



**SOLOMON  
SYSTECH**

**Solomon Systech (International) Limited**  
**晶門半導體有限公司**

(Incorporated in Cayman Islands with limited liability)  
(於開曼群島註冊成立的有限公司)  
Stock Code 股份代號: 2878

Annual Report  
年報

**2020**

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# CORPORATE PROFILE

## 公司簡介

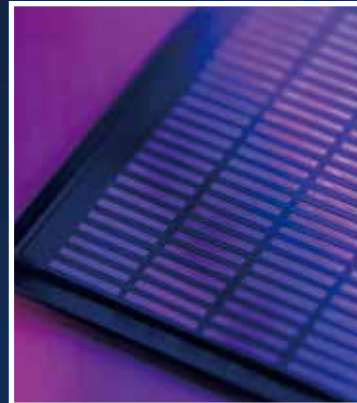
Solomon Systech (International) Limited and its subsidiaries as a Group is a leading semiconductor group specializing in the design, development and sales of integrated circuits products and system solutions that enable a wide range of display and touch applications for smartphones, tablets, TVs/monitors, notebooks and other smart devices, including wearables, healthcare devices, smart home devices, as well as industrial appliances, etc.

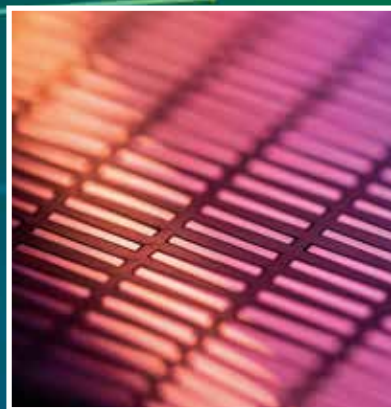
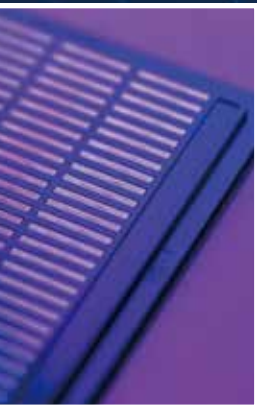
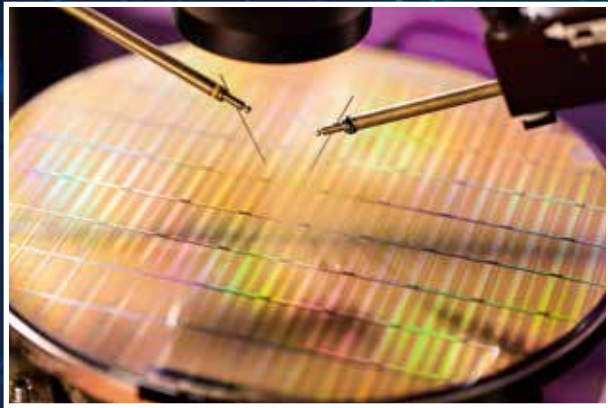
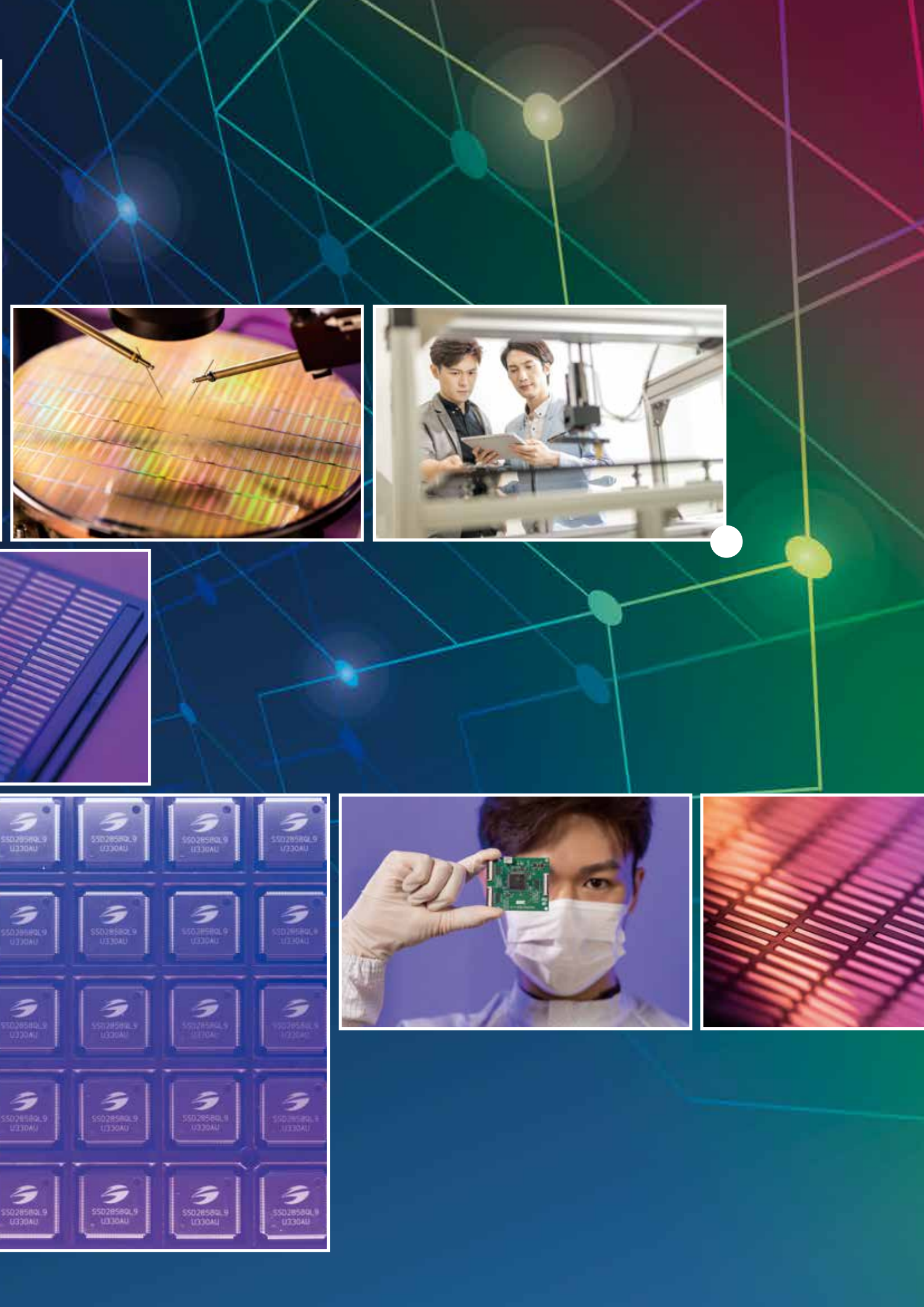
晶門半導體有限公司及其附屬公司為一個具領導地位的半導體集團，專門設計、開發及銷售集成電路晶片產品及系統解決方案，能於智能手機、平板電腦、電視／顯示器、筆記本電腦以及其他智能產品，包括可穿戴產品、醫療保健產品、智能家居產品，以及工業用設備等提供廣泛的顯示及觸控應用。

### 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





# FINANCIAL HIGHLIGHTS

## 財務摘要

### (A) Results 業績

		2020 US\$ million 百萬美元	2019 US\$ million 百萬美元	Change % 變動百分比
Revenue	銷售額	121.3	108.3	12.0%
Gross profit	毛利	35.8	21.3	68.1%
Gross margin (%)	毛利率(%)	29.6	19.7	9.9% point
Profit/(loss) attributable to owners of the parent	本公司擁有人應佔溢利/(虧損)	11.7	(27.3)	N/A
Earnings/(loss) per share (US cent)	每股盈利/(虧損)(美仙)	0.5	(1.1)	
Dividend per share (US cent)	每股股息(美仙)	0.1	-	
Book-to-bill ratio	訂單出貨比率	1.4	1.1	

### (B) Financial Position 財務狀況

		As at 31 December 於12月31日		
		2020 US\$ million 百萬美元	2019 US\$ million 百萬美元	Change % 變動百分比
Total assets	總資產	94.2	76.9	22.5%
Shareholders' funds	股東權益	63.4	51.3	23.6%

### (C) Financial Ratios 財務比率

Current ratio	流動比率	2.83	2.74	
Debt to equity ratio	債務權益比率	0.003	0.003	

**TECHNOLOGY VISUALIZES  
A GLOW OF PLEASURE**

**科技體現率性愜意**



# CHAIRMAN'S STATEMENT

## 主席報告

Dear Shareholders,

I am pleased to present to you the Group's annual report for the year ended 31 December 2020.

While international economic activity was mired in uncertainties, the global semiconductor industry successfully navigated challenging macroeconomic conditions in 2020. As a key industry player, the Group remained resilient and managed to achieve growth amidst the year-long turbulence.

During the reporting period, total sales of US\$121.3 million and total shipments of 379.4 million units were recorded, representing an approximately 12.0% and 22.9% year-on-year increase, respectively.

The key challenge for the Group was a shortage of wafers, forcing us to better manage unexpected capacity constraints, which has continued to disrupt the semiconductor market as a whole. Several primary factors that led to this situation included increased end-product demand, uneven supply of foundry equipment, and ongoing China-U.S. trade tensions. To counter this, we have carefully monitored the supply chain and increased our resiliency by negotiating with our foundries in advance to guard against any future disruptions.

### Sizing up Situation and Identifying Growth Strategies

To help better align the Company's corporate image and identity with the Group's various businesses, the Board decided to adopt the Chinese name -“晶門半導體有限公司” and have shareholders' support and approval in December 2020 in order to enhance the Company's future business development, which we feel is a strategy in the best interest of both the Company and our shareholders.

We also understand that our success with next-generation products relies heavily on the strength of our research and development. To this end, The Group has developed a series of long-term strategies to bolster its overall R&D capabilities while also protecting intellectual property rights, our product portfolio, talent functions as well as supply chain resilience. These actions are directly aimed at insulating the Group against any economic adversities amidst shrinking economies in most developed countries worldwide resulting from the COVID-19 pandemic (the “Pandemic”).

During the reporting period, Solomon Systech Limited (wholly-owned subsidiary of the Company) launched production of the SSD7317, the world's first Touch and Display Driver Integration (“TDDI”) IC for targeted use in smart home products. This innovative breakthrough is now poised to take the product user experience to new heights.

Having formulated strategic alliances and concluded partnerships with internationally renowned brands, our goal is to maintaining healthy growth while capturing new trending opportunities and navigating unexpected market shifts.

各位股東：

本人欣然向各股東提呈我們截至2020年12月31日止的年報。

縱然2020年環球經濟充斥著不確定性，半導體行業也在宏觀經濟環境中經歷重大挑戰，但作為業界重要的一員，本集團在這陰霾籠罩的一年展現出強韌的復原力，並成功實現理想增長。

在報告期內，本集團的總銷售額和付運量同比增長約12.0%和22.9%，分別錄得121.3百萬美元和379.4百萬件。

本集團面臨的主要挑戰是晶圓供應短缺，需要適時應對因產能緊張而衍生的情況，綜觀此紛擾已持續縈繞半導體市場一段時間。而導致上述情況的主要因素，當中包括終端產品需求增加、晶圓代工設備產能供應失衡，以及中美貿易摩擦持續等。有見及此，我們已密切注視供應鏈的最新狀況，並率先跟我們的晶圓代工廠商討應對策略，鞏固及增強自身的應變能力，以抵禦未來可能迎來的若干紛擾。

### 審時度勢 制訂增長策略

為使本公司的企業形象和身份更符合本集團的業務發展，董事會於2020年12月決定並獲得股東支持批准採納「晶門半導體有限公司」為本公司的中文名稱，希望藉此促進公司的未來業務發展。此舉符合本公司及股東的整體最佳利益。

我們也明白成功乃取決於我們研發跨世代嶄新產品的能力。儘管新型冠狀病毒疫情（「疫情」）導致全球大部分已發展國家陷入經濟衰退，然而本集團仍努力不懈提升科研能力、保護知識產權和優化產品組合，並在人才職能及供應鏈復原力方面制訂長遠策略。

在報告期內，晶門科技有限公司（本公司之全資附屬子公司）開始投產全球首枚觸控與顯示驅動器集成（「TDDI」）晶片SSD7317，其主要針對智能家居產品應用上，透過此創新突破，將用戶體驗提升至新境界。

我們與國際知名品牌建立了戰略聯盟和合作關係，冀藉此維持健康增長，因應突如其來的市場變化和趨勢，抓緊機遇。



# CHAIRMAN'S STATEMENT

## 主席報告

### Returning to Profitability

The Group managed to return to profitability this year due to an increase in the average gross profit margin as well as a higher gross profit total as a result of changes in our product mix in terms of revenue. Other factors included a decrease in operating expenses due to more effective cost controls beginning in the last quarter in 2019, plus other income derived from the disposal of certain non-current assets.

We strive to review our development plans and cash flow reserves regularly in order to ensure an optimal capital structure which creates a prudent balance between the interests of our shareholders and the Group's business needs. In addition, we keep a close eye on trends while also prioritising our research and development investments with a view to improving the returns to our shareholders in future years.

### Prospects

Despite the looming threats of a China-U.S. trade dispute and continuing global public health issues, we finished 2020 with solid growth momentum at our backs. The Group is committed to becoming a global leader in the semiconductor field, specialising in the design, development and sales of IC products and system solutions. Looking ahead, the semiconductor industry is expected to grow steadily in 2021, as COVID-19 vaccine inoculations continue apace. Over the past 12 months, people around the world have experienced and adapted to the new normal, including new ways of working, studying, entertaining and communicating through advanced technologies and smart devices. These trends are sure to have a lasting impact on semiconductor demand and will help unleash the market's full potential.

Backed by widespread faith in the Group's carefully planned strategic roadmap coupled with an enhanced product portfolio and efforts to achieve leading-edge research, we will actively leverage the latest advances in digitisation and forge ahead to more fully complete our transformation despite today's increasingly competitive landscape.

### Appreciation

On behalf of the Board, I would like to express my sincere thanks for the continuing support and trust from all our shareholders and investors as well as offer my gratitude to the dedication and contributions of the Group's Directors, management team and staff over many years.

### 恢復溢利 轉虧為盈

本集團在本年度成功轉虧為盈，主要是由於集團因銷售產品種類分類組合轉變而帶動平均毛利率及毛利總額上升；自2019年最後一季實施了有效的成本控制，促使營運開支減少；以及出售了若干非流動資產，令集團獲得其他收入。

我們致力定期檢討集團的發展計劃及現金流儲備，以確保良好的資本架構，平衡股東利益與集團業務需要。此外，我們亦高瞻遠矚，時刻關注科技趨勢，優先進行研發投資，力爭在未來數年間提高股東回報。

### 前景

儘管中美貿易爭端和全球公共衛生問題迫在眉睫，但2020年我們仍能維持增長勢頭。本集團致力成為全球領先的半導體公司，專門於設計、開發及銷售集成電路晶片產品及系統解決方案。踏入2021年，隨著新型冠狀病毒疫苗的誕生，預計半導體行業將繼續穩步發展。在過去數月期間，無論身在何方，世界各地的人都紛紛經歷及嘗試適應生活的「新常態」—善用先進科技和智能設備，將工作、學習、娛樂及交流的固有模式重新定位。這趨勢可能會為半導體需求帶來長遠的影響，並充分釋放市場潛力。

透過精心規劃集團的發展策略藍圖、豐富產品組合，以及努力推動尖端科研，即使在日益激烈的競爭格局中，本集團也能運用數碼化的進程崛起，推動深化轉型。

### 致謝

本人謹代表董事會衷心感謝全體股東及投資者一直以來的支持及信任，同時亦衷心感謝本集團的董事、管理團隊和員工多年來默默耕耘和努力，為集團作出巨大貢獻。

**Ma Yuchuan** 馬玉川  
Chairman 主席

Hong Kong, 23 March 2021  
香港，2021年3月23日

# CHIEF EXECUTIVE OFFICER'S MESSAGE

## 行政總裁的話

Dear Shareholders,

Thanks to the growing adoption of smart devices and continuing technological innovation, the demand for ICs has gone up significantly in 2020. Facing an ever-changing market, the Group has reformulated its business development strategies and allocated resources and revised from time to time during the reporting period to consolidate its industry leading position in the current competitive business environment.

Although economies worldwide have been impacted by the COVID-19 pandemic (the “Pandemic”), thanks to the contribution efforts of our employees and management team, the Group’s total volume of shipments increased by 22.9% year-on-year to approximately 380 million units in the reporting period.

In the reporting period, we have experienced a business turnaround, that has been welcomed by our stakeholders, at the same time increasing average gross profit margin and a decrease in operating expenses.

### Adoption of Chinese Name

In line with our business development strategy, we adopted the Chinese name “晶門半導體有限公司” as the dual foreign name of the Company in late 2020. The Chinese name “晶門半導體有限公司” is indicative of our core businesses, including the design and selling of proprietary IC products and system solutions. It also aligns the Company’s corporate image and identity with our Group’s businesses, and highlights the Company’s leading position within the semiconductor industry. We believe the adoption of Chinese name will benefit the Company’s future business development and is in the best interest of the Company and our shareholders as a whole.

### Enhancing Supply-chain Resilience

Formulating strategies to enhance supply-chain resilience is an important step for securing production capacity and keep our competitive edge given today’s economic challenges. Positioned as a fabless Group, we have built up strong relationships with global foundries and maintain a flexible supply chain that can be adjusted in response to the market needs.

各位股東：

隨著科技的持續創新、智能產品的應用日益普及，2020年對集成電路晶片的需求顯著上升。面對市場發展一日千里，集團已在報告期內重新釐訂業務發展策略，調配資源，並不時作出調整，讓晶門半導體在競爭激烈的營商環境下，依然享有領導地位，走在前沿。

儘管新型冠狀病毒疫情（「疫情」）對全球經濟造成廣泛影響，但有賴員工及管理團隊的貢獻，本集團整體付運量按年增長22.9%至約3億8千萬件。

在報告期內，集團的業務轉虧為盈，平均毛利率上升及營運開支下降，令持份者獲益。

### 採納中文名稱

為配合集團的業務發展策略，我們已於2020年底採納中文名稱「晶門半導體有限公司」為本公司的雙重外語名稱。「晶門半導體有限公司」這名稱，能夠適當地反映集團的核心業務，包括設計及銷售集成電路晶片產品及系統解決方案，並突顯公司在半導體領域的領導地位。同時，這名稱使本公司的企業形象和身份更符合本集團的業務發展。本公司相信，採納中文名稱將有利公司未來業務發展，符合本公司及股東的整體最佳利益。

### 加強供應鏈復原力

制定加強供應鏈復原力的策略，是確保產能在面對重大挑戰下仍然保持穩定的重要一步。作為一家無晶圓廠半導體公司，本集團建立了強大的全球晶圓代工廠網絡，並努力維持供應鏈的靈活性，以快速適應市場需求。



Mr. Wang Wah Chi, Raymond, Chief Executive Officer and Executive Director of the Group (Left), garnered the prestigious “CEO of the Year 2020” award, *Capital CEO x Entrepreneur* from Mr. Bobby Liu, Ex-officio Advisor of Hong Kong Young Industrialists Council.

本集團行政總裁兼執行董事王華志先生（左）榮獲《資本才俊》及《資本企業家》頒發的「2020年度傑出CEO」大獎，從香港青年工業家協會當然顧問廖錦興先生手上接過獎項。

# CHIEF EXECUTIVE OFFICER'S MESSAGE

## 行政總裁的話



Solomon Systech Limited took part in the “Striving and Transforming – The History of Hong Kong Industry” exhibition in Hong Kong in 2020, jointly organized by the Hong Kong Museum of History and the Federation of Hong Kong Industries.

晶門科技有限公司參與了名為「『工』不可沒－香港工業傳奇」的專題展覽。有關展覽由香港歷史博物館與香港工業總會於2020年聯合籌劃。

### Grooming Industry Talents

The foundation of success is laid on our employees' ability to create and innovate. We do our utmost to recruit and retain talents to unleash their potential. We look for inventive minds to help fuel what is next in the digital era into cutting-edge technologies and products. We fully supported and participated in “Greater Bay Area Youth Employment Scheme” (“the Scheme”), proposed by the Government of the Hong Kong Special Administrative Region in the 2020 Policy Address, which offered positions in relation to “innovation and technology” for a fixed period of 18 months. Initiated by its Labour Department and the Innovation and Technology Bureau, the Scheme aims to encourage and support young people to work and pursue their careers in the Greater Bay Area.

The Group has proactively and continually recruited and nurtured talents in Mainland China to cater for its operational needs and business development over the years. It is expected that the number of employees in our Nanjing core operating headquarters and Technology Center will continue to increase steadily, and will rank second in terms of scale, next only to the Group's subsidiary in Taiwan. With the establishment of Solomon Systech (China) Limited (“Solomon Systech China”), a wholly-owned subsidiary, it will benefit us not only from the created synergy, but also from the access to global talents.

### Risk Management

Due to the nature of our business and the regions in which we operate, it is inevitable that the Group is subject to various kinds of risks and uncertainties. We constantly review strategies and take measures to counter the risks that may arise.

### Outlook

Going forward, we believe the unique positioning of our Company will enable us to gain an advantage as we face current economic circumstances. Staying in step with today's dynamic high-tech revolution, we have created a tactical plan on stimulating the developments of micro-LED (“ $\mu$ LED”), Electronic Shelf Label, high-speed interface and the point-to-point (“P2P”) display driver IC for the high-end 8K TV markets in the years ahead.

### 培育行業人才

員工的創造能力和創意是本集團賴以成功的基石。我們竭力招募及挽留人才，讓他們能夠盡展所長。在尋找具創新精神的人才時，可助我們把數位化時代的新思維，轉化成領先同儕的技術和產品。我們全力支持並參與由香港特別行政區政府於2020年《施政報告》內提議，並由轄下的勞工處及創新及科技局推行的「大灣區青年就業計劃」(「該計劃」)，提供為期18個月的「創科」職位。該計劃旨在鼓勵及支持青年人到大灣區內地城市工作及發展事業。

本集團一直持續並積極在中國內地招募及培訓人才，以滿足集團的營運需要及業務發展。我們於南京之主要營運總部及南京科技中心的團隊預計將會穩步增加，規模將僅次於集團於台灣設立的科技中心。全資子公司晶門科技(中國)有限公司(「晶門中國」)的成立，不但能為我們帶來協同效應，也有利我們吸納全球人才。

### 風險管理

我們的業務性質和營運地區使然，無可避免面對不同種類的風險和不明朗情況。我們會不時檢討及調整應對該些風險的策略和方法。

### 展望

展望未來，我們深信本公司的獨特定位將有助我們在瞬息萬變中獨佔鰲頭。對於如何刺激高端8K電視市場所用的micro-LED(「 $\mu$ LED」)、電子貨架標籤、高速傳輸介面及點對點(「P2P」)顯示驅動器IC的發展，我們已制定了未來幾年的戰略計劃，冀帶領新趨勢。

# CHIEF EXECUTIVE OFFICER'S MESSAGE

## 行政總裁的話

With our long-standing commitment to developing the market in Mainland China, the Group will continue to advocate a sustainable model of development and create different products and solutions that supports the creation of a smart city.

On behalf of the shareholders and my fellow Directors, I wish to express our appreciation to all our employees, whose commitment and hard work have been central to our success. With our strong balance sheet, we are well placed to successfully overcome the current economic downturn period and to take advantage of new opportunities in the future. To this end, the Group will continue to lead the semiconductor industry by optimising stakeholders' interests and maximise value for them.

本集團致力開拓中國市場，主張可持續發展模式，為智慧城市的誕生進程提供不同產品及解決方案，矢志滿足不同需要。

本人謹代表各位股東及董事同仁向全體員工致謝。員工們勇於承擔、努力不懈，一直是我們成功的關鍵。憑藉穩健的財政狀況，我們自信能遇強越強，並乘勢把握任何可能出現的機遇。本集團將繼續走在半導體行業的先端，務求提升持份者利益，為彼等爭取最大回報。

**Wang Wah Chi, Raymond** 王華志  
*Chief Executive Officer* 行政總裁

Hong Kong, 23 March 2021  
香港，2021年3月23日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### BUSINESS REVIEW & OUTLOOK

#### 業務回顧及展望

#### BUSINESS REVIEW

The business environment in 2020 was complex and austere. The COVID-19 pandemic (the “Pandemic”) has prompted governments around the world to implement trade restrictions which has impacted the supply chain of semiconductor industry alongside the China-U.S. trade dispute. According to the 2020 Economic Background and 2021 Prospects released by the Government of the Hong Kong Special Administrative Region, total exports of goods fell mildly by 0.3% in real terms for the year of 2020. The fall of the total exports of goods in Hong Kong in the first half of the year, amid significant disruptions to the regional supply chains and plunging global demand, was followed by a visible revival in the second half alongside the recovery of the global economy and the sustained V-shaped rebound of the Mainland economy. Exports to the United States and the European Union fell sharply for the year as a whole, domestic demand also weakened noticeably resulting from job and income conditions worsened due to the threat of the Pandemic.

When facing the challenges caused by the supply chain disruptions and volatile markets, the Group’s management has, still, devised a vast of strategies to improve its business performance, including minimizing operating expenses and restructuring the product type mix, contributing to the remarkable business turnaround of the Group for the reporting period.

The Group’s unit shipments by product types during the period under review were as follows:

Units Shipped (million units)	付運量 (百萬件)	2020	2019	Change 變動
Advanced Display (“AD”)	先進顯示 (「AD」)	245.8	134.9	82.2%
Large Display (“LD”)	大型顯示 (「LD」)	78.9	122.6	-35.6%
Others	其他	54.7	51.2	6.8%
<b>Total</b>	<b>總額</b>	<b>379.4</b>	<b>308.7</b>	<b>22.9%</b>

#### Advanced Display

Our AD products include PMOLED displays, bistable products, micro-LED (“μLED”)/mini-LED products and OLED lighting products. In addition to standard ICs, the Group also provides custom IC design services, including analog, mixed-signal and high-voltage IC designs to cater for the specific needs of individual customers.

During the period under review, the Pandemic has triggered the demand for healthcare products worldwide, which was translated into increased orders for portable healthcare devices and related applications for the Group’s PMOLED display driver ICs, and thereby has changed the mix of the AD products. The total unit shipments of the AD products during the period under review registered a double-digit growth of around 82.2% to approximately 245.8 million units (2019: 134.9 million units).

#### 業務回顧

2020年，營商環境錯綜複雜、舉步維艱。新型冠狀病毒疫情（「疫情」）促使世界各國政府實施貿易限制，與中美貿易糾紛同樣對半導體行業的供應鏈造成影響。根據香港特別行政區政府發表的《二零二零年經濟概況及二零二一年展望》，2020年全年貨品出口總額實質溫和下跌0.3%。上半年在區域供應鏈受到嚴重干擾、全球需求驟減的情況下，香港貨品出口總額下降，但下半年隨著全球經濟復甦和中國內地經濟持續V型反彈，香港貨品出口總額顯著回升。全年香港對美國和歐盟的出口量大幅下降，而內需亦因疫情威脅導致就業和收入情況惡化而明顯轉弱。

面對供應鏈受阻和市場波動的挑戰，本集團管理層仍然制定了大量旨在提升業務表現的發展策略，包括降低營運開支和改變產品種類分類組合，推動集團在報告期內取得佳績，成功轉虧為盈。

在回顧期內，本集團按產品類別劃分的付運量如下：

#### 先進顯示

AD產品包括PMOLED顯示、雙穩態產品、micro-LED（「μLED」）/mini-LED產品及OLED照明產品。除了提供標準IC外，本集團亦提供訂制IC設計服務，包括模擬、混合訊號及高壓IC設計，以滿足個別客戶的特定需要。

回顧期內，疫情引發全球對醫療產品的需求激增，帶動了那些配備本集團PMOLED顯示驅動器IC的可攜式醫療設備及相關應用的訂單增加，並因而改變了AD整體產品組合結構。AD產品的總付運量在回顧期內錄得約82.2%的雙位數增長，上升至約245.8百萬件（2019：134.9百萬件）。

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In response to the Pandemic, we have deployed resources on expediting the production of specialized IC solutions for healthcare products.

為應對疫情，我們已部署資源，以加快醫療產品專用IC解決方案的生產。



To capitalize on the growing potential of smart home appliances market under the rising trend of Artificial Intelligence of Things (“AIoT”), the Group has successfully achieved related design-in projects, including smart electric toothbrush and smart thermostat electric kettle, etc.

In view of dynamic shifts in global overseas retail market conditions, the Group shifted its focus to promote its new bistable display driver IC for medium-sized ESL panels of 2.6 inches to 4 inches used at mega stores in the second half of 2020, eyeing on the markets of Europe and the U.S.

Seeing the strong potential of mini-LED which is said to be emerging as a next generation display technology featuring ultra-high display brightness and fine pixel pitch, the Group has started engaging in the development of this ground-breaking technology since 2016. Over the years, we have made significant progress through strategic collaborations with leading companies. In the reporting period, we have received orders that paved the way for applying mini-LED technology to mass production.

人工智能物聯網（「AIoT」）勢將大行其道，箇中的智能家電市場的潛力更是與日俱增；為抓緊機遇，集團已成功完成量產的相關智能產品設計項目，包括智能電動牙刷及智能恆溫電水壺等。

放眼全球，本集團於2020年下半年因應海外零售市場的種種形勢變化而作出調整，瞄準歐洲及美國市場內大型商店採用的中等尺寸ESL面板（2.6英寸至4英寸），轉為重點推廣該類面板所需的新型雙穩態顯示器IC。

早於2016年，本集團便已著手研發mini-LED顯示器這項突破性技術，其顯示屏具有超高顯示亮度及可支援精細像素間距，潛力優厚，有望成為下一代主流顯示技術。多年來，我們通過與領先企業的戰略合作，取得重大進程。我們已於報告期內獲得相關訂單，推動mini-LED顯示器技術踏上量產之路。

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#### Large Display

The Group's LD products include large panel TFT LCD display driver ICs developed for TVs, monitors and other applications.

The Group's LD business registered a decline of 35.6% in total shipments year-on-year to approximately 78.9 million units (2019: 122.6 million units).

Revenue from TVs products had also slowed down in the first quarter of 2020 due to the Pandemic, which was rebounded in the second quarter owing to strong work-from-home demand. Another factor for a drop in revenue driven by LD products as a whole was having model transition in the second half of the year. We quickly picked up and led the revenue stream adjustment after the model line reshuffling subsequent to a company acquisition of a customer.

In spite of the tight supply chain, the Group, a fabless player, has developed a foundry-sourcing strategy, so as to cope with capacity constraint of our LD product lines and facilitate its future business growth.

High speed point-to-point ("P2P") display driver IC for the 165Hz high refresh rate gaming monitor and 8K TV markets was launched during the reporting period.

#### Others

In addition to AD and LD products, the Group also offers another range of products, which includes: Mobile Display ("MD") products such as In-Cell TDDI ICs, TFT display driver ICs and MIPI bridge ICs; and Mobile Touch ("MT") products including LCD touch controller ICs (Out-Cell/On-Cell), etc.

The unit shipments of this category of products saw an increase of approximately 6.8% year-on-year to around 54.7 million units (2019: 51.2 million units). The revenue target of this category of products was achieved by seizing the opportunities in this period.

Notwithstanding the Pandemic has impacted the demand of consumer electronic products worldwide in 2020 and some new consumer electronic projects driven by brand owners might be pending or even suspended, the demand for mobile devices in China and the consumer sentiment have gradually recovered starting from the second half of 2020, which ultimately helped boost revenue from MD in relation to TDDI and DDI.

Furthermore, demand derived from specific customer segments, such as video games related products, in contrast boomed due to the Pandemic. As more people stayed at home and played video games, the MT IC, the product line which supported game consoles, was one of the product lines that most benefited in the reporting period. As a result, the sales forecast for the reporting period could be achieved in conjunction with a number of design wins in these segments.

#### 大型顯示

本集團的LD產品包括用於電視、顯示器及其他應用的大尺寸TFT LCD顯示驅動器IC。

本集團LD業務的總付運量按年下跌35.6%至約78.9百萬件(2019: 122.6百萬件)。

2020年第一季度的電視產品銷售額亦曾因疫情而放緩，但由於在家工作越趨普及，第二季度的電視銷售額有所回升。此外，隨著下半年過渡新型號，也是導致LD產品整體銷售額下降的因素。因應客戶公司收購活動而重組其型號生產線，我們迅速應對改善情況，主導銷售收入來源調整的工作。

儘管供應鏈緊張，但作為無晶圓廠公司，本集團已制定一套代工採購策略，以應付LD產品系列的產能限制及促進未來業務增長。

報告期內，針對165Hz高刷新率遊戲顯示屏和8K電視市場的高速點對點("P2P")顯示驅動器IC已推出市場。

#### 其他

除AD和LD產品外，本集團亦有提供另一系列產品，包括：移動顯示("MD")產品，例如In-Cell TDDI IC、TFT顯示驅動器IC和MIPI橋接IC；以及移動觸控("MT")產品，例如LCD觸控屏控制器IC (Out-Cell/On-Cell)等。

此類別產品的付運量按年增長約6.8%至約54.7百萬件(2019: 51.2百萬件)。本集團在本期間抓緊機遇，成功實現銷售目標。

儘管疫情對2020年全球消費電子產品的需求造成影響，並可能令到一些由品牌商推動的新消費電子項目擱置甚至暫停，但自2020年下半年開始，中國消費意欲逐漸恢復，帶動中國移動設備需求逐步回升，最終有助提升MD業務在TDDI和DDI兩方面的銷售額。

此外，來自個別客戶板塊的需求在疫情中逆市增長，如電子遊戲相關產品的需求更趨殷切。居家抗疫者日增並以電子遊戲消閒，當中支持遊戲主機的產品系列—MT IC遂成為報告期內最受惠的產品系列之一。因此，憑藉多項獲採納的設計項目訂單，成功實現報告期內的銷售預測。

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#### Product Development

In 2020, the Group spent approximately US\$16.9 million on R&D, representing about 55% of total operating expenses and 13.9% of total revenue for the year.

The Group's product R&D engineering teams possess domain expertise in various areas, spanning from design of high-speed serial master bridges, In-Cell and On-Cell touch controller ICs, to display drivers for various panel technologies such as amorphous silicon TFT, metal-oxide TFT, LTPS, PMOLED,  $\mu$ LED/mini-LED and AMEPD. This wide array of critical knowhow enables us to drive sales growth in response to fulfilling market needs promptly and maintaining our competitive edges.

