

### RESULTS

We are pleased to report that ASM Pacific Technology Limited and its subsidiaries (the "Group" or "ASM") achieved turnover amounting to HK\$2,604,823,000 in the fiscal year ended 31 December 2003, representing an increase of 41.1% as compared with HK\$1,846,016,000 for the previous year. The Group's consolidated net profit after tax for the year is HK\$535,873,000 after deducting a one-time restructuring cost of HK\$5,835,000 due to relocation of the Hong Kong leadframe plating operation to China; this is 88.2% higher than the previous year's net profit of HK\$284,704,000. Basic earnings per share for the year amounted to HK\$1.40 (2002: HK\$0.75).

### DIVIDEND

An interim dividend of HK\$0.36 (2002: HK\$0.36) per share was paid in August 2003. Having established a solid foundation in the microelectronics market over the years, ASM intends to further its organic growth path in the near term through enlarging its market share with diversified, high performance products. There is no short term need for major cash outlay and the Group has also managed to generate positive cash flow from operations in each of the past 15 years since its initial public offering (IPO) in late 1988. In view of our strong liquidity and rising equity base, the Board of Directors have decided to recommend a final dividend of HK\$0.84 (2002: HK\$0.64) per share payable on or around 28 April 2004, making a total payment of HK\$1.20 (2002: HK\$1.00) per share for the year ended 31 December 2003. This translates into a 77.9% dividend payout ratio for the combined 2000-2003 periods and 86.1% on the current year profit; it represents a prudent decision to return current excessive cash holdings to our shareholders while continuing to operate the Group with the optimum shareholders' funds.

### 業績

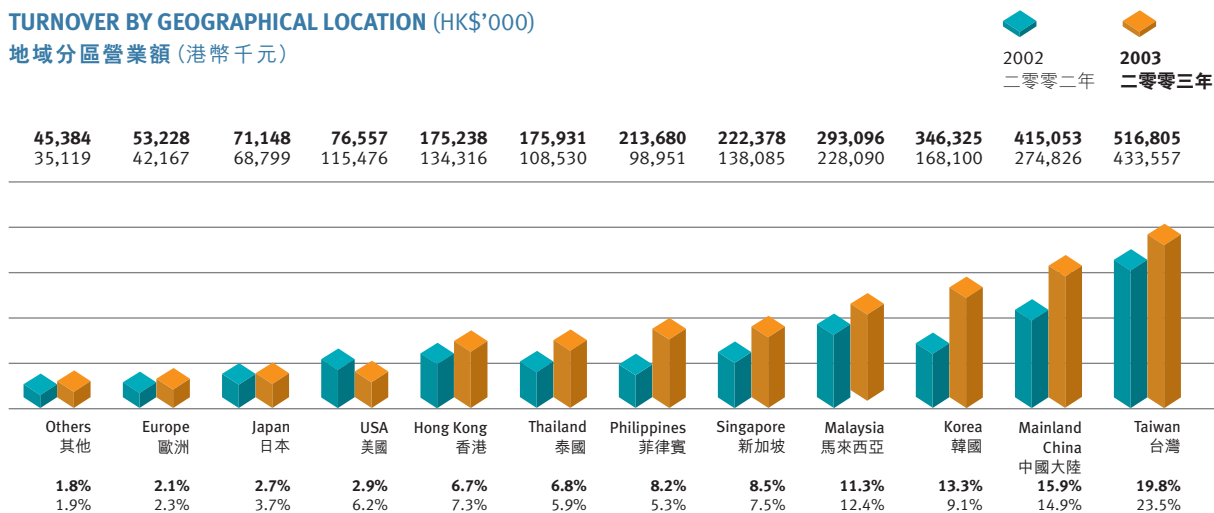
謹此欣然報告，ASM Pacific Technology Limited及其附屬公司（「集團」或「ASM」）於截至二零零三年十二月三十一日止年度錄得營業額為港幣2,604,823,000元，與上年度港幣1,846,016,000元比較，增加百分之四十一點一。在扣除因引線框架電鍍工序由香港遷往中國而導致的一次性重組成本港幣5,835,000元後，本年度集團的綜合除稅後淨溢利為港幣535,873,000元，較上年度淨溢利港幣284,704,000元增加百分之八十八點二。是年度每股基本溢利為港幣1.40元（二零零二年：港幣0.75元）。

