

Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2005

截至二零零五年十二月三十一日止年度

1. General

The Company is an exempted company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent and ultimate holding company is ASM International N.V. ("ASM International"), a company incorporated in the Netherlands. The address of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The financial statements are presented in Hong Kong dollars which is the functional currency of the Company.

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 semiconductor industry.

2. Application of Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("INT") (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented.

簡介

本公司為一家於開曼群島註冊成立之豁免公司，其股份於香港聯合交易所有限公司（「聯交所」）上市買賣。本公司之母公司及最終控股公司為於荷蘭註冊成立之ASM International N.V.（「ASM International」）。本公司註冊辦事處及主要營業地點於本年報公司組織結構中披露。

本財務報表以港幣呈列，港幣亦為本公司之功能貨幣。

本公司為一家投資控股公司。其主要附屬公司業務為設計、製造及銷售半導體工業所用之器材、工具及物料。

採用香港財務報告準則

於本年度，本集團首次採用由香港會計師公會所頒佈的一系列新訂的香港財務報告準則（「香港財務報告準則」）、香港會計準則（「香港會計準則」）及詮釋（以下統稱「新訂香港財務報告準則」），該等準則於二零零五年一月一日或之後開始的會計期間生效。採用新訂香港財務報告準則已導致綜合收益表、綜合資產負債表及綜合股東權益變動表之呈報方式有所變動。呈報方式之變動已追溯應用。本集團因採用新訂香港財務報告準則而改變以下的會計政策，對本期及過往的會計年度的財務表現之編製及呈列方式構成影響。

2. Application of Hong Kong Financial Reporting Standards continued

SHARE-BASED PAYMENT

In the current year, the Group has applied HKFRS 2 “Share-based Payment” (“HKFRS 2”) which requires an expense to be recognised where the Group buys goods or obtains services in exchange for shares or rights over shares (“equity-settled transactions”), or in exchange for other assets equivalent in value to a given number of shares or rights over shares (“cash-settled transactions”). The principal impact of HKFRS 2 on the Group is in relation to the expensing of the fair value of the shares of the Company granted to the directors and employees under the Employee Share Incentive Scheme (the “Scheme”), which are calculated with reference to the market value of shares at the date of grant, over the vesting period. Prior to the application of HKFRS 2, the costs on the Scheme are recognised as expenses with reference to the nominal value of shares issued under the Scheme.

Following the adoption of HKFRS 2, the costs on the Scheme are calculated with reference to the fair value of shares at the date of grant, adjusted to take into account the terms and conditions upon which the shares are granted, and are amortised over the relevant vesting period to the income statement.

The Group has applied HKFRS 2 to shares granted on or after 1 January 2005. In relation to shares granted before 1 January 2005, the Group has not applied HKFRS 2 to shares granted on or before 7 November 2002 and shares granted after 7 November 2002 and vested before 1 January 2005 in accordance with the relevant transitional provisions. The Group had no shares granted after 7 November 2002 and had not yet vested on 1 January 2005 and accordingly no retrospective restatement is required.

However, the adoption of HKFRS 2 has had a significant impact on the results of operations and financial position of the Group for accounting periods beginning on 1 January 2005. An amount of HK\$56,954,000 representing the estimated fair value of shares granted in February 2005 under the Scheme was charged to the income statement during the year, with an corresponding increase in share capital of HK\$179,000 and other reserve of HK\$56,775,000.

採用香港財務報告準則續

以股份支付的支出

於本年度，本集團採用了香港財務報告準則第2號「以股份支付的支出」，規定集團以股份或股權換購貨品或換取服務（權益結算交易）、或以某數量之股份或股權換取等值之其他資產（現金結算交易），均需確認為開支。香港財務報告準則第2號對本集團之主要影響為根據僱員股份獎勵制度（「制度」）授予董事及僱員之股份，須參照股份授予當日之市場價值計算其公平價值，並在歸屬期間攤銷為開支。在採用香港財務報告準則第2號之前，該制度之費用以發行之股份之票面值確認為開支。

採用香港財務報告準則第2號之後，該制度之費用乃參照股份授予當日之公平價值計算，並根據授予股份之條款作調整，在有關之歸屬期間於收益報表中攤銷。

本集團遵照香港財務報告準則第2號，計算二零零五年一月一日或之後授予之股份。至於二零零五年一月一日前授予之股份，即二零零二年十一月七日或之前授予之股份，及二零零二年十一月七日之後授予並於二零零五年一月一日或之前已歸屬之股份，本集團不會遵照香港財務報告準則第2號計算，只會根據該準則列出的過渡期條款列賬。由於本集團沒有於二零零二年十一月七日後授予並於二零零五年一月一日尚未歸屬之股份，因此沒有追溯重報的需要。

然而，香港財務報告準則第2號之採用對本集團二零零五年一月一日後會計期間的營運業績及財務狀況起了重大的影響。於二零零五年二月根據制度授出股份之估計公平價值港幣56,954,000元，已於本年度之收益報表內扣除，並相對增加股本港幣179,000元及其他儲備港幣56,775,000元。

2. Application of Hong Kong Financial Reporting Standards continued

FINANCIAL INSTRUMENTS

In the current year, the Group has applied HKAS 32 “Financial Instruments: Disclosure and Presentation” (“HKAS 32”) and HKAS 39 “Financial Instruments: Recognition and Measurement” (“HKAS 39”). HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 and HKAS 39 has had no material impact on how financial instruments of the Group are presented for current and prior accounting periods.

OWNER-OCCUPIED LEASEHOLD INTEREST IN LAND

In previous years, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured using the cost model. In the current year, the Group has applied HKAS 17 “Leases” (“HKAS 17”). Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight line basis. This change in accounting policy has been applied retrospectively. The unamortised prepaid lease payment for property interest in land has been separately shown in the consolidated balance sheet.

採用香港財務報告準則續

金融工具

於本年度，本集團已採用香港會計準則第32號「金融工具：披露及呈列」及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號須作追溯性應用，而香港會計準則第39號於對二零零五年一月一日或之後開始的年度期間生效，一般不容許追溯性確認、終止確認或計量金融資產及負債。採用香港會計準則第32號及香港會計準則第39號對本集團現行或過往期間呈列之金融工具並無重大影響。

業主自用的土地租賃權益

於過往年度，業主自用的租賃土地及樓宇以成本模式歸納在物業、廠房及設備內。於本年度，本集團採用了香港會計準則第17號「租賃」。根據香港會計準則第17號，為了租賃分類的目的，凡土地及樓宇租賃應分開考慮土地及樓宇兩部分，除非土地及樓宇的租賃費用不能可靠地分配，在此情況下，整份租賃會被界定為融資租賃。當土地及樓宇的租賃費用能可靠地分配，該土地之租賃權益會重新分類為經營租賃下的預付租賃費用按成本列賬，並以直線法於租約年期內攤銷。此會計政策之改變已作追溯重報。未攤銷的土地業權預付租賃費用已在綜合資產負債表內分開呈列。

2. Application of Hong Kong Financial Reporting Standards continued

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these Standards or Interpretations will have no material impact on the financial statements of the Group.

HKAS 1 (Amendment)	Capital disclosures ¹	香港會計準則第1號 (經修訂)	股本披露 ¹
HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures ²	香港會計準則第19號 (經修訂)	精算損益、集團計劃及披露 ²
HKAS 21 (Amendment)	Net investment in a foreign operation ²	香港會計準則第21號 (經修訂)	境外業務投資淨額 ²
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions ²	香港會計準則第39號 (經修訂)	預測集團內公司間交易之現金流量對沖會計處理法 ²
HKAS 39 (Amendment)	The fair value option ²	香港會計準則第39號 (經修訂)	公平價值之選擇 ²
HKAS 39 and HKFRS 4 (Amendments)	Financial guarantee contracts ²	香港會計準則第39號及香港財務報告準則第4號(經修訂)	財務擔保合約 ²
HKFRS 6	Exploration for and evaluation of mineral resources ²	香港財務報告準則第6號	礦產資源之勘探及評估 ²
HKFRS 7	Financial Instruments: Disclosures ¹	香港財務報告準則第7號	金融工具：披露 ¹
HK(IFRIC) - INT 4	Determining whether an arrangement contains a lease ²	香港(國際財務匯報準則) — 詮釋第4號	釐定安排是否包括租賃 ²
HK(IFRIC) - INT 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds ²	香港(國際財務匯報準則) — 詮釋第5號	終止運作、復原及環境修復基金所產生權益之權利 ²
HK(IFRIC) - INT 6	Liabilities arising from participating in a specific market - waste electrical and electronic equipment ³	香港(國際財務匯報準則) — 詮釋第6號	參與特定市場—廢棄電力及電子設備之負債 ³
HK(IFRIC) - INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴	香港(國際財務匯報準則) — 詮釋第7號	根據香港會計準則第29號「惡性通貨膨脹經濟中的財務報告」採用重列法 ⁴

採用香港財務報告準則續

本集團並無提早採用下列已頒佈但未生效之新香港財務報告準則及詮釋。本公司董事預期採用該等準則或詮釋對本集團之財務報表並無重大影響。

¹ Effective for annual periods beginning on or after 1 January 2007.

² Effective for annual periods beginning on or after 1 January 2006.

³ Effective for annual periods beginning on or after 1 December 2005.

⁴ Effective for annual periods beginning on or after 1 March 2006.

¹ 於二零零七年一月一日或之後開始之年度期間生效。

² 於二零零六年一月一日或之後開始之年度期間生效。

³ 於二零零五年十二月一日或之後開始之年度期間生效。

⁴ 於二零零六年三月一日或之後開始之年度期間生效。

3. Significant accounting policies

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values at initial recognition, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All inter-company transactions and balances within the Group have been eliminated on consolidation.

The results of subsidiaries acquired and disposed of during the year are included in the consolidated income statement from and up to their effective dates of acquisition and disposal respectively.

