

## Chairman's Statement

### 主席報告

I hereby present to shareholders the annual report of the Group for the year ended 30th April 2002.

#### PERFORMANCE REVIEW

In 2001 as a result of inventory overhang and excessive production capacities, worldwide semiconductor sales dropped by over 30%, in contrast to the 22% increase in turnover for the calendar year 2000. Such adverse market conditions have a particular grave impact on the Group as an upstream semiconductor material/services supplier. This fall in demand was in turn caused by a general lack in significant technological breakthroughs in end products offered to the consumers, which were already experiencing from a loss in confidence and reduced spending.

In January 2002, the Group's obligations under guarantees to financial institutions, which hitherto has been recorded as the Group's contingent liabilities since the primary debtor, ESM Limited

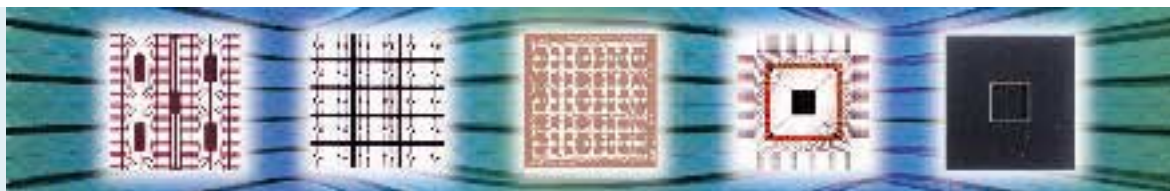
本人謹向股東提呈本集團截至二零零二年四月三十日止年度之年報。

#### 業務回顧

由於存貨堆積及生產力過剩，二零零一年全球半導體銷售下跌30%，與二零零零年營業額增加22%大相逕庭。本集團作為半導體原料／服務之上游供應商，上述不利之市況所帶來的影響尤為嚴重。需求下降是由於消費市場原本已因消費信心疲弱及縮減開支而受壓，而本年度投入消費市場之產品普遍欠重大技術突破更令情況雪上加霜。

由於主要債務人ESM Limited（「ESM」）過往一直按期償還到期之債務本金及利息，故本集團對財務機構之擔保責任一直列為本集團之或然負債。然而，於二零零

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(“ESM”), has continued to honour debt principal and interest repayments as they fell due, crystallised upon the appointment of administrative receivers appointed over certain of the assets of ESM. The net charge to the Group, after deducting the sales proceeds of assets pledged by ESM, amounted to HK\$70 million. Taking into account of this charge, and the share of loss after tax from an associate of HK\$331 million (2001: profit of HK\$77 million), the Group registered a loss of HK\$523 million for the year under review, as compared to a profit of HK\$741 million in the previous year. Basic loss per share was HK\$1.01 (2001: basic EPS 1.45). Basic

二年一月，ESM若干資產被委任之破產管理人接管，本集團因而須履行有關責任。於扣除出售ESM抵押資產之所得款項後，本集團欠債淨額為70,000,000港元。於計及上述欠債及分佔聯營公司除稅後虧損331,000,000港元（二零零一年：溢利77,000,000港元）後，本集團於回顧年度錄得虧損523,000,000港元，上年度則有溢利741,000,000港元。每股基本虧損為1.01港元（二零零一年：每股基本盈利為1.45港元）。未計若干非經常項目，額外每股基本虧損為0.69港元（二零零一年：額外每股基本盈利為0.35港元）。董事會不建

additional loss per share, after excluding certain non-recurring items, was HK\$0.69 (2001: basic additional EPS HK\$0.35). The directors do not recommend the payment of a final dividend for the year ended 30th April, 2002 (2001: Nil).

To address the adverse market conditions, the Group has taken vigorous steps to reduce costs while sharpening our competitive edge in our specialised markets by increases in innovative product design and services thereby commanding premium on prices, as well as opening new markets and broadening our customer/product bases.

In a bid to change the underlying cost structure, and increase sales opportunities in the China market which is generally expected to show very high growth potential in the worldwide semiconductor industry after its accession to the World Trade Organisation in late 2001, the Group has completed the fabrication and fitting out of its new etching plant in Dongguan, PRC. Commercial production

議派發截至二零零二年四月三十日止年度之末期股息（二零零一年：無）。

為應付市場逆境，本集團除大力削減開支外，更藉著增加推出創新之產品設計及服務，以增強本集團於專門市場之競爭力，從而爭取更高之售價，並且開拓新市場及擴闊客戶／產品基礎。

中國市場於二零零一年末加入世貿後，市場普遍預期中國之半導體業將出現強勁增長。為爭取在中國市場之銷售機會，以及改變現有成本結構，本集團於年內完成國內東莞蝕刻廠房之建設及裝修工程。該廠房現時已投入生產，其產品質量達到香港廠房之標準。本集團已籌劃詳細之遷移計劃，以確保在不影響現有生產力之情況



has been commissioned currently, with qualities matching the existing Hong Kong facility's output. The Group has structured a detailed relocation plan for the purpose of ensuring a smooth transition without disturbing the existing production capability. Accordingly the cost advantages, currently estimated to the tune of HK\$100 million per annum after the move was completed, will also be gradually realised over time.