### 派息

中期股息每股港幣0.36元（二零零二年：港幣0.36元）已於二零零三年八月派發。在過去數年，集團在微電子市場已建立穩固的基礎，未來將致力透過多元化及高性能的產品擴大市場佔有率，積極加快本體增長。集團在短期沒有重大現金開支，並由一九八八年年底上市後十五年每年均從營運活動產生正現金流量。在擁有充裕的流動資金和股東資金增加的情況下，董事會現建議派發末期股息每股港幣0.84元（二零零二年：港幣0.64元），於二零零四年四月二十八日左右派發。截至二零零三年十二月三十一日止年度全年合計每股派息為港幣1.20元（二零零二年：港幣1.00元）。於二零零零年至二零零三年間，派息率為百分之七十七點九，而本年度派息率為百分之八十六點一。這充份顯示集團決定將剩餘現金回饋予股東時已作審慎考慮，並預留適量的股東資金作集團營運之用。

### TURNOVER BY GEOGRAPHICAL LOCATION (HK\$'000)

地域分區營業額（港幣千元）



## REVIEW

For most of the last three years, the semiconductor and assembly & packaging equipment industries have been sailing under dismally grey skies, the sunny days of year 2000 replaced by dark clouds with little sign of a break and future prospects difficult to discern in the gloom. The slow recovery eventually started in the 2nd quarter of 2002, although there were some stronger and weaker quarters along the way. With the world's economy improving and prolonged Iraq war uncertainties removed, the growth of the semiconductor and its assembly equipment industries has been very much in line with industry analysts' projections for 2003: the semiconductor industry by 12 - 17% in revenues, unit volume by 15.8% according to SIA and assembly & packaging equipment market by 25 - 32%.

In parallel with the improvement in stock markets since mid-2003, the semiconductor and assembly equipment industries also showed a markedly stronger 2nd half as compared with earlier in the year. The strength of order inflows during the 4th quarter helped to convince the industry that it was not just a bubble in the recovery curve like the 2nd quarter. IC demands seem to be across the board especially for the latest BGA and chip scale packages (CSP), while fine pitch wire bonding and stacked die applications provide life to the capacity-driven wire and die bonder businesses.

Amidst an overall tough business environment during the first nine months and a sudden surge in demands for wire bonders in the 4th quarter, ASM once again outperformed its industry peers and maintained its number one position in the assembly & packaging equipment industry. We achieved a Group turnover of US\$334.5 million and net profit of HK\$535.9 million, a growth of 41.1% and 88.2% respectively, with both Group turnover and net profit representing the 2nd highest numbers in ASM's corporate history. Return on capital employed and on sales were 30.7% and 22.4%, which are ASM's 3rd and 2nd record-highs respectively. With an exceptionally strong book-to-bill ratio for the last quarter, our ending order backlog as of 31 December 2003 was US\$119 million (US\$35 million as of 31 December 2002).

