



## 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 (the "Listing Rules") and Statement of Standard Accounting Practice No. 25 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

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, 2004.

### 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 currently operates in two business segments – the manufacture and sale of integrated circuit leadframes, heatsinks and stiffeners; and property investment.

#### (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.

### 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(「上市規則」)附錄16適用之披露規定及香港會計師公會頒佈之會計實務準則第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。本集團現採用之會計政策與其編撰截至二零零四年四月三十日止年度之全年財務報告時所採用者相符。

### 2. 營業額及分部資料

營業額指本集團於本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。本集團目前經營兩類業務分部－製造及銷售集成電路引線框、散熱器及加強桿；以及物業投資。

#### (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。



NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註 (續)

2. Turnover and segment information (Continued)

(a) Geographical segments (Continued)

		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	
		2004 二零零四年 HK\$'M 百萬港元	2003 二零零三年 HK\$'M 百萬港元	2004 二零零四年 HK\$'M 百萬港元	2003 二零零三年 HK\$'M 百萬港元
United States of America	美國	25	29	2	(3)
Hong Kong	香港	137	134	(62)	2
Europe	歐洲	1	2	-	-
Greater China	大中華地區	25	23	2	(2)
Philippines	菲律賓	9	4	1	(1)
Other Asian countries	其他亞洲國家	39	23	2	(1)
<b>Turnover and segment results</b>	<b>營業額及分部業績</b>	<b>236</b>	<b>215</b>	<b>(55)</b>	<b>(5)</b>
Unallocated corporate expenses	未分配企業開支			(16)	(14)
Loss from operations	經營虧損			(71)	(19)

(b) Business segment

(b) 業務分部

		Turnover 營業額 (Unaudited) (未經審核)	
		Six months ended 31 October, 截至十月三十一日止六個月	
		2004 二零零四年 HK\$'M 百萬港元	2003 二零零三年 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	225	203
Rental income from property investment	物業投資之租金收入	11	12
		<b>236</b>	<b>215</b>



NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註  
(續)

3. Other operating income

Scrap sales	廢料銷售
Sundry income	雜項收入
Exchange gain, net	匯兌收益淨額

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

2004 二零零四年 HK\$'M 百萬港元	2003 二零零三年 HK\$'M 百萬港元
8	5
1	—
1	—
<u>10</u>	<u>5</u>

4. Finance costs

Interest on:	利息：
bank borrowings	銀行借貸
crystallisation of obligations under guarantees	履行擔保責任 之數額
Other finance charges	其他融資費用

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

2004 二零零四年 HK\$'M 百萬港元	2003 二零零三年 HK\$'M 百萬港元
4	3
—	2
4	5
1	—
<u>5</u>	<u>5</u>

5. Exchange losses from obligations crystallised under guarantees

The balance represents the exchange losses arising from the settlement and translation of the obligations crystallised under guarantees and corresponding unpaid interest (if any), which are mainly denominated in GBP and appreciated against the Hong Kong dollar during the period.

5. 履行擔保責任之匯兌虧損

此數額乃指結算及換算主要以英鎊為單位之履行擔保責任及相關未付利息(倘有)所產生之匯兌虧損，因英鎊兌港元之匯價於期內升值所致。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註 (續)

6. Taxation

6. 稅項

(Unaudited)  
(未經審核)

Six months ended 31 October,  
截至十月三十一日止六個月

2004 二零零四年 HK\$'M 百萬港元	2003 二零零三年 HK\$'M 百萬港元
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The credit (charge) comprises:      稅項支出(抵免)包括:  
Deferred tax                              遞延稅項

4	(1)
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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。

7. Dividend

7. 股息

The directors do not recommend the payment of an interim dividend (six months ended 31 October, 2003: Nil).

董事不建議派發中期股息(截至二零零三年十月三十一日止六個月：無)。

8. Loss per share

8. 每股虧損

The calculation of basic and diluted loss per share is based on the loss for the period of HK\$120 million (six months ended 31 October, 2003: HK\$48 million) and the weighted average number of 639,369,843 (six months ended 31 October, 2003: 639,367,505) ordinary shares in issue during the period.