#### IP Development

The IPs that have been developed or were under development during 2020 included, among others, high bandwidth PLL for spread spectrum tracking; e-paper display panel diagnostic; high voltage booster circuit diagnostic; 2D local dimming engine with QD film color compensation; multi-line addressing scheme for high resolution passive matrix  $\mu$ LED; and driving scheme for touch sensing and display driving on dual-gate TFT display.

During the year, the Group has been granted 28 patents and filed 15 patents covering various display design and application areas. With the competitive advantage of around 650 patents, the Group has been encouraging patent application, with a view to further strengthening its intellectual property portfolio to facilitate business growth in the future.

### OUTLOOK

Despite the fact that the lingering uncertainties in the global economy and supply chain may continue to weigh on the Group's business as a whole, the AD business is expected to continue its strong growth. A number of new products and design win projects are expected to start contributing to the Group's revenue. For instance, its custom ICs are going to be widely used in digital signage benefiting both the AD and MD businesses. Moreover, the product type mix strategies implemented have yielded favorable returns. The favorable book-to-bill ratio of 1.4 is also a positive indicator of growth.

#### Advanced Display

The Group's key innovation of the PMOLED (Touch + Display) TDDI IC, SSD7317, is anticipated to enter mass production in smart home appliances and contribute to the revenue stream. The Group also strives to capitalize on the growth potentials of smart home appliances and AIoT with grayscale displays.

#### 產品開發

在2020年，本集團於研發方面支出約為16.9百萬元，約佔年度總營運開支的55%及總銷售額的13.9%。

本集團的產品研發團隊具備多個範疇的專業知識，包括高速串列主橋、In-Cell和On-Cell觸控屏控制器IC的設計，以至各種面板技術，如非晶矽TFT、金屬氧化物TFT、LTPS、PMOLED、 $\mu$ LED/mini-LED和AMEPD所需的顯示驅動器。此等範圍廣泛的重要專業知識使我們能快速應對市場需要，維持競爭優勢，從而有效帶動銷售增長。

#### 知識產權開發

2020年已開發或開發中的知識產權，包括高頻寬PLL展頻追蹤；電子紙顯示器損毀檢測技術；高壓升壓電路檢測技術；具備量子點薄膜顏色補償功能的2維局部調光處理器；適用於高分辨率無源矩陣 $\mu$ LED的多行尋址方案；以及觸控感應及雙閘薄膜電晶體顯示器的驅動方案等。

年內，本集團成功取得28項專利及遞交了15項專利申請，涉及各種顯示器設計和應用領域。本集團的競爭優勢是擁有約650項專利，我們一直鼓勵專利申請，務求進一步豐富旗下知識產權組合，帶來未來業務增長動力。

#### 展望

全球經濟面對的不明朗因素始終未見消退，集團整體業務或會繼續受此影響，但旗下的AD業務應可保持強勁的增長。預計多項新產品和已獲訂單項目將陸續為集團的銷售額作出貢獻。譬如說，我們的訂制IC將廣泛應用於數位電子看板，使AD業務和MD業務雙雙受惠。此外，集團實施的產品種類分類組合策略亦見成效。訂單出貨比率為1.4，屬良好水平的增長指標。

#### 先進顯示

PMOLED(觸控+顯示)TDDI IC SSD7317是集團的重點創新項目，預計應用於智能家電方面開始量產，並帶來銷售收入。本集團亦將充份利用配備灰階顯示器的智能家電及AIoT相關產品所蘊含的增長潛力。



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#### Advanced Display (Continued)

The Group's bistable display driver IC business, bolstered by the constant development in retail automation and wide commercial applications spanning across logistics and signage demonstration, is set to continue its strong growth momentum in 2021 for the benefits to manage the out-of-stock shelves, absence of workers and increased consumer demand under the Pandemic. The Group has put in efforts in developing a new generation bistable color display IC that supports multiple colors, so as to unleash new potential for business growth.

Resources will be devoted to working with market leading  $\mu$ LED/mini-LED panel manufacturers to develop more new ICs with technological breakthroughs plus fulfilling the market needs. Thanks to the efforts of the Group's team, these new products are expected to be launched in the first half of 2021.

Soaring demand for electronics devices has created a global shortage of semiconductors, encompassing PMOLED and bistable display driver ICs, and system components as well. With the growing demand and an elevated backlog, we are facing a constraint of operating with component supply shortages that may hinder our growth through in 2021.

#### Large Display

We expect that the Group's P2P product focusing on gaming monitors will be in demand with high growth potential in 2021. The major challenge is the capacity support on wafers for the overall large size DDI products. We will strive to fully utilize the wafer usage and our backend capacity, not only to meet the needs of our customers, but also achieve the Group's long-term business goals.

#### Others

Some of the countries have been locked down following a decline in economic activities since 2020, however, it is expected that the electronic products manufacturing market will rebound in the year of 2021. The advancement of 5G and the implementation of Internet of Things ("IoT") technology will be two of the driving engines of the market recovery in 2021.

For MD, the demand for its products in the first half of 2021 is expected to be kept up and seen as strong, benefited and supported by the signs of China's economic recovery and 5G adoption. In particular, we foresee that MIPI, TDDI and DDI products will be in demand. Though the semiconductor shortage is expected to last till the third quarter of 2021, our customers have placed orders early with a view to securing the provision of support. MD business will continue to grow and to prosper with enhanced capacity and the support from our cohesive factory partners in 2021.

To keep up with the ever changing technology trends and diversify the risk from one mobile market in China to multiple markets worldwide, samples of a vast of new driver products and custom ICs applicable to smart wearables as well as public information display applications were made ready-for-testing as scheduled at the end of 2020. New IC products design-in projects are on-going on a right track. It is anticipated that this new target segment of MD will be able to make contribution to the Group's revenue starting from the second half of 2021 by riding the trend of IoT.

#### 先進顯示(續)

本集團的雙穩態顯示驅動器IC支持的產品應用商業用途廣泛，遍及物流以至標牌展示範疇應用，在零售自動化的持續發展所帶動下，此業務將於2021年繼續保持強勁的增長勢頭，協助企業在疫情下管理貨架缺貨、工人缺勤和消費者需求增加。本集團亦積極開發新一代可支持多種顏色的雙穩態彩色顯示器IC，釋放產品的發展潛力，推動業務增長。

我們將投入資源，與領先市場的 $\mu$ LED/mini-LED顯示器面板廠商攜手推動技術突破，開發更多新款IC，以滿足市場需要。全賴集團上下一心，並肩奮鬥，這些新產品樣品現已開發完備，預計可於2021年上半年推出市場。

電子設備需求的急劇增長，造成包括PMOLED和雙穩態顯示驅動器IC在內的全球半導體和系統元件短缺。由於需求增長及訂單積壓增加，我們的業務正在面臨元件供應短缺的限制，可能會阻礙我們在2021年的增長。

#### 大型顯示

我們預計以遊戲顯示屏為核心的P2P產品在2021年將會日益流行，增長潛力濃厚。主要的挑戰在於是否有足夠的晶圓支持生產整體大尺寸的DDI產品。我們將充分善用晶圓及後端產能，這不僅是為了滿足客戶的需求，同時是為了實現集團的長期業務目標。

#### 其他

自2020年以來，部份國家一直處於封鎖狀態，經濟活動縮減，但預計電子產品製造市場將在2021年回升。5G的推進及物聯網("IoT")技術的應用，將成為2021年市場復甦的兩大推動力。

中國經濟呈現復甦跡象，加上全面採用5G，這些利好形勢將會成為MD業務的支柱，預計其產品於2021年上半年的需求將保持強勁。當中，我們預計MIPI、TDDI和DDI產品將會銷情暢旺。雖然半導體短缺預計將持續至2021年第三季度，但我們的客戶已提前下單，以確保獲得我們產能的配合和支持。隨著產能提升，並在合作無間的廠商支援下，2021年MD業務將繼續增長，蓬勃發展。

技術趨勢瞬息萬變，為了與時並進，並將風險從單一的中國移動市場，分散至全球各地的不同市場，我們已針對智能可穿戴設備以及公共信息顯示應用，製作一系列新款驅動器產品和訂制IC的樣品，並按計劃在2020年年底進行測試。新的IC產品設計項目正沿著正確的軌道發展。依仗IoT崛起的趨勢，預計MD業務的這個新目標板塊將能夠自2021年下半年起為集團的銷售額作出貢獻。

# MANAGEMENT DISCUSSION AND ANALYSIS

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### OUR PEOPLE AND CORPORATE SOCIAL RESPONSIBILITY

#### 我們的員工及企業社會責任

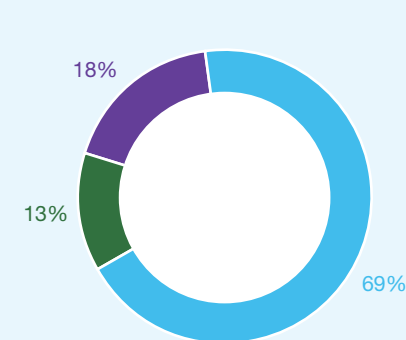
##### Employees

As of 31 December 2020, the Group had a total workforce of 341 employees<sup>1</sup>. Of the total workforce, around 34% were based in Hong Kong head office with the rest located in Mainland China, Japan, Korea, and Taiwan.

##### 員工

於2020年12月31日，本集團共有341名員工<sup>1</sup>。整體員工中約34%駐香港總辦事處，其餘員工分別駐中國大陸、日本、韓國及台灣。

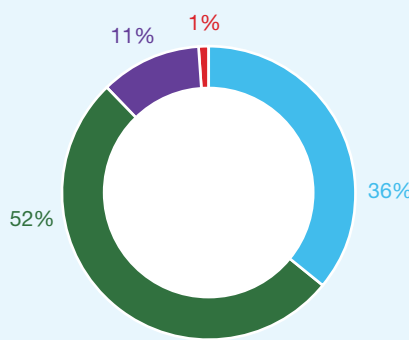
##### FUNCTION 職能



- Product Development (產品開發)
- Quality and Manufacturing (品質及製造)
- Others (其他)

- 278 engineering employees (278名工程師)
- 341 employees worldwide as at 31 December 2020 (於2020年12月31日，全球聘有共341名員工)

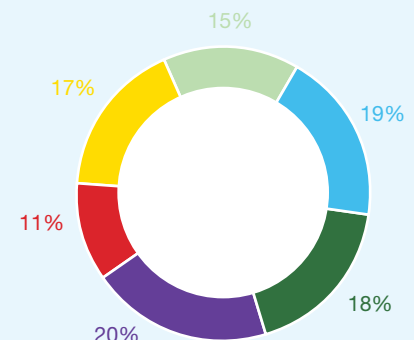
##### EDUCATION 教育程度



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

- 36% Master's Degree or above (36%持碩士或以上學位)
- 88% Bachelor's Degree or above (88%持學士或以上學位)

##### EXPERIENCE 經驗



- >20 years (>20年)
- 16-20 years (16-20年)
- 11-15 years (11-15年)
- 6-10 years (6-10年)
- 1-5 years (1-5年)
- <1 year (<1年)

- Employees with an average of about 14 years of working experience (員工平均擁有約14年工作經驗)

About 88% of the Group's employees hold a bachelor's degree or above, and around 36% 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 69% are engineers who specialize in product design and development. The entire team has, on average, around 14 years of working experience.

本集團約88%員工擁有學士學位或以上學歷，約36%持碩士學位或以上學歷。本集團著重產品研發的文化亦反映在員工組合之中，69%的員工為專注產品設計及開發的工程師。整體員工平均擁有約14年工作經驗。

The Group also had a testing center located in Mainland China, with a total workforce of 59 employees.

本集團另設有一間位於中國內地之測試中心，其共有59名員工。

Note<sup>1</sup>: Data excludes testing center in Mainland China  
註<sup>1</sup>: 數據不包括於中國內地之測試中心

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### OUR PEOPLE AND CORPORATE SOCIAL RESPONSIBILITY

#### 我們的員工及企業社會責任

#### Training & Development

At the Group, we strive to cultivate a culture of “Continuous Learning”, and to inspire, encourage and develop our staff. In 2020, the Group dedicated a total of over 3,690 man-hours<sup>2</sup> to training and development, covering technical and soft skill training. Apart from in-house training, the Group has also encouraged and sponsored employees to take external job-related courses.

#### Employee's Well-being

We put more resources in health, safety, and wellness of our employees as we care about their well-being. Apart from providing a safe working environment and health insurance covering medical, disability, accidental and life benefits to eligible employees. In 2020, the Group organized a range of activities for employees to help them strike a healthy work-life balance and promote team building. The Group also arranged leisure activities inviting our employees to participate together with their family members.

#### Remuneration and Awards

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 the Company. NPI First Order Awards were granted to project teams in appreciation of the order winning on our new products. The Group also offers cash reward schemes including KPI Incentive for recognizing the attainment of annual KPI on both the team and individual levels, and ES1 MP Award for new products which garner design wins for mass production with the first sample ready. Patent Awards are in place to encourage and reward technological innovation. The Group also offers long service awards to reward employees of long standing.

#### Corporate Social Responsibility

The Group has a strong sense of commitment to fulfilling its corporate social responsibility and ensures that it becomes part of the daily operations of the Group. The Group's Environmental, Social, Governance (“ESG”) working committee has monitored the Group's performance in the areas of employees, the marketplace, the environment and the community during 2020 for preparation of an ESG Report. The Group's ESG Report for 2020 will be published on the Company's website at [www.solomon-systech.com](http://www.solomon-systech.com).

#### 培訓及發展

本集團建立了「持續進修」的文化，並啟發、鼓勵和加強員工的發展。2020年，本集團投入共超過3,690小時<sup>2</sup>於培訓及發展，涵蓋技術及職能培訓。除內部培訓外，本集團亦讓員工報讀職外與職業相關的課程，並提供資助。

#### 員工福祉

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。除提供安全的工作環境及涵蓋醫療、傷殘、意外和人壽保障的健康保險外，亦幫助我們的員工取得健康的工作與生活平衡，促進團隊精神。於2020年，集團為員工安排了一系列活動，幫助員工實踐上述目標。同時亦安排了休閒活動，邀請員工與家人一同參與。

#### 酬金及獎勵

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，更令員工的利益與公司的利益連成一線。本集團頒發「NPI首張訂單獎」予項目團隊，以表彰我們新產品的訂單獲勝。本集團亦提供包括KPI獎勵計劃，以確認團隊及個人層面達到年度KPI，及於新產品首個樣本便成功得訂單達致批量生產的「ES1量產獎勵計劃」的現金獎勵計劃。「專利權獎」的設置為了鼓勵及獎賞員工創新不倦。本集團亦頒發長期服務獎以嘉許服務多年的員工。

#### 企業社會責任

本集團一直致力履行企業社會責任，並確保其成為日常營運的一部份。本集團的環境、社會和企業管治（「ESG」）工作委員會監察本集團於2020年在員工、市場、環境及社區等範疇的表現以準備ESG報告。本集團2020年的ESG報告將於本公司網站[www.solomon-systech.com](http://www.solomon-systech.com)公佈。

Note<sup>2</sup>: Data excludes testing center in Mainland China  
註<sup>2</sup>: 數據不包括於中國內地之測試中心

TECHNOLOGY HELPS BUILD BONDS

科技增進彼此默契



A young man with dark hair, wearing a grey zip-up hoodie over a white t-shirt, is riding a bicycle. He is looking towards the camera with a slight smile. He is wearing a black smartwatch on his left wrist, which displays the number '90.81'. The bicycle is white with black accents and has several stickers: 'STAR TRACK' on the handlebar, 'le velo' with a mustache logo on the handlebar, 'FIX' on the frame, and 'MAS' on the front fork. The background is dark and out of focus.

**TECHNOLOGY FUELS  
YOU WITH ENERGY**

**科技觸發動力**

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### 財務回顧

##### Results Overview

Year 2020 was a challenging year, with the COVID-19 pandemic adding to the headwind on the already challenging and uncertain global business environment. The unprecedentedly adverse global business environment had different impacts to our operation. Nevertheless, with the management's competency and the team's hardworking, we recorded an encouraging results of turnaround from a loss attributable to owners of the parent of US\$27.3 million for the year ended 31 December 2019 to a profit attributable to owners of the parent of US\$11.7 million for the year ended 31 December 2020. The turnaround from loss to a profit in the year 2020 was mainly attributable to (i) the increases in the average gross profit margin and the gross profit amount attributable to the change in its product type mix recorded in revenue; (ii) decrease in operating expenses as a result of the effective cost controls starting from the last quarter in 2019; and (iii) other income as a result from the disposal of certain non-current assets.

##### Sales and Gross Profits

The Group's total revenue reported at US\$121.3 million (2019: US\$108.3 million), representing a 12% increase as compared to the same period of the previous year. The overall book-to-bill ratio of the Group for the year ended 31 December 2020 was 1.4 (2019: 1.1).

Attributable to the change in product sales mix and the strong growth of the higher margin Advance Display products as a result of unexpected strong demand in healthcare devices, the gross margin amount for the year ended 31 December 2020 reported at US\$35.8 million (2019: 21.3 million), a jump of over 68.1%. And the gross margin ratio for the year ended 31 December 2020 recorded at 29.6% (2019: 19.7%), representing an improvement of 9.9 percentage points as compared with that in the year of 2019.

##### 業績回顧

2020年是充滿挑戰的一年，其中2019冠狀病毒病疫情使本已面對多項挑戰及不確定性的全球商業環境雪上加霜。全球商業環境在前所未有的不景氣狀況下，對我們的經營造成不同的影響。儘管如此，憑藉管理層的實力及團隊的努力，我們錄得令人鼓舞的業績，截至2019年12月31日止年度的本公司擁有人應佔虧損為27.3百萬美元，但截至2020年12月31日止年度則轉虧為盈，並錄得本公司擁有人應佔溢利11.7百萬美元。2020年能夠轉虧為盈主要是由於(i)銷售產品種類分類組合轉變帶動平均毛利率及毛利總額上升；(ii)自2019年最後一個季度起推行的成本控制措施有效，令營運開支減少；及(iii)出售若干非流動資產而帶來了其他收入。

##### 銷售額及毛利

本集團的總銷售額為121.3百萬美元(2019: 108.3百萬美元)，較去年同期增加12%。截至2020年12月31日止年度本集團整體訂單出貨比率為1.4(2019: 1.1)。

受惠於產品銷售種類的轉變，以及利潤率較高的先進顯示產品在醫療保健設備超出預期的強勁需求帶動下錄得強勁增長，截至2020年12月31日止年度的毛利金額跳升逾68.1%至35.8百萬美元(2019: 21.3百萬美元)。而截至2020年12月31日止年度的毛利率則為29.6%(2019: 19.7%)，較2019年上升9.9個百分點。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### 財務回顧

#### Costs and Expenses

As a result of the effective cost controls starting from last quarter in 2019 and the absence of certain material non-recurring retrenchment cost and impairment of intellectual properties and goodwill in 2019, the Group's total expenses (including product R&D costs, S&D expenses, administrative expenses and other expenses) for the year ended 31 December 2020 amounted to about US\$30.5 million (2019: US\$53.8 million), representing a significant drop of 43.3% as compared to the year 2019.

As affected by the COVID-19 pandemic and the uncertainty of the overall business environment, the progress of certain research and development projects were affected. Further to our effective cost controls on total expense in year 2020, during the year under review, the product R&D costs recorded at US\$16.9 million (2019: US\$24.7 million), representing a drop of US\$7.8 million and a decrease of 31.6%. The product R&D costs to sales ratio for the year ended 31 December 2020 reported at 13.9% (2019: 22.8%), a drop of 8.9 percentage points.

Followed to the high speed development of the semiconductor industry, we, as a technology company, are committed to have more investment in our product R&D and business development.

Administrative expense reported at US\$11.1 million (2019: US\$12.4 million), a decrease of US\$1.3 million, representing a drop of 10.5% as compared to that in 2019. The decrease was mainly attributable to certain effective cost controls measure as applied from last quarter in 2019.

Other expenses in year 2019 amounted to US\$13.5 million, mainly represented the non-recurring retrenchment cost and impairment of intellectual properties and goodwill as a result of business restructuring in that year. There was no material other expense during the year ended 31 December 2020.

#### Other Income and Gains – Net

During the year under review, other income recorded at US\$6.2 million (2019: US\$4.1 million), mainly representing (i) government subsidies for the product R&D projects and certain supports from the Anti-epidemic Fund for general operation of the Group in total of US\$3.6 million (2019: US\$3.9 million); (ii) licensing income of US\$1.6 million (2019: Nil) and (iii) the gain on disposal of certain non-current assets amounted to about US\$0.7 million (2019: loss of US\$0.02 million).

#### Profit/(loss) attributable to the owners of the parent

During the year under review, the Group reported a profit attributable to owners of the parent of US\$11.7 million, as compared to a loss attributable to owners of the parent for the year ended 31 December 2019 amounted to US\$27.3 million. The turnaround from loss to a profit in the year 2020 was mainly attributable to the improvement in revenue, gross profit margin and the operating expenses.

#### 成本及開支

由於自2019年最後一個季度起推行了有效的成本控制，且並無如2019年般錄得某些重大非經常性裁員成本及知識產權和商譽減損，故本集團截至2020年12月31日止年度的總開支（包括產品研發成本、銷售及分銷開支、行政開支及其他開支）約為30.5百萬美元（2019：53.8百萬美元），較2019年大幅下降43.3%。

受2019冠狀病毒病大流行及整體經營環境的不確定性影響，部分研發項目的進度受到影響。基於2020年我們對總開支進行了有效成本控制，於回顧年內，產品研發成本為16.9百萬美元（2019：24.7百萬美元），較去年下降7.8百萬美元，降幅為31.6%。截至2020年12月31日止年度，產品研發成本佔銷售額的13.9%（2019：22.8%），較去年下跌8.9個百分點。

隨著半導體行業的高速發展，作為一家科技公司，我們致力於在產品研發及業務發展方面加大投資。

行政開支為11.1百萬美元（2019：12.4百萬美元），較2019年減少1.3百萬美元，降幅為10.5%。減少主要是由於自2019年最後一個季度起推行了若干有效的成本控制措施所致。

2019年的其他支出為13.5百萬美元，主要為非經常性裁員成本及知識產權和商譽減損，其由該年度進行的業務重組所引致。截至2020年12月31日止年度並無錄得重大的其他支出。

#### 其他收入及收益－淨額

於回顧年內，其他收入為6.2百萬美元（2019：4.1百萬美元），主要為(i)政府對本集團產品研發項目的資助及防疫抗疫基金對一般營運的資助合共3.6百萬美元（2019：3.9百萬美元）；(ii)知識產權應用收入約1.6百萬美元（2019：無）及(iii)出售若干非流動資產的收益約0.7百萬美元（2019：虧損0.02百萬美元）。

#### 本公司擁有人應佔溢利／（虧損）

於回顧年內，本集團錄得本公司擁有人應佔溢利11.7百萬美元，對比截至2019年12月31日止年度則錄得本公司擁有人應佔虧損27.3百萬美元。2020年能夠轉虧為盈主要是由於銷售額、毛利率及營運開支均錄得改善所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### 財務回顧

#### Liquidity and Financial Resources

#### 流動資金及財務資源

		As at 31 December 於12月31日	
		2020	2019
		US\$'000	US\$'000
		千美元	千美元
Current assets	流動資產	86,787	67,967
Current liabilities	流動負債	30,680	24,837
Net current assets	流動資產淨值	56,107	43,130
Current ratio	流動比率	2.83	2.74

The Group's current ratio was 2.83 as at 31 December 2020 (31 December 2019: 2.74), reflecting a strong liquidity in its financial position. The position of working capital representing by net current assets was US\$56.1 million, which had no significant adverse change from the last corresponding period.

於2020年12月31日，本集團的流動比率為2.83（2019年12月31日：2.74），反映集團財務狀況具有強健的流動資金水平。流動資產淨值所代表的營運資金狀況為56.1百萬美元，與去年同期相比並無顯著不利變化。

#### Treasury Management

The Group has an internal treasury review team (the "Team") to execute treasury management policy, review the overall investment portfolio and monitor the performance on a regular basis to increase the yield of cash reserves. The Team conducts regular review meetings or teleconferences with individual external portfolio managers and holds internal review meetings to evaluate and monitor the investment performance.

#### 庫務管理

本集團設有內部庫務審閱小組（「小組」），負責執行庫務管理政策、審閱整體投資組合及定期監察投資表現以提升現金儲備的回報率。該小組定期與外聘之投資組合管理經理進行會面或電話會議及舉行內部審閱會議以檢討及監察投資表現。

Total cash and cash equivalents and bank deposits of the Group were US\$50.8 million as at 31 December 2020, an increment of US\$32.7 million, compared to US\$18.1 million as at 31 December 2019. Cash and cash equivalents and bank deposits of the Group were mainly denominated in US dollars and Renminbi.

於2020年12月31日，本集團的現金及現金等價物和銀行存款總計為50.8百萬美元，而於2019年12月31日則為18.1百萬美元，增加32.7百萬美元。現金及現金等價物和銀行存款主要以美元及人民幣結算。

As at 31 December 2020, the Group had no major borrowing other than the revolving bank credit lines of a Korean subsidiary for working capital financing amounting to US\$0.2 million denominated in Korean Won.

於2020年12月31日，除了韓國附屬公司從銀行取得循環信貸金額為0.2百萬美元（以韓圓結算），作營運資金融資外，本集團並無任何主要借貸。

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 had not used any derivative instruments to hedge against foreign currency exposure in operation as the Board considered this exposure to be insignificant.

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。於回顧年內，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。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### 財務回顧

#### Capital Expenditure and Contingent Liabilities

During the year of 2020, capital expenditure of the Group was US\$1.1 million (2019: US\$0.3 million).

As at 31 December 2020, capital expenditure contracted for but not yet incurred was approximately US\$1 million (2019: US\$0.2 million).

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

#### Significant Investments held

During the year under review, there was no significant investments held by the Group.

#### Future Plans for Material Investments and Capital Assets

As at 31 December 2020, the Group did not have any future plans for material investments and capital assets.

#### Acquisition and Disposal of Material Subsidiaries and Associates

The Group did not acquire or dispose of any material subsidiaries and associates during the year under review.

#### Charge of Assets

As at 31 December 2020, the Group did not have any charge on its assets.

### HUMAN RESOURCES

As of 31 December 2020, the Group had a total workforce of 341 employees\*. About 34% of the workforce were based at the Hong Kong headquarters, with the rest located in Mainland China, Japan, Korea and Taiwan. The Group also has a testing center located in Mainland China, with a workforce of 59 employees.

\* Data excludes the testing center in Mainland China

#### 資本開支及或然負債

於2020年，本集團的資本開支為1.1百萬美元（2019：0.3百萬美元）。

於2020年12月31日，本集團已商定合約但未動用之資本開支約為1百萬美元（2019：0.2百萬美元）。

除前述之外，本集團概無其他重大資本承擔或或然負債。

#### 持有重大投資

於回顧年度，本集團並無持有重大投資。

#### 重大投資及資本資產之未來計劃

於2020年12月31日，本集團並無任何未來重大投資及資本資產計劃。

#### 收購及出售重大附屬公司及聯營公司

於回顧年內，本集團並無收購或出售任何重大附屬公司及聯營公司。

#### 資產抵押

於2020年12月31日，本集團並無任何資產抵押。

#### 人力資源

於2020年12月31日，本集團共有341名員工\*。整體員工中約34%駐香港總辦事處，其餘員工分別駐中國內地、日本、韓國及台灣。本集團另有一位於中國內地之測試中心，其共有59名員工。

\* 數據不包括位於中國內地測試中心

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## 董事會及高級管理層

### Chairman

#### Mr. MA Yuchuan, aged 56

- Chairman of the Board: since May 2019
- Non-executive Director
- Appointed to the Board: 2018
- Member of the Nomination Committee and Investment Committee
- Chairman of Nomination Committee: since December 2020

#### Skills and experience:

- Graduated from Zhejiang University with a bachelor's degree in semiconductor physics and devices
- Extensive experience in semiconductor industry

#### Current appointments include:

- Director of Shanghai Belling Co., Ltd. (a company listed on the Shanghai Stock Exchange)
- Director of Shanghai Anlogic Infotech Ltd. and APS (Shanghai) Ltd.
- Vice general manager of Huada

#### Former appointments include:

- Held various positions in CEC: division chief of project division of business management department, division chief of integrated circuit & components division of corporate development department, vice general manager of integrated circuit business group and deputy general manager of planning, science & technology department
- Director of China Electronics Huada Technology Company Limited (HKSE: 0085), Hua Hong Semiconductor Limited (HKSE: 1347), CEC Huahong International Co. Ltd., Shanghai Huahong (Group) Co., Ltd., Nanjing Micro One Electronics Inc. and Chengdu Sino Microelectronics Technology Co., Ltd.

### 主席

#### 馬玉川先生，56歲

- 董事會主席：自2019年5月起
- 非執行董事
- 獲委任為董事：2018年
- 提名委員會及投資委員會委員
- 提名委員會主席：自2020年12月起

#### 才能及經驗：

- 畢業於浙江大學，獲半導體物理及器件學士學位
- 具有豐富半導體行業經驗

#### 現任職位包括：

- 上海貝嶺股份有限公司(上海證券交易所上市公司)董事
- 上海安路信息科技有限公司及飛鋁半導體(上海)有限公司董事
- 華大副總經理

#### 曾任職位包括：

- 於中國電子擔任多項不同職務：業務管理部項目處處長、企業發展部集成電路及元器件處處長、集成電路事業組副主任及規劃科技部副主任
- 中國電子華大科技有限公司(香港股份代號：0085)、華虹半導體有限公司(香港股份編號：1347)、中電華虹國際有限公司、上海華虹(集團)有限公司、南京微盟電子有限公司及成都華微電子科技有限公司董事

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## 董事會及高級管理層

### Executive Directors

#### Mr. WANG Wah Chi, Raymond, aged 54

- CEO: since January 2020
- Acting CEO: 2019
- Executive Director: 2019
- Chairman of the Investment Committee
- Authorized Representative of the Company pursuant to Rule 3.05 of the Listing Rules
- Director of a number of subsidiaries of the Group

Saved as disclosed in this Annual Report, Mr. Wang Wah Chi, Raymond 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:

- Graduated from the City University of Hong Kong with a bachelor's degree in electronic engineering
- Received a master of business administration degree from the Victoria University of Wellington and a master of arts degree from the Chinese University of Hong Kong
- A chartered engineer with over 30 years' experience in the semiconductor industry

#### Former appointments include:

- Corporate VP and Head of Advanced Display Business
- Held senior management position in Motorola Inc and worked in Hong Kong, the United States of America and Canada
- Asia Pacific Head of RFWaves Ltd. in Israel

### 執行董事

#### 王華志先生，54歲

- 行政總裁：自2020年1月起
- 署理行政總裁：2019年
- 執行董事：2019年
- 投資委員會委員主席
- 依據上市規則第3.05條本公司所委任之授權代表
- 本集團多家附屬公司的董事

除本年報所披露外，王華志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：

- 畢業於香港城市大學，持有電子工程學士學位
- 獲紐西蘭威靈頓維多利亞大學頒發工商管理碩士學位及香港中文大學頒發文學碩士學位
- 特許工程師，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：

- 集團副總裁及先進顯示事業中心主管
- 於摩托羅拉擔任高級管理職務，並於香港、美國及加拿大工作
- 於以色列出任RFWaves Ltd.亞太區主管

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## 董事會及高級管理層

### Non-executive Directors

#### Dr. LI Jun, aged 45

- 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:

- General manager, department of planning, science & technology of CEC
- Non-executive director of TPV Technology Limited (HKSE: 0903) and China Greatwall Technology Group Co., Ltd. (SSE: 000066)

#### 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. YU Jian, aged 44

- Non-executive Director
- Appointed to the Board: 2019
- Member of the Audit Committee and Remuneration Committee

#### Skills and experience:

- Graduated from East China Normal University with a master's degree in economy and is a certified public accountant
- Extensive experience in semiconductor industry

#### Current appointments include:

- Executive director of China Electronics Huada Technology Company Limited (HKSE: 0085)
- Supervisor of Shanghai Belling Co., Limited
- Chief financial officer of Huada Semiconductors Co. Limited

#### Former appointments include:

- Financial department manager and chief financial officer assistant of Shanghai Citic-Jiading Industrial Co., Limited
- Financial department manager and general manager assistant of Shanghai Datang Mobile Communications Equipment Co., Limited
- Chief financial officer and vice president of Shanghai Pudong Software Park Co., Limited

### 非執行董事

#### 李峻博士，45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主任
- 冠捷科技有限公司（香港股份編號：0903）及中國長城科技集團股份有限公司（上海證券股份代碼：000066）的非執行董事

#### 曾任職位包括：

- 賽迪顧問股份有限公司（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

#### 虞儉先生，44歲

- 非執行董事
- 獲委任為董事：2019
- 審核委員會及薪酬委員會委員

#### 才能及經驗：

- 畢業於華東師範大學，擁有經濟學碩士學位，是一名註冊會計師
- 具有豐富半導體行業經驗

#### 現任職位包括：

- 中國電子華大科技有限公司（香港股份編號：0085）執行董事
- 上海貝嶺股份有限公司監事
- 華大半導體有限公司的首席財務官

#### 曾任職位包括：

- 國嘉實業股份有限公司財務部經理及首席財務官助理
- 上海大唐移動通信設備有限公司財務部經理及總經理助理
- 上海浦東軟件園股份有限公司首席財務官以及副總裁

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## 董事會及高級管理層

### Non-executive Directors (continued)

#### Mr. LO Wai Ming, aged 58

- Non-executive Director
- Appointed as executive director: 2016
- Redesignated as non-executive director: since September 2020

Saved as disclosed in this Annual Report, Mr. Lo 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:

- Member of the Hong Kong Institute of Engineers
- Holds a master of science degree in electronic engineering from The Hong Kong Polytechnic University, and a master of science degree in energy and environmental sustainability from The Open University of Hong Kong
- With over 30 years of working experience in the electronics industry in managing global business operations including product engineering, product applications, business and market development

#### Former appointments include:

- Corporate VP and Head of Mobile Touch/Mobile Display/Large Display Business of the Group
- Head of Nanjing Technology Center of the Group
- Director of Kitronix Limited and director of a number of subsidiaries of the Group
- Executive Director of the Company from 2004 to 2010
- Founding employee and Business Operations Director
- Operations manager of Motorola Semiconductors Hong Kong Limited

### Independent Non-executive Directors

#### Mr. LEUNG Heung Ying, aged 57

- Independent Non-executive Director
- Appointed to the Board: 2014
- Chairman of the Audit Committee
- Member of the Remuneration Committee, Nomination Committee and Investment 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:

- Member of the Listing Review Committee of Stock Exchange (appointed in July 2020)
- Managing director and founder of Proton Capital Limited
- Member of the Public Affairs Forum of the HKSAR Government
- Committee member of the Political Consultative Committee of Wu Hua County of Guangdong Province

### 非執行董事(續)

#### 盧偉明先生，58歲

- 非執行董事
- 獲委任為執行董事：2016年
- 調任為非執行董事：自2020年9月起

除本年報所披露外，盧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：

- 香港工程師學會會員
- 於香港理工大學取得電子工程碩士學位並於香港公開大學取得科學能源和環境可持續發展碩士學位
- 在電子行業擁有超過30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

#### 曾任職位包括：

- 本集團之集團副總裁及移動觸控／移動顯示／大型顯示業務主管
- 本集團南京科技中心主管
- 本集團聯營公司奇創力有限公司的董事以及本集團多家附屬公司的董事
- 於2004至2010年期間任本公司執行董事
- 始創員工及業務營運總監
- 萬力半導體香港有限公司營運經理

### 獨立非執行董事

#### 梁享英先生，57歲

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

#### 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：

- 於2020年7月獲委任為聯交所上市覆核委員會成員
- 普頓資本有限公司董事總經理及創辦人
- 香港特別行政區政府公共事務論壇成員
- 廣東省五華縣政協委員

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## 董事會及高級管理層

### Independent Non-executive Directors (continued)

#### Mr. LEUNG Heung Ying, aged 57 (continued)

##### Former appointments include:

- Member to the Listing Committee of Stock Exchange (2010-2016)
- 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, age 51

- Independent Non-executive Director
- Appointed to the Board: 2014
- Chairman of the Remuneration Committee
- Member of the Nomination Committee
- Member of the Audit Committee: since December 2020

Save as disclosed in this Annual Report, 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.

