

**Solomon Systech (International) Limited**

HKSE : 2878

Annual Report 2015年報



**SOLOMON**

**SYSTECH**

晶門科技

# ACCELERATION

## 提速增長

*solutions in silicon*

# ACCELERATION 提速增長



Multi-colored light trails streak behind a car rocketing towards its destination. The Group, like the speeding car, has been propelled by enhanced technological capabilities and expanded product and application portfolios to achieve an acceleration in both unit shipments and turnover in 2015. The Group, like the car, is powering full speed ahead towards new heights of success.

汽車高速向目的地進發，留下彩色光軌。本集團如一輛風馳電掣的汽車，在進一步提高了的科技能力以及擴大了的產品及應用組合驅動下，付運量及銷售額在2015年提速增長，並繼續如疾駛的汽車般朝著更高成就全速邁進。

## CORPORATE PROFILE 公司簡介

Solomon Systech (International) Limited and its subsidiaries as a Group is a leading semiconductor company specializing in the design, development and sales of proprietary integrated circuit products and system solutions that enable a wide range of display applications for smartphones, smart TVs and other smart devices including consumer electronics products, wearables, portable devices and industrial appliances.

Solomon Systech (International) Limited及其附屬公司為一家具領導地位的半導體公司，專門設計、開發及銷售專有集成電路晶片產品及系統解決方案，廣泛應用於各類智能手機、智能電視及其他智能產品，包括消費電子產品、穿戴式產品、便攜式裝置及工業用設備。

## VISION 願景

Provide the ultimate silicon solution for every display system

為每個顯示系統提供最終的晶片解決方案

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## FINANCIAL HIGHLIGHTS

### 財務摘要

		2015 US\$ million 百萬美元	2014 US\$ million 百萬美元
Sales	銷售額	70.9	60.1
Gross profit	毛利	23.2	20.8
Gross margin (%)	毛利率 (%)	32.7	34.6
Net loss	虧損淨額	(6.4)	(3.0)
Loss per share (US cent)	每股虧損 (美仙)	(0.26)	(0.12)
Book-to-bill ratio	訂單出貨比率	1.1	1.1
Total assets	總資產	123.4	130.1
Shareholders' funds	股東權益	108.5	115.3

→ Sales increased by 18% to US\$70.9 million  
銷售額上升18%至70.9百萬美元

→ Gross profit increased by 12% to US\$23.2 million  
毛利上升12%至23.2百萬美元

→ Gross margin was 32.7%, down 1.9 percentage points  
毛利率減少1.9個百分點至32.7%

→ Net loss was US\$6.4 million, increased by US\$3.4 million due to additional investment in new products and technology, and additional provision of net unrealizable fair value loss from the financial assets at fair value through profit or loss  
虧損淨額為6.4百萬美元，比去年增加3.4百萬美元，乃由於新產品及技術的額外投資及通過損益以反映公平價值的財務資產之未變現淨虧損撥備增加

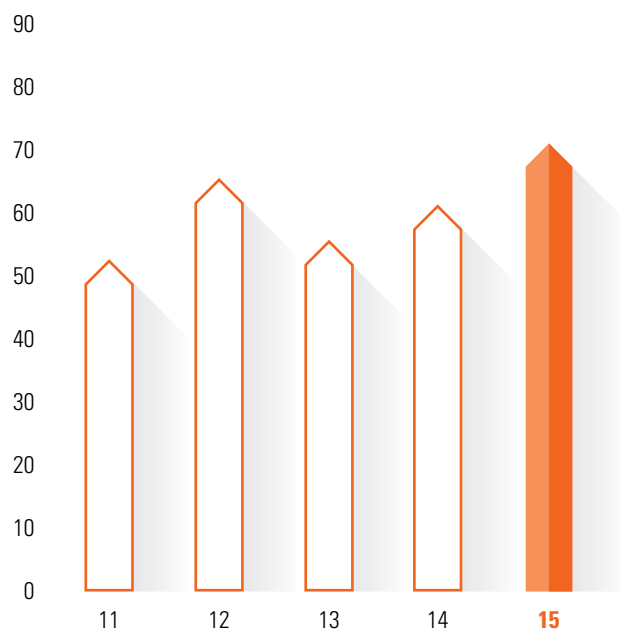
→ Loss per share was 0.26 US cent (2.02 HK cents)  
每股虧損為0.26美仙 (2.02港仙)

→ Book-to-bill ratio was 1.1  
訂單出貨比率為1.1

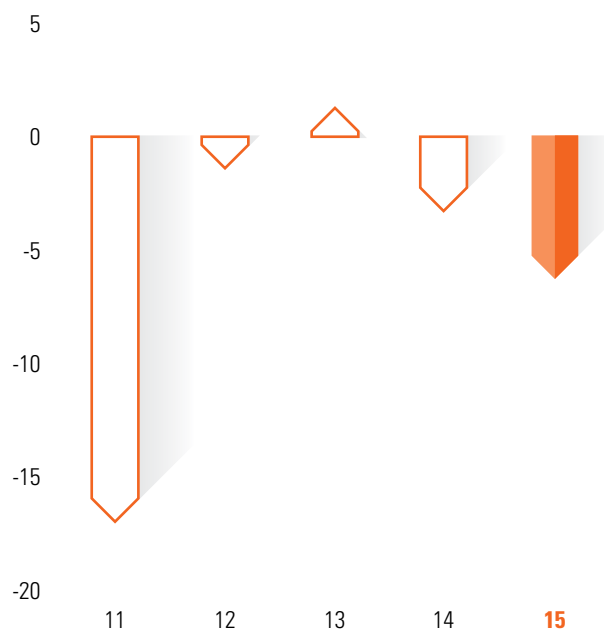
→ The Board of Directors resolved not to propose any final dividend for the year ended 31 December 2015  
董事會決議不建議宣派截至2015年12月31日止年度的末期股息

**SALES** (US\$ million)

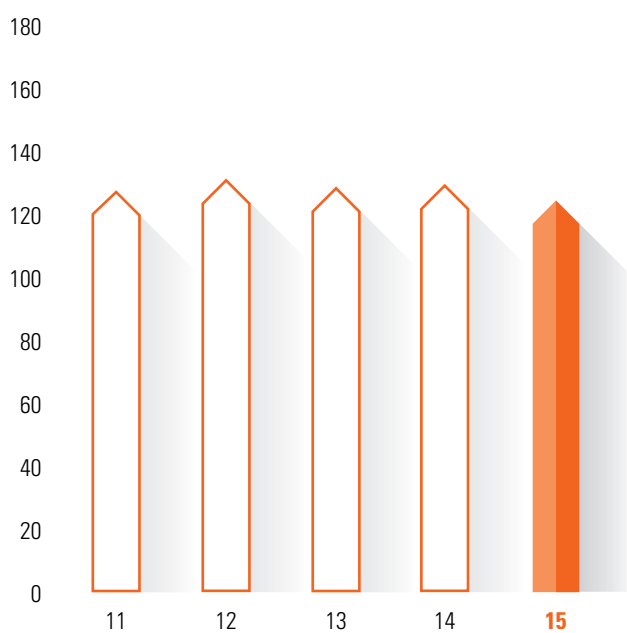
銷售額 (百萬美元)

**NET PROFIT/ LOSS** (US\$ million)

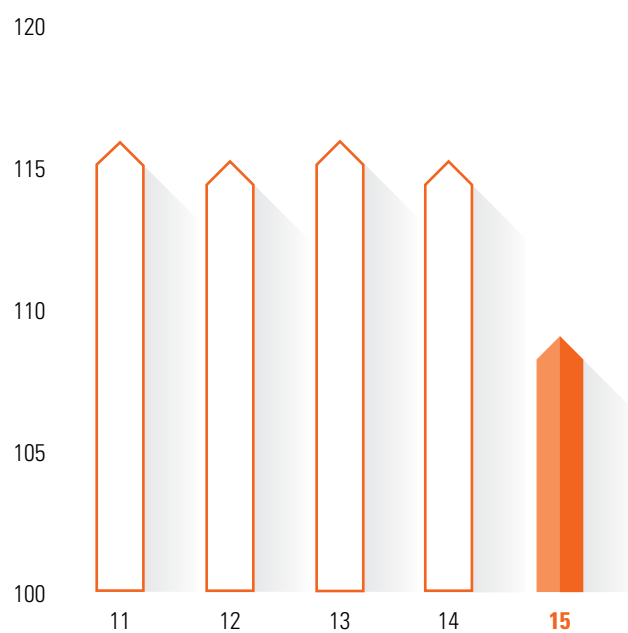
純利/虧損淨額 (百萬美元)

**TOTAL ASSETS** (US\$ million)

總資產 (百萬美元)

**SHAREHOLDERS' FUNDS** (US\$ million)

股東權益 (百萬美元)



## CHAIRMAN'S STATEMENT

### 主席報告



In 2015, our growth momentum has been accelerated as a result of some strong driving forces.

於2015年，我們受惠於一些強大的推動力，促使增長勢頭進一步提速增長。

**LEUNG Kwong Wai** 梁廣偉  
Chairman 主席

Momentum takes time and effort to build, and to accelerate an object's momentum, we need strong forces acting on it over a given period of time. In 2015, our growth momentum has been accelerated as a result of some strong driving forces accumulated.

In the past few years, we have adopted the strategy of focusing on high growth, high volume business areas. We have been investing to strengthen our technological capability. We have also been expanding the product and application portfolios of our key products. These initiatives have started to yield results and become our growth driving forces, and most importantly, enabled us to get ready to capture the fast-growing target market segments.

Just as Newton's second law of motion states that acceleration is produced when a force acts on a mass, with these strong growth driving forces propelling us forward, we managed to achieve an acceleration in both unit shipments and turnover in 2015, even though certain of our target market segments faced gloomy market conditions and fluctuating customer demand during the year.

動力需要時間及努力的投入才能建立，若要進一步強化物體的動力，我們需要加上強大的推動力並持續若干時間。於2015年，我們受惠於一些強大的推動力，促使增長勢頭上進一步提速增長。

過去數年，我們所採取的策略是專注於高增長及大批量的業務範疇。我們持續投放資源以提升科技實力，以及擴大主要產品及應用組合，此等策略開始漸見成效，並成為本集團的增長推動力，最重要的是讓本集團準備就緒，把握迅速增長的目標市場帶來的機遇。

根據牛頓<sup>1</sup>的「第二運動定律」，當一股力量加於質量時便產生加速的效果。這些強勁的推動力促使我們向前邁進，即使在部分目標市場市況不景及客戶需求波動的情況下，我們的付運量及營業額於2015年依然得以提速增長。

1. Isaac Newton, an English physicist and mathematician, and one of the most influential scientists of all time.  
艾薩克·牛頓是英國物理學家及數學家，亦是歷來最具影響力的科學家之一。

## Welcome New Chief Executive Officer

As the Company has built a strong foundation for growth in the past period of time, this is the perfect time for the Board to welcome a new CEO to lead the Group to its next phase of growth while also re-complying with the Corporate Governance Code.

I have been the Group Chief Executive Officer (“CEO”) and Managing Director since the Group listed in 2004. I have also taken up the role of Chairman of the Board since the AGM dated 13 May 2015 when Mr. Patrick Sun retired as Independent Non-executive Chairman of the Board.

To separate the roles of the Chairman and the CEO to be in re-compliance with the Corporate Governance Code as set out in the Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange, it is with great pleasure that I have handed over the role of CEO to Dr. Yeh Tsuei Chi (“Dr. Yeh”) effective from 4 January, 2016, and I have remained as the Chairman of the Board. As at the date of this Annual Report, Dr. Yeh has been appointed as an Executive Director and also a member of the Investment Committee.

Dr. Yeh brings with him extensive industry experience and capabilities. The Board and I am confident that the Company, under Dr. Yeh’s leadership, will further build on the foundation to achieve excellent performance.

## Corporate Governance

As Chairman of the Board, I and the other Non-Executive Directors are responsible for the strategic planning and direction of the Group, monitoring execution of the business strategies to achieve solid performance results and also upholding corporate integrity. We believe that good corporate governance is indispensable for long-term business success and sustainable performance, and for creating trust and engagement between the Group and its stakeholders. To this end, we have established good corporate governance practices, implemented a sound governance structure and measures, and also established a number of related policies, an internal control system and other management mechanisms and procedures.

As at the date of this Annual Report, the Board comprises nine directors, of whom three are Executive Directors, three are Non-executive Directors and three are Independent Non-executive Directors. Under the Board, there are four committees – the Audit Committee, the Remuneration Committee, the Nomination Committee and the Investment Committee. Each committee is dedicated to achieving and maintaining high corporate governance standards, which are critical to ensuring the integrity of the Company’s operations and maintaining the trust of investors in the Company.

## 歡迎新任行政總裁

隨著本公司在過往一段時間建立了的強大增長基礎，董事會認為這是最佳時機委任新行政總裁，以帶領本集團邁向另一增長階段，並重新符合企業管治守則。

自2004年本集團上市以來，本人一直出任集團行政總裁兼董事總經理一職，並自辛定華先生於2015年5月13日在股東周年大會後退任董事會獨立非執行主席職位時起兼任董事會主席。

為區分主席及行政總裁的職能，以重新符合聯交所證券上市規則附錄14所載的企業管治守則，本人於2016年1月4日起把行政總裁一職交予葉垂奇博士（「葉博士」），而本人則留任董事會主席。於本年報日，葉博士被委任為執行董事以及投資委員會委員。

葉博士擁有豐富的行業經驗及能力，董事會及本人均有信心在葉博士的領導下，本公司將在已建立的基礎上進一步達致卓越的表現。

## 企業管治

作為董事會主席，本人和其他非執行董事專責本集團的策略規劃和發展方向，並監察業務策略的執行，務求取得出色的業務表現，同時秉持企業誠信。我們相信，良好的企業管治是達致長期業務成功及建立本集團與持份者之間的信任及合作不可或缺的一環。為了達致這些目標，我們奉行良好企業管治守則，實行有效的管治架構和措施，並建立多項相關政策、內部控制系統及其他管理機制和程序。

於本年報日，董事會共有九名董事，計有三名執行董事，三名非執行董事及三名獨立非執行董事。董事會之下設有四個委員會，分別為審核委員會、薪酬委員會、提名委員會及投資委員會。每個委員會均致力達到並維持高水平的企業管治，是維護本公司業務營運的誠信和提高投資者對本公司信心的關鍵因素。

The Group, led by our new CEO, would strive to fully exploit the opportunities arising from the high potential application segments to further accelerate our growth momentum and create increasing value for our shareholders.

在新任行政總裁的帶領下，本集團將充分利用高增長潛力應用市場所帶來的商機，進一步加速增長勢頭及為股東創造更大價值。

Throughout the year ended 31 December 2015, the Group has complied with all of the Corporate Governance Code Provisions as set out in Appendix 14 of the Listing Rules and, where appropriate, has adopted the recommended best practices set out in the Corporate Governance Code.

Our Board and management of the Group are committed to achieving and maintaining high standards of corporate governance and continually work to improve these standards, which it considers as critical in safeguarding the integrity of its business operations and maintaining investors' trust.

Risk management is one of the key components of the Group's internal control system, and also one of the key topics that our Board and management has been assessing, with an aim to further strengthening the Group's overall risk management approach and strategy to increase shareholder value, and to be in compliance with the requirements of the Stock Exchange and also the new editions of ISO standards.

More details about the Group's Corporate Governance practices can be found in the "Corporate Governance Report" section within this Annual Report.

### Corporate Social Responsibility

Solomon Systech believes that fulfilling its corporate social responsibility ("CSR") to create value for our key stakeholders, including our staff, customers, partners, shareholders, investors, the environment and global communities, reflects positively on our brand and reinforces our values. It is essential to the long-term sustainable growth of our business.

With reference to the Stock Exchange's Consultation Conclusions on Review of the Environmental, Social and Governance ("ESG") Reporting Guide, the Group's ESG working committee has defined during 2015 the Group's sustainability theme, and the corresponding key performance indicators ("KPIs") that are most relevant to our business. The working group has started to monitor the Group's performance in the areas of employees, the marketplace, the environment and the community. The Board fully supports the Group's ESG initiatives and intends to constantly raise the bar on the Group's performance in these four key aspects.

截至2015年12月31日止年度，本集團符合所有上市規則附錄14所載的企業管治守則條文，並適當地採用了企業管治守則所載的建議最佳常規守則。

本集團董事會及管理層致力達致及維持高管治水平，持續努力提高此等標準，並認為是維護本公司業務營運的誠信和維持投資者對本公司信心的關鍵因素。

風險管理是本集團內部監控體系的重要元素之一，亦是董事會及管理層進行評估的重要範疇之一，旨在進一步加強本集團的整體風險管理方案及策略，從而提高股東價值，以及符合聯交所的要求及新訂ISO標準。

有關本集團企業管治守則的詳情，請參閱本年報的「企業管治報告」一節。

### 企業社會責任

本集團相信，履行企業社會責任（「CSR」）能為主要持份者，包括員工、客戶、夥伴、股東、投資者、環境與全球社區締造價值，體現正面的品牌形象並提高我們的價值，對本集團達致長遠可持續增長至關重要。

經參考聯交所的檢討《環境、社會及管治（「ESG」）報告指引》的諮詢總結，本集團的ESG工作委員會已於2015年界定可持續發展主題及與業務息息相關的主要表現指標（「KPIs」）。工作委員會已開始監察本集團在員工、市場、環境及社區等範疇的表現。董事會全力支持本集團履行ESG策略，並計劃不斷提升本集團在此四個主要範疇的表現。



More information about the Group's CSR activities can be found in the "Corporate Social Responsibility Report" section of this Annual Report.

## Shareholder Value

The Group managed to achieve sales growth of 18% year-on-year to approximately US\$70.9 million. Despite the sales increase, the Group recorded a net loss of US\$6.4 million having invested in strengthening product design, development and engineering. Its performance was also affected by a decline in the average selling price of products as well as a year-on-year significant drop in the net financial income subsequent to a net unrealizable fair value loss from the financial assets at FVTPL portfolio by 31 December 2015. Nonetheless, the Group's net cash position remained healthy at USD26.1 million and its total assets amounted to USD123.4 million as at 31 December 2015.

The Board has resolved not to propose any final dividend for the year ended 31 December 2015.

The Group will continue to periodically review our development plans and cash position to ensure an optimum capital structure for maintaining a good balance between the interests of shareholders and the Group's business needs.

## Prospects

Looking into 2016, the global economy is expected to remain volatile, with the market conditions mixed. Specific application segments which we have, and will continue, to focus on are expected to exhibit good growth potential.

We are on a strong footing for growth going into the future. May I take this opportunity to extend my sincere gratitude to the Board for their support. I would like to thank in particular, Mr. Patrick Sun and also Board member Mr. Choy Kwok Hung, Patrick, who retired from the Board in 2015, for their dedicated service and contribution during their tenure. Appreciation must also be extended to the management and staff for their hard work in pursuing the initiatives that underlie the progress made last year.

The Group, led by our new CEO, would strive to fully exploit the opportunities arising from the high potential application segments to further accelerate our growth momentum and create increasing value for our shareholders.

有關集團企業社會責任活動的詳情，可參閱本年報「企業社會責任報告」一節。

## 股東價值

本集團錄得按年 18% 的銷售額增長至約 70.9 百萬美元。雖然銷售額上升，但由於需要投資加強產品設計、開發和工程，本集團錄得虧損淨額 6.4 百萬美元。此外，產品的平均售價下跌及 FVTPL 投資組合在 2015 年 12 月 31 日之未變現公平價值淨虧損，令淨投資收入按年大幅下降亦影響本集團表現。不過，本集團的淨現金狀況維持於 26.1 百萬美元的穩健水平，於 2015 年 12 月 31 日的總資產為 123.4 百萬美元。

董事會決議不建議宣派截至 2015 年 12 月 31 日止年度的末期股息。

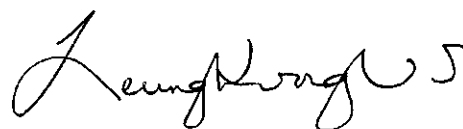
本集團將繼續定期檢討發展計劃和現金狀況，以保持良好的資本架構，平衡股東利益和本集團的業務發展需要。

## 前景

展望 2016 年，全球經濟預期將仍然不穩定，市況錯綜複雜。本集團目前重視並將繼續專注的特定應用市場預期將展現龐大增長潛力。

我們已為未來持續增長建立了穩固基礎。本人謹此衷心感謝董事會的支持，並向於 2015 年退任董事會的辛定華先生及董事會成員蔡國雄先生於在任期間的服務和貢獻致以謝意。本人亦非常感謝管理層及員工在推行各項策略所付出的努力，成就本集團去年取得的進展。

在新任行政總裁的帶領下，本集團將充分利用高增長潛力應用市場所帶來的商機，進一步加速增長勢頭及為股東創造更大價值。



**LEUNG Kwong Wai**

Chairman

Hong Kong, 23 March 2016

梁廣偉

主席

香港，2016年3月23日

## CHIEF EXECUTIVE OFFICER'S MESSAGE

### 行政總裁的話



To ensure we move full speed ahead on the growth path to bold new heights, we have to be focused and most importantly, we need to change for the better.

為了確保我們在增長路上全速前進，達至新高峰，我們必須專注，更重要的是改變求進。

YEH Tsuei Chi  
Chief Executive Officer

葉垂奇  
行政總裁

As our Chairman Dr. Leung mentioned, we expect to face a volatile global economy and mixed market conditions in 2016. Nonetheless, we do enjoy competitive advantages in certain bright growth spots in the market. To ensure we move full speed ahead on the growth path to bold new heights, we have to be focused, and most importantly, we need to change for the better.

#### Focus on Bright Growth Spots Capitalising on Strong Potential Markets

China is a key market offering immense opportunities for the Group. China has been increasing its TFT capacity and is expected to become the top global producer of flat panel displays<sup>1</sup>.

正如主席梁博士所說，預期2016年全球經濟將仍然不穩定，市況錯綜複雜。儘管如此，本公司在某些市場增長亮點享有競爭優勢。為了確保我們在增長路上全速前進，達至新高峰，我們必須專注，更重要的是改變求進。

#### 專注於增長亮點

把握強大的潛在市場

中國是為本集團提供龐大商機的主要市場，其TFT產能日益增加，預期將成為平板顯示器全球首屈一指的生產國<sup>1</sup>。

The Group has already established a strong foothold in China. A new office established in Nanjing in 2015 has put Solomon Systech in close proximity to the new 8.5th generation TFT-LCD production line under our major customer. This production line, which covers small and large display panels, presents great business opportunities for us. We shall also leverage our well-established relationships in China to reach out to more potential customers.

Apart from the Nanjing office, the addition of a technology center to our subsidiary in Japan in 2015 has made it a unique domestic display driver IC design house within the country. We shall best utilize our enhanced positioning, local technical expertise and customer relationships in Japan to develop more new products for the expanding LCD market to drive business growth in China and globally.

### Leveraging New Technologies & Fast Growth Applications

The Group has been investing to develop new products and technologies which form the backbone of a technology firm.

In addition to being a leading player in OLED and EPD technologies, the Group has also been developing other new technologies, including In-Cell TDDI and 4k2k display driver IC, which are set to register strong growth.

In terms of product applications, we have been leveraging the burgeoning wearables market, in particular smart watches and wristbands, to boost our businesses in PMOLED display driver ICs and MIPI bridge ICs. The global wearables market is forecast to continue robust growth at a CAGR of around 18.2% in the next five years to reach approximately USD33.4 billion by 2020.<sup>2</sup> The smartwatch alone is estimated to surge more than 66% in sales year-on-year in 2016.<sup>3</sup> We shall be launching more new products to tap this fast-growing market segment with enormous potential.

Although the smartphone market is set to grow at a significantly slower pace than previous years, it remains a major application driving the semiconductor market.

本集團已在中國建立穩固據點，更於2015年於南京成立新辦事處，令晶門科技可鄰近主要客戶旗下的新8.5代TFT-LCD生產線。這條生產線生產大及小型顯示屏，可為我們帶來更豐盛的商機。我們亦會善用於中國建立的穩固業務關係，接觸更多潛在客戶。

除了南京辦事處之外，我們在日本的子公司於2015年增設的科技中心，成為當地獨特的顯示驅動器IC設計公司。我們將善用強化了的定位、當地的技術專業知識及客戶關係，為不斷擴大的LCD市場開發更多新產品，以促進在中國以至全球的業務增長。

### 善用新技術及快速增長的應用

本集團一直投資開發新產品及技術，此乃科技公司的骨幹。

除了在OLED及EPD技術的領先優勢之外，本集團亦有開發其他勢將強勁增長的新技術，包括內嵌式TDDI及4k2k。

產品應用方面，乘著穿戴式產品市場正蓬勃發展，尤其是智能手錶及手環產品，我們致力推動在PMOLED顯示驅動器IC及MIPI橋接IC的業務。全球穿戴式產品市場預期未來五年將以複合年增長率約18.2%的速度飆升，至2020年將達約334億美元<sup>2</sup>。單是智能手錶的銷售，預計2016年便將按年增長超過66%<sup>3</sup>。我們將推出更多新產品以把握這個快速增長並潛力龐大的市場。

雖然智能手機市場的增長步伐遠遜過往幾年，但仍然是推動半導體市場的主要應用。

1. IHS

2. Global Wearable Technology Market Analysis & Trends – Industry Forecast to 2020 (Research and Markets)

全球穿戴式產品技術市場分析及趨勢 – 至2020年的行業預測 (Research and Markets)

3. Gartner, Inc.

We aim to harness the momentum we have successfully built to tap the growth potential in IoT devices and drive our business to new heights of success.

我們的目標是利用已建立的勢頭，把握IoT裝置的增長潛力，創造業務新高。

The Group will continue to focus on developing In-Cell TDDI, AMOLED display driver ICs and eDP-to-MIPI bridge ICs to cater to the growing demand for smartphones with high performance, high resolution, low power consumption and low system cost.

EPD is another key technology with strong potential, with applications including Electronic Shelf Labels ("ESLs"), wearables, e-books, etc. The global E-paper market is expected to grow at a robust CAGR of around 41% in terms of revenue from 2016-2020<sup>4</sup>.

The Group will continue to develop new solutions for AMEPD to capture the fast-growing ESL market, and also at the same time target other applications for EDP technology, in particular smart cards, wearables and other healthcare and medical devices.

本集團將繼續專注開發內嵌式TDDI、AMOLED顯示驅動器IC及eDP-to-MIPI橋接IC，以滿足智能手機對高性能、高解像度、低功耗及低系統成本日益提高的需求。

EPD是另一種潛力巨大的主要技術，可廣泛應用於電子貨架標籤、穿戴式產品、電子書等等。全球電子紙市場的收入於2016年至2020年預期將以複合年增長率約41%的速度強勁增長<sup>4</sup>。

本集團將繼續開發用於AMEPD的新解決方案，以捕捉快速增長的ESL市場，並同時以EDP技術的其他應用為目標，尤其是智能卡、穿戴式產品及其他健康和醫療設備。

4. Global E-Paper Display Market 2016-2020 (TechNavio)  
全球電子紙顯示市場2016-2020 (TechNavio)

5. George Bernard Shaw, a Nobel Prize and Oscar-winning Irish playwright, critic and socialist  
蕭伯納，愛爾蘭諾貝爾及奧斯卡得獎劇作家、評論員及社會主義者

## Change for the Better

As George Bernard Shaw<sup>5</sup> once said, “Progress is impossible without change,” and in 2016, we aim to change for the better to prepare for good progress in growing the business and generating greater revenue.

By changing for the better, I mean driving greater effectiveness and efficiency by focusing on our key customers and most importantly, products with sustained value. These include mainstream display products supporting LCD display technologies, and advanced display products supporting other display technologies including OLED, bistable, etc. To be able to do this, we have to streamline operations and focus our resources on the target products, and also simplify the procedures and reduce the time and cost of new production introduction.


With the arrival of the age of the Internet of Things (IoT), the increased interconnectedness of things is a robust growth driver for the semiconductor industry and our target market segments. We aim to harness the momentum we have successfully built to tap the growth potential in IoT devices and drive our business to new heights of success.

## 致力改進

誠如蕭伯納<sup>5</sup>說：「沒有改變，不可能會有進步」。於2016年，我們已準備就緒，致力改變求進，促進業務增長，並提升收入。

我指的改變求進，是透過專注於我們的主要客戶及具持續價值的產品，包括支持LCD顯示技術的主流顯示產品，以及支持其他顯示技術，包括OLED、雙穩態等的先進顯示產品，以進一步提高效益和效率。為達致此目標，我們需要精簡營運及將資源集中於所專注產品，以及簡化新產品導入程序，減少所需時間和費用。

邁進物聯網（IoT）時代，物件互聯越趨普遍，成為促使半導體行業及我們的目標細分市場增長的強大推動力。我們的目標是利用已建立的勢頭，把握IoT裝置的增長潛力，創造業務新高。



**YEH Tsuei Chi**

*Chief Executive Officer*

Hong Kong, 23 March 2016

**葉垂奇**

*行政總裁*

香港，2016年3月23日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### 財務回顧

#### Overview

For the year ended 31 December 2015, the Group managed to achieve solid year-on-year growth in both unit shipments and sales. Total unit shipments were approximately 186 million units and sales amounted to US\$70.9 million. The book-to-bill ratio was 1.1 (2014: 1.1).

During 2015, the Group further invested to develop an array of new products, of which some have been launched in the market, contributing to sales increase during the year and others were in the pipeline to market. Despite the sales increase, the Group recorded a net loss of US\$6.4 million (2014: US\$3.0 million) mainly because of the investment in product design, development and engineering and a net unrealized loss of US\$2.0 million (2014: US\$0.5 million) from the investment in the FVTPL portfolio pursuant to mark-to-market price as at 31 December 2015.

#### Sales and Gross Profit

The Group's total shipments increased around 62% to approximately 186 million units (2014: 115 million units), while the total sales rose 18% to US\$70.9 million (2014: US\$60.1 million).

Gross profit of the Group was US\$23.2 million (2014: US\$20.8 million), increased by 12%. Gross margin decreased by 1.9 percentage points to 32.7% (2014: 34.6%) because of a drop in the average selling price of products and a change in the product mix.

#### Costs and Expenses

The Group has remained vigilant in controlling its expenses. The Group's total expenses, including product R&D costs, S&D expenses and administrative expenses, were US\$31.4 million (2014: US\$27.4 million), up by US\$4.0 million, representing an increase of 15%. This was mainly due to the increase in product R&D costs.

The Group continued to invest in product R&D and business development and remained selective in its product R&D spending. To strengthen new technology development and new product introduction, and also enhance customer outreach activities, its product R&D costs in the year increased US\$3.2 million to US\$19.5 million (2014: US\$16.3 million), up 20% year-on-year.

S&D expenses were US\$2.8 million (2014: US\$3.0 million) whilst S&D expenses to sales ratio was 4.0% (2014: 5.1%).

Administrative expenses were US\$9.0 million, increased by US\$1.0 million compared with US\$8.0 million in 2014.

#### Other Income

Other income in 2015 totalled US\$0.5 million (2014: US\$0.1 million).

#### Finance Income – Net

During 2015, the Group recorded interest income of US\$1.8 million (2014: US\$2.0 million), dividend income of US\$0.9 million (2014: \$1.0 million) and gain on disposal of FVTPL of US\$0.7 million (2014: US\$0.9 million), totaling US\$3.4 million (2014: US\$3.9 million) from FVTPL. The gain on disposal of FVTPL was mainly contributed by disposal of listed equity securities and marketable funds. In addition, net unrealized loss of US\$1.7 million from investment in listed equity securities and US\$0.3 million from investment in marketable bonds and funds, totaling US\$2.0 million (2014: US\$0.5 million) was recorded pursuant to mark-to-market price as at 31 December 2015.

#### 概覽

截至2015年12月31日止，本集團在付運量及銷售額方面均錄得穩健的按年增長。總付運量約為186百萬件而總銷售額則達至70.9百萬美元。訂單出貨比率為1.1 (2014: 1.1)。

於2015年內，本集團進一步投資於發展一系列新產品，其中部分新產品已經於市場推出，有助年度銷售額增加，唯部分將陸續推出市場。雖然銷售額上升，本集團錄得虧損淨額6.4百萬美元 (2014: 3.0百萬美元)，主要由於投放於產品設計、開發及工程的費用增加及FVTPL投資組合按2015年12月31日市價作基準估值錄得未變現淨虧損2.0百萬美元 (2014: 0.5百萬美元)。

#### 銷售及毛利

本集團的總付運量上升約62%至約186百萬件 (2014: 115百萬件)，總銷售額上升18%至70.9百萬美元 (2014: 60.1百萬美元)。

本集團毛利增加12%至23.2百萬美元 (2014: 20.8百萬美元)。由於產品平均售價下跌及產品組合之變動，毛利率因而減少1.9個百分點至32.7% (2014: 34.6%)。

#### 成本及開支

本集團繼續審慎控制開支。本集團的總開支 (包括產品工程開發成本、銷售及分銷開支和行政開支) 增加4.0百萬美元至31.4百萬美元 (2014: 27.4百萬美元)，上升15%，主要由於產品工程開發成本增加。

本集團繼續投放資金於產品工程開發及業務發展，並在選擇產品開發重點時保持審慎。由於需要投資加強新技術開發和推出新產品，以及加強客戶推廣，產品工程開發成本增加3.2百萬美元至19.5百萬美元 (2014: 16.3百萬美元)，較去年同期上升20%。

銷售及分銷開支為2.8百萬美元 (2014: 3.0百萬美元)，銷售及分銷開支與銷售額比率則為4.0% (2014: 5.1%)。

行政開支為9.0百萬美元，對比2014年8.0百萬美元增加1.0百萬美元。

#### 其他收入

2015年其他收入合共0.5百萬美元 (2014: 0.1百萬美元)。

#### 投資收入 – 淨額

於2015年內，本集團確認利息收入1.8百萬美元 (2014: 2.0百萬美元)、股息收入0.9百萬美元 (2014: 1.0百萬美元) 及出售FVTPL的收益0.7百萬美元 (2014: 0.9百萬美元)，合共3.4百萬美元 (2014: 3.9百萬美元)。出售FVTPL的收益主要來自出售上市之股票及可買賣基金的收益。另外，按2015年12月31日市價作基準估值，錄得未變現淨虧損合共2.0百萬美元 (2014: 0.5百萬美元)，其中1.7百萬美元來自上市股票，0.3百萬美元則來自可買賣債券及基金。

The Group has been implementing a treasury management plan to increase the yield of cash reserves. The Group has an internal treasury review team (the "team") to execute the treasury management plan, review the overall investment portfolio and monitor the performance on a regular basis. The team conducts monthly review teleconferences with individual external portfolio managers and holds monthly internal review meetings to evaluate and monitor the investment performance. As at 31 December 2015, over 80% of the FVTPL were under external portfolio management. As at the date of this Annual Report, the fair values of the FVTPL were approximately 1.8% down from the fair values as at 31 December 2015. The change in fair values was primarily driven by weaker equity markets in Hong Kong, notably in the first quarter of 2016.

Details of FVTPL of the Group are set out in note 22 to the consolidated financial statements.

### Net Profit and Loss

For the year ended 31 December 2015, the loss attributable to the equity holders of the Company was US\$6.4 million (2014 loss: US\$3.0 million), mainly because of the investment in product design, development and engineering and a net unrealized loss of US\$2.0 million (2014: US\$0.5 million) from the investment in the FVTPL portfolio pursuant to mark-to-market price as at 31 December 2015.

### Liquidity and Financial Resources

Total cash and cash equivalents and bank deposits (both current and non-current) of the Group amounted to US\$26.1 million (2014: US\$35.3 million) as at 31 December 2015.

Net cash used in operating activities during the year was US\$10.9 million (2014: US\$6.0 million). The cash outflow in operating activities was mainly due to the net loss before income tax of US\$6.4 million and the increase in working capital, which comprised net of receivables, inventories and payables, amounted to US\$4.2 million.

Regarding the use of cash reserves, the Group will continue to allocate funds for product development, securing production capacity, strengthening its infrastructure in mainland China to broaden its customer base and capture market and sales opportunities, entering into strategic corporate ventures, investing according to the Group's treasury management plan to increase yield and meeting general corporate operational purposes. As at 31 December 2015, the Group had no major borrowing other than the US\$0.3 million in a mortgage loan for the purchase of an office property in Hsinchu, Taiwan. The Group's cash balance was mainly invested in various deposits in banks.

Most of the Group's trade receivables and payables are quoted in US dollars. The Group closely monitors the movement of foreign exchange rates and constantly seeks to obtain favorable exchange rates for conversion of US dollars into other currencies for paying local operating expenses. During the year under review, the Group did not use any derivative instruments to hedge against foreign currency exposure in operation as the Directors considered this exposure to be insignificant.

### Capital Expenditure and Contingent Liabilities

In 2015, capital expenditure of the Group was US\$1.9 million (2014: US\$0.5 million).

As at 31 December 2015, there was no material capital expenditure contracted but not provided for nor capital expenditure approved but not contracted for. As at 31 December 2014, there was US\$0.2 million capital expenditure contracted but not provided for, but no material capital expenditure approved but not contracted for.

Aside from the aforesaid, the Group had no other material capital commitment or contingent liability.

本集團一直實行一庫務管理計劃以增加現金儲備之回報率。本集團已設立內部庫務審閱小組，負責執行庫務管理計劃、審閱整體投資組合及定期監察投資表現。此小組每月與外聘之投資組合管理經理進行電話會議及每月舉行內部審閱會議以檢討及監察投資表現。於2015年12月31日，超過80%之FVTPL乃由外聘投資組合管理。於本報告日，FVTPL之公平值比2015年12月31日下降約1.8%。此公平值之改變主要由於香港的股市於2016年第一季表現轉弱所致。

有關本集團之FVTPL的詳情可參閱綜合財務報表附註22。

### 盈虧淨額

由於投放於產品設計、開發及工程的費用增加及FVTPL投資組合按2015年12月31日市價作基準估值錄得未變現淨虧損2.0百萬美元(2014: 0.5百萬美元)，本公司截至2015年12月31日止年度權益持有人應佔虧損為6.4百萬美元(2014: 3.0百萬美元)。

### 流動資金及財務資源

於2015年12月31日，本集團的現金及現金等價物和銀行存款(包括流動與非流動)總計為26.1百萬美元(2014: 35.3百萬美元)。

年內經營活動使用的現金淨額為10.9百萬美元(2014: 6.0百萬美元)，經營活動現金流出主要由於除稅前6.4百萬美元虧損及營運資金(包括應收款、存貨及應付款之淨額)增加了4.2百萬美元。

有關現金儲備的使用，本集團將繼續主要分配資源於產品開發、提升生產力、加強中國的基建以擴闊客戶基礎及把握市場及銷售商機、進行若干策略性企業投資、根據本集團庫務管理計劃進行投資以增加回報率及用作一般公司營運用途。於2015年12月31日，除了0.3百萬美元作位於台灣新竹之辦公室物業按揭貸款外，本集團並無任何主要借貸。本集團之現金餘額主要投資於各類銀行存款。

本集團的主要應收及應付款均以美元結算。本集團會密切監察外幣兌換率的變動，以確保能夠以有利的兌換率將美元兌換成其他貨幣，支付當地的營運開支。於回顧期內，由於董事會認為本集團的外匯風險不高，因此本集團並無運用任何衍生工具以對沖其營運方面的外匯風險。

### 資本開支及或然負債

於2015年，本集團的資本開支為1.9百萬美元(2014: 0.5百萬美元)。

於2015年12月31日，本集團並沒有重大已商定合約但未撥備之資本開支或已獲批但未商定合約之資本開支。於2014年12月31日，共有0.2百萬美元已商定合約但未撥備之資本開支，而並沒有重大已獲批但未商定合約之資本開支。

除前述之外，本集團概無其他重大資本承擔或或然負債。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### 管理層討論及分析(續)

#### BUSINESS REVIEW & OUTLOOK

##### 業務回顧及展望

In 2015, the Group managed to accelerate its growth momentum from 2014 to achieve a strong year-on-year growth in both total shipments and total sales. The total shipments increased around 62% to approximately 186 million units, while the total sales climbed about 18% to approximately US\$71 million.

The Group's shipment volume registered a double-digit percentage growth in both the first half and the second half of the year. In the first half-year, total shipments were mainly contributed by an increase in shipments in the Advanced Display and Large Display businesses. Meanwhile, in the second half-year, the growth of the Advanced Display business unit further accelerated, and the Mobile System and Mobile Display business units also achieved significant shipment growth and design wins. The Large Display business, however, slowed down in the face of challenging market conditions and excess inventory in specific product categories.

The Group has managed to attain solid progress in tapping the potential of a number of high growth, high volume market segments, in particular smartphones, tablets, wearables and ESL, achieving substantial growth in unit shipments, as well as engaging international brands and developing new leading-edge products. The Group has also expanded its product and application portfolios, laying a strong foundation for future growth.

於2015年，本集團成功乘著2014年的勢頭提速增長，總付運量及銷售額均錄得強勁的按年增長。總付運量上升約62%至約186百萬件，總銷售額上升約18%至約71百萬美元。

本集團的付運量於上半年及下半年均錄得雙位數百分比的增長。於上半年，總付運量主要受惠於先進顯示及大型顯示業務的付運量增長。同時，於下半年，先進顯示業務單元的增長進一步加快，而移動系統及移動顯示業務單元的付運量亦錄得大幅增長及贏得多項訂單。然而，由於市場情況充滿挑戰及個別產品類別的存貨過剩，令大型顯示業務呈現放緩。

本集團成功進一步把握高增長、大批量業務市場類別的潛力，特別是智能手機、平板電腦、穿戴式產品及電子貨架標籤，令付運量成功錄得大幅增長，同時在吸引國際品牌以及開發嶄新產品方面亦取得穩步進展。本集團亦擴大了產品及應用組合，為未來業務增長奠定穩固基礎。

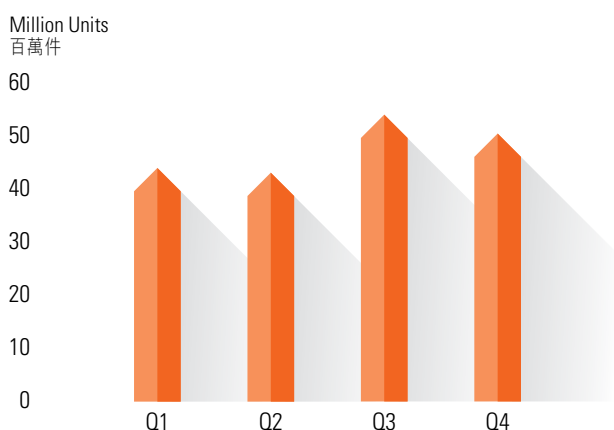
#### PRODUCT SHIPMENT (BY BUSINESS UNIT)

##### 產品付運量 (按業務單元)

Units Shipped (million)	付運量 (百萬件)	2015	2014	Change 變動
Advanced Display	先進顯示	131.6	68.8	91%
Mobile Display	移動顯示	14.0	13.7	2%
Mobile System	移動系統	9.5	6.0	58%
Large Display	大型顯示	30.6	26.2	17%
Total	總數	185.7	114.7	62%

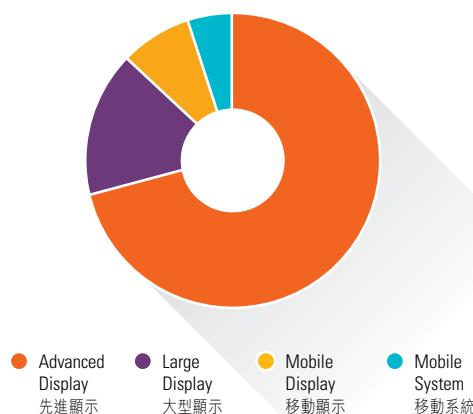
#### 2015 PRODUCT SHIPMENT (BY QUARTER)

##### 2015年產品付運量 (按季度)

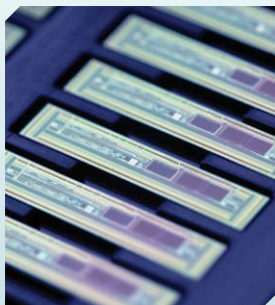


#### 2015 PRODUCT SHIPMENT (BY BUSINESS UNIT)

##### 2015年產品付運量 (按業務單元)







▶ Cumulative Shipments of PMOLED Display Driver ICs Have Exceeded 500 Million Units  
PMOLED顯示驅動IC累計出貨量超過五億件



▶ Fitness Tracker  
健身追蹤手帶



▶ AMOLED Display Driver IC  
AMOLED顯示驅動器IC

## Advanced Display

The Advanced Display business unit includes OLED displays and lighting products, as well as bistable products. In addition to standard ICs, the Advanced Display business unit also provides custom IC design services, including analog, mixed-signal and high-voltage IC designs to cater to the specific needs of customers.

