

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報告附註

1. Basis of preparation and principal accounting policies

The condensed interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Statement of Standard Accounting Practice (“SSAP”) No. 25 “Interim Financial Reporting” issued by the Hong Kong Society of Accountants (the “HKSA”).

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain properties and investments in securities. The accounting policies are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30 April, 2003, except as described below.

In the current interim period, the Group has adopted SSAP 12 (Revised) “Income Taxes”. The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, with limited exceptions. The adoption of this revised SSAP has been applied retrospectively. Comparative amounts for the prior periods have been restated accordingly.

1. 編撰基準及主要會計政策

簡明中期財務報告乃根據香港聯合交易所有限公司證券上市規則附錄16適用之披露規定及香港會計師公會（「會計師公會」）頒佈之會計實務準則（「會計實務準則」）第25號「中期財務報告」之規定編撰。

簡明財務報告乃按歷史成本法編製，並就若干物業及證券投資之重估作出修訂。除下文所述者外，本集團現採用之會計政策與其編撰截至二零零三年四月三十日止年度之全年財務報告時所採用者相符。

本集團於本期間採納了會計實務準則第12號（經修訂）「所得稅」。採納會計實務準則第12號（經修訂）主要影響遞延稅項。於過往年度，遞延稅項乃按收益表負債法作出部份撥備，即是就時差所產生之稅項均會被確認為負債，除非預期有關時差不會於可見將來撥回。會計實務準則第12號（經修訂）規定採用資產負債表負債法，就財務報告中資產及負債之賬面值與計算應課稅溢利所用之相應稅基之所有暫時性差異確認遞延稅項，惟少數情況除外。此經修訂之會計實務準則經採納後已追溯應用。上一期間之比較數字亦已相應重列。

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1. Basis of preparation and principal accounting policies (Continued)

The financial effect of the adoption of SSAP 12 (Revised) is summarized below:

1. 編撰基準及主要會計政策 (續)

採納會計準則第12號(經修訂)的財務影響概述如下：

		Other properties revaluation reserve 其他物業 重估儲備 HK\$'M 百萬港元	Accumulated losses 累計虧損 HK\$'M 百萬港元	Deferred taxation 遞延稅項 HK\$'M 百萬港元
Balance at 1 May, 2003	於二零零三年 五月一日之結餘			
- as previously reported	- 有關如承前呈列	72	(1,205)	1
- prior period adjustment in respect of deferred taxation	- 有關遞延稅項之 前期調整	(6)	4	2
- as restated	- 如重列	<u>66</u>	<u>(1,201)</u>	<u>3</u>
Balance at 1 May, 2002	於二零零二年 五月一日之結餘			
- as previously reported	- 如承前呈列	73	(727)	1
- prior period adjustment in respect of deferred taxation	- 有關遞延稅項 之前期調整	(6)	3	3
- as restated	- 如重列	<u>67</u>	<u>(724)</u>	<u>4</u>

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2. Turnover and segment information

Turnover represents the net amounts received and receivable for goods sold and services provided by the Group to outside customers and rental income during the period. The Group is principally engaged in the manufacture and sale of integrated circuit leadframes, heatsinks and stiffeners.

(a) Geographical segments

The customers of the Group are currently located in the United States of America, Hong Kong, Europe, Greater China (comprising the People's Republic of China other than Hong Kong (the "PRC") and Taiwan), Philippines and other Asian countries. The geographical locations of the Group's customers are the basis on which the Group reports its primary segment information.

2. 營業額及分部資料

營業額指本集團期內向外界客戶銷售貨品及提供服務之已收及應收款項淨額，以及租金收入。本集團主要從事製造及銷售集成電路引線框、散熱器及加強桿。

(a) 地區分部

本集團之客戶現時分佈於美國、香港、歐洲、大中華地區（包括中華人民共和國（「中國」）（香港除外）及台灣）、菲律賓及其他亞洲國家。本集團客戶之所在地為本集團呈報主要分部資料之基準。