##### Skills and experience:

- Received a bachelor's degree in business/managerial economics from the University of California, San Diego
- With over 18 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

#### Dr. CHAN Philip Ching Ho, age 71

- Independent Non-executive Director
- Appointed to the Board: since December 2020
- Member of the Remuneration Committee, Nomination Committee, Audit Committee and Investment Committee

Save as disclosed in this Annual Report, Dr. Chan 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.

### 獨立非執行董事(續)

#### 梁享英先生，57歲(續)

##### 曾任職位包括：

- 聯交所上市委員會成員(2010-2016)
- 和協海峽金融集團有限公司(香港股份編號：0033)執行董事
- 科瑞控股有限公司(香港股份編號：8109)獨立非執行董事
- 香港會計師公會企業融資委員會、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成員

#### 許維夫先生，51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
- 獲委任為審核委員會委員：自2020年12月起

除本年報所披露外，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。

##### 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18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

#### 陳正豪博士，71歲

- 獨立非執行董事
- 獲委任為董事：自2020年12月起
- 薪酬委員會、提名委員會、審核委員會及投資委員會委員

除本年報所披露外，陳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。

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## 董事會及高級管理層

### Independent Non-executive Directors (continued)

**Dr. CHAN Philip Ching Ho, age 71 (continued)**

**Skills and experience:**

- Received his bachelor of science in electrical engineer from the University of California, Davis
- Received his master of science in electrical engineering and doctor in electrical engineering both from the University of Illinois, Urbana-Champaign
- Taught at the University of Illinois, Urbana-Champaign for 3 years
- Senior position for development and design of integrated circuits in Intel Corporation for over 10 years

**Current appointments include:**

- Founder and director of Apt Electronics Co., Ltd.
- Member of the Committee on Innovation, Technology and Re-industrialisation

**Former appointments include:**

- Professor and the head of at the Department of Electronic and Computer Engineering, the director of Nanoelectronics Fabrication Facility of the Hong Kong University of Science and Technology (“HKUST”)
- Dean of the School of Engineering of HKUST and a chair professor over the years
- Deputy President and Provost, a chair professor of Electronic & Information Engineering (EIE) department of The Hong Kong Polytechnic University (“HKPU”) and a council member of HKPU until his retirement from HKPU in March 2020
- Director of Hong Kong Applied Science and Technology Research Institute Company Limited and the chairman of its technology committee, a director of Hong Kong Cyberport Management Company Limited, and a member of the Vocational Training Council.

### Founder and Chairman Emeritus

**Dr. LEUNG Kwong Wai, JP**, aged 64, is the Founder and Chairman Emeritus of the Group.

### Company Secretary

**Mr. CHEUNG Chi Wah, Patrick**, aged 50, Finance Director. Mr. Cheung joined Solomon Systech Limited in 2020. He is currently acting as the Company Secretary and the Authorized Representative of the Company pursuant to Rule 3.05 of the Listing Rules and is also a director of various wholly-owned subsidiaries of the Group. Mr. Cheung has extensive experiences in auditing, accounting, financing and company secretarial work. Prior to joining the Company, Mr. Cheung served as chief financial officer and/or company secretary in certain listed companies in Hong Kong.

### 獨立非執行董事 (續)

**陳正豪博士，71歲 (續)**

**才能及經驗：**

- 於美國加州大學戴維斯分校取得電機工程理學士學位
- 於美國伊利諾大學阿巴那香檳分校取得電機工程理學碩士及哲學博士學位
- 曾在伊利諾大學阿巴那香檳分校任教3年
- 在英特爾公司擔任集成電路開發和設計的高級職位逾10年

**現任職位包括：**

- 廣東晶科電子股份控股公司的創辦人及董事
- 創新、科技及再工業化委員會成員

**曾任職位包括：**

- 曾任香港科技大學 (「科大」) 電子及計算機工程學系教授及系主任、科大微電子學製造實驗室主任
- 科大工學院院長，以及擔任講座教授多年
- 擔任香港理工大學 (「理大」) 常務及學務副校長、電子及資訊工程學系講座教授及理大校董會成員，直至彼於2020年3月從理大榮休為止
- 曾任香港應用科技研究院有限公司之董事及其科技委員會主席、香港數碼港管理有限公司董事及職業訓練局成員

### 永久榮譽主席

**梁廣偉博士，太平紳士，64歲**，本集團永久榮譽主席。

### 公司秘書

**張志華先生，50歲**，為集團財務總監。張先生於2020年加入晶門科技有限公司。他目前兼任本公司的公司秘書職務及為依據上市規則第3.05條本公司所委任之授權代表，亦為多家集團全資附屬公司的董事。張先生在審計、會計、財務和公司秘書方面擁有豐富的經驗。在加入本公司之前，張先生曾任多家香港上市公司首席財務官及／或公司秘書。

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

## 董事會及高級管理層

### Senior Management

#### Mr. WANG Wah Chi, Raymond

(please refer to Executive Director on page 25)

**Mr. WU Lok Man, Bernard**, aged 44, Business Operations Director. Mr. Wu joined Solomon Systech Limited in 2002. Prior to joining, he has been working in Motorola Semiconductor Hong Kong Limited. He has over 20 years of experience in semiconductor industry, specializing in display, touch and high-speed interface product development. Mr. Wu holds a Master of Engineering degree in Engineering Science from the University of Oxford, England.

#### Mr. CHEUNG Chi Wah, Patrick

(please refer to Company Secretary on this section)

**Dr. WU Wenchi**, aged 52, Vice President, Design Engineering. Dr. Wu joined Solomon Systech Limited in 2017. Prior to joining the company, Dr Wu was assistant general manager of Socle Technology Corporation. Dr. Wu holds a doctorate degree in electrical engineering from the National Central University in Taiwan.

**Ms. LO Oi Yee, Mabel**, aged 56, Human Resources Director. Ms. Lo joined Solomon Systech Limited in 2000 as Human Resources Manager.

**Mr. WONG Ka Kei**, aged 55, Planning & Customer Services Director. Mr. Wong joined Solomon Systech Limited in 2005 as Business Process Solutions Manager.

**Mr. PANG Tat Kwong**, age 56, Quality & Manufacturing Director. Mr. Pang joined Solomon Systech Limited in 2019.

### 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 2020 Interim Report are as follows:

- Mr. Ma Yuchuan ceased to be a director of Nanjing Micro One Electronics Inc. and was appointed as director of Shanghai Anlogic Infotech Ltd. and APS (Shanghai) Ltd in 2020.
- Mr. Ma Yuchuan was appointed as Chairman of the Nomination Committee in December 2020.
- Mr. Lo Wai Ming was redesignated as non-executive director in September 2020.
- Mr. Leung Heung Ying was appointed as Member of the Listing Review Committee of Stock Exchange in July 2020.
- Mr. Sheu Wei Fu was appointed as Member of the Audit Committee in December 2020.

### 高級管理人員

#### 王華志先生

(請參閱第25頁執行董事一節)

胡樂民先生，44歲，業務運營總監。胡先生於2002年加入晶門科技有限公司。在加入晶門科技之前，他曾服務於萬力半導體香港有限公司。他在半導體行業擁有20多年的經驗，專門從事顯示，觸控和高速接口產品的開發。胡先生持有英國牛津大學的工程科學碩士學位。

#### 張志華先生

(請參閱本章節公司秘書一節)

吳文琦博士，52歲，副總裁 – 設計工程。吳博士於2017年加入晶門科技有限公司。加入公司前，吳博士為虹晶科技股份有限公司協理。吳博士擁有台灣國立中央大學電機工程博士學位。

盧愛兒女士，56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，55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。

彭達光先生，56歲，品質及製造總監。彭先生於2019年加入晶門科技有限公司。

### 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2020年中期報告日期後之本公司董事資料的變更如下：

- 馬玉川先生於2020年停任南京微盟電子有限公司董事及獲委任為上海安路信息科技有限公司及飛錒半導體(上海)有限公司董事。
- 馬玉川先生於2020年12月獲委任為提名委員會主席。
- 盧偉明先生於2020年9月被調任為非執行董事。
- 梁享英先生於2020年7月獲委任為聯交所上市覆核委員會成員。
- 許維夫先生於2020年12月獲委任為審核委員會委員。



### Corporate governance practices

The Board 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 2020. 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 ended 31 December 2020. Regarding the shares held by the Directors, the details are listed in the "Report of the Directors" from pages 52 to 63 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 2020.

### 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達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2020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，本公司不斷優化該等常規，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等於截至2020年12月31日止年度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52至63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2020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

## 企業管治報告

### 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。

### Board Composition

As at the date of this Annual Report, the Board comprises one Executive Directors, four 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 24 to 30 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，董事會計有一名執行董事，四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24至30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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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
Mr. Ma Yuchuan 馬玉川先生	Non-executive Director/Chairman 非執行董事/主席	14 March 2018 2018年3月14日	20 May 2020 2020年5月20日			C	√
Dr. Li Jun 李峻博士	Non-executive Director 非執行董事	8 October 2014 2014年8月10日	20 May 2020 2020年5月20日				√
Mr. Yu Jian 虞儉先生	Non-executive Director 非執行董事	6 June 2019 2019年6月6日	20 May 2020 2020年5月20日	√	√		
Mr. Lo Wai Ming 盧偉明先生	Non-executive Director 非執行董事	7 June 2016 2016年6月7日	5 June 2019 2019年6月5日				
Mr. Wang Wah Chi, Raymond 王華志先生	Executive Director/CEO 執行董事/行政總裁	20 March 2019 2019年3月20日	5 June 2019 2019年6月5日				C
Mr. Leung Heung Ying 梁享英先生	Independent Non-executive Director 獨立非執行董事	8 October 2014 2014年8月10日	20 May 2020 2020年5月20日	C	√	√	√
Mr. Sheu Wei Fu 許維夫先生	Independent Non-executive Director 獨立非執行董事	8 October 2014 2014年8月10日	5 June 2019 2019年6月5日	√	C	√	
Dr. Chan Philip Ching Ho 陳正豪博士	Independent Non-executive Director 獨立非執行董事	10 December 2020 2020年12月10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

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。

### 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.

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.

### 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。

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管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

## 企業管治報告

### 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:

		Annual General Meeting 股東週年大會	Extraordinary General Meeting 股東特別大會	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	1	10	3	2	4	0 <sup>(vi)</sup>
<b>Members of the Board</b>	<b>董事會成員</b>	<b>Number of meetings attended/Eligible to attend in 2020</b> 出席會議次數/2020年符合資格出席會議						
<b>Non-executive Directors</b>	<b>非執行董事</b>							
Mr. Ma Yuchuan (Chairman) <sup>(i)</sup>	馬玉川先生(主席) <sup>(i)</sup>	1/1	0/1	10/10			4/4	0/0
Dr. Li Jun	李峻博士	0/1	0/1	3/10				0/0
Mr. Yu Jian	虞儉先生	0/1	0/1	4/10	2/3	2/2		
Mr. Lo Wai Ming <sup>(ii)</sup>	盧偉明先生 <sup>(ii)</sup>	1/1	1/1	9/10				
<b>Executive Director</b>	<b>執行董事</b>							
Mr. Wang Wah Chi, Raymond (CEO)	王華志先生(行政總裁)	1/1	1/1	10/10			1/4	0/0
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>							
Mr. Leung Heung Ying	梁享英先生	1/1	1/1	10/10	3/3	2/2	4/4	0/0
Mr. Sheu Wei Fu <sup>(iii)</sup>	許維夫先生 <sup>(iii)</sup>	1/1	1/1	10/10	1/3	2/2	4/4	
Mr. Yiu Tin Chong, Joseph <sup>(iv)</sup>	姚天從先生 <sup>(iv)</sup>	1/1	1/1	9/10	2/3	2/2	4/4	0/0
Dr. Chan Philip Ching Ho <sup>(v)</sup>	陳正豪博士 <sup>(v)</sup>	1/1	0/1	2/10	1/3	0/2	0/4	0/0

- (i) Appointed as chairman of Nomination Committee on 10 December 2020  
(ii) Redesignated as non-executive director on 4 September 2020  
(iii) Appointed as member of Audit Committee on 10 December 2020  
(iv) Resigned as Director on 10 December 2020 due to his retirement and his business arrangements  
(v) Appointed as Director on 10 December 2020  
(vi) No investment committee meeting held during the year under review as no proper business plan and strategies were sound to propose to the Board.

### 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	Extraordinary General Meeting 股東特別大會	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	1	10	3	2	4	0 <sup>(vi)</sup>
<b>Members of the Board</b>	<b>董事會成員</b>	<b>Number of meetings attended/Eligible to attend in 2020</b> 出席會議次數/2020年符合資格出席會議						
<b>Non-executive Directors</b>	<b>非執行董事</b>							
Mr. Ma Yuchuan (Chairman) <sup>(i)</sup>	馬玉川先生(主席) <sup>(i)</sup>	1/1	0/1	10/10			4/4	0/0
Dr. Li Jun	李峻博士	0/1	0/1	3/10				0/0
Mr. Yu Jian	虞儉先生	0/1	0/1	4/10	2/3	2/2		
Mr. Lo Wai Ming <sup>(ii)</sup>	盧偉明先生 <sup>(ii)</sup>	1/1	1/1	9/10				
<b>Executive Director</b>	<b>執行董事</b>							
Mr. Wang Wah Chi, Raymond (CEO)	王華志先生(行政總裁)	1/1	1/1	10/10			1/4	0/0
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>							
Mr. Leung Heung Ying	梁享英先生	1/1	1/1	10/10	3/3	2/2	4/4	0/0
Mr. Sheu Wei Fu <sup>(iii)</sup>	許維夫先生 <sup>(iii)</sup>	1/1	1/1	10/10	1/3	2/2	4/4	
Mr. Yiu Tin Chong, Joseph <sup>(iv)</sup>	姚天從先生 <sup>(iv)</sup>	1/1	1/1	9/10	2/3	2/2	4/4	0/0
Dr. Chan Philip Ching Ho <sup>(v)</sup>	陳正豪博士 <sup>(v)</sup>	1/1	0/1	2/10	1/3	0/2	0/4	0/0

- (i) 於2020年12月10日獲委任為提名委員會主席  
(ii) 於2020年9月4日調任為非執行董事  
(iii) 於2020年12月10日獲委任為審核委員會委員  
(iv) 因退休及其他業務安排於2020年12月10日辭任董事  
(v) 於2020年12月10日獲委任為董事  
(vi) 由於並無合適之商業計劃及策略建議提交予董事會，於回顧年度，並無召開投資委員會會議。

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 2020 AGM and available to answer questions from shareholders of the Company except Dr. Li Jun and Mr. Yu Jian who was busy at a business trip.

### 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. 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.

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(除了李峻博士及虞儉先生因公務出差外)，均已出席2020股東週年大會並回答本公司股東之問題。

### 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、職能及責任給予各董事。所有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。

# CORPORATE GOVERNANCE REPORT

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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 2020, Mr. Ma Yuchuan, Mr. Wang Wah Chi, Raymond, Dr. Li Jun, Mr. Yu Jian, Mr. Lo Wai Ming, Mr. Leung Heung Ying, Mr. Sheu Wei Fu, Mr. Yiu Tin Chong, Joseph and Dr. Chan Philip Ching Ho attended the seminars or read materials on the 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 2020 indicating their compliance to the Code Provision A.6.5.

### Chairman and Chief Executive Officer

The roles and responsibilities of the Non-executive Chairman, Mr. Ma Yuchuan, and the CEO, Mr. Wang Wah Chi, Raymond are segregated as stipulated in the Listing Rules, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Non-executive Chairman, Mr. Ma Yuchuan, is responsible for ensuring that all Directors act in the best interest of shareholders. Acting independently from the Company, 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.

Mr. Wang Wah Chi, Raymond, as 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 meetings, as well as the quarterly employees' communication meeting.

### 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.

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2020年，馬玉川先生、王華志先生、李俊博士、盧儉先生、盧偉明先生、梁享英先生、許維夫先生、姚天從先生及陳正豪博士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2020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。

### 主席及行政總裁

非執行主席馬玉川先生及行政總裁王華志之職責及職權，根據上市規則的規定已作區分，以確保權力均衡，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。

非執行主席馬玉川先生的職責是確保全體董事均以股東的最佳利益行事。獨立於本公司，他對股東負全責，在所有高層次或策略決定上，向董事會及本集團提供建議。具體而言，他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。

行政總裁王華志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。

### 董事的委任、重選及罷免

於本公司的每次股東週年大會上，三分之一當時的董事，或倘其人數並非三或三的倍數，則最接近的人數不少於三分之一，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。

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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.

### 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.

During the year 2020, the Board had a total of three Independent Non-executive Directors and they represented more than one-third of the Board, which is a sufficient number to meet the minimum requirements under Rule 3.10(1) and Rule 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 2021 with each of the Non-executive Directors and Independent Non-executive Directors.

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。

### 非執行董事

非執行董事為本集團帶來各方面的技術、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2020年度內，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超過三分之一，已有足夠人數，符合上市規則第3.10(1)條及第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2021年6月30日。

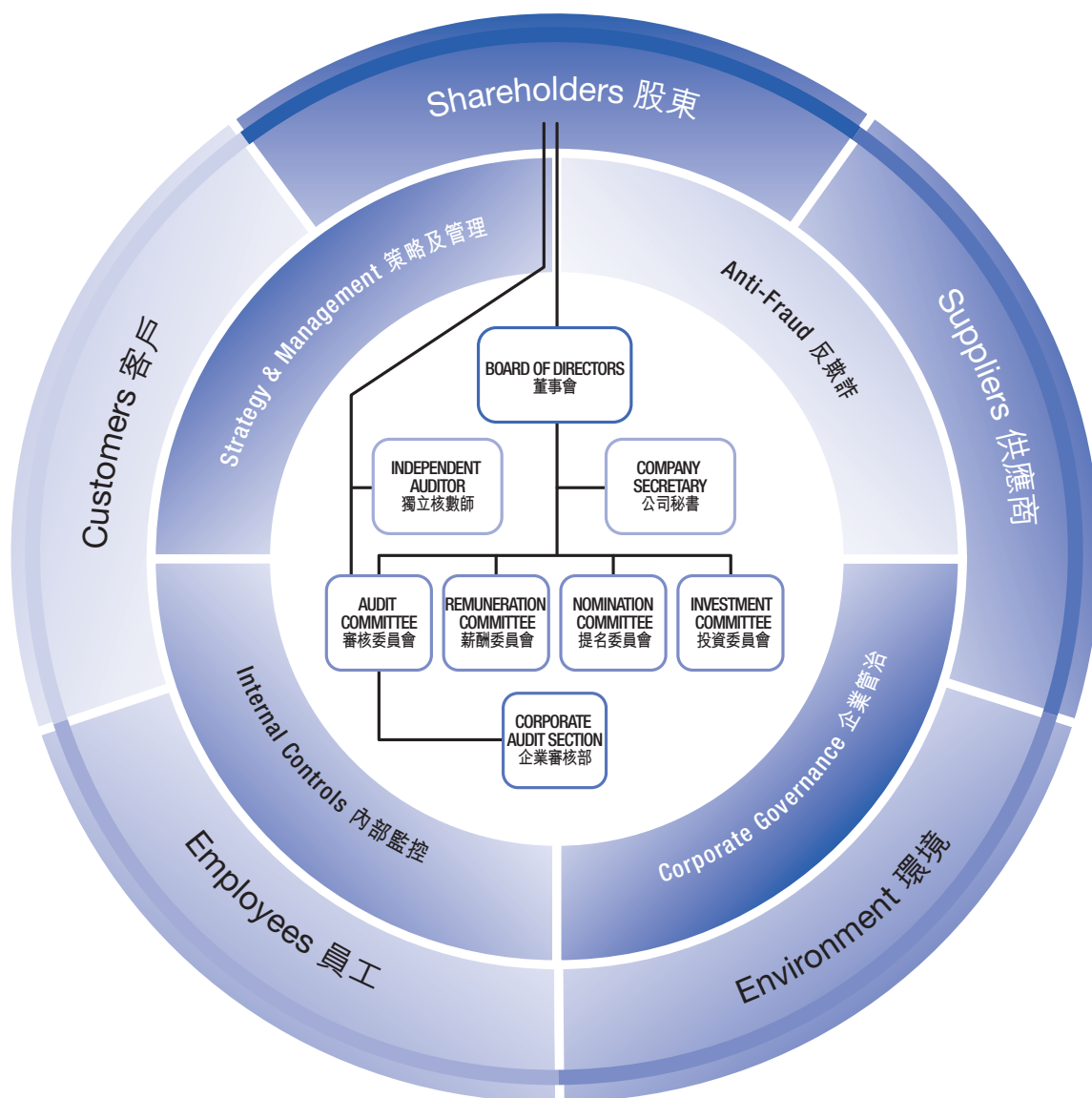


# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Corporate Governance Structure

### 企業管治架構



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### 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.

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

### 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。

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

### Remuneration Committee (continued)

In 2020, 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 notes 10 and 34(b) of the Notes to the Consolidated Financial Statements section.

The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2020 is set out below:

Remuneration bands 酬金範圍		Number of persons 人數
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	4
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	3
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至5,000,000港元	1

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 9 and 10 to the consolidated financial statements.

### Nomination Committee

The Nomination Committee comprises 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 ("Mr. Yiu"), will identify qualified candidates to fill the Board membership whenever such vacancy arises. After the resignation of Mr. Yiu, Mr. Ma Yuchuan was appointed as the Chairman of Nomination Committee on 10 December 2020. 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 change 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

### 薪酬委員會(續)

於2020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及34(b)內。

截至2020年12月31日止年度按範圍劃分本集團之高級管理層成員的酬金載列如下：

根據上市規則附錄十六須予披露的有關董事酬金及五名最高薪酬僱員的進一步詳情載於綜合財務報表附註9及10。

### 提名委員會

提名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，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(「姚先生」)領導，會物色合資格候選人出任董事，以填補空缺。隨著姚先生於2020年12月10日辭任董事，馬玉川先生獲委任為提名委員會之主席。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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Nomination Committee (continued)

- 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

During the year under review, the Nomination Committee have reviewed information of certain candidates, and in consideration of the extensive educational background, working experience, extensive knowledge of our industry, good governmental relationship and board contacts, the Nomination Committee have recommended Dr. Chan Philip Ching Ho as the independent non-executive Director to replace the retirement of Mr, Yiu Tin Chong, Joseph and such appointment have then been approved by the Board.

In 2020, 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 (續)

- 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

於回顧年度，提名委員會已審閱若干候選人的資料，並考慮到廣泛的教育背景，工作經驗，對本行業的豐富了解，良好的政府關係以及與廣泛的人脈，提名委員會推薦了陳正豪博士出任獨立非執行董事，以接替退休的姚天從先生，該委任已獲得董事會的批准。

於2020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 one Executive Directors, two Non-executive Directors and two Independent Non-executive Directors. It shall meet at the request of any member of the Committee and its meetings will be facilitated by the Finance Director, who will also participate in the discussion.

The Investment Committee, currently chaired by Mr. Wang Wah Chi, Raymond, will evaluate and approve any strategic investment of US\$2 million or less. 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

The Investment Committee has reviewed and monitored the performance of existing investments projects and as no proper business plan and strategies were sound to propose to the Board, no investment committee meeting held during the year under review.

### 投資委員會

投資委員會的委員包括一名執行董事、兩名非執行董事及兩名獨立非執行董事。委員會須於任何委員會委員提出要求時召開會議，會議由財務總監作出安排並會參與討論。

投資委員會現時由王華志先生擔任主席，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呈呈以待董事會通過。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

投資委員會已審閱及監察現有的投資項目，由於沒有合適之商業計劃及策略建議提交予董事會，故於回顧年度，並無召開投資委員會會議。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Audit Committee

Further to the appointment of Mr. Shen Wei Fu (an existing Independent non-executive Director) to the Audit Committee in December 2020, the Audit Committee comprises three Independent Non-executive Directors and one Non-executive Director and is chaired by Mr. Leung Heung Ying ("Mr. Leung"). 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
- 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

### 審核委員會

隨著本公司現時之一位獨立非執行董事許維夫先生於2020年12月獲委任為審核委員會委員，審核委員會的委員有三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（「梁先生」）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
- 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

### Audit Committee (continued)

- 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

The Audit Committee held three meetings during the year ended 31 December 2020 to review and discuss the financial results and reports, financial reporting and compliance procedures, internal control system and risk management review and process, to evaluate the effectiveness of internal audit function by reviewing the work performed by Corporate Audit Section and to re-appoint of the independent auditor of the Group.

### 審核委員會(續)

- 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

審核委員會於截止2020年12月31日止年度曾舉行三次會議,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、審閱內審部的工作以評估內部審計職能的有效性和續聘本集團的獨立核數師。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Audit Committee (continued)

As the Audit Committee is also responsible for corporate governance duties, the Committee performed the following duties during the year ended 31 December 2020:

- To note the amendments to Corporate Governance Code under Appendix 14 of the Listing Rules from time to time in particular in the area of risk management, and to review the Group's policies and practices on corporate governance to ensure compliance
- 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 review and monitor the Code of Conduct 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 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.

### Auditor's Remuneration

The Group's independent auditor is Ernst & Young. Ernst & Young 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, Ernst & Young was also engaged to perform a review on the condensed consolidated interim financial information of the Group for the six months ended 30 June 2020 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 (including tax advisory service) provided by them for the year ended 31 December 2020 are US\$129,000 (2019: US\$129,000) and US\$105,000 (2019: US\$65,800) respectively.

### 審核委員會 (續)

由於審核委員會亦負責企業管治之職務，截至2020年12月31日止年度，該委員會履行如下的職務：

- 依據上市規則附錄14公司管治守則中的守則條文不時進行修正，特別是關於風險管理範疇，檢討本集團的企業管治政策及常規符合要求
- 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
- 檢討及監察員工及董事的行為守則
- 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

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。

### 核數師酬金

本集團之獨立核數師乃安永會計師事務所。安永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，安永亦獲聘為審閱本集團截至2020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2020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(包括稅務顧問服務)之費用分別為129,000美元(2019: 129,000美元)及105,000美元(2019: 65,800美元)。



### Company Secretary

The Company Secretary is responsible for advising the Board through the Chairman on governance matters and should also facilitate induction and continuous training of Directors. In 2020, 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.

### Shareholders' Rights and Investor Relations

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 174 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.

### 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.

### 公司秘書

公司秘書負責通過董事會主席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2020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。

### 股東權利及投資者關係

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174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。

### 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。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Shareholders Communication (continued)

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 2020, 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 Section of the Group which handles enquiries from shareholders and investors generally.

To the best of the Company's knowledge, as at 31 December 2020, Huada/CEC held about 28.5% of the Company's shares, the Board held roughly 2.0%, and the remaining approximately 69.5%, 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 174 to 176 of this Annual Report.

### Dividend Policy

The Company has adopted a dividend policy (the "Dividend Policy") in January 2019, pursuant to which the Company may declare and distribute dividends to the Shareholders, to provide stable and sustainable returns to the Shareholders.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's operations and earnings, the general financial condition of the Group, the cash requirements and availability and any other factors that the Board thinks appropriate from time to time.

The Company's ability to pay dividends is also subject to the requirements of the Listing Rules, all relevant applicable laws, rules and regulations in Cayman Islands.

### 股東通訊(續)

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2020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)本公司企業傳訊部處理股東及投資者之一般查詢。

據本公司所知，截至2020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2.0%本公司的股份，餘下約69.5%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174至176頁。

### 股息政策

本公司已於2019年1月採納股息政策(「股息政策」)，根據該政策，本公司可向股東宣派及分派股息，以為股東提供穩定和可持續的回報。

支付任何股息的建議取決於董事會的絕對酌情權，任何宣派末期股息須待股東批准後方可作實。在提議派發股息時，董事會還應特別考慮本集團的運營和收益，本集團的總體財務狀況，現金需求和可動用性以及董事會不時認為適當的任何其他因素。

本公司支付股息的能力亦須遵守上市規則、開曼群島所有適用法律，規則和規定的規定。

### 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 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 Group implemented the 'Three Lines of Defence' model as a way of explaining the relationship between functions and as a guide to how responsibilities of risk management should be divided:

- Under the first line of defence, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks;
- The second line of defence consists of activities covered by components of internal governance (compliance, financial controller, quality, IT and other control departments). This line of defence monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information up and down the organization; and
- Internal audit forms the Group's third line of defence. The Corporate Audit Section, through a risk-based approach to its work, provides reasonable assurance to the Group's board of directors and senior management.

The Group takes proactive measures to identify, evaluate and manage significant risks arising from its recurrent and growth businesses and from the constantly changing business environment. The Group uses risk management matrix to determine risk level. Each risk is evaluated by the likelihood of the identified risk and the consequence of the risk event. The risk ratings reflect the required management attention and risk treatment effort. All risks are ranked and their treatment is determined by a combination of likelihood and consequence according to a risk matrix, which takes account of risk appetite. Operation units and management held regular meetings to review the progress of risk treatment actions and the effectiveness of the risk management.

### 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致目標，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。

本集團實施「三層防線」模式，作為解釋各職能之間關係的一種方式，並作為風險管理責任如何分工的指南：

- 在第一道防線下，經營管理層有直接評估，控制和減輕風險的所有權，責任和問責制；
- 第二道防線由內部治理的部門活動組成（合規，財務控制，質量，IT和其他控制部門）。這層防線監測和促進經營管理層實施有效的風險管理，並協助風險所有者在組織內部充分報告風險的相關信息；及
- 內部審計是本集團的第三道防線。內審部通過基於風險的方法開展工作，為本集團的董事會和高級管理層提供合理保證。

本集團採取積極措施、識別、評估和管理其經常性和增長業務以及不斷變化的業務環境所帶來的重大風險。本集團使用風險管理矩陣以確定風險水平。每個風險由所識別的風險的可能性和風險事件的後果來評估。風險評級反映了所需的管理層關注和風險應對所需的努力。所有風險都進行排名，並會考慮風險偏好，根據可能性和後果的組合確定風險應對方式。業務單位和管理層定期召開會議以審查風險應對措施的進度以及風險管理的有效性。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Risk Management and Internal Control (continued)

The board oversees the Group's risk management and internal control systems on an ongoing basis.

The Board reviewed and assessed the effectiveness of the risk management and internal control systems for the year ended 31 December 2020, including financial, operational and compliance controls, and risk management functions, by considering:

- (a) the changes in the nature and extent of significant risks, and the Group's ability to respond to changes in its business and the external environment;
- (b) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and the work of its internal audit function and independent auditor;
- (c) the extent and frequency of communication of monitoring results to the board which enables it to assess control of the Group and the effectiveness of risk management;
- (d) significant control failings or weaknesses that have been identified during the period (if any). Also, the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Group's financial performance or condition;
- (e) the effectiveness of the Group's processes for financial reporting and Listing Rule compliance;
- (f) The adequacy of resources, staff qualifications and experience, training program and budget of the Groups' accounting, internal audit and financial reporting functions; and
- (g) The proper handling and dissemination of inside information.

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 improve the Group's overall risk management approach and strategy. They continuously monitors 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.

In 2020, the management reviewed the existing risk management and internal control systems and certain modification of the system have be implemented during the year under review. 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(續)

董事會持續監督集團的風險管理和內部控制系統。

截至2020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，包括財務，運營和合規控制以及風險管理職能，考慮如下：

- (a) 重大風險的性質及嚴重程度的轉變、以及本集團應付其業務轉變及外在環境轉變的能力；
- (b) 管理層持續監察風險及內部監控系統的工作範疇及素質，及內部審核和獨立審計師的工作；
- (c) 向董事會傳達監控結果的詳盡程度及次數，此有助董事會評核本集團的監控情況及風險管理的有效程度；
- (d) 期內發生的重大監控失誤或發現的重大監控弱項(若有)，以及因此導致未能預見的後果或緊急情況的嚴重程度，而該等後果或情況對本集團的財務表現或情況已產生、可能已產生或將來可能會產生的重大影響；
- (e) 本集團有關財務報告及遵守《上市規則》規定的程序是否有效；
- (f) 集團之會計、內部審計和財務報告的資源，工作人員資格和經驗，培訓方案和預算是否充足；及
- (g) 妥善處理和傳播內幕消息。

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。

於2020年，管理層已檢討現有的風險管理及內部監控系統，若干進一步優化該系統的措施已於年內實施。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。

### Risk Management and Internal Control (continued)

The Group has an independent Corporate Audit Section, reporting directly to the Audit Committee. The Corporate Audit Section provides an independent assessment of the effectiveness of the Group's risk management and internal control systems in accordance with the Code, and 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. The Corporate Audit Section monitors the follow up actions agreed upon in response to its recommendations.

