

The Directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 31 December 2004.

Principal activities

The Company acts as an investment holding company. Its principal subsidiaries are engaged in the design, manufacture and marketing of machines, tools and materials used in the semiconductor industry.

Results and appropriations

The Directors recommend the payment of a final dividend of HK\$1.05 (2003: HK\$0.84) per share, which together with the interim dividend of HK\$0.45 (2003: HK\$0.36) per share and a special dividend of HK\$0.55 (2003: nil) per share paid during the year, makes a total dividend for the year of HK\$2.05 (2003: HK\$1.20) per share.

Details of the results of the Group and appropriations of the Company are set out in the consolidated income statement on page 26 and the accompanying notes to the financial statements.

Property, plant and equipment

During the year, the Group continued to expand its manufacturing facilities. The Group acquired plant and machinery for approximately HK\$187 million and invested approximately HK\$113 million on building new manufacturing facilities in Malaysia and upgrading the manufacturing, support and other facilities.

Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 16 to the financial statements.

Subsidiaries

Details of the Company's principal subsidiaries at 31 December 2004 are set out in note 17 to the financial statements.

Issue of shares

On 15 December 2004, 1,798,500 shares were issued at par to certain employees pursuant to their entitlements under the Company's Employee Share Incentive Scheme.

董事會謹呈報本公司及其附屬公司(以下統稱為「本集團」)截至二零零四年十二月三十一日止年度之年度報告及經審核財務報表。

主要業務

本公司乃一間投資控股公司。其主要附屬公司之業務為設計、製造及銷售半導體工業所用之器材、工具及物料。

業績及分配

董事會現建議派付末期股息每股港幣1.05元(二零零三年：港幣0.84元)，連同年內已派付中期股息每股港幣0.45元(二零零三年：港幣0.36元)及每股港幣0.55元之特別股息(二零零三年：無)，是年度之全年股息每股為港幣2.05元(二零零三年：港幣1.20元)。

有關本集團業績及本公司分配之詳細資料載於第26頁綜合收益報表及隨附之財務報表附註。

物業、廠房及設備

本集團於年內繼續擴展旗下生產設施。集團斥資約港幣一億八千七百萬元購置機器設備，並投資約港幣一億一千三百萬元以興建位於馬來西亞的新廠房及提升生產、支援及其他設施。

有關上述及其他本集團於年內之物業、廠房及設備變動之詳細資料載於財務報表附註第16項。

附屬公司

有關本公司於二零零四年十二月三十一日之主要附屬公司之詳細資料載於財務報表附註第17項。

發行股份

於二零零四年十二月十五日，已根據僱員股份獎勵制度，按面值發行1,798,500股股份予部份僱員。

Directors

The Directors of the Company during the year and up to the date of this report were:

Executive Directors:

Arthur H. del Prado, Chairman
Lam See Pong, Patrick, Managing Director
Fung Shu Kan, Alan

Independent non-executive Directors:

Orasa Livasiri
Tang Koon Hung, Eric (appointed on 6 September 2004)
Lee Shiu Hung, Robert (appointed on 23 December 2004)
Paulus Cornelis van den Hoek
(resigned on 23 December 2004)

In accordance with Articles 113, 114 and 117 of the Company's Articles of Association, Arthur H. del Prado, Tang Koon Hung, Eric and Lee Shiu Hung, Robert retire and, being eligible, offer themselves for re-election.

The term of office for each non-executive Director is the period up to retirement by rotation in accordance with the Company's Articles of Association.

Biographical details of Directors as at the date of this report are:

Arthur H. del Prado is the Chairman of the Company and President, Chief Executive Officer and founder of ASM International N.V. ("ASM International"), the holding company of the Company. He is also a director of certain subsidiaries of ASM International. Mr. del Prado currently serves on the Board of several companies, civic and non profit organizations, among which the MEDEA+ Board, the "Micro Electronics Development for European Applications" project. Arthur H. del Prado was formerly a member of the Board of Directors of: Océ van der Grinten Nederland N.V., Manufacturer of Copiers and Printers; G.T.I. Holding N.V., an Electronic Equipment and Installations company; Delft Instruments N.V., a Manufacturer of High-Technology Industrial and Defence Products; Brevast N.V., Project Development and Management; Dujat, Dutch & Japanese Trade Federation and ABN-AMRO Bank, Advisory Counsel.

Lam See Pong, Patrick, Executive Director, aged 56, is the Managing Director of the Company. Mr. Lam is also the Vice President of Asian Operations of ASM International and a director of certain subsidiaries of ASM International. He has a Bachelor of Science degree in Electrical Engineering from the University of Manitoba, Canada, a Diploma in Management Studies from the University of Hong Kong, and a Masters degree in Business Administration from the Chinese University of Hong Kong. He has over 30 years of experience in computer and semiconductor industry. He joined the Group in 1975 and was responsible for founding ASM International's operation in South East Asia.