Similarly ASAT has also announced, in its annual results announcement, that it expects to have a manufacturing facility in Dongguan fully operational by mid-calendar 2003.

下順利過渡。完成遷移後預計每年可節省成本100,000,000港元，可望於未來逐步實現。

至於樂依文，按其於公佈全年業績時宣佈，其東莞廠房預計可於二零零三年年中全面投入運作。

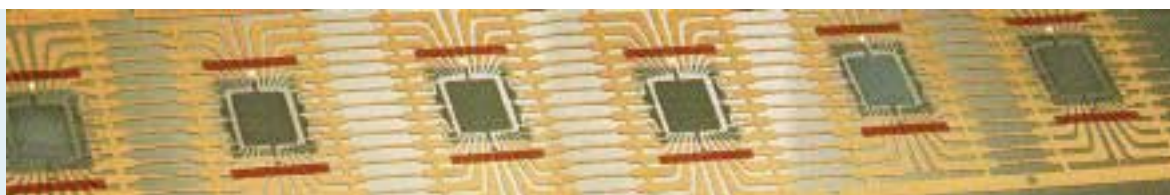
### MAJOR ASSOCIATE — ASAT

As set out above, during the year under review ASAT incurred significant losses at levels well in excess of the Group's operations. ASAT's exposure to the telecommunication sector and its production capacities, hence its fixed operating costs and headcounts, were higher than those of the Group. Accordingly it suffered deeper losses despite the implementation of cost control measures. Nevertheless ASAT has delivered significant improvements in both sales and EBITDA in the last quarter ended 30th April, 2002. For the quarter ended 30th April, 2002, as compared to its previous fiscal quarter ended 31st January, 2002, ASAT recorded sales increase by 23% to US\$27.8 million (approximately HK\$217 million) while its EBITDA loss was reduced by 34% to US\$3.9 million (approximately HK\$30 million). As at 30th April, 2002 ASAT has US\$34.5 million (approximately HK\$269 million) cash on hand and debt of

### 主要聯營公司—樂依文

如上文所述，樂依文於回顧年度錄得之虧損大幅超過本集團之經營虧損。由於樂依文從事電訊業且生產量較高，故其固定營運成本及人手均較本集團為高。因此，儘管該公司採取成本控制措施，但仍錄得較大虧損。然而，樂依文之銷售額及除利息、稅項、折舊及攤銷前盈利於截至二零零二年四月三十日止最後一個季度已大幅改善。樂依文於截至二零零二年四月三十日止季度之銷售額，較截至二零零二年一月三十一日止之上一財政季度增加23%至27,800,000美元（約217,000,000港元），而除利息、稅項、折舊及攤銷前虧損則減少34%至3,900,000美元（約30,000,000港元）。樂依文於二零零二年四月三十日持有現金34,500,000美元（約269,000,000港元），另有約98,000,000美元（約764,000,000港元）之債項須於二零零六年到期償還。

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approximately US\$98 million (approximately HK\$764 million) maturing in 2006.

On 22nd August, 2002, ASAT announced its unaudited results for the first quarter of fiscal year 2003, ended 31st July, 2002. ASAT reported a 26% growth in revenue with significant improvement of EBITDA turning into a positive of US\$0.8 million (approximately HK\$6 million). Net loss for the first quarter was US\$62.4 million (approximately HK\$487 million), which included a before tax US\$59.2 million (approximately HK\$462 million) non-cash charge for the write off of and impairment

於二零零二年八月二十二日，樂依文公佈截至二零零二年七月三十一日止之二零零三年財政年度第一季度之未經審核業績，其銷售收益錄得26%增長，而除利息、稅項、折舊及攤銷前之盈利則轉虧為盈至800,000美元（約6,000,000港元）。第一季度之虧損淨額為62,400,000美元（約487,000,000港元），其中包括若干資產之撇銷與減值開支之除稅前非現金開支59,200,000美元（約462,000,000港元），此

charges related to certain fixed assets. ASAT elected to take the impairment charge based upon its strategic direction towards higher-end technologies. This impairment loss, together with any other losses or gains of ASAT in the six months period ending 31st October, 2002, will be reflected in the accounts of the Group for the same period.

## OUTLOOK

As previously reported under our interim results announcement, the Group expects, and has so far witnessed, gradual recovery by sectors starting in 2002.

