

For the year ended 31 December 2002

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. Its ultimate holding company is ASM International N.V. (“ASM International”), a company incorporated in the Netherlands.

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 Adoption of new and revised statements of standard accounting practice

In the current year, the Group has adopted, for the first time, the following new and revised Statements of Standard Accounting Practice (“SSAP”s) issued by the Hong Kong Society of Accountants:

SSAP 1 (Revised)	Presentation of financial statements
SSAP 11 (Revised)	Foreign currency translation
SSAP 15 (Revised)	Cash flow statements
SSAP 33	Discontinuing operations
SSAP 34	Employee benefits

The adoption of these new and revised SSAPs has resulted in a change in the format of presentation of the cash flow statement and the statement of changes in equity, but has no effect on the results for the current or prior accounting periods. Comparative amounts for the prior period have been restated in order to achieve a consistent presentation.

3 Significant accounting policies

The financial statements have been prepared under the historical cost convention and have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) made up to 31 December each year. All significant 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.

截至二零零二年十二月三十一日止年度

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上市買賣。本公司之最終控股公司為於荷蘭註冊成立之ASM International N.V. (「ASM International」)。

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。

採納新頒及經修訂之會計實務準則

於本年度，本集團首次採納香港會計師公會頒布之若干新頒及經修訂之會計實務準則：

會計實務準則第1條(經修訂)	財務報表呈報
會計實務準則第11條(經修訂)	外幣匯兌
會計實務準則第15條(經修訂)	現金流量變動表
會計實務準則第33條	結束中業務
會計實務準則第34條	僱員福利

因採納該等新頒及經修訂之會計實務準則，導致現金流量變動表及股東權益變動表之提呈方式出現變動，惟對現行或過往會計期間之業績並無影響。為達致呈報方式一致，過往期間之比較數據已重新編列。

主要會計政策

財務報表乃按歷史成本規定及依據香港普遍採用之會計原則編製。本公司所採用之主要會計政策如下：

綜合基準

綜合財務報表包括截至每年十二月三十一日止本公司及其附屬公司(以下稱為「本集團」)之財務報表。所有集團內公司間之重大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。

3 Significant accounting policies (continued)

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is recognised as an asset and amortised on a straight line basis over its useful economic life.

Negative goodwill represents the excess of the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition over the cost of acquisition. Negative goodwill arising on acquisition prior to 1 January 2001 will be credited to income at the time of disposal of the relevant subsidiary. Negative goodwill arising on acquisition after 1 January 2001 is presented as a deduction from assets and will be released to income based on an analysis of the circumstances from which the balance resulted.

Revenue recognition

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

Interest income from bank deposits is accounted for on an accrual basis by reference to the principal outstanding and at the interest rates applicable.

Property, plant and equipment

Property, plant and equipment are stated at cost less 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, at the following rates per annum:

Leasehold land	Over the term of the lease
Buildings	4%
Leasehold improvements	33 $\frac{1}{3}$ %
Plant and machinery	10% to 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	10% to 20%

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost or directors' valuation less any identified impairment loss.

Income from investments in subsidiaries is accounted for when the Company's right to receive the dividend payment has been established.

主要會計政策(續)

商譽

於綜合賬目時產生之商譽指有關收購成本超出本集團於收購當日在附屬公司可辨認資產及負債之公平價值中所佔權益之部分。商譽乃確認為資產，並按其可用經濟年期以直線法攤銷。

負商譽指本集團於收購當日在附屬公司可辨認資產及負債之公平價值中所佔權益超出收購成本之部分。於二零零一年一月一日前因收購而產生之負商譽將於出售有關附屬公司時計入收益。於二零零一年一月一日後因收購而產生之負商譽列為資產減值，並將依據情況分析撥入收益計算，從而得出結餘。

收入確認

貨物銷售於付運貨物或當移交業權後確認。

銀行存款利息收入乃按尚存本金以適用利率按應計基準入賬。

物業、廠房及設備

物業、廠房及設備乃按成本減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用年期，按直線法以下列年率將其成本攤銷：