		Turnover 營業額 (Unaudited) (未經審核)		Segment Results 分部業績 (Unaudited) (未經審核)	
		Six months ended 31 October, 截至十月三十一日止六個月		Six months ended 31 October, 截至十月三十一日止六個月	
		2003 二零零三年 HK\$'M 百萬港元	2002 二零零二年 HK\$'M 百萬港元	2003 二零零三年 HK\$'M 百萬港元	2002 二零零二年 HK\$'M 百萬港元
United States of America	美國	29	70	(3)	(8)
Hong Kong	香港	134	97	2	(7)
Europe	歐洲	2	5	-	(1)
Greater China	大中華地區	23	36	(2)	(6)
Philippines	菲律賓	4	6	(1)	(1)
Other Asian countries	其他亞洲國家	23	13	(1)	(2)
Segment revenue and results	分部收入及業績	215	227	(5)	(25)
Unallocated corporate expenses	未分配企業開支			(14)	(5)
Loss from operations	經營虧損			(19)	(30)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報告附註

2. Turnover and segment information (Continued) (b) Business segment

2. 營業額及分部資料 (續) (b) 業務分部

		Turnover 營業額 (Unaudited) (未經審核)		Segment Results 分部業績 (Unaudited) (未經審核)	
		Six months ended 31 October, 截至十月三十一日止六個月 2003 二零零三年 HK\$'M 百萬港元	2002 二零零二年 HK\$'M 百萬港元	Six months ended 31 October, 截至十月三十一日止六個月 2003 二零零三年 HK\$'M 百萬港元	2002 二零零二年 HK\$'M 百萬港元
Manufacture and sale of integrated circuit leadframes, heatsinks and stiffeners	製造及銷售集 成、電路引線 框散熱器 及加強桿	203	215	(16)	(37)
Property investment	物業投資	12	12	12	12
Others	其他	-	-	(1)	-
Segment revenue and results	分部收入及 業績	215	227	(5)	(25)
Unallocated corporate expenses	未分配 企業開支			(14)	(5)
Loss from operations	經營虧損			(19)	(30)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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3. Other operating income

Scrap sales	廢料銷售
Sundry income	雜項收入

4. Finance costs

Interest on:	利息：
bank borrowings	銀行借款
crystallisation of obligations under guarantees	履行擔保責任之數額
Bank charges	銀行費用

5. Exchange losses from obligations crystallised under guarantees

The balance represents the exchange losses arising from the translation of the obligations crystallised under guarantees and corresponding unpaid interest which are denominated in Pounds Sterling and appreciated against the Hong Kong dollar at the period end.

3. 其他經營收入

(Unaudited)
(未經審核)

Six months ended 31 October,
截至十月三十一日止六個月
2003 2002
二零零三年 二零零二年
HK\$'M HK\$'M
百萬港元 百萬港元

	5	2
	-	1
	<u>5</u>	<u>3</u>

4. 融資成本

(Unaudited)
(未經審核)

Six months ended 31 October,
截至十月三十一日止六個月
2003 2002
二零零三年 二零零二年
HK\$'M HK\$'M
百萬港元 百萬港元

	3	2
	2	2
	<u>5</u>	<u>4</u>
	-	1
	<u>5</u>	<u>5</u>

5. 履行擔保責任之匯兌虧損

此數額乃指換算以英鎊為單位之履行擔保責任及相關未付利息所產生之匯兌虧損，因英鎊兌港元之匯價於期結日升值所致。

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簡明財務報告附註

6. Share of results of an associate

Share of results of an associate
attributable to the Group
Loss from ordinary activities
before non-recurring item
Impairment loss arising on
property, plant and equipment

本集團分佔聯營公司
業績

未計非經常項目前之
日常業務虧損
物業、機器及設備
之減值虧損

	2003 二零零三年 HK\$'M 百萬港元	2002 二零零二年 HK\$'M 百萬港元
	(17)	(58)
	-	(198)
	<u>(17)</u>	<u>(256)</u>

7. Taxation

The charge (credit) comprises:
Hong Kong Profits Tax
Deferred tax

稅項支出(抵免)包括:
香港利得稅
遞延稅項

	2003 二零零三年 HK\$'M 百萬港元	2002 二零零二年 HK\$'M 百萬港元
	-	1
	1	1
	<u>1</u>	<u>2</u>
	-	(40)
	<u>1</u>	<u>(38)</u>

Share of taxation attributable
to an associate

分佔聯營公司
應佔稅項

No provision for Hong Kong Profits Tax has been made as the Group has no estimated assessable profits for the period.