REVENUE RECOGNITION

Sales of goods are recognised when goods are delivered and the title has been passed.

Revenue is measured at the fair value of consideration received or receivable less returns.

Management service fee income is recognised when management services are provided.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

主要會計政策

誠如下列會計政策所述，綜合財務報表乃按歷史成本基準編製，惟若干金融工具按首次確認時之公平價值計算者除外。

綜合財務報表乃根據香港會計師公會所頒佈的香港財務報告準則編製。此外，綜合財務報表載列聯交所證券上市規則及香港公司條例規定之適用披露。

綜合基準

綜合財務報表包括本公司及其附屬公司之財務報表。所有集團內公司間之交易及結餘均於綜合時註銷。

本年度購入及出售附屬公司之業績，分別由購入日期起及截至出售有效日期止列於綜合收益報表。

收入確認

貨物銷售於付運貨物或當移交業權後確認。

收入乃按已收代價或應收賬款扣除回退之公平價值計算。

管理服務費用之收入乃於提供管理服務時予以確認。

來自金融資產之利息收入乃按時間基準，並參照尚存本金及按所適用之實際利率應計入賬，而該利率為透過金融資產之預期年期將估計日後現金收入按實際折現至該資產之賬面淨值之比率。

3. Significant accounting policies continued

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the item and is included in the income statement in the year in which the item is derecognised.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight line basis over its useful life and carried at cost less subsequent accumulated amortisation and any accumulated impairment loss.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

GOVERNMENT GRANTS

Government grants received as subsidy for the Group's research and development activities are recognised in the same period as those expenses are charged in the income statement and are deducted in reporting the related expenses.

主要會計政策續

物業、廠房及設備

物業、廠房及設備乃按成本減除其後累計折舊及累計減值虧損列賬。

物業、廠房及設備之折舊均按其估計可使用年期，按直線法將其成本撇銷。

物業、廠房及設備項目於出售時或當繼續使用該資產而預期不會產生任何日後經濟利益時取消確認。終止確認資產所產生之盈虧，均按該項目之出售所得款項淨額及賬面價值之差額釐定，並於該項目終止確認之年度內列入收益報表。

存貨

存貨乃按成本值或可變現淨值兩者之較低值入賬。成本乃按先入先出方式計算。

研究及發展費用

研究工作之費用於產生之期間確認為開支。

僅在明確界定項目所產生之發展費用預期將可透過日後之商業活動收回之情況下，因發展費用而引致之內部產生之無形資產方會予以確認，而因此所產生之資產將會按可使用年期以直線法攤銷，並按成本值減除其後累計攤銷及累計減值後列賬。

倘並無內部產生之無形資產可予確認，則發展費用於產生之期間確認為開支。

政府津貼

本集團研究及開發活動所獲之政府津貼已在該等開支計入收益報表時同期確認入賬，並已於呈報相關開支時扣除。

3. Significant accounting policies continued

IMPAIRMENT

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

主要會計政策續

減值

於各資產負債表結算日，本集團均會審閱其資產之賬面值，以確認該等資產是否已出現減值虧損。倘本集團估計某項資產之可收回金額低於其賬面值，則該項資產之賬面值須減低至其可收回金額。減值虧損將即時確認為開支。

倘某項減值虧損其後撤回，則該項資產之賬面值須增加至重新估計之可收回金額，惟增加後之賬面值不得超過若在以往年度並無減值虧損而釐定之賬面值。減值虧損撤回時將即時確認為收益。

稅項

所得稅開支乃指現時應付稅項及遞延稅項之總額。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與收益表呈列之溢利不同，乃由於前者不包括在其他年度應課稅或可減免之收入或開支，並且不包括收益表內不應課稅或減免之項目。本集團之本期稅項負債乃按結算日已頒佈或證實已頒佈之稅率計算。

遞延稅項乃就綜合財務報表資產及負債賬面值及計算應課稅溢利相應稅基之差額確認，並以資產負債表負債法計算。遞延稅項負債通常會就全部應課稅的暫時差額確認，而遞延稅項資產乃按可能出現可減免之暫時時差之應課稅溢利時提撥。若於一項交易中，因業務合併以外原因初次確認其他資產及負債而引致不影響應課稅溢利及會計溢利之暫時時差，則不會確認該等資產及負債。

3. Significant accounting policies continued

TAXATION CONTINUED

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

LEASING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. All other leases are classified as operating leases and rental payable are charged to the income statement on a straight line basis over the term of the relevant leases. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expenses over the lease terms on a straight line basis.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

主要會計政策續

稅項續

於每個結算日均審閱遞延稅項資產之賬面值，並在沒可能有足夠應課稅溢利收回全部或部分資產時作調減。

遞延稅項乃根據結算日已頒佈或證實已頒佈之稅率，按預期於償還負債或變現資產期間適用之稅率計算。遞延稅項於收益表中扣除或計入。惟倘遞延稅項直接在股本權益中扣除或計入之情況（在此情況下遞延稅項亦會於股本權益中處理）除外。

租約

倘租約之條款將有關資產擁有權之一切風險及回報大部份賦予本集團，則該等租約列為財務租約。所有其他租約則列為經營租約，其租金乃以直線法按其租約計入收益報表內。因訂立一項經營租約作為獎勵之已收及應收利益乃以直線法按租約年期確認為租金支出減少。

金融工具

金融資產及金融負債乃當集團成為工具合約其中一方時在資產負債表上確認。於初次確認時，金融資產及金融負債按公平價值計量。收購或發行金融資產及金融負債直接應佔之交易成本（透過損益以公平價值列賬之金融資產及金融負債除外）乃於初次確認時計入金融資產或金融負債之公平價值，或自金融資產或金融負債之公平價值內扣除（如合適）。收購透過損益以公平價值列賬之金融資產或金融負債直接應佔之交易成本即時於損益賬內確認。

3. Significant accounting policies continued

FINANCIAL INSTRUMENTS CONTINUED

Financial assets

The Group's financial assets are mainly loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade receivables, other receivables, deposits and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's financial liabilities, including bank borrowings and trade and other payables, are subsequently measured at amortised cost, using the effective interest rate method. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

主要會計政策續

金融工具續

金融資產

集團之金融資產主要為貸款及應收賬款。

貸款及應收賬款為固定或可確定付款金額及在活躍市場並無報價的非衍生金融資產。於初次確認後各結算日，貸款及應收賬款(包括貿易應收賬款、其他應收賬款、按金及銀行結餘)均按採用實際利率法計算之已攤銷成本減除任何已識別減值虧損入賬。減值虧損乃當可客觀證明資產減值時於損益中確認，並按資產之賬面值與估計未來現金流量按原來的實際利率折算之現值兩者間的差額計算。當資產之可收回數額增加，而該增加是可客觀地與確認減值後發生的事件有關時，則減值虧損會於隨後的會計期間予以回撥，惟該資產於減值被回撥之日的賬面值不得超過從未被確認減值時之已攤銷成本。

金融負債及權益

集團實體發行之金融負債及權益性工具乃根據合約之性質安排與金融負債及權益性工具之定義分類。權益性工具乃證明集團於扣減所有負債後之資產中擁有剩餘權益之任何合約。

集團之金融負債包括銀行借貸及貿易與其他應付賬款乃隨後採用實際利率法按已攤銷成本計量。本公司發行之權益性工具乃按已收所得款項扣除直接發行成本記賬。

終止確認

若從資產收取現金流之權利已到期，或金融資產已轉移及本集團已將其於金融資產擁有權之風險及回報實質上全部轉移，則金融資產將被終止確認。於終止確認金融資產時，資產賬面值與已收代價及已直接於股東權益確認之累計損益總和之差額，將於損益中確認。

3. Significant accounting policies continued

FINANCIAL INSTRUMENTS CONTINUED

Derecognition continued

For financial liabilities, they are removed from the Group's balance sheet when, and only when they are extinguished (i.e. when the obligation specified in the relevant contract is discharged, cancelled or expires). The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Group's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements (if any).

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

主要會計政策續

金融工具續

終止確認續

就金融負債而言，只有當他們被終止時，則於本集團之資產負債表中移除（即倘於有關合約之特定責任獲解除、取消或到期）。終止確認之金融負債賬面值與已付代價之差額乃於損益中確認。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易均按交易當日之適用匯率換算為功能貨幣（即該實體經營所在主要經濟地區之貨幣）記賬。於各結算日，以外幣為單位之貨幣性項目均按結算日之適用匯率重新換算。

於結算及換算貨幣性項目時產生之匯兌差額均於彼等產生期間內於損益賬中確認，惟組成本集團海外業務投資淨額部份之貨幣性項目所產生之匯兌差額除外，該等匯兌差額乃於綜合財務報表中確認為股東權益（如適合）。

就呈列綜合財務報表而言，本集團海外經營業務之資產及負債乃按於結算日之適用匯率換算為本公司之列賬貨幣（即港幣），而其收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率換算。匯兌差額（如有）的產生乃確認為股東權益之獨立部分（匯兌儲備）。該等匯兌差額乃於海外業務被出售之期間內於損益賬內確認。

3. Significant accounting policies continued

SHARE-BASED PAYMENT TRANSACTIONS

In respect of the shares granted to the directors and employees of the Group under the Scheme, the fair value of services received is determined by reference to the fair value of shares granted at the date of grant and is expensed on a straight line basis over the vesting period, with a corresponding increase in equity (employee share-based compensation reserve).

At the time when the shares are subsequently issued, the amount previously recognised in the employee share-based compensation reserve will be transferred to share capital and share premium.

RETIREMENT BENEFIT SCHEMES

The retirement benefit costs charged to the income statement represent the contribution payable in respect of the current year to the Group's defined contribution retirement schemes, state-managed retirement benefit schemes and Mandatory Provident Fund Scheme.

4. Critical accounting judgment and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described in note 3, management had made the following judgments that have the most significant effect on the amounts recognised in the financial statements.