## 業務回顧

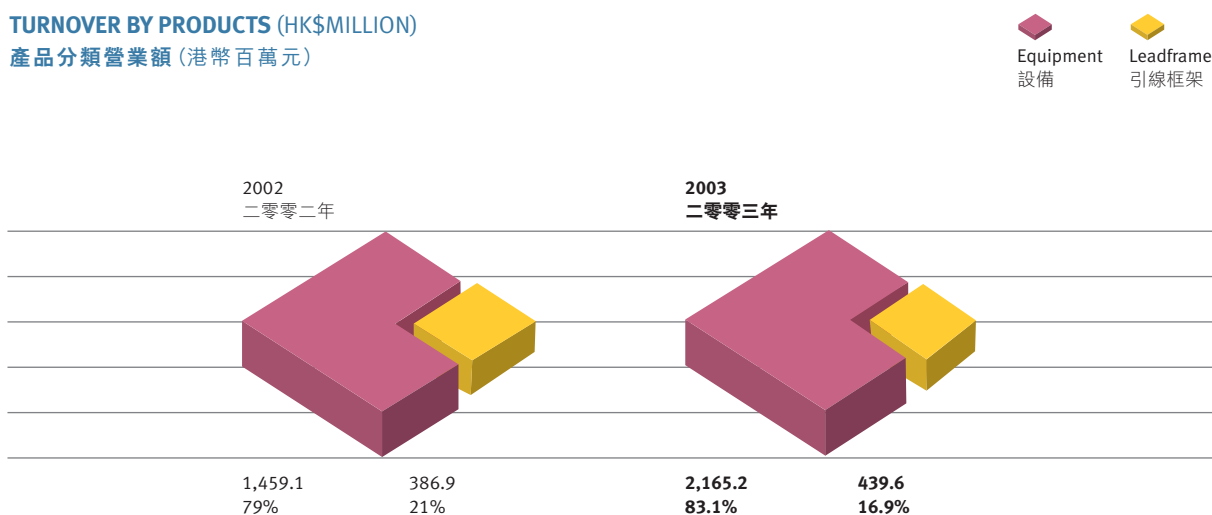
於過去三年，半導體與裝嵌及包裝設備行業的市況持續艱巨。經歷二零零零年的蓬勃發展後，取而代之的是黯淡時期，市場未見突破，行業前景亦難以估計。直至二零零二年第二季度市場開始緩慢復甦，唯每季表現仍然反覆。至二零零三年，隨著全球經濟進一步復甦，伊拉克戰事亦宣告結束，不明朗因素得以消除，半導體及其裝嵌設備行業之增長亦與分析員預期相近。根據SIA預測，半導體行業之收入增長為百分之十二至十七、產量增長百分之十五點八，裝嵌及包裝設備市場則增長百分之二十五至三十二。

自二零零三年中，股票市場逐步向好，同時半導體及包裝設備行業於下半年的表現亦顯著較上半年強勁。第四季新訂單數目大幅上升，令業界相信這並非如第二季般屬於復甦週期中的泡沫。集成電路尤其是最新型的BGA及晶體度包裝(CSP)的需求正全面上升，微距焊線及大量管芯應用亦刺激由產能帶動的焊線機及管芯焊機業務。

儘管本年度首九個月的營商環境仍然困難，唯焊線機的需求於第四季急升，ASM再度超越同儕，繼續佔據裝嵌及包裝設備業內第一位。集團錄得營業額三億三千四百五十萬美元及純利港幣五億三千五百九十萬元，增長率分別達百分之四十一點一及百分之八十八點二，是ASM有史以來的第二高。資本回報率及銷售利潤率分別為百分之三十點七及百分之二十二點四，分別是集團有史以來的第三及第二高。末季的訂貨對付運比率特別高，於二零零三年十二月三十一日的未完成訂單總值為一億一千九百萬美元(於二零零二年十二月三十一日為三千五百萬美元)。

## TURNOVER BY PRODUCTS (HK\$ MILLION)

產品分類營業額(港幣百萬元)



#### REVIEW (CONTINUED)

This result was largely due to the solid foundation laid over the years by the diversification of our products and application markets, efficient cost structure and successful introduction of new products in the last five years enlarging our market share. In 2003, sales attributable to our five largest customers combined were 36.9% of the total, with only one customer exceeding 10%, clear evidence of the success of our diversified market strategy. We also enjoyed a wide geographical spread mirroring the investment climate of the industry, with Taiwan being our largest (19.8%) market and followed by Mainland China (15.9%). For the latter, shipments (US\$53.3 million) were substantially (51.0%) higher than the preceding year creating another new record for the territory.

The soft periods of the recent years provided valuable opportunities for ASM to launch market assaults with our new, high performance products and gain market share. Our current market share is the largest in the industry, and building on this our equipment business, which represented 83.1% of the Group's turnover in 2003, grew 48.4% to US\$278 million, achieving a higher growth rate than all leading competitors. We enlarged the 2003 revenue gap between ourselves and our closest competitor to 18.5%, wider than the previous calendar year of 4.7% and the preceding twelve months (2H/02 - 1H/03) of 14.1%. Such strong business performance clearly reflects the endorsement of ASM's products and services by our valued customers, and distinguishes ASM from our peers. In a similar standout result, ASM's share price and market capitalization have grown by over 125% during the 2003 twelve-month period, reflecting the appreciation of our efforts by the investment community.

