

Directors' Report

董事會報告

The directors present their annual report and the audited financial statements for the year ended 30th April, 2004.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of the Company's principal subsidiaries and associate are set out in notes 19 and 20 to the financial statements respectively.

RESULTS

The results of the Group for the year ended 30th April, 2004 are set out in the consolidated income statement on page 35.

SHARE CAPITAL AND WARRANTS

Movements in the share capital and warrants of the Company during the year are set out in note 28 to the financial statements.

SHARE PREMIUM AND RESERVES

Movements in the share premium and reserves of the Group and the Company during the year are set out in note 29 to the financial statements.

TANGIBLE FIXED ASSETS

During the year,

- (a) certain properties for own use were reclassified as investment properties.
- (b) the Group acquired property, plant and equipment at an aggregate cost of HK\$83 million.

Details of these and other movements in the investment properties and property, plant and equipment of the Group during the year are set out in notes 15 and 16 to the financial statements respectively.

MAJOR PROPERTY

Details of the Group's major property at 30th April, 2004 are set out on page 96.

董事會同寅謹此提呈截至二零零四年四月三十日止年度之年報及經審核財務報告。

主要業務

本公司為投資控股公司，其主要附屬公司及聯營公司之業務分別載於財務報告附註19及20。

業績

本集團截至二零零四年四月三十日止年度之業績載於第35頁之綜合收益表。

股本及認股權證

本公司年內股本及認股權證之變動載於財務報告附註28。

股份溢價及儲備

本集團及本公司之股份溢價及儲備年內之變動載於財務報告附註29。

有形固定資產

年內，

- (a) 若干自用物業重新分類為投資物業。
- (b) 本集團以83,000,000港元之總成本添置物業、機器及設備。

本集團投資物業與物業、機器及設備於年內就上述及其他之變動詳情分別載於財務報告附註15及16。

主要物業

本集團於二零零四年四月三十日之主要物業詳情載於第96頁。

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MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 30th April, 2004, the percentages of the Group's turnover and purchases attributable to its major customers and suppliers are as follows:

		%
Turnover attributable to:	所佔營業額：	
Largest customer	最大客戶	59
Five largest customers	五大客戶	77
Purchases attributable to:	所佔採購額：	
Largest supplier	最大供應商	13
Five largest suppliers	五大供應商	50

ASAT Limited is the largest customer of the Group referred to above. Details of the transactions between the Group and ASAT Limited are set out in note 38 to the financial statements. ASAT Limited is a wholly owned subsidiary of ASAT Holdings Limited ("ASAT"), an indirect associate of the Company. In the opinion of the directors, such transactions were carried out on terms no more favourable than terms available to independent third parties.

Save as aforementioned, at no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors of the Company owned more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest customers or suppliers.

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Mr. Li Tung Lok (*Chairman*)
 Mr. Henry Cheng Hoi Tao
 Mr. Robert Charles Nicholson *
 Mr. Robert Sze Tsai To *
 Mr. Alex Wong Chun Bong *
 Mr. Francis Leung Pak To *
 (resigned on 23rd September, 2003)

* *Independent non-executive director*

There being no provision to the contrary in the Company's Bye-laws, all present directors continue in office.

主要客戶及供應商

截至二零零四年四月三十日止年度，主要客戶及供應商所佔本集團之營業額及採購額之百分比如下：

樂依文科技有限公司為上文所指之本集團最大客戶。有關本集團與樂依文科技有限公司之交易詳情載於財務報告附註38。樂依文科技有限公司為本公司之間接聯營公司ASAT Holdings Limited(「樂依文」)之全資附屬公司。董事認為，該等交易之條款並不遜於與獨立第三者交易之條款。

除上述者外，本公司各董事、其聯繫人士或股東(就本公司董事所知擁有本公司已發行股本超過5%者)於本年度內任何時間均並無擁有本集團五大客戶或供應商任何權益。

董事

本年度及截至本報告日期之本公司董事如下：

李同樂先生(主席)
 鄭海滔先生
 黎高信先生 *
 史習陶先生 *
 王振邦先生 *
 梁伯韜先生 *
 (於二零零三年九月二十三日辭任)