INVENTORIES

Note 3 describes that inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses.

主要會計政策續

以股份支付的支出交易

關於根據僱員股份獎勵制度授予集團董事及僱員之股份，集團所收到服務之公平價值按授予日之股份公平價值計算，於歸屬期間以直線法攤銷為開支並相對增加股東權益（以股份支付的僱員酬金儲備）。

當股份隨後發行時，先前在以股份支付的僱員酬金儲備確認之金額將轉移至股本及股本溢價。

退休福利計劃

自收益表中扣除之退休福利成本指本集團於本年度就既定供款退休計劃、國家管理退休福利計劃及強制性公積金計劃應付之供款。

關鍵性會計判斷及預計不確定因素的主要來源

於應用本集團之會計政策（如附註第3項所述）時，管理層作出下列對於財務報表中已確認之數額產生重大影響之判斷。

存貨

如附註第3項所述存貨乃按成本值或可變現淨值兩者之較低值入賬。製成品及在製品的成本包含原材料、直接人工、其他直接成本及相關的生產經常費用。可變現淨值是以在正常業務範圍內估計之銷售價格，扣除銷售費用之估計成本。

4. Critical accounting judgment and key sources of estimation uncertainty continued

INVENTORIES CONTINUED

The Group has the operational procedures to put in place to monitor the risk of inventories as majority of working capital is devoted to inventories and the nature of inventories are subject to frequent technological changes. The management reviews inventory age listing on a periodical basis for those slow-moving inventories. This involves comparison of carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether allowance is required to be made in the financial statements for any obsolete and slow-moving items. In addition, physical count on all inventories are carried out on a periodical basis in order to determine whether allowance need to be made in respect of any obsolete and defective inventories identified. In this regard, the directors of the Company are satisfied that this risk is minimal and adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

TRADE RECEIVABLES

Note 3 describes that trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

In making the judgment, management considered detailed procedures have been in place to monitor this risk as a significant proportion of the Group's working capital is devoted to trade receivables. In determining whether allowance for bad and doubtful debts is required, the Group takes into consideration the ageing status and the likelihood of collection. Following the identification of doubtful debts, the responsible sales personnel discuss with the relevant customers and report on the recoverability. Specific allowance is only made for trade receivables that are unlikely to be collected. In this regard, the directors of the Company are satisfied that this risk is minimal and adequate allowance for doubtful debts has been made in the financial statements in light of the historical records of the Group and the circumstances of the semiconductor manufacturing industry as a whole.

關鍵性會計判斷及預計不確定因素的主要來源續

存貨續

因本集團之大部份營運資金投放於存貨，而其性質受頻繁的科技轉變影響，故本集團執行管理程序，以監控存貨之風險。管理層定期審核存貨賬齡，包括對陳舊存貨項目的賬面值及其可變現淨值之比較，目的是確定對任何過時及滯銷的存貨在財務報表進行撥備。同時，定期盤點所有存貨以確定是否需要對任何已確認為過時存貨及次貨進行撥備。就此而言，集團董事確信此風險為微不足道，及已在財務報表對過時及滯銷存貨作出足夠撥備。

貿易應收賬款

如附註第3項所述貿易應收賬款以初次確認之公平價值計算，其後以實際利率法計算已攤銷成本。當有客觀證明確定資產減值時，對無法追討的估計款項所作出之適當撥備及在損益中確認。

因應收賬款佔集團營運資金的重大部份，當管理層作出判斷時已考慮到集團已實施週詳程序以監控此風險。集團考慮賬齡狀況及收賬的可能性以確定對呆壞賬進行撥備。當呆賬被認定後，負責銷售人員與有關客戶商討及對可收回賬款之可能性作出報告。集團只會對不太可能收回之貿易應收賬款作出特定之撥備。就此而言，集團考慮過往的歷史記錄及半導體製造業的整體情況，集團董事確信此風險為微不足道，及已在財務報表對呆賬作出足夠撥備。

5. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables and trade payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

CURRENCY RISK

The Group has minimal currency exposure as the majority of all sales were denominated in U.S. Dollars which are linked up with Hong Kong Dollars. On the other hand, the disbursements were mainly in U.S. dollars, Hong Kong dollars and Renminbi, which are the functional currency of the relevant subsidiaries. The currency risk of some limited Japanese Yen-based receivables were eliminated against some Japanese Yen accounts payables. The management conducted periodical review of exposure and requirements of various currencies, and will consider hedging significant foreign currency exposures should the need arises.

CREDIT RISK

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

6. Turnover

Turnover represents the amounts received and receivable for goods sold to customers during the year and less returns.

財務風險管理目標及政策

本集團之主要金融工具包括貿易應收賬款及貿易應付賬款。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保能及時和有效地實行適當之措施。

貨幣風險

集團主要之銷售貨幣單位為與港幣掛鈎之美元，因此匯率風險非常低。另一方面，集團主要以有關附屬公司之功能貨幣美元、港幣及人民幣支付開銷。有數量之日圓應收賬款的匯率風險與部份日圓應付賬款抵銷。管理層定期檢討風險及對各種不同貨幣的需求，並會考慮於必要時對沖重大外幣風險。

信貸風險

倘交易對方未能履行彼等於二零零五年十二月三十日之債務，則本集團就每類已確認金融資產之最大信貸風險為於綜合資產負債表列值之資產之賬面金額。為降低信貸風險，本集團管理層已委派一組人員負責制訂信貸限額，信貸審批及其他監控措施，以確保落實跟進行動以收回逾期未付之債項。此外，於各結算日，本集團評估每項個別貿易應收賬款之可收回金額，以確保就無法收回之金額作出足夠之減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

本集團並無重大集中之信貸風險，有關風險乃分散至多個交易對手及客戶。

營業額

營業額為是年度出售貨品予客戶之已收或應收款項減去退貨。

7. Business and geographical segments 業務及地區分類

(A) BUSINESS SEGMENTS

For management purposes, the Group is currently organised into two operating divisions — equipment and leadframe. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Equipment — manufacture and marketing of semiconductor machines and tools
Leadframe — manufacture and marketing of semiconductor materials

(i) Segment information about these businesses for the year ended 31 December 2005 is presented below:

(甲) 業務分類

在管理方面，本集團現時分成兩大營運部門 — 設備及引線框架。該等部門乃本集團據以呈報主要分類資料之基礎。

主要業務為：

設備 — 製造及銷售半導體設備及工具
引線框架 — 製造及銷售半導體物料

(一) 截至二零零五年十二月三十一日止年度有關之業務分類資料呈列如下：

Income statement

收益報表

		HK\$'000 港幣千元
Turnover	營業額	
Equipment	設備	2,864,384
Leadframe	引線框架	672,471
		3,536,855
Result	業績	
Equipment	設備	779,358
Leadframe	引線框架	109,556
		888,914
Interest income	利息收入	15,025
Finance costs	財務費用	(15)
Profit before taxation	除稅前溢利	903,924
Income tax expense	所得稅開支	(53,439)
Profit for the year	本年度溢利	850,485

Balance sheet

資產負債表

		Equipment 設備 HK\$'000 港幣千元	Leadframe 引線框架 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Assets	資產			
Segment assets	分部資產	1,805,362	464,732	2,270,094
Unallocated corporate assets	未分配之公司資產			777,980
Consolidated total assets	綜合資產總額			3,048,074
Liabilities	負債			
Segment liabilities	分部負債	484,570	99,036	583,606
Unallocated corporate liabilities	未分配之公司負債			70,934
Consolidated total liabilities	綜合負債總額			654,540

Notes to the Financial Statements continued

財務報表附註續

7. Business and geographical segments 業務及地區分類續

continued

(A) BUSINESS SEGMENTS CONTINUED

Other information

	(甲) 業務分類續	Equipment 設備 HK\$'000 港幣千元	Leadframe 引線框架 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Capital additions	資產增額	119,569	75,279	194,848
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	111,770	42,675	154,445
Amortisation of prepaid lease payments	預付租賃費用 攤銷	112	336	448
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	3,549	2	3,551

(ii) Segment information about these businesses for the year ended 31 December 2004 is presented below:

(二) 截至二零零四年十二月三十一日止年度有關之業務分類資料呈列如下：

Income statement

收益報表

		HK\$'000 港幣千元
Turnover	營業額	
Equipment	設備	3,252,042
Leadframe	引線框架	576,888
		3,828,930
Result	業績	
Equipment	設備	992,139
Leadframe	引線框架	62,335
		1,054,474
Interest income	利息收入	7,923
Finance costs	財務費用	(15)
		1,062,382
Profit before taxation	除稅前溢利	1,062,382
Income tax expense	所得稅開支	(59,787)
		1,002,595

Balance sheet

資產負債表

		Equipment 設備 HK\$'000 港幣千元	Leadframe 引線框架 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Assets	資產			
Segment assets	分部資產	1,578,976	292,517	1,871,493
Unallocated corporate assets	未分配之公司資產			872,740
				2,744,233
Consolidated total assets	綜合資產總額			2,744,233
Liabilities	負債			
Segment liabilities	分部負債	381,316	79,339	460,655
Unallocated corporate liabilities	未分配之公司負債			106,113
				566,768
Consolidated total liabilities	綜合負債總額			566,768

Notes to the Financial Statements continued

財務報表附註續

7. Business and geographical segments 業務及地區分類續

continued

(A) BUSINESS SEGMENTS CONTINUED

Other information

	其他資料	Equipment 設備 HK\$'000 港幣千元	Leadframe 引線框架 HK\$'000 港幣千元	Consolidated 綜合 HK\$'000 港幣千元
Capital additions	資產增額	231,568	68,211	299,779
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	115,354	66,760	182,114
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	32,060	187	32,247

(B) GEOGRAPHICAL SEGMENTS

The Group's operations are principally carried out in the People's Republic of China (the "PRC"), including Hong Kong and Mainland China, Singapore and Malaysia.