由於本集團於本期間並無估計應課稅溢利，故並無就香港利得稅作出撥備。

6. 分佔聯營公司業績

(Unaudited)
(未經審核)

Six months ended 31 October,
截至十月三十一日止六個月
2003 2002
二零零三年 二零零二年
HK\$'M HK\$'M
百萬港元 百萬港元

7. 稅項

(Unaudited)
(未經審核)

Six months ended 31 October,
截至十月三十一日止六個月
2003 2002
二零零三年 二零零二年
HK\$'M HK\$'M
百萬港元 百萬港元

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8. Dividend

The directors do not recommend the payment of an interim dividend (2002: Nil).

9. Loss per share

The calculation of basic and diluted loss per share is based on the loss attributable to shareholders of HK\$48 million (2002: HK\$272 million) and 639,367,505 (2002: 533,367,505) ordinary shares in issue during the period.

Additional basic and diluted loss per share figures have also been presented, based on the loss excluding certain non-recurring items as follows:

8. 股息

董事不建議派發中期股息(二零零二年：無)。

9. 每股虧損

每股基本及攤薄虧損乃根據股東應佔虧損48,000,000 港元(二零零二年：272,000,000港元)及期內已發行普通股 639,367,505股(二零零二年：533,367,505股)計算。

額外每股基本及攤薄虧損亦已呈列，乃按除下列若干非經常項目前之虧損計算：

		(Unaudited) (未經審核)	
		Six months ended 31 October, 截至十月三十一日止六個月	
		2003	2002
		二零零三年	二零零二年
		HK\$'M	HK\$'M
		百萬港元	百萬港元
Loss for the period	本期間虧損	(48)	(272)
Adjustments:	調整：		
Exchange losses from obligations crystallised under guarantees	履行擔保責任之匯兌虧損	7	11
Distributions from liquidation of a former subsidiary	一間前附屬公司清盤所獲得之分派	-	(3)
Costs relating to relocation of operations	遷移業務之成本	-	11
Share of results of an associate	分佔聯營公司業績		
Impairment loss arising on property, plant and equipment	物業、機器及設備之減值虧損	-	198
Tax effect of above items	上述各項之稅務影響	-	(32)
Adjusted loss	經調整虧損	(41)	(87)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

9. Loss per share (Continued)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

The computation of diluted loss per share and additional loss per share for both periods does not assume the exercise of the outstanding share options and warrants of the Company because the exercise prices of share options and warrants were higher than the average market price of the Company's shares.

10. Investment properties

The directors consider that there were no material changes in the market value of the investment properties since 30 April, 2003.

11. Property, plant and equipment

Net book value at beginning of period/year	期初／年初之 賬面淨值		
Additions	添置		
Impairment loss	減值虧損		
Depreciation	折舊		
Net book value at end of period/year	期終／年終之 賬面淨值		

簡明財務報告附註

9. 每股虧損 (續)

用作計算之分母與上文計算每股基本及攤薄虧損所述者一致。

由於本公司之購股權及認股權證之行使價較本公司股份之平均市價為高，故此在計算上述兩期間之每股攤薄虧損及額外每股攤薄虧損時並無假設本公司之購股權及認股權證會悉數行使。

10. 投資物業

董事認為投資物業之市值自二零零三年四月三十日以來並無重大變動。

11. 物業、機器及設備

(Unaudited) (未經審核)	[Audited] (經審核)
Six months ended 31 October, 2003	Year ended 30 April, 2003
截至二零零三年 十月三十一日 止六個月 HK\$'M 百萬港元	截至二零零三年 四月三十日 止年度 HK\$'M 百萬港元

		339	351
		42	36
		-	(5)
		(26)	(43)
		<u>355</u>	<u>339</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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12. Interest in an associate

Share of net assets	分佔資產淨值
Negative goodwill arising from deemed acquisitions	視作收購而產生之負商譽
Net book value at end of period/year	期終／年終之賬面淨值
Market value of shares held by the Group	本集團所持股份市值

Interest in an associate represents the Group's interest in 43.05% (30 April, 2003: 43.05%) of the issued ordinary share capital of ASAT Holdings Limited ("ASAT"), a limited company incorporated in the Cayman Islands and its shares are listed on the NASDAQ. ASAT and its subsidiaries are principally engaged in the provision of assembly and testing of integrated circuits.