每股基本及攤薄虧損乃根據本期間虧損120,000,000港元(截至二零零三年十月三十一日止六個月：48,000,000港元)及期內已發行普通股加權平均數639,369,843股(截至二零零三年十月三十一日止六個月：639,367,505股)計算。

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

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。

The computation of diluted loss per share for both periods does not assume the exercise of the 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.

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，故此在計算上述兩段期間之每股攤薄虧損時並無假設本公司之購股權及認股權證會行使。

9. Investment properties

9. 投資物業

Land and buildings in Hong Kong under medium-term lease At 1 May, 2004 Deficit on revaluation	在香港之中期租約土地 及樓宇 於二零零四年五月一日 重估減值
<b>At 31 October, 2004</b>	<b>於二零零四年十月三十一日</b>

(Unaudited)  
(未經審核)  
HK\$'M  
百萬港元

182  
(79)

**103**

Investment properties were revalued at their estimated open market value at 31 October, 2004 by Vigers Appraisal & Consulting Limited, a firm of independent international property consultants. This valuation gave rise to a revaluation deficit of HK\$79 million, which has been charged to the income statement.

投資物業由威格斯資產評估顧問有限公司，一間獨立國際物業顧問行，按於二零零四年十月三十一日之估計公開市值重估。此次估值產生之重估減值79,000,000港元已於收益表內扣除。

At the balance sheet date, over 90% of the Group's investment properties were leased out under operating lease.

於結算日，本集團超過90%之投資物業已按營業租約租出。

10. Property, plant and equipment

10. 物業、機器及設備

Net book value at beginning of period/year	期初／年初之賬面 淨值
Additions	添置
Reclassification to investment properties	重新分類至投資物業
Disposals and write-offs	出售及撇銷
Depreciation	折舊
<b>Net book value at end of period/year</b>	<b>期終／年終之賬面淨值</b>

(Unaudited) (未經審核) Six months ended 31 October, 2004 截至 二零零四年 十月三十一日 止六個月 HK\$'M 百萬港元	(Audited) (經審核) Year ended 30 April, 2004 截至 二零零四年 四月三十日 止年度 HK\$'M 百萬港元
335	339
16	83
-	(33)
-	(2)
(25)	(52)
<b>326</b>	<b>335</b>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註 (續)

11. Interest in an associate

11. 聯營公司權益

		(Unaudited) (未經審核) 31 October, 2004 二零零四年 十月三十一日 HK\$'M 百萬港元	(Audited) (經審核) 30 April, 2004 二零零四年 四月三十日 HK\$'M 百萬港元
Share of net assets	分佔資產淨值	124	174
Negative goodwill arising from deemed acquisitions (Note)	被視為收購所產生之負商譽(附註)	(2)	(3)
Net book value at end of period/year	期終/年終之賬面淨值	122	171
Market value of shares held by the Group	本集團持有股份之市值	535	948

Interest in an associate represents the Group's 42.48% (30 April, 2004: 42.54%) interest in 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.

聯營公司權益指本集團所佔於開曼群島註冊成立之有限公司ASAT Holdings Limited(「樂依文」)已發行普通股之42.48%(二零零四年四月三十日: 42.54%)股本權益。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。

Note: Negative goodwill arising from deemed acquisitions

附註: 被視為收購所產生之負商譽

		(Unaudited) (未經審核) HK\$'M 百萬港元
<b>Gross amount</b>	<b>總值</b>	
At 1 May and 31 October, 2004	於二零零四年五月一日及十月三十一日	6
<b>Released to income</b>	<b>轉撥至收入</b>	
At 1 May, 2004	於二零零四年五月一日	3
Released during the period	期內轉撥	1
At 31 October, 2004	於二零零四年十月三十一日	4
<b>Carrying Amount</b>	<b>賬面值</b>	
At 31 October, 2004	於二零零四年十月三十一日	2
At 30 April, 2004	於二零零四年四月三十日	3

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註  
(續)

11. Interest in an associate (Continued)

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

Results for the period

Turnover	營業額
Loss from ordinary activities before taxation	除稅前日常業務虧損
Share of results of an associate attributable to the Group	本集團分佔聯營公司業績

Financial position

Non-current assets	非流動資產
Current assets	流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債
Net assets	資產淨值
Net assets attributable to the Group	本集團分佔資產淨值