In 2015, the total unit shipments of Advanced Display products jumped 91% year-on-year to 131.6 million units (2014: 68.8 million units). The strong increase was mainly due to the Group's success in capturing the wearables market which has expanded exponentially, and in further expanding the product and application portfolios of both its OLED and bistable products.

The Group's PMOLED display driver ICs gained a number of high-profile design-wins during the year with world-renowned brands of wearable health and fitness devices, contributing significantly to the increase in unit shipments. The Group has also launched new products to capture the increasing demand for wearables for larger and curved displays, and with higher resolution, DPI and brightness. These new products with small form factors mark a remarkable advancement of the high brightness PMOLED display technology. It has continued to expand both product applications and the customer base to other fast-growing market segments, including healthcare devices, set-top boxes, etc.

In addition, the Group, as the market leader in PMOLED display driver ICs who has forged solid relationships with a number of world-class customers and international brands, has achieved cumulative shipments exceeding 500 million IC units up till 2015. With regard to AMOLED technology, the Group has successfully launched its first AMOLED display driver IC for HD720 smartphone panels with pilot production starting at the end of 2015.

## 先進顯示

先進顯示業務單元包括OLED顯示及照明產品，以及雙穩態產品。先進顯示業務單元除了提供標準IC外，亦提供訂制IC設計服務，包括模擬、混合訊號及高壓IC設計，以滿足客戶的特定需要。

於2015年，先進顯示產品的總付運量按年飆升91%至131.6百萬件（2014年：68.8百萬件）。付運量強勁增長主要受惠於本集團成功把握正強勁飆升的穿戴式產品市場所帶來的機遇，並進一步擴大OLED及雙穩態產品的產品及應用組合。

年內，本集團的PMOLED顯示驅動器IC贏得多項重要訂單，當中包括國際知名品牌的穿戴式健康及保健產品，顯著帶動付運量增長。本集團亦推出了多項新產品，以滿足穿戴式產品對更大尺寸及弧形顯示器、更高解像度、解析度及亮度與日俱增的需求。該等外型小巧的新產品正標誌高亮度PMOLED顯示技術發展一日千里。本集團一直致力擴大產品應用及客戶基礎至其他快速增長的市場類別，如健康護理產品及機頂盒等。

此外，本集團作為PMOLED顯示驅動器IC市場領先者，與多個世界級客戶及國際品牌建立了良好關係，至2015年累計錄得超過五億件IC的付運量。AMOLED技術方面，本集團成功推出其首個適用於HD720智能手機面板的AMOLED顯示驅動器IC，並於2015年底開始試產。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### 管理層討論及分析(續)

#### BUSINESS REVIEW & OUTLOOK (continued)

##### 業務回顧及展望(續)



In terms of bistable display business, the Group has developed a range of new products, including bistable display driver ICs for three-pigment (red, black and white) AMEPD and EPD for further expanding its share of the ESL market, and also supporting applications spanning from smart cards and timepieces to wearable devices, healthcare and medical devices. The Group has also further extended the application portfolio of its segment-type EPD solutions to broaden its revenue base.

To tap the strong potential of OLED lighting, the Group has successfully developed a single-chip OLED lighting driver IC to enable ultra-slim form factors, energy-efficient and smooth dimming control of OLED lighting as well as LED backlight applications. This innovative product has received positive feedback during a customer trial run in 2015.

### Mobile Display

The Mobile Display business unit provides LCD display driver ICs targeting high resolution and high value-added applications, including smartphones, industrial and other portable applications. During the year, the business unit focused on leveraging its new products for high resolution displays to drive business growth, while also continuing to develop next-generation products to meet the fast-changing market needs.

The Group's TFT In-cell touch display driver IC (TDDI) for FWVGA panels has been adopted by a renowned smartphone brand and started mass production in the last quarter of the year. The design of In-cell touch display driver ICs for HD/FHD panels has also commenced at the end of the year. The TFT driver IC for HD/FHD/QHD IGZO panels targeting the China smartphone market and tablet markets had samples ready as well at the end of 2015 for design-in projects.

雙穩態顯示業務方面，本集團開發了多項新產品，包括用於三色（紅、黑和白）AMEPD及EPD的雙穩態驅動器IC，以進一步擴大其於電子貨架標籤市場的佔有率，並支持智能卡、時鐘、可穿戴式產品，以至健康護理及醫療產品應用。為擴闊收入基礎，本集團亦進一步擴大其段式EPD解決方案的應用組合。

為把握OLED照明的龐大潛力，本集團成功開發了單晶片OLED照明驅動器IC，實現超薄、節能及流暢調光控制的OLED照明應用以及LED背光應用。這項創新產品在2015年的客戶試用獲得正面回應。

### 移動顯示

移動顯示業務單元提供LCD顯示驅動器IC，針對高解像度及高增值的應用，包括智能手機、工業及其他便攜式應用。年內，該業務單元繼續專注於以其高解像度顯示的新產品推動業務增長，同時繼續開發新一代產品以滿足瞬息萬變的市場需要。

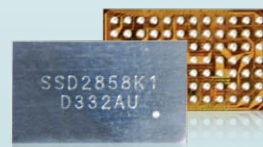
本集團應用於FWVGA面板的TFT內嵌式觸控顯示驅動器IC (TDDI) 已獲得一個知名的智能手機品牌採用，並於去年第四季開始批量生產。此外，本集團於去年底開始設計應用於HD/FHD面板的內嵌式觸控顯示驅動器IC。以中國智能手機及平板電腦市場為目標的HD/FHD/QHD IGZO面板所需的TFT驅動器IC，亦已於2015年底完成樣本，以用於設計項目。



▶ Smartphone  
智能電話



▶ Wearable Health & Fitness Device  
穿戴式健康和保健產品



▶ MIPI Bridge IC  
MIPI橋接IC

The Group has also designed-in its STN LCD driver IC within other portable display applications, including automotive, smart watches and power meters, extending the product application portfolios and further enhancing the revenue base of the business unit.

The unit shipments of Mobile Display products in 2015 were approximately 14.0 million units (2014: 13.7 million units), a slight 2% increase year-on-year, as mass production of the new products had only started to commence close to the end of the year.

### Mobile System

The Mobile System business unit focuses on capacitive touch panel controller ICs, high speed eDP bridge ICs and MIPI bridge ICs, targeting applications including smartphones, tablets and wearable devices. The Group's strategy of investing to develop new products with more value-added features and extend the product portfolio of its capacitive touch panel controller ICs has started to bear fruit. The total unit shipments of the Mobile System business unit climbed about 58% to 9.5 million units (2014: 6.0 million units) year-on-year.

One of the Group's Out-Cell touch panel controller ICs, which achieved design wins with world renowned brand's tablets in the first half of the year, started mass production in the third quarter of the year. Another Out-Cell touch panel controller IC of the Group targeting larger display panels has been qualified for Windows 8/10 and designed-in within leading notebook brands. Moreover, the Group's On-Cell touch panel controller IC has garnered design-in projects with a few leading panel manufacturers.

本集團的STN LCD驅動器IC亦贏得其他便攜式顯示器應用的設計項目，包括：汽車、智能手錶及電錶，以擴大產品應用組合，進一步加強該業務單元的收入基礎。

因新產品於接近去年底時才開始量產，移動顯示產品於2015年的付運量約為14.0百萬件（2014：13.7百萬件），按年輕微上升2%。

### 移動系統

移動系統業務單元主要專注於電容式觸摸屏控制器IC、高速eDP橋接IC及MIPI橋接IC，針對智能手機、平板電腦及穿戴式產品等應用。本集團投放資源於開發具有更多增值功能的新產品，而擴大其電容式觸摸屏控制器IC的產品組合的策略已初見成果。移動系統業務單元的總付運量按年上升約58%至9.5百萬件（2014年：6.0百萬件）。

本集團其中一款外嵌式觸摸屏控制器IC於去年上半年贏得國際知名品牌的平板電腦的訂單，於去年第三季已開始批量生產。本集團另一款針對應用於較大尺寸顯示屏的外嵌式觸摸屏控制器IC已獲Windows 8/10的認證，並取得領先的筆記本電腦品牌的設計項目。此外，本集團的表嵌式觸摸屏控制器IC贏得數家領先面板製造商的設計項目。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### 管理層討論及分析(續)

#### BUSINESS REVIEW & OUTLOOK (continued)

##### 業務回顧及展望(續)

With regard to the MIPI high speed bridge IC business, the Group started high-volume mass production for a wearable device of a leading brand in the third quarter of the year. The Group successfully designed-in its new eDP-to-MIPI bridge IC within a key tablet brand, and also completed a number of design-in projects within other smart applications, including a virtual display device of a key international brand, a DVR, a blood pressure meter and a security system, further extending the product application portfolio.

#### Large Display

The Large Display business unit focuses on providing large panel TFT display driver ICs to address display applications.

Following a substantial year-on-year surge in unit shipments in the first half of 2015, the Large Display business unit experienced a reduction in demand from its major customer for specific product categories in the face of challenging market conditions and excess inventory in the second half of the year. Nonetheless, the total shipments of the Large Display business unit for 2015 still saw a year-on-year increase of 17% to 30.6 million units (2014: 26.2 million units).

During 2015, the Group has been developing more advanced new products, including TFT display driver ICs for WQHD monitors, 4k2k TVs and FHD notebooks to capture increasing demand for high resolution display. The Group's new TFT display driver IC for WQHD monitors has been qualified and started mass production in June 2015.

至於MIPI高速橋接IC業務方面，本集團於去年第三季開始為一個領先品牌大批量生產穿戴式產品。本集團憑其全新的eDP-to-MIPI橋接IC，成功贏得一個主要平板電腦品牌的設計項目，亦完成了其他智能應用的多個設計項目，包括一個主要國際品牌的虛擬顯示器、數碼影像記錄器、血壓計及保安系統，進一步擴闊了產品應用組合。

#### 大型顯示

大型顯示業務單元主要提供針對大型顯示應用的大屏幕TFT顯示驅動器IC。

大型顯示業務單元於2015年上半年付運量按年大幅飆升，惟下半年市場情況充滿挑戰及存貨過剩，故面對主要客戶對個別產品類別的需求減少。雖然如此，大型顯示業務於2015年的總付運量仍按年上升17%至30.6百萬件(2014：26.2百萬件)。

於2015年，本集團開發了更多先進的新產品，如適用於WQHD顯示屏、4k2k電視及全高清筆記本電腦的TFT顯示驅動器IC，以把握高解像度顯示不斷增長的需求。本集團針對WQHD顯示屏而開發的新TFT顯示驅動器IC已獲質量認證，並於2015年6月開始批量生產。

## Outlook

In 2016, the Group will continue to strive to focus on its key customers and expand footprint in its target application segments, especially those products with sustained value, including mainstream display products supporting LCD display technologies, and advanced display products supporting other display technologies including OLED, bistable, etc. With a favorable book-to-bill ratio of 1.1 which is a positive indicator for future growth, an array of new, high performance products with extended application portfolio to capture the market segments with rising potential, and a streamlined structure to boost efficiency, the Group is well-positioned to move full speed ahead to its next phase of growth.

Nonetheless, the Group's business performance and prospects may be affected by risks and uncertainties relating to its business and operating environment. The major business risks the Group is exposed to include volatile global economy, intense market competition, shifting industry trends and technological advancement which may cause changes in the business environment, market price and customer demand, which in turn may impact the Group's sales. Also, there are operational risks relating to changes in suppliers' capacity, product quality control and inventory management; compliance risks including infringement of intellectual property, laws and regulations, information security and environmental standards, as well as financial risks.

The Group will continuously monitor, identify and manage possible risks and uncertainties effectively; and also review the adequacy of the existing risk management systems, to ensure the sustainability of its businesses and achievement of business objectives.

Below are the highlights of the Group's development in the target application markets:

### Smartphones

The Group will focus on In-cell touch display driver IC (TDDI) and high resolution display driver IC products, while also keep track of the development of the emerging AMOLED technology to capitalize on its strong potential.

For TFT display driver ICs, the Group's new In-cell TDDI IC for FWVGA panels is expected to continue mass production aimed at driving growth. The Group plans to complete design and release its new In-cell TDDI for HD/FHD in the first half-year of 2016, and conduct outreach to potential customers. The Group also aims to secure additional design-in projects for its display driver ICs for FHD IGZO panels to capture the rising market opportunities.

## 展望

於2016年，本集團將繼續致力專注於主要客戶及擴大目標應用類別的業務覆蓋，尤其具持續價值的產品，包括支持LCD顯示技術的主流顯示產品，以及支持其他顯示技術，包括OLED、雙穩態等的先進顯示產品。憑藉利好之1.1訂單出貨比率，顯示未來發展前景樂觀；一系列嶄新及高性能的產品連同已擴大的應用組合，能把握潛力與日俱增的市場類別；加上精簡架構以提升效率，本集團已準備就緒，全速邁向下一個增長階段。

然而，本集團的業務表現及前景可能受到其業務及營運環境有關的風險和不確定因素所影響。主要影響本集團的業務風險包括動盪的全球經濟、激烈的市場競爭、不斷轉變的行業發展趨勢及科技發展。此等因素可能導致經營環境、市場價格和客戶需求的改變，繼而可能影響本集團的銷售額。此外還有有關供應商產能、產品品質控制和庫存管理有關的營運風險；合規風險包括違反知識產權、法規、資訊安全和環保標準，以及金融風險。

本集團將持續有效監控、識別和管理可能的風險和不確定因素，並檢討現有的風險管理系統，以確保其業務可持續發展，達至經營目標。

以下為本集團在其目標應用市場的主要發展情況：

### 智能手機

本集團將專注於內嵌式觸控顯示驅動器IC (TDDI) 及高分辨率的顯示驅動器IC產品，同時留意新興的AMOLED技術的發展以能把握其巨大的潛力。

在TFT顯示驅動器IC方面，本集團專為FWVGA面板而設的新內嵌式觸控顯示驅動器IC預期將繼續批量生產，以促進業務增長。本集團計劃於2016年上半年完成設計，推出專為高清/全高清而設的全新內嵌式TDDI，並向潛在客戶推廣。本集團亦銳意贏得更多適用於全高清IGZO面板的顯示驅動器IC的訂單，以把握不斷湧現的市場機遇。

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### 管理層討論及分析(續)

#### BUSINESS REVIEW & OUTLOOK (continued)

##### 業務回顧及展望(續)

The Group will build on the growth momentum of its MIPI display interface controller ICs to further advance business growth, and secure more design-wins for its new eDP-to-MIPI bridge ICs tailored for high performance WQXGA tablets.

As AMOLED panels are expected to gain more ground in the high-end smartphone market, the Group is supporting our module manufacturer partner in its efforts to reach out to more end customers – the various smartphone manufacturers – with the Group's new AMOLED display driver IC for HD720 panels.

##### Smart TVs

The Group will strive to leverage its key customer's enhanced capacity and business development plan. With its array of more advanced new products in the pipeline, the Group aims to capture these potential market segments to boost growth. These new products include TFT display driver ICs for 4k2k TVs, as well as FHD notebooks.

##### Other Smart Devices

The wearables market, with its outstanding growth potential, continues to be a key target application market of the Group. The Group is particularly focusing on extending the customer base of its new products featuring high brightness curved display for wristbands, and leveraging this growing market segment to further ramp up shipments for PMOLED display driver ICs and MIPI bridge ICs.

In terms of ESL, the Group targets to score more design wins with its new solutions for AMEPD to increase its share of the ESL market. The Group also expects to enhance its revenue stream with the expanded applications of its new three-pigment AMEPD and segment-type EPD solutions.

The Group plans to further expand the application portfolio of its MIPI bridge ICs and also develop high resolution display driver ICs for the automotive market.

The Group will also reach out to potential markets for its new single-chip OLED lighting driver IC developed during 2015.

本集團將建基於其 MIPI 顯示器介面控制器 IC 的增長勢頭，進一步促進業務增長，並為其應用於高性能 WQXGA 平板電腦的全新的 eDP-to-MIPI 橋接 IC 贏得更多訂單。

因預期 AMOLED 面板於高端智能手機市場將更具優勢，本集團現正透過其應用於高清 720 面板的全新 AMOLED 顯示驅動器 IC，支援模組製造商，讓他們可推廣至更多終端客戶 — 即不同的智能手機製造商。

##### 智能電視

本集團將致力於把握其主要客戶已擴充的產能及業務發展計劃。本集團有多項更先進的新產品將陸續推出，以把握具潛力的市場類別。新產品包括應用於 4k2k 電視及全高清筆記本的 TFT 顯示驅動器 IC。

##### 其他智能產品

穿戴式產品市場極具增長潛力，繼續成為本集團的主要目標應用市場。本集團尤其專注於擴大其應用於手環產品的高亮度弧形顯示器新產品的客戶基礎，並利用這持續增長市場類別進一步提升 PMOLED 顯示驅動器 IC 及 MIPI 橋接 IC 的付運量。

電子貨架標籤方面，本集團的目標是為其用於 AMEPD 的全新解決方案贏得更多訂單，進一步擴大其於電子貨架標市場的佔有率。本集團亦預期可藉著其全新三色 AMEPD 及段式 EPD 解決方案的產品應用更為廣泛，加強其收入來源。

本集團計劃把其 MIPI 橋接 IC 的應用組合進一步擴闊，以及針對汽車市場而開發高解像度顯示驅動器 IC。

本集團亦會把其於 2015 年開發的全新單晶片 OLED 照明驅動 IC 推廣至多個潛在市場。

## Product Development

Leading-edge product development capability has always been one of the Group's core competencies. It is also the cornerstone of the Group's business as innovation remains its foundation. To enhance our strengths in targeted product display applications and differentiate ourselves, the Group has focused on developing new technologies and also enhancing the features of and adding functionality to existing products. In 2015, the Group spent roughly US\$19.5 million on product R&D engineering, representing about 62% of total expenses and 28% of sales for the year.

As of 31 December 2015, the Group had a product design & development workforce of 232 (2014: 201), representing 65% (2014: 62%) of our total employees (excluding those of a manufacturing subsidiary in China). The Group's product R&D engineering teams possess domain expertise in various areas, spanning from design of high-speed serial master bridges, FHD TDDI and OLED lighting driver ICs, to display drivers for various panel technologies such as amorphous silicon TFT, IGZO TFT, LTPS, AMOLED, PMOLED, and AMEPD. This wide array of critical knowhow enables fast fulfillment of customers' sophisticated requirements. The Group continues to adopt advanced high-voltage wafer processes on 12" wafer to address the challenge of increasingly higher resolution and lower power consumption in mobile consumer end products.

## IP Development

The IPs that have been developed or were under development during 2015 aiming at low power, high resolution smart applications included: smart power management units in both LV and MV domains and various RAM memory compression codecs for mobile display driver products, a new power scheme designed to reduce both the operating current by 30% and the number of external components reducing system cost for OLED display driver ICs, and a long distance communication link for OLED lighting applications. The Group has also successfully designed a peer-to-peer interface of up to 1.35Gbps per lane with low power consumption for large display driver ICs.

All the above innovations have been further optimized with advanced low-power implementation techniques from front-end to back-end designs, to ensure that the Group's products are not only smart but also environmentally friendly at the same time.

During the year, the Group has been granted one patent and filed seven patents covering various display design and application areas. The Group has also added resources to encourage patent application and filing, with a view to further strengthening its intellectual property portfolio to facilitate business growth in the future.

## 產品開發

尖端產品開發能力是本集團的核心能力之一，亦是業務的基石，因為創新一直是本集團的根基。為加強在目標產品顯示應用的優勢，並脫穎而出，本集團專注於開發新技術，並加強現有產品的特點及加入更多功能。於2015年，本集團於產品工程開發方面的支出約為19.5百萬美元，佔年內總開支約62%及佔銷售約28%。

於2015年12月31日，本集團的產品設計及開發團隊共有232名員工（2014：201名），約佔員工總數（不包括中國負責生產之附屬公司的員工）的65%（2014：62%）。本集團的產品工程開發團隊具備多個範疇的專業知識，包括設計高速串行主電橋、FHD TDDI及OLED照明驅動器IC，以至氮化非晶矽TFT、IGZO TFT、LTPS、AMOLED、PMOLED及AMEPD等多種面板技術的顯示驅動器。憑藉豐富的專業知識，本集團能迅速滿足客戶的不同需求。本集團於12吋晶圓使用先進高壓製程，以滿足移動消費終端產品對更高解像及更低功耗不斷增加的市場需求。

## 開發知識產權

本集團於2015年成功開發或正進行開發的適用於低功耗及高解像度智能產品應用的知識產權，包括低功耗及中功耗領域的智能電力管理單元及應用於移動顯示驅動器產品的多種RAM記憶壓縮編碼器，可減少30%之操作電流、降低OLED顯示驅動器IC系統成本的外部元件數目而專門設計的新電源使用方案，以及OLED照明應用的長途通訊連接。本集團亦成功設計了針對大型顯示驅動器IC、每通道高達1.35Gbps及低功耗的點對點界面。

本集團已進一步優化所有上述創新產品，在前端至後端設計上均配備先進低功耗執行技術，確保本集團的產品既智能又環保。

年內，本集團於多個顯示設計及應用範疇取得一項專利，並已遞交七項專利申請。本集團亦已增加資源鼓勵專利申請，藉以進一步加強其知識產權組合，助力未來的業務增長。

# CORPORATE SOCIAL RESPONSIBILITY REPORT

## 企業社會責任報告

### EMPLOYEES

#### 員工

The Group believes that Corporate Social Responsibility (“CSR”) or Environmental, Social and Governance (“ESG”) has always been an integral part of our business excellence. We maintain a strong commitment to integrating ESG criteria into our everyday operations. Our ESG strategy is centered on the four key areas that we believe contribute to a sustainable business model: employees, the marketplace, environmental protection and the community.

With reference to the Stock Exchange’s Consultation Conclusions on Review of the Environmental, Social and Governance Reporting Guide, during 2015 the ESG working committee has defined the Group’s sustainability theme, and the corresponding key performance indicators (“KPIs”) most relevant to our business. Towards this end the working group has started to monitor the Group’s performance in the four key areas.

In recognition of our continuous efforts in fulfilling our responsibilities as a good corporate citizen, in 2015, the Group has been named as a “Caring Company” for the 11th consecutive year in 2015 by the Hong Kong Council of Social Service. It has also successfully obtained the “Corporate Citizenship Logo” (Enterprise Category) under the 6th Hong Kong Corporate Citizen Program co-organized by the Hong Kong Productivity Council and the Committee on the Promotion of Civic Education. In addition, the Group has been named as a “Happy Company” under the “Happiness-at-Work Promotional Scheme” launched by the Promoting Happiness Index Foundation and the Hong Kong Productivity Council.

Below are some highlights of our commitment and performance in 2015 within the scope of ESG.

#### Employees

The Group recognizes that innovation comes from the minds of talented people, and that our success depends on our ability to attract, retain, and develop talented people.

As of 31 December 2015, the Group had a total workforce of 431 employees, including its manufacturing subsidiary in China. In terms of workforce composition, we have increased the headcount for product development in line with our focus on new product innovation. Of the total workforce, around 50% were based in the Hong Kong head office with the rest located in China, Japan, Singapore, Taiwan and the USA.

本集團相信企業社會責任（「CSR」）或環境、社會及管治（「ESG」）是達致卓越業務表現的關鍵，一直致力把ESG準則融入日常營運中。本集團的ESG策略集中於四個主要範疇：員工、市場、環境保護及社區，以達致可持續的業務模式。

ESG工作委員會根據聯交所的檢討《環境、社會及管治報告指引》的諮詢總結，於2015年設定本集團的持續發展的主題及與業務最息息相關的主要表現指標（「KPIs」）。為此，工作委員會已開始監察本集團於四個主要範疇的表現。

本集團於2015年連續第十一年獲香港社會服務聯會頒授「商界展關懷」標誌，以表揚本集團為致力履行良好企業公民的社會責任，亦於香港生產力促進局及公民教育委員會合辦的「第六屆香港傑出企業公民獎」獲頒「企業公民嘉許標誌」（企業類別）。此外，本集團獲得由香港提升快樂指數基金及香港生產力促進局推出的「開心工作間推廣計劃」頒發「開心企業」標誌。

以下是本集團於2015年在ESG範疇的承諾及表現摘要。

#### 員工

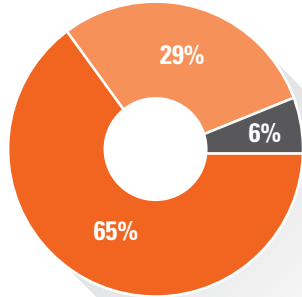
本集團明白創新源自優秀人才，而我們的成功有賴本身具備吸引、保留及培育人才的能力。

於2015年12月31日，本集團共有431名員工，包括位於中國負責生產的附屬公司的員工。就員工組合而言，我們為配合專注於產品創新的策略，增加了產品開發的員工數目。整體員工中約50%駐香港總辦事處，其餘員工分別駐中國、日本、新加坡、台灣及美國。



## FUNCTION

職能



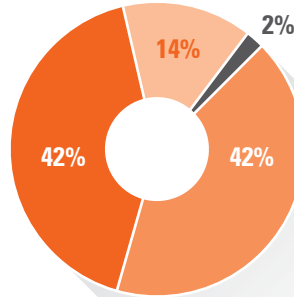
- Product Development  
產品開發
- Sales & Marketing and Others  
銷售及推廣及其他
- Quality & Manufacturing  
品質管理及製造

- 252 technical engineering staff  
252名技術工程師
- 356 staff worldwide as at 31 December 2015  
於2015年12月31日，全球聘有共356名員工

Note: Data in the above charts excludes the manufacturing subsidiary  
附註：圖表中所有數據不包括負責生產之附屬公司

## EDUCATION

教育程度

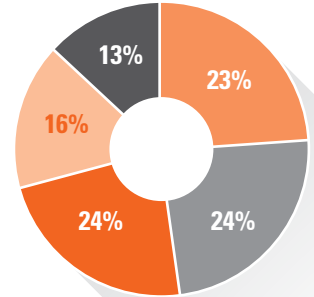


- Master's Degree or above  
碩士學位或以上
- Bachelor's Degree  
學士學位
- Diploma / Certificate  
文憑/證書
- Others  
其他

- 42% Master's Degree or above  
42%持碩士學位或以上
- 84% Bachelor's Degree or above  
84%持學士學位或以上

## EXPERIENCE

經驗



- > 20 years 年
- 16-20 years 年
- 11-15 years 年
- 6-10 years 年
- ≤ 5 years 年

- Management team with 28 years of working experience  
管理團隊擁有28年工作經驗
- Average 14 years of working experience  
員工平均擁有14年工作經驗

About 84% of the Group's employees hold a bachelor's degree or above, and around 42% have earned a master's degree or higher academic qualifications. The Group's emphasis on R&D is also reflected in the composition of our workforce, as 65% are engineers who specialize in product design and development. The entire team has, on average, 14 years of working experience.

本集團約84%員工擁有學士學位或以上學歷，約42%持碩士學位或以上學歷。本集團著重工程開發的文化亦反映於員工組合之中，65%的員工為專注產品設計及開發的工程師。整體員工平均擁有14年工作經驗。



▶ Product Training Workshop  
產品培訓工作坊



▶ Sales Training Workshop  
銷售培訓工作坊



▶ Anniversary Dinner  
週年晚宴



### Training & Development

At Solomon Systech, we cultivate a culture of “Continuous Learning”. To stay competitive in the ever-changing global display market, we provide training courses and workshops to employees and strive to ensure that they become continuous learners with enhanced capabilities to create and innovate.

In 2015, the Group dedicated a total of 7,895<sup>1</sup> man-hours to training and development (an average of around 23<sup>1</sup> training hours per employee), covering a wide range, including industrial and technical training, corporate governance, quality management, internal controls, etc. We engaged both experienced employees and external consultants as instructors. Apart from in-house training, the Group has also encouraged employees to take external job-related courses and sponsors a portion of the tuition.

### A Safe and Healthy Work Environment

We invest in the health, safety, and wellness of our employees because we care about their well-being. We recognize that employees’ well-being is important to ensure that a competent and qualified workforce can operate in a professional manner that effectively meets our customers’ needs. Apart from providing a safe working environment and health insurance covering medical, disability, accidental and life benefits to eligible employees, to help our employees strike a healthy work-life balance and also promote team building, in 2015, the Staff Recreation Club (“SRC”) led by departmental representatives has organized an increased number and variety of participatory activities for employees. Apart from corporate events including the anniversary dinner and annual lunch, the SRC also arranges sports gatherings such as a football tournament and bowling competition, interest classes including leather craft workshop, and leisure activities including the archery war game and eco-cycling tour, as well as the Christmas party and barbecue night.

1. Data excludes the manufacturing subsidiary  
數據不包括負責生產之附屬公司

### 培訓及發展

本集團建立了「持續進修」的文化。為了在瞬息萬變的全球顯示器市場中保持競爭力，我們為員工提供不同的培訓課程及工作坊，確保員工能夠持續進修，並具備更佳的創造及創新能力。

於2015年，本集團投入共7,895<sup>1</sup>小時於培訓及發展（平均每名員工23<sup>1</sup>小時的培訓），涵蓋行業及技術培訓、企業管治、品質管理、內部監控等多個範疇。我們邀請經驗豐富的員工及外部顧問擔任導師。除內部培訓外，本集團亦鼓勵員工報讀職外與職業相關的課程，並資助部分學費。

### 安全及健康的工作環境

我們十分關注員工的福祉，因此投入資源於員工的健康、安全及福利。我們明白員工的福祉對建立能幹及高質素的人力團隊非常重要，能確保他們以專業的態度經營業務，並有效地滿足客戶的需要。本集團除提供安全的工作環境及涵蓋醫療、傷殘、意外及人壽保障的健康保險外，為幫助我們的員工達至健康的工作和生活平衡以及促進團隊，於2015年，由不同部門代表領導的員工康樂會為員工籌辦了更多各式各樣的活動，除週年晚宴及年度午餐外，員工康樂會亦安排了體育活動如足球及保齡球比賽，興趣班如皮革工藝班，以及康樂活動如射箭遊戲及生態單車遊、聖誕聯歡會及燒烤晚會。



▶ Leather Craft Workshop  
皮革工藝班



▶ Sports Activities (Bowling, Football)  
體育活動 (保齡球、足球)



▶ Eco-cycling Tour  
生態單車遊



▶ Archery War Game  
射箭遊戲



▶ Experiential Tour:  
Dialogue in the Dark  
體驗之旅：黑暗中對話

## An Open and Collaborative Workplace

The Group promotes a culture of honest, transparent communication, and provides extensive opportunities to collaborate and innovate. The Group conducts monthly "Operations Review" and quarterly videoconferences, "Mass Communication Meetings," to inform employees about the current status of the business, its strategy and other topics of importance. The intranet of the Company has been used as a key platform for sharing information with employees on corporate strategy and activities, events and achievements.

The Group advocates sharing and interactive communication among employees to foster collective creativity and a long-term commitment to the Company. All departments are encouraged to hold information-sharing sessions and departmental gatherings.

## Rewarding Our People

The Group believes in motivating, retaining and rewarding employees and attracting new talent with the right incentives, in order to facilitate the alignment of their interests with its own. In 2015, selected employees have been granted share options in appreciation of their past performance and contributions, and as an incentive for continuing their contributions. In addition, the Group has in place first order awards, and also implements the NPI Incentive Program, a cash reward scheme, to reward development teams for their success in introducing new products to the market that excel in time-to-market and revenue contribution. Patent awards are in place to encourage and reward technological innovation. The Group also offers long service awards to reward employees of long standing.

## 開放、合作的工作環境

本集團重視誠實、具透明度的溝通，並提供廣泛的合作及創新機會。本集團會舉行每月「業務回顧」及每季視像會議「員工溝通大會」，讓各員工瞭解當前業務情況、策略及其他重要課題。本集團亦利用公司內聯網作為向員工分享企業策略、活動、事件及成就的重要平台。

本集團主張員工之間有分享和互動交流，以培養集體創意及對公司長遠的歸屬感。本集團鼓勵各部門舉行資訊分享會及部門聚會。

## 獎勵員工

本集團相信，適當的獎勵計劃可以獎勵、挽留及鼓勵員工，並吸納新的人才，更令員工的利益及本集團的利益連成一線。於2015年，個別員工獲授購股權，以表揚他們的傑出表現及鼓勵他們繼續為本集團作出貢獻。此外，本集團頒發「首張訂單獎」並推行名為「NPI 獎勵計劃」的現金獎勵計劃，以嘉許成功將新產品適時推出市場並帶來收益的開發小組。本集團亦頒發「專利權獎」以鼓勵及獎賞員工創新科技，以及頒發長期服務獎以嘉許持續服務多年的員工。

### Code of Conduct and Anti-Fraud Policy

Integrity forms a key cornerstone in the foundation of the Group's success. We believe that strong governance and ethical conduct are essential in building a sustainable business and gaining the trust of our employees, customers, and stakeholders alike.

Towards that end, we have in place a Code of Conduct and an Anti-Fraud Policy, as well as associated policies and guidelines including Business Principles, Internal Control Policies and Procedures, Human Resources Policies and Procedures, Gift Handling Policies, Finance Policies and Procedures and Protection of Proprietary Information aimed at providing a framework for the operation of the Group in line with our shareholders' best interest and legal requirements. All of these policies and guidelines are available on the company intranet for easy access of all employees. In March 2015, the Group has also invited the Independent Commission Against Corruption ("ICAC") to conduct two seminars on corruption prevention.

In addition, an "Internal Control & Information Protection Training" session which covers the Code of Conduct, Anti-Fraud Policy, Protection of Proprietary Information and Gift Handling Policy was conducted twice at the Hong Kong office and the Shenzhen office respectively for the new employees of the Group. No suspected enquiries or cases involving fraud were reported during 2015.

### 行為守則及反欺詐政策

誠信是本集團達至成功的重要基石。我們相信良好的管治和道德行為為對建立可持續發展的業務及取得員工、客戶及持份者的信心至關重要。

為此，我們實施行為守則和反欺詐政策，以及相關政策和指引，包括業務原則、內部監控政策及程序、人力資源政策及程序、禮物處理政策、財務政策及程序和專利資料保護，為本集團的營運提供框架，以符合本集團股東的最佳利益及法律要求。所有員工均可於本集團內聯網查看此等政策及指引。於2015年3月，本集團亦邀請了廉政公署舉行兩個關於預防貪污的講座。

此外，本集團為所有新入職員工提供「內部監控及資訊保密培訓」，涵蓋行為守則、反欺詐政策、專利資料保護及禮物處理政策，於香港辦事處及深圳辦事處各舉行了兩次上述培訓。本集團於2015年內並無接獲任何有關欺詐的懷疑查詢或事件報告。

## THE MARKET PLACE

### 市場

We strive to foster mutually beneficial relationships with our suppliers and customers to promote sustainability in the marketplace, and create long-term value for the Group and society.

Through collaborating with our suppliers to manage risk and promote business ethics and integrity, we aim to increase our positive impact and implement further compliance in our supply chains. Our suppliers are expected to comply with relevant local laws and also the international quality and environmental management standards that we ourselves have attained, including ISO9001 Quality Management Certification, ISO 14001 Environmental Management Certification, Restriction of Hazardous Substances Directive (RoHS), OHSAS 18001 Certification for Occupational Health and Safety Management Systems, etc.

In addition, we embed sustainability into our core business practices by integrating our Code of Conduct into supplier contracts and assessing suppliers' sustainability performance through our business scorecard. We partner with suppliers to build their capability through training and regular dialogue. We also have in place a Supplier Quality and Environmental Management System in which we apply ISO9001 and ISO14001 certification standards to ensure the quality of all aspects related to new product development, procurement, production, service provision, etc. Our manufacturing partners are required to conduct laboratory analysis of the raw materials and sign a Green Warranty letter to ensure the raw materials and that the manufacturing processes comply with international environmental standards.

With regard to customers, we conduct an annual customer satisfaction survey to closely monitor our service and product quality. We also have a Code of Conduct and related policies and guidelines in place, as well as well-established channels to encourage communication with our key stakeholders to resolve any issues arising and achieve excellence in all phases of our business. For example, we have implemented a well-defined procedure to ensure efficient handling of customer enquiries and requests for material returns.

我們致力與供應商及客戶建立互惠互利的關係，務求促進在市場上的可持續發展，為本集團及社會創造長遠價值。

透過與供應商攜手合作，管理風險以及推廣商業道德和誠信，我們致力於供應鏈層面增加正面影響及進一步推動合規。我們預期供應商遵照當地的相關法律及我們已獲頒的國際質量及環境管理標準，包括ISO9001質量管理證書、ISO14001環境管理證書、危害性物質限制指令(RoHS)證書、OHSAS 18001職業健康及安全管理体系證書等。

此外，我們透過在供應商合約加入行為守則及利用我們的業務計分卡，評估供應商的可持續發展表現，把可持續發展納入核心營商方法。我們透過培訓及定期溝通，與供應商合作使其建立相關能力。我們亦採納質量管理系統的ISO9001及ISO14001證書標準，確保新產品開發、採購、生產及服務供應等各方面的品質。我們要求生產商夥伴對原材料進行實驗室分析及簽署環保保證信，確保其原材料及生產過程均符合國際環保標準。

客戶方面，我們進行年度客戶滿意程度調查，以密切監察本集團的服務及產品品質。我們亦實施行為守則及相關政策及指引以及完善的渠道，促進與主要持份者的溝通，以解決在各業務環節出現的任何問題並力臻卓越。例如我們實施了明確的程序，以確保有效率地處理客戶查詢及產品退回要求。

# CORPORATE SOCIAL RESPONSIBILITY REPORT (continued)

## 企業社會責任報告(續)

### THE MARKET PLACE (continued)

#### 市場(續)

The Group's Supplier Quality and Environmental Management process comprises the following key steps:

本集團的供應商質量及環境管理包括以下幾個主要程序：

#### PLAN 計劃

Define and present expectations and requirements to suppliers during the business definition phase and appropriate subsequent interaction

於業務洽商階段及合適的分階段與供應商協商訂定期望和要求



#### DO 實施

Monitor and measure product characteristics to verify that all product specifications are met at appropriate stages of the product development process

監察及測量產品特色，確定產品在相關開發階段合乎產品規格要求



#### CHECK 查核

Perform audits to ensure our suppliers' performance:

- Inspect and test products using qualified, calibrated and carefully maintained equipment, and according to documented specifications
- Ship products only after all required inspections and tests have been completed

進行審核以確保供應商表現：

- 使用合乎資格、標正和小心保養的設備，並根據文件要求作產品檢查和測試
- 完成所有必需檢驗和測試後才付運產品



#### ACT 行動

Report on suppliers' compliance with requirements during regular meetings to drive improvement actions

在定期會議中報告供應商的合規情況以推動改進措施

## ENVIRONMENT PROTECTION

### 環境保護

The Group places a high priority on environmental sustainability. We aim to minimize our environmental footprint in order to comply with international environmental standards.

We are continuously improving the eco-features of our products by enhancing their energy efficiency, and also teaming up with our production and supplier partners to fulfill our Green Mission: restrict the use of hazardous substances in products and utilize natural resources prudently and rationally. We aim to achieve full adherence to legal, industry and customer-specific environmental requirements.

### Green Products

Low power design has become one of the most important design requirements for wearables, smartphones, tablets and many other consumer and industrial applications. Our IC products and system solutions are the key components to lower the power consumption of these applications. These environmentally-friendly IC solutions underpin our commitment to protecting the environment.

All of the Group's products are RoHS compliant. In addition to the 6 hazardous substances banned by RoHS requirements, the Group has extended its product testing to ensure restriction of use of more than 30 hazardous substances in compliance with Sony's SS00259 Management Regulations. The Group has also earned ISO 14001 certification for its environmental management systems and procedures. We have developed and implemented management and operational policies in fulfillment of legal requirements for protecting the environment and minimizing pollution. We also require all of our suppliers to be accredited and comply with these environmental standards. For example, we request our suppliers to sign a Green Warranty letter to declare that their products are RoHS compliant.

本集團極重視維持環境的可持續發展，我們致力減低對環境的影響，以符合國際環保標準。

我們持續透過改善旗下產品的節能功能提升環保效益，並與生產及供應商夥伴攜手履行環保使命：包括禁止於產品使用有害物質，慎用天然資源，以確保全面符合保護環境的法律、行業及客戶要求。

### 環保產品

低功耗設計已成為可穿戴式產品、智能手機、平板電腦及許多其他消費類及工業應用的極重要設計要求之一。我們的IC產品及系統解決方案是降低這些應用耗電量的主要元件，這些環保IC解決方案正反映了我們對環境保護的承諾。

本集團所有產品均符合危害性物質限制指令RoHS。除了該指令限制的六種有害物質以外，本集團亦把產品測試範圍擴大，禁止使用索尼SS00259管理規則內超過30種有害物質。本集團的環保管理系統及程序亦取得ISO14001證書。我們發展及執行一套管理及營運政策，以確保全面符合保護環境及減少污染的法律規定。我們亦要求各供應商取得及遵守這些環境標準。例如我們要求供應商簽署環保保證信，表明其產品均符合危害性物質限制指令RoHS。

# CORPORATE SOCIAL RESPONSIBILITY REPORT (continued)

## 企業社會責任報告(續)

### ENVIRONMENT PROTECTION (continued)

#### 環境保護 (續)



FS 54224 EMS 524601

▶ ISO & BSI Logos  
ISO & BSI標誌



▶ Earth Hour  
地球一小時



▶ "Green-Up the Workplace" Activity  
「綠色工作環境」活動



▶ Green Outing  
綠色戶外考察

### Green Thinking and Practices

To encourage our staff to help protect the environment, in addition to participating in "Earth Hour 2015," we also act consciously in minimizing waste, conserving energy, promoting "reuse" and "recycling" of resources, and promoting staff awareness and participation in conserving the environment.

We have been proactively promoting energy-saving ideas and simple but feasible energy-saving measures in the workplace, such as weekly "green tips," switching off office lights during lunch hour and sending friendly reminders to the staff to switch off computers and unplug electronic devices before weekends to reduce electricity consumption. We have also set up a comprehensive electronic documentation system to promote e-filing and e-approvals to reduce paper consumption.

In 2015, we continued our recycling activities, including the recycling of gold scraps, used products, such as red packets, batteries, energy-saving compact fluorescent light bulbs and fluorescent lamps, mooncake boxes, etc., and the transfer of Chinese New Year gifts to charitable organizations. We also staged a "Green-Up the Workplace" program for participants to make live desktop plant decorations while enjoying a green lunch. This activity has both helped to raise environmental awareness of our employees as well as enhance their well-being.

### 環保思維及措施

為鼓勵員工響應環保，除支持「2015地球一小時」活動之外，我們亦積極減少廢物、節能、推廣「重用」及「回收」，以及提高員工的環保意識並鼓勵他們踴躍參與環保活動。

我們積極在工作環境之中推廣節能概念及簡單可行的節能方法，例如每週「環保提示」、於午膳時間關燈、於長週末之前提醒員工關閉電腦及拔掉電子產品電源，以減少整體耗電量。我們亦設立全面電子化文件系統，推廣電子存檔及電子批核，以減少用紙。

我們於2015年延續多個回收活動，包括回收金廢料、使用過的物品如利是封、電池、節能燈泡及光管、月餅盒等，並把農曆年禮物轉贈慈善機構。我們亦舉行「綠化工作環境」活動，讓參加者在享用環保午膳的同時，製作盆栽擺設活化桌面。該活動既可提高員工的環保意識，又有益身心。



## THE COMMUNITY 社區



▶ Opening Ceremony of the Innovative Technology Series Training Workshops  
ITS創新科技系列工作坊開幕式



▶ Scholarship Program  
獎學金項目



▶ 2015 Walks for Millions  
2015公益金百萬行



▶ Race for Water  
掙水一戰

In addition to environmental initiatives, making a positive contribution to the sustainable development of the community where we work and live is a core value of Solomon Systech. We focus on the key areas of industrial development, government strategies and talent education, as well as supporting charitable events.