12. 聯營公司權益

(Unaudited) (未經審核)	(Audited) (經審核)
31 October, 2003 二零零三年 十月三十一日	30 April, 2003 二零零三年 四月三十日
HK\$'M 百萬港元	HK\$'M 百萬港元
212	229
(3)	(4)
<u>209</u>	<u>225</u>
<u>1,200</u>	<u>207</u>

聯營公司權益指本集團所佔ASAT Holdings Limited (「樂依文」) 已發行普通股本之43.05% (二零零三年四月三十日: 43.05%)。樂依文為於開曼群島註冊成立之有限公司，其股份在美國全國證券商自動報價協會系統(NASDAQ)上市。樂依文及其附屬公司主要從事裝配及測試集成電路業務。

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簡明財務報告附註

12. Interest in an associate (Continued)

The following details have been extracted from the condensed consolidated financial statements of ASAT prepared in accordance with accounting principles generally accepted in Hong Kong:

Results for the period

		2003	2002
		二零零三年	二零零二年
		HK\$'M	HK\$'M
		百萬港元	百萬港元
Turnover	營業額	718	591
Loss from ordinary activities before taxation	除稅前日常業務虧損		
Loss before non-recurring items	未計非經常性項目前之虧損	(38)	(134)
Impairment loss arising on property, plant and equipment	物業、機器及設備之減值虧損	-	(462)
		(38)	(596)

Financial position

		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		31 October,	30 April,
		2003	2003
		二零零三年	二零零三年
		十月三十一日	四月三十日
		HK\$'M	HK\$'M
		百萬港元	百萬港元
Non-current assets	非流動資產	984	977
Current assets	流動資產	537	478
Current liabilities	流動負債	(246)	(143)
Non-current liabilities	非流動負債	(772)	(770)
Net assets	資產淨值	503	542
Net assets attributable to the Group	本集團分佔資產淨值	212	229

12. 聯營公司權益 (續)

以下資料乃摘錄自樂依文根據香港普遍採納之會計準則編製之簡明綜合財務報告：

期內業績

(Unaudited)

(未經審核)

Six months ended 31 October,

截至十月三十一日止六個月

2003 2002

二零零三年 二零零二年

HK\$'M HK\$'M

百萬港元 百萬港元

財政狀況

(Unaudited)

(未經審核)

31 October,

2003

二零零三年

十月三十一日

HK\$'M

百萬港元

(Audited)

(經審核)

30 April,

2003

二零零三年

四月三十日

HK\$'M

百萬港元

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13. Trade and other receivables

The Group allows a credit period ranging from 30 to 60 days to its trade customers. The following is an aged analysis of trade receivables at the reporting date:

Trade receivables	貿易應收款項
Within 30 days	30日內
Between 31 and 60 days	31至60日
Between 61 and 90 days	61至90日
Over 90 days	90日以上
Other receivables	其他應收款項

13. 貿易及其他應收款項

本集團給予貿易客戶之信貸期介乎30至60日。貿易應收款項於本報告日期之賬齡分析如下：

(Unaudited) (未經審核)	[Audited] (經審核)
31 October, 2003 二零零三年 十月三十一日 HK\$'M 百萬港元	30 April, 2003 二零零三年 四月三十日 HK\$'M 百萬港元
15	15
9	8
4	3
9	8
37	34
4	5
41	39

14. Trade receivables due from an associate

The Group allows a credit period of 30 to 60 days to its associate. The following is an aged analysis at the reporting date:

Within 30 days	30日內
Between 31 and 60 days	31至60日

14. 應收聯營公司之貿易款項

本集團給予聯營公司之信貸期為30至60日。於本報告日期之賬齡分析如下：

(Unaudited) (未經審核)	[Audited] (經審核)
31 October, 2003 二零零三年 十月三十一日 HK\$'M 百萬港元	30 April, 2003 二零零三年 四月三十日 HK\$'M 百萬港元
22	15
7	8
29	23

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15. Trade and other payables

The following is an aged analysis of trade payables at the reporting date:

Trade payables	貿易應付款項
Within 30 days	30日內
Between 31 and 60 days	31至60日
Between 61 and 90 days	61至90日
Over 90 days	90日以上
Other payables	其他應付款項