(i) An analysis of the Group's turnover and profit before taxation by location of operations is as follows:

(甲) 業務分類續

(乙) 地域分類

本集團之業務主要在中華人民共和國(「中國」)，包括香港及中國大陸，新加坡及馬來西亞。

(一) 本集團之營業額及除稅前溢利按營運地區分析如下：

Location of operation	營運地區	Turnover 營業額		Profit before taxation 除稅前溢利	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
The PRC	中國	1,859,197	1,992,532	508,725	549,981
Singapore and Malaysia	新加坡及 馬來西亞	1,677,658	1,836,398	380,189	504,493
		3,536,855	3,828,930	888,914	1,054,474
Interest income	利息收入			15,025	7,923
Finance costs	財務費用			(15)	(15)
Profit before taxation	除稅前溢利			903,924	1,062,382

Notes to the Financial Statements continued

財務報表附註續

7. Business and geographical segments 業務及地區分類續

continued

(B) GEOGRAPHICAL SEGMENTS CONTINUED

(ii) A geographical breakdown of the Group's turnover by geographical market is as follows:

(乙) 地區分類續

(二) 本集團之營業額按市場地區分類細列如下：

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Location of market	市場地區		
Mainland China	中國大陸	774,972	742,272
Taiwan	台灣	742,304	850,975
Malaysia	馬來西亞	445,371	539,390
Korea	韓國	322,805	222,670
Hong Kong	香港	256,515	281,008
Philippines	菲律賓	255,488	335,571
Thailand	泰國	246,546	280,609
Singapore	新加坡	150,068	197,768
United States of America and Latin America	美國及拉丁美洲	147,741	204,795
Europe	歐洲	107,325	66,302
Japan	日本	45,790	55,445
Others	其他	41,930	52,125
		3,536,855	3,828,930

(iii) The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

(三) 以下為按有關資產所處地區分析之分類資產賬面值及物業、廠房及設備之增額：

		Carrying amount of segment assets 分類資產賬面金額		Additions to property, plant and equipment 物業、廠房及設備增額	
		31.12.2005 二零零五年 十二月三十一日 HK\$'000 港幣千元	31.12.2004 二零零四年 十二月三十一日 HK\$'000 港幣千元	Year ended 31.12.2005 二零零五年 十二月三十一日 止之年度 HK\$'000 港幣千元	Year ended 31.12.2004 二零零四年 十二月三十一日 止之年度 HK\$'000 港幣千元
The PRC	中國	2,223,532	2,022,703	122,854	188,894
Singapore and Malaysia	新加坡及 馬來西亞	824,424	719,531	71,994	110,885
		3,047,956	2,742,234	194,848	299,779

8. Research and development expenses, net

The Group received research and development grants from government sources. During the year ended 31 December 2004, government grant of HK\$992,000 had been deducted from research and development expenses. The Group did not receive any grant for the year ended 31 December 2005.

Included in research and development expenses is depreciation on property, plant and equipment of HK\$6,040,000 (2004: HK\$5,927,000) and rental of land and buildings under operating leases of HK\$2,826,000 (2004: HK\$2,606,000).

9. Finance costs

The amount represents interest on bank borrowings wholly repayable within five years.

10. Income tax expense

研究及發展淨支出

集團獲政府給予研究及發展津貼。於二零零四年十二月三十一日止年內，政府津貼共港幣992,000元已在研究及發展費用扣除。集團於二零零五年十二月三十一日止年內並無獲得任何津貼。

研究及發展支出包括物業、廠房及設備之折舊為港幣6,040,000元（二零零四年：港幣5,927,000元），及以營業租約租用的土地及樓宇租金為港幣2,826,000元（二零零四年：港幣2,606,000元）。

財務費用

須於五年內全部償還的銀行貸款利息款項。

所得稅開支

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Current tax:	本期稅項：		
Hong Kong	香港	44,334	61,347
Other jurisdictions	其他司法權區	7,695	7,016
		52,029	68,363
Under(over)provision in prior years:	以往年度備撥不足(過多)		
Hong Kong	香港	2	(86)
Other jurisdictions	其他司法權區	(1,061)	(2,028)
		(1,059)	(2,114)
Deferred tax charge (credit) (note 25)	遞延稅項支出(抵免)(附註25)		
Current year	本年度	2,469	(6,462)
		53,439	59,787

Hong Kong Profits Tax has been calculated at 17.5% (2004: 17.5%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

香港利得稅是按本年度估計應課稅溢利以稅率17.5%(二零零四年：17.5%)計算。

其他司法權區之稅項乃根據有關司法權區之現行稅率計算。

Notes to the Financial Statements continued

財務報表附註續

10. Income tax expense continued

The charge for year can be reconciled to the profit before taxation per income statement as follows:

所得稅開支續

收益表所列除稅前溢利與是年度之稅項支出對照如下：

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Profit before taxation	除稅前溢利	903,924	1,062,382
Tax at the domestic income tax rate of 17.5% (2004: 17.5%)	以本地所得稅率17.5% (二零零四年：17.5%) 計算之稅項	158,187	185,917
Tax effect of expenses that are not deductible in determining taxable profit	評定應課稅溢利時不可扣減的開支對稅項之影響	12,480	4,032
Tax effect of income that is not taxable in determining taxable profit	評定應課稅溢利時無須繳稅的收入對稅務之影響	(10,997)	(7,324)
Tax effect of tax losses not recognised	未予以確認稅項虧損對稅務之影響	23,818	14,530
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司稅率差異之稅務影響	(49,515)	(41,718)
Effect of tax exemption under the MH status	「生產總部」地位而獲稅項豁免之影響	(74,469)	(90,114)
Effect of tax concession/exemption granted to PRC subsidiaries	中國附屬公司獲得稅項豁免或優惠之影響	(5,124)	(5,028)
Overprovision in prior years	往年度備撥過多	(1,059)	(2,114)
Others	其他	118	1,606
Tax charge for the year	本年度稅項開支	53,439	59,787

Note:

The domestic tax rate (which is Hong Kong Profits Tax rate) in the jurisdiction where the operation of the Group is substantially based is used.

The Group's profit arising from the manufacture of semiconductor equipment and materials in Singapore is non-taxable under a tax incentive covering certain new products under the Manufacturing Headquarters ("MH") status granted by the Singapore tax authority. The tax exemption applies to profits arising for a period of 10 years from 1 January 2001, subject to the fulfilment of certain criteria during the period.

Certain subsidiaries of the Group were exempted from PRC Income Taxes for two years starting from their first profit-making year, which is 2003, followed by a 50% reduction for the next three years.

附註：

本地稅率(即香港所得稅率)乃採用集團的主要營運司法權區的稅率。

集團新加坡分部獲當地政府頒發「生產總部」榮譽，根據新加坡稅務當局授與之稅務獎勵計劃，本集團在新加坡生產之若干半導體設備及物料新產品所產生之溢利毋須課稅，自二零零一年一月一日起十年內，在新加坡分部履行若干條件下，該等優惠將為有效。

集團於中國經營之部份附屬公司從首個獲利年度二零零三年起豁免兩年中國所得稅，其後三年可減半。

Notes to the Financial Statements continued

財務報表附註續

11. Profit for the year

本年度溢利

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
<i>Profit for the year has been arrived at after charging:</i>	本年度溢利已扣除：		
Auditors' remuneration	核數師酬金	4,626	3,685
Amortisation of prepaid lease payment	預付租賃費用攤銷	448	—
Depreciation	折舊	154,445	182,114
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	3,551	32,247
Minimum lease payments for land and buildings under operating leases	土地及樓宇之營業租約之最低租金	31,503	32,551
Shipping and handling expenses (included in selling expenses)	運輸及搬運開支(包括在銷售費用內)	9,989	9,340
Employee benefits expense, including directors' emoluments	僱員福利開支，包括董事酬金	776,939	747,686
<i>and after crediting:</i>	並已計入：		
Interest income	利息收入	15,025	7,923

12. Directors' emoluments

董事酬金

The emoluments paid or payable to each of the six (2004: seven) directors were as follows:

已支付或應付予以下個別之六位(二零零四年：七位)董事的酬金如下：

		Year ended 31 December 2005 二零零五年十二月三十一日止之年度						
		Arthur H. del Prado	Lam See Pong, Patrick 林師龐	Fung Shu Kan, Alan 馮樹根	Orasa Livisiri	Tang Koon Hung, Eric 鄧冠雄	Lee Shiu Hung, Robert 李兆雄	Total 總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Fees	袍金	—	—	—	300	299	299	898
Other emoluments	其他酬金							
Salaries and other benefits	薪金及其他利益	—	12,131	2,272	—	—	—	14,403
Contributions to retirement benefits schemes	退休福利制度之供款	—	719	170	—	—	—	889
Performance related incentive payments (Note)	有關表現之獎金(附註)	—	2,500	450	—	—	—	2,950
Total emoluments	酬金總額	—	15,350	2,892	300	299	299	19,140

Notes to the Financial Statements continued

財務報表附註續

12. Directors' emoluments continued

董事酬金續

		Year ended 31 December 2004 二零零四年十二月三十一日止之年度							
		Arthur H. del Prado	Lam See Pong, Patrick 林師龐	Fung Shu Kan, Alan 馮樹根	Orasa Livasiri	Tang Koon Hung, Eric 鄧冠雄	Lee Shiu Hung, Robert 李兆雄	Paulus Cornelis Van den Hoek	Total 總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Fees	袍金	—	—	—	300	96	8	300	704
Other emoluments	其他酬金								
Salaries and other benefits	薪金及其他利益	—	6,107	1,444	—	—	—	—	7,551
Contributions to retirement benefits schemes	退休福利制度之供款	—	685	166	—	—	—	—	851
Performance related incentive payments (Note)	有關表現之獎金(附註)	—	2,500	350	—	—	—	—	2,850
Total emoluments	酬金總額	—	9,292	1,960	300	96	8	300	11,956

Note:

The performance related incentive payment is determined with reference to the operating results, individual performance and comparable market statistics during both years.