* *獨立非執行董事*

由於並無違反本公司之公司細則之規定，故此全部現任董事繼續留任。

DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

At 30th April, 2004, the interests and short position of the directors of the Company and their associates in the share capital and underlying shares attached to derivatives of the Company or any of its associated corporations as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

(a) The Company

董事擁有股份及相關股份之權益及淡倉

於二零零四年四月三十日，本公司根據證券及期貨條例（「證券及期貨條例」）第352條而設立之登記名冊所載，本公司董事及彼等之聯繫人士擁有本公司或其任何相聯法團之股本及衍生工具所附相關股份之權益及淡倉如下：

(a) 本公司

Name of director 董事姓名		Number of issued ordinary shares/underlying shares attached to derivatives 已發行普通股/衍生工具所附相關股份數目				
		Personal interests 個人權益	Family interests 家屬權益	Corporate interests 公司權益	Total 總計	Percentage 百分比
Mr. Li Tung Lok	李同樂先生					
- Ordinary shares in issue	- 已發行普通股	181,487,246	2,500,000	15,492,454	199,479,700	
			(Note 附註 a)	(Note 附註 b)		
- Unlisted share options	- 非上市購股權	12,725,000	-	-	12,725,000	
Long position	好倉	194,212,246	2,500,000	15,492,454	212,204,700	33.19%
Short position	淡倉	-	-	-	-	-
Mr. Henry Cheng Hai Tao	鄭海滔先生					
- Ordinary shares in issue	- 已發行普通股	100,000	-	-	100,000	
- Unlisted share options	- 非上市購股權	185,000	-	-	185,000	
Long position	好倉	285,000	-	-	285,000	0.04%
Short position	淡倉	-	-	-	-	-

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DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES (Continued)

Notes:

- (a) The family interests of 2,500,000 shares represents the interest of the wife of Mr. Li Tung Lok.
- (b) Mr. Li Tung Lok is the controlling shareholder of Solar Forward Company Limited which owns 15,492,454 shares of the Company.

(b) Associated corporation

董事擁有股份及相關股份之權益及淡倉 (續)

附註：

- (a) 家屬權益之2,500,000股股份乃李同樂先生配偶之權益。
- (b) 李同樂先生乃 Solar Forward Company Limited之控股股東，而該公司擁有本公司15,492,454股股份。

(b) 相聯法團

Number of issued ordinary shares/
underlying shares attached to derivatives of ASAT
樂依文之已發行普通股/衍生工具所附相關股份數目

Name of director 董事姓名		Personal interests 個人權益	Family interests 家屬權益	Corporate interests 公司權益	Total 總計	Percentage 百分比
Mr. Li Tung Lok 李同樂先生						
- Ordinary shares in issue - 已發行普通股		1,448,000	-	-	1,448,000	
- Unlisted share options - 非上市購股權		2,500,000	-	-	2,500,000	
Long position 好倉		3,948,000	-	-	3,948,000	0.58%
Short position 淡倉		-	-	-	-	-

Save as disclosed herein and for shares in subsidiaries held by the directors in trust for their immediate holding companies, at 30th April, 2004, none of the directors or chief executives of the Company, nor their associates, had any interest or short position in any securities or derivative of the Company or any of its associated corporations as defined in the SFO.

除上文所披露者及董事以信託方式代直接控股公司持有附屬公司之股份外，於二零零四年四月三十日，本公司董事、主要行政人員或彼等之聯繫人士概無擁有本公司或其任何相聯法團(定義見證券及期貨條例)之任何證券或衍生工具之任何權益或淡倉。

REQUIRED STANDARD OF SECURITIES DEALINGS BY DIRECTORS

During the year under review, the Company had adopted a code of conduct for directors' securities transactions on terms no less exacting than the required standard of dealing set out in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules").