As aforementioned, starting from 2002, sales surged by over 50% on a quarter-on-quarter basis, as a result of both inventory replenishments and new products designs. This growth trend continues into the new financial year with the first fiscal quarter for the period from May to July 2002 registering sales growth by approximately 20%, again on a quarter-on-quarter basis. Sales for the first three

乃樂依文根據其高科技業務策略方針之準則計算該減值開支。該減值虧損連同樂依文截至二零零二年十月三十一日止六個月之任何虧損或盈利，並均會於本集團同期之賬目內反映。

## 前景

按本集團於中期業績公佈所提及，本集團預期，並見證市況可於二零零二年逐步扭轉劣勢。

正如上文所述，由於補充存貨及推出新產品設計，營業額自二零零二年開始回升，錄得季度增長超過50%。該增長趨勢於新財政年度持續，二零零二年五月至七月首個財政季度之銷售額較上一季度錄得增長約20%。二零零三年財政年度首三個月之銷售額已超逾截至二零零一年十月三十一日止上半年度之銷售額112,000,000



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months for the financial year 2003 has already surpassed the sales amount of HK\$112 million for the first half year ended 31st October, 2001, reflecting the strength of current demand.

On 2nd August, 2002, Semiconductor Industry Association (“SIA”) reiterated its mid-year market forecast made in June, which provided an overview of an industry-wide recovery that was already well under way. Accordingly, SIA continues to expect the growth rate to be over 20% in 2003 and 2004 respectively with wireless and digital consumer products leading the growth of sales. Further, SIA

港元，足以反映現時需求如何殷切。

二零零二年八月二日，半導體工業協會（「SIA」）重申於六月所作之年中市場預測，綜觀業界將全面復甦，亦事實正是如此。SIA預計半導體業於二零零三年及二零零四年之銷售增長率將超過20%，而無線及數碼消費產品將為領導產品。SIA亦預測，由於製造合約外判，加上地區消費需求龐大，故亞太區（日本除外）未來四

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### 主席報告

forecasted that in the next four years the Asia Pacific (excluding Japan) market will become the world's largest in sales revenue, overtaking the lead by the Americas, as a result of increases in outsourced contract manufacturing and strong regional consumer demand. Of which, China's integrated circuits consumption is expected to nearly triple by 2005, according to the China Center of Information Industry Development.

Backed by these authoritative forecasts therefore the Group continues to step up its expansion of both production and sales forces in China and secure our leading position among our peer competitors.

Having said that, in view of the current weaknesses in the US and European economies which remain the major end customer markets presently served by the Group, we remain cautious in our market outlook. With the uncertainties in the current market conditions, we anticipate that trading conditions will continue to be challenging in the near term.

年將超逾美國，成為全球銷售之主要來源。而根據中國電子信息產業發展研究院之預測，中國之集成電路板使用量更預期可於二零零五年翻三翻。

既有該等具權威之預測於前，本集團繼續擴大於中國之生產及銷售隊伍，力求脫穎而出，保持領導地位。

然而，由於本集團現時主要市場歐美等地之經濟仍持續疲弱，故本集團仍然對市場前景抱審慎態度。鑑於現時不明朗之市場環境，本集團預期短期內之經營狀況仍然充滿挑戰。

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## FINANCIAL REVIEW

The level of borrowings at the balance sheet date was HK\$146 million, comprising a long term banking facility of US\$12 million and the net balance as a result of crystallisation of obligations under guarantees to financial institutions of HK\$53 million. The long term banking facilities are denominated in US Dollars and are repayable in 6 equal semi annual instalments commencing from October 2003 carrying a floating interest rate and secured against (i) equity interest in ASAT of approximately 9%, (ii) a floating charge on the trade receivables of HK\$31 million and (iii) a

## 財務回顧

本集團於結算日有貸款146,000,000港元，包括長期銀行信貸12,000,000美元，以及向財務機構履行擔保責任淨額53,000,000港元。長期銀行信貸以美元為單位，將由二零零三年十月起分6期每半年等額償還，以浮動利率計息，並以(i)樂依文約9%股權；(ii)貿易應收款項31,000,000港元之浮動抵押及(iii)銀行結餘15,000,000港元作為抵押。向財務機構履行承擔之債項餘額則以英鎊及美元為

bank balance of HK\$15 million pledged as security. The balance of crystallised liability due to financial institutions is denominated in Pounds Sterling and US Dollars and is repayable in 4 quarterly instalments as from 31st July, 2002 to 30th April, 2003.

Subsequent to the year end date, another long term banking facility of US\$8 million was committed to ensure the Company is fully funded to meet the quarterly payment demands arising from this crystallised liability. This new facility is secured by a second mortgage of property and rental income of the Group's property in Hong Kong with the first mortgage securing the issuance of a standby letter of credit in guarantee the repayment of the same crystallised obligation.