For the year ended 31 December 2005, 205,000 shares of the Company were issued to certain executive directors under the Scheme, and the fair value of these shares at date of grant was included in salaries and other benefits above.

For the year ended 31 December 2004, 205,000 shares of the Company were issued to certain executive directors under the Scheme. The value of such shares was calculated with reference to the nominal value of shares issued and included in salaries and other benefits above.

附註：

有關表現之獎金乃參考集團兩年間的經營業績，個人表現及市場統計比較而決定。

截至二零零五年十二月三十一日止年度，本公司根據制度向若干執行董事發行205,000股本公司股份。該等股份於授出日之公平價值已包括在上述之薪金及其他利益內。

截至二零零四年十二月三十一日止年度，本公司根據制度向若干執行董事發行205,000股本公司股份。該等股份之價值乃參照已發行股份之賬面值而計算並已包括在上述之薪金及其他利益內。

13. Employees' emoluments

The five highest paid individuals included two (2004: two) directors, details of whose emoluments are set out in note 12. The emoluments of the remaining three (2004: three) individuals were as follows:

僱員薪酬

五位最高薪酬之人士包括兩位董事(二零零四年：兩位)，有關其酬金之詳情載於財務報表附註第12項。餘下三位人士(二零零四年：三位)之酬金如下：

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他利益	12,390	6,223
Performance related incentive payments	有關表現之獎金	2,064	1,342
Contribution to retirement benefits scheme	退休福利制度之供款	581	388

For the year ended 31 December 2005, 205,000 shares of the Company were issued to the relevant highest-paid employees under the Scheme, and the fair value of these shares at date of grant was included in salaries and other benefits above.

截至二零零五年十二月三十一日止年度，本公司根據制度向有關最高薪酬之人士發行205,000股本公司股份。該等股份於授出日之公平價值已包括在上述之薪金及其他利益內。

For the year ended 31 December 2004, 180,000 shares of the Company were issued to the relevant highest-paid employees under the Scheme. The value of such shares was calculated with reference to nominal value of shares issued and was included in salaries and other benefits above.

截至二零零四年十二月三十一日止年度，本公司根據制度向有關最高薪酬之人士發行180,000股本公司股份。該等股份之價值乃參照已發行股份之賬面值而計算並已包括在上述之薪金及其他利益內。

Their emoluments were within the following bands: 有關僱員薪酬幅度如下：

		Number of employees 僱員人數	
		2005 二零零五年	2004 二零零四年
HK\$2,000,001 to HK\$2,500,000	港幣2,000,000元 — 港幣2,500,000元	—	2
HK\$3,000,001 to HK\$3,500,000	港幣3,000,001元 — 港幣3,500,000元	—	1
HK\$4,000,001 to HK\$4,500,000	港幣4,000,001元 — 港幣4,500,000元	1	—
HK\$4,500,001 to HK\$5,000,000	港幣4,500,001元 — 港幣5,000,000元	1	—
HK\$5,500,001 to HK\$6,000,000	港幣5,500,001元 — 港幣6,000,000元	1	—

14. Retirement benefits plans

The Group has retirement plans covering a substantial portion of its employees. The principal plans are defined contribution plans. The plans for employees in Hong Kong are registered under the Occupational Retirement Schemes Ordinance (“ORSO Scheme”) and a Mandatory Provident Fund Scheme (“MPF Scheme”) established under the Mandatory Provident Fund Ordinance in December 2000. The assets of the schemes are held separately from those of the Group in funds under the control of trustees.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at rates ranging from 5% to 12.5% of the employee’s basic salary, depending on the length of services with the Group.

For members of the MPF Scheme, the Group contributes 5% of relevant payroll costs to the MPF Scheme, which contribution is matched by the employees.

The employees of the Group in the Mainland China, Singapore and Malaysia are members of state-managed retirement benefit schemes operated by the relevant governments. The Group is required to contribute certain percentage of payroll costs to these schemes to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions. The assets of the schemes are held separately from those of the Group in funds under the control of trustees, and in the case of Singapore and Malaysia, by the Central Provident Fund Board of Singapore and Employee Provident Fund of Malaysia respectively.

退休福利計劃

本集團設有一項適用於其大部份僱員之退休計劃，其中之主要計劃為界定之供款計劃。香港員工之退休計劃包括一個在職業退休計劃條例下註冊的退休計劃（「職業退休計劃」）及一個於二零零零年十二月在強制性公積金計劃條例下成立的強制性公積金計劃（「強積金計劃」）。該等計劃之資產與本集團之資產分開持有，並由信託人以基金託管。

職業退休計劃之資金來自僱員及本集團雙方之每月供款，比率由僱員底薪之5%至12.5%不等，視乎在本集團之服務年資而定。

至於強積金計劃之成員，本集團向強積金計劃所作之供款為有關僱員工資成本之5%，而僱員之供款比率亦相同。

本集團在中國大陸，新加坡及馬來西亞之僱員均為有關政府設立之國家管理退休福利計劃之成員，本集團須向有關計劃供款，作為退休福利所需資金，供款比率為工資成本之若干百分比。本集團對該等計劃僅有之責任只是作出指定之供款。該等計劃之資產與本集團之資產分開持有，並由信託人以基金託管。而在新加坡及馬來西亞之供款則由新加坡中央公積金局及馬來西亞僱員公積金各自監管。

14. Retirement benefits plans continued

The amount charged to the income statement which amounted to HK\$42,757,000 (2004: HK\$39,781,000) represents contributions payable to the plans by the Group at rates specified in the rules of the plans less forfeitures of HK\$549,000 (2004: HK\$830,000) arising from employees leaving the Group prior to completion of qualifying service period.

At the balance sheet date, there were forfeited contributions which arose upon employees leaving the retirement plans and which are available to reduce the contributions payable in the future years amounting to HK\$66,000 (2004: nil).

退休福利計劃續

在收益報表扣除之款項港幣42,757,000元(二零零四年：港幣39,781,000元)，乃指本集團按該等計劃指定之比率而支付之供款，減除僱員於完成合資格服務年期前離開本集團而沒收之款項港幣549,000元(二零零四年：港幣830,000元)。

於資產負債表結算日，因僱員退出退休金計劃而產生可供未來年度減少須支付供款之沒收款項為港幣66,000元(二零零四年：無)。

15. Dividends

股息

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Interim dividend paid of HK\$0.50 (2004: HK\$0.45) per share on 385,268,500 (2004: 383,470,000) shares	中期股息每股港幣0.50元(二零零四年： 港幣0.45元)派發予385,268,500股 (二零零四年：383,470,000股)	192,634	172,561
First special dividend paid of HK\$0.20 (2004: HK\$0.55) per share on 385,268,500 (2004: 383,470,000) shares	首次特別股息每股港幣0.20元(二零零四年： 港幣0.55元)派發予385,268,500股 (二零零四年：383,470,000股)	77,054	210,909
Proposed final dividend of HK\$1.00 (2004: HK\$1.05) per share on 387,059,500 (2004: 385,268,500) shares	建議末期股息每股港幣1.00元(二零零四年： 港幣HK\$1.05元)派發予387,059,500股 (二零零四年：385,268,500股)	387,059	404,532
Proposed second special dividend of HK\$0.30 (2004: nil) per share on 387,059,500 shares	建議第二次特別股息每股港幣0.30元 (二零零四年：無)派發予387,059,500股	116,118	—
		772,865	788,002

The final dividend of HK\$1.00 (2004: HK\$1.05) and second special dividend of HK\$0.30 (2004: nil) per share have been proposed by the directors and are subject to approval by the shareholders in general meeting.

董事會建議派付末期股息每股港幣1.00元(二零零四年：港幣1.05元)及第二次特別股息每股港幣0.30元(二零零四年：無)，須待股東週年大會上獲通過後，方可分派。

Notes to the Financial Statements continued
 財務報表附註續

16. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

每股溢利

母公司權益持有人應佔每股基本及攤薄溢利乃根據下列數據計算：

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Earnings for the purposes of basic and diluted earnings per share	計算每股基本及攤薄溢利之股東應佔溢利	850,485	1,002,595
			Number of shares (in thousand) 股份之數量 (以千位計)
Weighted average number of shares for the purposes of basic earnings per share	計算每股基本溢利之加權平均股數	385,352	384,313
Effect of dilutive potential shares from the Employee Share Incentive Scheme	來自僱員股份獎勵制度之潛在攤薄影響	1,450	1,451
Weighted average number of shares for the purposes of diluted earnings per share	計算每股攤薄溢利之加權平均股數	386,802	385,764