董事

本公司是年度及截至本報告日期之董事為：

執行董事：

Arthur H. del Prado，主席
林師龐，董事總經理
馮樹根

獨立非執行董事：

Orasa Livasiri
鄧冠雄（於二零零四年九月六日獲委任）
李兆雄（於二零零四年十二月二十三日獲委任）
Paulus Cornelis van den Hoek
（於二零零四年十二月二十三日辭任）

Arthur H. del Prado先生，鄧冠雄先生及李兆雄先生根據本公司組織章程細則第一百一十三條，第一百一十四條及第一百一十七條依章告辭董事職位，而彼等具資格並表示願意膺選連任。

每位非執行董事獲委任之任期直至根據本公司之公司組織章程細則規定輪流辭任為止。

截至本報告日期之董事資料：

Arthur H. del Prado，為本公司主席及本公司之控股公司ASM International N.V.（「ASM International」）總裁兼行政總裁及創辦人。彼亦是ASM International部份附屬公司董事。彼為多間公司、公共及非牟利機構之董事會及幹事會成員，其中包括MEDEA+（歐洲微電子應用發展項目）。Arthur H. del Prado曾為下列公司之董事會成員：Océ van der Grinten Nederland N.V.（複印機及打印機製造商）、G.T.I. Holding N.V.（電子設備及安裝公司）、Delft Instruments N.V.（高科技工業及國防產品製造商）、Brevast N.V.（項目開發及管理）、Dujat（荷蘭及日本貿易工聯會）及荷蘭銀行（諮詢委員會）。

林師龐（執行董事），現年五十六歲，為本公司之董事總經理。林先生亦是ASM International亞洲區副總裁及ASM International部份附屬公司董事。彼持有加拿大曼尼托巴大學電子工程學士學位、香港大學管理學文憑及香港中文大學工商管理碩士學位。林先生於電腦及半導體工業具有三十年以上經驗。彼於一九七五年加入本集團，並負責創立ASM International在東南亞的業務。

Directors continued

Fung Shu Kan, Alan, Executive Director, aged 54, is the Financial Director of the Group in charge of financial planning and control. He obtained his Diploma and Masters degree in Business Administration from Hong Kong Polytechnic and the University of East Asia respectively. He joined the Group in 1978 and before that he had worked for two multinational semiconductor companies for over 10 years.

Orasa Livasiri, Independent Non-executive Director, aged 49, was appointed to the Board as an Independent non-executive Director in 1994. She is a solicitor in private practice and is a partner of Messrs. Ng, Lie, Lai & Chan.

Tang Koon Hung, Eric, Independent Non-executive Director, aged 59, was appointed to the Board on 6 September 2004. Mr. Tang holds a Degree in Industrial Engineering and a Degree in Masters in Business Administration. He qualified as a chartered accountant in Canada and is also a member of the Hong Kong Institute of Certified Public Accountants. Mr. Tang has held various positions in auditing, accounting and finance with major corporations in Canada and Hong Kong. He is currently the Head of Internal Audit of MTR Corporation Limited.

Lee Shiu Hung, Robert, Independent Non-executive Director, aged 72, was appointed to the Board on 23 December 2004. Mr. Lee is a Certified Public Accountant with over 40 years of practical experience in auditing, accounting and finance, taxation and general management. He was engaged in private practice in the name of Robert S.H. Lee & Co., Certified Public Accountants since 1984 until his retirement in 2000. Mr. Lee previously held senior executive positions in multinational groups, including Jardine Matheson & Co. Limited and Hutchison International Limited. He was a President of the Society of Chinese Accountants & Auditors, Hong Kong in 1983/84 and a President of the Australian Society of Certified Practising Accountants (CPA Australia) Hong Kong Branch in 1986/87. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, CPA Australia; the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Company Secretaries.

Employee Share Incentive Scheme

The Group has an Employee Share Incentive Scheme (the "Scheme") which is for the benefit of the Group's employees and members of management and has a life of 10 years starting from December 1989. On 25 June 1999, at an extraordinary general meeting of the Company, the shareholders approved to extend the period of the Scheme for a further term of 10 years up to 23 March 2010 and allow up to 5% of the issued share capital of the Company from time to time, excluding any shares of the Company subscribed for or purchased pursuant to the Scheme since 23 March 1990, to be subscribed for or purchased pursuant to the Scheme during the extended period.