11. 聯營公司權益(續)

以下資料乃摘錄自樂依文及其附屬公司根據香港普遍採納之會計準則編製之簡明財務報告：

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	
2004 二零零四年 HK\$'M 百萬港元	2003 二零零三年 HK\$'M 百萬港元
804	718
(119)	(38)
(50)	(17)

財政狀況

(Unaudited) (未經審核)	(Audited) (經審核)
31 October, 2004 二零零四年 十月三十一日	30 April, 2004 二零零四年 四月三十日
HK\$'M 百萬港元	HK\$'M 百萬港元
1,066	1,023
700	905
(293)	(337)
(1,170)	(1,170)
303	421
124	174

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註 (續)

12. 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. 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
Between 61 and 90 days	61至90日
Over 90 days	90日以上

12. 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, 2004	30 April, 2004
二零零四年 十月三十一日	二零零四年 四月三十日
HK\$'M 百萬港元	HK\$'M 百萬港元
14	14
12	10
6	3
8	11
<u>40</u>	<u>38</u>
3	4
<u>43</u>	<u>42</u>

13. 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, 2004	30 April, 2004
二零零四年 十月三十一日	二零零四年 四月三十日
HK\$'M 百萬港元	HK\$'M 百萬港元
14	29
11	15
2	-
1	-
<u>28</u>	<u>44</u>



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

## 簡明財務報告附註 (續)

### 14. 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

### 14. 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, 2004	30 April, 2004
二零零四年 十月三十一日	二零零四年 四月三十日
HK\$'M	HK\$'M
百萬港元	百萬港元
8	16
8	9
8	4
8	8
32	37
6	23
38	60

### 15. Provision for obligations crystallised under guarantees

Provision for operating lease obligations and industrial grants within one year in the second year	營業租約承擔及工業資助撥備 一年內 第二年
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### 15. 履行擔保責任撥備

(Unaudited) (未經審核)	(Audited) (經審核)
31 October, 2004	30 April, 2004
二零零四年 十月三十一日	二零零四年 四月三十日
HK\$'M	HK\$'M
百萬港元	百萬港元
17	29
-	8
17	37

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 from National Assembly for Wales ("NAW") and Welsh Development Agency ("WDA"). In May 2004, the Company reached an agreement with NAW and WDA for the settlement of the liabilities in a sum of GBP2.7 million. Pursuant to the agreement, the Company settled a sum of GBP1.5 million in July 2004 and will settle the balances by 12 equal monthly instalments commencing from November 2004.

該等款額指本公司就其於英國註冊成立之前附屬公司分別自National Assembly for Wales (「NAW」)及Welsh Development Agency (「WDA」)獲得之營業租約責任及工業資助而提供擔保所履行之擔保責任。於二零零四年五月，本公司與NAW及WDA達成協議，以償還債務2,700,000英鎊。根據該協議，本公司於二零零四年七月償還1,500,000英鎊，並將於二零零四年十一月起分12個月等額分期償還餘額。

16. Share capital

16. 股本

<i>Authorised:</i>	法定股本：
Ordinary shares of HK\$0.08 each	每股面值0.08港元之普通股
Redeemable preference shares of HK\$0.02 each	每股面值0.02港元之可贖回優先股
<i>Issued and fully paid:</i>	已發行及繳足股本：
Ordinary shares of HK\$0.08 each	每股面值0.08港元之普通股
At 1 May, 2004	於二零零四年五月一日
Issued upon exercise of warrants	於行使認股權證時發行
At 31 October, 2004	於二零零四年十月三十一日

Number of shares 股份數目	Nominal Value 面值 HK\$'M 百萬港元
1,500,000,000	120
500,000,000	10
639,369,842	51
50	-
639,369,892	51

**Warrants**

Pursuant to the bonus issue of the warrants, on the basis of one warrant for every five existing ordinary shares, which was passed at a special general meeting on 11 October, 2004, 127,873,968 new warrants were issued on 15 October, 2004 to subscribe for an equivalent number of ordinary shares of the Company at a subscription price of HK\$1.82 per share, subject to adjustment, at any time from 15 October, 2004 up to and including 14 October, 2007. Registered holders of 50 warrants have exercised their rights during the period and, at 31 October, 2004, the Company had outstanding 127,873,918 warrants.