The Corporate Audit Section updates CEO about the internal audit working progress on a regular basis. The Audit Committee reviews the work performed by Corporate Audit Section and summary of major findings and control weaknesses, if any, at least twice every year to ensure the effectiveness of internal audit function, risk management and internal control system.

The Group has 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 2020, 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 confirmed a review of the effectiveness of the risk management and internal control systems has been conducted and considered that the risk management and internal control systems of the Group in 2020 are effective and adequate and the Company had complied with the Code Provisions.

The Board acknowledged the responsibility to review the effectiveness of risk management and internal controls systems of the Group. However, investors and shareholders are reminded that the systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

### Constitutional Documents

There was no change in the constitutional document of the Company during the year ended 31 December 2020.

### 風險管理及內部監控(續)

本集團已設立獨立的內審部，直接向審核委員會報告。內審部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，並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製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。內審部亦會對落實執行之建議作出監督。

內審部定期向行政總裁更新內審工作進度。審核委員會至少每年兩次，審閱內審部的工作並就主要之查核結果及監控弱點(如有)作出檢討以確定內部審計職能、風險管理及內部控制系統的有效性。

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2020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。

董事會確認已對風險管理和內部控制系統的有效性進行了審查並認為在2020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。

董事會確認有責任檢討本集團的風險管理及內部監控制度的有效性。然而，投資者和股東必須注意該等系統旨在管理而非消除未能達成業務目標的風險，而且只能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。

### 章程文件

於截至2020年12月31日止年度，本公司的章程文件概無變動。

# 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 2020.

### 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 18 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 statement of profit or loss on page 72.

The Board has proposed a final dividend of 0.80 HK cent (approximately 0.10 US cent) for the year ended 31 December 2020 payable on or around Friday, 25 June 2021 to the Shareholders whose names are on the register of members of the Company on Friday, 11 June 2021.

### Donations

Charitable and other donations made by the Group during the year amounted to US\$4,000 (2019: Nil).

### Share capital

Details of the movements in the Company's share capital during the year are set out in note 24 to the consolidated financial statements.

### Distributable reserves

Distributable reserves of the Company as at 31 December 2020, comprising share premium reserve of US\$109,114,000 that is subject to the regulation of Section 34 of the Cayman Islands Companies Law and the Articles of Association of the Company, the accumulated losses of US\$103,862,000, totaling US\$5,252,000 net are available for distribution to the Company's shareholders.

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

Details of the share options granted in prior years and current year are set out in note 25 of the consolidated financial statements and "The Share Option Scheme" section contained in this Report of the Directors. All the share options granted during the year are with vesting conditions, there was no share issued for the year ended 31 December 2020 in respect of share options granted in 2020.

董事謹提呈本公司及其附屬公司截至2020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18。

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72頁。

董事會建議截至2020年12月31日止年度派發末期股息為每股0.80港仙(約0.10美仙)，股息將於2021年6月25日(星期五)或前後向於2021年6月11日(星期五)名列在本公司股東名冊之股東派付。

### 捐獻

本集團於年內作出的慈善及其他捐獻為4,000美元(2019:零)。

### 股本

本公司於本年度之股本變動詳情載於綜合財務報表附註24內。

### 可分派儲備

本公司於2020年12月31日的可分派儲備，包括股份溢價儲備109,114,000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)，累計虧損103,862,000美元合共5,252,000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

過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25及本董事會報告「購股權計劃」一節內。所有本年度授出的購股權均具歸屬條款，對於在2020年年度授出的購股權，並無於截至2020年12月31日止就此發行任何普通股。

### 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 169.

### 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 2020.

### 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).

### The Share Option Scheme

The Company adopted a share option scheme (the "2013 Share Option Scheme") at the annual general meeting held on 28 May 2013. Details can be referred to note 25(a) to the consolidated financial statements on pages 154 to 158 of this Annual Report.

### Valuation of share options

The Company uses Binomial 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 25(a) to the consolidated financial statements. The details of the share options granted to the respective parties during 2020 and 2019 are as follows:

		2020		2019	
		Number (in thousand units) 數量 (以千位計)	Value 價值 千美元	Number (in thousand units) 數量 (以千位計)	Value 價值 千美元
Leung Heung Ying	梁享英	800	5	800	4
Sheu Wei Fu	許維夫	800	5	800	4
Wang Wah Chi, Raymond	王華志	2,000	11	2,000	15
Subtotal for Directors	董事小計	3,600	21	3,600	23
Ex-director	前董事	800	5	800	4
Senior management	高級管理層	3,000	23	100	1
<b>Total</b>	<b>總計</b>	<b>7,400</b>	<b>49</b>	<b>4,500</b>	<b>28</b>

### 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169頁。

### 購買、出售或贖回本公司上市股份

截至2020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購股權計劃」），詳情可參考本年報第154至158頁的綜合財務報表附註25(a)。

### 購股權價值

本公司採用二項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25(a)。於2020及2019年內授予相關人士的購股權詳情如下：

# REPORT OF THE DIRECTORS

## 董事會報告

Details of the share options outstanding as at 31 December 2020 under the 2013 Share Option Scheme are as follows:

於2020年12月31日關於2013購股權計劃授出之購股權的詳情如下：

Name of Directors 董事名稱	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	Vesting period 歸屬期	Exercise period 行使期
	Held on 1 January 2020 於2020年1月1日持有	Grant during the year 年內已授出	Exercised during the year 年內已行使	Lapsed/forfeited during the year 年內已註銷/放棄	Held on 31 December 2020 於2020年12月31日持有				
<b>Independent Non-executive Directors</b> 獨立非執行董事 Leung Heung Ying 梁享英	800	-	-	(800)	-	0.370	9 October 2017 2017年10月9日	9 October 2017 to 6 June 2018 2017年10月9日至2018年6月6日	2 October 2018 to 30 September 2020 2018年10月2日至2020年9月30日
	800	-	-	-	800	0.254	9 October 2018 2018年10月9日	9 October 2018 to 5 June 2019 2018年10月9日至2019年6月5日	2 October 2019 to 30 September 2021 2019年10月2日至2021年9月30日
	800	-	-	-	800	0.159	30 December 2019 2019年12月30日	30 December 2019 to 20 May 2020 2019年12月30日至2020年5月20日	2 October 2020 to 30 September 2022 2020年10月2日至2022年9月30日
	-	800	-	-	800	0.201	30 October 2020 2020年10月30日	30 October 2020 to 30 June 2021 or the 2021 annual general meeting date, whichever is earlier 2020年10月30日至2021年6月30日或2021年股東週年大會當日，以較早者為準	1 November 2021 to 31 October 2023 2021年11月1日至2023年10月31日
	2,400	800	-	(800)	2,400				
Sheu Wei Fu 許維夫	800	-	-	(800)	-	0.370	9 October 2017 2017年10月9日	9 October 2017 to 6 June 2018 2017年10月9日至2018年6月6日	2 October 2018 to 30 September 2020 2018年10月2日至2020年9月30日
	800	-	-	-	800	0.254	9 October 2018 2018年10月9日	9 October 2018 to 5 June 2019 2018年10月9日至2019年6月5日	2 October 2019 to 30 September 2021 2019年10月2日至2021年9月30日
	800	-	-	-	800	0.159	30 December 2019 2019年12月30日	30 December 2019 to 20 May 2020 2019年12月30日至2020年5月20日	2 October 2020 to 30 September 2022 2020年10月2日至2022年9月30日
	-	800	-	-	800	0.201	30 October 2020 2020年10月30日	30 October 2020 to 30 June 2021 or the 2021 annual general meeting date, whichever is earlier 2020年10月30日至2021年6月30日或2021年股東週年大會當日，以較早者為準	1 November 2021 to 31 October 2023 2021年11月1日至2023年10月31日
	2,400	800	-	(800)	2,400				
<b>Subtotal</b> 小計	4,800	1,600	-	(1,600)	4,800				
<b>Executive Directors</b> 執行董事 Wang Wah Chi, Raymond 王華志	1,260	-	-	(1,260)	-	0.305	30 September 2016 2016年9月30日	30 September 2016 to 30 March 2018 2016年9月30日至2018年3月30日	2 April 2018 to 31 March 2020 2018年4月2日至2020年3月31日
	3,000	-	-	-	3,000	0.305	30 September 2016 2016年9月30日	30 September 2016 to 29 March 2019 2016年9月30日至2019年3月29日	1 April 2019 to 31 March 2021 2019年4月1日至2021年3月31日
	2,000	-	-	-	2,000	0.248	9 May 2019 2019年5月9日	9 May 2019 to 14 December 2019 2019年5月9日至2019年12月14日	2 January 2020 to 31 December 2021 2020年1月2日至2021年12月31日
	-	2,000	-	-	2,000	0.201	30 October 2020 2020年10月30日	30 October 2020 to 2020年10月30日	1 November 2020 to 31 October 2022 2020年11月1日至2022年10月31日
<b>Subtotal</b> 小計	6,260	2,000	-	(1,260)	7,000				



# REPORT OF THE DIRECTORS

## 董事會報告

Name of Directors 董事名稱	Number of share options (in thousand units) 購股權數目 (以千位計)				Held on 31 December 2020 於2020年 12月31日持有	Exercise price HK\$ 行使價 港元	Grant date 授出日期	Vesting period 歸屬期	Exercise period 行使期
	Held on 1 January 2020 於2020年 1月1日持有	Grant during the year 年內 已授出	Exercised during the year 年內 已行使	Lapsed/ forfeited during the year 年內 已註銷/放棄					
Ex-directors 前董事	1,000	-	-	(1,000)	-	0.369	11 January 2016 2016年1月11日	11 January 2016 to 31 March 2018 2016年1月11日至 2018年3月31日	2 April 2018 to 31 March 2020 2018年4月2日至 2020年3月31日
	1,000	-	-	(1,000)	-	0.369	11 January 2016 2016年1月11日	11 January 2016 to 31 December 2018 2016年1月11日至 2018年12月31日	2 January 2019 to 31 December 2020 2019年1月2日至 2020年12月31日
	800	-	-	(800)	-	0.370	9 October 2017 2017年10月9日	9 October 2017 to 6 June 2018 2017年10月9日至 2018年6月6日	2 October 2018 to 30 September 2020 2018年10月2日至 2020年9月30日
	800	-	-	-	800	0.254	9 October 2018 2018年10月9日	9 October 2018 to 5 June 2019 2018年10月9日至 2019年6月5日	2 October 2019 to 30 September 2021 2019年10月2日至 2021年9月30日
	800	-	(800)	-	-	0.159	30 December 2019 2019年12月30日	30 December 2019 to 20 May 2020 2019年12月30日至 2020年5月20日	2 October 2020 to 30 September 2022 2020年10月2日至 2022年9月30日
	-	800	-	(800)	-	0.201	30 October 2020 2020年10月30日	30 October 2020 to 30 June 2021 or the 2021 annual general meeting date, whichever is earlier 2020年10月30日至 2021年6月30日或 2021年股東週年大會 當日，以較早者為準	1 November 2021 to 31 October 2023 2021年11月1日至 2023年10月31日
Subtotal 小計	4,400	800	(800)	(3,600)	800				
Senior management & others 高級管理層及其他	50	-	-	-	50	0.159	30 December 2019 2019年12月30日	30 December 2019 to 29 December 2020 2019年12月30日至 2020年12月29日	2 January 2021 to 31 December 2022 2021年1月2日至 2022年12月31日
	50	-	-	-	50	0.159	30 December 2019 2019年12月30日	30 December 2019 to 29 December 2021 2019年12月30日至 2021年12月29日	2 January 2022 to 31 December 2023 2022年1月2日至 2023年12月31日
	-	1,000	-	-	1,000	0.2454	17 July 2020 2020年7月17日	17 July 2020 to 16 July 2021 2020年7月17日至 2021年7月16日	19 July 2021 to 18 July 2023 2021年7月19日至 2023年7月18日
	-	1,000	-	-	1,000	0.2454	17 July 2020 2020年7月17日	17 July 2020 to 16 July 2022 2020年7月17日至 2022年7月16日	19 July 2022 to 18 July 2024 2022年7月19日至 2024年7月18日
	-	500	-	-	500	0.201	30 October 2020 2020年10月30日	30 October 2020 to 29 October 2021 2020年10月30日至 2021年10月29日	1 November 2021 to 31 October 2023 2021年11月1日至 2023年10月31日
	-	500	-	-	500	0.201	30 October 2020 2020年10月30日	30 October 2020 to 29 October 2022 2020年10月30日至 2022年10月29日	1 November 2022 to 31 October 2024 2022年11月1日至 2024年10月31日
Subtotal 小計	100	3,000	-	-	3,100				
Total 總計	15,560	7,400	(800)	(6,460)	15,700				

# REPORT OF THE DIRECTORS

## 董事會報告

### The Group's environmental policies and performance

Other than financial performance, the Group believes that a high standard of corporate social responsibility is essential for building up a good corporate and social relationship and motivating staff and creating a sustainable return to the Group. We are committed to contributing to the sustainability of the environment and community in which we conduct business and where our stakeholders live. The Group's Environmental, Social and Governance Report for 2020 will be published on the Company's website at [www.solomon-systech.com](http://www.solomon-systech.com).

### Relationships with employees

People are the Group's most valuable asset. The Group believes in communicating with staff and giving them training and career development opportunities. It also recognizes good performance. It provides a variety of activities for staff to help them achieve work-life balance. Remuneration packages are generally structured with reference to prevailing market terms and individual's qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors.

Apart from salary payments, there are other staff benefits including mandatory provident fund, medical insurance and performance related bonus. Share options may also be granted to eligible employees of the Group.

### Directors

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

#### Independent Non-executive Directors

Mr. Leung Heung Ying  
Mr. Sheu Wei Fu  
Dr. Chan Philip Ching Ho (appointed on 10 December 2020)  
Mr. Yiu Tin Chong, Joseph (resigned on 10 December 2020)

#### Non-executive Directors

Mr. Ma Yuchuan  
Dr. Li Jun  
Mr. Yu Jian  
Mr. Lo Wai Ming (redesignated from executive Director to Non-executive Director on 4 September 2020)

#### Executive Director

Mr. Wang Wah Chi, Raymond

### 本集團的環境政策及表現

除財務表現外，本集團相信高標準之企業社會責任對建立良好企業及社會關係及激勵員工及為本集團創造可持續之回報均至為重要。本公司致力於為本公司業務經營及本公司權益人所在地區的環境及社群之可持續發展作出貢獻。本集團2020年的環境、社會及管治報告將於本公司網站[www.solomon-systech.com](http://www.solomon-systech.com)公佈。

### 與僱員之關係

本集團視員工為最寶貴的資產，著重與員工的溝通，為員工提供培訓及發展的機會，並表揚出色的員工。本集團亦提供各種活動供員工參與，讓他們可以在工作和生活中取得平衡。薪酬待遇一般參考現行市場條款及個人資歷制定。薪金及工資通常會每年根據表現評估及其他相關因素檢討。

除薪金外，本集團另設有其他員工福利，包括強積金、醫療保險及與表現掛鉤之花紅。本集團亦可能會向合資格僱員授出購股權。

### 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

梁享英先生  
許維夫先生  
陳正豪博士（於2020年12月10日獲委任）  
姚天從先生（於2020年12月10日辭任）

#### 非執行董事

馬玉川先生  
李峻博士  
虞儉先生  
盧偉明先生（於2020年9月4日由執行董事調任為非執行董事）

#### 執行董事

王華志先生

In accordance with Article 112 of the Company's Articles of Association, Mr. Sheu Wei Fu and Mr. Lo Wai Ming will retire by rotation at the forthcoming annual general meeting, Mr. Sheu Wei Fu being eligible, offer himself for re-election. Mr. Lo Wai Ming will retire and will not offer himself for re-election.

Dr. Chan was appointed as Independent Non-executive Director of the Company on 10 December 2020 and have entered into a service contract with the Company with effect from 10 December 2020 until 30 June 2021. In accordance with Article 95 of the Company's Articles of Association, Dr. Chan appointed as an addition to the Board effective from 10 December 2020, shall hold office until the forthcoming annual general meeting and being eligible, offer himself for re-election.

Messrs. Leung Heung Ying and Sheu Wei Fu are Independent Non-executive Directors of the Company and their service contracts were renewed in 2020 for a term expiring on 30 June 2021.

### 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.

### 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 24 to 30 of this Annual Report.

根據本公司的組織章程細則第112條，本公司之董事許維夫先生及盧偉明先生於即將舉行的股東週年大會上輪席退任，許維夫先生並符合資格及願意膺選連任，盧偉明先生將不膺選連任。

陳博士於2020年12月10日獲委任為本公司非執行董事並與本公司訂立服務合約，有效期由2020年12月10日至2021年6月30日，根據本公司的組織章程細則第95條，本公司董事會於2020年12月10日新委任之董事陳博士任期至即將舉行的股東週年大會止，惟符合資格並願意膺選連任。

梁享英先生及許維夫先生為本公司獨立非執行董事，他們已於2020年續簽訂其服務合約，任期至2021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。

### 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24至30頁。

# REPORT OF THE DIRECTORS

## 董事會報告

### Directors' interests

As at 31 December 2020, 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:

	Position 權益狀況	Ordinary shares in the Company as at 31 December 2020 於2020年12月31日本公司普通股			% of the issued share capital of the Company 佔本公司已 發行股本百分比	
		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>					
Mr. Leung Heung Ying	梁享英先生	Long 權益	-	2,400,000	2,400,000	0.10%
Mr. Sheu Wei Fu	許維夫先生	Long 權益	-	2,400,000	2,400,000	0.10%
Dr. Chan Philip Ching Ho	陳正豪博士	Long 權益	-	-	-	-
<b>Non-executive Directors</b>	<b>非執行董事</b>					
Dr. Li Jun	李峻博士	Long 權益	-	-	-	-
Mr. Ma Yuchuan (Chairman)	馬玉川先生 (主席)	Long 權益	-	-	-	-
Mr. Yu Jian	虞儉先生	Long 權益	-	-	-	-
Mr. Lo Wai Ming	盧偉明先生	Long 權益	33,572,179	-	33,572,179	1.35%
<b>Executive Director</b>	<b>執行董事</b>					
Mr. Wang Wah Chi, Raymond (CEO)	王華志先生 (行政總裁)	Long 權益	600,000	7,000,000	7,600,000	0.31%

Notes:

(i) Share options granted under the 2013 Share Option Scheme with more details on pages 53 to 55.

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.

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 hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

### 董事權益

於2020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：

	Position 權益狀況	Ordinary shares in the Company as at 31 December 2020 於2020年12月31日本公司普通股			% of the issued share capital of the Company 佔本公司已 發行股本百分比	
		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>					
Mr. Leung Heung Ying	梁享英先生	Long 權益	-	2,400,000	2,400,000	0.10%
Mr. Sheu Wei Fu	許維夫先生	Long 權益	-	2,400,000	2,400,000	0.10%
Dr. Chan Philip Ching Ho	陳正豪博士	Long 權益	-	-	-	-
<b>Non-executive Directors</b>	<b>非執行董事</b>					
Dr. Li Jun	李峻博士	Long 權益	-	-	-	-
Mr. Ma Yuchuan (Chairman)	馬玉川先生 (主席)	Long 權益	-	-	-	-
Mr. Yu Jian	虞儉先生	Long 權益	-	-	-	-
Mr. Lo Wai Ming	盧偉明先生	Long 權益	33,572,179	-	33,572,179	1.35%
<b>Executive Director</b>	<b>執行董事</b>					
Mr. Wang Wah Chi, Raymond (CEO)	王華志先生 (行政總裁)	Long 權益	600,000	7,000,000	7,600,000	0.31%

附註：

(i) 該等購股權為根據2013購股權計劃(詳情見第53到55頁)授出之購股權。

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。

除上文所披露外，於年內任何時間，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)持有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。

# REPORT OF THE DIRECTORS

## 董事會報告

### 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 2020, 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.

### 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2020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。

Name of shareholder 股東名稱	Capacity 身份	Position 權益狀況	Ordinary shares in the Company as at 31 December 2020 於2020年12月31日本公司普通股		Total 總計	% of the issued share capital of the Company 佔本公司已發行 股本百分比
			Number of shares held 所持股份數目	Number of share options held 所持購股權數目		
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	-	706,066,000	28.46%
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	-	706,066,000	28.46%

#### Note:

(i) 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：

(i) 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。

Saved as disclosed above, as at 31 December 2020, 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.

除上文所披露者外，於2020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。

# REPORT OF THE DIRECTORS

## 董事會報告

### 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	20%
– five largest suppliers combined	– 五大供應商合計	64%
Sales	銷售	
– the largest customer	– 最大客戶	16%
– five largest customers combined	– 五大客戶合計	53%

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.

### Discloseable transactions

Except as disclosed under the following heading "Related parties and connected transactions", the Company did not conduct any transaction which constituted a discloseable transaction under the Listing Rules during the year.

### 管理合約

年內概無簽訂或現存有關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份比如下：

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。

### 須予披露交易

除下文「關聯方及關連交易」所披露外，本公司於年內概無進行構成上市規則項下須予披露之交易。

### Related parties and connected transactions

During the year ended 31 December 2020, 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 parties transactions are disclosed in note 34 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

Beijing Huada Empyrean Software Co., Ltd. (“HES”), an indirect subsidiary of CEC – in connection with the renewal of the grant of the License to the Group pursuant to the license renewal agreements signed on 22 October 2019 for a two years’ term from 30 October 2019 to 29 October 2021.

#### 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 2018 to 2020 as approved by the shareholders at the Extraordinary General Meeting held on 29 December 2017 (“Sales to Panda-LCD”).
- (b) Panda-FPD, an associate of CEC – the sales of products by the Group to Panda-FPD, a continuing connected transactions for years 2018 to 2020 as approved by the shareholders at the Annual General Meeting held on 29 December 2017 (“Sales to Panda-FPD”).
- (c) On 17 July 2018, the Group entered into an agreement with CEACI under which CEACI would purchase IC and driver products from the Group for the years 2018 to 2020 as approved by the shareholders at the Extraordinary General Meeting held on 29 August 2018 (“Sales to CEACI”).

### 關聯方及關連交易

截至2020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34。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

北京華大九天軟件有限公司（「華大九天」），乃CEC的間接附屬公司－有關本集團依據於2019年10月22日簽訂之軟件銷售合同獲授予的軟件使用權續期，由2019年10月30日至2021年10月29日為期兩年。

#### 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2018年至2020年間，並於2017年12月29日之股東特別大會上獲股東批准（「銷售予熊貓液晶顯示」）。
- (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2018年至2020年間之持續關連交易，並於2017年12月29日之股東週年大會上獲股東批准（「銷售予熊貓平板顯示」）。
- (c) 於2018年7月17日，本集團與CEACI訂立協議，據此CEACI將於2018年至2020年間向本集團採購IC及驅動器產品，並於2018年8月29日之股東特別大會上獲股東批准（「銷售予CEACI」）。

# REPORT OF THE DIRECTORS

## 董事會報告

The actual transaction amounts for the year ended 31 December 2020 in respect of each of the above three continuing connected transactions were as below:

上述三項持續關連交易於截至2020年12月31日止年度的實際交易金額如下：

Nature of Transactions	交易性質	Annual Caps for the year ended 31 December 2020 截至2020年 12月31日止 年度的年度 上限金額 US\$'000 千美元	Actual transaction amounts for the year ended 31 December 2020 截至2020年 12月31日止 年度的實際 交易金額 US\$'000 千美元
(a) Sales to Panda-LCD	(a) 銷售予熊貓液晶顯示	20,000	-
(b) Sales to Panda-FPD	(b) 銷售予熊貓平板顯示	15,000	-
(c) Sales to CEACI	(c) 銷售予CEACI	30,000	19,364

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; and (d) within the annual cap.

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；以及(d)於年度上限之下。

The Independent Non-executive Directors of the Company, together with the Group's Corporate Audit Section and Audit Committee, have conducted annual reviews of the continuing connected transactions of the Group for the year ended 31 December 2020, were satisfied that the Group's continuing connected transactions during 2020 have complied with the Listing Rules requirement in all respects.

本公司獨立非執行董事已經聯同集團的企業審核部和審核委員會對截至2020年12月31日止年度的持續關連交易作年度審閱，滿意本集團在2020年度內的持續關連交易於各方面均符合上市規則的要求。

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 (Revised) "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 2020 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.

根據香港會計師公會發佈的香港鑒證業務準則3000號(經修訂)「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2020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。



### 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 2021.

### Compliance with the Corporate Governance Code

For the year ended 31 December 2020, the Company has complied with all the applicable Code Provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules ("Appendix 14"). To maintain high standards of corporate governance, the Company has adopted the recommended best practices in Appendix 14 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 the Model Code contained 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 2020.

### Compliance with laws and regulations

To the best knowledge of the Directors, for the year ended 31 December 2020, the Group has complied, in all material respects, with the relevant laws and regulations that have significant impact on the operations of the Group.

### Business review and outlook

The business review and outlook disclosure of the Group for the year as required by Schedule 5 to the new Companies Ordinance are set out on pages 11 to 23 of this Annual Report. The business review forms part of this Report of the Directors.

### Independent auditor

The consolidated financial statements for the year ended 31 December 2020 have been audited by Ernst & Young who retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

### 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2021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。

### 遵守企業管治守則

截至2020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（「附錄14」）中所有適用的守則條文。為維持高水平的企業管治標準，公司已採納附錄14中適當的建議最佳常規守則。

### 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所載之上市發行人董事進行證券交易的標準守則規定之標準同樣嚴格。本公司已向全體董事作出具體查詢，截至2020年12月31日止年度內，彼等確定均一直遵守該等指引。

### 遵守法律及法規

據董事所知悉，截至2020年12月31日止年度，本集團已在所有重大方面遵守對本集團營運構成重大影響之法律及法規。

### 業務回顧及展望

新《公司條例》附表5規定的本集團本年度的之業務回顧及展望披露載於本年報第11至第23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2020年12月31日止年度的綜合財務報表已由安永會計師事務所審核。安永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。

On behalf of the Board  
代表董事會

**Ma Yuchuan** 馬玉川  
Chairman 主席  
Hong Kong, 23 March 2021  
香港，2021年3月23日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



**To the shareholders of Solomon Systech (International) Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Solomon Systech (International) Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 72 to 168, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



致晶門半導體有限公司股東  
(於開曼群島註冊成立的有限公司)

### 意見

我們已審計列載於第72頁至168頁的晶門半導體有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於2020年12月31日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了 貴集團於2020年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現和綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

### 意見的基礎

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。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」)，我們獨立於 貴集團，並已履行守則中的其他職業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在對綜合財務報表整體進行審計並形成意見的背景下來進行處理的，我們不對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行了本報告「核數師就審計綜合財務報表承擔的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯誤陳述風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
<b>Write-down of inventories to net realisable value</b>	
<p>The Group had inventories with carrying amount of US\$16.4 million as at 31 December 2020. The Group performs regular review of the carrying amounts of inventories to determine if any write-down of inventories to net realisable value is required after considering the aged analyses of inventories, relevant historical sales, usage reports and obsolescence.</p> <p>The determination of net realisable value requires management to make significant judgements and estimates based on expectation about future market conditions.</p> <p>The related disclosures of estimation uncertainty and balance of inventory provision are included in notes 4 and 21 to the consolidated financial statements, respectively.</p>	<p>We evaluated management's assessment of whether the estimated net realisable values of inventories declined below their carrying amounts. Our procedures included understanding and assessing the Group's processes over identifying and valuing obsolete, damaged, slow-moving, excessive and other potentially impaired inventory items for which their net realisable values might decline below their carrying amounts; evaluating the methodologies, inputs and assumptions used by the Group in determining the net realisable values of inventories; and assessing the write-down of inventories required by testing the aged analyses of inventories, sales made and materials used subsequent to the end of the reporting period and historical sales and usage reports.</p>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### 關鍵審計事項 (續)

關鍵審計事項	我們的審計如何處理關鍵審計事項
<p><b>撇銷存貨至可變現淨值</b></p>	
<p>截至2020年12月31日，貴集團擁有存貨賬面值總額約為16.4百萬美元。貴集團對存貨的賬面值進行定期審查，並在顧及存貨的賬齡分析、相關歷史銷售及使用報告後，判斷是否有任何存貨須撇銷至可變現淨值。</p> <p>釐定可變現淨值時，管理層須作出將影響所報告存貨金額及相關披露的關鍵判斷及估計。</p> <p>該等關鍵判斷及估計和存貨撥備的結餘分別載於財務報表附註4和21。</p>	<p>我們已測評管理層估計存貨的可變現淨值是否跌至低於其賬面值的評估。我們的程序包括了解、評估及測試本集團的過程及關鍵控制，其涉及確定及估算陳舊、損壞、滯銷、過量及其他潛在減值的存貨項目，因其可變現淨值可能跌至低於其賬面值；測評貴集團用以釐定存貨可變現淨值的方法、參數及假設；及透過測試存貨截至報告期末其後的賬齡分析、銷量及所用材料及歷史銷量及使用報告評估所須存貨的撇銷。</p>

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### 其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年度報告內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 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需的內部控制負責。

在擬備綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行職責、監督貴集團的財務報告過程。

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅對全體成員作出報告，除此以外，本報告並無其他用途。我們不會就核數師報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和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，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Yat Kin.

**Ernst & Young**  
*Certified Public Accountants*  
22/F CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

23 March 2021



### 核數師就審計綜合財務報表承擔的責任(續)

- 瞭解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關職業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，為消除威脅而採取的行動或適用的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是王一建。

安永會計師事務所  
執業會計師  
香港中環  
添美道1號  
中信大廈22樓

2021年3月23日

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

## 綜合損益表

For the year ended 31 December 2020  
截至2020年12月31日止年度

		Notes 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
Revenue	銷售額	5	121,261	108,323
Cost of sales	銷售成本		(85,416)	(86,995)
Gross profit	毛利		35,845	21,328
Research and development costs	研究及開發成本		(16,876)	(24,728)
Selling and distribution expenses	銷售及分銷開支		(2,476)	(3,133)
Administrative expenses	行政開支		(11,103)	(12,409)
Other expenses	其他開支		–	(13,532)
Other income and gains – net	其他收入及收益 – 淨額	7	6,197	4,138
Finance income – net	投資收入 – 淨額	8	11,587 83	(28,336) 1
Share of profits of associates	應佔聯營公司溢利	17	11,670 208	(28,335) 155
Profit/(loss) before tax	除稅前溢利／(虧損)	6	11,878	(28,180)
Income tax credit/(expense)	所得稅抵免／(開支)	11	(198)	375
Profit/(loss) for the year	本年度溢利／(虧損)		11,680	(27,805)
Attributable to:	應佔：			
– Owners of the parent	– 本公司擁有人		11,715	(27,272)
– Non-controlling interests	– 非控股權益		(35)	(533)
			11,680	(27,805)
Earnings/(loss) per share attributable to ordinary equity holders of the parent: (expressed in US cent(s) per share)	本公司普通權益持有人應佔的每股盈利／(虧損)：(以美仙，每股呈列)	12		
– Basic	– 基本		0.5	(1.1)
– Diluted	– 攤薄		0.5	(1.1)

The notes on pages 79 to 168 form an integral part of these consolidated financial statements.  
第79至168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 2020  
截至2020年12月31日止年度

		2020 US\$'000 千美元	2019 US\$'000 千美元
Profit/(loss) for the year	本年度溢利／(虧損)	11,680	(27,805)
Other comprehensive income/(loss)	其他全面收入／(虧損)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	於往後期間，其他全面收入／(虧損)將重新分類至損益表：		
– Exchange differences arising on translation of foreign operations	– 換算海外業務時產生之匯兌差額	378	(53)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	於往後期間，其他全面收入將不會重新分類至損益表：		
– Equity investment designated at fair value through other comprehensive income: Changes in fair value	– 按公平價值計入其他全面收益的股權投資公平價值變動	–	90
Other comprehensive income for the year	年內其他全面收入	378	37
Total comprehensive income/(loss) for the year	本年度全面收入／(虧損)總額	12,058	(27,768)
Attributable to:	應佔：		
– Owners of the parent	– 本公司擁有人	12,097	(27,234)
– Non-controlling interests	– 非控股權益	(39)	(534)
		12,058	(27,768)

The notes on pages 79 to 168 form an integral part of these consolidated financial statements.  
第79至168頁的附註為該等綜合財務報表的組成部份。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2020  
於2020年12月31日

		Notes 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Intangible assets	無形資產	14	1,022	1,453
Property, plant and equipment	物業、廠房及設備	15	3,722	3,650
Right-of-use assets	使用權資產	16(a)	839	1,697
Investments in associates	於聯營公司的投資	17	916	892
Equity investment designated at fair value through other comprehensive income	按公平價值計入其他全面收益的股權投資	19	929	929
Prepayments and deposits	預付款及訂金	22	22	333
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	23	-	-
<b>Total non-current assets</b>	<b>非流動資產總計</b>		<b>7,450</b>	8,954
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	21	16,428	26,791
Trade and other receivables, prepayments and deposits	應收款及其他應收款，預付款及訂金	22	19,402	22,968
Pledged bank deposit	已抵押的銀行存款		130	130
Cash and cash equivalents	現金及現金等價物	20	50,827	18,078
<b>Total current assets</b>	<b>流動資產總計</b>		<b>86,787</b>	67,967
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付款及其他應付款	28	29,341	23,196
Interest-bearing bank borrowings	銀行計息貸款	29	181	-
Lease liabilities	租賃負債	16(b)	762	1,292
Deferred income	遞延收入		94	258
Tax payable	應付稅款		302	91
<b>Total current liabilities</b>	<b>流動負債總計</b>		<b>30,680</b>	24,837
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>56,107</b>	43,130
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>63,557</b>	52,084
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Interest-bearing bank borrowings	銀行計息貸款	29	-	169
Lease liabilities	租賃負債	16(b)	125	606
Deferred tax liability	遞延所得稅負債	27	-	-
<b>Total non-current liabilities</b>	<b>非流動負債總計</b>		<b>125</b>	775
<b>Net assets</b>	<b>資產淨值</b>		<b>63,432</b>	51,309

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2020  
於2020年12月31日

		Notes 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the parent</b>	<b>本公司擁有人應佔權益</b>			
Issued capital	已發行股本	24	31,977	31,967
Reserves	儲備	26	31,458	19,306
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>63,435</b>	51,273
			<b>(3)</b>	36
<b>Total equity</b>	<b>總權益</b>		<b>63,432</b>	51,309

The notes on pages 79 to 168 form an integral part of these consolidated financial statements.  
第79至168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

**WANG Wah Chi, Raymond**  
王華志  
Chief Executive Officer  
行政總裁

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2020  
截至2020年12月31日止年度

		Attributable to owners of the parent 本公司擁有人應佔										
		Issued capital 股本	Share premium 股份溢價	Merger reserve 合併儲備	Exchange reserve 匯兌儲備	Equity compensation reserve 股本權益報酬儲備	Fair value reserve 公平價值儲備	Other reserve 其他儲備	Accumulated losses 累計虧損	Total 總計	Non-controlling interests 非控股權益	Total equity 總權益
		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	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
Notes 附註												
At 1 January 2019	於2019年1月1日	31,967	83,489	2,082	91	17,704	697	230	(57,800)	78,460	570	79,030
Loss for the year	年內虧損	-	-	-	-	-	-	-	(27,272)	(27,272)	(533)	(27,805)
Other comprehensive income for the year:	年內其他全面收入：											
- Changes in fair value of equity investment at fair value through other comprehensive income	- 按公平價值計入其他全面收益的股權投資公平價值變動	-	-	-	-	-	90	-	-	90	-	90
- Exchange differences arising on translation of foreign operations	- 換算海外業務時產生之匯兌差額	-	-	-	(52)	-	-	-	-	(52)	(1)	(53)
<b>Total comprehensive income/(loss)</b>	<b>全面收入/(虧損)總計</b>	-	-	-	(52)	-	90	-	(27,272)	(27,234)	(534)	(27,768)
Equity-settled share option arrangements	股本權益報酬	25	-	-	-	47	-	-	-	47	-	47
At 31 December 2019 and at 1 January 2020	於2019年12月31日及2020年1月1日	31,967	83,489	2,082	39	17,751	787	230	(85,072)	51,273	36	51,309
Profit for the year	年內溢利	-	-	-	-	-	-	-	11,715	11,715	(35)	11,680
Other comprehensive income for the year:	年內其他全面收入：											
- Exchange differences arising on translation of foreign operations	- 換算海外業務時產生之匯兌差額	-	-	-	382	-	-	-	-	382	(4)	378
<b>Total comprehensive income/(loss)</b>	<b>全面收入/(虧損)總計</b>	-	-	-	382	-	-	-	11,715	12,097	(39)	12,058
Equity-settled share option arrangements	股本權益報酬	25	-	-	-	50	-	-	-	50	-	50
Issue of shares upon exercise of share options	行使股權後發行股份	24	10	11	-	(6)	-	-	-	15	-	15
At 31 December 2020	於2020年12月31日	31,977	83,500*	2,082*	421*	17,795*	787*	230*	(73,357)*	63,435	(3)	63,432

The notes on pages 79 to 168 form an integral part of these consolidated financial statements.