Leadframe business, which accounts for 16.9% of the Group's turnover, grew 13.6% to US\$56.5 million last year, higher than the market growth of 8.2% according to SEMI. The relocation of our stamped frames production to an integrated factory in Fu Yong, China was successfully completed as planned. We can now compete more aggressively, with space to double our output as and when required and a cost-efficient structure: reduced personnel and rental costs, shortened manufacturing lead time and minimal work-in-progress. Apart from installing a new etching line in our Singapore plant in the 4th quarter to enhance our QFN capacity and fine pitch capability, we have decided to build a 280,000 sq.ft. factory in Pasir Gudang, Johor Bahru, Malaysia to be ready in early 2005, principally to house our leadframe activities. In addition to providing expansion space for our etched frame plating operation, we also intend to add stamping production to this new facility later in the year, to effectively address the stamped frame business in the Malaysia and Singapore markets. Initial project cost of US\$12 million for the facility, plating lines and additional production machineries have been included in our 2004 capital investment plans.

#### 業務回顧 (續)

有此成績主要由於集團多年來透過產品及應用市場多元化、有效的成本結構及於過去五年來成功推出新產品以擴大市場佔有率，成功建立起穩固的基礎而得來。於二零零三年，我們的五大客戶共佔集團營業額百分之三十六點九，只有其中一個客戶的銷售額佔超過百分之十。這足以證明我們的市場多元化策略成功。此外，集團的業務廣泛分佈各地，亦反映業內的投資氣候。當中台灣是集團最主要的市場，佔營業額百分之十九點八，中國大陸市場緊隨其後佔百分之十五點九。集團於中國市場的付運量(五千三百三十萬美元)較上年度大幅上升百分之五十一，更創出新紀錄。

行業放緩正好為ASM創造寶貴的機會，把我們嶄新及性能超卓的產品推出市場，擴大市場佔有率。集團現時擁有業內最大的市場份額，在此優勢下，佔集團二零零三年營業額百分之八十三點一的設備業務，較去年增長百分之四十八點四至二億七千八百萬美元，增長率超越業內所有主要競爭對手。此外，我們進一步拉遠與最接近的競爭對手之收入差距至百分之十八點五，高於去年的百分之四點七及過去十二個月(零二年下半年至零三年上半年)的百分之十四點一。集團有此佳績，充份反映集團主要客戶對ASM產品及服務的接受及滿意程度，亦顯示ASM成功於競爭對手中突圍而出。另一傑出成績是，於二零零三年十二個月內，集團的股價及市值上升超過百分之一百二十五，反映投資界對我們所付出的努力之認同。

引線框架業務佔集團營業額百分之十六點九，本年度營業額增加百分之十三點六至五千六百五十萬美元，較SEMI公佈之百分之八點二市場增長率為高。集團如期把整個沖壓框架生產工序遷往位於中國福永的綜合式廠房。現在我們可採取更進取的競爭策略，產量可按需求增加一倍，架構亦更具成本效益：員工薪酬及租金支出減少、生產週期縮短及半成品數量減至最少。為提升QFN及微距焊點產能，集團除在第四季於新加坡廠房裝設一條全新的蝕片生產線外，亦訂定於馬來西亞Pasir Gudang, Johor Bahru興建一個面積達280,000平方呎的新廠房，主要為發展我們的引線框架業務。預期此計劃將於二零零五年年初完成。除擴充我們的蝕片框架電鍍工序外，我們亦計劃於該年度較後期在這新廠房增設沖壓生產設備，令集團於馬來西亞及新加坡之沖壓框架業務更具效益。有關廠房、電鍍生產線及額外生產機器之初期投資額為一千二百萬美元，已包括在我們二零零四年的資本性投資計劃內。