董事 續

馮樹根(執行董事)，現年五十四歲，本集團財務董事，負責財務規劃及監督。馮先生分別持有香港理工學院及東亞大學之工商管理文憑及碩士學位，馮先生於一九七八年加入本集團，之前曾在兩間國際性半導體公司工作超過十年。

Orasa Livasiri(獨立非執行董事)，現年四十九歲，於一九九四年獲委任加入董事會為獨立非執行董事。彼出任私人執業律師及為伍李黎陳律師行之合夥人。

鄧冠雄(獨立非執行董事)，現年五十九歲，於二零零四年九月六日獲委任加入董事會。鄧先生持有工業工程學士學位及工商管理碩士學位。彼於加拿大獲得特許會計師資格，也是香港會計師公會會員。鄧先生曾在加拿大及香港數間大機構擔任審計、會計及財務等職位。他現任地鐵有限公司之內部審核主管。

李兆雄(獨立非執行董事)，現年七十二歲，於二零零四年十二月二十三日獲委任加入董事會。李先生為註冊會計師，於審計、會計及財務、稅務及一般管理有逾四十年之實務經驗。彼自一九八四年以李兆雄會計師樓之名義私人執業，直至二零零零年退休。李先生曾於數間跨國公司，包括怡和集團及和記洋行集團，擔任高級行政人員。彼於一九八三年至八四年曾擔任香港華人會計師公會會長及於一九八六至八七年曾擔任澳洲會計師公會香港分會會長。李先生為香港會計師公會、澳洲會計師公會、英國 Institute of Chartered Secretaries and Administrators 及香港公司秘書公會資深會員。

僱員股份獎勵制度

本集團制訂僱員股份獎勵制度(「制度」)，專為本集團僱員及管理階層成員之利益而設，期限為十年，於一九八九年十二月開始。於一九九九年六月二十五日舉行之公司股東特別大會上，股東批准該制度延長十年，為期至二零一零年三月二十三日止，以及在延長期間內根據該制度認購或購買之股份數目限額為本公司已發行股本百分之五(不包括自一九九零年三月二十三日根據該制度認購或購買之任何股數在內)。

Employee Share Incentive Scheme continued

On 24 February 2004, the Directors resolved to contribute HK\$180,000 to the Scheme, enabling the trustees of the Scheme to subscribe for a total of 1,800,000 shares in the Company for the benefit of employees and members of the management of the Group in respect of their services for the year ended 31 December 2003 upon expiration of the defined qualification period. 205,000 of these share entitlements were allocated to certain Directors.

On 24 February 2005, the Directors resolved to contribute HK\$180,000 to the Scheme, enabling the trustees of the Scheme to subscribe for a total of 1,800,000 shares in the Company for the benefit of employees and members of the management of the Group in respect of their services for the year ended 31 December 2004 upon the expiration of a defined qualification period. 205,000 of the share entitlements have been allocated to certain Directors.

Directors' interests in shares

Details of the interests of the Directors and chief executives of the Company and their associates in the share capital of the Company and its associated corporations as at 31 December 2004 as recorded in the register by the Company pursuant to Section 352 of the Securities and Future Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

Long positions

(a) Shares of HK\$0.10 each of the Company:

僱員股份獎勵制度 續

董事會於二零零四年二月二十四日議決向該制度供款港幣180,000元，以使該制度之信託人於指定合格期間屆滿時，能就本集團僱員及管理階層成員截至二零零三年十二月三十一日止年度所提供之服務，為其受益認購合共1,800,000股本公司股份。其中205,000股股份權利已分配予部份董事。

董事會於二零零五年二月二十四日議決向該制度供款港幣180,000元，以使該制度之信託人於指定合格期間屆滿時，能就本集團僱員及管理階層成員截至二零零四年十二月三十一日止年度所提供之服務，為其受益認購合共1,800,000股本公司股份。其中205,000股股份權利已分配予部份董事。

董事股份權益

於二零零四年十二月三十一日，根據證券及期貨條例〈「證期條例」〉第352條須予備存的登記冊所記錄，或根據上市公司董事進行證券交易的標準守則給本公司及香港聯合交易所有限公司（「聯交所」）的通知，本公司董事及行政總裁以及其聯繫人於本公司及其相聯法團擁有的詳細股本權益如下：

好倉

(a) 每股港幣0.10元之本公司股份：

Name of director 董事姓名		Capacity 身份	Number of shares held 所持股份 數目	Percentage of shareholding in the Company 所持本公司 股權百分比	
Arthur H. del Prado	Arthur H. del Prado	(Note 1)	(附註1)	207,427,500	53.84%
Lam See Pong, Patrick (Note 2)	林師龐(附註2)	Beneficial owner	實益持有人	2,970,000	0.77%
Fung Shu Kan, Alan	馮樹根	Beneficial owner	實益持有人	316,000	0.08%
Tang Koon Hung, Eric	鄧冠雄	Beneficial owner	實益持有人	8,000	0.002%