第79至168頁的附註為該等綜合財務報表的組成部份。

\* These reserve accounts comprise the consolidated reserves of US\$31,458,000 (2019: US\$19,306,000) in the consolidated statement of financial position.

\* 該等儲備包括綜合儲備31,458,000美元(2019: 19,306,000美元)載於綜合財務狀況表。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2020  
截至2020年12月31日止年度

	Notes 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
<b>Cash flows from operating activities</b>	經營活動之現金流量		
Profit/(loss) before tax	除稅前溢利/(虧損)	11,878	(28,180)
Adjustments for:	調整:		
Finance costs	理財成本	8	149
Share of profits of associates	應佔聯營公司溢利	17	(155)
Interest income	利息收入	8	(146)
Dividend income	股息收入	8	(25)
Fair value loss on FVTPL, net	通過損益以反映公平價值的 公平值虧損, 淨額	8	21
Loss/(gain) on disposal of items of property, plant and equipment	出售物業、廠房及 設備的虧損/(收益)	7	20
Provision for obsolete or slow moving inventories/(reversal of provision for slow moving inventories), net	過時或滯銷存貨撥備/ (回撥), 淨值	6	6,696
Depreciation of property, plant and equipment	物業、機器及設備 折舊	6	1,662
Depreciation of right-of-use assets	使用權資產折舊	6	1,430
Amortization of intangible assets	無形資產攤銷	6	3,851
Equity-settled share option expense	股本權益報酬	6	47
Impairment of goodwill	商譽減值	6	2,317
Impairment of intangible assets	無形資產減值	6	7,988
Impairment of right-of-use assets	所有權資產減值	6	67
Impairment of trade receivables	應收款減值	6	80
Impairment of property, plant and equipment	物業、機器及設備 減值	6	12
Gain on lease modifications	租賃修訂收益	-	(4)
COVID-19-related rent concession from lessors	2019冠狀病毒病相關租賃 減免	16b	-
		13,524	(4,170)
Decrease/(increase) in inventories	存貨減少/(增加)	10,681	(833)
Decrease in trade and other receivables, prepayments and deposits	應收款及其他應收款, 預付款及訂金減少	4,064	5,979
Increase/(decrease) in trade and other payables	應付款及其他應付款 增加/(減少)	5,981	(3,863)
Cash generated from/(used in) operations	經營產生/(使用) 的現金	34,250	(2,887)
Overseas income tax paid	繳付海外所得稅	(14)	-
Interest paid	繳付利息	(97)	(149)
<b>Net cash generated from/(used in) operating activities</b>	經營活動產生/(使用)的 現金淨額	<b>34,139</b>	<b>(3,036)</b>
<b>Cash flows from investing activities</b>	投資活動之現金流量		
Purchases of items of property, plant and equipment	購置物業、廠房 及設備	15	(323)
Proceeds from disposal of property, plant and equipment	出售物業、機器 及設備	838	9
Proceeds from disposal of financial assets at fair value through profit or loss	出售通過損益以反映公平價 值的財務資產的款項	-	9,226
Interest received	已收利息	180	146
Dividend received from FVTPL	已收股息來自FVTPL	-	25
<b>Net cash generated from/(used in) investing activities</b>	投資活動產生/(使用)的 現金淨額	<b>(128)</b>	<b>9,083</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2020  
截至2020年12月31日止年度

		Note 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
<b>Cash flows from financing activities</b>	融資活動之現金流量			
Repayment of interest-bearing bank borrowing	償還銀行計息貸款		-	(29)
Proceeds from issue of shares upon exercise of share options	購股權獲行使所得款	24	16	-
Principal portion of lease payments	租賃付款的本金部份		(1,254)	(1,289)
<b>Net cash used in financing activities</b>	融資活動使用現金淨額		<b>(1,238)</b>	(1,318)
Net increase in cash and cash equivalents	現金及現金等價物淨增加		<b>32,773</b>	4,729
<b>Cash and cash equivalents at beginning of year</b>	年初現金及現金等價物		<b>18,078</b>	13,395
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額		(24)	(46)
<b>Cash and cash equivalents at end of year</b>	年末現金及現金等價物		<b>50,827</b>	18,078
<b>Analysis of balance of cash and cash equivalents</b>	現金及現金等價物的結餘分析：			
- Bank balances and cash	- 銀行結餘及現金		<b>50,827</b>	18,078

The notes on pages 79 to 168 form an integral part of these consolidated financial statements.

第79至168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 are fabless semiconductor companies specializing in the design, development and sales of integrated circuits (“IC”) products and system solutions that enable a wide range of display applications for smartphones, tablets, smart TVs/monitors, notebooks and other smart devices, including wearables, healthcare devices, smart home devices, as well as industrial appliances, etc.

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 2/F., Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands (with effect from 1 April 2020) 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.

#### Information about subsidiaries

Please refer to note 18 to the financial statements for the particulars of the Company’s principal subsidiaries.

### 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

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value.

These financial statements are presented in US dollars (“US\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### 1. 一般資料

晶門半導體有限公司及其附屬公司為無晶圓廠半導體公司，專門設計、開發及銷售集成電路晶片產品及系統解決方案，能於智能手機、平板電腦、電視／顯示器、筆記本電腦以及其他智能產品，包括可穿戴產品、醫療保健產品、智能家居產品，以及工業用設備等提供廣泛的顯示及觸控應用。

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2/F., Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103，開曼群島(於2020年4月1日生效)，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。

#### 附屬公司之資料

本公司主要附屬公司之詳情載於財務報表附註18。

### 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

本財務報表乃根據香港會計師公會頒佈的香港財務報告準則(包括所有香港財務報告準則、香港會計準則及詮釋)，香港公認會計原則及香港公司條例的披露規定編製。除部份金融資產按公平值計量外，它們均按歷史成本法編製。

此等財務報表以美元表示，除非另有說明，否則所有數值均四捨五入至最接近的千位數。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.1 Basis of preparation (continued)

##### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 2. 主要會計政策概要 (續)

#### 2.1 編製基準 (續)

##### 綜合基準

綜合財務報表包括本集團於截至2020年12月31日止年度的財務報表。附屬公司是由本公司直接或間接控制的實體(包括結構化實體)。倘本集團在參與被投資方業務中承擔或享有可變回報，並有能力通過對被投資方的權力影響該等回報(即賦予本集團現有有能力主導被投資方相關活動的現有權利)時，即取得控制權。

當本公司直接或間接擁有少於被投資方的過半數投票權或類似權利時，本集團於評估其是否對被投資方擁有權力時，考慮所有相關事實及情況，包括：

- (a) 與被投資方其他投票持有人的合約安排；
- (b) 其他合約安排產生的權利；及
- (c) 本集團的投票權和潛在投票權。

附屬公司的財務報表乃按與本公司相同的報告期間採用一致的會計政策編製。附屬公司的業績自本集團取得控制權的日期起綜合入賬，且於該項控制權終止日期前一直綜合入賬。

損益及其他全面收入各組成部分歸屬於本集團母公司擁有人及非控股權益，即使此舉導致非控股權益出現虧絀結餘。有關本集團成員公司之間交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量於綜合入賬時全數對銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.1 Basis of preparation (continued)

#### Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* and the following revised HKFRSs for the first time for the current year's financial statements:

Amendments to HKFRS 3  
香港財務報告準則第3號之修訂

*Definition of a Business*  
對業務的定義

Amendments to HKFRS 9,  
HKAS 39 and HKFRS 7  
香港財務報告準則第9號、  
香港會計準則39號及  
香港財務報告準則第7號之修訂

*Interest Rate Benchmark Reform*  
利率基準改革

Amendment to HKFRS 16  
香港財務報告準則第16號之修訂

*Covid-19-Related Rent Concessions (early adopted)*  
與2019冠狀病毒病有關的租金減免(提前採納)

Amendments to HKAS 1 and HKAS 8  
香港會計準則第1號及第8號之修訂

*Definition of Material*  
對重大的定義

Other than as explained below regarding the impact of the Amendment to HKFRS 16, the adoption of the above revised HKFRSs has had no significant financial effect on these financial statements.

除下文所述有關香港財務報告準則第16號之修訂的影響外，採納上述經修訂之準則對本財務報表並沒有重大財務影響。

## 2. 主要會計政策概要(續)

### 2.1 編製基準(續)

#### 綜合基準(續)

倘事實及情況顯示上述控制權三項因素中的一項或多項出現變動，則本集團會重新評估其是否控制被投資方。附屬公司所有權權益的變動在並無喪失控制權的情況下按權益交易列賬。

倘本集團喪失對附屬公司的控制權，則終止確認(i)附屬公司的資產(包括商譽)及負債，(ii)任何非控股權益的賬面值及(iii)於權益內入賬的累計匯兌差額；並確認(i)已收代價的公平值，(ii)任何保留投資的公平值及(iii)計入損益的任何因而產生的盈餘或虧絀。本集團應佔之前於其他全面收入內確認的部分按假設本集團直接出售相關資產或負債所規定的相同基準重新分類為損益或保留溢利(如適用)。

### 2.2 會計政策及披露之變動

本集團已於本年度之財務報表首次採納2018年財務報告概念框架及以下經修訂之香港財務報告準則：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.2 Changes in Accounting Policies and Disclosures (continued)

##### Amendment to HKFRS 16

Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.

During the year ended 31 December 2020, certain monthly leased payments for the leases of the Group's leased properties have been reduced by the lessors as a result of the COVID-19 pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the COVID-19 pandemic during the year ended 31 December 2020. Accordingly, a reduction in the lease payments arising from the rent concessions of approximately US\$281,000 has been accounted for as variable lease payments by derecognising part of the lease liabilities and crediting to profit or loss for the year ended 31 December 2020.

### 2. 主要會計政策概要(續)

#### 2.2 會計政策及披露之變動(續)

##### 香港財務報告準則第16號之修訂

香港財務報告準則第16號之修訂為承租人提供一項實際可行的權宜方法以選擇就2019冠狀病毒病大流行直接引起的租金減免不應用租賃修改會計處理。該實際可行權宜方法僅適用於2019冠狀病毒病大流行直接引起的租金減免，且僅當(i)租賃付款的變動使租賃代價有所修訂，而租賃的經修訂代價與緊接變動前的租賃代價大致相同，或少於緊接變動前的租賃代價；(ii)租賃付款的任何減少僅影響原到期日為2021年6月30日或之前的付款；及(iii)租賃的其他條款及條件並無實質變動。該修訂對於2020年6月1日或之後開始的年度期間有效，允許提前應用以及將追逆應用。

截至2020年12月31日止年度，本集團租賃物業的若干每月租賃付款已因2019冠狀病毒病大流行而獲出租人減少而租賃條款並無其他變化。本集團已於2020年1月1日提前採納該修訂，並選擇在截至2020年12月31日止期間，不對出租人因2019冠狀病毒病大流行而給予的所有租金減免採用租賃修改會計處理。因此，截至2020年12月31日止年度，因租金減免而減少的租賃付款約281,000美元已通過取消確認部分租賃負債並計入損益而作為可變租賃付款入賬。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

### 2. 主要會計政策概要 (續)

#### 2.3 已頒佈但尚未生效的國際財務報告準則

本集團並無在財務報表中應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

		<b>Effective for annual periods beginning on or after</b> 開始於或之後的年度期間生效
Amendments to HKFRS 3 香港財務報告準則第3號之修訂	<i>Reference to the Conceptual Framework</i> 對概念框架的提述	1 January 2022 2022年1月1日
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、第4號及第16號之修訂	<i>Interest Rate Benchmark Reform – Phase 2</i> 利率基準改革 – 第二階段	1 January 2021 2021年1月1日
Amendments to HKFRS 10 and HKAS 28 (2011) 香港財務報告準則第10號及香港會計準則第28號(2011)之修訂	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> 投資者與其聯營或合營企業之間的資產出售或注資	No mandatory effective date yet determined but available for adoption 尚未釐定強制性生效日期，惟可供採納
HKFRS 17 香港財務報告準則第17號	<i>Insurance Contracts</i> 保險合同	1 January 2023 2023年1月1日
Amendments to HKFRS 17 香港財務報告準則第17號之修訂	<i>Insurance Contracts<sup>1</sup></i> 保險合同 <sup>1</sup>	1 January 2023 2023年1月1日
Amendments to HKAS 1 香港會計準則第1號之修訂	<i>Classification of Liabilities as Current or Non-current<sup>2</sup></i> 負債的分類 – 流動或非流動 <sup>2</sup>	1 January 2023 2023年1月1日
Amendments to HKAS 16 香港會計準則第16號之修訂	<i>Property, Plant and Equipment: Proceeds before Intended Use</i> 物業、廠房及設備：未作擬定用途前的所得款項	1 January 2022 2022年1月1日
Amendments to HKAS 37 香港會計準則第37號之修訂	<i>Onerous Contracts – Cost of Fulfilling a Contract</i> 虧損性合約 – 履行合約的成本	1 January 2022 2022年1月1日
Annual Improvements to HKFRSs 2018-2020 2018年至2020年的年度改進	<i>Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41</i> 香港財務報告準則第1號、第9號、第16號的說明例子及香港會計準則第4號之修訂	1 January 2022 2022年1月1日

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (continued)

- <sup>1</sup> As a consequence of the amendments to HKAS 1, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised in October 2020 to align the corresponding wording with no change in conclusion
- <sup>2</sup> As a consequence of the amendments to HKFRS 17 issued in October 2020, HKFRS 4 was amended to extend the temporary exemption that permits insurers to apply HKAS 39 rather than HKFRS 9 for annual periods beginning before 1 January 2023

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

### 2. 主要會計政策概要 (續)

#### 2.3 已頒佈但尚未生效的國際財務報告準則 (續)

- <sup>1</sup> 由於2020年10月刊發香港會計準則第1號之修訂，香港財務報告詮釋第5號的呈報－*借款人對包含按要求償還條文的定期貸款分類*，以使相應措辭保持一致而結論不變
- <sup>2</sup> 由於2020年10月刊發香港財務報告準則第17號之修訂，香港財務報告準則第4號已修訂以延長臨時豁免，允許保險人於2023年1月1日前開始的年度期間採用香港會計準則第39號而非香港財務報告準則第9號

下文載述有關預期將適用於本集團之該等香港財務報告準則之進一步資料。

香港財務報告準則第3號之修訂旨在以2018年6月發佈之財務報告概念框架內之提述取代過往之編製及呈列財務報表的框架內之提述，而無需重大改變其要求。該等修訂亦為香港財務報告準則第3號之確認原則增加一項例外情況，實體可參考概念框架釐定資產或負債之構成要素。該例外情況規定，對於單獨產生而非於業務合併中繼承，且屬於香港會計準則第37號或香港財務報告詮釋委員會－詮釋21範圍內之負債及或然負債，已應用香港財務報告準則第3號之實體應分別提述香港會計準則第37號或香港財務報告詮釋委員會－詮釋21，而非概念框架。此外，該等修訂澄清，或然資產於收購日期不符合確認資格。本集團預期自2022年1月1日起採用有關修訂。由於該等修訂可能適用於收購日期為首次採納日期或之後的業務合併，本集團於過渡日期將不會受到該等修訂所影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (continued)

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative RFR. The Phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 and shall be applied retrospectively, but entities are not required to restate the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2. 主要會計政策概要(續)

#### 2.3 已頒佈但尚未生效的國際財務報告準則(續)

就現有利率基準被其他無風險利率取代而會影響財務報告之事宜，香港財務報告準則第9號、香港會計準則第39號、香港財務報告準則第7號、第4號及第16號之修訂將解決於過往修訂中未有處理之問題。第2階段修訂提供實際可行的權宜方法，就釐定金融資產及負債之合約現金流基準變動進行入賬時，倘有關變動乃因利率基準改革直接導致，且釐定合約現金流之新基準在經濟上等同於緊接變動前之先前基準，則可在不調整賬面值之情況下更新實際利率。此外，該等修訂允許利率基準改革可要求對沖名稱及對沖文件作出變動，而不中斷對沖關係。過渡期內可能產生之任何損益均透過香港財務報告準則第9號之正常要求處理，以衡量及確認對沖無效性。當無風險利率被指定為風險成分時，該等修訂亦暫時寬免實體遵守可單獨識別之規定，讓實體於指定對沖時假設已符合可單獨識別之規定，前提是實體合理預期該無風險利率之風險成分於未來24個月內將可單獨識別。此外，該等修訂亦要求實體披露額外資料，以便財務報表之使用者能夠了解利率基準改革對實體金融工具及風險管理策略之影響。該等修訂自2021年1月1日或之後開始之年度期間生效，並將追溯應用，惟實體毋須重列比較資料。預期該等修訂不會對本集團財務報表產生任何重大影響。

香港財務報告準則第10號及香港會計準則第28號(2011)之修訂解決香港財務報告準則第10號與香港會計準則第28號(2011)之間對於處理投資者與其聯營公司或合營企業之間資產出售或投入的規定之不一致性。該等修訂要求於投資者與其聯營公司或合營企業之間的資產出售或投入構成一項業務時，確認全部收益或虧損。對於不構成業務之資產交易，交易所產生之收益或虧損將於投資者之損益中確認，並僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂將於未來應用。香港會計師公會已於2016年1月剔除香港財務報告準則第10號及香港會計準則第28號(2011)之修訂以往所規定之強制生效日期，而新的強制生效日期將完成於對聯營公司及合營企業之會計處理進行更廣泛的檢討後釐定。然而，該等修訂目前已可供應用。預期該等修訂不會對本集團財務報表產生任何重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (continued)

Amendments to HKAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.

### 2. 主要會計政策概要 (續)

#### 2.3 已頒佈但尚未生效的國際財務報告準則 (續)

香港會計準則第1號之修訂澄清有關劃分負債為流動或非流動之規定。該等修訂表明，倘實體推遲清償負債之權利受限於該實體須符合特定條件，則只要該實體於報告期末符合有關條件，其有權於該日推遲清償負債。實體會否行使其權利推遲清償負債將不會影響負債之劃分。該等修訂亦針對可視作清償負債之情況進行澄清。該等修訂自2023年1月1日或之後開始之年度期間生效，並將追溯應用及允許提前應用。預期該等修訂不會對本集團財務報表產生任何重大影響。

香港會計準則第16號之修訂禁止實體從物業、廠房及設備成本中，扣除在資產達到管理層預定之可使用狀態(包括位置與條件)過程中產生之全部出售所得。相反，實體須將出售任何有關項目之所得款項以及該等項目之成本計入損益。該等修訂自2022年1月1日或之後開始之年度期間生效，並僅對實體首次應用有關修訂之財務報表呈列之最早期間開始時或之後可供使用之物業、廠房及設備項目追溯應用。該等修訂獲允許提前應用。預期該等修訂不會對本集團財務報表產生任何重大影響。

香港會計準則第37號之修訂澄清，就根據香港會計準則第37號評估合約是否屬虧損性而言，履行合約之成本包括與合約直接相關之成本。與合約直接相關之成本包括履行該合約之增量成本(例如直接勞工及材料)及與履行合約直接相關之其他成本分配(例如分配履行合約所用物業、廠房及設備項目之折舊開支以及合約管理與監督成本)。一般及行政費用與合約並無直接關係且將排除在外，除非合約明確向對手方收費，則屬別論。該等修訂自2022年1月1日或之後開始之年度期間生效，並適用於實體在首次應用有關修訂之年度報告期間開始時尚未履行其全部責任之合約。該等修訂獲允許提前應用。初步應用修訂所產生之任何累積影響將於初步應用日期確認為期初權益調整，且毋須重列比較資料。預期該等修訂不會對本集團財務報表產生任何重大影響。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (continued)

*Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
- HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16. The amendment is not expected to have any significant impact on the Group's financial statements.

### 2. 主要會計政策概要 (續)

#### 2.3 已頒佈但尚未生效的國際財務報告準則 (續)

2018年至2020年的年度改進載列香港財務報告準則第1號、第9號、第16號的說明例子及香港會計準則第41號之修訂。預計適用於本集團之修訂之詳情如下：

- 香港財務報告準則第9號金融工具：澄清於實體評估新訂或經修改之金融負債條款是否與金融負債原本之條款存在實質差異時所計及之費用。該等費用僅包括借款人與貸款人之間已支付或已收取之費用，當中包括借款人或貸款人代表對方支付或收取之費用。實體將有關修訂應用於實體在首次應用有關修訂之年度報告期開始或之後修改或交換之金融負債。該等修訂自2022年1月1日或之後開始之年度期間生效，並允許提前應用。預期該等修訂不會對本集團財務報表產生任何重大影響。
- 香港財務報告準則第16號租賃：刪除香港財務報告準則第16號隨附之說明例子第13條中有關租賃物業裝修之出租人付款說明。此舉消除於應用香港財務報告準則第16號有關處理租賃優惠上之潛在混亂。預期該等修訂不會對本集團財務報表產生任何重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies

##### Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要

##### 於聯營公司的投資

聯營公司為本集團於其擁有一般不少於其20%股份投票權的長期權益，且本集團可對其發揮重大影響力的實體。重大影響力指參與被投資方的財務及營運政策決策的權力，惟並非控制或共同控制該等政策。

本集團於聯營公司的投資乃根據權益會計法按本集團所佔資產淨值減任何減值虧損於綜合財務狀況表列賬。倘若會計政策存在任何不一致，將會作出相應調整。本集團應佔聯營公司的收購後業績及其他全面收入計入綜合損益及其他全面收入表。此外，倘一項變動直接於聯營公司的權益中確認，則本集團將於綜合權益變動表（倘適用）確認其任何應佔變動。因本集團與其聯營公司的交易而產生的未變現收益及虧損乃以本集團於聯營公司的投資為限進行對銷，惟未變現虧損提供所轉讓資產的減值證據則除外。收購聯營公司產生的商譽計入本集團於聯營公司的部分投資。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Investments in associates (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

## 2. 主要會計政策概要 (續)

### 2.4 重大會計政策概要 (續)

#### 於聯營公司的投資 (續)

如果對聯營公司的投資成為對合資企業的投資(反之亦然)，保留權益不會重新計量。相反，投資繼續按權益法入賬。於喪失對聯營公司的重大影響力後，本集團按公平值計量及確認任何保留投資。於喪失重大影響力後聯營公司的賬面值與保留投資的公平值及出售所得款項間的任何差額乃於損益中確認。

#### 業務合併及商譽

業務合併使用收購法列賬。轉讓的代價按收購日期公平值計量，即本集團所轉讓資產於收購日期的公平值、本集團對被收購方前擁有人承擔的負債及本集團為換取被收購方控制權而發行的股權總和。就每項業務合併而言，本集團選擇是否以公平值或應佔被收購方可識別資產淨值的比例，計量被收購方屬現時擁有權益的非控股權益及賦予持有人權利於清盤時按比例分佔資產淨值的非控股權益。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時支銷。

本集團確定其已收購一組活動和資產(當中包括能夠顯著促進產出能力的投入和實質性過程)。

當本集團收購一項業務時，本集團根據合約條款、收購日期的經濟狀況及相關條件對所承擔的金融資產及負債進行評估，以作出適當的分類及指定。此項評估包括將嵌入式衍生工具與被收購方主合約分開。

倘業務合併分階段進行，之前持有的股權按其收購日期的公平值重新計量，而任何因此所產生的收益或虧損在損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

### 2. 主要會計政策概要(續)

#### 2.4 重大會計政策概要(續)

##### 業務合併及商譽(續)

收購方轉讓的任何或然代價於收購日期按公平值確認。分類為資產或負債的或然代價按公平值計量，且公平值變動於損益確認。被分類為權益的或然代價不予重新計量，且後續結算在權益內入賬。

商譽初步按成本(即已轉讓代價、非控股權益的確認金額及本集團之前於被收購方持有的任何股權公平值的總和超過所收購可識別資產淨值及所承擔負債的差額)計量。倘該代價及其他項目的總和低於所收購資產淨值的公平值，則重新評估後的差額會在損益中確認為議價收購收益。

初步確認後，商譽按成本減任何累計減值虧損計量。商譽每年進行減值測試，或倘有事件或情況變化顯示賬面值可能出現減值時，則進行更頻繁的減值測試。本集團於十二月三十一日就商譽進行年度減值測試。就減值測試而言，業務合併中取得的商譽自收購日期起，分配至預期將從合併的協同效應中受益的本集團各現金產生單位(或現金產生單位組別)，而不論本集團的其他資產或負債是否分配予該等單位或單位組別。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

#### Fair value measurement

The Group measures its equity investment and certain financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset and liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## 2. 主要會計政策概要 (續)

### 2.4 重大會計政策概要 (續)

#### 業務合併及商譽 (續)

減值乃通過評估商譽相關的現金產生單位 (現金產生單位組別) 的可收回金額釐定。倘現金產生單位 (現金產生單位組別) 的可收回金額低於賬面值，則確認減值虧損。就商譽確認的減值虧損於其後期間不予撥回。

倘商譽已分配至現金產生單位 (或現金產生單位組別)，而該單位的部分業務被出售，則於釐定該出售的收益或虧損時，將與被出售業務相關的商譽計入該業務賬面值。在該等情況下出售的商譽根據出售業務的相對價值及現金產生單位的保留部分計量。

#### 公平值計量

本集團於每個報告期末計量股權投資和若干反映公平價值的財務資產。公平值乃市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付的價格。公平值計量乃基於假設出售資產或轉讓負債的交易於資產或負債的主要市場進行，或倘無主要市場，則於資產或負債的最有利市場進行。主要或最有利市場須為本集團可進入的市場。資產或負債的公平值採用市場參與者為資產或負債定價所用的假設進行計量 (假設市場參與者按其最佳經濟利益行事)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Fair value measurement (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 公平值計量 (續)

非金融資產的公平值計量計及市場參與者通過最大限度使用該資產達致最佳用途，或通過將資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者而產生經濟利益的能力。

本集團採用於有關情況下適當的估值方法，且該估值方法具備充足數據可供計量公平值，以盡量使用相關可觀察輸入數據及盡量避免使用不可觀察輸入數據。

所有於財務報表計量或披露公平值的資產及負債，乃按就整體公平值計量而言屬重要的最低級輸入數據分類至下述公平值等級：

- 第一級 – 基於相同資產或負債於活躍市場中的報價 (未經調整)
- 第二級 – 基於就公平值計量而言屬重大的最低級輸入數據為可直接或間接觀察數據的估值方法
- 第三級 – 基於就公平值計量而言屬重大的最低級輸入數據為不可觀察數據的估值方法

就按經常性基準於財務報表確認的資產及負債而言，本集團於各報告期末通過重估分類 (基於就整體公平值計量而言屬重要的最低級輸入數據) 確定各層級之間是否出現轉移。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

## 2. 主要會計政策概要(續)

### 2.4 重大會計政策概要(續)

#### 非金融資產減值

倘有跡象顯示存在減值，或須就資產(遞延稅項資產除外)進行年度減值測試，則會估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值與公平值減出售成本(以較高者為準)計算，並就個別資產而釐定，除非有關資產並不產生在很大程度上獨立於其他資產或資產組別的現金流入，在此情況下，則會就該資產所屬現金產生單位釐定可收回金額。

減值虧損僅於資產賬面值超過其可收回金額時予以確認。於評估使用價值時，估計未來現金流量按可反映現時市場對貨幣時間值的評估及資產特定風險的稅前貼現率貼現至其現值。減值虧損於其產生期間的損益內在與減值資產功能一致的開支類別中扣除。

於各報告期末，會評估是否有任何跡象顯示先前確認的減值虧損可能不再存在或可能已經減少。倘存在該跡象，則會估計可收回金額。先前就資產確認的減值虧損，僅於用於釐定該資產的可收回金額的估計有變時予以撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應釐定的賬面值(扣除任何折舊／攤銷)。撥回的減值虧損於其產生期間計入損益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### 2. 主要會計政策概要(續)

#### 2.4 重大會計政策概要(續)

##### 關聯方

於下列情況下，以下人士被視為與本集團有關聯：

- (a) 該人士為下列人士或下列人士近親：
  - (i) 對本集團擁有控制權或共同控制權；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 該人士為符合下列任何條件的實體：
  - (i) 該實體及本集團屬同一集團的成員公司；
  - (ii) 該實體為另一實體(或另一實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營企業；
  - (iii) 該實體及本集團屬同一第三方的合營企業；
  - (iv) 該實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
  - (v) 該實體為本集團或與本集團關聯的實體就僱員利益設立的離職後福利計劃；
  - (vi) 該實體受第(a)項所指明人士控制或共同控制；
  - (vii) 第(a)(i)項所指明人士對該實體有重大影響力或屬該實體(或該實體的母公司)的主要管理人員；及
  - (viii) 該實體或其所屬集團的任何成員公司為本集團或本集團的母公司提供主要管理人員服務。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	永久業權土地	Not depreciated 不予折舊
Building	樓宇	2%
Leasehold improvements	租賃物業裝修	20% or over the lease period, whichever is shorter 20%或按租期（以較短者為準）
Furniture, fixtures, licenses and equipment	傢具、固定裝置、特許證及設備	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%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

### 2. 主要會計政策概要（續）

#### 2.4 重大會計政策概要（續）

##### 物業、廠房及設備以及折舊

物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本，包括其購買價及將資產運抵指定地點並使其達到擬定用途的營運狀況的任何直接應佔成本。

物業、廠房及設備項目投入營運後所產生的支出（如維修及保養費用），一般於其產生期間自損益中扣除。重大檢查支出若滿足確認標準，則作為重置部分予以資本化並計入資產賬面值。倘物業、廠房及設備的主要部分須定期重置，則本集團將該等部分確認為具特定使用年期的個別資產，並計提相應折舊。

折舊按每項物業、廠房及設備項目的估計使用年期以直線法撇銷其成本至其剩餘價值計算。為此而採用的主要年折舊率如下：

倘物業、廠房及設備項目各部分的使用年期不同，則該項目的成本以合理基準於各部分之間分配，而各部分須單獨計算折舊。至少於各財政年度結算日檢討剩餘價值、使用年期及折舊方法，並在適當情況下作出調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

##### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

##### Patents and intellectual property

Purchased patents and intellectual property are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of no more than eight years.

##### Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 物業、廠房及設備以及折舊 (續)

物業、廠房及設備項目(包括任何已初步確認的重要部分)於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認資產的年度在損益表確認的任何出售或報廢的收益或虧損，為有關資產的銷售所得款項淨額與賬面值的差額。

##### 無形資產(商譽除外)

單獨收購的無形資產於初步確認時按成本計量。於業務合併所收購的無形資產的成本為收購日期的公平值。無形資產的使用年期乃評估為有限或無限。具有有限年期的無形資產其後按使用經濟年限攤銷，並於無形資產可能出現減值跡象時進行減值評估。具有有限使用年期的無形資產的攤銷期限及攤銷方法至少於各財政年度結算日進行檢討。

##### 專利及知識產權

外購專利及知識產權按歷史成本減去減值虧損列賬，採用直線法按估計可使用年期不多於8年作攤銷。

##### 研究及開發成本

研發開支於產生時支銷。

開發新產品項目產生的支出可予以資本化及遞延如本集團能證明技術上可完成該無形資產並能供使用或出售；其完成意圖及有能力使用或出售該資產；該資產未來如何產生經濟效益；有可供完成項目的資源；及開發開支能被可靠的計量。產品開發支出不符合這些標準的在發生時計入費用。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leased properties	2 to 4 years
Motor vehicles	2 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## 2. 主要會計政策概要 (續)

### 2.4 重大會計政策概要 (續)

#### 租賃

本集團於合約開始時評估合約是否為租賃或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為租賃或包含租賃。

#### 本集團作為承租人

本集團對所有租賃(惟短期租賃及低價值資產租賃除外)採取單一確認及計量方法。本集團確認租賃負債以作出租賃付款，而使用權資產指使用相關資產的權利。

#### (a) 使用權資產

使用權資產在租賃開始日期(即相關資產可供使用當日)確認。使用權資產按成本減任何累計折舊和任何減值虧損計量，並就任何租賃負債的重新計量作出調整。使用權資產的成本包括已確認的租賃負債金額、已產生的初始直接成本以及在開始日期或之前作出的租賃付款減去收到的任何租賃優惠。使用權資產在其租賃期或估計可使用年期(以較短者為準)內按直線法計提折舊如下：

租賃物業	2至4年
汽車	2至3年

倘於租賃期結束時租賃資產的擁有權轉讓至本集團或成本反映購買權的行使，折舊則根據資產的估計可使用年期計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Leases (continued)

##### Group as a lessee (continued)

##### (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments or a change in assessment of an option to purchase the underlying asset.

##### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 租賃 (續)

##### 本集團作為承租人 (續)

##### (b) 租賃負債

租賃負債在租賃開始日期以租賃期內租賃付款的現值確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠、視乎指數或比率而定的可變租賃付款及剩餘價值擔保下的預期支付款項。租賃付款亦包括合理確定將由本集團行使的購買權的行使價及為終止租賃而支付的罰款(倘租賃期反映本集團正行使終止權)。並非視乎指數或比率而定的可變租賃付款在導致付款的事件或條件發生期間確認為支出。

在計算租賃付款的現值時，倘租賃中隱含的利率不易釐定，則本集團使用在租賃開始日期的遞增借貸利率。在開始日期之後，租賃負債的金額予以增加以反映利息累增，並就已作出的租賃付款予以減少。此外，如有修改、租賃期發生變化、租賃付款改變或相關資產的購買權的評估發生變化，則租賃負債的賬面值將重新計量。

##### (c) 短期租賃及低價值資產租賃

本集團對機器及設備的短期租賃(即自開始日期起租賃期為12個月或以下且不含購買權的租賃)應用短期租賃確認豁免。低價值資產租賃的確認豁免亦應用於被視為低價值的辦公室設備及電腦租賃。短期租賃的租賃付款及低價值資產租賃在租賃期內按直線法確認為開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Leases (continued)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases are charged to the statement of profit or loss on the straight-line basis over the lease terms.

#### Investments and other financial assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

## 2. 主要會計政策概要 (續)

### 2.4 重大會計政策概要 (續)

#### 租賃 (續)

倘資產所有權的絕大部分回報及風險由出租人保留，則租賃列為經營租賃。倘本集團為承租人，經營租賃項下的應付租金按租期以直線法計入損益。

#### 投資及其他金融資產

##### *初步確認及計量*

金融資產於初始確認時分類為其後以攤銷成本計量、按公平值計入其他全面收益及按公平值計入損益。

金融資產於初始確認時的分類取決於金融資產的合約現金流量特徵，以及本集團管理金融資產的業務模式。除不包括重大融資部分的貿易應收款項或本集團已應用毋須調整重大融資部分影響的可行權宜方法者外，本集團按其公平值加交易成本（如金融資產並非按公平值計入損益）初始計量金融資產。不包括重大融資部分的貿易應收款項或本集團已就其應用可行權宜方法者，則根據下文香港財務報告準則第15號「收益確認」所載政策釐定的交易價格計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益分類及計量，金融資產須產生屬僅為支付本金及尚未償還本金的利息（「SPPI」）的現金流量。現金流量並非SPPI的金融資產分類為按公平值計入損益計量，而不論業務模式。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Investments and other financial assets (continued)

##### *Initial recognition and measurement (continued)*

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

##### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

#### **Financial assets at amortised cost (debt instruments)**

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

## 2. 主要會計政策概要(續)

### 2.4 重大會計政策概要(續)

#### 投資及其他金融資產(續)

##### *初步確認及計量(續)*

本集團管理金融資產的業務模式指其管理其金融資產以產生現金流量的方式。業務模式決定現金流量是否通過收取合約現金流量、銷售金融資產或兩者並行的方式產生。按攤銷成本分類及計量的金融資產於旨在通過持有金融資產收取合約現金流量的業務模式內持有，而按公平價值計入其他全面收益分類及計量的金融資產於持有旨在收取合約現金流量及出售的業務模式內持有。並無於上述業務模式內持有的金融資產按公平價值計入損益分類及計量。

金融資產的所有常規買賣均於交易日期(即本集團承諾買賣資產之日)確認。常規買賣指一般須於市場規定或慣例指定的期限內交付金融資產之購買或銷售。

##### *其後計量*

金融資產的其後計量取決於其分類如下：

按攤銷成本計量的金融資產(債務工具)

按攤銷成本計量的金融資產其後採用實際利率法計量，可能出現減值。當資產終止確認、經修改或出現減值時，收益及虧損於損益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Investments and other financial assets (continued)

##### *Subsequent measurement (continued)*

#### Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as finance income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

## 2. 主要會計政策概要 (續)

### 2.4 重大會計政策概要 (續)

#### 投資及其他金融資產 (續)

##### *其後計量 (續)*

指定為按公平值計入其他全面收益之金融資產 (股權投資)

於首次確認後，倘股權投資符合香港會計準則第32號 *金融工具：呈列* 項下的股權定義，且並非持作買賣，本集團可選擇不可撤回地將該股權投資分類為指定按公平值計入其他全面收益的股權投資。分類乃按個別工具基準而釐定。

該等金融資產的收益及虧損永不回流至綜合損益表。倘股息付款權已確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量，則股息會於綜合損益表確認為投資收入，惟倘本集團受惠於該等所得款項作為收回部分金融資產成本則作別論，在此情況下，有關收益會入賬為其他全面收益。指定為按公平值計入其他全面收益之股權投資無須進行減值評估。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Investments and other financial assets (continued)

###### *Subsequent measurement (continued)*

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income and debt instruments which are held for trading. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as finance income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 投資及其他金融資產 (續)

###### *其後計量 (續)*

##### 按公平值計入損益之金融資產

按公平值計入損益之金融資產乃於財務狀況表按公平值列賬，而公平值變動淨額則於綜合損益表確認。

此類別包括本集團並無不可撤回地選擇分類為按公平值計入其他全面收益之衍生工具及持作買賣之債務工具。倘股息付款權已確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量，按公平值計入損益之金融資產的股權投資股息亦於綜合損益表中確認為投資收入。

嵌入混合合約(包含金融負債及非金融主合約)的衍生工具若其經濟特徵及風險與主合約並無密切關係；具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義；且混合合約並非按公平值計入損益計量，則該衍生工具與主合約分開並作為單獨衍生工具列賬。該等嵌入衍生工具按公平值計量，而公平值變動會於綜合損益表內確認。僅當合約條款出現變動，以致大幅改變其他情況下所需現金流量時或當原分類至按公平值計入損益的金融資產獲重新分類時，方進行重新評估。

嵌入混合合約(包含金融資產主合約)的衍生工具不得單獨列賬。金融資產主合約連同嵌入式衍生工具須整體分類為按公平值計入損益之金融資產。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## 2. 主要會計政策概要(續)

### 2.4 重大會計政策概要(續)

#### 終止確認金融資產

金融資產(或(倘適用)一項金融資產的一部分或一組類似金融資產的一部分)於下列情況下將終止確認(即自本集團的綜合財務狀況表內移除):

- 自該資產收取現金流量的權利已屆滿;或
- 本集團已轉讓其收取該資產現金流量的權利,或已根據「轉付」安排承擔向第三方悉數支付所收現金流量的責任,而無重大延誤;且(a)本集團已轉讓該資產的絕大部分風險及回報,或(b)本集團並無轉讓或保留該資產的絕大部分風險及回報,但已轉讓該資產的控制權。

倘本集團已轉讓其收取該資產現金流量的權利,或已訂立轉付安排,其將評估其是否保留該資產所有權的風險及回報以及保留的程度。倘其並無轉讓或保留該資產的絕大部分風險及回報,亦無轉讓該資產的控制權,則本集團按持續涉及的程度繼續確認所轉讓資產。在此情況下,本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團所保留的權利及責任基準計量。

倘以對所轉讓資產作出擔保的形式持續涉及,則按資產原賬面值與本集團可能須償還的最高代價金額兩者的較低者計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

##### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2. 主要會計政策概要(續)

#### 2.4 重大會計政策概要(續)

##### 金融資產減值

本集團就所有並非按公平值計入損益持有的債務工具確認預期信用損失撥備(「預期信用損失」)。預期信用損失乃以根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額為基準，按與原有實際利率相近的利率貼現。預期現金流量將包括來自銷售所持有抵押品或其他信用增級的現金流量，此乃合約條款不可或缺的部分。

##### 一般方法

預期信用損失於兩個階段確認。對於自初始確認後並無顯著增加的信用風險，預期信用損失就可能於未來12個月內(12個月預期信用損失)出現的違約事件導致的信用損失計提撥備。對於自初始確認後有顯著增加的信用風險，須在信用損失風險預期的剩餘年期計提虧損撥備，不論違約事件於何時發生(存續期預期信用損失)。

本集團於各報告日期評估金融工具信用風險自初始確認後有否大幅增加。進行評估時，本集團將於報告日期金融工具發生違約的風險與初始確認日期金融工具發生違約的風險比較，並考慮無需付出不必要成本或努力而可得的合理且有證據支持的資料，包括歷史經驗及前瞻性資料。

本集團認為，倘合約付款逾期90天，則發生金融資產違約事件。然而，在若干情況下，倘內部或外部資料顯示本集團在計及任何本集團持有的信用增級前不可能悉數收取未收取合約金額，則本集團亦可認為發生金融資產違約事件。於並無合理預期能收回合約現金流量時撇銷金融資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Impairment of financial assets (continued)

##### General approach (continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

##### Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## 2. 主要會計政策概要 (續)

### 2.4 重大會計政策概要 (續)

#### 金融資產減值 (續)

##### 一般方法 (續)

除貿易應收款項採用下述簡化方法外，按公平值計入其他全面收益的債權投資及按攤銷成本計量的金融資產按一般方法進行減值，並按下列預期信用損失計量階段分類。

階段1 – 信用風險自初始確認後並無顯著增加的金融工具，虧損撥備按等同12個月預期信用損失的金額計量

階段2 – 信用風險自初始確認後顯著增加但無信貸減值的金融工具，虧損撥備按等同存續期預期信用損失的金額計量

階段3 – 於報告日期為信貸減值的金融資產 (但於購買或發起時並無信貸減值)，虧損撥備按等同存續期預期信用損失的金額計量

##### 簡化方法

對於並無包含重大融資部分的貿易應收款項，或本集團採用毋須調整重大融資部分影響的可行權宜方式時，存續採用簡化方法計量預期信用損失。根據簡化方法，本集團不會追蹤信貸風險的變化，而是根據每個報告日期的全期預期信用損失確認虧損撥備。本集團已根據歷史信用損失經驗建立撥備矩陣，並因應有關債務人及經濟環境的特定前瞻因素作出調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Financial liabilities

###### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank borrowings.

###### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

##### **Financial liabilities at amortised cost (loans and borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 金融負債

###### *初步確認及計量*

金融負債於初步確認時分類為按公平值計入損益之金融負債、貸款及借款、應付款項或指定為有效對沖之對沖工具之衍生工具(如適用)。

所有金融負債按公平值進行初步確認，倘為貸款及借款及應付款項，則扣除直接應佔交易成本。

本集團的金融負債包括應付款及其他應付款項及銀行計息貸款。

###### *其後計量*

金融負債按其分類的其後計量如下：

##### 按攤銷成本計量的金融負債(貸款及借款)

於初步確認後，計息貸款及借款其後採用實際利率法按攤銷成本計量，除非貼現影響不大，則按成本列賬。收益及虧損於負債終止確認時透過實際利率攤銷程序於損益中確認。

於計算攤銷成本時計及任何收購折讓或溢價及構成實際利率不可或缺部分的費用或成本。實際利率攤銷計入損益的融資成本中。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in “Impairment of financial assets”; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## 2. 主要會計政策概要 (續)

### 2.4 重大會計政策概要 (續)

#### 財務擔保合約

本集團發行的財務擔保合約指因特定債務人未能根據債務工具條款到期支付而需要付款以償還持有人所產生的虧損的合約。財務擔保合約初步按其公平值確認為負債，並根據發出擔保直接應佔的交易成本進行調整。於初步確認後，本集團以下列較高者計量財務擔保合約：(i)根據「金融資產的減值」所載政策釐定的預期信貸虧損撥備；及(ii)初步確認的金額減(如適用)已確認的累計收入金額。

#### 終止確認金融負債

當負債項下責任已解除或取消或屆滿時，即終止確認金融負債。

當現有金融負債被同一貸款人提供的另一項金融負債按極為不同的條款所取代，或對現有負債的條款作出重大修訂時，有關交換或修訂被視為終止確認原有負債並確認新負債，且各自賬面值之間的差額於損益中確認。

#### 抵銷金融工具

倘現時存在一項可強制執行的法定權利以抵銷已確認金額，且有意以淨額結算或同時變現資產及清償負債，則金融資產可與金融負債互相抵銷，並將淨額列入綜合財務狀況表內。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and, in the case of work in progress and finished goods, comprises direct materials and subcontracting charges. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

##### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

##### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in the statement of profit or loss.

##### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries/ jurisdictions in which the Group operates.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 存貨

存貨按成本及可變現淨值兩者中之較低者列賬。成本按加權平均法釐定。在製品及製成品之成本包括直接原材料及成工費用。可變現淨值則根據估計售價減估計完成及出售所產生之任何成本計算。

##### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括庫存現金及活期存款，以及高度流通之短期投資（其價值變動風險不大，且一般於購入後三個月內到期，並可隨時轉換為已知現金金額）減須按要求償還且屬本集團現金管理部分之銀行透支。

就綜合財務狀況表而言，現金及現金等價物為並無用途限制之庫存現金及存於銀行之現金（包括定期存款）。

##### 撥備

倘因過往事件引致現時債務（法定或推定）且未來可能需要資源流出以清償債務，則確認撥備，惟有關債務金額須能可靠估計。

倘貼現的影響重大，則撥備確認的金額為報告期末預期須清償債務的未來開支的現值。因時間流逝而產生的貼現現值增額計入損益內的融資成本。

##### 所得稅

所得稅包括即期及遞延稅項。所得稅倘涉及於損益外確認的項目，均於損益外確認，亦可於其他全面收入或直接於權益內確認。

即期稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈的稅率（及稅法），並計及本集團經營所在國家的現有詮釋及慣例，按預期自稅務機關退回或支付予稅務機關的金額計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Income tax (continued)

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## 2. 主要會計政策概要 (續)

### 2.4 重大會計政策概要 (續)

#### 所得稅 (續)

遞延稅項乃就資產及負債的稅基與其作為財務報告用途的賬面值之間於報告期末的所有暫時差額，採用負債法作出撥備。

遞延稅項負債根據所有應課稅的暫時差額確認，惟下列情況除外：

- 倘遞延稅項負債由初步確認商譽或並非屬業務合併交易中的資產或負債產生，且於交易時均不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司、聯營公司及合營企業投資有關的應課稅暫時差額而言，倘可控制暫時差額的撥回時間，且該等暫時差額可能不會於可預見將來撥回。

遞延稅項資產就所有可扣稅暫時差額、未動用稅項抵免的結轉及任何未動用稅項虧損而確認。遞延稅項資產於可能有可動用可扣稅暫時差額、未動用稅項抵免的結轉及未動用稅項虧損抵銷的應課稅溢利時予以確認，惟下列情況除外：

- 倘有關可扣稅暫時差額的遞延稅項資產乃由初步確認並非屬業務合併的交易中的資產或負債產生，且於交易時均不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額可能於可預見將來撥回，且將有可動用暫時差額抵銷的應課稅溢利的情況下，方予確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future periods in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 所得稅 (續)

對遞延稅項資產的賬面值於各報告期末進行審閱，並於不再可能有足夠應課稅溢利可供動用全部或部分遞延稅項資產時作調減。未確認的遞延稅項資產於各報告期末重新評估，並於可能有足夠應課稅溢利可供收回全部或部分遞延稅項資產的情況下予以確認。

遞延稅項資產及負債以變現資產或清償負債期間的預期適用稅率計量，並以於報告期末已頒佈或實質上已頒佈的稅率(及稅法)作為基礎。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

##### 政府補貼

政府補貼於合理確定將會收取補貼及將會符合一切所附條件後，按其公平值確認。倘補貼與開支項目有關，則於期內按系統基準確認為收入，以將補貼與擬補償的相關成本支銷。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Revenue recognition

##### *Revenue from contracts with customers*

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

## 2. 主要會計政策概要 (續)

### 2.4 重大會計政策概要 (續)

#### 收益確認

##### *客戶合約收益*

客戶合約收益於貨品或服務的控制權轉移予客戶時以本集團預期相關貨品或服務可換取的代價確認。

若合同代價包含可變金額，本集團會估計因向客戶轉讓貨品或服務而有權收取的代價金額。可變代價於合同開始時估計，並一直受限，直至可變代價的相關不確定性在後續解決，應不會發生自己確認累計收益撥回重大收益為止。

當合約包含之融資部分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收入按應收賬款現值計量，貼現所使用之貼現率將反映於本集團與客戶在合約開始時之單獨融資交易。當合約包含之融資部分為本集團提供一年以上的重大財務利益時，根據合約確認之收入包括按實際利息法就合約負債應計之利息開支。就客戶付款至轉讓承諾商品或者服務期限為一年或者更短之合約而言，交易價格採用香港財務報告準則第15號之實際權宜方法，不會對重大融資部分的影響作出調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Revenue recognition (continued)

##### Revenue from contracts with customers (continued)

##### (a) Sale of proprietary integrated circuits products

Revenue from the sale of proprietary integrated circuits products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the proprietary integrated circuits products. Some contracts for the sale of proprietary integrated circuits products provide customers volume rebates. The volume rebates give rise to variable consideration.

##### (i) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

##### Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 收益確認 (續)

##### 客戶合約收益 (續)

##### (a) 專有集成電路產品銷售

專有集成電路產品銷售的收入於資產控制權轉移至客戶時確認，一般為交付專有集成電路產品時。部分專有集成電路產品銷售合約提供客戶批量回扣。批量回扣引起可變代價。

##### (i) 批量回扣

若干客戶一旦購買特定產品超過合約規定數量，可能獲提供追溯批量回扣。為估計預期未來回扣的可變代價，只有一個規定數量的合約會採用最可能金額方法計算，而超過一個規定數量的合約則採用預期價值方法計算。所選取最佳預測可變代價金額的方法主要基於合約中所包含的規定數量。可變代價估計的限制要求會予以應用，並會就預期未來回扣確認退款責任。

##### 其他收入

利息收入採用於金融工具的預期年限或(倘適用)較短期間內將估計未來現金收入準確貼現至金融資產賬面淨值的利率，使用實際利率法累計確認。

股息收入於確立股東收取款項的權利時確認，並在股息相關經濟利益可能會流入本集團及股息收入之金額能可靠地計量時予以確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

#### Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### Share-based payments

The Company operates share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees with grant after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 25 to the financial statements.

## 2. 主要會計政策概要(續)

### 2.4 重大會計政策概要(續)

#### 退款負債

退款負債是退還部分或全部從客戶收到(或應收)的代價的責任，按照集團預期最終須要退還顧客的數額計量。本集團於每個報告期末更新其退款負債估計(及交易價格的相應變化)。

#### 合約負債

合約負債指本集團因已向客戶收取代價(或代價款項已到期)，而須向客戶轉讓貨品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付代價，則於作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收入。(即相關貨品或服務的控制權轉至客戶)

#### 股票付款

為了激勵和獎勵為本集團運營作出貢獻的符合條件的人士，本公司實行購股權計劃。本集團的僱員(包括董事)以股票付款方式收取酬金，據此僱員以提供服務作為權益工具的代價(「權益結算交易」)。

與僱員進行的權益結算交易(2002年11月7日之後授出)的成本參照其授出當日之公允價值計算。公允價值由外部估值師以二項模式釐定，進一步詳情載於財務報表附註25中。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Share-based payments (continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification, that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 股票付款 (續)

權益結算交易的成本連同權益相應增加部分，在滿足業績或服務條件期間於僱員福利開支內確認。於各報告期末直至歸屬日期內確認為權益結算交易的累計開支反映歸屬日期屆滿時的水平及本集團對最終歸屬的權益工具數目的最佳估計。於某期間內損益的扣除或入賬反映於該期間開始及結束時確認的累計開支變動。

決定獎勵於授出日期之公允價值時不會考慮服務及非市場表現條件，但該等條件的可能性會作為本集團對最終歸屬的權益工具數目的最佳估計的一部分而予以評估。授出日期之公允價值反映市場表現條件。任何其他附帶於獎勵的條件，若無相關服務需求，將被視為非歸屬條件。非歸屬條件反映在獎勵的公允價值且除非亦有服務及／或表現條件，否則其將導致獎勵立即耗減。

因未滿足非市場表現及／或服務條件而最終不會歸屬的獎勵不予確認開支。倘獎勵包括一項市場或非歸屬條件，且所有其他表現及／或服務條件已達成，不論市場或非歸屬條件是否達成，該等交易亦將被視作歸屬交易。

當修訂股票付款獎勵的條款時，倘已滿足獎勵的原始條款，則至少要按無修訂條款的情況確認開支。此外，當任何修訂於修訂當日導致股票付款的公允總值有所增加，或為僱員帶來利益，均應確認開支。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Share-based payments (continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The cost of cash-settled transactions is measured initially at fair value at the grant date taking into account the terms and conditions upon which the instruments were granted (note 25). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognised for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest. The liability is measured at the end of each reporting period up to and including the settlement date, with changes in fair value recognised in the statement of profit or loss.

## 2. 主要會計政策概要(續)

### 2.4 重大會計政策概要(續)

#### 股票付款(續)

當股票付款獎勵被取消，則會視作於取消當時歸屬，且任何未就獎勵確認的開支將立即確認。此舉包括未滿足本集團或僱員控制權內的非歸屬條件的任何獎勵。然而，倘有新獎勵代替被取消的獎勵，且於授出當日被指定為一項替代獎勵，則被取消及新獎勵均會視作原始獎勵的變更，如上段所述。

計算每股盈利時，未行使購股權的攤薄影響將列作額外股份攤薄效應。

現金結算交易的成本在授予日按初始公允價值計量，並考慮到授予的條款和條件(附註25)。公允價值在歸屬日期之前的期間支銷並確認相應的負債。以現金結算的交易的累計費用於每個報告期末確認直至歸屬日期反映歸屬期限已到期以及本集團對最終歸屬的獎勵數量的最佳估計。於每個報告期末(包括結算日期)，負債按損益表中所確認的公允價值變動計量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Other employee benefits

###### *Pension schemes*

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China and overseas are required to participate in a central retirement benefit scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central retirement benefit scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central retirement benefit scheme.

###### *Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

### 2. 主要會計政策概要 (續)

#### 2.4 重大會計政策概要 (續)

##### 僱員福利

###### *退休金計劃*

本集團根據香港強制性公積金計劃為所有合資格參與強積金計劃的僱員實行一項有既定供款的強制性公積金退休福利計劃(「強積金計劃」)。供款按照僱員底薪的若干百分比釐定，且根據強積金計劃規定應付時在損益中扣除。強積金計劃的資產與本集團其他資產分開管理，由獨立管理的基金持有。向強積金計劃作出供款時，本集團的僱主供款將全數歸屬僱員擁有，本集團僱主的自願供款則除外，根據強積金計劃的規則，當僱員在供款全數歸屬彼等前離職，則僱主的自願供款將退還予本集團。

本集團在中國和海外經營的附屬公司的僱員都需要參加由當地市政府運營的中央退休福利計劃。這些附屬公司需要繳納一定比例的工資成本到中央退休福利計劃。按照中央退休福利計劃的規定的應付供款計入損益表。

###### *終止福利*

當本集團不可撤回該等福利要約或當本集團確認重組成本涉及終止福利支付時予以確認終止福利，以較早者為準。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 2.4 Summary of Significant Accounting Policies (continued)

#### Foreign currencies

These financial statements are presented in US\$, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

## 2. 主要會計政策概要(續)

### 2.4 重大會計政策概要(續)

#### 外幣

本財務報表以本公司功能貨幣美元呈列。本集團旗下各實體自行釐定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣計量。由本集團實體錄得的外幣交易初步按交易當日彼等各自功能貨幣的現行匯率入賬。以外幣計值的貨幣資產及負債按報告期末的功能貨幣匯率換算。貨幣項目結算或換算產生的差額均於損益內確認。

結算或換算貨幣項目產生的差額於損益表確認，惟指定為本集團對外業務淨對沖投資的一部分的貨幣項目除外。這些外幣項目在其他全面收益中確認，直至淨投資被處置，此時累計金額重新分類至損益表。這些貨幣項目的匯兌差額產生的稅費和信貸也記入其他全面收益。

以歷史成本計量的非貨幣外幣項目使用初始交易日期的匯率換算。以公允價值計量的非貨幣性外幣項目，採用公允價值計量日期的匯率折算。換算以公允價值計量的非貨幣項目產生的收益或損失，按照該項目的公允價值變動收益或損失確認(即該項目的公允價值收益或損失於其他全面收益或損益中確認，則相關換算差額亦分別於其他全面收益或損益中確認)。

就終止確認與預付代價有關的非貨幣資產或非貨幣負債的相關資產、開支或收入而言，於釐定初次確認的匯率時，初次交易的日期為本集團初次確認預付代價所產生的非貨幣資產或非貨幣負債的日期。倘有多筆預付付款或收款，本集團就每筆預付代價的付款或收款分別釐定交易日期。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

#### 2.4 Summary of Significant Accounting Policies (continued)

##### Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries are currencies other than US\$. As at the end of the reporting period, the assets and liabilities of these entities are translated into US\$ at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into US\$ at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into US\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into US\$ at the weighted average exchange rates for the year.

### 2. 主要會計政策概要(續)

#### 2.4 重大會計政策概要(續)

##### 外幣(續)

海外附屬公司的功能貨幣為美元以外的貨幣。於報告期末，該等實體的資產及負債按報告期末的即期匯率換算成美元，而該等損益表按該年度的加權平均匯率換算成美元。所產生的匯兌差額會在其他全面收益確認，並在匯兌波動儲備中累積。當出售海外業務時，與該海外業務有關的其他全面收益的組成部分於損益內確認。

因收購海外實體而產生的商譽及資產和負債的賬面值的公平值調整，均視作該海外實體的資產及負債，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司的現金流按現金流產生當日的匯率換算成美元。海外附屬公司於本年經常產生的現金流按該年度的加權平均匯率換算成美元。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. Financial risk management and fair value and fair value hierarchy of financial instruments

#### 3.1 Financial risk factors

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

##### Interest rate risk

As at 31 December 2020, the Group is exposed to fair value or cash flow interest rate risk in relation to the interest-bearing bank borrowings of the Group with either fixed or floating interest rates. The Group currently does not have any interest rate hedging policy. However, management will consider hedging significant interest rate exposure should the need arise.

##### Foreign currency risk

The Group has transactional currency exposures. Such exposures primarily arise from revenue and other income generated, and cost and expenses incurred by operating units in currencies other than the Group's operating units' functional currencies. For the Group's operating units that have the Hong Kong dollar ("HK\$") as their functional currency, their foreign currency transactions during the years ended 31 December 2020 and 2019, and the units' monetary assets and liabilities denominated in foreign currencies as at the end of the reporting period were mainly denominated in US\$. As the Hong Kong dollar ("HK\$") is pegged to the US\$ within a narrow band, the Group does not expect any significant movements in the US\$/HK\$ exchange rate. Accordingly, management considers that the Group's foreign currency risk exposure for HK\$ is not significant.

### 3. 財務風險管理，公平值及公平價值級別

#### 3.1 財務風險因素

本集團金融工具產生的主要風險為利率風險、外匯風險、信貸風險及流動性風險。董事會審閱並同意管理各項該等風險的政策並概述如下。

##### 利率風險

於2020年12月31日，本集團面臨本集團計息銀行借貸的固定或浮動利率的公平值或現金流量利率風險。本集團目前並無任何利率對沖政策。然而，管理層將考慮在需要時對沖重大利率風險。

##### 外匯風險

本集團有交易性貨幣風險。該等風險主要來自收入及產生的其他收入，以及營運單位以本集團營運單位功能貨幣以外的貨幣產生的成本及開支。本集團的經營單位以其港元（「港元」）為功能貨幣，截至2020年及2019年12月31日止年度的外幣交易，以及以外幣計值的單位貨幣資產及負債於報告期末，主要以美元計值。由於港元（「港元」）與美元掛鉤，因此本集團預期美元／港元匯率不會出現任何重大變動。因此，管理層認為本集團的港元外匯風險並不重大。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

#### 3.1 Financial risk factors (continued)

##### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

##### Maximum exposure and year-end staging

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2020

		12-month ECLs 12個月 預期信貸虧損		Lifetime ECLs 年限內預期信貸虧損		
		Stage 1 第1階段 US\$'000 千美元	Stage 2 第2階段 US\$'000 千美元	Stage 3 第3階段 US\$'000 千美元	Simplified approach 簡化計算法 US\$'000 千美元	Total 總計 US\$'000 千美元
Trade receivables*	應收款*	-	-	-	15,508	15,508
Financial assets included in deposits and other receivables	訂金及其他應收款內的金融資產					
- Normal**	- 正常**	1,198	-	-	-	1,198
Pledged bank deposit	已抵押的銀行存款					
- Not yet past due	- 未過期	130	-	-	-	130
Cash and cash equivalents	現金及現金等價物					
- Not yet past due	- 未過期	50,827	-	-	-	50,827
		52,155	-	-	15,508	67,663

### 3. 財務風險管理，公平值及公平價值級別（續）

#### 3.1 財務風險因素（續）

##### 信貸風險

本集團僅與獲認可兼信譽可靠的第三方進行交易。按照本集團的政策，所有擬按信貸條款進行交易的客戶必須通過信貸核實程序後，方可作實。此外，本集團會持續監察應收款項結餘的情況，其所面對的壞賬風險並不重大。

##### 最高風險及年終分期

下表顯示了基於本集團信貸政策的信用質量和最大信用風險敞口，該信貸政策主要基於過去的到期信息（除非其他信息無需不必要的成本或努力），以及截至12月31日的年終分期分類。所列金額為金融資產的賬面總額。

於2020年12月31日

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

#### 3.1 Financial risk factors (continued)

##### Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2019

		12-month ECLs 12個月預期信貸虧損		Lifetime ECLs 年限內預期信貸虧損		Simplified approach 簡化計算法 US\$'000 千美元	Total 總計 US\$'000 千美元
		Stage 1 第1階段 US\$'000 千美元	Stage 2 第2階段 US\$'000 千美元	Stage 3 第3階段 US\$'000 千美元			
Trade receivables*	應收款*	-	-	-	19,860	19,860	
Financial assets included in deposits and other receivables	訂金及其他應收款內的金融資產						
- Normal**	- 正常**	1,119	-	-	-	1,119	
Pledged bank deposit	已抵押的銀行存款						
- Not yet past due	- 未過期	130	-	-	-	130	
Cash and cash equivalents	現金及現金等價物						
- Not yet past due	- 未過期	18,078	-	-	-	18,078	
		19,327	-	-	19,860	39,187	

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 22 to the financial statements.

\*\* The credit quality of the financial assets included in deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. At the end of the reporting period, the Group had certain concentrations of credit risk as 18% (2019: 41.6%) and 70% (2019: 78.7%) of the Group's trade receivables were due from the Group's largest debtor and the five largest debtors, respectively. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 22 to the financial statements.

### 3. 財務風險管理，公平值及公平價值級別（續）

#### 3.1 財務風險因素（續）

##### 信貸風險（續）

最高風險及年終分期（續）

於2019年12月31日

	12-month ECLs 12個月預期信貸虧損		Lifetime ECLs 年限內預期信貸虧損		Simplified approach 簡化計算法 US\$'000 千美元	Total 總計 US\$'000 千美元
	Stage 1 第1階段 US\$'000 千美元	Stage 2 第2階段 US\$'000 千美元	Stage 3 第3階段 US\$'000 千美元			
Trade receivables*	-	-	-	19,860	19,860	
Financial assets included in deposits and other receivables						
- Normal**	1,119	-	-	-	1,119	
Pledged bank deposit						
- Not yet past due	130	-	-	-	130	
Cash and cash equivalents						
- Not yet past due	18,078	-	-	-	18,078	
	19,327	-	-	19,860	39,187	

\* 有關本集團應收款減值採用簡化計算法下撥備矩陣的資料，於財務報表附註22披露。

\*\* 訂金和其他應收款中包含的金融資產的信用質量在未到時時被視為「正常」，並且沒有信息表明自初始確認後金融資產的信用風險顯著增加。否則，金融資產的信用質量被認為是「可疑的」。

本集團其他金融資產（包括現金及現金等價物及其他應收款）的信貸風險因交易對方違約而產生，最高風險相等於該等工具的賬面值。

由於本集團僅與獲認可兼信譽可靠的第三方進行交易，沒有抵押品需求。於報告期末，本集團承擔若干信貸集中風險，因本集團的貿易應收款項中，分別有18%（2019：41.6%）及70%（2019：78.7%）為應收本集團最大債務人及五大債務人的款項。本集團產生自貿易應收款項的信貸風險敞口的進一步量化數據披露於財務報表附註22。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

### 3. 財務風險管理，公平值及公平價值級別（續）

#### 3.1 Financial risk factors (continued)

#### 3.1 財務風險因素（續）

##### Liquidity risk

##### 流動性風險

The Group monitors and maintains a sufficient level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors the Group's working capital requirements regularly.