**認股權證**

根據於二零零四年十月十一日舉行之股東特別大會上通過批准發行紅利認股權證，基準為每持有五股現有普通股獲派一份認股權證，127,873,968份新認股權證(可於二零零四年十月十五日至二零零七年十月十四日(包括該日)之任何時間按認購價每股1.82港元(可予調整)認購相等數目之本公司普通股)已於二零零四年十月十五日發行。50份認股權證之登記持有人於期內已行使彼等之權利，而於二零零四年十月三十一日，本公司有127,873,918份尚未行使之認股權證。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註 (續)

17. Share premium and reserves

17. 股份溢價及儲備

		Share premium	Contributed surplus	Capital redemption reserve	Capital reserve	Other property revaluation reserve	Investment revaluation reserve	Goodwill on consolidation	Accumulated (losses) profit	Total
		股份溢價	實繳盈餘	贖回儲備	資本儲備	其他物業重估儲備	投資重估儲備	綜合賬目時之商譽	累計(虧損)溢利	總額
		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, 2003	於二零零三年五月一日之結餘	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
Profit for the period	期內溢利	-	-	-	-	-	-	-	58	58
Forfeiture of unclaimed dividends	沒收未領取股息	-	-	-	-	-	-	-	1	1
Impairment loss on investments in securities	證券投資之減值虧損	-	-	-	-	-	14	-	-	14
Balance at 30 April, 2004	於二零零四年四月三十日之結餘	1,558	40	12	9	66	-	(45)	(1,190)	450
Capital reorganisation (Note)	股本重組(附註)	(1,479)	-	-	-	-	-	-	1,479	-
Deficit on revaluation of investments in securities	證券投資之重估減值	-	-	-	-	-	(1)	-	-	(1)
Loss for the period	期內虧損	-	-	-	-	-	-	-	(120)	(120)
Balance at 31 October, 2004	於二零零四年十月三十一日之結餘	79	40	12	9	66	(1)	(45)	169	329

Note: On 11 October, 2004, a special resolution was passed at a special general meeting to approve a capital reorganisation scheme by the utilisation of share premium account to set off accumulated losses of the Company at an amount of HK\$1,479 million outstanding at that day, thereby paving the way for future declaration of dividends.

附註：於二零零四年十月十一日，於股東特別大會上通過一項特別決議案以批准股本重組計劃，透過運用股份溢價賬以撇銷該日本公司之累計虧損1,479,000,000港元，為日後宣派股息鋪路。

NOTES TO THE CONDENSED FINANCIAL  
STATEMENTS (Continued)

簡明財務報告附註  
(續)

18. Borrowings

18. 借貸

		(Unaudited) (未經審核)	(Audited) (經審核)
		31 October, 2004	30 April, 2004
		二零零四年 十月三十一日	二零零四年 四月三十日
		HK\$'M	HK\$'M
		百萬港元	百萬港元
Secured long term bank loans repayable (Note a)	須償還有抵押長期 銀行貸款於(附註a)		
within one year	一年內	15	59
in the second year	第二年	16	59
in the third to fifth year, inclusive	第三至第五年 (包括首尾兩年)	33	2
		<u>64</u>	<u>120</u>
Other unsecured long term loans repayable (Note b)	須償還其他無抵押 長期貸款於(附註b)		
within one year	一年內	39	32
in the second year	第二年	30	20
in the third to fifth year, inclusive	第三至第五年 (包括首尾兩年)	4	27
		<u>73</u>	<u>79</u>
Loans from a director repayable within one year (Note c)	須於一年內償還之董事貸款 (附註c)	68	20
		205	219
Less: Amount due within one year shown under current liabilities	減：於一年內到期列作流動 負債之款項	(122)	(111)
		<u>83</u>	<u>108</u>



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

## 簡明財務報告附註 (續)

### 18. Borrowings (Continued)

Notes:

- (a) In July 2004, a bank loan of approximately HK\$62 million was fully settled and another bank loan of approximately HK\$50 million was re-financed into banking facilities of HK\$100 million, which comprises of a 5-year bank loan of HK\$60 million repayable by 60 equal monthly instalments commencing from August 2004 and working capital facilities of HK\$40 million carrying floating interest rates.
- (b) The other loans are unsecured and carry interest at commercial rates.
- (c) The loans are advanced from Mr. Li Tung Lok, a director and a substantial shareholder of the Company, and is interest-free and unsecured, of which HK\$19 million is repayable on demand whereas the repayment of the remaining sum of HK\$49 million is also on demand but subject to prior approval from the Board if demand is made before 30 April, 2005.