Having made specific enquiry with all the directors, the directors of the Company confirmed that they had complied with the required standard of dealings and the code of conduct for directors' securities transactions during the year under review.

SHARE OPTIONS

(a) The Company

Particulars of the Company's share option scheme are set out in note 28 to the financial statements.

The following table discloses movements in the Company's share options during the year:

	Option type	Outstanding at 1st May, 2003 於 二零零三年 五月一日 尚未行使	Lapsed during the year	Outstanding at 30th April, 2004 於 二零零四年 四月三十日 尚未行使
Category 1: Directors	第一類：董事			
Mr. Li Tung Lok	李同樂先生	12,725,000	-	12,725,000
Mr. Henry Cheng Hoi Tao	鄭海滔先生	185,000	-	185,000
Total	總計	12,910,000	-	12,910,000
Category 2: Employees	第二類：僱員			
	A	9,485,000	(2,110,000)	7,375,000
	B	100,000	-	100,000
Total	總計	9,585,000	(2,110,000)	7,475,000
Total all categories	所有類別總計	22,495,000	(2,110,000)	20,385,000

董事證券交易之必守標準

於回顧年度內，本公司已採納一套不低於證券上市規則（「上市規則」）附錄10所規定之交易必守標準之董事證券交易守則。

經向所有董事作出特定查詢後，本公司董事確認，彼等於回顧年度內一直遵守交易必守標準及董事證券交易守則。

購股權

(a) 本公司

本公司購股權計劃之詳情載於財務報告附註28。

下表披露本公司購股權於年內之變動：

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SHARE OPTIONS (Continued)

(a) The Company (Continued)

Details of specific categories of options are as follows:

Option type 購股權類別	Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價
			HK\$ 港元
A	28th April, 2000 二零零零年 四月二十八日	28th April, 2000 to 25th May, 2005 二零零零年四月二十八日 至二零零五年五月二十五日	7.97
B	31st May, 2000 二零零零年 五月三十一日	31st May, 2000 to 25th June, 2005 二零零零年五月三十一日 至二零零五年六月二十五日	8.40

(b) Associated corporation

Pursuant to a Stock Option Exchange Program offered by ASAT in prior year, 2,500,000 new stock options were granted to Mr. Li Tung Lok on 29th August, 2003, as follows:

購股權 (續)

(a) 本公司 (續)

個別類別購股權詳情如下：

(b) 相聯法團

根據樂依文去年所提出之購股權交換計劃，李同樂先生於二零零三年八月二十九日獲授 2,500,000 份新購股權，詳情如下：

Date of grant	Date of acceptance	Date of expiry	Vesting period from date of grant	Subscription price per ADS (Note)	Number of ordinary share options outstanding at 30th April, 2004 於二零零四年四月三十日尚未行使之普通股購股權數目
授出日期	接納日期	屆滿日期	自授出日期起計之等待期	每股 ADS 認購價 (註)	購股權數目
				US\$ 美元	
29th August, 2003 二零零三年 八月二十九日	27th October, 2003 二零零三年 十月二十七日	28th August, 2013 二零一三年 八月二十八日	1 year 一年	1.44	2,500,000

Note: One American Depository Share ("ADS") represents 5 ordinary shares of ASAT.

註：每股美國預託證券（「ADS」）相等於 5 股樂依文普通股。

No options were exercised during the year.

年內概無購股權獲行使。

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Except for the share options granted to certain directors of the Company as described in the sections headed "Directors' Interests and Short Position in Shares and Underlying Shares" and "Share Options" and the warrants of the Company held by a director as described in note 28 to the financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors or chief executives, nor their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

- (a) In prior years, the Group entered into a long term agreement with ASAT and its subsidiaries ("ASAT Group") for the supply of leadframes to ASAT Group at a price equal to fair market value in an arm's length transaction plus a premium of not less than 5%. In consideration for the premium on leadframes, the Group carried the leadframe inventory requirements of ASAT Group and provided quick delivery of products. The agreement expired on 30th April, 2004.
- (b) The Group entered into a new tenancy agreement for a lease period of 3 years with ASAT Group for leasing certain properties to ASAT Group at the prevailing fair market price in an arm's length transaction commencing in April 2004.
- (c) The Group entered into a chemical waste disposal services agreement with ASAT Group for which ASAT Group will pay the Group 10% of the Group's costs associated with its chemical waste disposal operations, subject to an adjustment according to usage as agreed between ASAT Group and the Group.