本集團監控及維持管理層認為足夠的現金及現金等價物，以便為本集團的營運提供資金並緩解現金流量波動的影響。管理層定期審視及監控本集團的營運資金需求。

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

於報告期末，本集團按合約未貼現付款釐定的金融負債到期情況載列如下：

		2020				
		No fixed term of repayment/ on demand 沒有固定的還款期限/ 按要求償還 US\$'000 千美元	Less than 3 months 少於3個月 US\$'000 千美元	3 to less than 12 months 3個月至少於12個月 US\$'000 千美元	1 to 5 years 1至5年 US\$'000 千美元	Total 總計 US\$'000 千美元
Financial liabilities included in trade and other payables	應付款及其他應付款內的金融負債	4,629	15,570	194	-	20,393
Interest-bearing bank borrowings	銀行計息貸款	-	1	181	-	182
Lease liabilities	租賃負債	-	392	427	129	948
		4,629	15,963	802	129	21,523

		2019				
		No fixed term of repayment/ on demand 沒有固定的還款期限/ 按要求償還 US\$'000 千美元	Less than 3 months 少於3個月 US\$'000 千美元	3 to less than 12 months 3個月至少於12個月 US\$'000 千美元	1 to 5 years 1至5年 US\$'000 千美元	Total 總計 US\$'000 千美元
Financial liabilities included in trade and other payables	應付款及其他應付款內的金融負債	4,014	15,757	88	-	19,859
Interest-bearing bank borrowings	銀行計息貸款	-	-	1	170	171
Lease liabilities	租賃負債	-	317	702	965	1,984
		4,014	16,074	791	1,135	22,014

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

#### 3.1 Financial risk factors (continued)

##### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 31 December 2019.

The capital of the Group represents equity attributable to owners of the Group.

##### Fair value

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

Financial assets	金融資產	Carrying amounts 賬面值		Fair values 公平值	
		2020 US\$'000 千美元	2019 US\$'000 千美元	2020 US\$'000 千美元	2019 US\$'000 千美元
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	-	-	-	-
Equity investment designated at fair value through other comprehensive income	按公平價值計入其他全面收入的投資	929	929	929	929
		929	929	929	929

### 3. 財務風險管理，公平值及公平價值級別（續）

#### 3.1 財務風險因素（續）

##### 資本管理

本集團資本管理的首要目標為保障本集團持續經營的能力並維持穩健的資本比率，以支持其業務及為股東創造最大價值。

本集團根據經濟環境變化及相關資產的風險特徵管理及調整其資本架構。為維持或調整資本架構，本集團或會返還資本予股東或發行新股份。本集團並不受任何外部施加的資本要求規限。於截至2020年12月31日及2019年12月31日止年度，資本管理目標、政策或程序並未發生變動。

本集團的資本即為本公司擁有人應佔權益。

##### 公平值

除賬面值合理地接近公平值的金融工具外，本集團金融工具的賬面值和公平值如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

#### 3.1 Financial risk factors (continued)

##### Fair value (continued)

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposit, trade receivables, trade payables, financial assets included in deposits and other receivables, financial liabilities included in other payables and accruals, the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2020 and 31 December 2019 was assessed to be insignificant. The carrying amounts of the non-current portion of interest-bearing bank borrowings approximate to their fair values.

### 3. 財務風險管理，公平值及公平價值級別(續)

#### 3.1 財務風險因素(續)

##### 公平值(續)

管理層已評估現金及現金等價物、已抵押銀行存款、應收款、應付款、包括在存款及其他應收款中的金融資產、包括在其他應付款及應計項目中的金融負債、計息銀行貸款的流動部分的公平價值與其賬面金額相近，主要是由於這些工具於短時間內到期。

金融資產及負債的公平價值按自願交易方(而非強迫或清盤銷售)於當前交易中交換該工具的金額入賬。

以下方法和假設用於估計公平價值：

計息銀行貸款的非流動部分的公平值乃使用現時可用於具有類似條款，信貸風險及剩餘到期日的工具的利率貼現預期未來現金流量計算。於2020年12月31日及2019年12月31日，本集團自身的計息銀行貸款的不履約風險被評估為微不足道。計息銀行貸款的非流動部分的賬面值與其公平值相若。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

#### 3.1 Financial risk factors (continued)

##### Fair value (continued)

The fair value of an unlisted equity investment designated at fair value through other comprehensive income have been estimated by observable prices or rates of sale of similar assets. The directors believe that the estimated fair value which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that it was the most appropriate values at the end of the reporting period.

The Group has a call option over non-controlling interest of a subsidiary which is recorded as a financial asset at fair value through profit or loss. The fair value of this call option is based on a valuation technique that are not based on observable market data.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis:

Description 概述	Valuation technique 估值方法	Significant unobservable input 重大不可觀察輸入數據	As at	As at	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公平價值的關係
			31 December 於12月31日 2020	31 December 於12月31日 2019	
Financial asset at fair value through profit or loss – Call option over non-controlling interests 通過損益以反映公平價值的財務資產 – 非控股權益認購權	Monte Carlo simulation method 蒙特卡羅模擬法	Volatility 波幅	57%	50%	The higher the volatility, the higher the fair value 波幅愈大，公平價值愈高
		Risk-free interest rate 無風險利率	0.66%	0.67%-2.39%	The higher the risk-free interest rate, the higher the fair value 無風險利率愈高，公平價值愈高
		Price-to-sales ratio 市銷率	1.51	0.98	The higher the price-to-sales ratio, the higher the fair value 市銷率愈高，公平價值愈高

### 3. 財務風險管理，公平值及公平價值級別 (續)

#### 3.1 財務風險因素 (續)

##### 公平值 (續)

以按公允價值計入其他全面收入的非上市股權投資的公允價值，按可觀察價格或類似資產的銷售率估算。董事認為，綜合財務狀況表中記錄的估計公允價值以及公允價值的相關變動 (記入其他綜合收益) 是合理的，並且它是報告期末最合適的價值。

本集團對子公司的非控股權益認購權，並以公允價值計量且其變動計入當期損益。該認購權的公允價值基於不可觀察市場數據的估值技術。

下文概述就金融工具進行估值採用之重大不可觀察輸入數據連同定量敏感度分析：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

### 3. 財務風險管理，公平值及公平價值級別（續）

#### 3.1 Financial risk factors (continued)

#### 3.1 財務風險因素（續）

##### Fair value hierarchy

##### 公平價值級別

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

下表說明了本集團金融工具的公允價值計量級別

Assets measured at fair value:

資產按公平值計量

As at 31 December 2020

於2020年12月31日

		Fair value measurement using 公平值計量利用			
		Quoted prices in active markets 於活躍 市場報價 (Level 1) (第1層級) US\$'000 千美元	Significant observable inputs 可觀察 輸入數據 (Level 2) (第2層級) US\$'000 千美元	Significant unobservable inputs 不可觀察 輸入數據 (Level 3) (第3層級) US\$'000 千美元	Total 總計 US\$'000 千美元
Equity investment designated at fair value through other comprehensive income	按公平價值計入其他全面收入的投資	-	929	-	929



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)      3. 財務風險管理，公平值及公平價值級別（續）

#### 3.1 Financial risk factors (continued)

##### Fair value hierarchy (continued)

As at 31 December 2019

#### 3.1 財務風險因素（續）

##### 公平價值級別（續）

於2019年12月31日

Fair value measurement using  
公平值計量利用

	Quoted prices in active markets 於活躍 市場報價 (Level 1) (第1層級) US\$'000 千美元	Significant observable inputs 可觀察 輸入數據 (Level 2) (第2層級) US\$'000 千美元	Significant unobservable inputs 不可觀察 輸入數據 (Level 3) (第3層級) US\$'000 千美元	Total 總計 US\$'000 千美元
Equity investment designated at fair value through other comprehensive income      按公平價值計入其他全面收入的投資	-	929	-	929

The movements in fair value measurements within Level 3 during the year are as follows:

年內，第三層級的公平值變動如下：

		2020 US\$'000 千美元	2019 US\$'000 千美元
Financial assets at fair value through profit or loss – Call option over non-controlling interests      通過損益以反映公平價值的財務資產 – 非控股權益認購權			
At 1 January	於1月1日	-	467
Fair value loss recognised in profit or loss	公平值虧損於利潤的確認	-	(467)
At 31 December	於12月31日	-	-

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2019: Nil).

年內，第1層級及第2層級之間沒有公平值計量轉移，沒有第3層級金融資產轉入或轉出（2019：無）。

The Group did not have any financial liabilities measured at fair value as at 31 December 2020 (2019: Nil).

於2020年12月31日，本集團沒有金融負債以公平值計量（2019：無）。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

#### Income taxes

The Group has exposure to income taxes in different jurisdictions. Significant judgement is involved in determining the provision for income taxes. Determining income tax provisions involves judgement on the future tax treatment of certain transactions and interpretation of tax rules. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation, interpretations and practices in respect thereof.

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### Revenue from contracts with customers

Determining the method to estimate variable consideration and assessing the constraint for the sale of products.

Certain contracts for the sale of products include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

### 4. 關鍵會計估算及判斷

編製本集團財務報表時，管理層須作出會影響所呈報收入、開支、資產及負債之報告金額及其相關披露及或然負債披露之判斷、估計及假設。有關該等假設及估計之不確定性或會導致日後須就受影響之資產或負債賬面值作出重大調整。

#### 判斷

於採納本集團會計政策過程中，除涉及估計的會計政策外，管理層已作出對財務報表中已確認金額構成最重大影響之判斷如下：

#### 所得稅

本集團須在多個司法權區繳納所得稅。釐定所得稅撥備涉及重大判斷。釐定所得稅撥備時涉及對若干交易之未來稅項待遇及稅項規則詮釋的判斷。本集團審慎評估交易的稅務影響，並相應設立稅項撥備。定期重新考慮該等交易的稅項待遇以反映相關稅法、詮釋及慣例的全部變化。

#### 估計不確定因素

於報告期末有關未來之主要假設及其他估計不確定性之主要來源，會使下一個財政年度內的資產及負債賬面值有重大調整的風險，詳見下文論述。

#### 與客戶簽訂合同的收入

確定估算可變代價和評估產品銷售約束的方法。

某些產品銷售合同包括產生可變代價的批量折扣。在估計可變代價時，本集團需要使用預期價值法或最可能金額法方法去更好地預測其有權獲得的代價金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. Significant accounting estimates and judgements (continued)

#### Estimation uncertainty (continued)

##### Revenue from contracts with customers (continued)

In estimating the variable consideration for the sale of products with volume rebates, the Group determined that using the most likely amount method is appropriate. The selected method that better predicts the amount of variable consideration related to volume rebates is primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

##### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The goodwill had been fully impaired at 31 December 2019. Further details are given in note 14 to the financial statements.

##### Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit using key assumptions such as budgeted revenue growth rate and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment and other intangible assets at 31 December 2020 were US\$3,722,000 (2019: US\$3,650,000) and US\$1,022,000 (2019: US\$1,453,000), respectively.

### 4. 關鍵會計估算及判斷 (續)

#### 估計不確定因素 (續)

##### 與客戶簽訂合同的收入 (續)

在估計銷售具有批量回扣的產品的可變代價時，本集團確定使用最可能金額方法是最合適的。其能更好預測與批量回扣相關的可變對價金額，主要由於合同中包含的數量閾值。採納最可能金額方法用於單個閾值的銷售合約。

在將任何數額的可變代價納入交易價格之前，本集團會考慮可變對價的金額是否受到限制。本集團根據其歷史經驗，業務預測及當前經濟狀況確定可變對價的估計不受限制。此外，可變代價的不確定性將在短時間內得到解決。

##### 商譽減值

本集團至少每年釐定商譽有否減值。為此需對商譽所分配現金產生單位的使用價值作出估計。估計使用價值需要本集團估算現金產生單位之預期未來現金流量，並選擇合適的折現率計算該等現金流量的現值。於2019年12月31日的商譽已完全減值。進一步詳情載於財務報表附註14。

##### 非金融資產 (商譽除外) 減值

本集團於各報告期末為所有非金融資產評估是否存在減值跡象。非金融資產於存在賬面值可能無法收回的跡象時進行減值測試。當某一資產或現金產生單位的賬面值超出其可收回金額 (即其公允價值減出售成本與其使用價值之較高者) 時，即存在減值。於計算公允價值減出售成本時，須依據類似資產具約束力的公平銷售交易提供的數據或可觀察的市場價格扣減處置該資產所增加的成本。若需計算使用價值，則管理層須估計資產或現金產生單位的預期未來現金流量，以及須選擇合適的折現率，以計算該等現金流量的現值。於2020年12月31日，物業、廠房及設備及其他無形資產的賬面值分別為3,722,000美元 (2019: 3,650,000美元) 及1,022,000美元 (2019: 1,453,000美元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4. Significant accounting estimates and judgements (continued)

#### Estimation uncertainty (continued)

##### Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The information about the ECLs on the Group's trade receivables is disclosed in note 22 to the financial statements.

##### Net realisable value of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged analyses of the Group's inventories, projections of expected future saleability of goods and management experience and judgement. Based on this review, write-down of inventories will be made when the estimated net realisable value of inventories declines below their carrying amount. Due to changes in technological, market and economic environment and customers' preference, actual saleability of goods may be different from estimation and profit or loss could be affected by differences in this estimation. As at 31 December 2020, the carrying amount of inventories was US\$16,428,000 (2019: US\$26,791,000).

##### Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as market interest rates when available.

### 4. 關鍵會計估算及判斷(續)

#### 估計不確定因素(續)

##### 應收款的預期信貸損失撥備

本集團使用撥備矩陣計算應收款的預期信用損失。撥備率基於具有類似損失模式(即,按地理位置)的各個客戶群的分組的過期天數。

撥備矩陣最初基於集團歷史觀察到的違約率。本集團將校準矩陣以使用前瞻性信息調整歷史信用損失經驗。例如,如果預計經濟狀況(即國內生產總值)預計在明年惡化,這可能導致製造業違約數量增加,則調整歷史違約率。在每個報告日期,更新歷史觀察到的違約率並分析前瞻性估計值的變化。有關本集團應收款的預期信用損失的信息披露於財務報表附註22。

##### 存貨的可變現淨值

本集團參考本集團存貨的賬齡分析,預期未來貨物銷售能力預測及管理經驗及判斷,定期檢討存貨賬面值。根據該檢討,當存貨的估計可變現淨值低於其賬面值時,將減記存貨。由於技術,市場和經濟環境以及客戶偏好的變化,商品的實際可銷售性可能與估計不同,並且此估計的差異可能會影響損益。截至2020年12月31日,存貨賬面值為16,428,000美元(2019: 26,791,000美元)。

##### 租賃 – 估算遞增借貸利率

本集團無法輕易釐定租賃內所隱含的利率,因此,使用遞增借貸利率(「遞增借貸利率」)計量租賃負債。遞增借貸利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產,而以類似抵押品與類似期間借入所需資金應支付之利率。因此,遞增借貸利率反映了本集團「應支付」的利率,當無可觀察的利率或當須對利率進行調整以反映租賃之條款及條件時,則須作出利率估計。當可觀察輸入數據可用時,本集團使用可觀察輸入數據(如市場利率)估算遞增借貸利率。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. Segment information and disaggregation of revenue

During the year, the Group was principally engaged in the design, development and sales of proprietary IC products and system solutions that enable a wide range of display applications for smartphones, tablets, smart TVs/monitors, notebooks and other smart devices, including wearables, healthcare devices, smart home devices, as well as industrial appliances, etc.

The Group has been operating in one single operating segment, i.e., the design, development and sales of 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 as a whole to assess performance and allocate resources. A management approach has been used for the operating segment reporting.

Sales amounted to US\$121,261,000 and US\$108,323,000 for the years ended 31 December 2020 and 2019, respectively.

The Company is domiciled in Hong Kong. The Group mainly operates in Hong Kong. During 2020, the Group's products were mainly sold to customers located in Hong Kong, Mainland China, Taiwan and Europe.

### 5. 分部資料及銷售額分類

於年內，本集團主要從事設計、開發及銷售集成電路晶片產品及系統解決方案，能於各類智能手機、平板電腦、智能電視／顯示器、筆記本電腦及其他智能產品，包括可穿戴式產品、醫療保健產品、智能家居產品及工業用設備等提供廣泛的顯示及觸控應用。

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執行董事及行政總裁領導下的高級管理層。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。管理方法已用於經營分部報告。

截至2020及2019年12月31日止年度，銷售額分別為121,261,000美元及108,323,000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2020年內，本集團之產品主要銷售予位於香港、中國大陸、台灣及歐洲的客戶。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. Segment information and disaggregation of revenue (continued)

### 5. 分部資料及銷售額分類 (續)

#### (a) Revenue from contracts with customers disaggregated by geographical markets

#### (a) 按地域市場分類的客戶合約收益

		2020 US\$'000 千美元	2019 US\$'000 千美元
Hong Kong	香港	64,394	72,510
Mainland China	中國大陸	16,394	7,276
Taiwan	台灣	21,201	13,976
Europe	歐洲	12,394	5,880
Japan	日本	5,833	5,489
Korea	韓國	536	2,433
South East Asia	東南亞	135	286
USA	美國	84	329
Others	其他	290	144
		<b>121,261</b>	<b>108,323</b>

Sales are classified based on the places/countries in which customers are located.

銷售額按客戶所在地區／國家分類。

#### (b) Revenue from contracts with customers disaggregated by product types

#### (b) 按產品種類分類的客戶合約收益

		2020 US\$'000 千美元	2019 US\$'000 千美元
Advanced Display ICs	先進顯示ICs	61,901	39,224
Large Display ICs	大型顯示ICs	27,467	39,054
Other ICs	其他ICs	31,893	30,045
		<b>121,261</b>	<b>108,323</b>

Other ICs mainly comprise Mobile Touch and Mobile Display products.

其他ICs主要為移動觸控和移動顯示產品。

#### (c) Revenue from contracts with customers that was included in the contract liabilities at the beginning of the reporting period

#### (c) 在合約負債中確認為本報告期內的客戶合約收益

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

下表顯示於報告期初包含在合約負債中確認為本報告期內的收益金額：

		2020 US\$'000 千美元	2019 US\$'000 千美元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初包含在合約負債中並已確認的收益金額：		
Sales of ICs	銷售ICs	934	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5. Segment information and disaggregation of revenue (continued)

#### (d) Non-current assets

		2020 US\$'000 千美元	2019 US\$'000 千美元
Hong Kong	香港	686	2,095
Mainland China	中國大陸	4,052	3,956
Taiwan	台灣	1,725	1,877
Korea	韓國	36	87
Japan	日本	-	10
		<b>6,499</b>	<b>8,025</b>

Non-current assets are listed based on where the assets are located which exclude financial instruments.

非流動資產(不包含金融工具)乃根據資產的所在地予以列載。

#### (e) Capital expenditures

		2020 US\$'000 千美元	2019 US\$'000 千美元
<b>Property, plant and equipment</b>	<b>物業、廠房及設備</b>		
Mainland China	中國大陸	963	177
Hong Kong	香港	94	109
Taiwan	台灣	89	8
United Kingdom	英國	-	15
Others	其他	-	14
		<b>1,146</b>	<b>323</b>

Capital expenditures are listed based on where the assets are located.

資本開支乃根據資產的所在地予以列載。

#### (f) Major customers

For the year ended 31 December 2020, the largest and the second largest customers were located in Hong Kong. Sales to them were US\$19,364,000 and US\$18,781,000, respectively, which were all over 10% of the Group's total revenue. For the year ended 31 December 2019, the largest and the second largest customers were located in Hong Kong. Sales to them were US\$36,371,000 and US\$14,568,000, respectively, which were all over 10% of the Group's total revenue.

#### (f) 主要客戶

截至2020年12月31日止年度，最大及第二大客戶位於香港。其銷售額分別為19,364,000美元及18,781,000美元，並各佔本集團總銷售額超過10%。截至2019年12月31日止年度，最大及第二大客戶位於香港。其銷售額分別為36,371,000美元，14,568,000美元，並各佔本集團總銷售額超過10%。

#### (g) Performance obligation

##### Sale of integrated circuits products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from date of delivery. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

#### (g) 履約責任

##### 銷售集成電路產品

在交付集成電路產品時履行履約責任，付款通常在交付日後30至90天內到期。一些合同為客戶提供了批量回扣，這導致了受限制的可變對價。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 6. Profit/(loss) before tax

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

### 6. 除稅前溢利／（虧損）

本集團的除稅前溢利／（虧損）乃經扣除／（計入）下列各項後得出：

	Notes 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
Cost of goods sold	銷貨成本	85,260	79,815
Product engineering costs	產品工程成本	2,656	3,813
Provision for obsolete or slow moving inventories/(reversal of provision for slow moving inventories), net	過時或滯銷存貨的撥備／（回撥），淨值	(318)	6,696
Amortisation of intangible assets	無形資產攤銷	490	3,851
Depreciation of property, plant and equipment	物業、機器及設備折舊	1,291	1,662
Depreciation of right-of-use assets	使用權資產折舊	1,382	1,430
Lease payments not included in the measurement of lease liabilities	租賃支出不包括在租賃負債之計量	133	400
COVID-19-related rent concession from lessors	2019冠狀病毒病相關租賃減免	(281)	–
Foreign exchange differences, net	外匯差額，淨額	408	225
Auditor's remuneration	核數師酬金	200	213
Impairment of goodwill	商譽減值	–	2,317*
Impairment of other intangible assets	無形資產減值	–	7,988*
Impairment of right-of-use assets	所有權資產減值	–	67*
Impairment of property, plant and equipment	物業、機器及設備減值	–	12*
Impairment of trade receivables	應收款減值	–	80*
Employee benefit expenses (including directors' emoluments (Note 10)):	僱員福利開支（包括董事酬金（附註10））：		
– Salaries, allowances, bonuses and other benefits	– 薪金、津貼、花紅及其他福利	20,397	23,962
– Equity-settled share option expense	– 以權益結算的購股權開支	50	47
– Pension scheme contributions (defined contribution schemes)	– 退休金計劃供款（界定供款計劃）	396	390
– Termination benefits	– 終止福利	157	3,068*
		<b>21,000</b>	<b>27,467</b>

\* These items are included in "Other expenses" in the consolidated statement of profit or loss.

\* 該等項目計入綜合損益表內「其他開支」。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 7. Other income and gains – net

### 7. 其他收入及收益 – 淨額

		2020 US\$'000 千美元	2019 US\$'000 千美元
Government grants*	政府補貼*	3,639	3,920
Gain/(loss) on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益／(虧損)	677	(20)
Licensing income	知識產權應用收入	1,600	–
Others	其他	281	238
		<b>6,197</b>	<b>4,138</b>

\* Various government grants have been received for the Group's research and development projects and certain supports from the Anti-epidemic Fund have been received for operation during the year. There are no unfulfilled conditions relating to these grants.

\* 年內，本集團的研發項目已獲得各種政府補助及收到防疫抗疫基金對營運的資助，並沒有與這些撥款有關的未履行條件。

### 8. Finance income – net

### 8. 投資收入 – 淨額

		2020 US\$'000 千美元	2019 US\$'000 千美元
Interest income	利息收入	180	146
Dividend income	股息收入	–	25
Fair value loss from financial assets at FVTPL, net	通過損益以反映公平價值的公平值虧損，淨額	–	(21)
Interest on bank loans	銀行貸款的利息支出	(2)	(2)
Interest on lease liabilities	租賃負債的利息支出	(95)	(147)
		<b>83</b>	<b>1</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 9. Five highest paid employees

Two (2019: two) of the five top-paid employees of the Group are directors of the Company whose emoluments are disclosed in note 10 to the financial statements.

Details of the emoluments of the other three (2019: three) top-paid employees who are neither a director nor chief executive officer of the Company are as follows:

		2020 US\$'000 千美元	2019 US\$'000 千美元
Salaries, allowances, bonuses and other benefits	薪金及津貼、 花紅和其他福利	375	707
Discretionary bonuses	酌情花紅	234	36
Contribution to pension scheme	向退休計劃供款	19	70
		<b>628</b>	<b>813</b>

Emolument bands (HK\$) 酬金金額範圍(港元)	Number of individuals 人數	
	2020	2019
1,500,001 – 2,000,000	3	2
2,500,001 – 3,000,000	–	1

### 9. 五名最高薪酬僱員

本集團五名最高薪人士包括兩名(2019: 兩名)本公司董事，其酬金已於財務報表附註10反映。

餘下之三名非董事及非行政總裁(2019: 三名)最高薪人士的酬金如下:

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10. Directors' and chief executive's remuneration

Directors' and chief executive officer's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Hong Kong Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

### 10. 董事及行政總裁酬金

根據上市規則及香港公司條例第383(1) (a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部所披露本年度之董事及行政總裁酬金如下：

Directors' emoluments for the year ended 31 December 2020  
截至2020年12月31日止年度董事之酬金

		Fees	Salaries and benefit in kind <sup>(i)</sup>	Pension scheme contributions	Share-based payment <sup>(ii)</sup>	Total
		袍金	薪金及其他福利 <sup>(i)</sup>	退休金計劃供款	股權開支 <sup>(ii)</sup>	總計
		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
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>					
Leung Heung Ying	梁享英	39	-	-	5	44
Sheu Wei Fu	許維夫	35	-	-	5	40
Chan Philip Ching Ho <sup>(a)</sup>	陳正豪 <sup>(a)</sup>	3	-	-	-	3
Yiu Tin Chong, Joseph <sup>(b)</sup>	姚天從 <sup>(b)</sup>	36	-	-	5	41
		113	-	-	15	128
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Ma Yuchuan	馬玉川	-	-	-	-	-
Li Jun	李峻	-	-	-	-	-
Yu Jian	虞儉	-	-	-	-	-
Lo Wai Ming <sup>(c)</sup>	盧偉明 <sup>(c)</sup>	10	188	5	-	203
		10	188	5	-	203
<b>Executive Director</b>	<b>執行董事</b>					
Wang Wah Chi, Raymond	王華志	-	577	13	11	601
		-	577	13	11	601
		123	765	18	26	932

Notes:

- (a) Appointed on 10 December 2020.  
 (b) Resigned on 10 December 2020.  
 (c) Redesignated from Executive Director to Non-Executive Director on 4 September 2020.

附註：

- (a) 於2020年12月10日獲委任。  
 (b) 於2020年12月10日辭任。  
 (c) 於2020年9月4日由執行董事調任為非執行董事。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10. Directors' and chief executive's remuneration (continued)

### 10. 董事及行政總裁酬金 (續)

Directors' emoluments for the year ended 31 December 2019  
截至2019年12月31日止年度董事之酬金

		Fees	Salaries and benefit in kind <sup>(i)</sup> 薪金及其他福利 <sup>(i)</sup>	Pension scheme contributions 退休金計劃供款	Share-based payment <sup>(ii)</sup> 股權開支 <sup>(ii)</sup>	Total
		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
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Leung Heung Ying	梁享英	33	-	-	4	37
Sheu Wei Fu	許維夫	32	-	-	4	36
Yiu Tin Chong, Joseph	姚天從	35	-	-	4	39
		100	-	-	12	112
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Ma Yuchuan	馬玉川	-	-	-	-	-
Li Jun	李峻	-	-	-	-	-
Yu Jian (appointed on 6 June 2019)	虞儉 (於2019年6月6日獲委任)	-	-	-	-	-
Li Rongxin (resigned on 28 May 2019)	李榮信 (於2019年5月28日辭任)	-	-	-	-	-
		-	-	-	-	-
<b>Executive Directors</b>	<b>執行董事</b>					
Wang Wah Chi, Raymond (appointed on 20 March 2019)	王華志 (於2019年3月20日獲委任)	-	206	9	15	230
Yeh Tsuei Chi (resigned on 20 March 2019)	葉垂奇 (於2019年3月20日辭任)	-	234	6	-	240
Lo Wai Ming	盧偉明	-	162	7	-	169
		-	602	22	15	639
		100	602	22	27	751

During the year, no remuneration was paid or payable by the Group to the directors as an inducement to join or upon joining the Group (2019: Nil). During the year, there was no compensation for loss of office was paid by the Group to the director (2019: US\$43,000).

年內，本集團概無已付或應付董事酬金作為加入本集團或加入本集團後的獎勵 (2019：無)。年內，本集團並無支付董事離職補償 (2019：43,000美元)。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2019: Nil).

年內概無董事放棄或同意放棄任何酬金的安排 (2019：無)。

(i) Benefits in kind include leave pay, insurance premium, termination benefits and other allowances.

(i) 其他福利包括假期工資、保險費、終止福利及其他津貼。

(ii) This represents the amount charged to the consolidated statement of profit or loss under the requirements of HKFRS 2 Share-based payments. During the current and prior years, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 25 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(ii) 此乃根據香港財務報告準則第2號「股份」付款的規定而計入綜合損益表的金額。於本年度及過往年度，若干董事根據本公司的購股權計劃就其對本集團的服務獲授購股權，其進一步詳情載於財務報表附註25。該等期權的公允價值已於歸屬期內於損益表確認，於授出日確定，而本年度財務報表所包括的金額已計入上述董事的賬面和行政總裁的薪酬披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11. Income tax

No provision for Hong Kong profits tax has been made for the current year as the Group has available tax losses brought forward from prior years to offset the assessable profits generate during the year. In the prior year, no provision for Hong Kong profits tax had been made as the Group had no estimated assessable profits. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

### 11. 所得稅

本集團因有承前自以往年度之可動用稅務虧損可用以抵銷期內產生之應課稅溢利，因此並無作本年度香港利得稅撥備。於上年同年，本集團無估計應課稅溢利而毋須作香港所得稅撥備。海外所得稅則根據本集團的營運所在國家／司法權區之適用稅率計算。

	Note 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
Current – Elsewhere:			
Charge for the year		198	5
Overprovision in prior years		–	(67)
Deferred income tax	27	–	(313)
<b>Total income tax expense/(credit)</b>		<b>198</b>	<b>(375)</b>

A reconciliation of the tax credit applicable to loss before tax using the Hong Kong statutory tax rate (the statutory tax rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled) to the tax expense/(credit) at the Group's effective tax rate is as follows:

適用於採用香港法定稅率(本公司及其大部分附屬公司所在司法管轄區的法定稅率)計算的除稅前虧損的稅項抵免與按本集團實際稅率計算的稅項開支/(抵免)對賬如下:

		2020 US\$'000 千美元	2019 US\$'000 千美元
Profit/(loss) before tax	除稅前溢利/(虧損)	11,878	(28,180)
Income tax calculated at a tax rate of 16.5% (2019: 16.5%)	所得稅按16.5% (2019: 16.5%) 計算	1,960	(4,650)
Difference in tax rates for other jurisdictions	其他司法管轄區的稅率差異	409	(362)
Profits attributable to associates	聯營公司的盈利	(34)	(25)
Adjustments in respect of current tax of previous periods	就過往期間於當期稅款作出之調整	–	(67)
Income not subject to tax	毋須課稅收益	(2,901)	(171)
Expenses not deductible for tax	不可扣稅開支	1,485	3,545
Tax losses utilized from previous periods	使用以往期間稅項虧損	(723)	–
Tax losses not recognised	未確認的稅項虧損	434	2,453
Others	其他	(432)	(1,098)
<b>Tax charge/(credit) at the Group's effective rate</b>	<b>按本集團實際稅率計算之稅項開支/(抵免)</b>	<b>198</b>	<b>(375)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 12. Earnings/(loss) per share

#### (a) Basic earnings/(loss) per share

The basic earnings/(loss) per share for the year is calculated based on the Group's profit/(loss) in 2020 attributable to owners of the parent of US\$11,715,000 (2019: loss of US\$27,272,000) and the weighted average number of 2,480,302,624 (2019: 2,480,252,351) ordinary shares in issue during the year.

#### (b) Diluted earnings/(loss) per share

The diluted earnings/(loss) per share is calculated based on the Group's profit/(loss) for the year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the year after adjusting for the effects of all dilutive potential ordinary shares.

The information related to the weighted average number of ordinary shares is as follows:

		Number of shares 股份數目	
		2020	2019
Weighted average number of ordinary shares in issue	已發行普通股加權平均數	2,480,302,624	2,480,252,351
Effect of dilution – weighted average numbers of ordinary shares: share options	攤薄之影響 – 普通股加權平均數：購股權	213,386	–
Adjusted weighted average number of ordinary shares for diluted earnings/(loss) per share calculation	用作計算每股攤薄盈利／(虧損)的調整後普通股加權平均股數	2,480,516,010	2,480,252,351

### 13. Dividend

Final dividend attributed to the year:  
2020 final dividend, proposed, of 0.8 HK cent (approximately 0.1 US cent) per ordinary share<sup>(i)</sup>

年內應佔末期股息：  
建議派發2020年度末期股息，每股普通股0.8港仙(約0.1美仙)<sup>(i)</sup>

	2020 US\$'000 千美元	2019 US\$'000 千美元
	2,566	–

(i) At a meeting held on 23 March 2021, the Directors recommend the payment of a final dividend of 0.8 HK cent per ordinary share, totaling HK\$19,885,000 (approximately US\$2,566,000). The proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium account for the year ended 31 December 2020.