As a key industry player, the Group's senior management has been invited to take up advisory roles in the government and industry associations, to provide counsel on matters relating to the development of the local technology industry, and also sit on the executive boards of major local and international industry associations. The Group has participated in a number of key trade shows and exhibitions through providing speakers and as exhibitors.

The Group believes that education and nurturing talent is pivotal to the well-being of society and thus has been highly dedicated to educating and nurturing industry talents. In addition to providing internships and job placement opportunities, and offering scholarships to top students of accredited universities, the Group's senior management is also sitting on the advisory boards of local universities and educational institutions, and has advised and participated in seminars and workshops, including the "Innovative Technology Series Training Workshops" co-organized by the Department of Electronic and Information Engineering of Hong Kong Polytechnic University, Hong Kong Applied Science and Technology Research Institute and Hong Kong Science and Technology Park. Company professionals have also attended the Workshops.

We have always encouraged our employees to participate in social and community events and to volunteer for good causes. In 2015, our employees participated in a number of such activities, including the "Walks for Millions", "Race for Water", etc.

除了環保活動，本集團亦積極於我們工作及居住的社區推動可持續發展，此乃公司的核心價值。我們重視行業發展、政府政策、人才培育及支持慈善活動等主要範疇。

作為行內翹楚之一，本集團的高級管理層獲邀出任多個政府及行業協會的顧問，就本地科技行業發展提供意見，並加入本地及國際多個業內大型協會的執行委員會。本集團又透過擔任演講嘉賓及參展，參與多個重要貿易會及展覽。

本集團相信教育和培養人才對社會福祉極為重要，為此，本集團非常重視教育和培養人才。除提供暑期實習及就業機會，以及為認可大學提名的優秀學生設立獎學金外，本集團的高級管理層亦參與本地大學及教育組織的顧問委員會，參加研討會及工作坊並提供建議，包括由香港理工大學電子及資訊工程學系、香港應用科技研究院及香港科技園合辦的「ITS創新科技系列培訓工作坊」，本公司的專才亦有出席上述工作坊。

我們經常鼓勵員工參與公益活動和義務工作。於2015年，我們的員工參與了多項公益活動，包括「公益金百萬行」及「掙水一戰」等。

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## 董事會及高級管理層

### Chairman



**Dr. LEUNG Kwong Wai, JP, aged 59**

- Founder and Chairman of the Group
- Authorized Representative pursuant to Rule 3.05 of the Listing Rules

- Chairman of the Investment Committee and member of the Nomination Committee of the Company
- Director of the following wholly-owned subsidiaries of the Group:
  - Ample Pacific Limited
  - Broadwood Global Limited
  - Cornway International Limited
  - Mentor Ventures Limited
  - Pac-Pacific Limited
  - Solomon Systech Inc.
  - Solomon Systech Limited
  - Solomon Systech Japan Company Limited
  - Solomon Systech Taiwan Limited
  - Systech Technology China Limited
  - WE3 Ventures Limited
  - WE3 Technology Company Limited
- Other than the Company, Dr. Leung did not hold any directorships in the companies of which the shares are listed on the Stock Exchange or overseas in the last three years

#### Skills, experience and awards:

- Graduated from The Hong Kong Polytechnic (now The Hong Kong Polytechnic University ("PolyU")) and was awarded Associateship in Electronic Engineering
- Received Master of Science degree in Engineering from The University of Hong Kong
- Received Doctor of Business Administration degree from PolyU
- Conferred Fellowship by PolyU in 2015
- Appointed Justice of the Peace ("JP") of the HKSAR in 2013
- Conferred Honorary Fellowship by the Hong Kong University of Science and Technology in 2007
- Received the Outstanding Achievement Award by China Semiconductor Industry Association in 2004
- Received the Outstanding Polytechnic University Alumni Award in 2003
- Received the Young Industrialist Awards of Hongkong in 2001

#### Current appointments include:

- Member of the Advisory Committee of Innovation and Technology of the HKSAR
- Council member of PolyU

### 主席

梁廣偉博士，太平紳士，59歲

- 本集團創辦人兼集團主席
- 依據上市規則第3.05條本公司之授權代表

- 投資委員會主席及提名委員會委員
- 以下集團全資附屬公司的董事：
  - Ample Pacific Limited
  - 博活環球有限公司
  - Cornway International Limited
  - Mentor Ventures Limited
  - 通洋有限公司
  - Solomon Systech Inc.
  - 晶門科技有限公司
  - Solomon Systech Japan Company Limited
  - 晶門科技股份有限公司
  - 晶門電子科技中國有限公司
  - WE3 Ventures Limited
  - 維駿科技有限公司
- 除本公司外，梁博士於過往三年並無於聯交所或海外上市的公司中擔任任何董事職務

#### 才能、經驗及獎項：

- 畢業於香港理工學院（現為香港理工大學），獲頒電子工程院院士
- 於香港大學取得工業工程碩士學位
- 於香港理工大學取得工商管理博士學位
- 於2015年獲香港理工大學頒授院士
- 於2013年獲委任為香港特別行政區太平紳士
- 於2007年獲香港科技大學頒授榮譽院士銜
- 於2004年獲中國半導體行業協會頒發傑出成就獎
- 於2003年獲傑出理大校友獎
- 於2001年獲香港青年工業家獎

#### 現任職位包括：

- 香港特別行政區創新及科技諮詢委員會成員
- 香港理工大學校董會成員

- Vice chairman of Hong Kong Electronic Industries Association
- Vice president of the Hong Kong Semiconductor Industry Council
- Vice president of Executive Council of China Semiconductor Industry Association IC Design Branch

**Former appointments include:**

- CEO and Managing Director of the Group
- Director of operations of Motorola Semiconductors Hong Kong Limited just before establishing Solomon Systech Limited in 1999
- Member of the board of directors of Hong Kong Applied Science and Technology Research Institute Company Limited
- Member of the board of directors of Nano and Advanced Materials Institute Limited

## Executive Directors



**Dr. YEH Tsuei Chi, aged 61**

- Executive Director & CEO
  - Appointed to the Board: 2016
  - Member of the Investment Committee
- Other than the Company, Dr. Yeh did not hold any directorships in the companies of which the shares are listed on the Stock Exchange or overseas in the last three years.

**Skills and experience:**

- Received a diploma in Chemical Engineering from Taipei Institute of Technology
- Received a Master of Science degree in Engineering Science and a PhD degree in Engineering Science from the University of Mississippi, USA.
- With over 30 years' experience in the semiconductor and electronics industry

**Former appointments include:**

- Adjunct Professor, Electronics Engineering Department of the National Tsing Hua University in Taiwan
- President of Availink, Inc.
- President of Home Entertainment Business Unit, Sunplus Technology Co., Ltd. (TWSE: 2401, LSE: SUPD)
- Others: various senior management positions with startup and mature companies, including Faraday Technology Corporation, Winbond Electronics Corporation, Cheertek, Inc., etc

- 香港電子業商會副會長
- 香港半導體行業協會副會長
- 中國半導體行業協會集成電路設計分會副理事長

**曾任職位包括：**

- 本集團的行政總裁及董事總經理
- 於1999年成立晶門科技有限公司前為萬力半導體香港有限公司營運總監
- 香港應用科技研究院有限公司董事會成員
- 納米及先進材料研究院有限公司董事會成員

## 執行董事

**葉垂奇博士，61歲**

- 執行董事及行政總裁
  - 獲委任為董事：2016年
  - 投資委員會委員
- 除本公司外，葉博士於過往三年並無在於聯交所或海外上市的公司中擔任任何董事職務。

**才能及經驗：**

- 畢業於台北工業專科學校，獲頒化學工程證書
- 獲美國密西西比大學頒發工程科學碩士學位及工程科學博士學位
- 在半導體及電子行業擁有超過30年豐富的經驗

**曾任職位包括：**

- 台灣國立清華大學電機工程系任兼任教授
- 台灣台聯科技股份有限公司總裁
- 凌陽科技股份有限公司（台灣證券股份代碼：2401、倫敦證券股票代號：SUPD）家庭平台事業群總經理
- 其他：於多家新創及已發展公司擔任高級管理層職位，包括智原科技股份有限公司、華邦電子股份有限公司及其樂達科技股份有限公司等

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT (continued) 董事會及高級管理層 (續)

### Executive Directors (continued)



**Mr. CHEUNG Wai Kuen, aged 50**

- Executive Director
- Appointed to the Board: 2014
- Member of the Investment Committee

- Other than the Company, Mr. Cheung did not hold any directorships in the companies of which the shares are listed on the Stock Exchange or overseas in the last three years.

#### Skills and experience:

- Received a bachelor's degree in engineering from The Hong Kong Polytechnic (now The Hong Kong Polytechnic University)
- Received a master's degree in engineering management from City University of Hong Kong
- With over 28 years of working experience in the electronics industry in managing global business operations including product engineering, product applications, business and market development

#### Current appointments include:

- Vice President, Business Development of SSL
- Director of WE3 Technology Company Limited, a wholly-owned subsidiary of the Company

#### Former appointments include:

- Vice President, Business Operations of SSL
- Prior to joining the Group, Mr. Cheung worked in Motorola Semiconductors Hong Kong Limited as general manager of Wireless Mobile System Group for Motorola Asia Pacific Region

### Non-executive Directors



**Dr. LI Jun, aged 40**

- Non-executive Director
- Appointed to the Board: 2014
- Member of the Investment Committee

#### Skills and experience:

- Graduated from Wu Han University with a doctoral degree in photogrammetry and remote sensing
- With over 10 years of working experience, spanning government industrial planning, enterprise strategy, informatization planning and science & technology management
- Directed the writing of *Development and Application of China's Strategic Emerging Industries, Development and Management Practice of China's Strategic Emerging Industries, Investment & Financing and M&A Strategies of China's Strategic Emerging Industries, and Development and Application of China's Cloud Computing Industry*

#### Current appointments include:

- Deputy general manager, department of planning, science & technology of CEC
- Non-executive director of TPV Technology Limited (HKSE: 0903)

### 執行董事 (續)

**張惠權先生，50歲**

- 執行董事
- 獲委任為董事：2014年
- 投資委員會委員

- 除本公司外，張先生於過往三年並無在於聯交所或海外上市的公司中擔任任何董事職務。

#### 才能及經驗：

- 於香港理工學院（現為香港理工大學）獲得工程學學士學位
- 於香港城市大學取得工程管理碩士學位
- 在電子行業擁有超過28年管理全球業務營運的經驗，包括產品工程、產品應用、業務及市場開發

#### 現任職位包括：

- 晶門香港業務發展副總裁
- 本公司全資附屬公司維駿科技有限公司董事

#### 曾任職位包括：

- 晶門香港業務營運副總裁
- 加入本集團前，張先生服務於萬力半導體香港有限公司，任職摩托羅拉亞太區無線及移動系統部總經理

### 非執行董事

**李峻博士，40歲**

- 非執行董事
- 獲委任為董事：2014年
- 投資委員會委員

#### 才能及經驗：

- 畢業於武漢大學，獲攝影測量與遙感博士學位
- 超過十年的政府產業規劃、企業戰略、信息化規劃及科技管理經驗
- 主持撰寫了《中國戰略性新興產業發展及應用實踐》、《中國戰略性新興產業發展及管理實踐》、《中國戰略性新興產業投資融資及併購戰略》及《中國雲計算產業發展及應用實踐》

#### 現任職位包括：

- 中國電子規劃科技部副主任
- 冠捷科技有限公司（香港股份編號：0903）非執行董事

**Former appointments include:**

- President and executive director of CCID Consulting Company Limited (HKSE: 8235)
- Deputy chief engineer of China Center for Information Industry Development, the think tank under the Ministry of Industry and Information Technology

**Mr. LI Rongxin, aged 45**

- Non-executive Director
- Appointed to the Board: 2014

**Skills and experience:**

- Received a bachelor's degree in electrical engineering from Fudan University, and EMBA degree from Thunderbird School of Global Management
- Named "Shanghai's Top 10 IT Youth Elites" in 2011
- With experience in manufacturing, R&D and product marketing and has worked in China, US and South East Asia

**Current appointments include:**

- Director of Shanghai Belling Co., Ltd. ("Belling") (SSE:600171)
- Director of Montage Technology Group Limited (NASDAQ: MONT), a company which was delisted in November 2014 upon the acquisition by a joint venture company of CEC
- Deputy general manager of Huada

**Former appointments include:**

- General manager and later the director of Shanghai Huahong Integrated Circuit Co. Ltd
- Worked in Intel (China) Co. Ltd from 1996 to 2006 and also Belling on new product development

**Mr. ZHAO Guiwu, aged 53**

- Non-executive Director
- Appointed to the Board: 2010
- Member of the Audit Committee, Nomination Committee and Remuneration Committee

**Skills and experience:**

- Received a master's degree in inorganic non-metallic materialism from Tianjin University
- Extensive experience in semiconductors industry

**Current appointments include:**

- Director of Huada
- Vice Chairman of Shanghai Huahong Group Co., Ltd.

**Former appointments include:**

- Chairman of Belling (SSE:600171)
- Chairman of Huahong IC Design Co., Ltd
- Non-executive vice-chairman of China Electronics Corporation Holdings Company Limited (HKSE: 0085)

**曾任職位包括：**

- 賽迪顧問股份有限公司 CCID Consulting Company Limited (香港股份編號：8235) 總裁及執行董事。
- 工業和資訊化部中國電子信息產業發展研究院 (為工業和信息化部所監察之智囊團) 副總工程師

**李榮信先生，45歲**

- 非執行董事
- 獲委任為董事：2014年

**才能及經驗：**

- 於復旦大學取得電子工程學士學位，並獲Thunderbird School of Global Management工商管理行政碩士學位
- 2011年獲選「上海IT青年十大新銳」
- 具生產、研發及產品市場推廣的經驗，並曾於中國、美國及東南亞工作

**現任職位包括：**

- 上海貝嶺股份有限公司 (「貝嶺」) (上海證券股份代碼：600171) 董事
- Montage Technology Group Limited (美國納斯達克股份代號：MONT) 董事。該公司於2014年11月被CEC的合資企業收購後註銷上市
- 華大副總經理

**曾任職位包括：**

- 上海華虹集成電路有限責任公司總經理，以及其後擔任董事一職
- 於1996至2006年期間任職英特爾(中國)有限公司及服務貝嶺負責新產品開發

**趙貴武先生，53歲**

- 非執行董事
- 獲委任為董事：2010
- 審核委員會、提名委員會及薪酬委員會委員

**才能及經驗：**

- 畢業於天津大學無機非金屬材料專業，擁有碩士學位。
- 於半導體行業有豐富經驗

**現任職位包括：**

- 華大董事
- 上海華虹集團有限公司副董事長

**曾任職位包括：**

- 貝嶺董事長 (上海證券股份代碼：600171)
- 華虹集成電路設計有限公司董事長
- 中國電子集團控股有限公司 (香港股份編號：0085) 非執行副主席

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT (continued)

### 董事會及高級管理層 (續)

#### Non-executive Directors (continued)

Mr. Zhao Guiwu (continued)

- General manager of the Integrated Circuit Business Group of CEC, deputy manager of the Strategic Planning Department and general manager of the Planning Development (Strategic Projects) Department of CEC, Chief of Planning Division of the Department of Corporate Planning of China Electronics Technology Group Corporation and deputy general manager of CETC (Deqing) Huaying Electronics Co., Ltd.

#### Independent Non-executive Directors



**Mr. LEUNG Heung Ying, aged 52**

- Independent Non-executive Director
- Appointed to the Board: 2014
- Chairman of the Audit Committee

- Member of the Nomination Committee and Remuneration Committee

#### Skills and experience:

- Received a bachelor's degree from the University of Bradford, United Kingdom, a master's degree from London School of Economics and Political Science of University of London, United Kingdom and a bachelor's degree in Chinese Laws from Peking University, the PRC
- Fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, as well as committee member of Hong Kong Securities Professionals Association

#### Current appointments include:

- Managing director and founder of Proton Capital Limited
- Member to the Listing Committee of Stock Exchange and member of the Public Affairs Forum of the HKSAR Government
- Standing Committee member of the Political Consultative Committee of Wu Hua County of Guangdong Province and arbitrator of the Panel of Arbitrators of China International Economic and Trade Arbitration Commission

#### Former appointments include:

- Executive director of Harmonic Strait Financial Holdings Limited (HKSE: 0033)
- Independent non-executive director of Creative Energy Solutions Holdings Limited (HKSE: 8109)
- Member of the Hong Kong Institute of Certified Public Accountants Corporate Finance Committee, the Expert Panel on Listing and the Advisory Committee on Listing and Takeover Regulations



**Mr. SHEU Wei Fu, aged 46**

- Independent Non-executive Director
- Appointed to the Board: 2014
- Chairman of Remuneration Committee

- Member of the Nomination Committee
- Other than the Company, Mr. Sheu did not hold any directorships in the companies of which the shares are listed on the Stock Exchange or overseas in the last three years

#### 非執行董事 (續)

趙貴武先生 (續)

- 中國電子集成電路事業本部主任、中國電子戰略規劃部副總經理及規劃計劃部(重大項目)總經理、中國電子科技集團公司企業策劃部規劃處處長及中電科技(德清)華螢電子有限公司副總經理

#### 獨立非執行董事

梁享英先生，52歲

- 獨立非執行董事
- 獲委任為董事：2014年
- 審核委員會主席
- 提名委員會及薪酬委員會委員

#### 才能及經驗：

- 於英國百拉福大學取得學士學位，英國倫敦大學倫敦經濟及政治學院之碩士學位，及中國北京大學之中國法律學士學位
- 英格蘭及威爾斯特許會計師公會及香港會計師公會之資深會員，以及香港證券學會的委員

#### 現任職位包括：

- 普頓資本有限公司董事總經理及創辦人
- 聯交所上市委員會成員及香港特別行政區政府公共事務論壇之成員
- 廣東省五華縣政協常務委員及中國國際經濟貿易仲裁委員會國際(涉外)爭議仲裁員

#### 曾任職位包括：

- 和協海峽金融集團有限公司(香港股份代號：0033)執行董事
- 科瑞控股有限公司(香港股份代號：8109)獨立非執行董事
- 香港會計師公會的企業融資委員會、香港上市專家評審委員會及香港上市及收購條例諮詢委員會的成員

許維夫先生，46歲

- 獨立非執行董事
- 獲委任為董事：2014年
- 薪酬委員會主席
- 提名委員會委員
- 除本公司外，許先生於過往三年並無在於聯交所或海外上市的公司中擔任任何董事職務

#### Skills and experience:

- Received a B.Sc in Business/ Managerial Economics from the University of California, San Diego
- With over 15 years of high technology industry experience focusing on strategy, business development and supply chain integration for original development manufacturers and original equipment manufacturers

#### Current appointments include:

- Special Assistant to the Chairman & CEO (Strategy & Planning) of Quanta Computer Inc.

#### Former appointments include:

- Alternate director to Dr. Lam Pak Lee, a non-executive director of the Company who retired from the Board at the conclusion of the Annual General Meeting held in May 2014



**Mr. YIU Tin Chong, Joseph, aged 66**

- Independent Non-executive Director
- Appointed to the Board: 2011
- Chairman of Nomination Committee
- Member of the Audit Committee, Investment Committee and Remuneration Committee
- Other than the Company, Mr. Yiu did not hold any directorships in the companies of which the shares are listed on the Stock Exchange or overseas in the last three years

#### Skills and experience:

- Received a master's degree in electrical engineering, computer science and business administration, respectively
- With rich work experience covering automotive electronics, computer systems, wireless communication and semiconductor products, and both the technical field and management role

#### Former appointments include:

- Chairman Emeritus of Freescale Semiconductor (Hong Kong) Ltd ("FSHKL") and advisor to FSHKL on regional business strategy, government affairs and corporate governance
- Corporate vice president of Motorola Group and general manager of Motorola Semiconductor Hong Kong Ltd.

#### Honorary Adviser



**Professor KAO Kuen, Charles**, aged 82, was an Independent Non-executive Director of the Company until 1 March 2008 and has been acting as the honorary adviser of the Company. Known as "the father of fiber optics", Prof. Kao was awarded the 2009 Nobel Prize in Physics.

#### 才能及經驗：

- 於加州大學聖地牙哥分校取得商業管理經濟學理學士學位
- 擁有超過15年高科技行業專業經驗，專注於策略、業務開發及專為原始發展生產商與原始機器生產商整合其供應鏈

#### 現任職位包括：

- 廣達電腦股份有限公司主席及行政總裁之特別助理（策略與規劃）

#### 曾任職位包括：

- 曾擔任已於2014年5月舉行的本公司的股東週年大會完結時告退的非執行董事林百里博士之替代董事

#### 姚天從先生，66歲

- 獨立非執行董事
- 獲委任為董事：2011年
- 提名委員會主席
- 審核委員會、投資委員會及薪酬委員會委員
- 除本公司外，姚先生於過往三年並無在於聯交所或海外上市的公司中擔任任何董事職務

#### 才能及經驗：

- 分別獲頒電子工程、電腦科學及商學碩士
- 具廣泛工作經驗，涵蓋汽車電子、計算機系統、無線通訊及半導體產品等領域，以及技術研發及企業管理層面

#### 曾任職位包括：

- 飛思卡爾半導體（香港）有限公司（「飛思卡爾香港」）榮譽主席，就區域業務拓展策略、政府關係及企業管治等多方面提供諮詢服務
- 摩托羅拉集團副總裁及萬力半導體香港有限公司總經理

#### 榮譽顧問

**高錕教授，82歲**，於2008年3月1日前擔任本公司的獨立非執行董事，現為本公司的榮譽顧問。被喻為「光纖之父」的高教授，於2009年獲頒授諾貝爾物理學獎。

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT (continued)

### 董事會及高級管理層 (續)

#### Company Secretary



**Mrs. FUNG Lui Kit Har, Keziah**, aged 55, Vice President, Finance. Mrs. Fung joined Solomon Systech Limited in 2000 as Finance Director and is currently acting as the Company Secretary and the Authorized Representative of the Company pursuant to Rule 3.05 of the Listing Rules. Mrs. Fung is a Director of Ample Pacific Limited, Pac-Pacific Limited and Solomon Systech Pte. Ltd., the wholly-owned subsidiaries of the Group.

#### Senior Management

**Mr. HUANG Hsing Hua**, aged 57, Vice President, Sales. Mr. Huang joined the Group in 2003 as Sales Director of Solomon Systech Limited. Mr. Huang is a Director of Solomon Systech Limited and Solomon Systech Taiwan Limited, the wholly-owned subsidiaries of the Group.

**Mr. LAI Woon Ching**, aged 62, Vice President, Business Operations and Vice President, Quality & Manufacturing, joined the Group at its inception in 1999. Mr. Lai is a director of the wholly-owned subsidiaries of the Group, namely Cornway International Limited, Jing Guang Semiconductors (Dongguan) Limited, Solomon Systech (Shenzhen) Limited, Systech Technology China Limited and Solomon Systech Taiwan Limited. Mr. Lai has been an Executive Director of the Company from March 2004 to October 2014.

**Mr. LO Wai Ming**, aged 53, Vice President, Business Operations. Mr. Lo joined the Group at its inception in 1999 as Business Operations Director of Solomon Systech Limited. He is also a Director of Kitronix Limited and Beijing LED Energy Management Technology Co. Ltd., the associated companies of the Group. Mr. Lo is also a Director of the wholly-owned subsidiaries of the Group, namely Broadwood Global Limited, Cornway International Limited, Mentor Ventures Limited, Solomon Systech Japan Company Limited and Solomon Systech (Shenzhen) Limited.

**Mr. TSUI Wai Hung, Ken**, aged 47, Vice President, Design Engineering. Mr. Tsui joined Solomon Systech Pte. Ltd., a wholly owned subsidiary of the Group in 2004 as Design Engineering Manager. He is also a Director of Solomon Systech Pte. Ltd.

**Mr. WANG Wah Chi, Raymond**, aged 50, Vice President, Business Operations. Mr. Wong rejoined Solomon Systech Limited in 2006 as Business Operations Director.

**Ms. LO Oi Yee, Mabel**, aged 51, Human Resources Director. Ms. Lo joined Solomon Systech Limited in 2000 as Human Resources Manager.

**Mr. WONG Ka Kei**, aged 50, Planning & Customer Services Director. Mr. Wong joined Solomon Systech Limited in 2005 as Business Process Solutions Manager.

#### Changes in Information of Directors

Pursuant to the disclosure requirement under Rule 13.51B(1) of the Listing Rules, changes in information of Directors of our Company subsequent to the date of the Company's 2015 Interim Report are as follows:

- Mr. Zhao Guiwu resigned as the chairman and Mr. Li Rongxin was appointed as a director of Shanghai Belling Co., Ltd. (SSE:600171)
- Mr. Leung Heung Ying resigned as an executive director of the Harmonic Strait Financial Holdings Limited (HKSE: 0033)

#### 公司秘書

**馮雷潔霞女士**，55歲，為集團副總裁—財務，於2000年加入晶門科技有限公司出任財務總監。馮女士目前兼任本公司的公司秘書職務亦為依據上市規則第3.05條本公司所委任之授權代表，馮女士亦為集團全資附屬公司，包括Ample Pacific Limited、通洋有限公司及Solomon Systech Pte. Ltd.的董事。

#### 高級管理層

**黃心華先生**，57歲，副總裁—營業。黃先生於2003年加入本集團出任晶門科技有限公司營業總監。黃先生為本集團全資附屬公司晶門科技有限公司及晶門科技股份有限公司的董事。

**黎垣清先生**，62歲，晶門科技有限公司副總裁—業務營運和副總裁—品質及製造，自本集團於1999年成立時加入工作。黎先生為本集團全資附屬公司：Cornway International Limited、東莞晶廣半導體有限公司、晶門科技（深圳）有限公司、晶門電子科技中國有限公司及晶門科技股份有限公司的董事。黎先生於2004年3月至2014年10月為本公司執行董事。

**盧偉明先生**，53歲，副總裁—業務營運。盧先生自本集團於1999年成立時起加入晶門科技有限公司出任業務營運總監。他亦是集團聯營公司奇創力有限公司及北京愛爾益地節能科技有限責任公司的董事。他亦為集團全資附屬公司博活環球有限公司、Cornway International Limited、Mentor Ventures Limited、Solomon Systech Japan Company Limited及晶門科技（深圳）有限公司的董事。

**徐偉雄先生**，47歲，副總裁—設計工程。徐先生於2004年加入集團全資附屬公司Solomon Systech Pte. Ltd.出任技術經理。他亦為該公司董事。

**王華志先生**，50歲，副總裁—業務營運。王先生於2006年重新加入晶門科技有限公司出任業務營運總監。

**盧愛兒女士**，51歲，人力資源總監。盧女士於2000年加入晶門科技有限公司出任人力資源經理。

**黃家驥先生**，50歲，策劃及客戶服務總監。黃先生於2005年加入晶門科技有限公司出任業務流程經理。

#### 董事資料變更

根據聯交所上市規則第13.51B(1)條的資料披露規定，於本公司2015年中期報告日期後之本公司董事資料的變更如下：

- 趙貴武先生辭任上海貝嶺股份有限公司（上海證券股份代碼：600171）董事長，另李榮信先生獲委任該公司董事
- 梁享英先生辭任和協海峽金融集團有限公司（香港股份代號：0033）執行董事。



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Corporate governance practices

The Board of Directors and the management of the Group are committed to achieving and maintaining high standards of corporate governance and continuously improve these standards, which the Group considers as critical in safeguarding the integrity of its business operations and maintaining investors' trust in the Company, and good corporate governance is indispensable for long-term business success and sustainable performance of the Group. The management also actively and constantly observes the latest corporate governance developments in Hong Kong and overseas, particularly those in UK and USA.

The Company has adopted and applied the corporate governance principles that emphasize a quality board, effective internal controls, stringent disclosure practices, transparency and accountability. The Company has complied with all the applicable Code Provisions in the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2015. To maintain high standards of corporate governance, the Company has adopted the recommended best practices in the Code where appropriate. In addition, the Company is committed to continuously improving these practices and inculcating an ethical corporate culture.

### Directors' securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code for Directors' securities transactions. All the Directors have confirmed their compliance with the required standards set out in the Model Code during the year. Regarding the shares held by the Directors, the details are listed in the "Report of the Directors" from pages 62 to 66 of this Annual Report. Pursuant to the Code Provision A.6.4, the Company established its own written guidelines on no less exacting terms than the Model Code for Directors and relevant employees who are likely to be in possession of unpublished inside information in respect of their dealings in the securities of the Company. All Directors and relevant employees conformed to the Group's own guidelines throughout the year 2015.

### 企業管治常規

本集團的董事會及管理層承諾達到及保持高水平的企業管治，以及不斷優化該等水平，這也是維護本集團業務營運的誠信和提高投資者對本公司信心的關鍵因素，而良好的企業管治是導致本集團長期業務成功不可或缺的一環。管理層亦主動和經常地留意香港與海外(特別是英國及美國)的最新企業管治的發展。

本公司採納及應用企業管治原則，強調要有一個優秀的董事會、有效的內部監管、嚴格的披露常規，具透明度及問責度。截至2015年12月31日止年度內，本公司一直遵守上市規則附錄14所載之企業管治守則(「守則」)中所有適用的守則條文。為維持高水平的企業管治標準，本公司已採納守則中適當的建議最佳常規守則。此外，本公司並不斷優化該等常規，及培養高度操守的企業文化。

### 董事的證券交易

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易的守則。全體董事已向本公司確認彼等於年內一直遵守標準守則所載的規定。就董事所持有的股份而言，有關詳情乃列於本年報第62至66頁之「董事會報告」一節。根據守則條文第A.6.4條，本公司已就董事及有關員工可能在買賣本公司證券時取得尚未公開的內幕消息，制訂不比標準守則寬鬆的書面指引。於2015年全年，所有董事及有關員工已確認遵守本集團之內部指引。

## CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

### Board of Directors

The Board is responsible for overseeing the management of the Company's business and affairs with the goal of maximizing long-term value for shareholders, while balancing broader stakeholder interests. Schedule of matters reserved for the Board include:

- Strategy and management
- Group structure and capital
- Financial reporting and control
- Internal controls
- Major contracts
- Corporate communications
- Board membership and other appointments
- Remuneration
- Authority and delegation
- Corporate governance
- Company policies

Matters not specifically reserved for the Board and relate primarily to the daily operations of the Group are delegated to the management under the supervision and leadership of the CEO.

### 董事會

董事會負責監督本公司對業務及事務的管理，目標為盡量為股東提升長遠的價值，同時均衡廣泛的持份者的權益。董事會審議的事宜包括：

- 策略及管理
- 集團架構及資本
- 財務報表及監控
- 內部監控
- 主要合約
- 企業傳訊
- 董事會成員及其他任命
- 薪酬
- 職權及授權
- 企業管治
- 公司政策

其他非特定之董事會職責以及有關本集團主要的日常運作事務，則在行政總裁監督及領導下委派管理層處理。

## Chairman and Chief Executive

The roles of chairman and chief executive of the Company were separated from different individuals according to the Code Provision A.2.1. On 16 June 2015, Mr. Sun, Patrick, (“Mr. Sun”) retired from the position of the Independent Non-executive Chairman of the Board, and Dr. Leung Kwong Wai (“Dr. Leung”) was appointed as the Chairman of the Board at the conclusion of the AGM to replace Mr. Sun. Dr. Leung continued to act as the Chief Executive Officer (“CEO”) of the Group until 4 January 2016 when Dr. Yeh Tsuei Chi (“Dr. Yeh”) was appointed as the CEO of the Company. During the transition period from 16 June 2015 to 3 January 2016, the Board is of the opinion that it is appropriate and in the best interest to the Company for Dr. Leung to hold both positions, as it would maintain the continuity of the strategy execution and stability of the operations of the Company. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high caliber individuals.

Commencing 4 January 2016, Dr. Yeh becomes the CEO and Dr. Leung continues to serve as the Chairman of the Board. These arrangements aim at separating the roles of the Chairman and CEO in compliance with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

There are clear demarcations of responsibilities and authorities between the Chairman and the CEO which ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

Dr. Leung, as the Chairman, is responsible for ensuring that all Directors act in the best interests of shareholders. He is fully accountable to the shareholders and contributes to the Board and the Group on all top-level or strategic decisions. Specifically, he is assigned with three key roles to perform, namely leading the Board, ensuring the Group’s effective communication with shareholders and implementing a high standard of corporate governance.

Dr. Yeh, as the CEO, is responsible for managing the Group and executing the strategies adopted by the Board. He leads the Group’s management team in accordance with the directions set by the Board. He is responsible for ensuring that a proper internal control system is in place and that the Group’s business conforms to applicable laws and regulations. The CEO chairs the monthly operations and financial reviews and also the weekly management staff meeting, as well as the quarterly employees’ communication meeting.

## 主席及行政總裁

根據守則條文第A.2.1條規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。於2015年6月16日，辛定華先生（「辛先生」）離任獨立非執行主席一職，而梁廣偉博士（「梁博士」）於週年大會完結後獲委任為董事會主席以替代辛先生。梁博士繼續擔任本集團行政總裁直至葉垂奇博士（「葉博士」）於2016年1月4日接任行政總裁職位。董事會認為由2015年6月16日至2016年1月3日的過渡階段由梁博士繼續擔任該兩個職務最為合適及符合本公司的最大利益，因可維持本公司於策略執行的連續性及業務運作的穩定性。董事會相信經由具經驗和卓越才幹的人士所組成的董事會的運作，足夠確保權力和授權分佈均衡。

自2016年1月4日起，葉博士成為行政總裁，而梁博士則繼續擔任董事會主席，藉以確保主席與行政總裁的責任明確劃分，以符合有關上市規則內守則條文的規定。

主席及行政總裁的職責及職權有明確區分，可確保權力均衡，加強問責性，以及提高董事會作出獨立決策的能力。

梁博士作為主席，職責是確保全體董事均以股東的最佳利益行事。主席對股東負全責，在所有高層次或策略決定上，向董事會及本集團提供建議。主席具體地獲委予三項主要職務，包括領導董事會、確保本集團與股東進行有效溝通及實行高標準之企業管治。

葉博士作為行政總裁，負責管理本集團運作，以及執行董事會採納的策略。他帶領本集團的管理團隊按照董事會的指示履行職務。他須確保本集團具備適當的內部監控體系，及本集團的業務經營遵守適用的法律和規例。行政總裁於每月召開的業務及財務檢討會議和每星期召開的高級管理層會議擔任主席，並會主持每季召開的員工溝通大會。

## CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

### Board Composition

As at the date of this Annual Report, the Board comprises three Executive Directors, three Non-executive Directors and three Independent Non-executive Directors. The size and composition of the Board are reviewed from time to time, taking into account the scope and nature of the Company's operations, to ensure that the size of the Board is adequate to provide a diversity of views and facilitate effective decision-making. The biographical details of all Directors and the relationships among them, if any, are set out in the "Board of Directors and Senior Management" on pages 32 to 38 of this Annual Report and the Company's website. Except as disclosed in the section of "Board of Directors and Senior Management", none of the Directors has any financial, business, family or other material or relevant relationships among members of the Board and the Company has received annual confirmation of independence from each of the Independent Non-executive Directors.

The Company is committed to selecting the most appropriate persons as members of the Board for the role. Since 2013, the Board has adopted a Board Diversity Policy which has been published on the Company's website for better transparency and corporate governance.

The selection of Board members is based on a range of diverse perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates can bring to the Board.

### 董事會組合

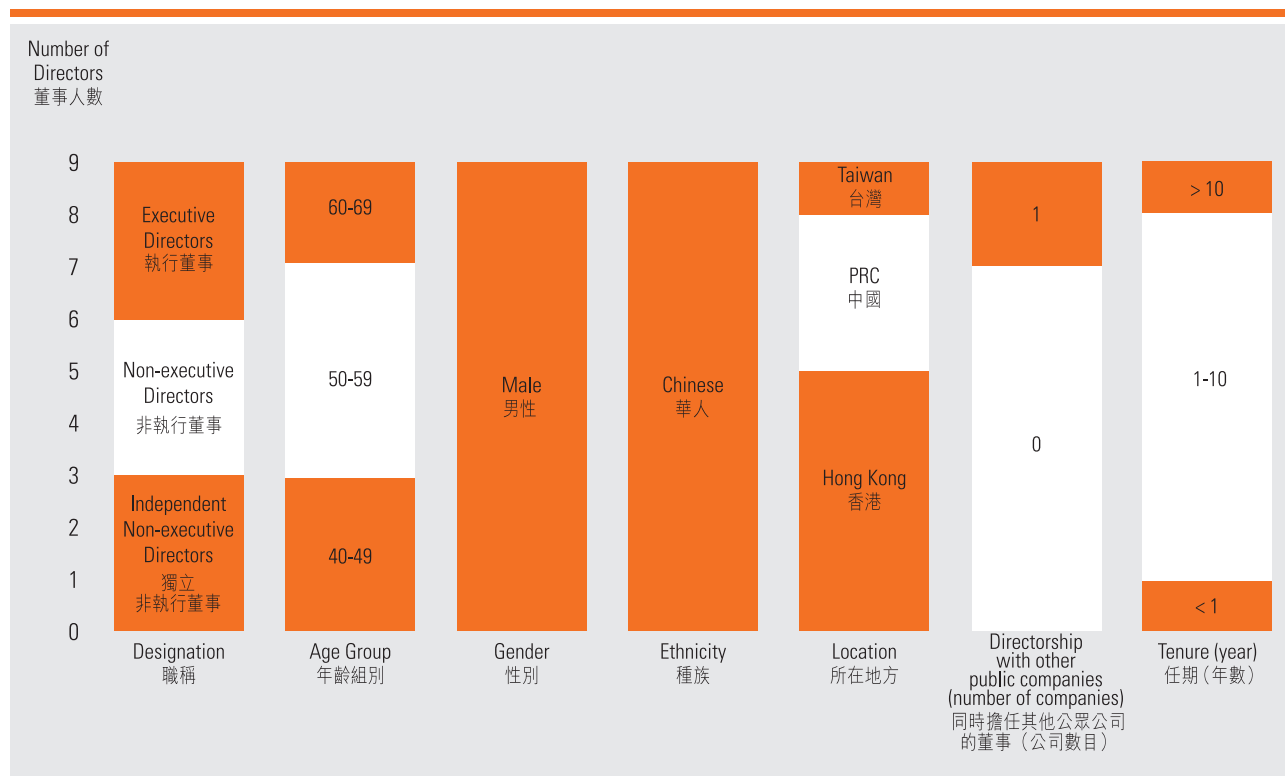
於本年報日，董事會計有三名執行董事，三名非執行董事及三名獨立非執行董事。本集團會不時檢討董事會的規模及組成，當中會考慮本公司的業務範圍及性質，以確保董事會的規模足以提供不同的觀點，並作出有效決策。所有董事的履歷詳情及彼等之間的關係(如有)均載於本年報第32至38頁之「董事會及高級管理層」一節及本公司網站。除「董事會及高級管理層」一節所披露外，概無董事與董事會成員之間有任何財務、商業、家族或其他重大或相關關係，而本公司亦已收到各獨立非執行董事之年度對獨立性的確認函。

本公司致力於選擇最合適人選作為董事會成員。為進一步提升透明度及企業管治水平，自2013年起，董事會已採納登載於本公司網站供公眾查閱的董事會成員多元化政策。

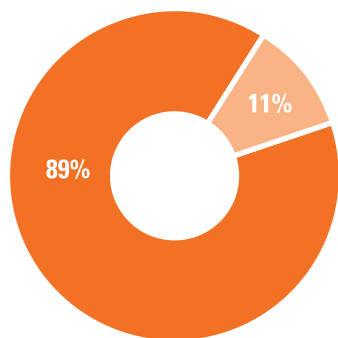
甄選董事會成員將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族。最終將按人選的長處及可為董事會作出的貢獻而作決定。

Analysis of the current composition of the Board is set out in the following charts:

現時董事會組合的分析如下列圖表：



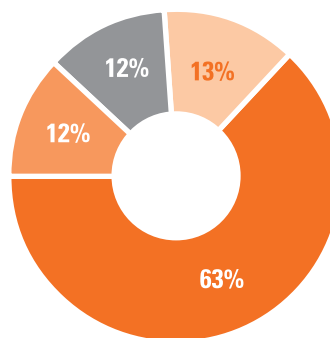
### INDUSTRY EXPERIENCE 行業經驗



Accounting & Finance  
會計及財務

Electronics & Semiconductors  
電子及半導體

### ACADEMIC BACKGROUND 學術背景



Accounting / Finance  
會計 / 財務

Engineering  
工程

Business / Economics  
商業 / 經濟

Engineering & Business  
工程及商業

The Company has taken appropriate insurance cover to indemnify our Directors against possible claims and liabilities arising out of the Group's business and activities.

本公司已購董事責任保險，以保障董事因本集團業務及活動而可能產生的索償及責任。

## CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

### Non-executive Directors

The Non-executive Directors bring a wide range of skills, industry and business experience to the Group. The composition of Executive and Non-executive Directors (including Independent Non-executive Directors) demonstrates a strong independent element on the Board, which can effectively exercise independent judgment pursuant to the Code Provision A.3 so as to further strengthen the Company's corporate governance. The Non-executive Directors are of sufficient caliber and number for their views to carry weight. At least once a year, Non-executive Directors and also Independent Non-executive Directors will have a private discussion with the Chairman on the Group's matters. In addition, Non-executive Directors, according to the Group's policy, may approach the Group's employees at anytime they think appropriate. During the year, the Group's management also met with certain Non-executive Directors to seek their views on certain business or operational matters.

As at 16 June 2015, the Board had a total of five Independent Non-executive Directors. After Messrs. Sun, Patrick and Choy Kwok Hung, Patrick retired respectively as an Independent Non-executive Chairman and an Independent Non-executive Director at the conclusion of the Annual General Meeting ("AGM") of the Company held on 16 June 2015, the Board had a total of three Independent Non-executive Directors and they represented one-third of the Board, which was a sufficient number to meet the minimum requirements under Rules 3.10(1) and 3.10A of the Listing Rules.

All Independent Non-executive Directors bring their wealth of experience to the Board and make active contributions to the Group. They closely monitor the Group's development and freely express their opinions at the Board meetings. All Independent Non-executive Directors, except as disclosed in this Annual Report, do not have any business with or financial interests in the Group and confirmed their independence to the Group pursuant to Rule 3.13 of the Listing Rules. The Company considers all Independent Non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

Subject to re-election according to the procedures set out in the Company's Articles of Association, the Company has entered into service contracts for a specific term ended on 30 June 2016 with each of the Non-executive Directors and Independent Non-executive Directors.

### 非執行董事

非執行董事為本集團帶來各方面的技能、行業及業務經驗。公司董事會中執行董事與非執行董事(包括獨立非執行董事)的組成具備強大的獨立元素，能夠有效達成守則條文A.3條所載的獨立判斷，進一步加強本公司的企業管治。非執行董事具有足夠才幹和人數，以使其意見具有影響力。非執行董事及獨立非執行董事就本集團事宜與主席進行每年不少於一次的私下討論。此外，根據本集團之政策，非執行董事可於彼等認為合適時隨時接觸本集團之員工。年內，本集團的管理層亦不時會見若干非執行董事，尋求他們在若干業務或營運事宜的意見。

於2015年6月15日，董事會共有五名獨立非執行董事。辛定華及蔡國雄先生於2015年6月15日舉行的週年大會完結後分別退任獨立非執行主席及獨立非執行董事之後，董事會共有三名獨立非執行董事，而他們佔董事會成員人數三份之一，此人數分別符合上市規則第3.10(1)及3.10A條的最低要求之規定。

所有獨立非執行董事都憑藉他們豐富的經驗為董事會效力，並積極為本集團作出貢獻。他們密切監察本集團的發展，並在董事會會議上自由發表意見。根據上市規則第3.13條，所有獨立非執行董事(除本年報所披露外)與本集團之間並無任何業務或財務方面的利益關係。本公司認為所有獨立非執行董事根據上市規則之獨立指引是獨立於本集團。

受本公司組織章程細則所載的膺選連任程序的規限，本公司已與各非執行董事及獨立非執行董事訂立服務合約至2016年6月30日。

### Directors' continuous training and development

The Group has been responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director to all the Directors of the Company. All the Directors of the Company understand that they should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that they are equipped with all information required for making relevant contributions to the Board.

