往的放緩期一樣，把握每個增加市場佔有率的機會，積極裝備，以迎接市場復甦。

主席

Arthur H. del Prado

二零零二年二月七日