15. 貿易及其他應付款項

貿易應付款項於本報告日期之賬齡分析如下：

(Unaudited) (未經審核)	[Audited] (經審核)
31 October, 2003	30 April, 2003
二零零三年 十月三十一日	二零零三年 四月三十日
HK\$'M 百萬港元	HK\$'M 百萬港元
11	12
7	9
3	4
9	14
30	39
34	25
64	64

16. Obligations crystallised under guarantees

Payable within one year in respect of	須於一年內償還 之款項
operating lease obligation	營運租約承擔
industrial grants obligation	工業補助承擔

16. 履行擔保責任

(Unaudited) (未經審核)	[Audited] (經審核)
31 October, 2003	30 April, 2003
二零零三年 十月三十一日	二零零三年 四月三十日
HK\$'M 百萬港元	HK\$'M 百萬港元
41	38
68	64
109	102

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報告附註

16. Obligations crystallised under guarantees (Continued)

They represent the obligations crystallised under guarantees provided by the Company in respect of operating lease obligations and industrial grants of its former subsidiaries incorporated in the United Kingdom.

The obligations crystallised in respect of operating leases are interest free and those in respect of industrial grants bear interest at UK base rate plus 1.5% per annum which are included under the deposits and accrued expenses amounting to HK\$19 million as at 31 October, 2003 (30 April, 2003: HK\$18 million). Both are payable on demand.

16. 履行擔保責任 (續)

此乃本公司為其英國註冊成立之前附屬公司所獲得之營運租約及工業補助而提供擔保所履行之責任。

營運租約之擔保為免息，而工業補助之擔保則按英國基本利率加1.5%之年利率計算利息，該等利息於二零零三年十月三十一日為19,000,000港元（二零零三年四月三十日：18,000,000港元），並已計入按金及應計費用賬內。此兩項擔保均須於接獲通知時償還。

17. Share capital

17. 股本

		Number of shares 股份數目	Nominal Value 面值 HK\$'M 百萬港元
<i>Authorised:</i>	<i>法定股本：</i>		
Ordinary shares of HK\$0.08 each	每股面值0.08港元 之普通股	1,500,000,000	120
Redeemable preference share of HK\$0.02 each	每股面值0.02港元之 可贖回優先股	500,000,000	10
<i>Issued and fully paid:</i>	<i>已發行及繳足股本：</i>		
Ordinary shares of HK\$0.08 each at 1 May and 31 October, 2003	每股面值0.08港元之普通股， 於二零零三年五月一日 及十月三十一日	639,367,505	51

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報告附註

18. Share premium and reserves

18. 股份溢價及儲備

		Share premium	Contributed surplus	Capital redemption reserve	Capital reserve	Other properties revaluation reserve	Investment revaluation reserve	Goodwill consolidation	Accumulated losses	Total
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
Balance at 1 May, 2002	於二零零二年五月一日之結餘									
- as previously reported	一如承前呈列	1,416	40	12	9	73	-	(45)	(727)	778
- prior period adjustment in respect of deferred taxation (Note 1)	有關遞延稅項 之前期 調整(附註1)	-	-	-	-	(6)	-	-	3	(3)
- as restated	一如重列	1,416	40	12	9	67	-	(45)	(724)	775
Deficit on revaluation	重估減值	-	-	-	-	-	(13)	-	-	(13)
Loss for the period	期內虧損	-	-	-	-	-	-	-	(272)	(272)
Balance at 31 October, 2002, as restated	於二零零二年十月三十一日 之結餘，如重列	1,416	40	12	9	67	(13)	(45)	(996)	490
Loss for the period	期內虧損	-	-	-	-	-	-	-	(205)	(205)
Shares issued at a premium	以溢價發行之股份	152	-	-	-	-	-	-	-	152
Share issue expenses	發行股份開支	(10)	-	-	-	-	-	-	-	(10)
Deficit on revaluation	重估減值	-	-	-	-	-	(1)	-	-	(1)
Impairment loss on land and buildings	土地及樓宇之 減值虧損	-	-	-	-	(1)	-	-	-	(1)
Balance at 30 April, 2003, as restated	於二零零三年四月三十日 之結餘，如重列	1,558	40	12	9	66	(14)	(45)	(1,201)	425
Loss for the period	期內虧損	-	-	-	-	-	-	-	(48)	(48)
Balance at 31 October, 2003	於二零零三年十月三十一日 之結餘	1,558	40	12	9	66	(14)	(45)	(1,249)	377