The Company provides various guideline materials to Directors, for instance, Directors' duties and responsibilities, the relevant laws and regulations applicable to Directors and duty of disclosure of interest and business of the Group. Every newly appointed Director will receive a comprehensive induction session at his appointment. All Directors are encouraged to have continuous professional development to enhance and refresh their knowledge and skills.

In 2015, some of the Directors attended seminars or read materials on corporate governance, updates on laws, rules and regulations and other professional skills. Directors were also encouraged to take educational courses on duties of the directors.

The Board has received from each of the Directors (Independent Non-executive Directors, Non-executive Directors and Executive Directors) of the Company a record of the training received for the year ended 2015 indicating their compliance to the Code Provision A.6.5.

### 董事之持續培訓及發展

本集團一直負責安排合適的培訓並提供有關經費，以及適切着重上市公司董事的角色、職能及責任給予本公司各董事。所有本公司的董事均已知悉他們應參與持續專業發展，發展並更新其知識及技能，以確保其具備全面資訊及切合所需的情況下對董事會作出貢獻。

本公司提供多元化的指引資料予董事，如董事責任及義務、應用於董事的相關法律和規例及本集團的利益和企業的披露責任。每位新委任之董事均會獲得全面的就任須知。所有董事均鼓勵持續專業發展，以加強及重溫他們的知識及技能。

於2015年，部分董事出席了講座或閱覽有關企業管治、法律、規則和規例之最新資料及其他專業技能。本集團亦鼓勵董事修讀有關董事職務之教育課程。

董事會亦收悉本公司每位董事(獨立非執行董事、非執行董事及執行董事)於2015年度止所接受的培訓記錄均顯示他們已經遵守守則條文第A.6.5條。

## CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

### Directors' appointment, re-election and removal

At every annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation, provided that every Director shall retire from office at least once every three years or within such other period as the rules of the Stock Exchange may from time to time prescribe. A retiring Director shall be eligible for re-election and shall continue to act as a Director at the annual general meeting at which he retires.

In order to promote the independence of Non-executive Directors and Independent Non-executive Directors, the Company implemented the policy regarding the terms of office of Non-executive Directors and Independent Non-executive Directors ("Service Term Policy"). The terms of appointment of all Non-executive Directors and Independent Non-executive Directors should not be more than nine consecutive years. They should not offer themselves for re-election for any period beyond the annual general meeting at which they retire.

In accordance with Article 95 of the Company's Articles of Association, Dr. Yeh Tsuei Chi, newly appointed to the Board, shall hold office until the forthcoming annual general meeting.

In accordance with Article 112 of the Company's Articles of Association, Dr. Leung Kwong Wai, Mr. Cheung Wai Kuen, Kenny and Mr. Leung Heung Ying are due to retire at the forthcoming annual general meeting.

Dr. Yeh Tsuei Chi and Mr. Leung Heung Ying, being eligible, offer themselves for re-election.

### Board meetings and Board practices

The Board has scheduled to meet for at least four times a year, and the Board will also meet on other occasions when a board-level decision on a particular matter is required. The meetings are structured to allow open discussion. All Directors participate to discuss the strategy, operational and financial performance and internal control of the Group.

The company secretary of the Company (the "Company Secretary") assists the Chairman to prepare the agenda of the meetings and each Director may request to include any relevant matters on the agenda. Generally, at least 14 days' notice is given for the regular meetings by the Company. All substantive agenda items have comprehensive briefing papers, which are, in general, circulated three days before convening each Board meeting.

### 董事的委任、重選及罷免

於本公司的每次股東週年大會上，三份之一當時的董事，或倘其人數並非三或三的倍數，則最接近的人數不少於三份之一，須輪席告退。每一位董事最少需要每三年或按聯交所不時規定之期限內退任。退任董事可參加重選連任，並在其退任董事的股東週年大會上繼續以董事資格行事。

為了促進非執行董事和獨立非執行董事的獨立性，本公司已實施一項關於非執行董事和獨立非執行董事任期的政策（「任期政策」）。所有非執行董事和獨立非執行董事的任期均不能連續超過九年。在其退任董事的股東週年大會之後的任何期間，他們都不應膺選連任。

根據本公司的組織章程細則第95條，本公司董事會新委任之董事葉垂奇博士於即將舉行的股東週年大會上退任。

根據本公司的組織章程細則第112條，梁廣偉博士，張惠權先生及梁享英先生於即將舉行的股東週年大會上輪席退任。

葉垂奇博士及梁享英先生均符合資格並願意膺選連任。

### 董事會會議及董事會常規

董事會每年召開至少四次會議，於需要就某事項作出董事會決議時，董事會亦將於其他情況下召開會議。會議形式均有利於進行坦誠討論。所有董事參與討論本集團的策略、營運及財務表現以及內部監控。

本公司的公司秘書（「公司秘書」）協助主席編製會議議程，每名董事可要求將任何有關事項列入議程。一般而言，本公司舉行定期會議前需要發出至少14天的通知。所有主要議程項目均有全面簡介文件，一般於每次董事會會議召開前三天傳閱。



The Company Secretary is responsible for distributing detailed documents to the Directors prior to the Board meetings to ensure that the Directors are able to make informed decisions regarding the matters discussed in the meetings so that they may receive accurate, timely and clear information.

Minutes of the Board, Board Committee and General Meetings are kept by the Company Secretary and are made available and circulated to all Directors periodically.

All Directors may access to the advice and services of the Company Secretary who regularly updates the Board on governance and regulatory matters. The Company Secretary is also responsible for ensuring the procedures of the Board meetings are observed and providing the Board with opinions on matters in relation to the compliance with the procedures of the Board meetings.

Directors are able, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expenses. The Board shall resolve to provide separate appropriate independent professional advice to the Directors to assist the relevant Directors to discharge their duties.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board, the Company will deal with the matter by a physical board meeting rather than written resolution or a Board Committee (except if that Board Committee was specifically established for such purpose). Independent Non-executive Directors with no material interest in the matter will attend the meeting to deal with the matter if it is considered appropriate. Other than the exceptional criteria allowed under the Listing Rules, any Director who or whose associates have any material interest in any proposed Board resolutions will not be counted as a quorum in the relevant Board meeting or no vote for the relevant Board resolutions.

All the Board Committees adopted the same principles and procedures used in the Board meetings.

公司秘書負責於董事會會議前分派詳細文件予董事，以確保董事能夠就會議上討論的事項作出知情決定，以便彼等可獲得準確、及時與清晰的資料。

董事會、董事委員會及股東大會的會議記錄，均由公司秘書妥為保存，並可供全體董事查閱及定期向彼等傳閱。

所有董事可獲得公司秘書的建議及服務，公司秘書將就管治及監事事項定期向董事會提供更新資料。公司秘書亦負責確保董事會會議依程序進行，並就有關遵守董事會會議程序的事項向董事會提供意見。

經提出合理要求，董事可在適當情況下尋求獨立專業意見，有關費用由本公司承擔。董事會應通過決定向董事提供適合之獨立專業意見，以協助有關董事履行職務。

倘若主要股東或董事在董事會將予考慮的事項中存在利益衝突，本公司會透過舉行董事會會議處理該事項，而非透過書面決議案或經由董事委員會方式處理（特別為此目的而組建的董事委員會除外）。倘認為適當，於該事項中無重大權益的獨立非執行董事將出席處理該事項的會議。除上市規則准許的例外情況外，在所提呈的任何董事會決議案中擁有任何重大權益的任何董事或其聯繫人，均不得計入有關董事會會議的法定人數內，亦不得就有關董事會決議案投票。

所有董事委員會均採納董事會會議中所採用的相同原則及程序。

## CORPORATE GOVERNANCE REPORT (continued)

### 企業管治報告(續)

#### Board Committees

To assist the Board in the execution of its duties, the Board has delegated specific functions to four Board Committees. The principal Board Committees are the Audit Committee, Remuneration Committee, Nomination Committee and Investment Committee, details of which are as follows:

#### 董事委員會

董事會向四個董事委員會委派指定職責，以便董事會執行其職務。主要董事委員會為審核委員會、薪酬委員會、提名委員會及投資委員會，詳情載列如下：

	Position 職位	Date of first appointment to the Board 首次獲委任 為董事會 成員的日期	Date of last re-election as Director 最近一次 膺選連任為 董事的日期	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Investment Committee 投資委員會
Leung Heung Ying 梁享英	Independent Non-executive Director 獨立非執行董事	8 October 2014 2014年10月8日	N/A 不適用	C	√	√	
Sheu Wei Fu 許維夫	Independent Non-executive Director 獨立非執行董事	8 October 2014 2014年10月8日	N/A 不適用		C	√	
Yiu Tin Chong, Joseph 姚天從	Independent Non-executive Director 獨立非執行董事	6 July 2011 2011年7月6日	16 June 2015 2015年6月16日	√	√	C	√
Li Jun 李峻	Non-executive Director 非執行董事	8 October 2014 2014年10月8日	N/A 不適用				√
Li Rongxin 李榮信	Non-executive Director 非執行董事	8 October 2014 2014年10月8日	N/A 不適用				
Zhao Guiwu 趙貴武	Non-executive Director 非執行董事	11 October 2010 2010年10月11日	16 June 2015 2015年6月16日	√	√	√	
Leung Kwong Wai 梁廣偉	Executive Director/Chairman 執行董事/主席	21 November 2003 2003年11月21日	27 May 2014 2014年5月27日			√	C
Yeh Tsuei Chi 葉垂奇	Executive Director/CEO 執行董事/行政總裁	23 March 2016 2016年3月23日	N/A 不適用				√
Cheung Wai Kuen, Kenny 張惠權	Executive Director 執行董事	8 October 2014 2014年10月8日	N/A 不適用				√

C – chairman of the committee 委員會主席

√ – member of the committee 委員會成員

## Board meetings, Board Committees meetings and General Meetings

The attendance of Directors at Board meetings, Board Committees meetings and General Meetings during the year are set out below:

## 董事會會議、董事委員會會議及股東大會

本年度董事出席的董事會會議、董事委員會會議及股東大會詳情列於下表：

		Annual General Meeting 股東週年大會	Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	Investment Committee Meeting 投資委員會會議
Number of meetings held	舉行會議次數	1	5	2	2	2	0
<b>Members of the Board</b>	<b>董事會成員</b>	<b>Number of meetings attended (Attendance Rate) 出席會議次數 (出席率)</b>					
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>						
Sun, Patrick <sup>(i)</sup>	辛定華 <sup>(i)</sup>	0(0%)	1(100%)	1(100%)	N/A	1(50%)	N/A
Choy Kwok Hung, Patrick <sup>(i)</sup>	蔡國雄 <sup>(i)</sup>	0(0%)	1(100%)	1(100%)	N/A	—	N/A
Leung Heung Ying	梁享英	1(100%)	5(100%)	2(100%)	1(50%)	1(50%)	—
Sheu Wei Fu	許維夫	1(100%)	5(100%)	—	2(100%)	2(100%)	—
Yiu Tin Chong, Joseph	姚天從	1(100%)	5(100%)	2(100%)	2(100%)	2(100%)	N/A
<b>Executive Directors</b>	<b>執行董事</b>						
Leung Kwong Wai (Chairman)	梁廣偉 (主席)	1(100%)	5(100%)	—	—	2(100%)	N/A
Cheung Wai Kuen, Kenny	張惠權	1(100%)	5(100%)	—	—	—	N/A
<b>Non-executive Directors</b>	<b>非執行董事</b>						
Li Jun	李峻	1(100%)	5(100%)	—	—	—	N/A
Li Rongxin	李榮信	1(100%)	4(80%)	—	—	—	—
Zhao Guiwu	趙貴武	1(100%)	5(100%)	2(100%)	1(50%)	—	—

(i) Directors retired at the 2015 Annual General Meeting of the Company who did not offer themselves for re-election.

(i) 已於本公司2015年股東週年大會輪席告退並放棄重選連任之董事。

Pursuant to the Code Provision A.6.7, Independent Non-executive Directors and Non-executive Directors should attend general meetings. According to the above table, all the Independent Non-executive Directors, Non-executive Directors and Executive Directors were present at the AGM and available to answer questions from shareholders of the Company.

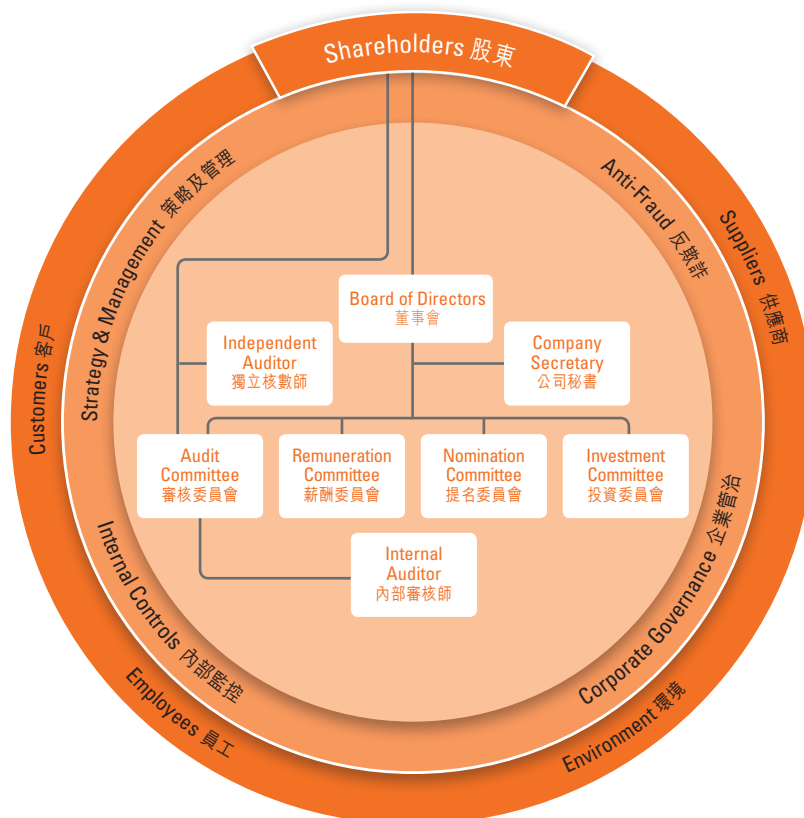
根據守則條文第A.6.7條，獨立非執行董事及非執行董事應出席股東大會。根據上述列表，本公司所有獨立非執行董事、非執行董事及執行董事均已出席股東大會並回答本公司股東之問題。

# CORPORATE GOVERNANCE REPORT (continued)

## 企業管治報告(續)

### Corporate governance structure

#### 企業管治架構



### Remuneration Committee

The Remuneration Committee comprises one Non-executive Director and three Independent Non-executive Directors. A majority of the votes in the Remuneration Committee are exercisable by Independent Non-executive Directors. The Committee does not deal with the remuneration of Non-executive Directors which shall be a matter for the Executive Directors of the Board. No Director or senior executive will be involved in any discussion in connection with his or her own remuneration. The Committee also consults the Chairman about their proposals relating to the remuneration of other Executive Directors and has access to professional advice if considered necessary. The Committee consulted the head of human resources in respect of human resources policy and market as well as other company information.

The meetings of the Remuneration Committee shall normally be held not less than once a year to review and approve principally the remuneration of Executive Directors of the Company. The Committee, currently chaired by Mr. Sheu Wei Fu, has delegated to the CEO the authority to approve the remuneration of all the employees of the Group below the rank of Executive Director. Policy related remuneration schemes will be decided by the Remuneration Committee.

### 薪酬委員會

薪酬委員會的委員包括一名非執行董事及三名獨立非執行董事。獨立非執行董事在薪酬委員會內佔大比數投票權。該委員會不會處理非執行董事的酬金事宜，釐定非執行董事的酬金應屬於董事會執行董事的職務。董事或高級行政人員將不會參與有關其酬金的任何討論。該委員會亦會向主席諮詢有關其他執行董事酬金的意見，並在有需要時，尋求專業意見。該委員會會向人力資源部主管諮詢有關人事政策、市場及其他公司資料。

薪酬委員會每年召開不少於一次會議，主要是檢討和核准本公司執行董事的酬金。該委員會現時由許維夫先生擔任主席，並已授予行政總裁權力，以核准屬於執行董事職級以下本集團全體員工的酬金。薪酬委員會將作出有關薪酬政策事宜的決定。

The main duties of the Remuneration Committee are as follows:

- To determine the framework and broad policy for the remuneration of Directors, senior management and general staff
- To establish guidelines for the recruitment of the Chief Executive Officer and senior management
- To approve the policy and structure for the remuneration of Directors (including Non-executive Directors) whilst ensuring no Director or any of his associates is involved in deciding his own remuneration
- To determine the remuneration of Executive Directors including benefits in kind, pension right and compensation payment
- To review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to Executive Directors and senior management which shall be fair and not excessive
- To review the criteria for assessing the performance of the Executive Directors and/or senior management which should reflect the Company's business objectives and targets
- To determine the annual performance bonus for Executive Directors and review the annual performance bonus for senior management achievements against the performance criteria and by reference to market norms
- To engage such external professional advisors to assist and/or advise the Remuneration Committee on issues as it considers necessary

In 2015, the Remuneration Committee confirmed the remuneration policy for the Executive Directors, assessed their performances as well as reviewed their employment contracts with the Group. Details of remuneration of Directors and the senior management can be obtained in note 10(a) of the Notes to the Consolidated Financial Statements section.

薪酬委員會之主要職務如下：

- 審批董事、高級管理層及一般員工的廣泛薪酬政策
- 制定招聘行政總裁及高級管理層的指引
- 審批就董事(包括非執行董事)薪酬的政策及結構，同時確保任何董事或其任何聯繫人不得參與釐定自己的薪酬
- 釐定執行董事的薪酬待遇，包括非金錢利益、退休金權利及賠償金額
- 檢討及批准有關執行董事及高級管理層因喪失或被終止其職務或委任或因行為失當而被解僱或罷免所涉及的賠償安排。有關賠償須公平合理而不致過多
- 審閱評估執行董事及／或高級管理層表現的準則；有關準則須反映本公司的業務目的及目標
- 根據表現準則評核執行董事、高級管理層的表現並參考市場標準，釐定執行董事以及審閱高級管理層的年度表現花紅
- 就薪酬委員會認為有需要的事宜外聘專業顧問，向委員會提供協助及／或意見

於2015年，薪酬委員會已確認執行董事的薪酬政策、評估其表現及審閱其與本集團的聘用合約。董事及高級管理層之薪酬詳情載於綜合財務報表附註10(a)內。

## CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

### Nomination Committee

The Nomination Committee comprises one Executive Director, one Non-executive Director and three Independent Non-executive Directors, with a majority being Independent Non-executive Directors. The Committee generally meets before the annual general meeting, or at other times as required by the Chairman of the Committee.

The Nomination Committee, led by the Chairman Mr. Yiu Tin Chong, Joseph, will identify qualified candidates to fill the Board membership whenever such vacancy arises. It will nominate such candidates for the Board to consider, and regularly review the composition of the Board as well as make suggestions on any changes that may be required.

The main duties of the Nomination Committee are as follows:

- To review the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy
- To assess the independence of Independent Non-executive Directors
- To identify and nominate candidates to the Board for it to appoint or to recommend to shareholders for election
- To regularly review the time required from a Director to perform his responsibilities
- To make recommendations to the Board on relevant matters relating to the succession planning for the Chairman, the Chief Executive Officer as well as the senior management
- To review the Board Diversity Policy, as appropriate; and the progress on achieving the objectives set for implementing the policy

In 2015, the Nomination Committee reviewed the policy for the nomination of Directors, the nomination procedures, the process and criteria to select and recommend candidate for directorship and the Board Diversity Policy. The Nomination Committee considers that the current Board composition has provided the Company with a good balance and diversity of skills and experiences appropriate for the business of the Company.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

### 提名委員會

提名委員會的委員包括一名執行董事、一名非執行董事及三名獨立非執行董事，而獨立非執行董事在提名委員會內佔大比數。委員會會議須於股東週年大會前或委員會主席要求的其他時間舉行。

提名委員會由主席姚天從先生領導，會物色合資格候選人出任董事，以填補空缺。委員會就提名候選人提呈董事會考慮，並定期檢討董事會成員組成及提交需要作出變動的建議。

提名委員會之主要職務如下：

- 至少每年檢討董事會的架構、規模及組成，並按本公司的企業策略向董事會提出任何改動建議
- 評定獨立非執行董事的獨立性
- 物色候選人並向董事會提名，供董事會委任或向股東推薦選任為董事
- 定期檢討董事履行其責任所需付出的時間
- 就主席、行政總裁及高級管理層繼任計劃的有關事宜向董事會提出建議
- 審閱董事會成員多元化政策(視乎適用情況而定)及落實政策的達標進度

於2015年，提名委員會已檢討董事提名政策、挑選及建議候選人擔任董事的提名程序、過程及標準以及董事會成員多元化政策。提名委員會認為，董事會目前的成員組合為本公司提供均衡及多元化的技能及經驗，適合本公司業務所需。

提名委員會將在適當時候檢討董事會成員多元化政策，以確保該政策具持續效能。提名委員會將會討論任何或需作出修訂的事宜，再向董事會提出修訂建議及審批。

## Investment Committee

The Investment Committee comprises three Executive Directors (including Dr. Yeh Tsuei Chi who was appointed on 23 March 2016), one Non-executive Director and one Independent Non-executive Director. It shall meet at the request of any member of the Committee and its meetings will be facilitated by the Vice President, Finance, who will also participate in the discussion.

The Investment Committee, currently chaired by Dr. Leung Kwong Wai, will evaluate and approve any strategic investment of US\$2 million or less with the support from the Vice President, Finance. Any strategic investment exceeding that amount will be proposed by the Committee for the Board's approval. The Committee is authorized, at the expense of the Group, to seek external professional advice it considers necessary and to arrange external advisers to attend its meetings. The Committee will also periodically report the status and performance of investments to the Board.

The main duties of the Investment Committee are as follows:

- To assist the Board in discharging its duties and responsibilities in relation to investment activities (excluding treasury or cash management)
- To assist the Board with all of its policy setting responsibilities related to investment
- To establish and document the basic investment principles and beliefs held by the Committee as well as the Code of Conduct for avoiding possible conflict of interest
- To have all necessary access and authority to seek information from management to fulfill its objectives, duties and responsibilities
- To review the appointment of external professional advisers
- To review and monitor investment performance
- To review and advise on additions to and dispositions of existing investments
- To review annually the terms of reference of the Committee and to recommend to the Board any required changes
- To submit an annual work report to the Board summarizing the Committee's activities, findings, recommendations and results for the past year

In 2015, the Investment Committee has reviewed and monitored the performance of investments.

## 投資委員會

投資委員會的委員包括三名執行董事(包括剛於2016年3月23日獲委任之葉垂奇博士)、一名非執行董事及一名獨立非執行董事。委員會須於任何委員會委員提出要求時召開會議，會議由副總裁－財務作出安排並會參與討論。

投資委員會現時由梁廣偉博士擔任主席，在副總裁－財務的協助下，評估及批准任何二百萬美元或以下的策略性投資。任何超越該金額的策略性投資將會由委員會提呈以待董事會通過。委員會獲授權有需要時以本集團支出尋求外界專業意見及安排該等外聘顧問出席會議。委員會就投資的狀況及表現定期向董事會匯報。

投資委員會之主要職務如下：

- 協助董事會履行其於投資(不包括庫務或現金管理)方面的職責及責任
- 協助董事會制定所有有關投資責任的政策
- 訂立委員會遵循的基本投資原則及條例，及設立行為守則以避免可能發生的利益衝突
- 有權向管理層接觸及尋求資料以達致履行其目標、職務及責任
- 審閱委任外界的專業顧問
- 審閱及監察投資表現
- 審閱投資及就增加和出售現有的投資提供意見
- 每年檢討委員會的職權範圍及建議董事會作出任何所需的改動
- 向董事會呈交年度工作報告，概述委員會的活動、調查結果、建議及以往年度的成果

於2015年，投資委員會已審閱及監察投資表現。

## CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

### Audit Committee

The Audit Committee comprises two Independent Non-executive Directors and one Non-executive Director and is chaired by Mr. Leung Heung Ying. Mr. Leung is a fellow member of the Institute of Chartered Accountants in England and Wales, and the Hong Kong Institute of Certified Public Accountants and has many years of corporate finance experience at company board level. Mr. Leung meets the requirement of having appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules for the purpose of such appointment.

The Audit Committee meets not less than twice a year to review and discuss the internal audit findings, internal controls, corporate governance, interim and annual consolidated financial statements respectively. It may hold additional meetings from time to time to discuss special projects or other issues it considers necessary. The independent auditor and internal auditor of the Group may request a meeting if they consider it necessary.

The Audit Committee will conduct, on behalf of the Board, annual review of the adequacy of resources, qualifications and experience of staff for the Group's accounting and financial reporting function, and training programs and budget.

The authorities of the Audit Committee include (i) investigating any activity within its terms of reference; (ii) seeking any information it requires from any employee; and (iii) obtaining outside legal or other independent professional advice if required.

The main duties of the Audit Committee are as follows:

- To make recommendations to the Board on the appointment, re-appointment and removal of the independent auditor, and to approve the remuneration and terms of engagement of the independent auditor, and deal with any question of resignation or dismissal of that auditor
- To review with the Group's management, independent auditor and internal auditor, the adequacy of the Group's policies and procedures regarding risk management and internal control systems, and any statement by the Directors to be included in the annual accounts prior to endorsement by the Board

### 審核委員會

審核委員會的委員包括兩名獨立非執行董事及一名非執行董事。審核委員會由梁享英先生擔任主席。梁先生是英格蘭及威爾斯特許會計師公會及香港會計師公會之資深會員，並具有多年董事會級之企業財務經驗。梁先生具備符合上市規則第3.10(2)條的規定之適當的專業資格或會計或有關財務管理的專門技術。

審核委員會每年舉行不少於兩次會議，以審閱和商議內部審核結果、內部監控、企業管治、中期及全年綜合財務報表。委員會亦會不時舉行額外的會議，商討有關委員會認為有需要討論的特別事項或其他事宜。若本集團聘請的獨立核數師和內部審核師認為有需要，可要求召開會議。

審核委員會將代表董事會每年審核是否有足夠的資源、合資格及具經驗的員工擔任本集團的會計及財務報表職能，以及培訓計劃和預算。

審核委員會的職權包括(i)調查屬於其職權範圍內的任何活動；(ii)向任何員工尋求委員會所需的任何資料；以及(iii)在有需要時向外尋求法律或其他獨立專業意見。

審核委員會之主要職務如下：

- 負責向董事會提出就委任、重新委任及罷免獨立核數師的建議，並批准獨立核數師的薪酬及聘任條款，以及處理任何有關辭任或辭退該核數師的問題
- 與本集團的管理層、獨立核數師及內部核數師檢討本集團有關風險管理及內部監控系統的政策及程序是否足夠，以及在提交董事會批署前審閱任何董事擬載於年度賬目內的聲明



- To review independent auditor's independence, objectivity, effectiveness of the audit process and the scope of the independent audit including the engagement letter, prior to commencement of audit
- To review the annual, quarterly (if any) and interim financial reports prior to approval by the Board and liaise with the Board and senior management, and the Committee must meet, at least twice a year, with the independent auditor
- To evaluate the cooperation received by the independent auditor; obtain the comments of management regarding the responsiveness of the independent auditor to the Group's needs; inquire the independent auditor as to whether there have been any disagreements with the management which if not satisfactorily resolved would result in the issue of a qualified report on the Group's financial statements
- To seek from the independent auditor, on an annual basis, information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including provision of non-audit services and requirements regarding rotation of audit partners and staff
- To review and monitor the scope, effectiveness and results of internal audit function, ensure co-ordination between the internal and independent auditors and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group
- To discuss with management the scope and quality of systems of internal control and ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, and their training programs and budget
- To review the findings of internal investigations and the management's response into any suspected frauds or irregularities or failures of internal controls or infringements of laws, rules and regulations
- To consider other topics, as defined by the Board
- 於開始審核工作前審視獨立核數師是否獨立、客觀、審核程序是否有效，以及獨立審核的範疇，包括聘任書
- 在提交董事會批准前審閱年度、季度(如有)及中期財務報表，及與董事會和高級管理層磋商，而該委員會必須與獨立核數師每年會面至少兩次
- 評估獨立核數師從管理層所得到的配合；取得管理層對有關獨立核數師回應本集團需要的意見；查詢獨立核數師曾否與管理層有任何意見分歧，以致若無法圓滿解決而導致獨立核數師就本集團的財務報表發出具保留意見的報告
- 每年要求獨立核數師提供就其維持獨立性及監察是否遵守相關規定所採納的政策及程序的資料，包括是否提供非審核服務及審核工作所涉及的合夥人及員工的輪任要求
- 檢討及監察內部審核職能的範疇、效能及結果，確保內部及獨立核數師互相協調，以及確保內部審核職能獲足夠資源並於本集團內有恰當地位
- 與管理層商討內部監控的範疇及質素，以及確保管理層已履行其職責確保內部監控系統有效，包括所需資源、會計及財務匯報人員的資歷及經驗和相關員工的培訓計劃及預算開支是否足夠
- 審查任何懷疑不誠實行為或不合規情況或內部監控缺失或涉嫌違反法律、規則及規例情況的內部調查結果及管理層的回應
- 考慮董事會界定的其他議題

## CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

### Audit Committee (continued)

The Audit Committee held two meetings during the year ended 31 December 2015 to review and discuss the financial results and reports, financial reporting and compliance procedures, internal control system and risk management review and process and the re-appointment of the independent auditor of the Group.

As the Audit Committee is also responsible for corporate governance duties, the Committee performed the following duties during the year ended 31 December 2015:

- To develop and review the Group's policies and practices on corporate governance and make recommendations to the Board
- To review and monitor the training and continuous professional development of the Directors and senior management
- To review and monitor the policies and practices on compliance with legal and regulatory requirements
- To develop, review and monitor the Code of Conduct and compliance manual (if any) applicable to employees and the Directors
- To review the compliance with the Code Provisions and disclosure in the Corporate Governance Report

### Accountability and audit

#### Financial reporting

The Directors of the Company acknowledge their responsibilities to present a balanced, clear and understandable assessment in the consolidated financial statements of the annual and interim reports. The Directors have prepared the consolidated financial statements on a going concern basis, with supporting assumptions or qualifications as necessary. When the Directors are aware of material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, such uncertainties will be clearly and prominently set out and discussed at length in this Corporate Governance Report.

### 審核委員會(續)

審核委員會於截止2015年12月31日止年度曾舉行兩次會議，審閱及討論本集團的財務業績及報告、財務報表及遵守守則的程序、內部監控系統及風險管理審閱與程序和續聘本集團的獨立核數師。

由於審核委員會亦負責企業管治之職務，截至2015年12月31日止年度，該委員會履行如下的職務：

- 制定及檢討本集團的企業管治政策及常規，並向董事會提出建議
- 檢討及監察董事及高級管理層的培訓及持續專業發展
- 檢討及監察遵守法律及監管規定方面的政策及常規
- 制定、檢討及監察員工及董事的行為守則及合規手冊(如有)
- 檢討遵守守則條文的情況及在企業管治報告內的披露

### 問責性及審核

#### 財務報告

本公司董事確認，彼等有責任在年報及中期報告的綜合財務報表中提供客觀持平、清晰及簡明的評估。董事已按持續經營基準編製綜合財務報表，並於有需要時輔以假設或保留意見。倘董事知悉有重大不明朗事件或情況可能會嚴重影響本公司持續經營的能力，董事必須在企業管治報告中清楚披露及詳細討論該等不明朗因素。

## Risk management and internal control

The Board has responsibilities for maintaining and reviewing the effectiveness of the Group's risk management and internal control systems. The risk management and internal control systems within the Group are designed to help the Group achieve key initiatives, and represent the Group's efforts in protecting its physical assets, information and technology. As maintaining an effective control system is a shared responsibility of all in the Group, the Group is dedicated to educating all employees via trainings and the CEO's message on the Company web portal from time to time to ensure they understand the importance of internal control policies and adhere to them. To facilitate effective internal control system, the Group adopted the Internal Control-Integrated Framework issued by COSO (the "2013 Framework"). The presence of risk management and internal control systems empowers the Group to implement best business practices in dynamic and challenging business environments.

The Board assessed the effectiveness of the risk management and internal control systems for the year ended 31 December 2015, including financial, operational and compliance controls, and risk management functions, by considering reviews performed by the Audit Committee, senior management and the Corporate Audit Section, and the independent auditor's management letters, if any. The Board also reviewed the Group's operating and financial performance against the financial budget on a quarterly basis while senior management closely monitored the financial performance on a monthly basis.

The management is committed to improving the Group's overall risk management approach and strategy. They continuously monitor the global business environment, industry development, as well as internal processes, to ensure the existing risk management and internal control systems can identify and manage risks and opportunities effectively, rather than eliminate the risk of failure to achieve business objectives, to provide reasonable and not absolute assurance against material misstatement or loss. In 2015, the management reviewed the existing risk management and internal control systems and further modification of the system will be implemented in the coming year. The management continues to review the adequacy of its risk management and control framework and looks for opportunities to make improvements and add appropriate resources when necessary.

## 風險管理及內部監控

董事會有責任維持及審閱本集團風險管理及內部監控體系之效能。本集團的風險管理及內部監控體系旨在協助本集團達成目標，致力保障其資產、資訊及科技。由於保持具效能的內部監控體系是每位集團成員共同的責任，固本集團致力從培訓及行政總裁不時於門戶網站的分享用以教育員工明白內部監控政策及對其堅持的重要性。為促進有效的內部監控體系，本集團已採用了由COSO發表的內部監控架構（「2013架構」）。現有的風險管理及內部監控體系能讓本集團在瞬息萬變及富挑戰的營商環境下實踐最佳的營商方法。

截至2015年12月31日止年度，董事會已評估風險管理及內部監控的成效（如參考由審核委員會、高級管理層及內審部對包括財務、營運、合規監控及風險管理功能之審閱和獨立核數師致管理層的建議報告（如有））。董事會亦會每季以財務預算為審核本集團運作及財務表現，同時高級管理層亦會緊密監察每月的實際財務表現。

管理層致力改善本集團的整體風險管理方針及策略。他們不斷監察環球商業環境、行業發展以及內部工作程序，以確保現有的風險管理及內部監控系統能有效地識別及管理風險和機會，而非消除未能達成業務目標的風險，就不會有重大的失實陳述或損失作出合理而非絕對的保證。於2015年，管理層已檢討現有的風險管理及內部監控系統並將下年度進一步優化該系統。管理層繼續檢討風險管理和監控架構的充足程度，時刻尋找改善機會，必要時並會增加適當資源。

## CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

### Accountability and audit (continued)

#### Risk management and internal control (continued)

The Group has an internal audit function in place to provide an independent assessment of the effectiveness of the Group's risk management and internal control systems in accordance with the Code. The Corporate Audit Section assists the Audit Committee to conduct regular reviews of the Group's risk management and internal control systems, which include the review of the effectiveness of financial, operational and compliance controls and risk management functions. The Corporate Audit Section follows a risk-based approach. Different audit areas are assigned with different risk ratings and an audit plan is formulated accordingly so that priority and appropriate audit frequency is given to areas with higher risks. The annual work plan is reviewed and endorsed by the Audit Committee. The Corporate Audit Section conducts regular financial and operational reviews on the Group and reports directly to the Chairman of the Audit Committee regularly. Summary of major findings and control weaknesses, if any, are reviewed by the Audit Committee at least twice every year. The Corporate Audit Section monitors the follow up actions agreed upon in response to its recommendations.

To enhance the risk management and internal control systems, the Group established and published a whistleblowing policy and a system on anti-fraud for employees and third parties to raise concerns in confidence, which complied with the recommended best practice in the Code. In 2015, no incident of fraud or misconduct was reported from employees or stakeholders that had material effect on the Group's financial statements and overall operations.

The Board considered that the risk management and internal control systems of the Group in 2015 are effective and adequate and the Company had complied with the Code Provisions.

#### Independent auditor

The Group's independent auditor is PricewaterhouseCoopers. PwC HK is responsible for auditing and forming an independent opinion on the Group's annual consolidated financial statements. Apart from the statutory audit of the annual consolidated financial statements, PwC HK was also engaged to perform a review on the condensed consolidated interim financial information of the Group for the six months ended 30 June 2015 as well as advise the Group on taxation and related matters.

The fees payable by the Group to the independent auditor in respect of audit and non-audit services provided by them for the year ended 31 December 2015 are US\$196,000 (2014: US\$191,000) and US\$24,000 (2014: US\$25,000) respectively.

### 問責性及審核(續)

#### 風險管理及內部監控(續)

本集團已設立內部審計機制，根據企業管治守則對本集團所有風險管理及內部監控系統作出獨立評估有關系統是否有效。內審部協助審核委員會進行常規的審閱本集團之風險管理及內部監控體系，包括財務、營運及法規遵從性的監控和風險管理功能之成效。內審部遵從風險為基礎之手法。對不同的審核部分劃分不同的風險評級及制定權衡風險的審核方案；對較高風險的部分適當予以較優先及較頻密之審核。審核委員會已經審核及批准年度審核計劃。內審部亦會定期為本集團的財務和營運作出審閱及定期向審核委員會主席提交報告。審核委員會至少每年兩次，就主要之查核結果及監控弱點(如有)作出檢討。內審部亦會對落實執行之建議作出監督。

為加強風險管理及內部監控體系，本集團已制定及公開有關告密政策及反欺詐行為制度，讓員工及第三方可暗中舉報，此為符合建議最佳常規。於2015年，並無員工或持份者舉報任何足以對本集團財務報表及整體業務運作構成重大影響的欺詐或失當行為。

董事會認為在2015年度本集團的風險管理及內部監控體系是有效及充足，而本公司亦已遵守守則條文。

#### 獨立核數師

本集團之獨立核數師乃羅兵咸永道會計師事務所。羅兵咸永道香港負責審核及對年度綜合財務報表發出獨立意見。除對年度綜合財務報表作出法定審核外，羅兵咸永道香港亦獲聘為審閱本集團截至2015年6月30日止六個月簡明綜合中期財務資料，並就稅務法規及有關事宜提供意見。

截至2015年12月31日止年度，本集團付予獨立核數師有關審核及非審核服務之費用分別為196,000美元(2014: 191,000美元)及24,000美元(2014: 25,000美元)。

## Shareholders communication

The Company considers that communication with its shareholders is essential for enhancing investor relations and its shareholders' understanding of the Group's business performance and strategies. The Board adopted a Shareholders' Communication Policy, which is published on the Company website, reflecting mostly the current practices of the Company for communication with its shareholders. Such policy aims at providing the shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. The Board will regularly reviewed the policy and considered the effectiveness and compliance with the prevailing regulatory and other requirements.

For the year under review, the Group has taken a proactive approach to communicate with the investment community, for example, institutional investors, analysts and retail investors. For the year ended 31 December 2015, the Group conducted meetings and conference calls with investors and analysts. To enhance the Group's profile among the general public in Hong Kong, interviews were conducted with local media, and group visits to its principal office were arranged with local universities and technology institutions.

The views of investors are invaluable to the Company. To improve its communication with investors, the Company has been collecting ideas from shareholders and feedback from the investment community since listing. The Company also appreciates the opportunity to meet shareholders face-to-face. The Company's Articles of Association has accommodated the use of websites for communication with shareholders since 2009.

The Company establishes different communication channels with shareholders and investors, including (i) annual reports, interim reports, notices of meetings, circulars and proxy forms which are required under the Listing Rules. Shareholders can also choose (or are deemed to have consented) to receive such documents using electronic means through the Company's website; (ii) the annual general meeting which provides a forum for shareholders to raise comments and exchange views with the Board; (iii) the Company's website which provides updated and key information on the Group and offers a communication channel between the Company and its shareholders and stakeholders; (iv) media conferences and briefing meetings with analysts to be held to update interested parties on the performance of the Group; (v) the Company's Registrar which deals with shareholders for share registration and related matters; and (vi) the Corporate Communications and Development Section of the Group which handles enquiries from shareholders and investors generally.

## 股東通訊

本公司認為與其股東保持溝通對促進投資者關係及加強股東對本集團業績和策略的了解不可或缺。董事會採納一項反映本公司現時與股東溝通之大部分常規之股東溝通政策(該政策登載於本公司網站)。該政策旨在確保股東及有意投資者可方便和及時地獲得本公司無任何偏見及可理解之資料。董事會定期檢討該項政策，確保政策具有效力及符合現行之法規及其他規定。

於回顧年內，本集團一直採取積極態度與投資大眾(例如：機構投資者、分析員及散戶投資者)溝通。截至2015年12月31日止年度，本集團與投資者及分析員舉行了多個會議及電話會議。為提升香港公眾對本集團的認識，本集團多次接受本地傳媒訪問和安排多個本地大學及科技協會團體參觀本公司的總辦事處。

投資者的意見對本公司來說是非常寶貴的。為了加強與投資者的溝通，自上市以來，本公司經常收集股東的意見及了解市場資訊。本公司亦珍惜與股東面對面會晤的機會。自2009年起，本公司的組織章程細則容許運用網站與股東溝通。

本公司與股東及投資者建立不同的溝通途徑，包括：(i)按上市規則規定，寄發年報、中期報告、會議通告、通函及代表委任表格，股東亦可選擇(或被視為已同意)以電子方式透過本公司網站收取該等文件；(ii)股東可於股東週年大會上發表建議及與董事會交換意見；(iii)本公司網站載有本集團之最新及重要資訊並為股東及持份者提供與本公司溝通之途徑；(iv)本公司亦會召開新聞發佈會及投資分析員簡佈會向有關人士提供本集團最新業績資料；(v)本公司之股份登記處為股東處理一切股份登記及相關事宜；及(vi)本公司企業傳訊及發展部處理股東及投資者之一般查詢。

## CORPORATE GOVERNANCE REPORT (continued) 企業管治報告(續)

### Shareholders communication (continued)

To the best of the Company's knowledge, as at 31 December 2015, Huada/CEC held about 28.5% of the Company's shares, the Board held roughly 5.4%, and the remaining approximately 66%, is believed to be in public hands.

The website of the Group ([www.solomon-systech.com](http://www.solomon-systech.com)) is also updated constantly to inform investors and the general public of the latest information of the Group, for example, the important dates for shareholders in the coming year. Further information for shareholders can be found on pages 150 to 152 of this Annual Report.

### Shareholders' rights and constitutional documents

Shareholders' rights of the Company are at all times highly regarded by the Group. The Group will make sure the Company's shareholders know how to exercise their rights. The Group provides effective channels for the Company's shareholders to communicate their ideas to the Group and exert their rights.

Pursuant to the Company's Articles of Association, any two or more members of the Company shall also be able to convene general meetings on the written requisition deposited at the principal office of the Company in Hong Kong.

The Company amended the Memorandum and Articles of Association of the Company in order to bring the same in line with the recent amendments to the Listing Rules and Companies Law of the Cayman Island, and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) in 2014.

With regard to general enquiry, a shareholder may contact the Company's Share Registrar directly. Information on proceedings at general meetings, votes of members, proxies, dividends and reserves, transfer of shares and other information are detailed in the Company's Memorandum and Articles of Association, which is accessible for inspection at the Company's Share Registrar, through website of the Group or the website of the Stock Exchange. The contact details of the Share Registrar is on page 151 of this Annual Report. In the event that a shareholder wishes to put forward a proposal to the Board, he may put forth his enquiry in writing to the Corporate Communications Section of the Group who will act on the subject matter accordingly.

### Company Secretary

The Company Secretary is responsible for advising the Board through the Chairman and/or the CEO on governance matters and should also facilitate induction and continuous training of Directors. In 2015, the Company Secretary has undertaken more than 15 hours of relevant professional training which exceeded the requirement of Rule 3.29 of the Listing Rules.