### 19. 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

### 18. 借貸(續)

附註：

- (a) 於二零零四年七月，已全數償還一筆銀行貸款約62,000,000港元及將另一筆約50,000,000港元之銀行貸款再融資為100,000,000港元之銀行融資，其中包括一筆五年期銀行貸款60,000,000港元(由二零零四年八月起分60個月等額償還)及一般營運資金融資40,000,000港元(按浮動息率計息)。
- (b) 其他貸款為無抵押，並按商業利率計息。
- (c) 貸款乃由本公司董事兼主要股東李同樂先生以免息及無抵押墊支，其中19,000,000港元須於要求時償還，餘額49,000,000港元亦須於要求時償還，倘償還要求於二零零五年四月三十日前提出，必須事先獲董事會批准。

### 19. 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) 31 October, 2004 二零零四年 十月三十一日 HK\$'M 百萬港元	(Audited) (經審核) 30 April, 2004 二零零四年 四月三十日 HK\$'M 百萬港元
5	30

有關購買已授權及訂約之物業、機器及設備之資本開支



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

## 簡明財務報告附註 (續)

### 20. Pledge of assets

At 31 October, 2004,

(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 12% (30 April, 2004: 13%) interest in ASAT was pledged to the investor group.

(b) All the Group's properties in Hong Kong, plant and equipment of a net book value of HK\$13 million (30 April, 2004: HK\$14 million) and a floating charge on rental income of the Group were pledged to secure banking facilities granted to the Group.

At 30 April, 2004, certain securities including approximately a 9% interest in ASAT, a bank balance of HK\$18 million, trade receivables of HK\$21 million, a second legal charge of the Group's properties in Hong Kong and a second floating charge on the Group's rental income were pledged to secure two bank loans granted to the Group. These loans have been fully settled in July 2004 and their respective securities are released during the period ended 31 October, 2004.

### 20. 資產抵押

於二零零四年十月三十一日，

(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該期間屆滿時之餘款而定）。約12%（二零零四年四月三十日：13%）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、賬面淨值13,000,000港元（二零零四年四月三十日：14,000,000港元）之機器及設備及本集團租金收入所作之浮動押記均已抵押，作為本集團獲授銀行融資之擔保。

於二零零四年四月三十日，若干抵押品包括樂依文約9%之權益、銀行結餘18,000,000港元、貿易應收款項21,000,000港元、本集團香港物業之第二法定押記及本集團租金收入之第二浮動押記均已抵押，以取得兩筆授予本集團之銀行貸款。該等貸款已於二零零四年七月全數償還，而各自之抵押品已於截至二零零四年十月三十一日止期間內解除。



NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註 (續)

21. Contingent liabilities

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

(a) Cheques discounted with a bank 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., a former subsidiary of the Company, for the accounting period from 1 May, 1996 to 13 April, 2000, challenged the validity of the debt transfers among group companies 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. Based on independent legal advice, the directors are of the opinion that no provision for loss is required to be made in the condensed financial statements at this stage.

21. 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, 2004 二零零四年 十月三十一日	30 April, 2004 二零零四年 四月三十日
HK\$'M 百萬港元	HK\$'M 百萬港元
-	1

(b) 法國稅務局對本公司一間前附屬公司 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，於二零零一年六月向該公司提出申索，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。根據獨立法律意見，董事認為現階段毋須在簡明財務報告作虧損撥備。

21. 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 Group on 1 October, 1993 (the "Immunity Agreement"). The dispute related 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 Group 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 was alleging that the Group and ASAT owed approximately US\$8 million in back due royalties and that Motorola was entitled to receive additional interest at the rate of one percent per month on the alleged unpaid royalties. The Group and ASAT denied the allegations that they owed Motorola additional royalties in any amount beyond those already paid under the Immunity Agreement and the Group and ASAT intended 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. On 17 June, 2003, a hearing was held before the Magistrate Judge in the Northern District of California regarding Motorola's motion to dismiss the litigation in California or, alternatively, to stay the proceedings in California pending the outcome of the litigation in Illinois. In an Order dated 3 July, 2004, the Magistrate Judge denied both of Motorola's motions. At 30 April, 2004, based on legal advice received, the Group believed that it was too early to assess the range of possible liability at that stage, if any, and no amount had been provided for such matters in the accounts.