**REVIEW (CONTINUED)**

While most of our competitors have been cutting headcounts and projects to minimize their cash drain, ASM in contrast has accelerated our technology and product developments. Last year we actually increased our R&D expenses to HK\$218.4 million (2002: HK\$187.0 million), representing 10.1% (2002:12.8%) of our equipment sales. With a 35µm fine pitch bond capability that is one generation ahead of our competitors, ASM's Eagle 60 gold wire bonder out-performed its competitors in many benchmarking exercises, enabling ASM to capture several new major IC accounts. These include three top five American semiconductor companies for their state-of-the-art BGA, TQFP, image sensor and copper wire bonding applications, three leading subcons based in Singapore, Hong Kong and China, and two U.S. integrated device manufacturers (IDMs) all well-known in the semiconductor industry. With the advent of 300 mm. wafer and stacked die packaging, our high speed, innovative IC die bonder has been making steady inroads into the market, enlarging its market share and installed base. As evidenced by the initial orders received, exciting new products such as our flip chip bonders and soft solder die attach have helped opening up opportunities in new market segments we did not serve in the past, thereby strengthening ASM's leadership in the chip attachment process.

While we have to deal with a much higher gold wire bonder production run rate resembling that last experienced in year 2000, increased work-in-progress due to our wider spectrum of new products and the short order lead time demanded by today's customers, the enterprise resources planning (ERP) software widely implemented within ASM worldwide in the recent years has proved to be a valuable tool in streamlining our logistics and inventory management. After two successive years of inventory reductions for a total of HK\$186.0 million in 2001 and 2002, we only need to slightly (4.7%) raise our inventory by HK\$23.7 million to HK\$529.5 million in 2003, despite achieving an increased inventory turnover of 5.03 times, much better than the previous years. Combining the effect of the change in operating capital with earnings from operations, we generated a free cash flow of HK\$392.6 million (2002: HK\$358.8 million) during the year and a return on invested capital of 39.7% (2002: 19.6%).

**業務回顧(續)**

正當我們大部分的競爭對手裁減人手、縮減項目以盡量降低其現金流出之際，ASM反而加速技術及產品的開發。去年，我們的研發開支實質上增加至港幣二億一千八百四十萬元（二零零二年：港幣一億八千七百萬元），佔設備銷售額的百分之十點一（二零零二年：百分之十二點八）。ASM的Eagle 60金線焊機擁有較我們競爭對手超前一代的35微米微距焊線技術，成功在多項基準測試中脫穎而出，令集團贏得數個重要的集成電路新客戶。當中包括三間全美國五大半導體公司，應用我們的金線焊於尖端科技的BGA、TQFP、影像感應及銅線焊接，另有三間分別來自新加坡、香港及中國的著名包裝公司，及兩間於半導體業內享負盛名的美國集成裝置製造商。隨著300毫米晶片的面世及大量管芯包裝的需求，我們高速而嶄新的集成電路管芯焊接機正逐步擴大市場佔有率及奠下鞏固基礎。從取得首批訂單的實例中證明了創新的產品，如覆晶焊接機及軟焊料晶片焊接技術，已成功為我們開拓從未涉足的新市場之商機，從而強化了ASM在晶片焊接工序方面的領導地位。

我們需要處理的金線焊機訂單數目急速上升，與二零零零年的水平相近，因此半製品亦要相應增加以應付更多元化的產品需要及因應客戶要求縮短交貨期，ASM近年廣泛應用於全球業務的企業資源計劃(ERP)軟件已證明能有效地簡化我們的物流及存貨管理。於二零零一年及二零零二年，我們連續兩年成功把存貨合共減少港幣一億八千六百萬元，儘管集團於二零零三年的存貨週轉率提升至五點零三週次，表現較過去數年大幅改善，我們僅需把存貨輕微提升（百分之四點七）港幣二千三百七十萬元至港幣五億二千九百五十萬元。綜合營運資本轉變及營運所帶來的溢利，我們於年內產生港幣三億九千二百六十萬元的自由現金流量（Free Cash Flow）（二零零二年：港幣三億五千八百八十萬元），及錄得投入資本回報率達百分之三十九點七（二零零二年：百分之十九點六）。