### 股東通訊(續)

據本公司所知，截至2015年12月31日止，華大/中國電子持有本公司股份約28.5%，董事會的董事持有大約5.4%本公司的股份，餘下約66%的股份，則相信是由公眾人士所持有。

本集團的網站([www.solomon-systech.com](http://www.solomon-systech.com))亦會定期更新資料，向投資者和公眾人士提供本集團的最新訊息，例如股東於來年需注意的重要日期。有關股東須知的其他資料可參閱本年報第150至152頁。

### 股東權利及組織章程文件

本集團時刻重視本公司之股東權利，並會協助他們了解如何行使應有的權利。本集團設有有效的溝通渠道，讓本公司股東表達對本集團的意見及行使其權利。

依據本公司組織章程細則，股東大會亦可由兩位或更多成員遞交書面要求到本公司位於香港的總辦事處。

本公司已於2014年修訂組織章程大綱及細則藉以與最近上市規則及開曼群島公司法最新修訂，以及與公司條例(香港法例第622章)一致。

股東可直接聯絡本公司的股份過戶登記處，查詢一般資料。有關股東大會的程序、投票方法、委任代表、股息及儲備、股份轉讓及其他資料，已詳列於本公司的組織章程大綱及細則，組織章程大綱及細則可於本公司的股份過戶登記處、通過本集團的網站或聯交所網站查閱。股份過戶登記處的聯絡資料載於本年報第151頁。如股東欲向董事會提呈任何建議，可致函本集團的企業傳訊部，以妥善處理有關事宜。

### 公司秘書

公司秘書負責通過董事會主席及/或行政總裁就管治事宜向董事會提出意見，並協助初始及持續之董事培訓。在2015年，公司秘書已超過上市條例第3.29條的要求，接受多於15小時相關專業培訓。

## REPORT OF THE DIRECTORS

### 董事會報告

The Directors submit their report together with the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2015.

#### Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 17 to the consolidated financial statements.

An analysis of the Group's performance for the year by business segment is set out in note 5 to the consolidated financial statements.

#### Results and appropriations

The results of the Group for the year are set out in the consolidated income statement on page 77.

The Board of the Company does not recommend the payment of a final dividend.

#### Donations

Charitable and other donations made by the Group during the year amounted to US\$9,000.

#### Shares issued in the year

Details of the shares of the Company issued in the year ended 31 December 2015 are set out in Note 23 to the consolidated financial statements.

#### Distributable reserves

Distributable reserves of the Company as at 31 December 2015, comprising share premium reserve of US\$109,014,000 that is subject to the regulation of Section 34 of the Cayman Islands Companies Law and the Articles of Association of the Company, the equity compensation reserve of US\$17,246,000 and accumulated losses of US\$26,633,000, totaling US\$99,627,000 net are available for distribution to the Company's shareholders.

#### Equity linked agreements – Share option granted to directors and employees

Details of the share options granted in prior years and current year is set out in Note 24 of the consolidated financial statements and "Share options" section contained in this Directors' Report. All the share options granted during the year are with vesting conditions, there was no share issued for the year ended 31 December 2015 in respect of share options granted in 2015.

董事謹提呈本公司及其附屬公司截至2015年12月31日止年度的經審核綜合財務報表。

#### 主要業務及按地區分析的營運

本公司的主要業務為投資控股。附屬公司的業務載於綜合財務報表附註17。

本集團本年度按業務分部的表現分析載於綜合財務報表附註5。

#### 業績及分派

本集團本年度的業績載於綜合損益表第77頁。

董事會不建議派付末期股息。

#### 捐獻

本集團於年內作出的慈善及其他捐獻為9,000美元。

#### 於年內發行之股份

本公司截至2015年12月31日止年度發行之股份詳情載於綜合財務報表附註23。

#### 可分派儲備

本公司於2015年12月31日的可分派儲備，包括股份溢價儲備109,014,000美元(受開曼群島公司法第34條及本公司的組織章程細則規限)，股本權益報酬儲備17,246,000美元及累計虧損26,633,000美元合共99,627,000美元淨額可供分派予本公司股東。

#### 權益掛鉤協議 – 授予董事及員工的購股權

在往年度及本年度授出的購股權詳情載於綜合財務報表附註24及董事會報告「購股權」一節內。所有本年度授出的購股權均具歸屬條款，對於在2015年年度授出的購股權，並無於截至2015年12月31日止就此發行任何普通股。

## REPORT OF THE DIRECTORS (continued) 董事會報告(續)

### Pre-emptive rights

There is no provision for pre-emptive rights under the Company's Articles of Association and there is no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### Five-year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years ended 31 December is set out on page 145.

### Purchase, sale or redemption of Company's listed shares

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 31 December 2015.

### Permitted indemnity provisions

At no time during the year and up to the date of this Annual Report were there any permitted indemnity provisions in force for the benefit of any of the Directors of the Company (whether made by the Company or otherwise).

### Share options

The Company adopted a share option scheme at the annual general meeting held on 28 May 2013 ("2013 Share Option Scheme") and at the same time terminated the old share option scheme ("Old Scheme") which had expired in February 2014. Upon termination, no further options under the Old Scheme had been offered but in all other respects the provision of the same shall remain in force and the options granted prior to such termination shall continue to be valid and exercisable in accordance with the same. The terms of the 2013 Share Option Scheme are in accordance with the provisions of the Chapter 17 of the Listing Rules on the Stock Exchange. The 2013 Share Option Scheme is valid and effective for a period of 10 years commencing on 28 May 2013, being the date of adoption of such scheme by the shareholders of the Company.

As at 31 December 2015, there are total 17,700,000 valid share options outstanding, of which all are under the 2013 Share Option Scheme. All share options under the Old Scheme has been either exercised, forfeited or cancelled.

### 優先購買權

本公司的組織章程細則，並無優先購買權的條文規定本公司須按比例向現有股東提呈發售新股份，而開曼群島法例亦無限制該等權利。

### 五年財務摘要

本集團截至12月31日止最近五個財政年度的業績和資產及負債摘要載於第145頁。

### 購買、出售或贖回本公司上市股份

截至2015年12月31日止年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司上市股份。

### 獲准許的彌償條文

本年度內及截至本報告日止任何時間，均未有任何生效的獲准許彌償條文惠及本公司的任何董事(不論是否由本公司或其他公司訂立)。

### 購股權

本公司於2013年5月28日舉行的股東週年大會已採納一購股權計劃(「2013購股權計劃」)及同時撤銷原於2014年2月失效的原有購股權計劃(「舊計劃」)。舊計劃撤銷後不得進一步提呈更多購股權，同樣條文將於所有其他方面繼續有效執行，及按照同樣情況在該等終止前已授出的購股權將繼續有效及可行使。2013購股權計劃的條款是遵照聯交所上市規則第17章的條文。2013購股權計劃由2013年5月28日(即本公司股東採納該購股權計劃之日)起生效，為期10年。

於2015年12月31日，合共有17,700,000股有效購股權未經行使，所有購股權均屬於2013購股權計劃。所有舊計劃提呈的購股權均已行使、放棄或失效。



### Number of share options

The Company has been using the Black-Scholes Valuation Model to value the share options granted. Details of the key parameters used in the Model and the corresponding fair values of the share options granted during the year should be referred to note 24(a) to the consolidated financial statements. The details of the share options granted to the respective parties during 2015 and 2014 are as follows:

### 購股權數目

本公司採用畢蘇訂價模式計算已授出購股權的價值。本年度應用此模式的主要參考數據及對應該等授出的購股權之公平值詳情參見綜合財務報表附註24(a)。於2015及2014年內授予相關人士的購股權詳情如下：

		2015		2014	
		Number (in thousand units) 數量 (以千位計)	Value US\$'000 價值 千美元	Number (in thousand units) 數量 (以千位計)	Value US\$'000 價值 千美元
Leung Heung Ying	梁享英	800	9.6	800	12.1
Sheu Wei Fu	許維夫	800	9.6	800	12.1
Yiu Tin Chong, Joseph	姚天從	800	9.6	800	12.1
Li Jun	李峻	—	—	—	—
Li Rongxin	李榮信	—	—	—	—
Zhao Guiwu	趙貴武	—	—	—	—
Leung Kwong Wai	梁廣偉	800	9.7	800	12.1
Cheung Wai Kuen, Kenny	張惠權	800	9.7	1,300	21.0
Choy Kwok Hung, Patrick	蔡國雄	—	—	800	12.2
Sun, Patrick	辛定華	—	—	800	12.2
Subtotal for Directors	董事小計	4,000	48.2	6,100	93.8
Senior management	高級管理層	3,100	38.4	3,000	50.8
Employee	員工	700	8.1	300	5.2
<b>Total</b>	<b>總計</b>	<b>7,800</b>	<b>94.7</b>	<b>9,400</b>	<b>149.8</b>

# REPORT OF THE DIRECTORS (continued)

## 董事會報告(續)

### Share options (continued)

#### Number of share options (continued)

Details of the share options outstanding as at 31 December 2015 under the Old Scheme and 2013 Share Option Scheme are as follows:

### 購股權(續)

#### 購股權數目(續)

於2015年12月31日關於舊計劃及2013購股權計劃授出之購股權的詳情如下：

	Number of share options (in thousand units) 購股權數目(以千位計)					Exercise price HK\$ 行使價 港元	Grant date 授出日期	Exercise period 行使期	
	Held on 1 January 2015 於2015年 1月1日持有	Granted during the year 年內已授出	Exercised during the year 年內已行使	Lapsed/ forefited during the year 年內已 註銷/放棄	Held on 31 December 2015 於2015年 12月31日 持有			Begins 開始	Ends 結束
<b>Independent Non-executive Directors</b> 獨立非執行董事									
Sun, Patrick <sup>(i)</sup> 辛定華 <sup>(i)</sup>	800	—	(800)	—	—	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	800	—	(800)	—	—	0.3450	4 October 2013 2013年10月4日	1 October 2014 2014年10月1日	30 September 2016 2016年9月30日
	800	—	—	—	800	0.3950	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	2,400	—	(1,600)	—	800				
Choy Kwok Hung, Patrick <sup>(i)</sup> 蔡國雄 <sup>(i)</sup>	800	—	(800)	—	—	0.3450	4 October 2013 2013年10月4日	1 October 2014 2014年10月1日	30 September 2016 2016年9月30日
	800	—	(800)	—	—	0.3950	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	1,600	—	(1,600)	—	—				
Leung Heung Ying 梁享英	800	—	—	—	800	0.3950	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	—	800	—	—	800	0.3150	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	800	800	—	—	1,600				
Sheu Wei Fu 許維夫	800	—	—	—	800	0.3950	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	—	800	—	—	800	0.3150	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	800	800	—	—	1,600				
Yiu Tin Chong, Joseph 姚天從	800	—	(800)	—	—	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	800	—	—	—	800	0.3450	4 October 2013 2013年10月4日	1 October 2014 2014年10月1日	30 September 2016 2016年9月30日
	800	—	—	—	800	0.3950	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	—	800	—	—	800	0.3150	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	2,400	800	(800)	—	2,400				
<b>Subtotal</b> 小計	8,000	2,400	(4,000)	—	6,400				

(i) Directors retired at the 2015 Annual General Meeting of the Company and did not offer themselves for re-election.

(i) 已於本公司2015年股東週年大會輪席告退並沒有重選連任之董事。

	Number of share options (in thousand units) 購股權數目 (以千位計)					Exercise price HKS 行使價 港元	Grant date 授出日期	Exercise period 行使期	
	Held on 1 January 2015 於2015年 1月1日持有	Granted during the period 年內已授出	Exercised during the period 年內已行使	Lapsed/ forefited during the year 年內已 註銷/放棄	Held on 31 December 2015 於2015年 12月31日 持有			Begins 開始	Ends 結束
<b>Executive Directors</b> 執行董事									
Leung Kwong Wai 梁廣偉	800	—	(800)	—	—	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	800	—	(800)	—	—	0.3450	4 October 2013 2013年10月4日	1 October 2014 2014年10月1日	30 September 2016 2016年9月30日
	800	—	—	—	800	0.3950	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	—	800	—	—	800	0.3150	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	<b>2,400</b>	<b>800</b>	<b>(1,600)</b>	<b>—</b>	<b>1,600</b>				
Cheung Wai Kuen, Kenny 張惠權	1,050	—	—	—	1,050	0.3950	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	250	—	—	—	250	0.3950	9 October 2014 2014年10月9日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	—	800	—	—	800	0.3150	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	<b>1,300</b>	<b>800</b>	<b>—</b>	<b>—</b>	<b>2,100</b>				
<b>Subtotal</b> 小計	<b>3,700</b>	<b>1,600</b>	<b>(1,600)</b>	<b>—</b>	<b>3,700</b>				
Ex-directors 前董事	1,600	—	(800)	(800)	—	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	2,400	—	(1,600)	—	800	0.3450	4 October 2013 2013年10月4日	1 October 2014 2014年10月1日	30 September 2016 2016年9月30日
<b>Subtotal</b> 小計	<b>4,000</b>	<b>—</b>	<b>(2,400)</b>	<b>(800)</b>	<b>800</b>				

REPORT OF THE DIRECTORS (continued)  
董事會報告(續)

Share options (continued)

Number of share options (continued)

購股權(續)

購股權數目(續)

	Number of share options (in thousand units) 購股權數目(以千位計)					Exercise price HK\$ 行使價 港元	Grant date 授出日期	Exercise period 行使期	
	Held on 1 January 2015 於2015年 1月1日持有	Granted during the period 年內已授出	Exercised during the period 年內已行使	Lapsed/ forefited during the year 年內已 註銷/放棄	Held on 31 December 2015 於2015年 12月31日 持有			Begins 開始	Ends 結束
Senior management & others 高級管理層及其他	800	—	(800)	—	—	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	800	—	(800)	—	—	0.3450	4 October 2013 2013年10月4日	1 October 2014 2014年10月1日	30 September 2016 2016年9月30日
	2,050	—	—	—	2,050	0.3950	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	1,250	—	—	—	1,250	0.3950	9 October 2014 2014年10月9日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	—	500	—	(150)	350	0.3090	30 March 2015 2015年3月30日	1 April 2016 2016年1月4日	30 March 2018 2018年3月30日
	—	500	—	(150)	350	0.3090	30 March 2015 2015年3月30日	3 April 2017 2017年4月3日	29 March 2019 2019年3月29日
	—	800	—	—	800	0.3150	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	—	1,000	—	—	1,000	0.3150	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	—	1,000	—	—	1,000	0.3150	2 October 2015 2015年10月2日	2 October 2017 2017年10月2日	30 September 2019 2019年9月30日
<b>Subtotal 小計</b>	<b>4,900</b>	<b>3,800</b>	<b>(1,600)</b>	<b>(300)</b>	<b>6,800</b>				
<b>Total 總計</b>	<b>20,600</b>	<b>7,800</b>	<b>(9,600)</b>	<b>(1,100)</b>	<b>17,700</b>				

## Directors

Directors during the year and up to the date of this Annual Report were:

### Independent Non-executive Directors

Mr. Choy Kwok Hung, Patrick (retired with effect from 16 June 2015)  
Mr. Leung Heung Ying  
Mr. Sheu Wei Fu  
Mr. Sun, Patrick (retired with effect from 16 June 2015)  
Mr. Yiu Tin Chong, Joseph

### Non-executive Directors

Dr. Li Jun  
Mr. Li Rongxin  
Mr. Zhao Guiwu

### Executive Directors

Dr. Leung Kwong Wai (Chairman)  
Dr. Yeh Tsuei Chi (Chief Executive Officer, appointed  
as Director with effect from 23 March 2016)  
Mr. Cheung Wai Kuen, Kenny

In accordance with Article 95 of the Company's Articles of Association, Dr. Yeh Tsuei Chi, appointed as an addition to the Board effective from 23 March 2016, shall hold office until the forthcoming annual general meeting.

In accordance with Article 112 of the Company's Articles of Association, Dr. Leung Kwong Wai, Mr. Cheung Wai Kuen, Kenny and Mr. Leung Heung Ying will retire by rotation at the forthcoming annual general meeting.

Dr. Yeh Tsuei Chi and Mr. Leung Heung Ying, being eligible, offer themselves for re-election.

Messrs. Leung Heung Ying, Sheu Wei Fu and Yiu Tin Chong, Joseph are Independent Non-executive Directors of the Company and their service contracts were renewed in 2015 for a term expiring on 30 June 2016.

### Directors' service contracts

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

## 董事

本年度內及截至本報告日期止之董事如下：

### 獨立非執行董事

蔡國雄先生(於2015年6月16日退任)  
梁享英先生  
許維夫先生  
辛定華先生(於2015年6月16日退任)  
姚天從先生

### 非執行董事

李峻博士  
李榮信先生  
趙貴武先生

### 執行董事

梁廣偉博士(主席)  
葉垂奇博士(行政總裁，於2016年3月23日獲委任為董事)  
  
張惠權先生

根據本公司的組織章程細則第95條，本公司董事會於2016年3月23日新委任之董事葉垂奇博士任期至即將舉行的股東週年大會止。

根據本公司的組織章程細則第112條，本公司之董事梁廣偉博士、張惠權先生和梁享英先生於即將舉行的股東週年大會上輪席退任。

葉垂奇博士及梁享英先生均符合資格並願意膺選連任。

梁享英先生、許維夫先生及姚天從先生為本公司獨立非執行董事，他們已於2015年續簽訂彼之服務合約，任期至2016年6月30日止。

### 董事的服務合約

擬於即將舉行的股東週年大會上膺選連任的董事，概無與本公司或其任何附屬公司簽訂不可於一年內免付補償(法定補償除外)而終止的服務合約。

## REPORT OF THE DIRECTORS (continued) 董事會報告(續)

### Directors' interests in transactions, arrangements or contracts

No transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, or 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.

### Biographical details of Directors and senior management

Brief biographical details of Directors and senior management are set out on pages 32 to 38 of this Annual Report.

### Directors' interests

#### Directors' interest as at 31 December 2015

As at 31 December 2015, the interests and short positions of each Director and chief executive in the shares and underlying shares of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

### 董事於交易、安排或合約的權益

於本年底或年內任何時間，本公司或其任何附屬公司並沒有為訂約方或本公司董事於當中直接或間接擁有重大權益且涉及本集團業務的重大交易、安排或合約。

### 董事及高級管理層的履歷詳情

董事及高級管理層的履歷載於本年報第32至第38頁。

### 董事權益

#### 於2015年12月31日之董事權益

於2015年12月31日，各董事及行政總裁於本公司或其相聯法團（定義見證券及期貨條例）的股份及相關股份中擁有登記於根據SFO第XV部第352條規定本公司須存置的登記名冊上，或須根據上市發行人董事進行證券交易的標準守則知會本公司及聯交所的權益及淡倉如下：

		Ordinary shares in the Company as at 31 December 2015 於2015年12月31日本公司的普通股				% of the issued share capital of the Company 佔本公司 已發行 股本百分比
		Position 權益狀況	Shares 股份	Share Options <sup>(i)</sup> 購股權 <sup>(i)</sup>	Total 總計	
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>					
LEUNG Heung Ying	梁享英	Long 權益	—	1,600,000	1,600,000	0.06%
SHEU Wei Fu	許維夫	Long 權益	—	1,600,000	1,600,000	0.06%
YIU Tin Chong, Joseph	姚天從	Long 權益	2,000,000	2,400,000	4,400,000	0.18%
<b>Non-executive Directors</b>	<b>非執行董事</b>					
LI Jun	李峻	Long 權益	—	—	—	—
LI Rongxin	李榮信	Long 權益	—	—	—	—
ZHAO Guiwu	趙貴武	Long 權益	—	—	—	—
<b>Executive Directors</b>	<b>執行董事</b>					
LEUNG Kwong Wai	梁廣偉	Long 權益	122,200,308	1,600,000	123,800,308	5.00%
CHEUNG Wai Kuen, Kenny	張惠權	Long 權益	1,260,000	2,100,000	3,360,000	0.14%

(i) These are share options granted under the 2013 Share Option Schemes with more details on pages 62 to 66.

(i) 該等購股權為根據2013購股權計劃(詳情見第62至66頁)授出之購股權。

Saved as disclosed above, at no time during the year, Directors and Chief Executive Officer (including their spouse and children under 18 years of age) had any interests in, or had been granted, or exercised, any rights to subscribe for shares of the Company and its associated corporation required to be disclosed pursuant to the SFO.

除上文所披露者外，於年內任何時間，董事及行政總裁(包括彼等之配偶及年齡在18歲以下的子女)概無擁有或獲授予或行使根據SFO須予披露可認購本公司及其相聯法團之股份的任何權利。

Mr. Lo Wai Ming ("Mr. Lo"), a member of senior management of the Group, through investment vehicles under their control invested in BJ-LED, an associated company of the Group. Mr. Lo declared that his percentage ownership in BJ-LED as at 31 December 2015 was 11.5% (2014: 11.5%).

### Arrangement enabling Directors to acquire shares or debentures

Saved as disclosed above, at no time during the year was the Company, its subsidiaries or its associated corporation a party to any arrangement to enable Directors and Chief Executive Officer of the Company (including their spouse and children under 18 years of age) to acquire any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation other than Dr. Leung Kwong Wai who holds shares of certain subsidiaries solely for the purpose of ensuring that the relevant subsidiary has more than one member.

### Substantial shareholders' interests

The register of substantial shareholders required to be kept by the Company under section 336 of Part XV of the SFO shows that as at 31 December 2015, the Company had been notified of the following substantial shareholders' interests and short positions in the shares or underlying shares of the Company, being interests of 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive Officer of the Company.

本集團高級管理層成員盧偉明先生(「盧先生」)透過彼控制的投資公司投資於本集團的一家聯營公司BJ-LED。盧先生申報他於2015年12月31日擁有BJ-LED 11.5%(2014: 11.5%)。

### 使董事可購入股份或債權證之安排

除上文所披露外，於年內任何時間，除梁廣偉博士純粹為確保有關附屬公司有一名以上股東而持有若干附屬公司的股份外，概無本公司、其附屬公司或其相聯法團為任何安排的其中一方，讓本公司董事及行政總裁(包括彼等之配偶及年齡在18歲以下的子女)購入本公司或其相聯法團的股份或相關股份或債權證的任何權益或淡倉。

### 主要股東權益

根據SFO第XV部第336條須存置的主要股東登記名冊所示，於2015年12月31日，本公司已獲知會下列主要股東的權益及淡倉(即於本公司已發行股本擁有5%或以上權益)。該等權益為上文披露的本公司董事及行政總裁權益以外的。

### Ordinary shares in the Company as at 31 December 2015 於2015年12月31日本公司的普通股

Name of shareholder 股東名稱	Capacity 身份	Position 權益狀況	Number of shares held 所持股份數目	% of the issued share capital of the Company 佔本公司 已發行 股本百分比
Huada Semiconductor Co., Ltd 華大半導體有限公司	Beneficial owner 實益擁有人	Long 權益	706,066,000	28.50%
China Electronics Corporation 中國電子信息產業集團有限公司	Interest of controlled corporation 所控制的法團的權益	Long 權益	706,066,000	28.50%

Note:

CEC is a state-owned information technology conglomerate under the administration of the central government of the People's Republic of China. Huada is a wholly-owned subsidiary of CEC.

附註：

中國電子是一家直接隸屬於中華人民共和國中央政府管理的國有電子信息技術企業集團。華大乃中國電子之全資附屬公司。

## REPORT OF THE DIRECTORS (continued) 董事會報告(續)

### Substantial shareholders' interests (continued)

Saved as disclosed above, as at 31 December 2015, no other persons (other than the Directors) were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

Huada entered into an acting-in-concert agreement with Dr. Yeh Tsuei Chi ("Dr. Yeh"), Chief Executive Officer of the Company on 2 February 2016. Upon the full vesting and exercise of the share and share options of Dr. Yeh, Huada and Dr. Yeh will together hold an aggregate of 723,358,000 shares of the Company representing approximately 29.0% of the issued share capital of the Company.

### Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

### Major suppliers and customers

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	採購	
– the largest supplier	– 最大供應商	18%
– five largest suppliers combined	– 五大供應商合計	59%
Sales	銷售	
– the largest customer	– 最大客戶	18%
– five largest customers combined	– 五大客戶合計	54%

Saved as disclosed above, none of the Directors of the Company, their associates or any shareholder (who to the knowledge of the Directors own more than 5% of the Company's share capital) had any interest in the major suppliers or customers noted above.

### 主要股東權益(續)

除上文所披露者外，於2015年12月31日，根據證券及期貨條例第336條本公司須予備存的登記冊所記錄，概無其他人士(董事除外)擁有本公司股份及相關股份的權益或淡倉。

華大與葉垂奇博士(「葉博士」)，本公司之行政總裁於2016年2月2日簽訂一項一致行動人協議。於葉博士之股份及購股權全數歸屬及行使時，葉博士及華大兩方合共持有723,358,000股本公司股份，約佔本公司已發行股本29.0%。

### 管理合約

年內概無簽訂或現存有關於本公司全部或任何主要部分業務的管理及行政的合約。

### 主要供應商及客戶

本集團主要供應商及客戶應佔本年度的採購及銷售百分比如下：

除上文所披露者外，概無本公司之董事、其聯繫人或任何股東(就董事所知擁有本公司股本5%以上者)於上述主要供應商或客戶中擁有權益。



## Related parties and connected transactions

During the year ended 31 December 2015, the Group entered into certain transactions with related parties as defined under the applicable accounting standards, which include transactions that constitute connected/continuing connected transactions for which the disclosure requirements under the Listing Rules have been complied with. Details of the related party transactions are disclosed in note 32 to the consolidated financial statements. The following transactions between certain connected parties (as defined in the Listing Rules) and the Group have been entered into and/or are ongoing for which relevant announcements, if necessary, had been made by the Company in accordance with Chapter 14A of the Listing Rules.

### Connected transactions

- (a) Beijing Huada Emphyrean Software Co., Ltd., an indirect subsidiary of CEC - in connection with renewal of the grant of the Licence to the Group pursuant to a license renewal agreement signed on 16 October 2014.
- (b) TP Vision Europe B.V., a company incorporated in the Netherlands and is a wholly owned subsidiary of TPV Technology Limited, thus a connected person of CEC - provision of product development services and pilot sales pursuant to a product development and pilot sales agreement signed 24 March 2015.

### Continuing connected transactions

- (a) Panda-LCD, an associate of CEC - the sales of products by the Group to Panda-LCD, a renewed continuing connected transactions for years 2015 to 2017 as approved by the shareholders at the Extraordinary General Meeting held on 8 October 2014.
- (b) Panda-FPD, an associate of CEC - the sales of products by the Group to Panda-FPD, a continuing connected transactions for years 2015 to 2017 as approved by the shareholders at the Annual General Meeting held on 16 June 2015.

The aforesaid connected transactions and continuing connected transaction have been reviewed by independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into are (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## 關聯方及關連交易

截至2015年12月31日止年度內，本集團曾與適用會計準則界定為關聯方進行若干交易，當中包括構成關連／持續關連交易並已遵守上市規則披露規定的交易。關聯方交易摘要載於綜合財務報表附註32。按照上市規則第14A章的披露規定，若干關連方（按上市規則定義）與本集團進行的下列交易經已訂立及／或持續進行，而本公司已根據上市規則的規定作出相關公佈（如需要）。

### 關連交易

- (a) 北京華大九天軟件有限公司，乃CEC的間接附屬公司－有關本集團依據於2014年10月16日簽訂之軟件銷售合同獲授予的軟件使用權續期。
- (b) TP Vision Europe B.V.，於荷蘭註冊成立之公司，為冠捷科技有限公司全資附屬公司，因此為CEC關連人仕－本集團依據於2015年3月24日簽訂之產品開發及試產銷售協議提供產品開發服務及試產銷售。

### 持續關連交易

- (a) 熊貓液晶，為CEC的聯繫人－本集團銷售產品予熊貓液晶，乃一更新之持續關連交易，涵蓋2015年至2017年間，並於2014年10月8日之股東特別大會上獲股東批准。
- (b) 熊貓平板顯示，為CEC的聯繫人－本集團銷售產品予熊貓平板顯示，乃一涵蓋2015年至2017年間之持續關連交易，並於2015年6月16日之股東週年大會上獲股東批准。

上述關連交易及持續關連交易已由本公司獨立非執行董事審閱。獨立非執行董事確認上述關連交易是(a)在本集團的一般及通常業務過程中訂立的；(b)以正常商業條款或以不遜於本集團從獨立第三方可得或獲取的條款訂立；(c)根據管制有關協議且為公平和合理並符合本公司股東整體利益的條款訂立。

## REPORT OF THE DIRECTORS (continued) 董事會報告(續)

### Related parties and connected transactions (continued)

#### Continuing connected transactions (continued)

The Independent Non-executive Directors of the Company, together with the Group's Corporate Audit Department and Audit Committee, have conducted annual reviews of the continuing connected transactions of the Group for the year ended 31 December 2015, and were satisfied that the Group's continuing connected transactions during 2015 have complied with the Listing Rules requirement in all respects.

The Company's independent auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed for the year ended 31 December 2015 in accordance with paragraph 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

#### Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares as at 23 March 2016.

#### Competing business

Specific enquiry has been made to all Directors, and saved as disclosed, all Directors confirmed that at no time during the year and up to the date of this Annual Report were they interested in any business, which competes or is likely to compete, either directly or indirectly, with the Company's business.

#### Compliance with the Corporate Governance Code

During the year, the Company had complied with all of the applicable Code Provisions in the Corporate Governance Code under Appendix 14 of the Listing Rules. To maintain high standards of corporate governance, the Company has adopted the recommended best practices in the Code where appropriate.

#### Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has its own written guidelines on securities transactions by Directors and relevant employees on no less exacting terms than the required standard set out in Appendix 10 of the Listing Rules. Specific enquiry has been made to all Directors, and all Directors have confirmed that they have been in compliance with such guidelines during the year ended 31 December 2015.

### 關聯方及關連交易(續)

#### 持續關連交易(續)

本公司獨立非執行董事已經聯同集團的內審部和審核委員會對截至2015年12月31日止年度的持續關連交易作年度審閱，並滿意本集團在2015年度內的持續關連交易於各方面均符合上市規則的要求。

根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，本公司之獨立核數師已受聘對本集團持續關連交易作出報告。根據上市規則第14A.56條，核數師已就截至2015年12月31日止年度的持續關連交易，發出無保留意見的函件，並載有其發現和結論。本公司已將核數師函件副本向聯交所提供。

#### 充足的公眾持股量

根據本公司可循公開途徑獲得的資料及據董事所知，已確認於2016年3月23日，本公司超過25%的已發行股份由公眾人士持有，故公眾持股量充足。

#### 競爭性業務

本公司已向全體董事作出具體查詢，於本年度內及截至本報告日止任何時間，除已有披露外，彼等均未有在另一業務中佔有權益，而該業務與本公司的業務構成(或可能構成)直接或間接競爭。

#### 遵守企業管治守則

年內，本公司已遵守上市規則附錄14所載的企業管治守則中所有適用的守則條文。為維持高水平的企業管治標準，公司已採納部分守則中適用的建議的最佳常規守則。

#### 遵守上市公司董事進行證券交易之標準守則

本公司亦就董事及有關員工進行的證券交易制訂其本身的書面指引，條款與上市規則附錄10所載的規定標準同樣嚴格。本公司已向全體董事作出具體查詢，於截至2015年12月31日止年度內，彼等均一直遵守該等指引。

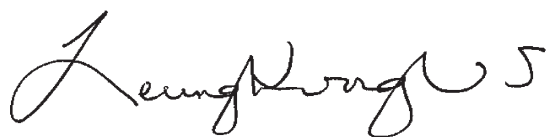
### Business review

The business review disclosure of the Group for the year as required by Schedule 5 to the new Hong Kong Companies Ordinance (Cap.622) are set out on pages 14 to 21 of this Annual Report. The business review form part of this Report of the Directors.

### Independent auditor

The consolidated financial statements for the year ended 31 December 2015 have been audited by PricewaterhouseCoopers who retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board  
代表董事會



**LEUNG Kwong Wai** 梁廣偉  
*Chairman* 主席

Hong Kong, 23 March 2016  
香港，2016年3月23日

### 業務回顧

新香港《公司條例》(第622章)附表5規定的本集團本年度之業務回顧披露載於本年報第14至第21頁。該業務回顧為本董事會報告的組成部分。

### 獨立核數師

截至2015年12月31日止年度的綜合財務報表已由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所須於即將舉行之股東週年大會中退任，並符合資格及願意應聘連任。

# INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

## TO THE SHAREHOLDERS OF SOLOMON SYSTECH (INTERNATIONAL) LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Solomon Systech (International) Limited (the "Company") and its subsidiaries set out on pages 77 to 144, which comprise the consolidated balance sheet as at 31 December 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## PricewaterhouseCoopers

*Certified Public Accountants*

Hong Kong, 23 March 2016

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*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

# 獨立核數師報告



羅兵咸永道

致 SOLOMON SYSTECH (INTERNATIONAL) LIMITED 股東  
(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第77至144頁 Solomon Systech (International) Limited(以下簡稱「貴公司」)及其附屬公司的綜合財務報表，此綜合財務報表包括於2015年12月31日的綜合資產負債表與截至該日止年度的綜合損益表、綜合全面收入報表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

## 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部控制負責。

## 核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表發表意見，並僅向閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計以對綜合財務報表是否不存在任何重大錯誤陳述獲取合理保證。

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選擇的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司擬備真實而中肯的綜合財務報表相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的恰當性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

## 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而中肯地反映貴公司及其附屬公司於2015年12月31日的財務狀況及彼等截至該日止年度的財務表現及現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

羅兵咸永道會計師事務所  
執業會計師

香港，2016年3月23日

羅兵咸永道會計師事務所，香港中環太子大廈廿二樓  
電話：+852 2289 8888，傳真：+852 2810 9888，www.pwchk.com

# CONSOLIDATED FINANCIAL STATEMENTS

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## CONSOLIDATED INCOME STATEMENT

### 綜合損益表

For the year ended 31 December 2015  
截至2015年12月31日止年度

		Note 附註	2015 US\$'000 千美元	2014 US\$'000 千美元
Sales	銷售額	5	70,902	60,072
Cost of sales	銷售成本	6	(47,684)	(39,276)
Gross profit	毛利		23,218	20,796
Research and development costs	研究及開發成本	6	(19,505)	(16,289)
Selling and distribution expenses	銷售及分銷開支	6	(2,844)	(3,042)
Administrative expenses	行政開支	6	(9,042)	(8,023)
Other income	其他收入	7	517	141
Finance income – net	投資收入 – 淨額	8	(7,656) 1,451	(6,417) 3,365
Share of results of associated companies	應佔聯營公司盈虧	16	(6,205) (228)	(3,052) 71
Loss before income tax	除稅前虧損		(6,433)	(2,981)
Income tax	所得稅	11	(2)	(24)
Loss attributable to the equity holders of the Company	本公司權益持有人應佔虧損		(6,435)	(3,005)
Loss per share attributable to the equity holders of the Company: (expressed in US cent per share)	本公司權益持有人應佔的每股虧損： (以美仙，每股呈列)	12		
– Basic	– 基本		(0.26)	(0.12)
– Diluted	– 攤薄		(0.26)	(0.12)

The notes on pages 82 to 144 form an integral part of these consolidated financial statements.

第82至144頁的附註為該等綜合財務報表的組成部份。

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### 綜合全面收入報表

For the year ended 31 December 2015

截至2015年12月31日止年度

		2015 US\$'000 千美元	2014 US\$'000 千美元
Loss for the year	本年度虧損	(6,435)	(3,005)
Other comprehensive loss for the year:	本年度其他全面虧損：		
Item that may be reclassified to profit or loss	可能會重新分類至損益表的項目		
– Currency translation differences	– 外幣換算差額	(828)	(128)
Total comprehensive loss attributable to the equity holders of the Company	本公司權益持有人應佔全面虧損總計	(7,263)	(3,133)

The notes on pages 82 to 144 form an integral part of these consolidated financial statements.

第82至144頁的附註為該等綜合財務報表的組成部份。



# CONSOLIDATED BALANCE SHEET


## 綜合資產負債表

As at 31 December 2015  
於2015年12月31日

	Note 附註	2015 US\$'000 千美元	2014 US\$'000 千美元
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	14	38	60
Property, plant and equipment	15	3,544	2,593
Investments in associated companies	16	552	780
Available-for-sale financial assets	18	2,206	2,206
Prepayments and deposits	21	225	215
Bank deposits	19	—	9,836
		<b>6,565</b>	15,690
<b>Current assets</b>			
Inventories	20	9,435	7,334
Trade and other receivables	21	18,959	16,357
Financial assets at fair value through profit or loss	22	62,193	65,209
Pledged bank deposits		130	130
Fixed bank deposits	19	9,665	402
Cash and cash equivalents	19	16,434	25,013
		<b>116,816</b>	114,445
<b>Total assets</b>		<b>123,381</b>	130,135
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital	23	31,926	31,803
Reserves	25	76,556	83,452
<b>Total equity</b>		<b>108,482</b>	115,255
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank loan	28	187	288
Deferred income tax	26	—	—
		<b>187</b>	288
<b>Current liabilities</b>			
Trade and other payables	27	13,593	13,593
Bank loan	28	83	89
Deferred income		494	368
Income tax		542	542
		<b>14,712</b>	14,592
<b>Total liabilities</b>		<b>14,899</b>	14,880
<b>Total equity and liabilities</b>		<b>123,381</b>	130,135

The notes on pages 82 to 144 form an integral part of these consolidated financial statements.  
第82至144頁的附註為該等綜合財務報表的組成部份。

On behalf of the Board  
代表董事會



LEUNG Kwong Wai 梁廣偉  
Chairman 主席



CHEUNG Wai Kuen 張惠權  
Director 董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2015  
截至2015年12月31日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔								
		Share capital	Share premium	Own shares held	Merger reserve	Exchange reserve	Equity compensation reserve	Other reserve	Accumulated losses	Total equity
		股本	股份溢價	所持 本身股份	合併儲備	匯兌儲備	股本權益 報酬儲備	其他儲備	累計虧損	總權益
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
At 1 January 2014	於2014年1月1日	31,720	83,097	(89)	2,082	1,375	16,654	230	(17,234)	117,835
<b>Comprehensive loss</b>	<b>全面虧損</b>									
Loss for the year	年內虧損	—	—	—	—	—	—	—	(3,005)	(3,005)
Item that may be reclassified to profit or loss	可能會重新分類至損益的項目									
– Currency translation differences	– 外幣換算差額	—	—	—	—	(128)	—	—	—	(128)
<b>Total comprehensive loss</b>	<b>全面虧損總計</b>	—	—	—	—	(128)	—	—	(3,005)	(3,133)
<b>Transactions with owners</b>	<b>股東交易</b>									
Exercise of share options	行使購股權	83	63	—	—	—	—	—	—	146
Shares purchased for Share Award Plan	購買股份用於股份獎勵計劃	—	—	(58)	—	—	—	—	—	(58)
Equity compensation	股本權益報酬	—	—	147	—	—	465	—	(147)	465
<b>Total transactions with owners</b>	<b>股東交易總計</b>	83	63	89	—	—	465	—	(147)	553
At 31 December 2014	於2014年12月31日	31,803	83,160	—	2,082	1,247	17,119	230	(20,386)	115,255
At 1 January 2015	於2015年1月1日	31,803	83,160	—	2,082	1,247	17,119	230	(20,386)	115,255
<b>Comprehensive loss</b>	<b>全面虧損</b>									
Loss for the year	年內虧損	—	—	—	—	—	—	—	(6,435)	(6,435)
Item that may be reclassified to profit or loss	可能會重新分類至損益的項目									
– Currency translation differences	– 外幣換算差額	—	—	—	—	(828)	—	—	—	(828)
<b>Total comprehensive loss</b>	<b>全面虧損總計</b>	—	—	—	—	(828)	—	—	(6,435)	(7,263)
<b>Transactions with owners</b>	<b>股東交易</b>									
Exercise of share options	行使購股權	123	240	—	—	—	—	—	—	363
Equity compensation	股本權益報酬	—	—	—	—	—	127	—	—	127
<b>Total transactions with owners</b>	<b>股東交易總計</b>	123	240	—	—	—	127	—	—	490
At 31 December 2015	於2015年12月31日	31,926	83,400	—	2,082	419	17,246	230	(26,821)	108,482

The notes on pages 82 to 144 form an integral part of these consolidated financial statements.

第82至144頁的附註為此等綜合財務報表的組成部份。

## CONSOLIDATED CASH FLOW STATEMENT

### 綜合現金流量表

For the year ended 31 December 2015  
截至2015年12月31日止年度

	Note 附註	2015 US\$'000 千美元	2014 US\$'000 千美元
<b>Operating activities</b>	<b>經營活動</b>		
Cash used in operations	30(a)	(10,875)	(5,986)
Overseas income tax paid		(2)	(24)
Interest paid on the bank loan		(6)	(8)
<b>Net cash used in operating activities</b>	<b>經營活動使用的現金淨額</b>	<b>(10,883)</b>	<b>(6,018)</b>
<b>Investing activities</b>	<b>投資活動</b>		
Purchases of property, plant and equipment	15	(1,853)	(473)
Proceeds from disposal of intangible assets and property, plant and equipment	30(b)	4	6
Decrease in financial assets at fair value through profit or loss		1,759	6,257
Decrease/(increase) in fixed bank deposits		(9,263)	10,444
Decrease in bank deposits		9,836	—
Interest received		1,380	1,718
Dividend received		900	955
<b>Net cash generated from investing activities</b>	<b>投資活動產生的現金淨額</b>	<b>2,763</b>	<b>18,907</b>
<b>Financing activities</b>	<b>融資活動</b>		
Payment of capital element of finance leases		—	(2)
Repayment of bank loan		(107)	(120)
Purchase of ordinary shares for Share Award Plan		—	(58)
Proceeds from exercise of share options		363	146
<b>Net cash generated from/ (used in) financing activities</b>	<b>融資活動產生/ (使用)的現金淨額</b>	<b>256</b>	<b>(34)</b>
Net increase/(decrease) in cash and cash equivalents		(7,864)	12,855
Exchange loss on cash and cash equivalents		(715)	(23)
<b>Cash and cash equivalents at 1 January</b>	<b>於1月1日的現金及現金等價物</b>	<b>25,013</b>	<b>12,181</b>
<b>Cash and cash equivalents at 31 December</b>	<b>於12月31日的現金及現金等價物</b>	<b>16,434</b>	<b>25,013</b>
<b>Analysis of balances of cash and cash equivalents:</b>	<b>現金及現金等價物 的結餘分析：</b>		
– Bank balances and cash	– 銀行結餘及現金	16,434	25,013

The notes on pages 82 to 144 form an integral part of these consolidated financial statements.

第82至144頁的附註為該等綜合財務報表的組成部份。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 1. General information

Solomon Systech (International) Limited and its subsidiaries (together, the "Group") are fabless semiconductor companies specializing in the design, development and sales of proprietary integrated circuits products and system solutions that enable a wide range of display applications for smartphones, smart TVs and other smart devices including consumer electronics products, wearables, portable devices and industrial appliances.

The Company was incorporated in the Cayman Islands on 21 November 2003 as an exempted company with limited liability under Cap.22, the Cayman Islands Companies Law (Law 3 of 1961, as consolidated and revised). The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the address of its principal office in Hong Kong is 6/F., No. 3 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong.

The Company has been listed on the main board of The Stock Exchange of Hong Kong Limited since 8 April 2004.

These consolidated financial statements are presented in US dollars, unless otherwise stated.