Notes to the Financial Statements continued
財務報表附註續

17. Property, plant and equipment

物業、廠房及設備

		Buildings outside Hong Kong 香港以外 之樓宇 HK\$'000 港幣千元	Leasehold improve- ments 租約物業 裝修 HK\$'000 港幣千元	Plant and machinery 機器 設備 HK\$'000 港幣千元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
The Group	集團					
Cost	成本值					
At 1 January 2004	於二零零四年一月一日	229,108	188,066	1,265,085	73,982	1,756,241
Exchange adjustment	匯兌調整	573	124	658	187	1,542
Additions	增額	92,937	15,913	187,022	3,907	299,779
Disposals	出售	(755)	(4,050)	(118,662)	(6,324)	(129,791)
Reclassification	重新分類	—	(15,547)	66,357	(50,810)	—
At 1 January 2005	於二零零五年一月一日	321,863	184,506	1,400,460	20,942	1,927,771
Exchange adjustment	匯兌調整	(412)	(168)	(1,463)	(137)	(2,180)
Additions	增額	17,236	29,054	143,347	5,211	194,848
Disposals	出售	—	(1,513)	(65,283)	(1,127)	(67,923)
Reclassification	重新分類	(48,433)	49,738	524	(1,829)	—
At 31 December 2005	於二零零五年十二月 三十一日	290,254	261,617	1,477,585	23,060	2,052,516
Depreciation and impairment	折舊及減值					
At 1 January 2004	於二零零四年一月一日	129,034	123,540	757,779	59,052	1,069,405
Exchange adjustment	匯兌調整	230	120	423	152	925
Provided for the year	是年度撥備	8,714	16,751	153,217	3,432	182,114
Eliminated on disposals	出售時撇除	—	(1,717)	(91,032)	(3,930)	(96,679)
Reclassification	重新分類	—	(784)	43,362	(42,578)	—
At 1 January 2005	於二零零五年一月一日	137,978	137,910	863,749	16,128	1,155,765
Exchange adjustment	匯兌調整	(368)	(56)	(1,366)	(146)	(1,936)
Provided for the year	是年度撥備	12,176	21,708	119,761	800	154,445
Eliminated on disposals	出售時撇除	—	(1,513)	(61,155)	(1,120)	(63,788)
Reclassification	重新分類	(46,298)	46,298	41	(41)	—
At 31 December 2005	於二零零五年十二月 三十一日	103,488	204,347	921,030	15,621	1,244,486
Carrying values	賬面值					
At 31 December 2005	於二零零五年十二月 三十一日	186,766	57,270	556,555	7,439	808,030
At 31 December 2004	於二零零四年十二月 三十一日	183,885	46,596	536,711	4,814	772,006

17. Property, plant and equipment continued

Items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings
Leasehold improvements
Plant and machinery
Furniture, fixtures and equipment

物業、廠房及設備續

物業、廠房及設備之項目均按直線法以下列年率計算折舊：

樓宇	4.2% to 4.5%
租約物業裝修	33 1/3%
機器設備	10% to 33 1/3%
傢俬、裝置及設備	10% to 20%

18. Prepaid lease payments

The Group's prepaid lease payments represent property interest in leasehold land outside Hong Kong under medium-term leases.

Analysed for reporting purposes as:

預付租賃費用

集團之預付租賃費用是指於香港以外以中期租賃持有之租賃土地財產權益。

以列報為目的之分析為：

		The Group 集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Current	流動	448	446
Non-current	非流動	8,951	9,370
		9,399	9,816

19. Inventories

存貨

		The Group 集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Raw materials	原料	153,595	157,334
Work in progress	在製品	373,227	326,062
Finished goods	製成品	82,523	71,434
		609,345	554,830

Notes to the Financial Statements continued
財務報表附註續

20. Trade and other receivables

貿易及其他應收賬款

		The Group 集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Trade receivables	貿易應收賬款	843,280	597,164
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	46,810	44,466
Amounts due from ASM International group companies — trade (Note)	ASM International 集團公司所欠款項 — 貿易(附註)	2,165	593
		892,255	642,223
<i>An aging analysis of trade receivables is as follows:</i>		<i>貿易應收賬款賬齡分析如下：</i>	
Not yet due	尚未到期	595,643	380,045
Overdue within 30 days	逾期30天	151,619	132,935
Overdue within 31 to 60 days	逾期31至60天	64,098	56,985
Overdue within 61 to 90 days	逾期61至90天	24,221	19,331
Overdue over 90 days	逾期超過90天	7,699	7,868
		843,280	597,164

Credit policy:

Payment terms with customers are mainly on credit together with deposits. Invoices are normally payable within 30 days to 60 days of issuance, except for certain well established customers, where the terms are extended to 3 to 4 months. Each customer has a pre-set maximum credit limit.

信貸政策：

客戶付款方法主要是信貸加訂金。發票通常在發出後三十至六十天內到期付款，惟若干信譽良好的客戶則除外，其付款期會延長至三至四月。每一客戶均訂有最高信貸限額。

Note:

Amounts due from ASM International group companies are unsecured, non-interest bearing and repayable according to normal trade terms.

附註：

ASM International 集團公司所欠款項均為無抵押、無利息及根據一般貿易條款規定償還。

The fair value of the Group's trade receivables, other receivables and deposits at 31 December 2005 was approximate to the corresponding carrying amounts.

本集團於截至二零零五年十二月三十一日之貿易應收賬款、其他應收賬款及按金的公平價值接近其賬面金額。

21. Trade and other payables

貿易及其他應付賬款

		The Group 集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Trade payables	貿易應付賬款	315,032	193,448
Other payables and accrued charges	其他應付賬款 及應計費用	269,402	267,428
Amounts due to ASM International group companies — trade (Note)	欠ASM International 集團公司 款項 — 貿易(附註)	586	408
		585,020	461,284
<i>An aging analysis of trade payables is as follows:</i>	<i>貿易應付賬款賬齡分析如下：</i>		
Not yet due	尚未到期	191,659	93,201
Overdue within 30 days	逾期30天	82,442	55,543
Overdue within 31 to 60 days	逾期31至60天	39,330	39,275
Overdue within 61 to 90 days	逾期61至90天	1,384	5,334
Overdue over 90 days	逾期超過90天	217	95
		315,032	193,448

Note:
Amounts due to ASM International group companies are unsecured, non-interest bearing and repayable according to normal trade terms.

附註：
欠 ASM International 集團公司款項均為無抵押、無利息及根據一般貿易條款規定償還。

The fair value of the Group's trade and other payables at 31 December 2005 was approximate to the corresponding carrying amounts.

本集團於截至二零零五年十二月三十一日之貿易應付賬款的公平價值接近其賬面金額。

22. Notes payable to a bank

The amount represents discounted bills with recourse in which the Group remains the credit risk of the bills receivable and the carrying amount approximated to the corresponding fair value.

應付銀行票據

此金額為已貼現之附追索權票據，本集團仍保持此應收票據之信貸風險，其賬面值接近其公平價值。

23. Share capital of the company

公司股本

		Number of shares 股份數目		Share capital 股本	
		2005 二零零五年 (in thousand) (以千位計)	2004 二零零四年 (in thousand) (以千位計)	2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
<i>Issued and fully paid:</i>	已發行及 繳足股本：				
At 1 January	於一月一日	385,269	385,018	38,527	38,502
Shares issued under the Scheme	根據制度發行 之股份	1,791	1,799	179	180
Shares repurchased and cancelled	回購及註銷 之股份	—	(1,548)	—	(155)
At 31 December	於十二月三十一日	387,060	385,269	38,706	38,527

The authorised share capital of the Company is HK\$50 million, comprising 500 million shares of HK\$0.10 each.

During the year, 1,791,000 shares were issued at par to eligible employees and members of management under the Scheme.

On 21 February 2006, the Group 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 at par in the Company upon the expiry of a defined qualification period.

本公司之法定股本為港幣五千萬，分為五億股，每股面值港幣0.10元。

於年內，本公司根據僱員股份獎勵制度，向合資格之僱員及管理階層成員按面值發行1,791,000股。

於二零零六年二月二十一日，本集團議決供款港幣180,000元，使制度之信託人於指定之合格期間屆滿時，得以按面值認購本公司股份共1,800,000股。

24. Employee Share Incentive Scheme

The Scheme 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.

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 upon expiration of the defined qualification period as determined by the Board of Directors. The vesting period for the year is from 24 February 2005 to 15 December 2005. 1,791,000 of these shares entitlements were issued on 15 December 2005 and the estimated fair value of these shares at the date of grant amounted to approximately HK\$56,954,000. 9,000 shares were unallotted by the Company on the same date. The fair value was determined with reference to market value of shares at date of grant, and adjusted for the terms and condition upon which the shares are granted.

On 21 February 2006, 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 upon the expiration of a defined qualification period.

僱員股份獎勵制度

此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）。

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能就本集團僱員及管理階層成員於董事會指定合格期間屆滿時，為其受益認購合共1,800,000股本公司股份。本年度的歸屬期為二零零五年二月二十四日至二零零五年十二月十五日。於二零零五年十二月十五日已發行1,791,000股，於授予日該項股份之估計公平價值為港幣56,954,000元。在當日公司已註銷其中未被發行的9,000股。公平價值乃參照股份授予當日之市場價值決定，並根據授予股份之條款作調整。

董事會於二零零六年二月二十一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受益認購合共1,800,000股本公司股份。

Notes to the Financial Statements continued

財務報表附註續

25. Deferred taxation

A summary of the major deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting periods is as follows:

遞延稅項

於本年及去年資產負債表中確認的主要遞延稅項負債及資產及其變動概述如下：

		Accelerated tax depreciation 加速折舊免稅額 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Others 其他 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
The Group	集團				
At 1 January 2004	於二零零四年一月一日	22,439	(13,031)	(2,534)	6,874
(Credit) charge to income for the year	本年度收入之(抵免)支出	(19,473)	13,031	(20)	(6,462)
Exchange differences	匯兌差額	(3)	—	(23)	(26)
At 31 December 2004 and 1 January 2005	於二零零四年十二月 三十一日及二零零五年 一月一日	2,963	—	(2,577)	386
Charge (credit) to income for the year	本年度收入之支出(抵免)	9,888	(6,695)	(724)	2,469
Exchange differences	匯兌差額	(5)	3	(14)	(16)
At 31 December 2005	於二零零五年十二月 三十一日	12,846	(6,692)	(3,315)	2,839

25. Deferred taxation continued

The following is the analysis of the deferred tax balances for balance sheet presentation purpose:

遞延稅項續

以下為遞延稅項結餘按資產負債表列賬所作之分析：

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Deferred tax liabilities	遞延稅項負債	2,957	2,385
Deferred tax assets	遞延稅項資產	(118)	(1,999)
		2,839	386

At 31 December 2005, the Group has unused tax losses of HK\$179,317,000 (2004: HK\$139,233,000) available to offset future taxable profits. At 31 December 2005, a deferred tax asset amounted to HK\$6,692,000 (2004: nil) was recognised for such losses and no deferred tax asset was recognised in respect of the remaining tax losses of HK\$141,077,000 (2004: HK\$139,233,000) due to the unpredictability of future profit stream. Included in unrecognised tax losses are losses of HK\$41,444,000 that will expire during the year 2007 to 2012 (2004: HK\$31,302,000 that will expire during the year 2007 to 2011). Other losses may be carried forward indefinitely.