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報告附註

19. Borrowings

19. 借貸

		(Unaudited) (未經審核) 31 October, 2003 二零零三年 十月三十一日 HK\$'M 百萬港元	[Audited] (經審核) 30 April, 2003 二零零三年 四月三十日 HK\$'M 百萬港元
Secured long term bank loans repayable	須償還有抵押長期銀行貸款		
within one year	一年內	59	44
between two and five years	二至五年內	91	112
		150	156
Other unsecured long term loans repayable (Note)	須償還其他無抵押長期貸款 (附註)		
within one year	一年內	31	-
between two and five years	二至五年內	31	-
		62	-
		212	156
Less: Amount due within one year shown under current liabilities	減：須一年內到期列作流動負債之款項	(90)	(44)
		122	112

During the current period, the Group raised new borrowings of HK\$72 million and repaid bank loans of HK\$16 million.

本期間，本集團籌得新借貸72,000,000港元，另償還銀行貸款16,000,000港元。

Note: These other loans, for which the Company provided corporate guarantees, are unsecured, denominated in Renminbi and carry interest at commercial rates. One of the loans of Renminbi 25 million (approximately HK\$24 million) was originally repayable by Renminbi 2 million in May 2004 and Renminbi 23 million in June 2004 and was re-scheduled in January 2004 to be due in January 2005. The rest are repayable by instalments up to 3 years.

附註：此等其他貸款除由本公司提供公司擔保外，乃無抵押，以人民幣為單位及按商業利率計息。其中一筆人民幣25,000,000元之貸款（約24,000,000港元）原應於二零零四年五月償還人民幣2,000,000元及於二零零四年六月償還人民幣23,000,000元，但已於二零零四年一月重新安排滾轉至二零零五年一月到期。其餘須於三年內分期償還。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報告附註

20. Capital commitments

At the balance sheet date, the Group had outstanding capital commitments as follows:

Capital expenditure in respect of acquisition of property, plant and equipment authorised and contracted for	有關購買已授權及訂約之物業、機器及設備之資本開支
--	--------------------------

21. Pledge of assets

At the balance sheet date,

- (a) In connection with the disposal of a 50% interest in ASAT during the year ended 30 April, 2000, the Group indemnified the acquiring investor group for various tax liabilities of the ASAT group by pledging its shares in ASAT to the investor group. The pledge initially applies to 70% of the Group's interest in ASAT and decreases in stages to 0% over six years (subject to any tax indemnification amounts arising prior to the expiration of the six year period and remaining outstanding upon expiration of this period). Approximately a 14% (30 April, 2003: 14%) interest in ASAT was pledged to the investor group.
- (b) All the Group's properties in Hong Kong, approximately a 9% (30 April, 2003: 9%) interest in ASAT, a bank balance of HK\$18 million (30 April, 2003: HK\$18 million), trade receivables of HK\$19 million (30 April, 2003: HK\$21 million), a floating charge on rental income of the Group and certain plant and machinery at a net book value of HK\$15 million (30 April, 2003: nil) were pledged to secure the bank loans granted to the Group.

20. 資本承擔

於結算日，本集團未履行之資本承擔如下：

(Unaudited) (未經審核)	(Audited) (經審核)
31 October, 2003 二零零三年 十月三十一日	30 April, 2003 二零零三年 四月三十日
HK\$'M 百萬港元	HK\$'M 百萬港元
<u>40</u>	<u>5</u>

21. 資產抵押

於結算日，

- (a) 就截至二零零零年四月三十日止年度內出售樂依文之50%權益事宜，本集團向一眾收購投資者集團抵押其所持若干樂依文股份，就樂依文集團之多項稅項負債而向投資者集團作出賠償保證。上述抵押原佔本集團所擁有樂依文之70%權益，其後分六年逐步減至0%（視乎六年期屆滿前出現之任何稅項賠償保證及本期間屆滿時之餘款而定）。約14%（二零零三年四月三十日：14%）之樂依文權益已抵押予投資者集團。
- (b) 所有本集團之香港物業、約9%（二零零三年四月三十日：9%）之樂依文權益、銀行結餘18,000,000港元（二零零三年四月三十日：18,000,000港元）、貿易應收款項19,000,000港元（二零零三年四月三十日：21,000,000港元）、本集團租金收入所作之浮動押記及賬面淨值15,000,000港元（二零零三年四月三十日：零）之若干機器及機械均已抵押，作為本集團獲授銀行貸款之擔保。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報告附註

21. Pledge of assets (Continued)

At 31 October, 2003, certain securities including the first legal charge of the Group's properties in Hong Kong and a floating charge on the Group's rental income charged under a standby letter of credit issued by a bank to certain bankers and finance lease companies for banking and credit facilities granted to a former subsidiary, which was reduced to nil at 30 April, 2003, are still in the process of being released by the bank.