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and derivative financial instruments.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

### 1. 一般資料

Solomon Systech (International) Limited 及其附屬公司(統稱「本公司」)為無晶圓廠半導體公司，專門設計、開發及銷售專有集成電路晶片產品及系統解決方案，能廣泛應用於各類智能手機、智能電視及其他智能產品，包括消費電子產品、可穿戴式產品、便攜式裝置及工業用設備。

本公司於2003年11月21日根據開曼群島公司法(1961年法律3，經綜合及修訂)第22章在開曼群島註冊成立為一間獲豁免有限公司。本公司註冊辦事處的地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands，而其香港總辦事處的地址為香港新界沙田香港科學園科技大道東3號6樓。

本公司自2004年4月8日起，在香港聯合交易所有限公司主板上市。

除另有列明外，此等綜合財務報表以美元作呈列單位。

### 2. 主要會計政策概要

編製本綜合財務報表時採用的主要會計政策載於下文。除另有列明外，此等政策已貫徹應用於所有呈報年度。

#### 2.1 編製基準

本公司綜合財務報表已按照所有適用的香港會計師公會頒佈的香港財務報告準則編製。綜合財務報表乃根據歷史成本常規編製，並按重估通過損益以反映公平價值的財務資產及衍生金融工具作出調整。

編製符合香港財務報告準則的綜合財務報表須採用若干關鍵會計估算，亦須管理層在應用本集團會計政策的過程中作出判斷。涉及較多判斷或較複雜程度的範疇、或假設及估算對綜合財務報表屬重要的範疇，乃於附註4中披露。

## 2.1 Basis of preparation (continued)

### (a) Amendments to standards effective in 2015

The Group has adopted the following amendments to standards that have been issued and are effective for the Group's financial year commencing on 1 January 2015:

HKAS 19 (Amendment) 香港會計準則第19號(修正)	Employee Benefits: Defined Benefit Plans 員工福利：設定受益計劃
HKFRSs (Amendments) 香港財務報告準則(修正)	Annual Improvements 2012, 2013 2012、2013年年度改進

The adoption of the above amendments to standards did not result in substantial changes to the accounting policies of the Group and had no material impact on how the results and financial positions for the current or prior accounting periods have been prepared and presented.

There are no other new, revised standards, amendments to standards and interpretations to existing standards that are effective for the first time for this year that could be expected to have a material impact on the Group.

### (b) New Hong Kong Companies Ordinance (Cap. 622)

During the financial year, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

## 2.1 編製基準(續)

### (a) 於2015年生效的修正準則

本集團已採納下列於2015年1月1日開始的本集團財政年度已頒佈及生效之修正準則：

採納上列修正準則對本集團之會計政策並無重大改變，亦沒有對現有和前期的業績及財務狀況編製和呈報構成重大影響。

沒有任何其他於年內首次生效的新準則、修訂、修正準則和對現有準則之詮釋預期會對集團構成重大影響。

### (b) 新香港《公司條例》(第622章)

新香港《公司條例》(第622章)第9部「賬目和審計」的規定已於本財政年度內生效，因此，綜合財務報表的若干資料的呈報和披露有所變動。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

## 2. Summary of significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

#### (c) New standards and amendments to standards that are not effective and have not been early adopted by the Group

The following new standards and amendments to standards have been issued, but are not effective for the financial year beginning 1 January 2015 and have not been early adopted by the Group:

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### (c) 尚未生效且本集團並無提前採納的新準則和修正準則

下列新準則和修正準則已頒佈，但於2015年1月1日開始的財政年度尚未生效，且本集團並無提前採納：

		<b>Effective for annual periods beginning on or after</b> 開始於或之後的年度期間生效
HKAS 1 (Amendment) 香港會計準則第1號(修正)	Disclosure Initiative 披露計劃	1 January 2016 2016年1月1日
HKAS 16 and 38 (Amendment) 香港會計準則第16號及38號(修正)	Clarification of Acceptable Methods of Depreciation and Amortisation 闡明可接受之折舊和攤銷方法	1 January 2016 2016年1月1日
HKAS 27 (Amendment) 香港會計準則第27號(修正)	Equity Method in Separate Financial Statements 獨立財務報表中使用權益法	1 January 2016 2016年1月1日
HKFRS 9 香港財務報告準則第9號	Financial Instruments 金融工具	1 January 2018 2018年1月1日
HKFRS 10 and HKAS 28 (Amendment) 香港財務報告準則第10號及香港會計準則第28號(修正)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營或合營企業之間的資產出售或注資	1 January 2016 2016年1月1日
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment) 香港財務報告準則第10號及12號及香港會計準則第28號之(修正)	Investment entities: applying the consolidation exception 關於投資性主體：應用合併的例外規定	1 January 2016 2016年1月1日
HKFRS 11 (Amendment) 香港財務報告準則第11號(修正)	Accounting for Acquisitions of Interests in Joint Operations 收購共同經營權益的會計法	1 January 2016 2016年1月1日
HKFRS 14 香港財務報告準則第14號	Regulatory Deferral Accounts 價格監管遞延賬戶	1 January 2016 2016年1月1日
HKFRS 15 香港財務報告準則第15號	Revenue from Contracts with Customers 基於客戶合同的收入確認	1 January 2018 2018年1月1日
HKFRSs (Amendments) 香港財務報告準則(修正)	Annual Improvements 2014 2014年年度改進	1 January 2016 2016年1月1日

## 2.1 Basis of preparation (continued)

### (c) New standards and amendments to standards that are not effective and have not been early adopted by the Group (continued)

The Group has already commenced an assessment of the impact of the above new standards and amendments to standards but is not yet in a position to state whether these new standards and amendments to standards would have a significant impact on its results of operations and financial position.

## 2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

### (a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2.1 編製基準(續)

### (c) 尚未生效且本集團並無提前採納的新準則和修正準則(續)

本集團已經開始對上列之新準則和修正準則進行評估，目前尚未確定該等新準則和修正準則是否對經營業績及財務狀況構成重大影響。

## 2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司所編製截至12月31日止的財務報表。

### (a) 附屬公司

附屬公司指本集團對其具有控制權的所有主體(包括結構性主體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該主體的權力影響此等回報時，本集團即控制該主體。附屬公司在控制權轉移至本集團之日起合併入賬。附屬公司在控制權終止之日起停止合併入賬。

集團內公司之間的交易、交易的結餘及收支予以對銷。來自集團內公司間的利潤和損失(確認於資產)亦予以對銷。附屬公司的會計政策已按需要作出調整，以確保與本集團採用的政策一致。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

## 2. Summary of significant accounting policies (continued)

### 2.2 Consolidation (continued)

#### (a) Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owner of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

If the business combination is achieved in stages, the acquiree's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through consolidated income statement.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with HKAS 39 either in consolidated income statement or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

## 2. 主要會計政策概要(續)

### 2.2 綜合賬目(續)

#### (a) 附屬公司(續)

本集團利用購買法將業務合併入賬。購買的對價為所轉讓之資產、對被收購方的前所有人產生的負債及本集團發行股本的公平值。所轉讓的對價包括從或然對價安排所產生之任何資產和負債的公平值。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公平值計量。

本集團按個別收購基準，確認在被購買方的任何非控制性權益。被購買方的非控制性權益為現時的擁有權權益，並賦予持有人一旦清盤時按比例應佔主體的淨資產，可按公平值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日期的公平值計量，除非香港財務報告準則規定必須以其他計量基準計算。

如業務合併分階段進行，收購方之前在被收購方持有的權益按收購日期的公平值在綜合損益表中重新計量。

本集團將轉讓的任何或有對價按收購日期的公平值計量。被視為資產或負債的或有對價公平值的其後變動，根據香港會計準則第39號的規定，在綜合損益表中或作為其他綜合收益的變動確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。



## 2.2 Consolidation (continued)

### (a) Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement (Note 2.6).

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to consolidated income statement.

## 2.2 綜合賬目(續)

### (a) 附屬公司(續)

所轉讓對價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日期的公平值，超過購入可辨識淨資產公平值的數額為商譽。如所轉讓對價、確認的任何非控制性權益及之前持有的權益計量，低於購入附屬公司淨資產的公平值，則將該數額直接在損益表中確認(附註2.6)。

不構成喪失控制性之與非控制性權益進行的交易視為權益交易(即持有者以持有者身份進行的交易)。所支付的任何作價與相關應佔所收購附屬公司淨資產賬面值的差額記錄為權益。出售非控制性權益的盈虧亦記錄在權益中。

當集團不再持有控制權，在主體的任何保留權益重新計量至於喪失控制權當日之公平值，賬面值的變動在綜合損益表中確認。公平值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他全面收入中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他全面收入中確認的數額被重新分類至綜合損益表。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) 綜合財務報表附註(續)

### 2. Summary of significant accounting policies (continued)

#### 2.2 Consolidation (continued)

##### (a) Subsidiaries (continued)

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

##### (b) Associated companies

Associated companies are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associated companies include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associated company, any difference between the cost of the associated company and the Group's share of the net fair value of the associated company's identifiable assets and liabilities is accounted for as goodwill.

### 2. 主要會計政策概要(續)

#### 2.2 綜合賬目(續)

##### (a) 附屬公司(續)

附屬公司投資按成本扣除減值列賬。成本亦包括投資的直接成本。

如股息超過宣派股息期內附屬公司的總綜合收益，或如在獨立財務報表的投資帳面值超過合併財務報表中被投資公司淨資產(包括商譽)的帳面值，則必須對附屬公司投資作減值測試。

##### (b) 聯營公司

聯營公司指本集團對其有重大影響力而無控制權的實體，通常附帶20%至50%投票權的持股量。根據權益會計法，此投資初始按成本確認，及其賬面值被增加或減少以確認投資者於收購日後應佔被投資公司之盈虧。本集團於聯營公司之投資包括收購時已識別的商譽。在購買聯營企業的投資時，購買成本與本集團享有的對聯營企業可辨認資產和負債的公平值淨額的差額確認為商譽。

## 2.2 Consolidation (continued)

### (b) Associated companies (continued)

The Group's share of post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in associated companies equal or exceed its interest in the associated companies, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associated companies.

Dilution gains or losses arising in investments in associated companies are recognized in the consolidated income statement.

## 2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors and senior management led by the Group Chief Executive Officer who make strategic decisions.

## 2.2 綜合賬目(續)

### (b) 聯營公司(續)

本集團應佔其聯營公司收購後的盈虧將於綜合損益表內確認。而本集團應佔收購後其他全面收入之變動(連同投資賬面值相應的調整)則會於其他全面收入內確認。收購後累計變動會於投資賬面值作出調整。當本集團應佔聯營公司的虧損等於或超過其於聯營公司的權益(包括任何其他無抵押應收款)時,本集團不會確認進一步的虧損,除卻惟本集團已代聯營公司承擔法律或推定性的責任或已代聯營公司付款者外。

於聯營公司的投資所產生的攤薄盈虧於綜合損益表內確認。

## 2.3 分部呈報

營運分部的呈報方式與最高營運決策層提供的內部報告一致。本集團最高營運決策層為制定策略決策的集團行政總裁領導下的執行董事及高級管理層,負責分配資源及評估營運分部的業績。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) 綜合財務報表附註(續)

### 2. Summary of significant accounting policies (continued)

#### 2.4 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in US dollars, which is the Company's functional and presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement.

All foreign exchange gains and losses are presented in the consolidated income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortized cost are recognized in the consolidated income statement and other changes in the carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in the consolidated income statement as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

### 2. 主要會計政策概要(續)

#### 2.4 外幣換算

##### (a) 功能及呈報貨幣

載於本集團各實體財務報表內的項目均採用該實體經營業務所在的主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表以美元呈報，美元為本公司的功能及呈報貨幣。

##### (b) 交易及結餘

外幣交易均採用交易當日或項目重新計量的估值日期的匯率換算為功能貨幣。因該等交易的結算及以外幣為單位的貨幣資產及負債按年終的匯率換算所產生的匯兌盈虧，均於綜合損益表內確認。

所有其他匯兌盈虧於綜合損益表中呈列。

以外幣為單位被分類為可供出售的貨幣性證券的公平值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的匯兌差額進行分析。與攤銷成本變動有關的匯兌差額於綜合損益表內確認，賬面值的其他變動則於其他全面收入中確認。

非貨幣性財務資產及負債，如通過損益以反映公平價值的權益的換算差額呈報為公平值盈虧的一部分。非貨幣性項目，例如被分類為可供出售的財務資產的權益的換算差額包括在其他全面收入內。

## 2.4 Foreign currency translation (continued)

### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognized in other comprehensive income.

## 2.4 外幣換算(續)

### (c) 集團公司

能貨幣與呈報貨幣不同的所有集團實體(該等實體均無嚴重通脹經濟下的貨幣)的業績及財務狀況，均按下列方式換算為呈報貨幣：

- (i) 各資產負債表呈列的資產及負債，均按該資產負債表的結算日的收市匯率換算；
- (ii) 各損益表的收支按平均匯率換算(除非該平均匯率未能合理反映各交易日的匯率所帶來的累積影響，在此情況下，則按照交易日的匯率換算該等收支)；及
- (iii) 所產生的所有匯兌差額均於其他全面收入內確認。

因收購海外實體而產生的商譽及公平值調整，均視作該海外實體的資產及負債，並按收市匯率換算。所產生的所有匯兌差額於其他全面收入內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

## 2. Summary of significant accounting policies (continued)

### 2.5 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged in the consolidated income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives using the following depreciation rates:

Freehold land	永久業權土地	Not amortized 不予攤銷
Building	樓宇	2%
Leasehold improvements	租賃物業裝修	20% or over the unexpired lease period, whichever is shorter 20%或按未屆滿租期(以較短者為準)
Furniture, fixtures, licenses and equipment	傢具、固定裝置、許可證及設備	33.33%
Machinery and laboratory equipment	機器及實驗室設備	12.50% to 33.33%
Motor vehicles	汽車	33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the consolidated income statement.

## 2. 主要會計政策概要(續)

### 2.5 物業、機器及設備

所有物業、機器及設備均按歷史成本減去折舊及減值虧損列賬。歷史成本包括收購有關項目而直接應佔的開支。

其後所產生的成本僅會在與項目有關的未來經濟利益很有可能流入本集團，且該項目的成本能可靠計量時，計入資產賬面值或確認為一項獨立資產(視何者適用而定)。已被更換部分的賬面值從賬目中剔除。所有其他維修及保養均於該費用產生的財政期內於綜合損益表支銷。

物業、機器及設備的折舊均採用直線法，將其成本與其剩餘價值差額，以下列之折舊率於其估計可使用期內攤銷，有關詳情列載如下：

資產的剩餘價值及可使用年期於各結算日予以審閱及恰當地作出調整。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額(附註2.7)。

出售盈虧按所得款與賬面值的差額釐定，並在綜合損益表內確認。

## 2.6 Intangible assets

### (a) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

### (b) Patents and intellectual property

Patents and intellectual property are shown at historical cost. Patents and intellectual property have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of patents and intellectual property over their estimated useful lives of no more than five years.

## 2.6 無形資產

### (a) 商譽

商譽產生自收購附屬公司，並相當於所轉讓對價，被收購方的非控制性權益金額以及享有的被收購方過往的權益在收購日的公平值超過本集團獲得的被收購方的可辨認淨資產公平值的數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組（預期可從合併中獲取協同利益）。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。商譽賬面值與可收回數額（使用價值與公平值減出售成本較高者）比較。任何減值須即時確認及不得在之後期間撥。

### (b) 專利及知識產權

專利及知識產權是按歷史成本呈列。專利及知識產權有固定的可使用年期，並按成本減累計攤銷列賬。攤銷的計算是採用直線法，估計專利及知識產權使用不多於為五年之年期，以作成本攤。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) 綜合財務報表附註(續)

### 2. Summary of significant accounting policies (continued)

#### 2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at balance sheet date.

#### 2.8 Financial assets

##### (a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### (i) Financial assets at fair value through profit or loss

FVTPL and other financial assets are financial assets designated by management as fair value through profit or loss upon initial recognition. Financial assets are classified in this category because they are managed and their performance are evaluated on a fair value basis, in accordance with the Group's investment strategy. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets, if expected to be settled in 12 months, otherwise, they are classified as non-current.

### 2. 主要會計政策概要(續)

#### 2.7 非財務資產的減值

沒有確定使用年期之資產無需攤銷，但需要每年就減值進行測試。當有事件出現或情況改變顯示資產賬面值可能無法收回時，就必須為資產進行減值檢討。減值虧損按資產賬面值高於其可收回金額之差額確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按可分開識別現金流量(現金產生單位)的最低層次進行組合。除商譽外，已蒙受減值的非財務資產在每個報告日期均就減值是否可以回撥進行檢討。

#### 2.8 財務資產

##### (a) 分類

本集團的財務資產分為以下類別：通過損益以反映公平價值、貸款及應收款和可供出售。分類乃視乎購入有關財務資產的目的而釐定。管理層會於初始確認時釐定財務資產的類別。

##### (i) 通過損益以反映公平價值的財務資產

FVTPL及其他財務資產指初始時管理層定為通過損益以反映公平價值的財務資產。該財務資產以此項分類乃基於其管理及表現符合集團投資策略以公平值作基準。衍生工具除被指定為作對沖用途之外，均視為作買賣用途。本類別之資產，若預期在12個月內結算，被界定為流動資產，否則分類為非流動資產。



## 2.8 Financial assets (continued)

### (a) Classification (continued)

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables include trade and other receivables, cash and cash equivalents and fixed deposits in the consolidated balance sheet (notes 2.12 and 2.13).

#### (iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

### (b) Recognition and measurement

Regular way purchases and sales of financial assets are recognized on trade-date i.e. the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. FVTPL are initially recognized at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and FVTPL are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

## 2.8 財務資產(續)

### (a) 分類(續)

#### (ii) 貸款及應收款

貸款及應收款為固定或可釐定付款、且在活躍市場並無報價的非衍生財務資產。此等項目包括在流動資產內，惟到期日為結算日後超過十二個月者，則為非流動資產。於綜合資產負債表中貸款及應收款包括應收款及其他應收款、現金及現金等價物和定期存款(附註2.12及2.13)。

#### (iii) 可供出售財務資產

可供出售財務資產為被指定為此類別或並無歸入任何其他類別的非衍生工具。除非管理層計劃在結算日後十二個月內出售有關投資，否則列為非流動資產。

### (b) 確認及計量

定期買賣的財務資產於交易日確認，交易日即本集團承諾買賣資產的日期。對於並非通過損益以反映其公平價值的所有財務資產，投資初始按公平值加交易成本確認。FVTPL 初始按公平值確認，其交易成本於綜合損益表支銷。當從投資所收取現金流量的權利已到期或已轉讓，且本集團已將所有權的全部風險及回報實際轉讓，則終止確認財務資產。可供出售的財務資產和FVTPL 其後均按公平值列賬。貸款及應收款均以實際利率法按攤銷成本列賬。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) 綜合財務報表附註(續)

### 2. Summary of significant accounting policies (continued)

#### 2.8 Financial assets (continued)

##### (b) Recognition and measurement (continued)

Dividend income and gains or losses arising from changes in the fair value of the FVTPL category are presented in the consolidated income statement as “finance income - net” when the Group’s right to receive payments is established in the year in which they arise respectively.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated income statement as “finance income - net”.

Interest on available-for-sale financial assets calculated using the effective interest method is recognized in the consolidated income statement as part of “finance income - net”. Dividends on available-for-sale financial assets are recognized in the consolidated income statement as “finance income - net” when the Group’s right to receive payments is established.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not publicly traded in market but with active valuation from reputable financial institution (for example, structured products linked to equity price) is determined by reference to the dealer’s quote or input from reputable financial institutions.

### 2. 主要會計政策概要(續)

#### 2.8 財務資產(續)

##### (b) 確認及計量(續)

股息收入及來自FVTPL類別的公平值變動所產生的盈虧，當本集團確定收取有關款項的權利時，列入產生期間綜合損益表內的「投資收入－淨額」中。

貨幣證券及分類為可供出售的非貨幣證券的公平值變動於其他全面收入確認。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公平值調整列入綜合損益表內作為「投資收入－淨額」。

可供出售的財務資產的利息是按實際利率法計算，於綜合損益表內確認為「投資收入－淨額」其中之一。當集團收取有關款項的權利確定時，可供出售財務資產的股息將於綜合損益表作為「投資收入－淨額」確認。

可於活躍市場交易的金融工具(如：公開交易的衍生產品)，其公平值是基於結算日的市場報價。本集團所持有的財務資產的市場報價是當時的買價；恰當的財務負債的市場報價是當時的賣價。

不在市場公開交易的金融工具，但能於有信譽的金融機構提供活躍估值(如：與證券掛鈎的結構性產品)，其公平值的釐定是恰當參考發行商的報價或有信譽的金融機構的資料。

## 2.8 Financial assets (continued)

### (b) Recognition and measurement (continued)

Available-for-sale financial assets that do not have quoted market prices in any active markets and those fair values cannot be reliably measured are stated at cost less impairment loss.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indication that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated income statement, is removed from equity and recognized in the consolidated income statement. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. Impairment testing of trade receivables is described in note 2.12.

## 2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## 2.8 財務資產(續)

### (b) 確認及計量(續)

沒有任何活躍市場報價之可供出售財務資產其公平值未能可靠地估算者，以成本扣除減值虧損呈列。

本集團於各結算日評估是否有客觀證據顯示有單項或一組財務資產出現減值。就歸類為可供出售的財務資產的權益證券而言，若證券的公平值大幅或長期下跌至低於其成本值，會被視為證券已經顯示減值。倘若可供出售財務資產存在任何此等證據，累計虧損(按收購成本與當時公平值之間的差額，減有關財務資產以往已於綜合損益表內確認的任何減值虧損計算)會自權益中剔除及於綜合損益表內確認。於綜合損益表就股本工具確認的減值虧損不會在綜合損益表內撥回。應收款的減值測試在附註2.12中說明。

## 2.9 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) 綜合財務報表附註(續)

### 2. Summary of significant accounting policies (continued)

#### 2.10 Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values.

Changes in the fair value of the derivative instruments which do not qualify for hedge accounting are recognized immediately in the consolidated income statement.

#### 2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials and subcontracting charges. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### 2.12 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and defaults or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognized in the consolidated income statement. When a trade receivable is uncollectible, it is written off against the provision account of trade receivables. Subsequent recoveries of amounts previously written off are credited the consolidated income statement.

### 2. 主要會計政策概要(續)

#### 2.10 衍生金融工具

衍生金融工具初始按簽訂合約日的公平值確認，其後再按其公平值重新計量。

不適用對沖交易會計法的衍生金融工具的公平值變動，將立即於綜合損益表中確認。

#### 2.11 存貨

存貨按成本及可變現淨值兩者中較低者列賬。成本採用加權平均法釐定。製成品及在製品的成本包括原材料及分包費用。可變現淨值指於日常業務過程中的估計售價，減適用的變動銷售開支。

#### 2.12 應收款及其他應收款

應收款及其他應收款初始按公平值確認，其後採用實際利率法按攤銷成本減去減值撥備計量。倘有客觀證據顯示本集團將不能根據應收款的原訂條款收回全部到期款項，則會為該等應收款及其他應收款設定減值撥備。債務人出現重大財務困難、債務人可能破產或進行財務重組，以及沒有履行償還欠款，均被視為是應收款減值的跡象。撥備金額為資產賬面值與估計未來現金流量按原實際利率貼現之現值的差額。資產賬面值的扣減是透過使用撥備削減，其虧損於綜合損益表中內入賬確認。如一項應收款無法收回，其會予應收款內的備付賬戶撇銷。之前已撇銷的款項如其後收回，將撥回綜合損益表中。

### 2.13 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash at bank and in hand, deposits held at call with banks and fixed deposits with original maturity within 3 months or less. The cash and cash equivalents meet the definition of loans and receivables and are measured at amortized cost using the effective interest method.

### 2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and share options are shown in equity as a deduction from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from the equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in the equity attributable to the Company's equity holders.

### 2.15 Current and deferred income tax

The income tax expense for the year comprises current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 2.13 現金及現金等價物

在綜合現金流量表中，現金及現金等價物包括銀行存款及手頭現金、銀行可贖回的定期存款和少於三個月或以內到期的定期存款。現金及現金等價物符合貸款及應收款定義，並以實際利率法攤銷成本計量。

### 2.14 股本

普通股乃列作權益。發行新股份或購股權應佔的直接邊際成本於所得款項扣除後列入權益入賬。

如任何本集團之公司購入本公司的權益股本(庫存股份)，所支付的代價，包括任何直接應佔的邊際成本(扣除所得稅)，於本公司權益持有人應佔的權益中扣除，直至股份被註銷或重新發行為止。如股份其後被重新發行，任何已收取的代價，扣除任何直接應佔的邊際交易成本及相關的所得稅影響，應包括在本公司權益持有人的應佔權益內。

### 2.15 本期和遞延所得稅

本年度的所得稅包括於綜合損益表中確認的本期和遞延稅項。稅項在利潤表中確認，但與其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。本期所得稅依據本公司及其附屬公司營運和產生應課稅收入之國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

## 2. Summary of significant accounting policies (continued)

### 2.15 Current and deferred income tax (continued)

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

### 2.16 Employee benefits

#### (a) Pension obligations

The Group operates defined contribution plans, under which the Group pays fixed contributions into separate entities. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

## 2. 主要會計政策概要(續)

### 2.15 本期和遞延所得稅(續)

遞延所得稅採用負債法就資產及負債的稅基與其在綜合財務報表中的賬面值之差額產生的暫時差額全數撥備。然而，若遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初始確認，而在交易進行時並無對會計損益或應課稅盈虧造成影響，則毋須為該遞延所得稅入賬。遞延所得稅採用於結算日已頒佈或實質上已頒佈，且預期於有關遞延所得稅資產變現或遞延所得稅負債獲清償時適用的稅率(及法例)予以釐定。

遞延所得稅資產是就很可能有未來應課稅溢利而就此可使用暫時差額作出確認。

遞延所得稅就於附屬公司投資產生的暫時差額作出撥備，惟在本集團可控制暫時差額的撥回時間及暫時差額在可預見將來很有可能不會撥回的情況下則除外。

### 2.16 僱員福利

#### (a) 退休金責任

本集團現參與界定為退休金供款計劃，據此，本集團向獨立實體支付定額供款。若該基金並無持有足夠資產向所有僱員就其在當期及以往期間的服務支付福利，本集團亦無法定或推定責任支付進一步供款。

## 2.16 Employee benefits (continued)

### (b) Share-based compensation

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the shares or share options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares or share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of shares or share options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of shares or share options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the consolidated income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the share options are exercised.

The Company adopted share option schemes under which share options may be granted to subscribe for the Company's shares. Please refer to note 24(a).

The Company has adopted a share award plan. Under the plan, directors and employees of the Group are entitled to receive shares in the Company. The share award plan was set up in 2004 and was expired in 2014.

## 2.16 僱員福利(續)

### (b) 以股份為基礎的補償

本集團設有一項以權益償付、以股份為基礎的補償計劃。僱員提供服務而獲授予股份或購股權的公平值乃確認為開支。於歸屬期內列作開支的總金額乃參照已授出的股份或購股權的公平值釐定，不包括任何非市場歸屬條件(例如盈利能力和銷售增長目標)的影響。非市場歸屬條件包括在關於預期股份或購股權歸屬數目的假設中。於各結算日，本集團修改其預期可行使股份和購股權數目，並於綜合損益表內確認修改原來估計數字(如有)的影響，以及在餘下歸屬期對權益作出相應調整。

於購股權獲行使時，已收取的所得款項(扣除任何直接應佔交易成本)均計入股本(面值)及股份溢價中。

本公司採納購股權計劃，據此，購股權可予授出以認購本公司股份。有關購股權計劃的詳情可參閱附註24(a)。

本公司曾採納股份獎勵計劃。根據該計劃，本集團董事及僱員可以藉此取得本公司股份。股份獎勵計劃於2004年成立並於2014年到期完結。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

## 2. Summary of significant accounting policies (continued)

### 2.16 Employee benefits (continued)

#### (c) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick/injury leave and maternity/paternity leave are not recognized until the time of leave.

#### (d) Profit-sharing and bonus plans

The Group recognizes a liability and an expense for profit-sharing bonus based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.17 Provisions

Provisions for restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

## 2. 主要會計政策概要(續)

### 2.16 僱員福利(續)

#### (c) 僱員應享假期

僱員應享年假在僱員享有時確認。本集團為截至結算日僱員已提供服務而享有年假的估計負債作出撥備。

僱員應享病/受傷假及分娩/待產假期於僱員正式休假時才予確認。

#### (d) 分享溢利及花紅計劃

本集團根據一項計算公式，就花紅及分享溢利確認負債及費用。該公式參考本公司股東的應佔溢利作出若干調整。本集團依合約或過往慣例產生推定性的責任時確認撥備。

### 2.17 撥備

在出現以下情況時，就重組費用及法律索償作出撥備：本集團因過去事件承擔現有法律或推定性的責任，而清償有關責任需導致資源流出的可能性極高，以及有關金額已被可靠估計。惟不會就未來營運虧損確認撥備。

倘出現多項類似責任，清償有關責任導致資源流出的可能性乃經考慮整體責任類別後予以釐定。即使就同類責任中任何一個項目相關的資源流出的可能性甚低，仍須確認撥備。

撥備採用稅前利率按照預期需償付有關責任的開支的現值計量，該利率反映當時市場對貨幣時間值和有關責任特定風險的評估。隨著時間過去而增加的撥備確認為利息開支。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2.18 Trade payables and other payables

Trade payables and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### 2.19 Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the sale of products in the ordinary course of the Group's activities. Revenue is shown net of discount and after eliminating sales within the Group. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### (a) Sales of products

The Group manufactures and sells proprietary IC products and system solutions. Sales of products are recognized on the transfer of risks and rewards of ownerships, which generally coincides with the time of shipment/delivery.

#### (b) Interest income

Interest income is recognized using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

#### (c) Other income

Other income is recognized when the Group's right to receive payments is established.

### 2.18 應付款及其他應付款

應付款及其他應付款初始以公平值確認，其後採用實際利率法按攤銷成本計量。

### 2.19 收入確認

收入指本集團在日常經營活動中銷售產品的已收款或應收款的公平值。收入在扣除折扣及對銷本集團內部銷售後以淨值列賬。當收入的金額能夠可靠計量，未來經濟利益很有可能流入有關實體，本集團每項營運活動均符合具體準則時(如下文所述)，本集團確認收入。本集團會根據其往業績並考慮客戶類別、交易種類和每項安排的特點作出估計。

#### (a) 產品銷售

本集團生產及銷售專有IC產品及系統解決方案。產品銷售於擁有權的風險及回報轉讓時予以確認，一般與裝運/付運時間同時發生。

#### (b) 利息收入

利息收入採用實際利率法，按時間分攤基準確認。倘若應收款出現減值，本集團則會將賬面值減至可收回金額，即估計的未來現金流量按該工具之原實際利率貼現值，並繼續將貼現計算並確認為利息收入。

#### (c) 其他收入

其他收入是當本集團被確定為有權收取款項時確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

## 2. Summary of significant accounting policies (continued)

### 2.20 Leases (as the lessee)

#### (a) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

- (i) Prepayments made under operating lease are amortized to the consolidated income statement on a straight-line basis over the period of the lease, or when there is impairment, the impairment is expensed in the consolidated income statement.
- (ii) Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

#### (b) Finance lease

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other short-term and other long-term payables. The interest element of the finance lease payment is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

## 2. 主要會計政策概要(續)

### 2.20 租賃(作為承租人)

#### (a) 經營租賃

擁有權的大部分風險及回報權利由出租人保留的租賃乃列為經營租賃。

- (i) 根據經營租賃所支付的預付款項會按直線法於租期內在綜合損益表內列作開支。當有需要作出減值撥備時，減值差額於綜合損益表支銷。
- (ii) 根據經營租賃所支付的款項(扣除來自出租人的任何收入)會按直線法於租期內在綜合損益表內列作開支。

#### (b) 融資租賃

本集團有物業、機器及設備租賃。由本集團承擔擁有權的大部分風險及回報的物業、機器及設備租賃乃列為融資租賃。融資租賃乃於租賃開始時按租賃物業的公平值與最低租金現值兩者中較低者資本化。

每筆租金均會於負債與財務費用之間分配，以達到尚未支付融資餘額的固定比率。相應的租金責任(扣除融資費用)乃計入其他短期及其他長期應付款。融資成本的利息部分會於有關租期內在綜合損益表中確認，並藉此制訂各期間負債餘額的固定定期利率。從融資租賃而獲得的物業、機器及設備乃按使用期及租賃期兩者中較短者作折舊計算。

## 2.21 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

## 2.22 Research and development

Research expenditure is expensed as incurred. Development costs include cost in product engineering and development. Costs incurred on development projects (relating to the design and testing of new products) are recognized as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures are expensed as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs with a finite useful life that have been capitalized as an intangible asset are amortized from the commencement of the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

Development assets are tested for impairment annually in accordance with HKAS 36 - Impairment of Assets.

## 2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors.

## 2.21 政府補貼

倘可合理保證將獲得補貼及本集團符合所有附帶條件，則按公平值確認政府補貼。

政府補，貼之有關成本予以遞延，並配合其計劃補償的成本支銷期間在綜合損益表內確認。

## 2.22 研究及開發

研發開支乃於產生時支銷。開發成本包含產品工程及開發類。產生於項目開發的開支(於設計及測試新的產品相關)被確認為無形資產，需符合以下準則：

- 技術上可完成的無形資產，能供使用或出售；
- 管理層計劃完成的無形資產並作使用或出售；
- 能供使用或出售的無形資產；
- 能證明極有可能於未來產生經濟效益的無形資產；
- 能以合適的技術、財政及其他資源完成開發，從而能供使用或出售；及
- 歸屬於無形資產開發時的開支能被可靠的計量。

其他研發開支於產生時支銷。以往確認為開支的研發成本於往後期間不會確認為資產。已資本化且可使用年期有限的研發成本於有關產品投入商業使用時，按直線法於其預期利益期間(不超過五年)攤銷。

研發資產需每年根據香港會計準則第36號—資產減值作減值測試。

## 2.23 股息分派

分派予公司股東的股息會於本公司股東或董事批准派發股息的期間內於本集團財務報表中確認為負債。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

### 3. Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and cash flow and fair value interest rate risk.

##### (a) Market risk

###### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the HKD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Part of the FVTPL are in foreign currencies.

Since the HKD is pegged to USD, the management considered that the Group does not have any material foreign exchange exposure in this regard.

###### (ii) Price risk

The Group is exposed to price risk because certain investments held by the Group are classified on the consolidated balance sheet as FVTPL. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity financial instruments, the Group diversifies its portfolio and invests only in high turnover blue chips with good dividend yield and equity funds.

At 31 December 2015, the Group held listed equity securities, marketable bonds and funds (note 22). If the equity/bond/fund price had increased/decreased by 10% with all other variables held constant, the post-tax loss for the year would have been approximately US\$6,190,000 (2014: US\$6,099,000) lower/higher as a result of gain/loss on listed equity securities, marketable bonds and funds classified as at fair value through profit or loss.

The investments in the available-for-sale financial assets are exposed to price risk. As all of the available-for-sale financial assets held by the Group do not have quoted market price in any active market and are stated at cost less impairment loss. The price risk has therefore been reflected in the impairment loss.

### 3. 財務風險管理

#### 3.1 財務風險因素

本集團因其業務須承受各種不同的財務風險：市場風險(包括外匯風險和價格風險)、信貸風險、流動資金風險和現金流量及公平值利率風險。

##### (a) 市場風險

###### (i) 外匯風險

本集團經營跨國業務，承受各類貨幣所產生的外匯風險，其風險主要來自港元。外匯風險因日後進行的商業交易，已確認海外業務的資產和負債而產生。部分FVTPL亦以外幣為單位。

因港元與美元掛鈎，管理層認為本集團外匯風險不高。

###### (ii) 價格風險

本集團承受價格風險，因為本集團持有於綜合資產負債表中之分類為FVTPL的投資。本集團並沒有商品價格之風險。本集團處理投資於股本金融工具上所產生之價格風險是透過分散不同的投資組合及投資於高流量和高息率的藍籌證券以及股票基金。

於2015年12月31日，本集團持有上市股票、可買賣債券及基金(附註22)。如股票/債券/基金價格上升/下降10%(其他變數保持不變)，年內其除稅後虧損約會減少/增加6,190,000美元(2014: 6,099,000美元)，由分類為通過損益以反映公平價值的上市股票、可買賣債券及基金的收益/損失所導致。

本集團的可供出售財務資產有價格風險。因本集團持有的全部可供出售資產均沒有任何活躍市場報價，並以成本扣除減值虧損呈列。因此價格風險已於減值虧損中反映。

### 3.1 Financial risk factors (continued)

#### (b) Credit risk

Customers of the Group are mainly well-known distributors and manufacturers with sound financial background. In addition, the Group has policies in place to ensure that sales of products are made to customers with appropriate credit days and within their respective credit limits.

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Deposits are only placed with reputable banks and financial institutions. For credit exposures to customers, Group management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk at the reporting date is the carrying value of the trade and other receivables. The Group has been monitoring the receivables aging closely. As at 31 December 2015, past due amount accounted for 29% (2014: 25%) of total trade receivables and no provision for impairment was made in 2014 and 2015.

#### (c) Liquidity risk

The Group adopts prudent liquidity risk management. The table below analyses the Group's financial liabilities into relevant maturity groups based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances, as the impact of discounting is not significant.

		2015 US\$'000 千美元	2014 US\$'000 千美元
<b>Due within 12 months</b>	<b>於12個月內到期</b>		
Trade and other payables	應付款及其他應付款	13,593	13,593
Bank loan including interest portions	銀行貸款(包括利息部分)	87	94
<b>Due after 12 months</b>	<b>於12個月之後到期</b>		
Bank loan including interest portions	銀行貸款(包括利息部分)	191	296

### 3.1 財務風險因素(續)

#### (b) 信貸風險

本集團的客戶主要為具穩健財務背景的分銷商。此外，本集團已有一套既定政策，確保產品於適當信貸期及信貸額內銷售予客戶。

信貸風險以組合方式處理。信貸風險產生於現金及現金等價物，和銀行及金融機構的存款，同時集團亦承受客戶的信貸風險，包括應收而未收取款項。存款只會存放於商譽良好的銀行及金融機構。至於客戶的信貸，本集團的管理層會就客戶的信貸能力、財務狀況、過往經驗及其他因素作出評估。

應收款及其他應收款於報告日的賬面值為最高之信貸風險。本集團緊密查察應收款之賬齡。於2015年12月31日，逾期之應收款佔應收款總計的29%(2014: 25%)。於2014及2015年，本集團未有對此應收款作撥備。

#### (c) 流動資金風險

本集團採用審慎的流動資金風險管理。本集團之財務負債按結算日至合約到期日餘下的限期分類為不同的到期組合列載如下。於列表中披露之金額為未貼現的合約現金流量。因貼現率並無對此帶來重大影響，於十二個月內到期的餘額相等於其面值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

### 3. Financial risk management (continued)

#### 3.1 Financial risk factors (continued)

##### (d) Cash flow and fair value interest rate risk

Except for the cash and cash equivalents, bank deposits, other financial assets and certain bonds and notes classified as FVTPL, the Group has no other significant interest-bearing assets or liabilities.

The majority of the FVTPL investments are bonds issued at fixed interest rates which expose the Group to fair value interest rate risk.

The investments in available-for-sale financial assets and FVTPL as at 31 December 2015 did not have material interest rate risk.

Since there is no significant borrowing in the Group and the cash and cash equivalents and bank deposits are under short maturity terms, the cash flow and fair value interest rate risk is considered to be low.

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or repurchase shares.

During 2015, the Group had no material borrowing. The decrease in shareholders' funds is mainly due to the loss for the year.

#### 3.3 Fair value estimation

The Group's investments in financial instruments are measured in the balance sheet at fair value. The fair value measurements are disclosed by level of the following fair value measurement hierarchy:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (d) 現金流量及公平值利率風險

除現金及現金等價物、銀行存款、其他財務資產和分類為通過損益以反映公平價值的債券及票據外，本集團並無重大計息資產或負債。投資於可供出售的財務資產及FVTPL並無重大利率風險。

大部分FVTPL的投資乃以固定利率發行之債券令本集團承受公平值利率風險。

投資於可供出售的財務資產及FVTPL於2015年12月31日並無重大利率風險。

由於本集團並無重大借貸，以及現金及現金等價物和銀行存款的限期條款均屬短期，故現金流量及公平值利率風險被視為不高。

#### 3.2 資金風險管理

本集團管理資金的目標為確保本集團持續營運、提供回報予股東及利益予其他持份者，並維持最佳的資金結構以減低資金成本。

為維持或調整資金結構，本集團可能會調整派付股息之金額、退還資金予股東或回購股份。

於2015年，本集團並無重大借貸。股東權益減少主要是由於年內的虧損。

#### 3.3 公平值估計

本集團的金融工具之投資於資產負債表中以公平值計量並按下列公平值計量的級別分類法披露：

- 第1層級－相同資產或負債於活躍市場的報價(未經調整)；
- 第2層級－除包括於第一層級的報價外，可直接(即價格)或間接(即由價格衍生)觀察出資產或負債的輸入資料；
- 第3層級－非由可觀察的市場數據的資產或負債的輸入資料(即非可觀察的輸入資料)。

### 3.3 Fair value estimation (continued)

Financial assets at fair value through profit or loss:

		2015				2014			
		Level 1 第1層級 US\$'000 千美元	Level 2 第2層級 US\$'000 千美元	Level 3 第3層級 US\$'000 千美元	Total 總計 US\$'000 千美元	Level 1 第1層級 US\$'000 千美元	Level 2 第2層級 US\$'000 千美元	Level 3 第3層級 US\$'000 千美元	Total 總計 US\$'000 千美元
<b>Unlisted</b>	<b>非上市</b>								
Deposit notes	存款票據	—	200	—	200	—	4,203	—	4,203
Derivative financial instruments	衍生金融工具	—	92	—	92	—	16	—	16
<b>Marketable bonds</b>	<b>可買賣債券</b>	23,718	—	—	23,718	26,650	—	—	26,650
<b>Marketable funds</b>	<b>可買賣基金</b>	21,506	—	—	21,506	18,509	—	—	18,509
<b>Listed</b>	<b>上市</b>								
Equity securities	股票	16,623	—	—	16,623	15,762	—	—	15,762
Fund	基金	54	—	—	54	69	—	—	69
		61,901	292	—	62,193	60,990	4,219	—	65,209

There were no transfers between level 1 and 2 during 2015 and 2014.

第1與第2層之間於2015及2014年內並無轉移。

### 3.4 Valuation techniques for deriving Level 1 and 2 fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2 financial assets comprise deposit notes and forward foreign exchange contracts.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter instruments) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. The instruments will be included in level 2 if all significant inputs, other than the quoted prices included within level 1 required to fair value an instrument, are observable either directly (that is, as prices) or indirectly (that is, derived from prices).

### 3.4 應用於第1與第2層級公平值的估值方法

在活躍市場買賣的金融工具的公平價值根據資產負債表日的市場報價列賬。當報價可即時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管代理獲得，而該等報價代表按公平交易基準進行的實際和常規市場交易時，該市場被視為活躍。本集團持有的金融資產的市場報價為當時買方報價。此等工具包括在第1層級。

第2層級的財務資產包括存款票據及遠期外匯合約。

不在活躍市場交易的金融工具(如：不透過交易所買賣之工具)的公平值採用估值方法確定。該等估值方法盡量使用可觀察之市場數據，並盡可能少依賴公司個別估算。如所需的輸入資料全是可觀察的，除包括於第1層級的報價以制定公平值的工具外，該項工具可直接(即價格)或間接(即由價格衍生)觀察出資產或負債的輸入資料會分類為第2層級。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

#### 3. Financial risk management (continued)

##### 3.4 Valuation techniques for deriving Level 1 and 2 fair values (continued)

Forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. The effects of discounting are generally insignificant for level 2 derivatives.

##### 3.5 Valuation process

The Group adopted the fair values of the financial instruments provided by reputable financial institutions who are using advanced financial valuation technique.

##### 3.6 Fair value of financial assets and liabilities measured at amortized cost

The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Trade and other receivables
- Pledged bank deposits, short-term fixed deposits, cash and cash equivalents
- Trade and other payables
- Bank loan
- Other current liabilities

#### 4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

#### 3. 財務風險管理(續)

##### 3.4 應用於第1與第2層級公平值的估值方法(續)

遠期外匯合約已按於活躍市場取得之遠期兌換率以公平值確認。貼現率的影響對第2層級衍生工具一般並不重大。

##### 3.5 估算程序

本集團採納應用先進估值方法之有信譽的金融機構為金融工具提供的公平值。

##### 3.6 以攤銷成本披露的財務資產及負債之公平值

以下財務資產及負債的公平值與其賬面值接近：

- 應收款及其他應收款
- 已抵押的銀行存款、短期定期存款、現金及現金等價物
- 應付款及其他應付款
- 銀行貸款
- 其他流動負債

#### 4. 關鍵會計估算及判斷

估算及判斷會持續予以評估，並以過往經驗及其他因素(包括在某些情況下對未來事件的合理預計)為依據。

本集團對未來作估算及假設。根據定義，會計估算的結果極少與相關的實際結果相同。所作的估算及假設可能存在重大風險，並導致下一財政期間的資產及負債賬面值有重大調整的項目在下文論述。



#### **4.1 Income tax**

The Group is subject to income tax in several jurisdictions. Significant judgement is required in determining the worldwide provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision and deferred tax assets and liabilities in the period in which such determination is made.