在二零零五年十二月三十一日，本集團有港幣179,317,000元（二零零四年：港幣139,233,000元）的可用於抵銷未來應課稅溢利的稅務虧損。於二零零五年十二月三十一日，當中就該虧損確認了港幣6,692,000元（二零零四年：無）的遞延稅項資產。剩餘的稅務虧損為港幣141,077,000元（二零零四年：港幣139,233,000元），因為未來溢利的不可預見性，所以未能確認為遞延稅項資產。於未確認的稅務虧損中有港幣41,444,000元將於二零零七年至二零一二年到期（二零零四年：港幣31,302,000元的虧損將於二零零七年至二零一一年到期）。其他虧損可以無限期地結轉後期。

Notes to the Financial Statements continued

財務報表附註續

26. Purchase of a subsidiary

On 1 January 2004, the Group acquired 100% of the issued share capital of ASM Pacific Assembly Products, Inc. for a cash consideration of HK\$466,000. This transaction was accounted for using the purchase method of accounting.

收購一間附屬公司

本集團於二零零四年一月一日以現金代價港幣466,000元收購ASM Pacific Assembly Products, Inc.之全部已發行的股份。此交易以收購方式入賬。

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Net assets acquired:	收購資產淨值：		
Inventories	存貨	—	165
Trade and other receivables	貿易及其他應收賬款	—	3,308
Bank balances and cash	銀行結餘及現金	—	2,196
Trade and other payables	貿易及其他應付賬款	—	(5,203)
		—	466
Cash consideration	現金代價	—	466
Net cash inflow arising on acquisition:	收購帶來的淨現金收入：		
Cash consideration	現金代價	—	(466)
Bank balances and cash acquired	收購的銀行結餘及現金	—	2,196
		—	1,730

The subsidiary acquired did not make any significant contribution to the results and cash flows of the Group in the previous year.

去年該附屬公司之收購並無對本集團的業績及現金流量帶來重大的貢獻。

27. Contingent liabilities

或然負債

		The Group 集團 2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Guarantees given to Singapore government for working permit of foreign workers in Singapore	給予新加坡政府為外地工人於新加坡工作提供擔保	581	715

Notes to the Financial Statements continued

財務報表附註續

28. Capital commitments

資本承擔

		The Group 集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the financial statements	已簽約但未於財務報表內備撥之有關購買物業、廠房及設備之資本支出	17,279	37,311
Capital expenditure in respect of acquisition of property, plant and equipment authorised but not contracted for	已批准但尚未簽約之有關購買物業、廠房及設備之資本支出	180,895	156,671
		198,174	193,982

The Company had no significant capital commitments at the balance sheet date.

本公司在資產負債表結算日並無重大資本承擔。

29. Operating lease commitments

營業租約承擔

At 31 December 2005, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of property interest in land and buildings which fall due as follows:

於二零零五年十二月三十一日，本集團根據不可撤銷營業租約就土地及樓宇之權益之未來最低租約付款承擔為：

		The Group 集團	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Within one year	一年內	28,700	25,915
In the second to fifth years inclusive	第二年至第五年(包括首尾兩年)	54,499	46,714
Over five years	超過五年	25,824	29,314
		109,023	101,943

Operating lease payments represent rentals payable by the Group for certain of its manufacturing plants, office properties and quarters. Except for land leased from the Singapore Housing & Development Board for a period of 30 years (renewable upon expiry for a further term of 30 years), other leases are negotiated for an average terms of two to five years.

營業租約付款為本集團就若干廠房、辦公室及宿舍之應付租金。除了向新加坡房屋及發展委員會租用為期三十年的土地外(並可續約三十年)，其他租約平均每兩年至五年釐定一次。

The Company had no operating lease commitments at the balance sheet date.

本公司在資產負債表結算日並無營業租約承擔。

30. Share option schemes

ASM International has adopted various share option schemes for the primary purpose of providing incentives to the directors and eligible employees of ASM International and its subsidiaries. Under these schemes, key employees of ASM International and its subsidiaries may purchase a specific number of shares of ASM International. Options are priced at market value in Euros or US dollars on the date of grant, are generally vesting in equal parts over a period of five years and generally will expire after five or ten years.

A summary of the movements of share options of ASM International granted to the directors of the Company and eligible employees of the Company and its subsidiaries in respect of services provided to ASM International is as follows:

認股權計劃

ASM International採用以數種認股權計劃以獎勵ASM International及其附屬公司的董事及合資格員工。根據這些計劃，ASM International及其附屬公司的主要員工，可購買指定數量的ASM International股票。認股權定價為授予當日以歐元或美元為單位的市價。一般而言，該等認股權可於五年內以相等數額分期行使，並於五年或十年後到期。

有關ASM International認股權授予本公司董事及本公司和其附屬公司的合資格員工有關其提供給ASM International的服務的變動概述如下：

		Held by directors 董事持有	Held by eligible employees 合資格員工持有
At 1 January 2004	於二零零四年一月一日	382,000	319,700
Exercised during the year	於本年內行使	(25,000)	(27,910)
At 31 December 2004	於二零零四年十二月三十一日	357,000	291,800
Forfeited during the year	於本年內沒收	—	(2,000)
Exercised during the year	於本年內行使	—	(3,200)
At 31 December 2005	於二零零五年十二月三十一日	357,000	286,600

The exercise prices of the above outstanding options are ranged from US\$15.44 to US\$19.32 (2004: Ranged from US\$15.44 to US\$19.32).

以上已發行認股權行使價格介乎15.44美元至19.32美元之間(二零零四年：介乎15.44美元至19.32美元之間)。

31. Connected and related party transactions

- (a) During the year, the Group paid an annual management fee of HK\$1,500,000 (2004: HK\$1,500,000) to ASM International under a consultancy agreement between ASM International and the Company. Pursuant to the agreement, ASM International acts as a consultant, introduces new business and provides assistance in business development, general management support and services, international expertise and market information to the Group. The agreement, which commenced on 5 December 1988, was for an initial period of three years and is terminable thereafter by six months' notice in writing by either party.
- (b) On 10 August 2005, the Company entered into a service agreement (the "Service Agreement") with ASM Front-End Manufacturing Singapore Pte. Ltd. ("FEMS"), a wholly owned subsidiary of ASM International. Pursuant to the Service Agreement, the Group provides computer software installation consultancy services to FEMS in its implementation of a particular enterprise resources planning software in its production facility in Singapore, at a quarterly fee of US\$90,000. The Service Agreement was for a term of one year and commenced from 16 August 2005 to 15 August 2006. Details of the Service Agreement are set out in the announcement dated 15 August 2005 made by the Company. Management service fee received during the year amounted to approximately HK\$1,047,000 (2004: nil).

關聯及關連交易

- (a) 根據一項由ASM International與本公司簽訂之管理協議，集團於本年度向ASM International支付管理費港幣1,500,000元（二零零四年：港幣1,500,000元）。根據該協議，ASM International擔任本集團顧問，為本集團介紹新業務及提供業務發展之協助、一般管理支援及服務、國際專業知識及市場資訊。該協議由一九八八年十二月五日起生效，初期為時三年，其後可由任何一方以六個月書面通知而終止。
- (b) 於二零零五年八月十日，本公司與ASM International之全資附屬公司ASM Front-End Manufacturing Singapore Pte. Ltd.（「FEMS」）簽訂了一項服務協議。根據該服務協議，本集團向FEMS提供電腦軟件安裝的顧問服務，為其位於新加坡的生產設施安裝一個特定的企業資源計劃軟件，每季費用為美元90,000元。該服務協議為期一年由二零零五年八月十六日至二零零六年八月十五日止。服務協議之詳細內容已刊載於本公司於二零零五年八月十五日之公告。於本年度，本集團已收取之服務費約為港幣1,047,000元（二零零四年：無）。

31. Connected and related party transactions continued

(c) On 16 March 2004, the Company entered into a management and production agreement (the "M & P Agreement") with ASM International. The M & P Agreement was commenced from the date of the Agreement for a term of one year and is terminable by three months' notice in writing by either party. Details of the M & P Agreement are set out in the announcement dated 18 March 2004 made by the Company.

Pursuant to the M & P Agreement, the Group provides management services (including services for administration and financial matters and provision of supporting personnel) to ASM International group companies in respect of the production facility of ASM International established in the Republic of Singapore, at a quarterly fee of HK\$375,000 (2004: HK\$375,000). Management service fee received during the year amounted to HK\$1,500,000 (2004: HK\$1,187,500).

In addition, the Group also agrees to manufacture metal parts for ASM International at a cost-plus basis. The manufacture of metal parts for ASM International during the year amounted to approximately HK\$8,279,000 (2004: HK\$1,996,000).

關聯及關連交易續

(c) 於二零零四年三月十六日，本公司與ASM International簽訂了一項管理及生產協議（「M & P」協議）。該M & P協議由簽訂日起生效，為期一年，可由任何一方以三個月書面通知而終止。M & P協議之詳細內容已刊載於本公司於二零零四年三月十八日之公告。

根據該M & P協議，本集團為ASM International集團公司於新加坡設立之生產設施提供管理服務（包括行政與財務事宜之服務及提供人事支援），每季費用為港幣375,000元（二零零四年：港幣375,000元）。於本年度，本集團已收取之管理費為港幣1,500,000元（二零零四年：港幣1,187,500元）。

本集團更同意以成本加成基準為ASM International製造金屬配件。於本年度，本集團製造此等金屬配件總值約為港幣8,279,000元（二零零四年：港幣1,996,000元）。

31. Connected and related party transactions continued

關聯及關連交易續

- (d) Compensation of key management personnel
The emoluments of directors and other members of key management during the year was as follows:

- (d) 主要管理人員之薪酬
本年度董事及其他主要管理成員之
酬金如下：

		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Short-term benefits	短期利益	23,731	22,034
Share-based payments	以股份支付的支出	13,992	45
		37,723	22,079

Certain shares of the Company were issued to the key management under the Scheme. The estimated fair value of such shares were included in short-term benefits for the year ended 31 December 2005. For the year ended 31 December 2004, the value of such shares is calculated with reference to the nominal value of such shares in accordance with the preceding accounting standards.