In addition, 25 million shares of the Company were placed to independent investors at a price of HK\$2.675 per share in November 2001. Net proceeds of about HK\$65 million were retained by the Company for general working capital purposes.

單位，須由二零零二年七月三十一日至二零零三年四月三十日分四期按季度償還。

於年結日後，本公司取得為數8,000,000美元之長期銀行信貸，以確保本公司具備充足資金按季度償還上述之承擔債項。該信貸以本集團於香港之物業作第二按揭及該物業租金收入作為抵押，而該物業之第一按揭已作為發出備用信用證之抵押，用作償還同一承擔債項之擔保。

此外，本公司於二零零一年十一月按每股2.675港元之價格向獨立投資者配售25,000,000股本公司股份，所得款項淨額約65,000,000港元，由本公司用作一般營運資金。



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As most of our main income and expenditure are denominated in US and Hong Kong Dollars, no currency hedging has been put in place.

Save as aforesaid and as those disclosed in notes 43 "Contingent liabilities" and 45 "Pledge of Assets" to the financial statements, no other asset of the Company was pledged to third party.

由於本公司之主要收入及支出均以美元及港元為單位，因此並無進行任何貨幣對沖。

除上文所述及於財務報告附註43「或然負債」及45「資產抵押」所披露者外，本公司並無將其他資產抵押予第三者。

## Chairman's Statement

### 主席報告

As at 30th April 2002, the Group remained in compliance with the obligations and financial covenants contained in the agreements relating to its outstanding loan facilities. These covenants include certain obligations to maintain a minimum net tangible asset value. The Group will continue to monitor compliance with these obligations taking into account the potential decrease in net tangible assets of the Group as a result of the share of losses of ASAT and the continuing operating performances of ASAT and the Group.

#### CAPITAL EXPENDITURE

During the year ended 30th April, 2002, the Group invested HK\$145 million (2001: HK\$37 million) in the property, plant and equipment, of which approximately 82% or HK\$119 million was employed in the fabrication and fitting out of its

二零零二年四月三十日，本集團仍然遵守有關未償還信貸協議所載之承擔及財務契諾。該等契諾包括維持最低有形資產淨值之若干承擔。鑑於應佔樂依文虧損及樂依文與本集團之持續經營表現而可能使本集團之有形資產淨值減少，故本集團將繼續監察有否遵守該等承擔。

#### 資本開支

截至二零零二年四月三十日止年度，本集團動用145,000,000港元（二零零一年：37,000,000港元）投資於物業、機器及設備，其中約82%或119,000,000港元用作中國東莞新蝕刻廠房之建設及裝修。該等資

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new etching plant in Dongguan, PRC. These capital expenditures were financed partly from long term borrowings and partly from internal sources.

本開支部份以長期借貸支付，部份則由內部資源撥付。

#### EMPLOYEES AND REMUNERATION POLICY

As at 30th April, 2002, the Group, excluding an associate employed approximately 1,100 employees (of whom approximately 710 were employed in Hong Kong) as compared to 1,100 employees (of whom approximately 860 were employed in Hong Kong) as at the end of last financial year.

#### 僱員及酬金政策

於二零零二年四月三十日，本集團（不包括一間聯營公司）僱用約1,100名僱員（其中約710名為香港僱員），而於上一個財政年度終結時則僱用約1,100名僱員（其中約860名為香港僱員）。

The Group continued its remuneration policy aiming at maintaining comparable wage levels and rewarding staff based on performance. In addition to salary payment, other benefits include discretionary bonus, retirement scheme, mandatory provident fund, medical schemes and share option scheme. Staff training is also provided as and when required.

On the basis of a reducing cost structure and expanding new market opportunities largely brought about by our expansion into China, as well as leading sales growth performance, the Group is well positioned to both meet the challenges and also reap the benefits brought about by increases in semiconductor demands.

## APPRECIATION

I, on behalf of the board, would take this opportunity to express my sincere gratitude to all staff for their valuable contribution to the Group

本集團繼續奉行以往之酬金政策，務求維持合理之薪金水平，按工作表現給予員工報酬。除薪金外，其他福利包括酌情花紅、退休計劃、強制性公積金、醫療計劃及購股權計劃。本集團亦會於需要時為員工提供培訓。

本集團藉著擴展中國業務而精簡成本結構及拓展新市場。在此基礎之上，加上傲視同儕之銷售增長表現，本集團具備足夠實力迎接半導體需求增加所帶來之挑戰，並從中獲利。

## 致謝

在充滿挑戰之期間，全體員工對本集團之寶貴貢獻，本人謹代表董事會向全體員工致以衷心謝意。此外，本人亦藉此機



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during this challenging period. Furthermore, I would like to express appreciation to the Group's customers, business associates and shareholders for their continual support.

By Order of the Board

**Li Tung Lok**  
*Chairman*

Hong Kong, 26th August, 2002

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，二零零二年八月二十六日