#### **4.2 Equity compensation**

In determining the total expenses for the Group's share-based compensation plans, the Group estimates the number of share options or shares that are expected to become exercisable or vested at the date of grant. At each balance sheet date before the share options or shares become fully exercisable or vested, the Group will revise the total expenses where the number of share options or shares that are expected to become exercisable or vested is different from previously estimated.

#### **4.3 Estimate impairment of investments in subsidiaries and in associated companies**

The Group tests annually whether investments in subsidiaries and investments in associated companies have suffered any impairment, in accordance with the accounting policy stated in note 2.7. The recoverable amounts of investments in subsidiaries and investments in associated companies have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgement and estimates, in particular of future revenue or cash flow. Management believes that any reasonable possible deviation from any of these assumptions would not cause the aggregate carrying amounts of cash-generating units to exceed their recoverable amounts.

#### **4.1 所得稅**

本集團需繳納若干司法權區的所得稅。釐定各地所得稅撥備涉及重大判斷。許多交易，對其最終稅項的釐定難以作出確定的計算。本集團根據對預計是否有額外稅項的負擔，就預期稅項審計事項確認為負債。倘該等事項的最終稅項結果與初始記錄金額有別，該差異將影響釐定稅項期間的所得稅撥備及遞延稅項資產及負債。

#### **4.2 股本權益報酬**

就本集團的股本權益報酬計劃釐定總開支時，本集團估計於授出當日預期可予行使的購股權或歸屬的股份數目。於購股權全面行使或股份全面歸屬前的各結算日，倘預期可予行使的購股權或歸屬的股份數目與先前的估計有別，則本集團將會修訂其總開支。

#### **4.3 於附屬公司及聯營公司投資的減值估算**

依據附註2.7所列示的會計政策，本集團每年就附屬公司及聯營公司投資是否遭受任何減值進行測試。附屬公司及聯營公司投資的可收回金額乃使用價值之計算或市場估值。該等計算須運用判斷及估算，尤其是未來之收入或現金流。管理層相信任何合理而可能出現與假設之差異不會使現金產出單元之累計賬面值高於其可收回金額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

#### 4. Critical accounting estimates and judgements

(continued)

##### 4.4 Impairment of available-for-sale financial assets

The Group follows the guidance of HKAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

##### 4.5 Provision for impairment of trade receivables

The Group makes provision for impairment of trade receivables based on an assessment of the recoverability of trade receivables. Provisions are applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables and provision for impaired receivables in the year in which such estimate has been changed.

##### 4.6 Provision for obsolete or slow moving inventories

The Group makes provision for obsolete or slow moving inventories based on consideration of obsolescence of raw materials and work in progress and the net realizable value of finished goods. The identification of inventory obsolescence and estimated selling price in the ordinary course of business require the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventory and impairment provision in the year in which such estimate has been changed.

#### 4. 關鍵會計估算及判斷(續)

##### 4.4 可供出售財務資產減值

本集團在釐定一項可供出售財務資產是否已減值時，依循香港會計準則第39號的指引。此項釐定需要有重大判斷。在作出此項判斷時，本集團評估(包括其他因素)某項投資的公平值低於其成本的持續時間和數額，以及被投資者的財政健全情況和短期業務前景，包括例如行業和範疇表現、技術變遷以及經營和籌資現金流量等因素。

##### 4.5 應收款減值

本集團根據應收款可收回情況的評估為應收款作出減值撥備。倘出現事項或情況有變而顯示不一定可收回餘款時，則須就應收款撥備。識別減值須運用判斷及作出估算。倘預期金額有別於原先估計數值，則有關差額將影響估計數值出現變動年度之應收款的賬面值及應收款減值撥備。

##### 4.6 過時或滯銷存貨減值

本集團根據原材料及在製品的過時情況及製成品的可變現淨值為過時或滯銷存貨作出撥備。識別存貨過時情況及於日常業務過程中的估計售價須運用判斷及作出估算。倘預期金額有別於原先估計數值，則有關差額將影響估計數值出現變動年度之存貨的賬面值及減值撥備。

## 5. Segment information

During the year, the Group has principally engaged in the design, development and sales of proprietary IC products and system solutions that enabled a wide range of display applications for smartphones, smart TVs and other smart devices including consumer electronics products, wearables, portable devices and industrial appliances.

The Group has been operating in one single operating segment, i.e. the design, development and sales of proprietary IC products and system solutions.

The chief operating decision-makers have been identified as the Executive Directors and senior management led by the Chief Executive Officer. The Executive Directors and senior management reviewed the Group's internal reporting to assess performance and allocate resources. A management approach has been used for the operating segment reporting.

Sales amounted to US\$70,902,000 and US\$60,072,000 for the years ended 31 December 2015 and 2014 respectively.

The Company is domiciled in Hong Kong. The Group mainly operates in Hong Kong. During 2015, the Group's products were mainly sold to customers located in China, Taiwan and Hong Kong.

### (a) Sales

		2015 US\$'000 千美元	2014 US\$'000 千美元
China	中國	21,929	18,623
Taiwan	台灣	20,713	9,094
Hong Kong	香港	14,626	9,998
Europe	歐洲	6,764	10,349
Korea	韓國	2,127	5,393
Japan	日本	2,070	2,755
South East Asia	東南亞	1,082	2,469
USA	美國	661	753
Others	其他	930	638
		<b>70,902</b>	<b>60,072</b>

Sales are classified based on the places/countries in which customers are located.

## 5. 分部資料

於年內，本集團主要從事設計、開發及銷售專有IC產品及系統解決方案，能廣泛應用於各類智能手機、智能電視及其他智能產品，包括消費電子產品、可穿戴式產品、便攜式裝置及工業用設備。

本集團一直以單一營運分部經營，即設計、開發及銷售專有IC產品及系統解決方案。

本集團最高營運決策層為行政總裁暨領導下的執行董事和高級管理層。執行董事和高級管理層檢討本集團內部報告以評估業績及分配資源。管理層基於該等報告確定營運分部報告。

截至2015及2014年12月31日止年度，銷售額分別為70,902,000美元及60,072,000美元。

本公司的所在地位於香港。本集團主要於香港經營其業務。於2015年內，本集團之產品主要銷售予位於中國、台灣及香港的客戶。

### (a) 銷售額

銷售額按客戶所在地區／國家分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
綜合財務報表附註(續)

5. Segment information (continued)

(b) Total assets

		2015 US\$'000 千美元	2014 US\$'000 千美元
Hong Kong	香港	97,752	105,551
China	中國	19,882	18,862
Taiwan	台灣	4,964	5,074
South East Asia	東南亞	285	498
Others	其他	498	150
		<b>123,381</b>	130,135

Assets are listed based on where the assets are located. Others mainly comprise Japan and the USA.

資產是根據資產的所在地予以列載。其他主要包括日本及美國。

(c) Capital expenditures

		Property, plant and equipment 物業、機器及設備	
		2015 US\$'000 千美元	2014 US\$'000 千美元
China	中國	1,181	223
Hong Kong	香港	409	213
South East Asia	東南亞	159	28
Others	其他	104	9
		<b>1,853</b>	473

Capital expenditures are listed based on where the assets are located.

資本開支是根據資產的所在地予以列載。

(d) Major customers

Details of customers accounted for 10% or more of total revenue of the Group are as follows:

(d) 主要客戶

佔本集團的總銷售額10%或以上的客戶詳情如下：

Customer and location		客戶及其所在地	2015 US\$'000 千美元	2014 US\$'000 千美元
Customer A	China	客戶A 中國	12,455	12,018
Customer B	Europe	客戶B 歐洲	NA	6,431
Customer C	Taiwan	客戶C 台灣	10,947	NA

## 6. Expenses by nature

Expenses included in cost of sales, research and development costs, selling and distribution expenses and administrative expenses are analyzed as follows:

## 6. 按性質分類的開支

包括在銷售成本、研究及開發成本、銷售及分銷開支和行政開支內的開支分析如下：

		2015 US\$'000 千美元	2014 US\$'000 千美元
Cost of inventories sold	售出存貨成本	43,920	36,026
Product engineering costs	產品工程成本	4,978	3,221
Provision for obsolete or slow moving inventories	過時或滯銷存貨的撥備	799	2,169
Amortization of intangible assets	攤銷無形資產	15	27
Depreciation of owned property, plant and equipment	自置物業、機器及設備的折舊	787	851
Depreciation of leased property, plant and equipment	租賃物業、機器及設備的折舊	—	1
Operating leases for land and buildings	土地及樓宇的經營租賃	1,179	1,040
Auditor's remuneration	核數師酬金		
– Audit Services	– 核數服務	196	191
– Non-audit services	– 非核數服務	24	25
Employee benefit expenses (excluding Directors' emoluments)	僱員福利開支 (董事酬金除外)	20,221	18,217
Directors' emoluments	董事酬金	692	723
Net exchange loss/(gain)	淨匯兌虧損/(收益)	88	(122)

## 7. Other income

## 7. 其他收入

		2015 US\$'000 千美元	2014 US\$'000 千美元
Government grant	政府補貼	454	148
Loss on disposal of intangible assets and property, plant and equipment	出售無形資產及物業、機器及 設備的虧損	(5)	(71)
Others	其他	68	64
		517	141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
綜合財務報表附註(續)

8. Finance income – net

8. 投資收入 – 淨額

		2015 US\$'000 千美元	2014 US\$'000 千美元
Interest income	利息收入	1,799	2,030
Dividend income	股息收入	900	955
Gain on disposal of FVTPL	出售FVTPL的收益	702	914
Net unrealizable gain or loss from FVTPL:	FVTPL未變現的淨收益或虧損：		
– Fair value gain	– 公平值收益	800	1,249
– Fair value loss	– 公平值虧損	(2,759)	(1,784)
Interest expense of bank loan	銀行貸款的利息支出	(6)	(8)
Others	其他	15	9
		<b>1,451</b>	<b>3,365</b>

9. Employee benefit expenses

9. 僱員福利開支

(a) Employee benefit expenses

(a) 僱員福利開支

		2015 US\$'000 千美元	2014 US\$'000 千美元
Wages and salaries	工資及薪金	16,985	15,592
Discretionary bonuses	酌情花紅	373	164
Equity compensation – shares and share options	股本權益報酬 – 股份及購股權	51	86
Pension costs – defined contribution plans <sup>(i)</sup>	退休金成本 – 界定供款計劃 <sup>(i)</sup>	729	659
Other employee benefits	其他僱員福利	2,083	1,716
		<b>20,221</b>	<b>18,217</b>

(i) Forfeited contributions to certain defined contribution plans will be utilized to reduce contributions. During 2015, there was US\$5,000 of contribution being forfeited (2014: US\$19,000).

(i) 已放棄之供款可用作扣減界定供款計劃的供款。於2015年內，已放棄的供款為5,000美元(2014：19,000美元)。

(b) Five highest paid individuals in the Group

The five individuals whose emoluments were the highest in the Group for the year include two (2014: two) directors whose emoluments are reflected in note 10.

(b) 本集團內五名最高薪人士

本集團五名最高薪人士包括兩名(2014：兩名)董事，其酬金已於附註10反映。

**(b) Five highest paid individuals in the Group** (continued)

The emoluments paid to the remaining three (2014: three) highest paid individuals by nature of expenses and by band are as follows:

		2015 US\$'000 千美元	2014 US\$'000 千美元
Basic salaries, other allowances and benefits in kind	基本薪金及其他津貼和福利	491	486
Discretionary bonuses	酌情花紅	—	—
Contribution to pension scheme and long service payment	向退休計劃供款及長期服務金付款	23	24
Equity compensation	股本權益報酬	514 28	510 54
		542	564

	Number of individuals 人數	
Emolument bands (US\$) 酬金額範圍(美元)	2015	2014
150,001 - 200,000	3	2
200,001 - 250,000	0	1

During the year, no emoluments have been paid to the Directors of the Company or the five highest paid individuals in Group as an inducement to join or upon joining the Group (2014: Nil).

於年內，並無向本公司董事或集團內五名最高薪人士支付任何酬金，作為吸引加入本集團或於加盟本集團時的獎勵(2014：無)。

**(c) Remuneration of the senior management in the Group**

The emoluments for the eight senior management members listed on page 38 of this annual report fell within the following bands:

**(c) 本集團內之高級管理層薪酬**

八名列載於本年報第38頁的高級管理層成員酬金額介乎以下範圍：

	Number of individuals 人數	
Emolument bands (US\$) 酬金額範圍(美元)	2015	2014
<100,000	0	1
100,001 - 150,000	2	2
150,001 - 200,000	6	5
200,001 - 250,000	0	1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
綜合財務報表附註(續)

10. Benefits and interests of Directors

(a) Directors' emoluments

The remuneration of every Director of the Company including the equity compensation charged to the consolidated income statement under the requirements of HKFRS 2 "Share-based payment" is set out below:

10. 董事的福利及權益

(a) 董事的酬金

本公司每名董事的酬金(包括根據香港財務報告準則第2號「以股份為基礎的付款」在綜合損益表內支銷的股本權益報酬)列載如下：

		Directors' emoluments for the year ended 31 December 2015 截至2015年12月31日止年度董事之酬金						
		Fees 袍金	Salary 薪金	Estimated money value of other benefits <sup>(i)</sup> 其他福利 的金錢價值 <sup>(i)</sup>	Employer's contribution to a retirement benefit scheme 僱主的 退休福利計劃	Subtotal 小計	Equity compensation <sup>(ii)</sup> 股本權益報酬 <sup>(ii)</sup>	Total 總計
		US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
Leung Heung Ying	梁享英	30	—	—	—	30	11	41
Sheu Wei Fu	許維夫	27	—	—	—	27	11	38
Yiu Tin Chong, Joseph	姚天從	33	—	—	—	33	11	44
Li Jun	李峻	6	—	—	—	6	—	6
Li Rongxin	李榮信	5	—	—	—	5	—	5
Zhao Guiwu	趙貴武	13	—	—	—	13	—	13
Leung Kwong Wai <sup>(iii)</sup>	梁廣偉 <sup>(iii)</sup>	—	285	5	13	303	11	314
Cheung Wai Kuen, Kenny	張惠權	—	162	4	7	173	16	189
Sun, Patrick <sup>(iv)</sup>	辛定華 <sup>(iv)</sup>	14	—	—	—	14	8	22
Choy Kwok Hung, Patrick <sup>(iv)</sup>	蔡國雄 <sup>(iv)</sup>	12	—	—	—	12	8	20
		140	447	9	20	616	76	692



**(a) Directors' emoluments** (continued)**(a) 董事的酬金** (續)

Directors' emoluments for the year ended 31 December 2014  
截至2014年12月31日止年度董事之酬金

		Fees 袍金 US\$'000 千美元	Salary 薪金 US\$'000 千美元	Estimated money value of other benefits <sup>(i)</sup> 其他福利 的金錢價值 <sup>(i)</sup> US\$'000 千美元	Employer's contribution to a retirement benefit scheme 僱主的 退休福利計劃 US\$'000 千美元	Subtotal 小計 US\$'000 千美元	Equity compensation <sup>(ii)</sup> 股本權益報酬 <sup>(ii)</sup> US\$'000 千美元	Total 總計 US\$'000 千美元
Leung Heung Ying	梁享英	6	—	—	—	6	4	10
Sheu Wei Fu	許維夫	7	—	—	—	7	4	11
Yiu Tin Chong, Joseph	姚天從	31	—	—	—	31	14	45
Li Jun	李峻	2	—	—	—	2	—	2
Li Rongxin	李榮信	2	—	—	—	2	—	2
Zhao Guiwu	趙貴武	11	—	—	—	11	—	11
Leung Kwong Wai <sup>(iii)</sup>	梁廣偉 <sup>(iii)</sup>	—	285	12	13	310	14	324
Cheung Wai Kuen, Kenny	張惠權	—	40	1	2	43	6	49
Sun, Patrick	辛定華	35	—	—	—	35	14	49
Choy Kwok Hung, Patrick	蔡國雄	31	—	—	—	31	14	45
Lam Pak Lee	林百里	7	—	—	—	7	10	17
Sheu Wei Fu (alternate to Lam Pak Lee)	許維夫 (林百里之替代董事)	—	—	—	—	—	—	—
Lai Weide	賴偉德	4	—	—	—	4	—	4
Lai Woon Ching	黎垣清	—	109	2	5	116	13	129
Li Xiaochun	李曉春	4	—	—	—	4	—	4
Wong Yuet Leung, Frankie	黃月良	11	—	—	—	11	10	21
		151	434	15	20	620	103	723

(i) Other benefits include leave pay, insurance premium and other allowances.

(ii) This represents the amount charged to the consolidated income statement under the requirements of HKFRS 2. Equity compensation granted in prior years with vesting term extended into the year has an impact to the current year.

(iii) The emolument of Dr. Leung Kwong Wai also represents the emoluments of the chief executive for the year 2015 and 2014.

(iv) Directors retired at the conclusion of the Annual General Meeting of the Company on 16 June 2015.

(i) 其他福利包括假期工資、保險費及其他津貼。

(ii) 股本權益報酬指根據香港財務報告準則第2號的規定於綜合損益表內支銷的金額。包括於以前年度授予之股本權益其歸屬期伸延至本年度之金額。

(iii) 梁廣偉博士的董事酬金代表行政總裁2015年及2014年的酬金。

(iv) 於2015年6月16日本公司週年股東大會完結後退休董事。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

#### 10. Benefits and interests of Directors (continued)

##### (b) Equity compensation to Directors

More details for the equity compensation schemes can be referred to note 24 to the consolidated financial statements. Details of the share options granted to each of the directors and their corresponding fair values are listed as below:

		2015		2014	
		Number of share options granted 已授出 購股權數目 (in thousand units) (以千計)	Fair value of the share options at grant date <sup>(i)</sup> 於授出日期 購股權的公平值 <sup>(i)</sup> US\$'000 千美元	Number of share options granted 已授出 購股權數目 (in thousand units) (以千計)	Fair value of the share options at grant date <sup>(i)</sup> 於授出日期 購股權的公平值 <sup>(i)</sup> US\$'000 千美元
Leung Heung Ying	梁享英	800	9.6	800	12.1
Sheu Wei Fu	許維夫	800	9.6	800	12.1
Yiu Tin Chong, Joseph	姚天從	800	9.6	800	12.1
Li Jun	李峻	—	—	—	—
Li Rongxin	李榮信	—	—	—	—
Zhao Guiwu	趙貴武	—	—	—	—
Leung Kwong Wai	梁廣偉	800	9.7	800	12.1
Cheung Wai Kuen, Kenny	張惠權	800	9.7	1,300	21.0
Choy Kwok Hung, Patrick <sup>(ii)</sup>	蔡國雄 <sup>(ii)</sup>	—	—	800	12.2
Sun, Patrick <sup>(ii)</sup>	辛定華 <sup>(ii)</sup>	—	—	800	12.2
		4,000	48.2	6,100	93.8

(i) These represent the full fair value of the share options at grant date to be amortized in accordance with the vesting terms of the share option grant and may differ from the total charge to the consolidated income statement of the year.

(ii) Directors retired at the conclusion of the Annual General Meeting of the Company on 16 June 2015.

##### (c) Retirement and termination benefits to Directors

During the year, no retirement and termination have been paid or payable to the Directors of the Company (2014: Nil).

##### (d) Loans, quasi loans and other dealings in favor of Directors, controlled bodies corporate by and connected entities with such Directors

During the year, there were no loans or other dealings in favor of the Directors of the Company, controlled bodies corporate by and connected entities with such Directors (2014: Nil).

##### (e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, or 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 (2014: Nil).

#### 10. 董事的福利及權益(續)

##### (b) 董事的股本權益報酬

有關股本權益報酬的其他資料可參閱綜合財務報表附註24。已授予各董事的購股權，以及其相應的公平值列載如下：

(i) 呈列的為購股權授出日期的全部公平值，將根據購股權予的歸屬條款予以攤銷，有關之公平值可能有別於本年度於綜合損益表內所扣除的總額

(ii) 於2015年6月16日本公司週年股東大會完結後退任之董事。

##### (c) 董事的退休福利及終止福利

於年內，並無向本公司董事支付任何退休福利及終止福利(2014：無)。

##### (d) 向董事、受該等董事控制的法人團體及該董事的關連主體提供的貸款及其他交易

於年內，並無向本公司董事、受該等董事控制的法人團體及該董事的關連主體提供貸款或亦無其他交易(2014：無)。

##### (e) 董事於交易、安排或合約的重大權益

於本年底或年內任何時間，本公司或其任何附屬公司並沒有為訂約方或本公司董事於當中直接或間接擁有重大權益且涉及本集團業務的重大交易、安排或合約(2014：無)。

## 11. Income tax

Hong Kong income tax has been provided at the rate of 16.5% (2014: 16.5%) while overseas income tax has been provided at the rates of taxation prevailing in the countries in which the Group operates.

		2015 US\$'000 千美元	2014 US\$'000 千美元
Current income tax:	本期所得稅：		
– Hong Kong	– 香港	—	—
– Overseas	– 海外	2	24
Deferred income tax	遞延所得稅	—	—
		2	24

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the income tax rate of Hong Kong, the Group's principal place of operation, as follows:

		2015 US\$'000 千美元	2014 US\$'000 千美元
Loss before income tax	除稅前虧損	(6,433)	(2,981)
Income tax calculated at a tax rate of 16.5%	所得稅按 16.5% 稅率計算	(1,061)	(492)
Income not subject to tax	毋須課稅的收入	(683)	(631)
Expenses not deductible for tax purposes	不可作扣稅的開支	414	114
Income tax losses not recognized	未確認所得稅稅項之虧損	1,332	1,033
		2	24

Deferred income tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred income tax assets of US\$11,208,000 (2014: US\$9,876,000) in respect of losses amounting to US\$67,927,000 (2014: US\$59,851,000) that can be carried forward against future taxable profits. These tax losses have no expiry date.

## 12. Loss per share

### (a) Basic loss per share

The basic loss per share for the year is calculated based on the Group's loss in 2015 attributable to the equity holders of the Company of US\$6,435,000 (2014: US\$3,005,000) and the weighted average number of 2,469,461,802 (2014: 2,462,430,618) ordinary shares in issue during the year.

### (b) Diluted loss per share

The diluted loss per share is calculated based on the Group's loss attributable to the equity holders of the Company and the weighted average number of ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

## 11. 所得稅

香港所得稅已根據稅率 16.5% (2014 : 16.5%) 計算，而海外所得稅則根據本集團營運所在國家的適用稅率計算。

本集團有關除稅前虧損的所得稅稅項與假設採用香港(本集團的主要營運地點)的稅率而計算的理論稅額的差額如下：

因應稅項虧損之遞延所得稅資產會就未來應課稅溢利很有可能變現時作出確認。本集團未確認因應 67,927,000 美元 (2014 : 59,851,000 美元) 之稅項虧損的遞延所得稅資產 11,208,000 美元 (2014 : 9,876,000 美元)，作為抵銷未來的應課稅溢利。該稅項虧損並無指定過期日。

## 12. 每股虧損

### (a) 每股基本虧損

每股基本虧損是根據本公司的權益持有人應佔本集團於 2015 年之虧損 6,435,000 美元 (2014 : 3,005,000 美元) 及本年內已發行普通股加權平均數 2,469,461,802 股 (2014 : 2,462,430,618 股) 計算。

### (b) 每股攤薄虧損

每股攤薄虧損乃根據本公司的權益持有人應佔本集團虧損及已就年內所有具攤薄影響的潛在普通股作出調整後之已發行加權平均普通股數計算。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

#### 12. Loss per share (continued)

##### (b) Diluted loss per share (continued)

The information related to the weighted average number of ordinary shares is as follows:

		Number of shares 股份數目	
		2015	2014
Weighted average number of ordinary shares in issue	已發行加權平均普通股股數	2,469,461,802	2,462,430,618
Conversion of all dilutive share options outstanding <sup>(i)</sup>	兌換所有可予發行人攤薄影響的流通購股權 <sup>(i)</sup>	—	—
Adjusted weighted average number of ordinary shares for diluted loss per share calculation	用作計算每股攤薄虧損的調整後平均普通股股數	2,469,461,802	2,462,430,618

(i) As at 31 December 2015, there were 17,700,000 share options outstanding which could potentially have a dilutive impact but were anti-dilutive for the year then ended. Hence, there was no dilutive effect on the calculation of the diluted loss per share for the year ended 31 December 2015.

#### 12. 每股虧損(續)

##### (b) 每股攤薄虧損(續)

加權平均普通股股數的有關資料列載如下：

(i) 於2015年12月31日，可予發行人攤薄影響的購股權為17,700,000股。該等股份本具有攤薄影響，但於計算每股攤薄虧損則產生反攤薄影響。因此，並無2015年12月31日止年內的每股攤薄虧損造成攤薄影響。

#### 13. Dividend

No dividend for the years ended 31 December 2015 and 2014 was declared or paid by the Company. In addition, the Board resolved not to propose any final dividend for the year ended 31 December 2015.

#### 13. 股息

公司並沒有宣派或派付截至2015及2014年12月31日止年度之股息。再者，董事會決議不建議宣派截至2015年12月31日止年度之末期股息。

#### 14. Intangible assets

		Patents and intellectual property 專利及知識產權	
		2015 US\$'000 千美元	2014 US\$'000 千美元
At 1 January	於1月1日	60	163
Disposals	註銷	(4)	(76)
Amortization	攤銷	(15)	(27)
Exchange difference	匯兌差額	(3)	—
At 31 December	於12月31日	38	60
Cost	成本	4,572	4,581
Accumulated amortization	累計攤銷	(4,534)	(4,521)
Balance at 31 December	於12月31日的賬面值	38	60

Amortization expense of US\$15,000 (2014: US\$27,000) has been charged in research and development costs.

#### 14. 無形資產

攤銷開支15,000美元(2014：27,000美元)已於研究及開發成本中支銷。

## 15. Property, plant and equipment

## 15. 物業、機器及設備

		Land <sup>(i)</sup> and building 土地 <sup>(i)</sup> 及樓宇 US\$'000 千美元	Leasehold improvements 租賃物業裝修 US\$'000 千美元	Furniture, fixtures, licenses and equipment 傢具、 固定裝置、 許可證及設備 US\$'000 千美元	Machinery and laboratory equipment 機器及 實驗室設備 US\$'000 千美元	Motor vehicles 汽車 US\$'000 千美元	Total 總計 US\$'000 千美元
At 1 January 2014	於2014年1月1日						
Cost	成本	1,833	2,698	11,374	16,403	254	32,562
Accumulated depreciation	累計折舊	(107)	(2,600)	(11,056)	(15,467)	(254)	(29,484)
Net book amount	賬面淨值	1,726	98	318	936	—	3,078
Year ended 31 December 2014	截至2014年12月31日						
Opening net book amount	期初賬面淨值	1,726	98	318	936	—	3,078
Exchange differences	匯兌差額	(111)	(1)	7	—	—	(105)
Additions	添置	—	5	257	211	—	473
Disposals	註銷	—	—	—	(1)	—	(1)
Depreciation	折舊	(21)	(85)	(191)	(555)	—	(852)
Closing net book amount	期末賬面淨值	1,594	17	391	591	—	2,593
At 31 December 2014	於2014年12月31日						
Cost	成本	1,715	2,674	8,015	16,451	254	29,109
Accumulated depreciation	累計折舊	(121)	(2,657)	(7,624)	(15,860)	(254)	(26,516)
Net book amount	賬面淨值	1,594	17	391	591	—	2,593
<b>Year ended 31 December 2015</b>	<b>截至2015年12月31日</b>						
Opening net book amount	期初賬面淨值	1,594	17	391	591	—	2,593
Exchange differences	匯兌差額	(95)	—	(6)	(9)	—	(110)
Additions	添置	—	179	626	1,048	—	1,853
Disposals	註銷	—	—	—	(5)	—	(5)
Depreciation	折舊	(20)	(35)	(273)	(459)	—	(787)
Closing net book amount	期末賬面淨值	1,479	161	738	1,166	—	3,544
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>						
Cost	成本	1,612	2,714	7,878	16,636	254	29,094
Accumulated depreciation	累計折舊	(133)	(2,553)	(7,140)	(15,470)	(254)	(25,550)
Net book amount	賬面淨值	1,479	161	738	1,166	—	3,544

(i) Bank loan is secured by the land and building. Freehold land in Taiwan of US\$665,000 (2014: US\$757,000) was included in the land and building.

(ii) Depreciation expense of US\$435,000 (2014: US\$542,000) has been charged in cost of sales, US\$73,000 (2014: US\$89,000) in research and development costs and US\$279,000 (2014: US\$221,000) in administrative expenses.

(i) 銀行貸款以土地及樓宇作抵押。於台灣擁有永久業權的土地665,000美元(2014: 757,000美元)，包括在土地及樓宇中。

(ii) 折舊開支435,000美元(2014: 542,000美元)已於銷售成本中支銷，而73,000美元(2014: 89,000美元)則於研究及開發成本中入賬及279,000美元(2014: 221,000美元)於行政開支中入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
綜合財務報表附註(續)

16. Investments in associated companies

(a) Investments in associated companies

		2015 US\$'000 千美元	2014 US\$'000 千美元
At 1 January	於1月1日	780	709
Share of results of associated companies	應佔聯營公司盈虧	(228)	71
At 31 December	於12月31日	552	780

(b) Total assets & liabilities and the results of the year

The total assets (excluding goodwill) and liabilities together with the results of the year of the Group's associated companies, all of which are unlisted, are as follows:

16. 於聯營公司的投資

(a) 於聯營公司的投資

(b) 總資產及負債和年度業績

本集團於聯營公司(所有均為非上市公司)的總資產(不包括商譽)及負債和年度業績列載如下:

Associated Companies 聯營公司	Place of incorporation and operation 註冊成立及營運地點	Principal activities 主要業務	Particulars of issued shares 已發行股份的詳情	As at 31 December 2015 於2015年12月31日		For the year ended 31 December 2015 截至2015年12月31日止年度				
				Non-current Assets 非流動資產 US\$'000 千美元	Current Assets 流動資產 US\$'000 千美元	Non-current Liabilities 非流動負債 US\$'000 千美元	Current Liabilities 流動負債 US\$'000 千美元	Revenue 收入 US\$'000 千美元	Loss 虧損 US\$'000 千美元	Interest held 持有權益
Beijing LED Energy Management Technology Co. Ltd. 北京愛爾益地節能科技有限責任公司	PRC 中國	LED system design and contract installation LED系統設計及工程安裝	Registered and paid-up capital of CNY20,000,000 人民幣20,000,000 已註冊及繳足資本	57	6,344	—	3,180	3,138	765	23.5%
EPD Technology Limited <sup>1</sup>	Hong Kong 香港	Design, development, manufacturing & distribution of E-paper display modules 設計、開發、製造及分銷電子紙顯示屏模組	100,000 ordinary shares of HK\$100,000 100,000股共 100,000港元的普通股	—	—	—	—	—	—	—
Kitronix Limited 奇創力有限公司	Hong Kong 香港	Design, development, manufacturing & distribution of LCD modules 設計、開發、製造及分銷液晶顯示屏模組	9,500,000 ordinary shares of HK\$9,500,000 9,500,000股共 9,500,000港元的普通股	1,272	790	—	53	—	153	25.0%

**(b) Total assets & liabilities and the results of the year**

(continued)

**(b) 總資產及負債和年度業績 (續)**

Associated Companies 聯營公司	Place of incorporation and operation 註冊成立及 營運地點	Principal activities 主要業務	Particulars of issued shares 已發行股份的詳情	As at 31 December 2014 於2014年12月31日				For the year ended 31 December 2014 截至2014年12月31日止年度		
				Non-current Assets 非流動 資產 US\$'000 千美元	Current Assets 流動資產 US\$'000 千美元	Non-current Liabilities 非流動 負債 US\$'000 千美元	Current Liabilities 流動負債 US\$'000 千美元	Revenue 收入 US\$'000 千美元	Profit 溢利 US\$'000 千美元	Interest held 持有權益
Beijing LED Energy Management Technology Co. Ltd. 北京愛爾益地節能科技 有限責任公司	PRC 中國	LED system design and contract installation LED系統設計及工程安裝	Registered and paid-up capital of CNY20,000,000 人民幣20,000,000 已註冊及繳足資本	21	4,478	—	832	3,682	213	23.5%
EPD Technology Limited <sup>(i)</sup>	Hong Kong 香港	Design, development, manufacturing & distribution of E-paper display modules 設計、開發、製造及 分銷電子紙顯示屏模組	100,000 ordinary shares of HK\$100,000 100,000股共港元 100,000的普通股	—	—	—	—	—	—	—
Kitronix Limited 奇創力有限公司	Hong Kong 香港	Design, development, manufacturing & distribution of LCD modules 設計、開發、製造及 分銷液晶顯示屏模組	9,500,000 ordinary shares of HK\$9,500,000 9,500,000股共港元 9,500,000的普通股	1,344	908	—	47	185	84	25.0%

(i) EPD Technology Limited was deregistered in May 2015.

(i) EPD Technology Limited 已經於 2015 年 5 月撤銷公司註冊。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

#### 17. Subsidiaries

The following is a list of the principal subsidiaries at 31 December 2015:

#### 17. 附屬公司

於2015年12月31日，本集團的主要附屬公司列載如下：

Company Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定地位	Principal activities and place of operation 主要業務及營運地點	Particulars of capital 股本詳情	Interest held 持有權益
Solomon Systech Limited 晶門科技有限公司	HK, LLC 香港，有限公司	Design, development, sales of IC and system solutions, HK 設計、開發、銷售 集成電路晶片與 系統解決方案，香港	188,585,271 ordinary shares of HK\$188,585,271 188,585,271股 共188,585,271港元 的普通股	100%
Ample Pacific Limited	BVI, LLC BVI，有限公司	Investment holding, HK 投資控股，香港	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元 的普通股	100%
Broadwood Global Limited 博活環球有限公司	BVI, LLC BVI，有限公司	Investment holding, HK 投資控股，香港	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元 的普通股	100%
Cornway International Limited	BVI, LLC BVI，有限公司	Investment holding, HK 投資控股，香港	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元 的普通股	100%
In Achieve Limited 達晉有限公司	BVI, LLC BVI，有限公司	Investment holding, HK 投資控股，香港	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元 的普通股	100%
Mentor Ventures Limited	BVI, LLC BVI，有限公司	Investment holding, HK 投資控股，香港	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元 的普通股	100%
Pac-Pacific Limited 通洋有限公司	HK, LLC 香港，有限公司	Investment holding, HK 投資控股，香港	2 ordinary shares of HK\$2 2股共2港元的普通股	100%
WE3 Ventures Limited	HK, LLC 香港，有限公司	Investment holding, HK 投資控股，香港	108,930 ordinary shares of US\$1,089 108,930股共1,089美元 的普通股	100%
Jing Guang Semiconductors (Dongguan) Limited 東莞晶廣半導體有限公司	PRC, LLC 中國，有限公司	Manufacturing of IC, China 製造集成電路晶片，中國	US\$7,500,000 registered and paid up capital 7,500,000美元已註冊 及繳足資本	100%



<b>Company Name</b> 公司名稱	<b>Place of incorporation and kind of legal entity</b> 註冊成立地點及法定地位	<b>Principal activities and place of operation</b> 主要業務及營運地點	<b>Particulars of capital</b> 股本詳情	<b>Interest held</b> 持有權益
Solomon Systech Inc.	USA, LLC 美國，有限公司	Market research, USA 市場研究，美國	20,000 ordinary shares of US\$1 each 20,000股每股面值1美元的普通股	100%
Solomon Systech Japan Company Limited	Japan, LLC 日本，有限公司	Market research, Japan 市場研究，日本	10,000 ordinary shares of JPY1,000 each 10,000股每股面值1千日元的普通股	100%
Solomon Systech Pte. Ltd.	Singapore, LLC 新加坡共和國，有限公司	Design and distribution of IC, Singapore 設計及分銷集成電路晶片，新加坡	480,000 ordinary shares of SGD1 each 480,000股每股面值1新加坡元的普通股	100%
Solomon Systech (Shenzhen) Limited 晶門科技（深圳）有限公司	PRC, LLC 中國，有限公司	Design and distribution of IC, China 設計及分銷集成電路晶片，中國	HK\$8,000,000 registered and paid up capital 8,000,000港元已註冊及繳足資本	100%
Solomon Systech Taiwan Limited 晶門科技股份有限公司	ROC, LLC 中華民國，有限公司	Market research, Taiwan 市場研究，台灣	5,000,000 ordinary shares of NTD10 each 5,000,000股每股面值10新台幣的普通股	100%
Systech Technology China Limited 晶門電子科技中國有限公司	HK, LLC 香港，有限公司	Investment holding, HK 投資控股，香港	10,000 ordinary shares of HK\$10,000 10,000股共10,000港元的普通股	100%
WE3 Technology Company Limited 維駿科技有限公司	HK, LLC 香港，有限公司	Design, development & distribution of handset solutions, HK 設計、發展及分銷手提電話解決方案，香港	32,390,000 ordinary shares of HK\$32,390,000 32,390,000股共32,390,000港元的普通股	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
綜合財務報表附註(續)

18. Available-for-sale financial assets

18. 可供出售財務資產

		2015 US\$'000 千美元	2014 US\$'000 千美元
Unlisted shares, at cost	非上市股份，按成本	4,941	4,941
Provision for impairment loss	減值撥備	(2,735)	(2,735)
		<b>2,206</b>	2,206

19. Cash and cash equivalents, short-term fixed deposits and bank deposits

19. 現金及現金等價物、短期定期存款及銀行存款

		2015 US\$'000 千美元	2014 US\$'000 千美元
Cash at bank and in hand	銀行存款及現金	15,508	15,117
Short-term bank deposits <sup>(i)</sup>	短期銀行存款 <sup>(i)</sup>	926	9,896
Cash and cash equivalents	現金及現金等價物	16,434	25,013
Short-term fixed deposits <sup>(ii)</sup>	短期定期存款 <sup>(ii)</sup>	363	402
Bank deposits – current <sup>(iii)</sup>	銀行存款－流動 <sup>(iii)</sup>	9,302	—
Bank deposits – non-current <sup>(iii)</sup>	銀行存款－非流動 <sup>(iii)</sup>	—	9,836
		<b>26,099</b>	35,251

(i) The effective interest rate on short-term bank deposits was 0.53% per annum (2014: 1.38% per annum); these deposits have an average original maturity of 6 days (2014: 62 days).

(i) 短期銀行存款的實際年利率為0.53%(2014：年利率為1.38%)；該等存款的平均期限為6日(2014：62日)。

(ii) The effective interest rate on short-term fixed deposits was 1.47% per annum (2014: 3.2% per annum); these deposits have an average original maturity of 148 days (2014: 276 days).

(ii) 短期定期存款的實際年利率為1.47%(2014：年利率為3.2%)；該等存款的平均期限為148日(2014：276日)。

(iii) The effective interest rate on bank deposits was 4.68% (2014: 3.4% per annum); these deposits have an average original maturity of 1,096 days (2014: 1,096 days).

(iii) 銀行存款的實際年利率為4.68%(2014：年利率為3.4%)；該等存款的平均期限為1,096日(2014：1,096日)。

The carrying amounts of the Group's cash and cash equivalents, short-term fixed deposits and bank deposits are denominated in the following currencies:

本集團之現金及現金等價物、短期定期存款及銀行存款的賬面值按不同幣值分配如下：

		2015 US\$'000 千美元	2014 US\$'000 千美元
USD	美元	13,014	19,348
CNY	人民幣	11,519	14,400
HKD	港元	1,107	1,002
Other currencies	其他幣值	459	501
		<b>26,099</b>	35,251

## 20. Inventories

## 20. 存貨

		2015 US\$'000 千美元	2014 US\$'000 千美元
Finished goods	成品	4,090	3,035
Raw materials and work in progress	原材料及在製品	12,194	10,734
Provision for obsolete or slow moving inventories	過時或滯銷存貨的撥備	16,284 (6,849)	13,769 (6,435)
		<b>9,435</b>	7,334

The cost of inventories recognized as an expense and included in cost of sales amounted to US\$43,920,000 (2014: US\$36,026,000).

確認為開支並計入銷售成本的存貨成本達43,920,000美元(2014 : 36,026,000美元)。

Movements on the provision for obsolete or slow moving inventories are as follows:

過時或滯銷存貨的撥備的變動分析如下：

		2015 US\$'000 千美元	2014 US\$'000 千美元
At 1 January	於1月1日	6,435	4,464
Scrap of inventories against provision	存貨報廢扣減撥備	(385)	(198)
Provision for obsolete or slow moving inventories	過時或滯銷存貨的撥備	799	2,169
At 31 December	於12月31日	<b>6,849</b>	6,435

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

#### 21. Trade and other receivables

#### 21. 應收款及其他應收款

	Note 附註	2015 US\$'000 千美元	2014 US\$'000 千美元
Trade receivables		<b>12,022</b>	8,194
Trade receivable from related parties	32	<b>2,629</b>	4,810
Trade receivables – net		<b>14,651</b>	13,004
Deposits, prepayments and other receivables		<b>4,071</b>	3,102
Prepayment to a related party	32	<b>237</b>	251
Trade and other receivables – current portion		<b>18,959</b>	16,357
Prepayments and deposits – non-current portion		<b>225</b>	215
		<b>19,184</b>	16,572

As at 31 December 2015, the Group's trade receivables from corporate customers were mainly on credit terms of 30 to 90 days. The ageing analysis of trade receivables not impaired based on overdue day is as follows:

於2015年12月31日，本集團對企業客戶之應收款信貸期主要為30至90日。未減值撥備的應收款以過期日起的賬齡分析如下：

		2015 US\$'000 千美元	2014 US\$'000 千美元
Current	即期	<b>10,422</b>	9,818
1 - 30 days	1 - 30日	<b>3,545</b>	2,389
31 - 60 days	31 - 60日	<b>527</b>	570
61 - 90 days	61 - 90日	<b>85</b>	169
91 - 180 days	91 - 180日	<b>36</b>	58
181 - 365 days	181 - 365日	<b>36</b>	—
		<b>4,229</b>	3,186
		<b>14,651</b>	13,004

As at 31 December 2015, trade receivables of US\$4,229,000 (2014: US\$3,186,000) were considered past due if measured against the credit terms offered. As at 31 December 2015, all the overdue balances are not impaired since most of the overdue balances have been settled after the balance sheet date.

於2015年12月31日，以所給予的信貸期計算，逾期之應收款為4,229,000美元(2014：3,186,000美元)。於2015年12月31日，全部該等逾期未收之款項並未作減值，多數逾期未收之款項於結算日後已收訖。

As at 31 December 2015 and 2014, no trade receivables were impaired and provided for.

於2015及2014年12月31日，沒有應收款已被減值及撥備。

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

本集團之應收款及其他應收款的賬面值按不同幣值之分配如下：

		2015 US\$'000 千美元	2014 US\$'000 千美元
USD	美元	15,299	14,095
CNY	人民幣	2,130	1,324
HKD	港元	1,556	979
Other currencies	其他幣值	199	174
		19,184	16,572

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

於報告日的最高信貸風險為以上提及的每一類應收款的賬面值。本集團並沒持有任何附帶的抵押品。

## 22. Financial assets at fair value through profit or loss

## 22. 通過損益以反映公平價值的財務資產

		2015 US\$'000 千美元	2014 US\$'000 千美元
<b>Unlisted</b>	<b>非上市</b>		
Deposit notes	存款票據	200	4,203
Derivative financial instruments	衍生金融工具	92	16
<b>Marketable bonds</b>	<b>可買賣債券</b>	<b>23,718</b>	<b>26,650</b>
<b>Marketable funds</b>	<b>可買賣基金</b>	<b>21,506</b>	<b>18,509</b>
<b>Listed</b>	<b>上市</b>		
Equity securities	股票	16,623	15,762
Fund	基金	54	69
		62,193	65,209

Changes in fair values of FVTPL are recorded in finance income – net in the consolidated income statement (note 8).