The emoluments of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

- (e) During the year ended 31 December 2004, the Group acquired the entire interest of a subsidiary from ASM International at a consideration of HK\$466,000.

本公司根據制度向主要管理層發行若干本公司股份。該等股份估計之公平價值已包括在二零零五年十二月三十一日止年度的短期利益內。截至二零零四年十二月三十一日止年度，該等股份之價值乃依據其按照以前會計準則之賬面值而計算。

董事及主要行政人員的酬金乃由薪酬委員會視乎個人表現及市場趨向而決定。

- (e) 於二零零四年十二月三十一日年度，集團以港幣466,000元之代價向ASM International收購旗下一間附屬公司之所有權益。

Notes to the Financial Statements continued

財務報表附註續

32. Particulars of principal subsidiaries of the Company 集團主要附屬公司之摘要

Details of the principal subsidiaries at 31 December 2005 are as follows:

於二零零五年十二月三十一日之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊/成立之地方	Nominal value of issued capital 已發行股本之賬面值	Proportion of nominal value of issued ordinary share/registered capital held by the Company 本公司所持已發行普通股份/註冊股本賬面值之比例		Principal activities 主要業務		
			Directly 直接	Indirectly 間接			
ASM Asia Limited 先進半導體器材有限公司	Hong Kong 香港	HK\$27,000 港幣27,000元	Fixed-rate participating shares 分享固定利息股份	Ordinary shares/ registered capital 普通股份/註冊股本	100%	—	Providing purchasing services to group companies 提供採購服務予集團內公司
ASM Assembly Automation Limited 先進自動器材有限公司	Hong Kong 香港	HK\$100,000 港幣100,000元	—	—	100%	—	Manufacture and sale of semiconductor equipment 製造及出售半導體器材
ASM Assembly Equipment Bangkok Limited	Thailand 泰國	—	—	Baht7,000,000 泰銖7,000,000	—	100%	Agency and marketing service 代理及市場推廣
ASM Assembly Equipment (M) Sdn. Bhd.	Malaysia 馬來西亞	—	—	MYR10,000 10,000馬來西亞元	—	100%	Agency and marketing service 代理及市場推廣
ASM Semi-conductor Materials (Shenzhen) Co., Ltd.* 先進半導體材料(深圳)有限公司*	PRC 中國	—	—	US\$11,000,000 11,000,000美元	—	100%	Manufacture of semiconductor materials 製造半導體物料
ASM Assembly Equipment Trading (Shanghai) Co., Limited* 先進自動器材國際貿易(上海)有限公司*	PRC 中國	—	—	US\$200,000 200,000美元	—	100%	Trading in semiconductor equipment 買賣半導體器材
ASM Assembly Materials Limited 先進半導體物料科技有限公司	Hong Kong 香港	HK\$2,000,000 港幣2,000,000元	—	—	100%	—	Trading of semiconductor materials 買賣半導體物料
ASM Assembly Products B.V.	Netherlands 荷蘭	—	—	EUR 18,151 歐元18,151	100%	—	Trading in semiconductor equipment 買賣半導體器材
ASM Assembly Technology Co., Limited	Japan 日本	—	—	JPY10,000,000 10,000,000日圓	100%	—	Trading in semiconductor equipment 買賣半導體器材
ASM Pacific (Bermuda) Limited	Bermuda 百慕達	—	—	US\$120,000 120,000美元	—	100%	Insurance services to group companies 集團內公司之保險服務
ASM Pacific International Marketing Limited	Cayman Islands 開曼群島	—	—	HK\$100 港幣100元	100%	—	Investment holding 投資控股
ASM Pacific Investments Limited 先進太平洋投資有限公司	Hong Kong 香港	—	—	HK\$2 港幣2元	100%	—	Investment holding and agency services 投資控股及代理服務
ASM Pacific KOR Limited	Hong Kong 香港	—	—	HK\$500,000 港幣500,000元	100%	—	Marketing services in Korea 在韓國作市場推廣
ASM Technology Singapore Pte Limited	Singapore 新加坡	—	—	S\$53,000,000 53,000,000新加坡元	100%	—	Manufacture and sale of semiconductor equipment and materials 製造及出售半導體器材及物料

Notes to the Financial Statements continued

財務報表附註續

32. Particulars of principal subsidiaries of the Company continued

集團主要附屬公司之摘要續

Details of the principal subsidiaries at 31 December 2005 are as follows:

於二零零五年十二月三十一日之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊/成立之地方	Nominal value of issued capital 已發行股本之賬面值	Proportion of nominal value of issued ordinary share/registered capital held by the Company 本公司所持已發行普通股份/註冊股本賬面值之比例		Principal activities 主要業務	
			Fixed-rate participating shares 分享固定利息股份	Ordinary shares/ registered capital 普通股份/ 註冊股本		Directly 直接
ASM Pacific Assembly Products, Inc.	United States of America 美國	—	US\$60,000 60,000美元	—	100%	Trading in semiconductor equipment 買賣半導體器材
ASM Technology (M) Sdn. Bhd.	Malaysia 馬來西亞	—	MYR74,000,000 74,000,000馬來西亞元	100%	—	Manufacture of semiconductor equipment and materials 製造半導體器材及物料
Edgeward Development Limited	Guernsey, Channel Islands 海峽群島根西島	—	US\$10,000 10,000美元	—	100%	Investment holding and provision of manufacturing and marketing infrastructure in Mainland China and Asia 投資控股及在中國大陸及亞洲提供製造及市場推廣基礎
Shenzhen ASM Micro Electronic Technology Co., Limited 深圳先進微電子科技 有限公司	PRC 中國	—	(Note) (附註)	—	(Note) (附註)	Manufacture of parts of semiconductor equipment 製造半導體器材配件

32. Particulars of principal subsidiaries of the Company continued

Note:

Under a joint venture agreement, the Group has committed to contribute 100% of the registered capital of HK\$477,300,000 in Shenzhen ASM Micro Electronic Technology Co., Limited ("MET"), a co-operative joint venture company established in the PRC with a term of 10 years commencing October 1994. On 23 February 2004, the term was approved to extend for a further period of five years to October 2009. At 31 December 2005, the Group has paid up approximately HK\$447,300,000 as registered capital of MET. The Group has to bear the entire risk and liabilities of MET and, other than a fixed annual amount attributable to assets contributed by the PRC joint venture partner, is entitled to the entire profit or loss of MET. On cessation of the joint venture company, the Group will be entitled to all assets other than those contributed by the PRC joint venture partner and those irremovable building improvements. On 1 April 2004, the Group applied for the de-registration of Shenzhen ASM Precision Machinery Manufactory Limited ("PMM") and approval to merge the operations of PMM with MET. PMM is the subsidiary of the Company as at 31 December 2004. On 27 July 2005, the de-registration of PMM was approved and the operations of PMM were merged with MET from that date.

*Established as a wholly foreign owned enterprise in the PRC.

集團主要附屬公司之摘要續

附註：

依照合資經營合約，本集團注資於中國註冊成立之合作經營公司深圳先進微電子科技有限公司（「微電子科技」）佔該公司註冊股本港幣477,300,000元之100%。合作期由一九九四年十月起，為期十年。於二零零四年二月二十三日，該合資經營合約之合作期已獲當局批准再延長五年至二零零九年十月。於二零零五年十二月三十一日，本集團已支付約港幣447,300,000元作為微電子科技的註冊資本。然而，根據合資經營合約，除中國合資經營股東就其所投資資產應佔之每年定額款項外，本集團將負擔微電子科技全部風險及負債，並可享有或承擔微電子科技之全部溢利或虧損。合資經營公司於停業後，除中國合資經營股東所投資之資產及不可移動之建築物裝修外，本集團可享有微電子科技之所有其他資產。於二零零四年四月一日，本集團為深圳先進精密機械製造有限公司申請撤銷註冊，並將其經營業務和微電子科技合併。於二零零四年十二月三十一日深圳先進精密機械製造有限公司為集團的附屬公司，於二零零五年七月二十七日，有關其撤銷註冊已獲當局批准並由該日將其經營業務和微電子科技合併。

*在中國成立為外商獨資企業。

32. Particulars of principal subsidiaries of the Company continued

Note: continued

All the principal subsidiaries operate predominantly in their respective place of incorporation/establishment unless specified otherwise under the heading “principal activities”.

The fixed-rate participating shares of the subsidiaries are held by ASM International. These shares carry no voting rights, no rights to participate in a distribution of profits, and very limited rights on a return of capital.

No debt security has been issued by any of the subsidiaries at any time during the year or is outstanding at the end of the year.

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

集團主要附屬公司之摘要續

附註：續

除在「主要業務」項內另有說明外，所有主要附屬公司均於其個別之註冊 / 成立之地方經營其主要業務。

附屬公司之分享固定利息股份均由ASM International所持有，該等股份不享有投票之權利，亦無權享有分派之溢利，並在股本退還時只享有非常有限之權利。

各附屬公司在是年度概無發行貸款證券，或在年結時無未償還之貸款證券。

董事會認為上表列出本集團之附屬公司，對本集團之業績或資產有重要影響。董事會認為載列其他附屬公司之詳情會使篇幅過於冗長。