購買股份或債券之安排

除「董事擁有股份及相關股份之權益及淡倉」及「購股權」兩節所述本公司若干董事獲授之購股權，以及財務報告附註28所述一位董事持有之本公司認股權證外，本公司或其任何附屬公司於年內任何時間並無參與任何安排，使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益，而各董事、主要行政人員、彼等之配偶或18歲以下之子女於本年度內亦無擁有或行使任何可認購本公司證券之權利。

董事於重要合約之利益

- (a) 往年，本集團與樂依文及其附屬公司（「樂依文集團」）訂立長期協議，按正常交易之公平市值加不少於5%之溢價向樂依文集團供應引線框。作為獲取引線框溢價之代價，本集團向樂依文集團提供其對引線框存貨之需求及迅速供應其所需產品。該協議於二零零四年四月三十日屆滿。
- (b) 本集團與樂依文集團訂立為期三年之新租約，以現行公平市值向樂依文集團出租若干物業，自二零零四年四月開始。
- (c) 本集團與樂依文集團訂立化學廢料處理服務協議，樂依文集團須向本集團支付由本集團處理有關化學廢料成本之10%，惟可按用量經樂依文集團與本集團協商後作出調整。



DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE *(Continued)*

(d) The Group entered into an agreement with ASAT Group under which ASAT Group provides the Group with management information services and in return, the Group pays a portion of ASAT Group's costs associated with its management information system operation subject to an adjustment according to usage as agreed between ASAT Group and the Group.

Details of the Group's transactions with ASAT Group are set out in note 38 to the financial statements. In the opinion of the directors of the Company, these transactions were carried out in the ordinary course of business of the Group and on normal commercial terms.

Save as aforementioned, no contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACTS

No contract of significance concerning the management and administration of the whole or any substantial part of the business of the Company or any of its subsidiaries was entered into during the year or subsisted at the end of the year.

No director was a party to a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation).

董事於重要合約之利益 (續)

(d) 本集團與樂依文集團訂立協議，由樂依文集團向本集團提供管理資訊服務，而本集團則支付樂依文集團有關管理資訊系統之部份營運成本，惟可按用量經樂依文集團與本集團協商後作出調整。

本集團與樂依文集團交易之詳情載於財務報告附註38。本公司董事認為，該等交易於本集團日常業務中按照一般商業條款進行。

除上述者外，於年終或年內任何時間，本公司或其任何附屬公司概無訂立本公司董事直接或間接擁有重大利益之其他重要合約。

管理合約

於年內或年結日時並無就本公司或其任何附屬公司之全部或任何重大部份業務之管理及行政事務而簽訂或存在之重大合約。

董事概無與本公司或其任何附屬公司簽訂僱用公司在一年內不支付賠償(法定賠償除外)則不得終止之服務合約。

DISCLOSURE PURSUANT TO CHAPTER 13 OF THE LISTING RULES

At 30th April, 2004, the Group has two secured long term borrowings requiring an undertaking from Mr. Li Tung Lok, a director and a substantial shareholder of the Company, to maintain no less than a 30% shareholding of the Company or such other percentage shareholding by which a mandatory offer would be triggered under the Hong Kong Code on Takeovers and Mergers throughout the loan period. Details are as follows:

Type 種類	Outstanding amount 未償還金額	Tenure 年期
Secured long term bank loan	(i) US\$8 million (ii) US\$6.4 million	4 ¹ / ₂ years ending in April 2006 3 years ending in July 2005
有抵押長期銀行貸款	(i) 8,000,000美元 (ii) 6,400,000美元	四年半，於二零零六年四月到期 三年，於二零零五年七月到期

SUBSTANTIAL SHAREHOLDERS

At 30th April, 2004, to the best knowledge of the directors, the following parties (other than directors or chief executives of the Company) were recorded in the register kept by the Company under Section 336 of SFO and have relevant interests in the issued share capital of the Company.