租約土地	按租約年期攤銷
樓宇	4%
租約物業裝修	33 $\frac{1}{3}$ %
機器設備	10% 至 33 $\frac{1}{3}$ %
傢俬、裝置及設備	10% 至 20%

資產出售或報廢所產生的盈虧，均按該資產出售所得與賬面價值之差額釐定，並列入收益報表內。

附屬公司投資

於附屬公司之投資乃按成本減任何已辨認減值虧損列入本公司之資產負債表。

於附屬公司之投資所得收益於公司確立其享有收取股息權利時入賬。

3 Significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the standard cost method, which closely approximates the actual cost 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.

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 received as subsidy for the Group's research and development activities are credited to the related project costs in the year in which the Group is entitled to such grant.

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. 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

The charge for taxation is based on the results for the year after adjusting for items which are non-assessable or disallowed. Certain items of income and expense are recognised for tax purposes in a different accounting period from that in which they are recognised in the financial statements. The tax effect of the resulting timing differences, computed using the liability method, is recognised as deferred taxation in the financial statements to the extent that it is probable that a liability or an asset will crystallise in the foreseeable future.

主要會計政策(續)

存貨

存貨乃按成本值或可變現淨值兩者之較低值入賬。成本乃按標準成本法，此等計算接近以先入先出方式之實際成本值。

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，因發展費用而產生之內部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。

倘並無內部無形資產可予確認，則發展費用於產生之期間確認為開支。

政府給予作為本集團研究及發展活動津貼之撥款於本集團享有該等津貼之年度從有關項目成本扣除。

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。倘本公司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。

倘某項減值虧損期後撤回，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

稅項支出乃根據已就毋須課稅或不可減免項目作出調整之本年度業績計算。由於就稅務確認若干收支項目之會計期間與在財務報表內確認之會計期間不同，故會出現時差，時差帶來之稅務影響以負債法計算，並只會可在預見將來會出現負債或資產之情況下在財務報表內確認。

3 Significant accounting policies (continued)

Operating leases

The rentals under operating leases are charged to the income statement on a straight line basis over the term of the relevant leases.

Foreign currencies

Transactions in foreign currencies are translated at the approximate rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, except funds advanced to subsidiaries which are regarded as permanent equity funding, are re-translated at the rates ruling on the balance sheet date. Gains and losses arising on exchange are dealt with in the income statement. Funds advanced to subsidiaries which, although not designated as capital, are regarded as permanent equity funding, are stated at historical rates.

On consolidation, the assets and liabilities of subsidiaries outside Hong Kong are translated at the exchange rates at the balance sheet date and the results of subsidiaries outside Hong Kong are translated at the average exchange rate for the year. All exchange differences arising on consolidation are dealt with in the exchange reserve.

Employee Share Incentive Scheme

The costs on the Employee Share Incentive Scheme are recognised as an expense in the period in which the relevant employees' services are rendered and are calculated with reference to the nominal value of shares expected to be issued under the scheme.

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 Turnover

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

主要會計政策(續)

經營租約

租約內之租金乃以直線法按其租約計入收益報表內。

外幣兌換

外幣交易均按交易當日之大概匯率折算。以外幣結算之資產及負債乃按資產負債表結算日之匯率換算，惟墊付予附屬公司作為永久權益資金的款項則除外。因兌換而產生之盈虧均撥入收益報表處理。墊付予附屬公司之款項雖然並非指定為資本，但仍被視為永久權益資金而按過往歷史匯率折算列賬。

在綜合結算時，香港以外附屬公司之資產及負債按資產負債表結算日期之匯率折算，而香港以外附屬公司之業績則按年內之平均匯率折算。因綜合結算而產生之所有兌換差額均撥入兌換儲備處理。

僱員股份獎勵制度

僱員股份獎勵制度之費用均於相關僱員提供服務期內確認為支出，並根據該制度按預期發行股份之賬面值計算。

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。

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及折扣。