FVTPL之公平值之變動記錄於綜合損益表中的投資收入－淨額(附註8)。

The fair values of listed financial instruments are based on quoted market prices at the balance sheet date. The fair values of unlisted financial instruments are determined by reference to the dealer's quote or input from reputable financial institutions.

上市的金融工具之公平值是基於結算日的市場報價。非上市金融工具的公平值之釐定是取決於合適的參考發行商的報價或良好商譽的金融機構資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
 綜合財務報表附註(續)

**22. Financial assets at fair value through profit or loss**  
 (continued)

**22. 通過損益以反映公平價值的財務資產(續)**

The carrying amounts of FVTPL are denominated in the following currencies:

FVTPL的賬面值按不同幣值之分配如下：

		<b>2015</b> <b>US\$'000</b> 千美元	2014 US\$'000 千美元
USD	美元	<b>53,979</b>	53,742
HKD	港元	<b>6,796</b>	9,417
Other currencies	其他幣值	<b>1,418</b>	2,050
		<b>62,193</b>	65,209

**23. Share capital**

**23. 股本**

		2015		2014	
		Number of shares 股份數目	US\$'000 千美元	Number of shares 股份數目	US\$'000 千美元
Authorized:	法定：				
– Ordinary shares of HK\$0.10 each	– 每股面值0.10港元的 普通股	<b>5,000,000,000</b>	<b>64,433</b>	5,000,000,000	64,433
Issued and fully paid:	已發行及繳足：				
At 1 January	於1月1日	<b>2,467,502,351</b>	<b>31,803</b>	2,461,102,351	31,720
Exercise of share options	行使購股權	<b>9,600,000</b>	<b>123</b>	6,400,000	83
At 31 December	於12月31日	<b>2,477,102,351</b>	<b>31,926</b>	2,467,502,351	31,803

## 24. Equity compensation scheme

### (a) The Share Option Scheme

The Company adopted a share option scheme ("2013 Scheme") at the annual general meeting held on 28 May 2013 and at the same time terminated the old share option scheme ("Old Scheme") which expired in February 2014. Upon termination, no further options under the Old Scheme had been granted but in all other respects the provision of the same shall remain in force and the options granted prior to such termination shall continue to be valid and exercisable in accordance with the same. As at 31 December 2015, there are in total 17,700,000 valid share options outstanding, all of which are under the 2013 Scheme. All the share options under the Old Scheme have been either exercised, forfeited or cancelled.

The terms of the 2013 Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The 2013 Scheme is valid and effective for a period of 10 years commencing on 28 May 2013, being the date of adoption of such scheme by the shareholders of the Company. The Board shall be entitled at any time within 10 years commencing on 28 May 2013 to make an offer for the grant of an option to any qualifying participants.

The purpose of the 2013 Scheme is to provide the participants (directors, employees, advisers, consultants, agents, distributors, contractors, contract manufacturers, suppliers, service providers, customers, business partners, joint venture business partners, etc., of any member of the Group) with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company for the benefit of the Company and its shareholders as a whole.

The total number of shares which may be issued upon exercise of all options to be granted under the 2013 Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the date of approval of the 2013 Scheme or 30% of the issued share capital of the Company from time to time.

## 24. 股本權益報酬計劃

### (a) 購股權計劃

本公司於2013年5月28日舉行的股東週年大會已採納一購股權計劃(「2013計劃」)及同時撤銷原於2014年2月失效的原有購股權計劃(「舊計劃」)。舊計劃撤銷後不得進一步授出更多購股權，惟同樣條文將於所有其他方面繼續有效執行，及按照同樣情況在該等終止前已授出的購股權將繼續有效及可行使。於2015年12月31日，合共有17,700,000股有效購股權未經行使，均屬於2013計劃。所有舊計劃下的購股權已經全數行使、放棄或註銷。

2013計劃的條款是遵照上市規則第17章的條文。2013計劃由2013年5月28日(即本公司股東採納該購股權計劃之日)起生效，為期10年。董事會可以於2013年5月28日起10年內授出購股權予合資格參與者。

2013計劃旨在給予合資格參與者(本集團成員之董事、員工、顧問、諮詢、代理、分銷商、承包商、承包製造商、供應商、服務提供者、客戶、商業夥伴、合營企業商業夥伴等)機會獲得本公司專有股份和鼓勵共同合作為本公司及其股東整體利益而提升本公司價值。

根據2013計劃所授出的所有購股權獲行使而可予發行的股份總數，不得超過於批准購股權計劃當日本公司已發行股本10%或本公司不時已發行股本30%。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued) 綜合財務報表附註(續)

### 24. Equity compensation scheme (continued)

#### (a) The Share Option Scheme (continued)

The total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the shares of the Company in issue.

An offer shall remain open for acceptance by the qualifying participant concerned for a period of 21 days from the date of the offer (or such longer period as the Board may specify in writing). HK\$1.00 is payable by the grantee to the Company on acceptance of the offer of the option.

The subscription price of share option shall be determined by the Board at its absolute discretion in accordance with the terms of the 2013 Scheme. The subscription price in respect of any particular option shall be no less than the higher of (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share on the Date of Grant.

The total number of share options available for issue upon exercise of all share options to be granted under the 2013 Scheme as at the date of this annual report is 207,030,235, representing 8.4% of the issued shares of the Company.

### 24. 股本權益報酬計劃(續)

#### (a) 購股權計劃(續)

每名參與者在任何12個月內獲授的購股權(包括已行使、註銷或尚未行使)獲行使時已經及即將發行的本公司股份總數，合計不得超過本公司已發行股份的1%。

購股權於建議日期起計21日期間(或董事會可書面訂明的較長期間)內可供合資格參與者接納。於接納購股權時，承授人須向本公司支付港幣1.00元。

在2013計劃條文規定下，董事會具有絕對權力訂立購股權的認購價。任何個別購股權的認購價須為以下三者的較高者：(a)股份於授出日期在聯交所每日報價表所列收市價；(b)股份在緊接授出日期前5個營業日在聯交所每日報價表所列平均收市價；及(c)股份於授出日期的面值。

於本年報告日，根據2013計劃，倘所有可授與之購股權行使後，可予發行的股份數目為207,030,235股，佔本公司發行股份8.4%。



(a) **The Share Option Scheme** (continued)

During the year, movements in the number of share options outstanding under the two share option schemes and their related exercise prices are as follows:

(a) **購股權計劃**(續)

年內，關於兩個購股權計劃尚未行使購股權數目的變動及其有關行使價列載如下：

Grant date 授出日期	Exercise price per share HK\$ 每股行使價 港元	Number of share options (in thousand units) 購股權數目 (以千位計)					Expiry date 到期日
		Held on 1 January 2015 於2015年 1月1日持有	Granted 已授出	Exercised 已行使	Forfeited or Lapsed 已放棄或 已失效	Held on 31 December 2015 於2015年 12月31日持有	
<b>Old Scheme 舊計劃</b>							
28 September 2012 2012年9月28日	0.2126	4,800	—	(4,000)	(800)	—	30 September 2015 2015年9月30日
		4,800	—	(4,000)	(800)	—	
<b>2013 Scheme 2013 計劃</b>							
4 October 2013 2013年10月4日	0.3450	6,400	—	(4,800)	—	1,600	30 September 2016 2016年9月30日
9 October 2014 2014年10月9日	0.3950	7,900	—	(800)	—	7,100	29 September 2017 2017年9月29日
9 October 2014 2014年10月9日	0.3950	1,500	—	—	—	1,500	28 September 2018 2018年9月28日
30 March 2015 2015年3月30日	0.3090	—	500	—	(150)	350	30 March 2018 2018年3月30日
30 March 2015 2015年3月30日	0.3090	—	500	—	(150)	350	29 March 2019 2019年3月29日
2 October 2015 2015年10月2日	0.3150	—	5,800	—	—	5,800	28 September 2018 2018年9月28日
2 October 2015 2015年10月2日	0.3150	—	1,000	—	—	1,000	30 September 2019 2019年9月30日
		15,800	7,800	(5,600)	(300)	17,700	
		20,600	7,800	(9,600)	(1,100)	17,700	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

#### 24. Equity compensation scheme (continued)

##### (a) The Share Option Scheme (continued)

The Company has been using the Black-Scholes Valuation Model to value the share options granted. The key parameters used in the Model and the corresponding fair values of the share options granted during 2015 and 2014 are listed below:

Date of grant	授出日期	2015	2015	2015	2014	2014
		2 October 10月2日	2 October 10月2日	30 March 3月30日	9 October 10月9日	9 October 10月9日
Number of share options granted	已授出購股權數目	2,000,000	4,800,000	1,000,000	3,000,000	6,400,000
Total share option value	購股權總值					
– HK\$'000	– 千港元	202	448	84	408	753
– US\$'000 equivalent	– 千美元等值	26	58	11	53	97
Share price at date of grant (HK\$)	授出日期的股價 (港元)	0.315	0.315	0.295	0.395	0.395
Exercise price (HK\$)	行使價 (港元)	0.315	0.315	0.309	0.395	0.395
Expected life of options (years)	購股權的預期限期 (年)	2-3	2	2-3	2-3	2
Annualized volatility	年度波幅	57.0-57.6%	57.0%	50.1-57.1%	54.5-57.2%	57.2%
Risk free interest rate	無風險利率	0.36%	0.36%	0.43%	0.47-0.93%	0.47%
Dividend payout rate	派息率	—	—	—	—	—

The Black-Scholes Valuation Model is used to estimate the fair values of European share options. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the Model used. The value of a share option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of a share option.

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily closing share prices over the last two years.

#### 24. 股本權益報酬計劃(續)

##### (a) 購股權計劃(續)

本公司一直使用畢蘇購股權訂價模式計算已授出的購股權。於2015及2014年內已授出購股權的公平值及應用此模式的主要參考數據如下：

畢蘇訂價模式是用來估算歐式購股權的公平值。計算出的公平值受給定假設和模式自身限制而具有固有的主觀性及不確定。購股權的價值會隨著某些主觀假設的不同變數而改變。所採用的變數的任何改變可能會對購股權公平值的估算造成重大影響。

波幅乃基於過去波幅乃基於過去兩年每日股份收市價的統計分析之股份複合回報之標準差計算出來。

**(b) The Share Award Plan**

The Share Award Plan was adopted by the Company at an extraordinary general meeting held on 25 February 2004 and the Board on 19 March 2004.

Under the terms and conditions of the grant, 40% of the shares will be vested one year from the grant date and the remaining 60% will be vested two years from the grant date. HSBC Institutional Trust Services (Asia) Limited was Trustee for the benefit of the directors and employees.

Since the Share Award Plan has expired in March 2014, there was no share of the Company conditionally awarded to employees of the Group pursuant to Share Award Plan throughout the year 2014. The shares granted prior to the expiry date shall continue to vest in accordance with the same. At 31 December 2014, all the shares held under the Trustee were vested or transferred to beneficiaries. Accordingly, the trust deed with the Trustee was terminated and the Share Award Plan of the Company was closed.

Shares held by the Trustee under the Share Award Plan are listed below:

		Number of shares 股份數目 2014
At 1 January	於1月1日	1,819,520
Shares purchased	購入股份	1,262,480
Shares vested during the year	於年內歸屬的股份	(3,082,000)
At 31 December	於12月31日	—

The Group has adopted the requirements under HKFRS 2 to account for the equity compensation expenses of the shares granted at the date of grant at fair value.

**(b) 股份獎勵計劃**

股份獎勵計劃於2004年2月25日舉行的股東特別大會獲本公司及於2004年3月19日獲董事會採納。

根據股份授予受益人的條款及條件，40%股份將於授出日期後一年歸屬，而餘下60%則於授出日期後兩年歸屬，由HSBC Institutional Trust Services (Asia) Limited以受託人身份持有，受益人則為董事及僱員。

由於股份獎勵計劃已於2014年3月失效，故此於2014年全年內並無任何股份依據股份獎勵計劃向本集團僱員附條件授予。在有效期前已授出的股份將按照同樣情況繼續歸屬。於2014年12月31日，受託人持有之所有股份已全數歸屬或過戶到受益人。因此，與受託人的信托已契約已終止，而本公司的股份獎勵計劃亦完結。

受託人所持有的股份獎勵計劃內之股份如下：

本集團已遵照香港財務報告準則第2號之要求，為股本權益報酬開支按股份授出日期的適用公平值入賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 綜合財務報表附註(續)

### 25. Reserves

### 25. 儲備

		Share premium 股份溢價 US\$'000 千美元	Own shares held 所持 本身股份 US\$'000 千美元	Merger reserve 合併儲備 US\$'000 千美元	Exchange reserve 匯兌儲備 US\$'000 千美元	Equity compensation reserve 股本權益 報酬儲備 US\$'000 千美元	Other reserve 其他儲備 US\$'000 千美元	Accumulated losses 累計虧損 US\$'000 千美元	Total 總計 US\$'000 千美元
At 1 January 2014	於2014年1月1日	83,097	(89)	2,082	1,375	16,654	230	(17,234)	86,115
<b>Comprehensive loss</b>	<b>全面虧損</b>								
Loss for the year	年內虧損	—	—	—	—	—	—	(3,005)	(3,005)
Item that may be reclassified to profit or loss	可能會重新分類至損益表的項目								
– Currency translation differences	– 外幣換算差額	—	—	—	(128)	—	—	—	(128)
<b>Total comprehensive loss</b>	<b>全面虧損總計</b>	—	—	—	(128)	—	—	(3,005)	(3,133)
<b>Transactions with owners</b>	<b>股東交易</b>								
Exercise of share options	行使購股權	63	—	—	—	—	—	—	63
Share purchased for Share Award Plan	回購股份用於股份獎勵計劃	—	(58)	—	—	—	—	—	(58)
Equity compensation	股本權益報酬	—	147	—	—	465	—	(147)	465
<b>Total transactions with owners</b>	<b>股東交易總計</b>	63	89	—	—	465	—	(147)	470
At 31 December 2014	於2014年12月31日	83,160	—	2,082	1,247	17,119	230	(20,386)	83,452
At 1 January 2015	於2015年1月1日	83,160	—	2,082	1,247	17,119	230	(20,386)	83,452
<b>Comprehensive loss</b>	<b>全面虧損</b>								
Loss for the year	年內虧損	—	—	—	—	—	—	(6,435)	(6,435)
Item that may be reclassified to profit or loss	可能會重新分類至損益表的項目								
– Currency translation differences	– 外幣換算差額	—	—	—	(828)	—	—	—	(828)
<b>Total comprehensive loss</b>	<b>全面虧損總計</b>	—	—	—	(828)	—	—	(6,435)	(7,263)
<b>Transactions with owners</b>	<b>股東交易</b>								
Exercise of share options	行使購股權	240	—	—	—	—	—	—	240
Equity compensation	股本權益報酬	—	—	—	—	127	—	—	127
<b>Total transactions with owners</b>	<b>股東交易總計</b>	240	—	—	—	127	—	—	367
At 31 December 2015	於2015年12月31日	83,400	—	2,082	419	17,246	230	(26,821)	76,556

### 26. Deferred income tax

Deferred income tax is recognized using liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements using a principal tax rate of 16.5% (2014: 16.5%).

During the year, there were no movements in the deferred income tax.

### 26. 遞延所得稅

遞延所得稅的確認是採用負債法，即採用主要稅率16.5% (2014：16.5%) 就基於資產及負債的稅項與綜合財務報表該稅項面值之間的暫時差額作全數撥備。

於年內，並沒有遞延所得稅的變動。

## 27. Trade and other payables

		2015 US\$'000 千美元	2014 US\$'000 千美元
Trade payables	應付款	10,029	10,638
Accrued expenses and other payables	應計開支及其他應付款	3,564	2,955
		<b>13,593</b>	13,593

At 31 December 2015, the ageing analysis of the trade payables based on overdue day is as follows:

於2015年12月31日，應付款以逾期日期的賬齡分析如下：

		2015 US\$'000 千美元	2014 US\$'000 千美元
Current	即期	7,227	9,180
1 - 30 days	1 - 30日	2,535	1,309
31 - 60 days	31 - 60日	185	58
61 - 90 days	61 - 90日	—	—
Over 90 days	超過90日	82	91
		<b>10,029</b>	10,638

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

本集團之應付款及其他應付款的賬面值按不同幣值之分配如下：

		2015 US\$'000 千美元	2014 US\$'000 千美元
USD	美元	10,663	11,425
CNY	人民幣	1,639	772
HKD	港元	1,019	1,076
Other currencies	其他幣值	272	320
		<b>13,593</b>	13,593

## 28. Bank loan

At 31 December 2015, the Group had a mortgage bank loan of US\$270,000 in connection with the office property in Hsinchu, Taiwan. The bank borrowing matures by 14 January 2019 and bears an interest rate of long-term funding determined by the Council of Economic Planning and Development of Taiwan Government plus 0.41%.

The carrying amount of the bank borrowing approximated its fair value as it was subject to a floating rate and is wholly denominated in Taiwan dollars.

## 28. 銀行貸款

於2015年12月31日，本集團有一項台灣新竹辦公室的按揭貸款270,000美元。該項銀行貸款到期日為2019年1月14日，貸款利率乃根據台灣政府行政院經濟建設委員會所訂的中長期資金運用利率加0.41%。

因承受浮動利率並全部以台幣呈列，銀行貸款的賬面值與公平值接近。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

#### 29. Banking facilities

At 31 December 2015 and 31 December 2014, the Group had no unused banking facilities.

#### 29. 銀行信貸

於2015年12月31日及2014年12月31日，本集團並沒有未用的銀行信貸額。

#### 30. Cash used in operations

##### (a) Reconciliation of loss before income tax to cash used in operations

	Note 附註	2015 US\$'000 千美元	2014 US\$'000 千美元
Loss before income tax		(6,433)	(2,981)
Depreciation of property, plant and equipment	15	787	852
Amortization of intangible asset	14	15	27
Share of results of associated companies	16(a)	228	(71)
Finance costs	8	6	8
Equity compensation	25	127	465
Loss on disposal of intangible assets and property, plant and equipment	7	5	71
Gain on disposal of FVTPL	8	(702)	(914)
Fair value decrease in FVTPL	8	1,959	535
Interest income	8	(1,799)	(2,030)
Dividend income	8	(900)	(955)
		(6,707)	(4,993)
Increase in trade and other receivables		(2,193)	(5,385)
Decrease/(increase) in inventories		(2,101)	515
Increase in trade and other payables		126	3,877
Cash used in operations		(10,875)	(5,986)

#### 30. 經營使用的現金

##### (a) 除稅前虧損與經營所使用的現金之對賬

##### (b) Proceeds from disposal of intangible assets and property, plant and equipment

##### (b) 出售無形資產及物業、機器及設備的所得款項

	Note 附註	2015 US\$'000 千美元	2014 US\$'000 千美元
Net book amount		9	77
Loss on disposal of intangible assets and property, plant and equipment	7	(5)	(71)
Proceeds from disposal of intangible assets and property, plant and equipment		4	6

### 31. Commitments

#### (a) Capital commitments

Capital expenditure committed at the balance sheet date is as follows:

		2015 US\$'000 千美元	2014 US\$'000 千美元
Approved but not contracted for	已批准但未商定合約	—	—
Contracted but not provided for	已商定合約但未撥備	—	234

Aside from the aforesaid, there was no other material capital commitment or contingent liability.

#### (b) Operating lease commitments – the Group as lessee

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		2015 US\$'000 千美元	2014 US\$'000 千美元
Not later than 1 year	不超過一年	1,581	717
Later than 1 year and not later than 5 years	超過一年，但不超過五年	2,266	149
		3,847	866

### 31. 承擔

#### (a) 資本承擔

於結算日，已承諾的資本開支列載如下：

除上述已披露者外，集團概無其他重大資本承擔或或然負債。

#### (b) 經營租賃承擔 – 本集團為承租人

根據不可撤銷經營租賃，未來最低租金總額列載如下：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 綜合財務報表附註(續)

#### 32. Related parties transactions

The Company understands that China Electronics Corporation, a state-owned information technology conglomerate under the administration of the central government of the PRC, owns approximately 28.5% of the issued shares of the Company through its interest in Huada during the year and is thus a substantial shareholder of the Company. Transactions between the Group and the subsidiaries or associates of CEC are regarded as transactions with related parties.

The following transactions were carried out with related parties:

#### 32. 關聯方交易

本公司知悉中國電子信息產業集團有限公司是直接隸屬於中國中央政府管理的國有電子信息技術企業集團，於年內通過控制華大的權益擁有約28.5%本公司之發行股份，乃本公司之主要股東。本集團與CEC附屬公司或其聯繫人的交易構成關聯方交易。

以下交易為關聯方之交易：

		2015 US\$'000 千美元	2014 US\$'000 千美元
Sales:	銷售額：		
Subsidiaries of CEC	CEC的附屬公司	12,455	12,018
Associate of CEC	CEC的聯繫人	1,335	—
Purchases:	購買：		
Subsidiaries of CEC	CEC的附屬公司	394	402

Year-end balances arising from sales/purchases:

由銷售／採購構成的年終賬目：

		Note 附註	2015 US\$'000 千美元	2014 US\$'000 千美元
Trade receivable:	應收款：			
Subsidiaries of CEC	CEC的附屬公司	21	2,286	4,810
Associate of CEC	CEC的聯繫人		343	—
Prepayment:	預付款：			
Subsidiary of CEC	CEC的附屬公司	21	237	251

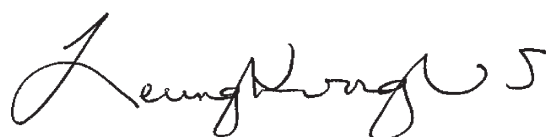


### 33. Balance sheet and reserve - Company

#### (a) Balance sheet - Company

		2015 US\$'000 千美元	2014 US\$'000 千美元
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、機器及設備	—	—
Investments in subsidiaries	於附屬公司的投資	41,775	49,468
		41,775	49,468
<b>Current assets</b>	<b>流動資產</b>		
Trade and other receivables	應收款及其他應收款	312	337
Amounts due from subsidiaries	應收附屬公司款	22,510	14,409
Financial assets at fair value through profit or loss	通過損益以反映公平價值的財務資產	59,728	60,716
Cash and cash equivalents	現金及現金等價物	7,938	14,532
		90,488	89,994
<b>Total assets</b>	<b>總資產</b>	<b>132,263</b>	139,462
<b>EQUITY</b>	<b>權益</b>		
<b>Capital and reserves attributable to the equity holders of the Company</b>	<b>本公司權益持有人應佔資本及儲備</b>		
Share capital	股本	31,926	31,803
Reserves	儲備	99,627	106,923
<b>Total equity</b>	<b>總權益</b>	<b>131,553</b>	138,726
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Deferred income tax	遞延所得稅	—	—
<b>Current liabilities</b>	<b>流動負債</b>		
Amounts due to subsidiaries	應付附屬公司款	523	545
Accrued expenses and other payables	撥備及其他應付款	99	103
Income tax	所得稅	88	88
		710	736
<b>Total liabilities</b>	<b>總負債</b>	<b>710</b>	736
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>	<b>132,263</b>	139,462

On behalf of the Board  
代表董事會



**LEUNG Kwong Wai** 梁廣偉  
Chairman 主席



**CHEUNG Wai Kuen** 張惠權  
Director 董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
綜合財務報表附註(續)

33. Balance sheet and reserve - Company (continued)

(b) Reserve - Company

		Share premium US\$'000 千美元	Equity compensation reserve 股本權益 報酬儲備 US\$'000 千美元	Accumulated losses US\$'000 千美元	Total 總計 US\$'000 千美元
At 1 January 2014	於2014年1月1日	108,711	16,654	(6,965)	118,400
<b>Comprehensive loss</b>	<b>全面虧損</b>				
Loss for the year	年內虧損	—	—	(12,005)	(12,005)
<b>Transactions with owners</b>	<b>股東交易</b>				
Exercise of share options	行使購股權	63	—	—	63
Equity compensation	股本權益報酬	—	465	—	465
<b>Total transactions with owners</b>	<b>股東交易總計</b>	63	465	—	528
At 31 December 2014	於2014年12月31日	108,774	17,119	(18,970)	106,923
At 1 January 2015	於2015年1月1日	<b>108,774</b>	<b>17,119</b>	<b>(18,970)</b>	<b>106,923</b>
<b>Comprehensive loss</b>	<b>全面虧損</b>				
Loss for the year	年內虧損	—	—	(7,663)	(7,663)
<b>Transactions with owners</b>	<b>股東交易</b>				
Exercise of share options	行使購股權	240	—	—	240
Equity compensation	股本權益報酬	—	127	—	127
<b>Total transactions with owners</b>	<b>股東交易總計</b>	240	127	—	367
At 31 December 2015	於2015年12月31日	<b>109,014</b>	<b>17,246</b>	<b>(26,633)</b>	<b>99,627</b>

33. 資產負債表及儲備－本公司(續)

(b) 儲備－本公司

34. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 23 March 2016.

34. 綜合財務報表審批

本綜合財務報表已於2016年3月23日經董事會審批。

## FIVE-YEAR FINANCIAL SUMMARY

### 五年財務摘要

		2015	2014	2013	2012	2011
		US\$ million 百萬美元				
Sales	銷售	70.9	60.1	55.2	65.1	51.6
Gross profit	毛利	23.2	20.8	21.0	25.1	15.8
Net profit/(loss)	純利／（虧損淨額）	(6.4)	(3.0)	1.3	(1.4)	(17.6)
Assets and liabilities		US cents 美仙				
– Total assets	– 總資產	123.4	130.1	129.0	131.0	126.5
– Total liabilities	– 總負債	14.9	14.9	11.1	15.1	9.0
– Shareholders' funds	– 股東權益	108.5	115.3	117.8	115.9	117.4
Earnings/(loss) per share		US cents 美仙				
– Basic <sup>(i)</sup>	– 基本 <sup>(i)</sup>	(0.26)	(0.12)	0.05	(0.06)	(0.72)
– Diluted <sup>(ii)</sup>	– 攤薄 <sup>(ii)</sup>	(0.26)	(0.12)	0.05	(0.06)	(0.72)
Dividends per share	每股股息	—	—	—	—	—
Net asset per share <sup>(i)</sup>	每股資產淨值 <sup>(i)</sup>	4.39	4.68	4.79	4.73	4.79

(i) The basic earnings/loss and net assets per share are based on the weighted average of 2,452,286,337, 2,454,697,989, 2,457,154,439, 2,462,430,618 and 2,469,461,802 ordinary shares in issue excluding own shares held during each of the years ended 31 December 2011, 2012, 2013, 2014 and 2015 respectively.

(ii) For 2011, 2012, 2013, 2014 and 2015, the diluted earnings/loss per share information is based on 2,453,389,264, 2,456,090,508, 2,465,042,003, 2,462,430,618 and 2,469,461,802 ordinary shares respectively, which are the adjusted weighted average number of ordinary shares outstanding assuming conversion of all dilutive/potential share options outstanding but excluding unallocated own shares held during the year.

每股基本溢利／虧損及每股資產淨值是分別根據截至2011年、2012年、2013年、2014年及2015年12月31日止年度各年的已發行普通股加權平均數2,452,286,337股、2,454,697,989股、2,457,154,439股、2,462,430,618股及2,469,461,802股計算。

於2011年、2012年、2013年、2014年及2015年，每股攤薄溢利／虧損的資料分別按2,453,389,264股、2,456,090,508股、2,465,042,003股、2,462,430,618股及2,469,461,802股普通股計算，而每股攤薄溢利／虧損乃根據假設年內所有尚未行使購股權已作轉換的調整後已發行加權平均普通股計算，惟不包括年內未獲分配所持本身股份。

## DEFINITIONS AND GLOSSARY

2013 Share Option Scheme	The share option scheme approved by shareholders for adoption at the annual general meeting held on 28 May 2013
AMEPD	Active Matrix Electrophoretic Display
AMOLED	Active Matrix Organic Light Emitting Diode
BJ-LED	Beijing LED Energy Management Technology Co. Ltd.**, a company incorporated in the PRC with limited liability
Board	Board of Directors
BVI	The British Virgin Islands
CAGR	Compound Annual Growth Rate
Cayman Islands Companies Law	Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
CEC	China Electronics Corporation, a state-owned information technology conglomerate under the administration of the central government of the PRC, a substantial shareholder of the Company through its interests in Huada
China	Mainland China
Code Provision(s)	Code provision(s) in the Corporate Governance Code contained in Appendix 14 to the Listing Rules
COSO	Committee of Sponsoring Organization of the Treadway Commission is a private sector initiative that has issued internationally recognized internal control frameworks
CNY	Chinese Yuan, Renminbi
Company	Solomon Systech (International) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
Director(s)	The director(s) of the Company
EPD	Electrophoretic Display
ESL	Electronic Shelf Label
4K2K	An ultra high definition display spec of 3840 x 2160 pixels
FHD	Full High Definition, a display resolution spec of 1920 x 1080 pixels
FVTPL	Financial assets at fair value through profit or loss
FWVGA	Full Wide Video Graphics Array, a display resolution spec of 854 x 480 pixels
Group	The Company and its subsidiaries
HD	High Definition, a display resolution spec of 1280 x 720 pixels
HK\$/HKD	Hong Kong dollars
Hong Kong/HK/HKSAR	Hong Kong Special Administrative Region
HKAS	Hong Kong Accounting Standards
HKFRS	Hong Kong Financial Reporting Standards, or collectively for HKAS and Hong Kong Financial Reporting Standards
Huada	Huada Semiconductors Co.Ltd., a PRC company with limited liability to consolidate all IC businesses under CEC group, a substantial shareholder of the Company
IC	Integrated Circuit
IGZO	A semiconducting material consisting of indium (In), gallium (Ga), zinc (Zn) and oxygen (O)
IP	Intellectual Property
JPY	Japanese Yen

## 釋義及詞彙

2013購股權計劃	於2013年5月28日舉行之股東週年大會上獲股東批准採納的購股權計劃
AMEPD	主動矩陣電泳顯示
AMOLED	主動矩陣有機發光二極體
BJ-LED	北京愛爾益地節能科技有限責任公司，於中國註冊成立之有限公司
董事會	董事會
BVI	英屬處女群島
CAGR	複合年增長率
開曼群島公司法	開曼群島公司法(1961年法律3，經綜合及修訂)
中國電子／CEC	中國電子信息產業集團有限公司，一家直接隸屬於中國中央政府管理的國有電子信息技術企業集團，通過控制華大的權益為本公司之間接主要股東
中國	中國大陸
守則條文	上市規則附錄14所載之企業管治守則中的守則條文
COSO	Committee of Sponsoring Organization of the Treadway Commission是一項私營計劃，曾發表獲國際認可的內部監管架構
人民幣	中國元、人民幣
本公司	Solomon Systech (International) Limited，一家成立於開曼群島的有限公司，其股票於聯交所主板上市
董事	本公司之董事
EDP	電泳顯示
電子貨架標籤	電子貨架標籤
4K2K	一種超高清顯示解像度的規格，解像度為3840 x 2160像素
全高清	全高清，是一種顯示解像度的規格，解像度為1920 x 1080像素
FVTPL	通過損益以反映公平價值的財務資產
FWVGA	全寬視頻圖形陣列，是一種顯示解像度的規格，解像度為854 x 480像素
本集團	本公司及其附屬公司
高清	高清，是一種顯示解像度的規格，解像度為1280 x 720像素
港元	香港元
香港	香港特別行政區
香港會計準則	香港會計準則
香港財務報告準則	香港財務報告準則，或香港會計準則及香港財務報告準則的統稱
華大	華大半導體有限公司，一家CEC為整合旗下IC企業而組建於中國的有限公司，乃本公司之主要股東
IC	集成電路晶片
IGZO	一種半導體物料，包含銦、鎘、鋅及氧
知識產權	知識產權
日元	日本元

## DEFINITIONS AND GLOSSARY (continued)

LCD	Liquid Crystal Display
LED	Light Emitting Diode
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
LTPS	Low Temperature Polysilicon, a technology for the manufacturing of TFT-LCD
LLC	Limited liabilities company
MIPI	Mobile Industry Processor Interface
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
NTD	New Taiwan dollars
OLED	Organic Light Emitting Diode
Panda-FPD	Nanjing CEC Panda Flat Panel Display Technology Co., Ltd.**, a company established in the PRC with limited liability, is a subsidiary of Nanjing Huadong Electronics Information & Technology Co., Ltd.**
Panda-LCD	Nanjing CEC Panda LCD Technology Co., Ltd.**, a company incorporated in the PRC with limited liability, is an associate of CEC
PMOLED	Passive Matrix Organic Light Emitting Diode
PRC	The People's Republic of China
PwC HK	PricewaterhouseCoopers, the independent auditor of the Company
QHD	Quad High Definition, a display resolution of 2560 x 1440 pixels
R&D	Design, development and engineering
ROC	The Republic of China
RoHS	Restriction of Hazardous Substances
S&D	Selling and Distribution
SFO	Securities and Futures Ordinance
SGD	Singapore dollars
Singapore	The Republic of Singapore
SSL	Solomon Systech Limited, a company incorporated in Hong Kong with limited liability and is the major wholly-owned operating subsidiary of the Company
STN	Super Twisted Nematic, a technology for manufacturing passive-matrix LCD
TDDI	Touch with Display Driver
TFT	Thin Film Transistor
the Stock Exchange	The Stock Exchange of Hong Kong Limited
UK	United Kingdom
USA	United States of America
US\$/USD	US dollars
WQXGA	Wide Quad Extended Graphics Array, a display resolution spec of 2560 x 1600 pixels

\*\* for identification purpose only

## 釋義及詞彙(續)

LCD	液晶顯示器
LED	發光二極體
上市規則	聯交所證券上市規則
LTPS	低溫多晶矽，一種製造薄膜電晶體液晶顯示器的技術
有限公司	有限公司
MIPI	移動行業處理器界面
標準守則	上市規則附錄 10 所載之上市發行人董事進行證券交易的標準守則
新台幣	新台幣
OLED	有機發光二極體
熊貓平板顯示	南京中電熊貓平板顯示科技有限公司，一家於中國註冊成立之有限責任公司，乃南京華東電子信息科技股份有限公司的附屬公司
熊貓液晶	南京中電熊貓液晶顯示科技有限公司，於中國註冊成立之有限公司，CEC 的聯繫人士
PMOLED	被動矩陣有機發光二極體
中國	中華人民共和國
羅兵咸永道香港	羅兵咸永道會計師事務所，本公司的獨立核數師
QHD	Quad High Definition，是一種顯示解像度的規格，解像度為 2560x1440 像素
工程開發／研發／R&D	設計、開發及工程
ROC	中華民國
RoHS	危害性物質限制指令
銷售及分銷	銷售及分銷
SFO	證券及期貨條例
新加坡元	新加坡元
新加坡	新加坡共和國
晶門香港	晶門科技有限公司，於香港註冊成立之有限公司，為本公司主要營運全資附屬公司
STN	超扭轉向列，是一種製造被動型液晶顯示器的技術
TDDI	觸控顯示驅動器
TFT	薄膜電晶體
聯交所	香港聯合交易所有限公司
英國	英國
美國	美利堅合眾國
美元	美國元
WQXGA	寬四擴展圖形陣列，是一種顯示解像度的規格，解像度為 2560 x 1600 像素

# CORPORATE AND SHAREHOLDER INFORMATION

## 公司及股東資料

### Financial Calendar

#### Financial Year End

31 December

#### Announcement of Interim Results

18 August 2015

#### Announcement of Annual Results

23 March 2016

#### Closure of Register of Members

2-7 June 2016

#### Annual General Meeting

7 June 2016

### Share Listing

#### Listing Venue

Main Board of The Stock Exchange of Hong Kong Limited

#### Listing Date

8 April 2004

#### HKSE Stock Code

2878

#### Board Lot

2,000 shares

#### Trading Currency

HKD

#### Issued Shares

2,477,102,351 (as at 31 December 2015)

### Principal Share Registrar and Transfer Agent

Royal Bank of Canada Trust Company (Cayman) Limited

4/F, Royal Bank House

24 Shedden Road, George Town

Grand Cayman KY1-1110

Cayman Islands

### 財務日誌

#### 財政年度結算日

12月31日

#### 公佈中期業績

2015年8月18日

#### 公佈全年業績

2016年3月23日

#### 暫停辦理過戶登記手續

2016年6月2日至7日

#### 股東週年大會

2016年6月7日

### 股份上市資料

#### 上市地點

香港聯合交易所有限公司主板

#### 上市日期

2004年4月8日

#### 香港股份編號

2878

#### 買賣單位

2,000股

#### 交易貨幣

港元

#### 已發行股份

2,477,102,351 (於2015年12月31日)

### 股份過戶登記總處

Royal Bank of Canada Trust Company (Cayman) Limited

4/F, Royal Bank House

24 Shedden Road, George Town

Grand Cayman KY1-1110

開曼群島



### **Hong Kong Branch Share Registrar**

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Tel: (852) 2980 1333  
Fax: (852) 2810 8185  
Website: [www.tricoris.com](http://www.tricoris.com)

### **Independent Auditor**

PricewaterhouseCoopers

### **Solicitors**

ReedSmith Richards Butler

### **Authorized Representatives**

Dr. Leung Kwong Wai, JP  
Mrs. Fung Lui Kit Har, Keziah

### **Company Secretary**

Mrs. Fung Lui Kit Har, Keziah  
*FCMA, CGMA, FHKCPA, ACS, ACIS*  
Vice President, Finance

### **Corporate Communications/Investor Relations**

Ms. Jessica Lee  
Corporate Communications Manager  
Tel: (852) 2207 1672  
Fax: (852) 2207 1372  
Email: [communication@solomon-systech.com](mailto:communication@solomon-systech.com)

### **Principal Office**

6/F., No.3 Science Park East Avenue  
Hong Kong Science Park  
Shatin, New Territories  
Hong Kong  
Tel: (852) 2207 1111  
Fax: (852) 2267 0800

### **Website**

[www.solomon-systech.com](http://www.solomon-systech.com)

### **香港股份過戶登記分處**

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓  
電話：(852) 2980 1333  
傳真：(852) 2810 8185  
網址：[www.tricoris.com](http://www.tricoris.com)

### **獨立核數師**

羅兵咸永道會計師事務所

### **法律顧問**

禮德齊伯禮律師行

### **授權代表**

梁廣偉博士，太平紳士  
馮雷潔霞女士

### **公司秘書**

馮雷潔霞女士  
*FCMA, CGMA, FHKCPA, ACS, ACIS*  
副總裁－財務

### **企業傳訊／投資者關係**

李雅妮女士  
企業傳訊經理  
電話：(852) 2207 1672  
傳真：(852) 2207 1372  
電郵：[communication@solomon-systech.com](mailto:communication@solomon-systech.com)

### **總辦事處**

香港  
新界沙田  
香港科學園  
科技大道東3號6樓  
電話：(852) 2207 1111  
傳真：(852) 2267 0800

### **網址**

[www.solomon-systech.com](http://www.solomon-systech.com)

This 2015 Annual Report (bilingual version in English and Chinese) has been posted on the Company's website at [www.solomon-systech.com](http://www.solomon-systech.com).

Shareholders who have chosen to receive the Company's corporate communications (including but not limited to annual reports, summary financial reports (where applicable), interim reports, summary interim reports (where applicable), notices of meeting, listing documents, circulars and proxy forms) via the Company's website and for any reason have difficulty in gaining access to the Annual Report posted on the Company's website will promptly upon request be sent by post the Annual Report in printed form free of charge.

**Shareholders may at any time change their choice of means of receipt of the Company's corporate communications.**

Shareholders may request for printed copy of the Annual Report or change their choice of means of receipt of the Corporate Communications by sending reasonable notice in writing to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by sending an email to [solomon2878-ecom@hk.tricorglobal.com](mailto:solomon2878-ecom@hk.tricorglobal.com).

本2015年報的中英文雙語合併本已登載於本公司網站[www.solomon-systech.com](http://www.solomon-systech.com)。

選擇透過本公司網站收取本公司的公司通訊(其中包括但不限於年報、財務摘要報告(如適用)、中期報告、中期摘要報告(如適用)、會議通告、上市文件、通函及代表委任表格),及因任何理由以致在接收載於本公司網站的年報上出現困難的股東,可即時要求以郵寄方式獲免費發送年報的印刷本。

**股東可隨時更改收取本公司的公司通訊方式。**

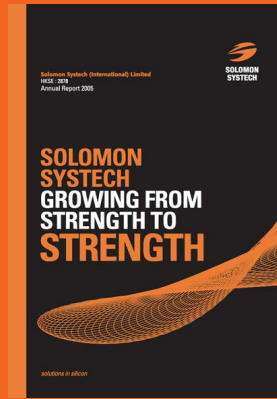
股東可在給予本公司合理時間的書面通知,要求索取年報的印刷本或更改收取本公司之公司通訊的方式,該書面通知應交予本公司之香港股份過戶登記分處—卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心22樓,或將該通知電郵至 [solomon2878-ecom@hk.tricorglobal.com](mailto:solomon2878-ecom@hk.tricorglobal.com)。

2004 Annual Report  
2004年報



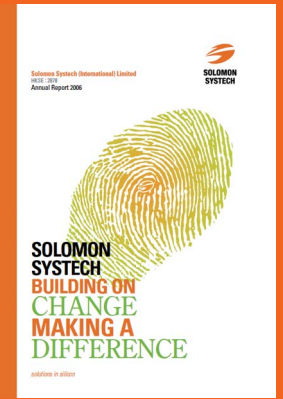
Best of Hong Kong  
2005 International – ARC Awards  
2005年ARC國際獎項 –  
香港最佳年報大獎

2005 Annual Report  
2005年報



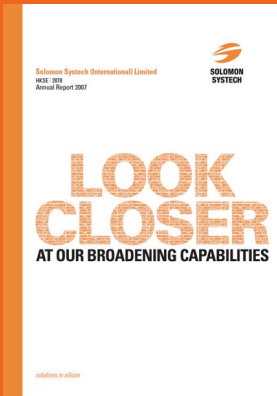
Annual Report Printing Champion –  
The 18th Hong Kong Print Awards –  
Gold Winner (金獎)  
2006 International ARC Awards –  
Gold Winner (金獎)

2006 Annual Report  
2006年報



2007 International ARC Awards –  
Gold Winner (金獎)  
2007 Galaxy Awards –  
Gold Winner (金獎)

2007 Annual Report  
2007年報



2008 Annual Report  
2008年報



2009 Annual Report  
2009年報



2010 Annual Report  
2010年報



2010 International ARC Awards –  
Gold Winner (金獎)

LACP Vision Awards  
Platinum Award (白金獎) –  
Semiconductor & Equipment  
Gold Award (金獎) –  
Best Letter to Shareholders  
(Asia-Pacific Region)

2011 Annual Report  
2011年報



2012 Annual Report  
2012年報



2013 Annual Report  
2013年報



2014 Annual Report  
2014年報



LACP Vision Awards  
Platinum Award (白金獎) –  
Overall Report  
Best Agency Annual Report  
– Platinum (白金獎)  
(Asia-Pacific Region)  
Top 100 (100強) Annual Reports  
Worldwide  
Top 50 (50強) Annual Reports in the  
Asia-Pacific Region  
Top 25 (25強) Chinese Annual  
Reports of 2011

LACP Vision Awards  
Platinum Award (白金獎) –  
Technology, Electronic Equipment &  
Instruments  
Most Engaging Annual Report –  
Bronze (銅獎)  
(Asia-Pacific Region)  
Top 100 (100強) Annual Reports  
Worldwide  
Top 50 (50強) Annual Reports in the  
Asia-Pacific Region  
Top 50 (50強) Chinese Annual Reports

LACP Vision Awards  
Gold Award (金獎) –  
Technology, Equipments &  
Semiconductors  
Best Report Narrative (最佳敘述獎)  
(Asia-Pacific Region)  
Top 80 (80強) Annual Reports in the  
Asia-Pacific Region  
Top 20 (20強) Chinese Annual Reports

LACP 2014 Vision Awards  
Silver Award (銀獎) –  
Technology: Semiconductors &  
Equipment  
Top 40 (40強) Chinese Annual  
Reports of 2014

Solomon Systech's annual reports are available at:  
晶門科技的年報可於以下網址下載：  
<http://www.solomon-systech.com/en/page/annual-interim-reports/>

## **Solomon Systech (International) Limited**

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This Annual Report is printed on environmental friendly paper. 

本年報以環保紙印製