Name of shareholders 股東名稱	Number of shares 股份數目	Approximate % of shareholding 股權概約之百分比
Value Partners Limited 惠理基金管理公司 (Note 附註 1)	38,463,000	6.02
Mr. Cheah Cheng Hye 謝清海先生 (Note 附註 2)	38,463,000	6.02

根據上市規則第13章作出之披露

於二零零四年四月三十日，本集團有兩項有抵押之長期借貸，須由本公司董事兼主要股東李同樂先生於整個借貸期間作出承諾，持有本公司股權不少於30%或根據香港公司收購及合併守則觸發強制收購之其他百分比之股權。有關詳情如下：

主要股東

於二零零四年四月三十日，就董事所知及本公司根據證券及期貨條例第336條存置之登記冊所示，以下人士(本公司董事或主要行政人員除外)於本公司已發行股本中擁有相關權益。

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SUBSTANTIAL SHAREHOLDERS (Continued)

Notes:

1. Value Partners Limited holds the shares in a capacity of investment manager.
2. Mr. Cheah Cheng Hye holds a 31.82% equity interest in Value Partners Limited and is accordingly deemed to be interested in the shares.

Save as disclosed above, the Company has not been notified of any other interest representing 5% or more of the issued share capital of the Company and recorded in the register of substantial shareholders maintained under Section 336 of the SFO as at 30th April, 2004.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares and warrants.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or under the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

AUDIT COMMITTEE

The Audit Committee meets and communicates regularly with the Group's senior management and the external auditors to consider and review the Group's financial statements, the nature and scope of audit and review, and the effectiveness of internal control systems and its compliance. The members consist of Mr. Robert Sze Tsai To, Mr. Robert Charles Nicholson and Mr. Alex Wong Chun Bong.

主要股東 (續)

附註：

1. 惠理基金管理公司以投資經理身份持有該等股份。
2. 謝清海先生持有惠理基金管理公司31.82%之股本權益，故被視為擁有該等股份。

除以上披露外，於二零零四年四月三十日，本公司並不知悉有任何其他人士擁有5%或以上本公司已發行股本，並記錄於根據證券及期貨條例第336條存置之主要股東名冊內。

購買、出售或贖回上市證券

本公司及其任何附屬公司於年內概無購買、出售或贖回本公司任何上市股份及認股權證。

優先購買權

本公司之公司細則或百慕達法例並無優先購買權之規定，規定本公司須按比例向現有股東發售新股份。

審核委員會

審核委員會與本集團之高級管理層及外界核數師定期舉行會議及溝通，以省覽及審閱本集團之財務報告、審核及審閱之性質及範圍、以及內部監控系統是否有效及遵守有關規例。委員會成員包括史習陶先生、黎高信先生及王振邦先生。

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 30th April, 2004 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except that the non-executive directors were not appointed for a specific term.

POST BALANCE SHEET EVENTS

Details of significant post balance sheet events are disclosed in note 39.

AUDITORS

A resolution will be submitted to the Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Li Tung Lok

Chairman

Hong Kong, 24th August, 2004

公司管治

除非執行董事並無指定任期外，本公司於截至二零零四年四月三十日止年度一直遵守香港聯合交易所有限公司證券上市規則附錄14所載之最佳應用守則。

結算日後事項

有關結算日後事項之詳情於附註39披露。

核數師

於本公司股東週年大會上將提呈一項關於續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

承董事會命

主席

李同樂

香港，二零零四年八月二十四日

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