22. Contingent liabilities

At the balance sheet date, the Group has the following contingent liabilities:

21. 資產抵押 (續)

於二零零三年十月三十一日，若干證券，包括本集團香港物業之第一法定押記及本集團租金收入浮動押記(根據一間銀行發出之備用信用狀押予若干往來銀行及融資租約公司作為一間前附屬公司所獲批授銀行及信貸融通(已於二零零三年四月三十日減至零)之抵押)，仍有待銀行解除。

22. 或然負債

於結算日，本集團有下列或然負債：

	(Unaudited) (未經審核)	(Audited) (經審核)
	31 October, 2003 二零零三年 十月三十一日 HK\$'M 百萬港元	30 April, 2003 二零零三年 四月三十日 HK\$'M 百萬港元
(a) Cheques discounted with a bank	<u>1</u>	<u>3</u>
(a) 在一間銀行貼現之支票		
(b) In June 2001, the French tax authorities, after carrying out a tax examination of ASAT S.A. for the accounting period from 1 May, 1996 to 13 April, 2000, claimed and challenged the validity of the Group's inter-company debt transfers and the deductibility of stock allowances made in previous years. The Group undertook to indemnify all tax liabilities that will be charged to ASAT S.A. before the disposal to ASAT. The Company has received legal advice that ASAT S.A. has sufficient unutilised tax losses to offset any potential tax liability arising from the non-deductibility of stock allowances and it has a good defence to the former claim by obtaining the certified documentation from the relevant tax authority. Accordingly, based on independent legal advice, the directors are of the opinion that no provision for loss is required to be made in the financial statements at this stage.		
(b) 法國稅務局對ASAT S.A.於一九九六年五月一日至二零零零年四月十三日會計期間之稅務進行審查後，於二零零一年六月提出申索，質疑本集團公司間之債務轉移是否有效及過往年度之存貨撥備是否可予扣減。本集團已承諾賠償ASAT S.A.售予樂依文前之所有稅項支出。根據本公司取得之法律意見，ASAT S.A.未使用之稅務虧損足以抵銷因不能扣減存貨撥備而可能產生之任何稅務負債，並於取得有關稅務機構之證明文件後，具有充分理據駁回上述第一項申索。因此，根據獨立法律意見，董事認為現階段毋須在財務報告作虧損撥備。		

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

22. Contingent liabilities (Continued)

- (c) On 9 April, 2003, ASAT initiated a lawsuit against Motorola, Inc. ["Motorola"] in the United States District Court for the Northern District of California by filing a complaint for Declaratory Relief in a contract dispute arising out of the interpretation of certain defined terms in a patent cross license entered into between Motorola and the Company on 1 October, 1993 (the "Immunity Agreement"). The dispute relates to the understanding of the parties regarding the scope and range of royalty bearing assembled products covered in the Immunity Agreement. On 10 April, 2003, Motorola filed an essentially identical complaint naming the Company and ASAT as co-defendants in the United States District Court for the Northern District of Illinois. In its lawsuit in the Northern District of Illinois, Motorola is alleging that the Company and ASAT owe approximately US\$8 million in back due royalties and that Motorola is entitled to receive additional interest at the rate of one percent per month on the alleged unpaid royalties. The Company and ASAT deny the allegations that they owe Motorola additional royalties in any amount beyond those already paid under the Immunity Agreement and the Company and ASAT intend to vigorously defend the litigation in the Northern District of California and to seek to have the litigation stayed in the Northern District of Illinois.