In January 2005, the Group, in order to avoid incurring further legal costs, reached an agreement in principle with Motorola, subject to entering into a mutually acceptable settlement agreement and on a without admission of liability basis, by which all claims against the Group will be settled by payment of US\$425,000 in 10 equal monthly instalments to Motorola and accordingly, the compensation of approximately HK\$3 million for settlement of this litigation was accrued during the current period under review.

21. 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」）就摩托羅拉與本集團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，摩托羅拉以本集團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相同起訴。於美國伊利諾州北區提出之訴訟中，摩托羅拉控告本集團及樂依文拖欠約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。本集團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。本集團及樂依文擬於加州北區之訴訟中辯護到底，並尋求將訴訟不在伊利諾州北區進行。於二零零三年六月十七日，已就摩托羅拉有關撤銷加州訴訟或將訴訟局限於加州以待伊利諾州之訴訟裁判結果之動議在加州北區地方法官前進行聆訊。於二零零四年七月三日之法令中，地方法官否決摩托羅拉兩項動議。於二零零四年四月三十日，根據所獲得之法律意見，本集團相信，於當時評估可能承擔之負債範圍（如有）實在言之過早，因此並無於賬目內就該等事項作出任何撥備。

於二零零五年一月，為避免進一步招致法律費用，本集團原則上與摩托羅拉達成協議，惟須訂立各方均接納之和解協議及按不承認責任之基準，分10個月等額支付共425,000美元予摩托羅拉以結清向本集團提出之所有申索，因此，訴訟和解之補償費用約3,000,000港元應計於本回顧期間內。



22. Related party transactions

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

ASAT Group (Note)	樂依文集團 (附註)
Sales of integrated circuit leadframes, heatsinks and stiffeners	銷售集成電路引線框、散熱器與加強桿
Rental income	租金收入

Note: Sales of integrated circuit leadframes, heatsinks and stiffeners were carried out at market prices for the six months ended 31 October, 2004 (six months ended 31 October, 2003: at market prices plus a premium of not less than 5%).

Rental income is determined based on the tenancy agreement agreed between the parties.

22. 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	
2004 二零零四年 HK\$'M 百萬港元	2003 二零零三年 HK\$'M 百萬港元

116	109
<u>10</u>	<u>12</u>

附註：截至二零零四年十月三十一日止六個月，銷售集成電路引線框、散熱器與加強桿乃按市價進行(截至二零零三年十月三十一日止六個月：按市價加不少於5%之溢價)。

租金收入乃根據雙方協定租約而釐定。

23. Subsequent Event

On 17 December, 2004, the Group announced the conditional agreement to dispose of all of its land and buildings for own use and investment properties, which are mortgaged to a bank, for a consideration of HK\$136 million. The Group will use the net proceeds to reduce its secured indebtedness (being approximately HK\$70 million as at the date of the announcement of the sale of properties) charged over the properties whereas the rest will be used for general working capital purposes. Subject to the fulfilment of the conditions, being the compliance in full by the Company with all applicable requirements under the Listing Rules and other relevant rules and regulations, completion of the sale of the properties will take place on 30 April, 2005.

23. 結算日後事項

於二零零四年十二月十七日，本集團宣佈有條件協議出售其所有自用土地及樓宇以及投資物業(已抵押予銀行)，代價為136,000,000港元。本集團將出售所得款項淨額用以減少其以該等物業作為抵押之有抵押債務(於公佈出售該等物業當日約為70,000,000港元)，餘額則用作一般營運資金。待有關條件(即本公司全面遵守上市規則之所有適用規定及其他有關規則及規例)獲履行後，出售該等物業將於二零零五年四月三十日完成。