ASAT has succeeded in its motion to dismiss Motorola's suit in Northern District of Illinois as a result of which Motorola has to properly state a claim against ASAT and the Company in California. On 24 September, 2003, pursuant to a Motion to Dismiss filed by ASAT, the Magistrate Judge dismissed Motorola's First Amended Crossclaim but allowed Motorola to file a further amended claim. On 30 October, 2003, Motorola filed a Second Amended Crossclaim again naming the Company and ASAT as cross-defendants. The allegations in the Second Amended Crossclaim against the Company are essentially unchanged, Motorola has not yet served the Company. On 26 November, 2003, ASAT filed a Motion to Dismiss Motorola's Second Amended Crossclaim. A hearing on that motion was heard on 7 January, 2004 the outcome of which is still pending.

簡明財務報告附註

22. 或然負債 (續)

- (c) 於二零零三年四月九日，樂依文在美國加州北區地方法院向摩托羅拉公司（「摩托羅拉」）就摩托羅拉與本公司於一九九三年十月一日訂立之專利交互授權（「豁免協議」）若干定義條款之詮釋所產生之合約糾紛申請宣告令而提出起訴。糾紛乃有關雙方對豁免協議所涉裝配專利產品之範圍及種類之理解。於二零零三年四月十日，摩托羅拉以本公司及樂依文為共同被告人在美國伊利諾州北區地方法院提出幾乎相同之起訴。於美國伊利諾州提出之訴訟中，摩托羅拉控告本公司及樂依文拖欠約8,000,000美元之到期專利權費，而摩托羅拉有權就所指控之未繳付專利權費獲取利率為每月1%之額外利息。本公司及樂依文均否認除根據豁免協議已繳付之專利權費外，另有拖欠摩托羅拉任何數額之額外專利權費之控訴。本公司及樂依文擬於加州北區之訴訟中辯護到底，並尋求訴訟不在伊利諾州北區進行。

樂依文成功動議推翻撤銷摩托羅拉於伊利諾州北區之訴訟，結果是摩托羅拉須於加州對樂依文及本公司正式地呈述申索。二零零三年九月二十四日，根據樂依文提出之駁回動議，地方法官(Magistrate Judge)駁回摩托羅拉之第一項經修訂反申索，但批准摩托羅拉提出再作修訂之申索。二零零三年十月三十日，摩托羅拉提出第二項經修訂反申索並以本公司及樂依文為共同被告人。第二項經修訂反申索中針對本公司之指控幾乎不變。摩托羅拉尚未向本公司送達有關通知。二零零三年十一月二十六日，樂依文動議推翻摩托羅拉之第二項經修訂反申索。樂依文之動議已於二零零四年一月七日進行聆訊，結果待定。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

簡明財務報告附註

22. Contingent liabilities (Continued)

(c) (Continued)

The Group believes that it is too early to assess the range of possible liability at this stage, if any, and no amount has been provided for such matters in the condensed consolidated financial statements.

23. Related party transactions

In the ordinary course of business, the Group entered into the following related party transactions.

22. 或然負債 (續)

(c) (續)

本集團相信，現階段評估可能承擔之負債範圍(如有)實在言之過早，因此並無於簡明綜合財務報告內就該等事項作出任何撥備。

23. 關連人士交易

於日常業務過程中，本集團曾進行下列關連人士交易：

(Unaudited)

(未經審核)

Six months ended 31 October,

截至十月三十一日止六個月

2003

2002

二零零三年

二零零二年

HK\$'M

HK\$'M

百萬港元

百萬港元

ASAT group (Note)

Sales of integrated circuit leadframes, heatsinks and stiffeners and provision of assembly and testing services

Rental income in respect of lease of properties

Reimbursement of chemical waste disposal costs

樂依文集團(附註)

銷售集成電路引線框、散熱器與加強桿及提供裝配與測試服務

出租物業之租金收入

補償化學廢料處理費用成本

109

85

12

12

-

1

Note:

Sales of integrated circuit leadframes, heatsinks and stiffeners and provision of assembly and testing services were carried out at market prices plus a premium of not less than 5%.

Rental income is determined based on prevailing market rent when the tenancy agreement was agreed between the parties.

Reimbursement of chemical waste disposal costs represented an allocation of the cost of the relevant departments.

附註：

銷售集成電路引線框、散熱器與加強桿及提供裝配與測試服務乃按市價加不少於5%之溢價計算。

租金收入乃根據雙方協定租約當時之市場租金而釐定。

補償化學廢料處理費用成本按有關部門之成本分配。