### 12. 每股盈利／(虧損)

#### (a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)是根據本公司的擁有人應佔本集團於2020年之溢利／(虧損)11,715,000美元(2019：虧損27,272,000美元)及本年內已發行普通股加權平均數2,480,302,624股(2019：2,480,252,351股)計算。

#### (b) 每股攤薄盈利／(虧損)

每股攤薄盈利／(虧損)乃根據本公司本年度的擁有人應佔本集團溢利／(虧損)及已就年內所有具潛在攤薄影響的已發行普通股作出調整後之加權平均普通股數計算。

普通股加權平均數的有關資料列載如下：

### 13. 股息

(i) 於2021年3月23日舉行的會議上，董事建議派發末期股息每股普通股為0.8港仙，總計19,885,000港元(約2,566,000美元)。擬派的末期股息並未於本財務報表中列作應付股息反映，但將會列作2020年12月31日止年度的股份溢價賬分配。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 14. Intangible assets

### 14. 無形資產

		Goodwill 商譽 US\$'000 千美元	Patents and intellectual property 專利及 知識產權 US\$'000 千美元	Total 總計 US\$'000 千美元
<b>31 December 2019</b>		<b>2019年12月31日</b>		
Cost at 1 January 2019, net of accumulated amortisation	2019年1月1日成本減除 累計攤銷	2,317	13,292	15,609
Amortisation provided during the year	年內攤銷	-	(3,851)	(3,851)
Impairment during the year	年內減值	(2,317)	(7,988)	(10,305)
At 31 December 2019	於2019年12月31日	-	1,453	1,453
<b>31 December 2019</b>		<b>2019年12月31日</b>		
Cost	成本	2,317	21,362	23,679
Accumulated amortisation	累計攤銷	-	(11,921)	(11,921)
Accumulated impairment	累計減值	(2,317)	(7,988)	(10,305)
Net carrying amount	賬面淨值	-	1,453	1,453
<b>31 December 2020</b>		<b>2020年12月31日</b>		
Cost at 1 January 2020, net of accumulated amortisation	2020年1月1日成本減除 累計攤銷	-	1,453	1,453
Amortisation provided during the year	年內攤銷	-	(490)	(490)
Exchange realignment	匯兌調整	-	59	59
At 31 December 2020	於2020年12月31日	-	1,022	1,022
<b>31 December 2020</b>		<b>2020年12月31日</b>		
Cost	成本	2,317	21,517	23,834
Accumulated amortisation	累計攤銷	-	(12,507)	(12,507)
Accumulated impairment	累計減值	(2,317)	(7,988)	(10,305)
Net carrying amount	賬面淨值	-	1,022	1,022

Amortization expense of US\$490,000 (2019: US\$3,851,000) has been charged in research and development costs.

攤銷開支490,000美元(2019: 3,851,000美元)已於研究及開發成本中支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 14. Intangible assets (continued)

#### Impairment tests for goodwill and other intangible assets

31 December 2019

Goodwill of US\$2.3 million and certain other intangible assets of US\$1.2 million are allocated to the cash-generating unit of Touch and Display Driver Integration (“TDDI CGU”) for impairment testing.

The recoverable amount of TDDI CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used for the calculations in 2019 are as follows:

		2019
Average growth rate	平均增長率	13%
Average gross margin	平均毛利率	26%
Discount rate	貼現率	18%
Long-term growth rate	長期增長率	2%

Management determined budgeted gross margin based on past performance and its expectations of the market and technology development. The long-term growth rate used is consistent with the forecast, with reference to certain external data. The discount rate used reflects specific risks relating to the CGU.

The challenging external environment in the second half of the financial year, the overall effect of which became more apparent after the strategic planning and forecasting process that underpinned the impairment review for the year ended 31 December 2019. The recoverable amount of the TDDI CGU as at 31 December 2019 determined using the above basis is approximately US\$0.1 million, which is lower than its carrying value, resulting in an impairment of goodwill of approximately US\$2.3 million, and an impairment of other intangible asset of approximately US\$1.2 million.

Another intangible asset in relation to the Mobile Touch business amounting to approximately US\$6.8 million was also impaired for the year ended 31 December 2019 due to continued loss-making position and intensified market competitions in the Mobile Touch business.

### 14. 無形資產 (續)

#### 商譽及其他無形資產減值測試

2019年12月31日

商譽2.3百萬美元及相關其他無形資產1.2百萬美元分配到TDDI現金產生單位進行商譽減值測試。

附帶商譽之現金產生單位之可收回金額按使用價值釐訂，使用已經管理層審批的5年財務預算為基礎編製現金流預測，超過5年的現金流按以下預測增長率推斷。

2019的計算按以下主要假設釐定：

		2019
Average growth rate	平均增長率	13%
Average gross margin	平均毛利率	26%
Discount rate	貼現率	18%
Long-term growth rate	長期增長率	2%

管理層根據以往業績及其對市場和技術發展之預期釐定預算毛利率。使用的長期增長率與參考某些外部數據的預測一致。所用貼現率乃反映與相關現金產生單位之特定風險。

外部環境於財政年度下半年充滿挑戰，其整體影響於進行有關年終減值檢討之策略規劃及預測過程後更為明顯，按TDDI現金產生單位於2019年12月31日之可收回金額約0.1百萬美元計算，導致年內出現商譽減值約2.3百萬美元及其他無形資產減值1.2百萬美元。減值虧損計入綜合損益表之「其他開支」。

另一項與移動觸控業務有關的無形資產，2019年12月31日減值約6.8百萬美元，由於移動觸控業務持續虧損及市場競爭。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 15. Property, plant and equipment

### 15. 物業、機器及設備

		Land and building	Leasehold improvements	Furniture, fixtures, licenses and equipment	Machinery and laboratory equipment	Motor vehicles	Total
		土地 及樓宇 US\$'000 千美元	租賃物業 裝修 US\$'000 千美元	傢具、 固定裝置、 許可證及設備 US\$'000 千美元	機器及 實驗室設備 US\$'000 千美元	汽車 US\$'000 千美元	總計 US\$'000 千美元
<b>31 December 2020</b>	<b>2020年12月31日</b>						
At 1 January 2020:	於2020年1月1日						
Cost	成本	1,722	2,746	5,741	16,399	72	26,680
Accumulated depreciation	累計折舊	(222)	(2,583)	(5,248)	(14,957)	(8)	(23,018)
Accumulated impairment	累計減值	-	-	(11)	(1)	-	(12)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>1,500</b>	<b>163</b>	<b>482</b>	<b>1,441</b>	<b>64</b>	<b>3,650</b>
At 1 January 2020, net of accumulated depreciation	於2020年1月1日減除 累計折舊	1,500	163	482	1,441	64	3,650
Additions	添置	-	123	394	629	-	1,146
Disposals	註銷	-	-	(18)	(143)	-	(161)
Depreciation provided during the year	年內折舊	(21)	(149)	(416)	(681)	(24)	(1,291)
Exchange realignment	匯兌調整	78	(5)	17	288	-	378
<b>At 31 December 2020, net of accumulated depreciation and impairment</b>	<b>於2020年12月31日減 除累計折舊及減值</b>	<b>1,557</b>	<b>132</b>	<b>459</b>	<b>1,534</b>	<b>40</b>	<b>3,722</b>
At 31 December 2020	於2020年12月31日						
Cost	成本	1,812	2,935	6,108	14,441	72	25,368
Accumulated depreciation	累計折舊	(255)	(2,803)	(5,638)	(12,906)	(32)	(21,634)
Accumulated impairment	累計減值	-	-	(11)	(1)	-	(12)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>1,557</b>	<b>132</b>	<b>459</b>	<b>1,534</b>	<b>40</b>	<b>3,722</b>

Depreciation expense of US\$474,000 (2019: US\$484,000) has been included in cost of sales, US\$234,000 (2019: US\$335,000) in research and development costs and US\$583,000 (2019: US\$843,000) in administrative expenses.

折舊費用474,000美元(2019: 484,000美元)已計入銷售成本，計入研發及開發費用為234,000美元(2019: 335,000美元)，計入行政開支為583,000美元(2019: 843,000美元)。

The impairment of property, plant and equipment of Nil (2019: US\$12,000) is included in "Other expenses" in the consolidated statement of profit or loss and attributable to the TDDI CGU as mentioned in note 14.

物業、機器及設備的減值虧損為無(2019: 12,000美元)計入綜合損益表之「其他支出」中，及歸屬於TDDI現金產生單位如前附註14所述。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 15. Property, plant and equipment (continued)

### 15. 物業、機器及設備 (續)

		Land and building	Leasehold improvements	Furniture, fixtures, licenses and equipment 傢具、 固定裝置、 許可證及設備	Machinery and laboratory equipment 機器及 實驗室設備	Motor vehicles 汽車	Total
		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
<b>31 December 2019</b>	<b>2019年12月31日</b>						
At 1 January 2019:	於2019年1月1日						
Cost	成本	1,722	2,851	6,404	16,538	70	27,585
Accumulated depreciation	累計折舊	(202)	(2,539)	(5,280)	(14,458)	(70)	(22,549)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>1,520</b>	<b>312</b>	<b>1,124</b>	<b>2,080</b>	<b>-</b>	<b>5,036</b>
At 1 January 2019, net of accumulated depreciation	於2019年1月1日減除 累計折舊	1,520	312	1,124	2,080	-	5,036
Additions	添置	-	19	71	161	72	323
Disposals	註銷	-	-	(24)	(5)	-	(29)
Impairment during the year	年內減值	-	-	(11)	(1)	-	(12)
Depreciation provided during the year	年內折舊	(20)	(168)	(670)	(796)	(8)	(1,662)
Exchange realignment	匯兌調整	-	-	(8)	2	-	(6)
<b>At 31 December 2019, net of accumulated depreciation and impairment</b>	<b>於2019年12月31日減 除累計折舊及減值</b>	<b>1,500</b>	<b>163</b>	<b>482</b>	<b>1,441</b>	<b>64</b>	<b>3,650</b>
At 31 December 2019	於2019年12月31日						
Cost	成本	1,722	2,746	5,741	16,399	72	26,680
Accumulated depreciation	累計折舊	(222)	(2,583)	(5,248)	(14,957)	(8)	(23,018)
Accumulated impairment	累計減值	-	-	(11)	(1)	-	(12)
<b>Net carrying amount</b>	<b>賬面淨值</b>	<b>1,500</b>	<b>163</b>	<b>482</b>	<b>1,441</b>	<b>64</b>	<b>3,650</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16. Leases

#### The Group as a lessee

The Group has leases for its office properties and motor vehicles used in its operations. Leases of leased properties generally have lease terms between 2 and 4 years, while motor vehicles generally have leases between 2 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Leased properties 租賃物業 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 2019	於2019年1月1日	3,180	61	3,241
Additions	添置	139	-	139
Depreciation charge	折舊	(1,408)	(22)	(1,430)
Remeasurement on lease modifications	租賃修訂之計量	(186)	-	(186)
Impairment	減值	(67)	-	(67)
At 31 December 2019 and 1 January 2020	於2019年12月31日及2020年1月1日	1,658	39	1,697
Additions	添置	524	-	524
Depreciation charge	折舊	(1,359)	(23)	(1,382)
At 31 December 2020	於2020年12月31日	823	16	839

### 16. 租賃

#### 本集團作為承租人

本集團租賃辦公室及汽車用於其業務營運。租賃物業租期通常為2至4年，而汽車的租期通常為2至3年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

#### (a) 使用權資產

本集團的使用權資產賬面值及本年度變動如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16. Leases (continued)

#### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		2020 US\$'000 千美元	2019 US\$'000 千美元
Carrying amount at 1 January	於1月1日賬面值	1,898	3,238
New leases	新租賃	524	139
Accretion of interest recognised during the year	本年度利息增加 確定	95	147
Remeasurement on lease modifications	租賃修訂之計量	-	(190)
COVID-19-related rent concession from lessors	2019冠狀病毒病相關 租賃減免	(281)	-
Payments	付款	(1,349)	(1,436)
Carrying amount at 31 December	於12月31日賬面值	887	1,898
Analysed into:	分析如下：		
Current portion	流動	762	1,292
Non-current portion	非流動	125	606

The maturity analysis of lease liabilities is disclosed in note 3 to the consolidated financial statements.

As disclosed in note 2.2. to the financial statements, the Group has early adopted the amendment to HKFRS 16 and applied the practical expedient to all eligible rent concessions granted by the lessors for leases of certain leased properties during the year.

#### (c) The amounts recognised in profit or loss in relation to leases are as follows:

		2020 US\$'000 千美元	2019 US\$'000 千美元
Depreciation of right-of-use assets	使用權資產折舊	1,382	1,430
Expenses relating to short-term leases and leases with remaining lease terms ended on or before 31 December	短期租賃及租賃餘下條款 於12月31日或 之前終止的租賃	133	400
Interest on lease liabilities	租賃負債的利息支出	95	147
Impairment of right-of-use assets	使用權資產減值	-	67
COVID-19-related rent concession from lessors	2019冠狀病毒病相關 租賃減免	(281)	-
Total amount recognised in profit or loss	於損益表確認的總支出	1,329	2,044

### 16. 租賃 (續)

#### (b) 租賃負債

租賃負債的賬面值及本年度變動如下：

	2020 US\$'000 千美元	2019 US\$'000 千美元
Carrying amount at 1 January	1,898	3,238
New leases	524	139
Accretion of interest recognised during the year	95	147
Remeasurement on lease modifications	-	(190)
COVID-19-related rent concession from lessors	(281)	-
Payments	(1,349)	(1,436)
Carrying amount at 31 December	887	1,898
Analysed into:		
Current portion	762	1,292
Non-current portion	125	606

租賃負債的到期狀況分析於綜合財務報表附註3披露。

誠如財務報表附註2.2披露，本集團已提前採納香港財務報告準則第16號之修訂，並對出租人在年內就若租賃物業租約所給予的所有合資格租金減免採用可行權宜方法處理。

#### (c) 於損益表確認的租賃支出如下：

	2020 US\$'000 千美元	2019 US\$'000 千美元
Depreciation of right-of-use assets	1,382	1,430
Expenses relating to short-term leases and leases with remaining lease terms ended on or before 31 December	133	400
Interest on lease liabilities	95	147
Impairment of right-of-use assets	-	67
COVID-19-related rent concession from lessors	(281)	-
Total amount recognised in profit or loss	1,329	2,044

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 17. Investments in associates

### 17. 於聯營公司的投資

		2020 US\$'000 千美元	2019 US\$'000 千美元
Share of net assets	應佔淨資產	916	892

Particulars of the associates are as follows:

聯營公司的詳細情況如下：

Associated companies 聯營公司	Place of registration/ incorporation and operation 註冊成立及 營運地點	Principal activities 主要業務	Particulars of registered capital/ issued shares 註冊資本／已發行 股份的詳情	Percentage of equity attributable to the Company 本公司持有權益百分比	
				2020	2019
Beijing LED Energy Management Technology Co. Ltd. 北京愛爾益地節能科技股份有限公司	PRC 中國	LED system design and contract installation LED系統設計及工程安裝	CNY20,000,000 20,000,000人民幣	23.5%	23.5%
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	HK\$38,000,000 38,000,000港元	25.0%	25.0%

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

下表說明本集團的聯營公司的總體財務信息，個別並非重大：

		2020 US\$'000 千美元	2019 US\$'000 千美元
Share of the associates' profits and total comprehensive income for the year	應佔聯營公司 本年利潤及全面收益	208	155
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司 投資的賬面總額	916	892

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18. Subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of registration/ 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	500,000,000 ordinary shares of HK\$1 each 500,000,000股每股面值1港元的普通股	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, Mainland 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%
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 (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, Mainland 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	Taiwan, LLC 台灣，有限公司	Design and development of IC, Taiwan 設計及開發集成電路晶片，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%
Solomon Systech (China) Limited 晶門科技（中國）有限公司	PRC, LLC 中國，有限公司	Design and distribution of IC, Mainland China 設計及分銷集成電路晶片，中國	US\$20,000,000 registered and paid up capital 20,000,000美元已註冊及繳足資本	100%
Sentron, Inc.	Korea, LLC 韓國，有限公司	Application R&D, Korea 應用開發，韓國	80,000 ordinary shares of KRW5,000 each 80,000股每股面值5,000韓元的普通股	52%

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

### 18. 附屬公司

本公司主要附屬公司詳細情況如下：

董事認為，上表所列本公司之附屬公司乃主要影響本集團年內業績或組成資產淨值之重要部分者。董事認為載列其他附屬公司之詳情會使資料過於冗長。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 19. Equity investment designated at fair value through other comprehensive income

### 19. 按公平價值計入其他全面收益的股權投資

		2020 US\$'000 千美元	2019 US\$'000 千美元
<b>Equity investment designated at fair value through other comprehensive income</b>	按公平價值計入其他全面收益的股權投資		
Club debenture	會所債券	929	929

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature.

本集團認為投資為策略性性質，股權投資不可撤回地選擇按公平價值計入其他全面收益。

### 20. Cash and cash equivalents

### 20. 現金及現金等價物

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to US\$9,209,000 (2019: US\$7,549,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於報告期末，本集團以人民幣（「人民幣」）計值的現金及銀行結餘為9,209,000美元（2019：7,549,000美元）。人民幣不可自由兌換為其他貨幣，但根據中國大陸的外匯管理條例和結匯、售匯及支付外匯管理條例，本集團獲准通過獲授權進行外匯業務的銀行兌換人民幣兌換其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

銀行存款根據每日銀行存款利率按浮動利率賺取利息。短期定期存款的期限為1天至3個月不等，視乎本集團的即時現金需求而定，並按各自的短期定期存款利率賺取利息。銀行結餘存放於信譽良好的銀行，近期無違約記錄。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 21. Inventories

### 21. 存貨

		2020 US\$'000 千美元	2019 US\$'000 千美元
Finished goods	成品	4,168	4,409
Raw materials and work in progress	原材料及在製品	21,239	38,114
		<b>25,407</b>	42,523
Provision for obsolete or slow moving inventories	過時或滯銷存貨的撥備	<b>(8,979)</b>	(15,732)
		<b>16,428</b>	26,791

The cost of inventories recognised as an expense and included in cost of sales amounted to US\$85,260,000 (2019: US\$79,815,000).

確認為開支並計入銷售成本的存貨成本達85,260,000美元(2019: 79,815,000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:

		2020 US\$'000 千美元	2019 US\$'000 千美元
At 1 January	於1月1日	15,732	10,062
Scrap of inventories against provision	存貨報廢扣減撥備	<b>(6,435)</b>	(1,026)
Provision for obsolete or slow moving inventories/(reversal of provision for slow moving inventories), net	過時或滯銷存貨的撥備/(回撥), 淨值	<b>(318)</b>	6,696
At 31 December	於12月31日	<b>8,979</b>	15,732

### 22. Trade and other receivables, prepayments and deposits

### 22. 應收款及其他應收款, 預付款及訂金

		Note 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
Trade receivables	應收款		13,899	18,158
Trade receivables from related parties	關聯方應收款	34	1,609	1,702
Impairment	減值撥備		<b>(220)</b>	(220)
Trade receivables – net	應收款 – 淨額		<b>15,288</b>	19,640
Deposits, prepayments and other receivables	訂金、預付款及其他應收款		<b>3,928</b>	3,153
Prepayments to related parties	關聯方預付款	34	<b>186</b>	175
Trade and other receivables, prepayments and deposits – current portion	應收款及其他應收款、預付款及訂金 – 流動		<b>19,402</b>	22,968
Prepayments and deposits – non-current portion	預付款及訂金 – 非流動		<b>22</b>	333
			<b>19,424</b>	23,301



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 22. Trade and other receivables, prepayments and deposits (continued)

As at 31 December 2020, the Group's trade receivables from corporate customers were mainly on credit terms of 30 to 90 days. As at 31 December 2020, the ageing analysis of trade receivables based on invoice dates and net of loss allowance, is as follows:

		2020 US\$'000 千美元	2019 US\$'000 千美元
1–30 days	1–30日	6,391	13,841
31–60 days	31–60日	3,971	4,007
61–90 days	61–90日	2,687	1,641
91–180 days	91–180日	2,239	9
181–365 days	181–365日	–	142
		<b>15,288</b>	<b>19,640</b>

The movements in the loss allowance for impairment of trade receivables are as follows:

		2020 US\$'000 千美元	2019 US\$'000 千美元
At beginning of year	於年初	220	140
Impairment losses (note 6)	減值 (附註6)	–	80
At end of year	於年末	<b>220</b>	<b>220</b>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

### 22. 應收款及其他應收款，預付款及訂金 (續)

於2020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。於2020年12月31日，應收款以發票日期及扣除減值撥備的賬齡分析如下：

應收款減值撥備變動如下：

每個報告日期使用撥備矩陣進行減值分析，以計量預期信用虧損。撥備率基於具有類似損失模式的各個客戶群的分組的過期天數（即，按地理區域）。該計算反映了概率加權結果，貨幣時間價值以及報告日期可獲得的關於過去事件，當前狀況和未來經濟狀況預測的合理和可支持信息。一般而言，應收款如逾期超過一年並且不受執法活動影響則予以註銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 22. Trade and other receivables, prepayments and deposits (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2020

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 帳面值 US\$'000 千美元	Expected credit losses 預期信貸虧損 US\$'000 千美元
<b>Past due</b>	<b>逾期</b>			
Current	未逾期	1.13	10,932	123
1 to 30 days	1-30日	1.90	3,993	76
31 to 60 days	31-60日	3.37	494	16
61 to 90 days	61-90日	4.46	86	4
Over 90 days	超過90日	10.74	3	1
			<b>15,508</b>	<b>220</b>

As at 31 December 2019

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 帳面值 US\$'000 千美元	Expected credit losses 預期信貸虧損 US\$'000 千美元
<b>Past due</b>	<b>逾期</b>			
Current	未逾期	0.75	13,946	105
1 to 30 days	1-30日	1.26	4,058	51
31 to 60 days	31-60日	2.90	1,690	49
61 to 90 days	61-90日	3.84	9	-
Over 90 days	超過90日	9.55	157	15
			<b>19,860</b>	<b>220</b>

The financial assets included in other receivables and deposits for which there was no recent history of default and past due amounts. As at 31 December 2020 and 2019, the loss allowance was assessed to be minimal.

### 22. 應收款及其他應收款，預付款及訂金（續）

以下載列本集團採用撥備矩陣的應收款信貸風險：

於2020年12月31日

於2019年12月31日

訂金及其他應收款內的金融資產並無違約記錄及未逾期。於2020年及2019年12月31日之預期信貸虧損經評估微乎其微。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 23. Financial assets at fair value through profit or loss

		2020 US\$'000 千美元	2019 US\$'000 千美元
<b>Non-current asset</b>	非流動資產		
Call option over non-controlling interests	非控股權益認購權	-	-
		-	-

Changes in fair values of FVTPL are recorded in finance income – net in the consolidated statement of profit or loss (note 8).

The Group's call option over non-controlling interests was valued at 31 December 2019 and 2020 by an independent, professionally qualified valuer.

### 23. 通過損益以反映公平價值的財務資產

通過損益以反映公平價值之變動記錄於綜合損益表中的投資收入－淨額(附註8)。

本集團的非控股權益認股期權於2019年及2020年12月31日由一位獨立專業合資格估值師進行估值。

### 24. Issued capital

		2020		2019	
		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	5,000,000,000	64,433	5,000,000,000	64,433
Issued and fully paid:	已發行及繳足：				
At 1 January	於1月1日	2,480,252,351	31,967	2,480,252,351	31,967
Exercise of share options (i)	行使購股權(i)	800,000	10	-	-
At 31 December	於12月31日	2,481,052,351	31,977	2,480,252,351	31,967

(i) The subscription rights attaching to 800,000 share options were exercised at the weighted average subscription price of HK\$0.159 per share (note 25), resulting in the issue of 800,000 ordinary shares for a total cash consideration, before expenses, of approximately US\$16,000. An amount of approximately US\$6,000 was transferred from the share option reserve to share premium account upon the exercise of the share options.

### 24. 已發行股本

(i) 800,000份購股權附帶的認購權以加權平均認購價每股0.159港元(附註25)的認購價行使，導致發行800,000股股份，扣除費用前總現金代價共約16,000美元。於購股權行使後，一筆約6,000美元的金額由購股權儲備撥入股份溢價帳。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25. Equity compensation scheme

#### (a) The Share Option Scheme

The Company adopted a share option scheme (the “2013 Share Option Scheme”) at the annual general meeting held on 28 May 2013. 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. 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 Share Option 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 Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company as at the date of approval of the 2013 Share Option Scheme or 30% of the issued share capital of the Company from time to time.

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.

### 25. 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購股權計劃」)。2013購股權計劃的條款是遵照上市規則第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。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購股權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購股權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的10%或本公司不時已發行股本的30%。

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。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25. Equity compensation scheme (continued)

#### (a) The Share Option Scheme (continued)

The subscription price of share option shall be determined by the Board at its absolute discretion in accordance with the terms of the 2013 Share Option 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; and (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.

The total number of share options available for issue upon exercise of all share options to be granted under the 2013 Share Option Scheme as at the date of this annual report is 122,130,235, representing 4.9% of the issued shares of the Company. The number of share options outstanding as at 31 December 2020 was 15,700,000.

The following share options under the 2013 Share Option Scheme were outstanding during the year:

		2020		2019	
		Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of Options 購股權數目	Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of Options 購股權數目
At beginning of year	於年初	0.285	15,560,000	0.327	21,760,000
Granted during the year	年內已授出	0.213	7,400,000	0.199	4,500,000
Exercised during the year	年內已行使	0.159	(800,000)	-	-
Lapsed/forfeited during the year	年內已註銷/放棄	0.336	(6,460,000)	0.335	(10,700,000)
At end of year	於年末	0.236	15,700,000	0.285	15,560,000

The weighted average share price at the date of exercise for share options exercised during the year ended 31 December 2020 was HK\$0.255 per ordinary share.

During the year, movements in the number of share options outstanding under the share option scheme and the related exercise prices are as follows:

### 25. 股本權益報酬計劃(續)

#### (a) 購股權計劃(續)

在2013購股權計劃條文規定下，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；及(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。

於本年報報告日，根據2013購股權計劃，倘所有可授與之購股權行使後，可予發行的股份數目為122,130,235股，佔本公司發行股份的4.9%。於2020年12月31日，合共15,700,000股有效購股權未經行使。

年內，2013購股權計劃尚未行使購股權數目如下：

截至2020年12月31日止年內，在行使日的加權平均行使價為每股港元0.255。

年內，關於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：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25. Equity compensation scheme (continued) 25. 股本權益報酬計劃(續)

#### (a) The Share Option Scheme (continued)

#### (a) 購股權計劃(續)

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)				Held on 31 December 2020 於2020年 12月31日 持有	Vesting period 歸屬期	Exercise period 行使期
		Held on 1 January 2020 於2020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/ Forfeited during the year 年內已 註銷/放棄			
11 January 2016 2016年1月11日	0.369	1,000	-	-	(1,000)	-	11 January 2016 to 31 March 2018 2016年1月11日至 2018年3月31日	2 April 2018 to 31 March 2020 2018年4月2日至 2020年3月31日
	0.369	1,000	-	-	(1,000)	-	11 January 2016 to 31 December 2018 2016年1月11日至 2018年12月31日	2 January 2019 to 31 December 2020 2019年1月2日至 2020年12月31日
30 September 2016 2016年9月30日	0.305	1,260	-	-	(1,260)	-	30 September 2016 to 30 March 2018 2016年9月30日至 2018年3月30日	2 April 2018 to 31 March 2020 2018年4月2日至 2020年3月31日
	0.305	3,000	-	-	-	3,000	30 September 2016 to 29 March 2019 2016年9月30日至 2019年3月29日	1 April 2019 to 31 March 2021 2019年4月1日至 2021年3月31日
9 October 2017 2017年10月9日	0.370	2,400	-	-	(2,400)	-	9 October 2017 to 6 June 2018 2017年10月9日至 2018年6月6日	2 October 2018 to 30 September 2020 2018年10月2日至 2020年9月30日
9 October 2018 2018年10月9日	0.254	2,400	-	-	-	2,400	9 October 2018 to 5 June 2019 2018年10月9日至 2019年6月5日	2 October 2019 to 30 September 2021 2019年10月2日至 2021年9月30日
9 May 2019 2019年5月9日	0.248	2,000	-	-	-	2,000	9 May 2019 to 14 December 2019 2019年5月9日至 2019年12月14日	2 January 2020 to 31 December 2021 2020年1月2日至 2021年12月31日
30 December 2019 2019年12月30日	0.159	2,400	-	(800)	-	1,600	30 December 2019 to 20 May 2020 2019年12月30日至 2020年5月20日	2 October 2020 to 30 September 2022 2020年10月2日至 2022年9月30日
		50	-	-	-	50	30 December 2019 to 29 December 2020 2019年12月30日至 2020年12月29日	2 January 2021 to 31 December 2022 2021年1月2日至 2022年12月31日
		50	-	-	-	50	30 December 2019 to 29 December 2021 2019年12月30日至 2021年12月29日	2 January 2022 to 31 December 2023 2022年1月2日至 2023年12月31日
17 July 2020 2020年7月17日	0.2454	-	1,000	-	-	1,000	17 July 2020 to 16 July 2021 2020年7月17日至 2021年7月16日	19 July 2021 to 18 July 2023 2021年7月19日至 2023年7月18日
		-	1,000	-	-	1,000	17 July 2020 to 16 July 2022 2020年7月17日至 2022年7月16日	19 July 2022 to 18 July 2024 2022年7月19日至 2024年7月18日

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25. Equity compensation scheme (continued) 25. 股本權益報酬計劃(續)

#### (a) The Share Option Scheme (continued)

#### (a) 購股權計劃(續)

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)				Held on 31 December 2020 於2020年12月31日持有	Vesting period 歸屬期	Exercise period 行使期
		Held on 1 January 2020 於2020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/Forfeited during the year 年內已註銷/放棄			
30 October 2020 2020年10月30日	0.201	-	2,400	-	(800)	1,600	30 October 2020 to 30 June 2021 or the 2021 annual general meeting date, whichever is earlier 2020年10月30日至2021年6月30日或2021年股東週年大會當日，以較早者為準	1 November 2021 to 31 October 2023 2021年11月1日至2023年10月31日
		-	2,000	-	-	2,000	30 October 2020 to 29 October 2021 2020年10月30日至2021年10月29日	1 November 2020 to 31 October 2022 2020年11月1日至2022年10月31日
		-	500	-	-	500	30 October 2020 to 29 October 2022 2020年10月30日至2022年10月29日	1 November 2021 to 31 October 2023 2021年11月1日至2023年10月31日
		-	500	-	-	500		1 November 2022 to 31 October 2024 2022年11月1日至2024年10月31日
Total 總計		15,560	7,400	(800)	(6,460)	15,700		

At the end of the reporting period, the total number of share options which are exercisable under the 2013 Share Option Scheme is 11,000,000 (2019: 11,060,000).

At the end of the reporting period, the Company had 15,700,000 share options outstanding under the 2013 Share Option Scheme during the year. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 15,700,000 additional ordinary shares of the Company and additional share capital of approximately US\$478,000 (before issue expenses).

於報告期末，根據2013購股權計劃可行使的購股權總數為11,000,000 (2019: 11,060,000)。

於報告期末，本公司根據該2013購股權計劃尚未行使15,700,000份購股權。根據本公司現有資本架構，全數行使未行使購股權將導致發行15,700,000本公司普通股及額外股本約478,000美元(扣除發行費用前)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25. Equity compensation scheme (continued)

### 25. 股本權益報酬計劃(續)

#### (a) The Share Option Scheme (continued)

#### (a) 購股權計劃(續)

The Company uses the Binomial Valuation Model (the "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 2020 and 2019 are listed below:

本公司使用二項訂價模式(「模式」)計算已授出的購股權。於2020及2019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：

Date of grant	授出日期	2020 30 October 10月30日	2020 17 July 7月17日	2019 30 December 12月30日	2019 9 May 5月9日
Number of share options granted (in thousand units)	已授出購股權數目 (以千位計)	5,400	2,000	2,500	2,000
Total share option value	購股權總值				
- HK\$'000	- 千港元	255	126	100	118
- US\$'000 equivalent	- 千美元等值	33	16	13	15
Share price at date of grant (HK\$)	授出日期的股價(港元)	0.183	0.221	0.159	0.226
Closing price immediately before the date of grant	緊接授出日前之收市價	0.190	0.221	0.159	0.244
Exercise price (HK\$)	行使價(港元)	0.201	0.2454	0.159	0.248
Expected life of options (years)	購股權的預期限期(年)	2-4	3-4	2.75-4	2.644
Annualized volatility	年度波幅	56.2%-66.9%	55.4%-60.3%	45.7%-47.2%	44.0%
Risk free interest rate	無風險利率	0.132%-0.191%	0.057%-0.081%	1.98%-2.01%	1.75%
Dividend payout rate	派息率	-	-	-	-

The Binomial 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.

二項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。

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 few years.

波幅乃基於過去波幅乃基於過去數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 Grant

#### (b) 股份頒授

There was no share award granted during the year ended 31 December 2019 and 2020.

於2019及2020年內，並無授出股份頒授。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 26. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 76 of the financial statements.

### 27. Deferred tax liability

Deferred tax liability 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.

The following are the deferred tax liability recognized and movements thereon:

### 26. 儲備

本集團本年及以前年度之儲備及變動詳情載於財務報表第76頁綜合權益變動表內。

### 27. 遞延所得稅負債

遞延稅負債的確認是採用負債法，即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。

遞延稅項負債之確認及變動如下：

		Recognition of intangible assets 確認無形資產 US\$'000 千美元
<b>At 1 January 2019</b>	<b>於2019年1月1日</b>	<b>313</b>
Credited to profit or loss	計入損益表	(313)
<b>At 31 December 2019 and 2020</b>	<b>於2019年及2020年12月31日</b>	<b>-</b>

At 31 December 2020, the Group had unrecognised tax losses arising in Hong Kong of US\$104,904,000 (2019: US\$102,067,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also had unrecognised tax losses arising in Mainland China of US\$6,839,000 (2019: US\$5,846,000), subject to the agreement by the relevant taxation authority, that will expire in five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses due to unpredictability of future taxable profit streams.

於2020年12月31日，本集團在香港產生的未確認稅項虧損為104,904,000美元（2019：102,067,000美元）（有待香港稅務局同意），該等稅項虧損可無限期用作抵銷產生虧損的公司的未來應課稅利潤。本集團亦有在中國大陸產生的未確認稅項虧損6,839,000美元（2019：5,846,000美元）（有待相關稅務機關同意），該等稅項虧損將於五年內屆滿，可用作抵銷產生虧損的公司的未來應課稅利潤。由於無法預測未來應課稅利潤來源，因此並無就該等虧損確認遞延稅項資產。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28. Trade and other payables

### 28. 應付款及其他應付款

		Notes 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
Trade payables	應付款	(a)	15,717	15,845
Trade payable to a related party	關聯方應付款	34	47	–
			15,764	15,845
Accrued expenses and other payables	應計開支及其他應付款		9,696	5,585
Contract liabilities	合約負債	(b)	2,598	934
Refund liabilities	退款負債		1,283	832
			29,341	23,196

Notes:

(a) At 31 December 2020, the ageing analysis of the trade payables based on invoice dates is as follows:

附註：

(a) 於2020年12月31日，應付款以發票日期的賬齡分析如下：

		2020 US\$'000 千美元	2019 US\$'000 千美元
1 - 30 days	1 - 30日	7,278	6,850
31 - 60 days	31 - 60日	6,812	5,907
61 - 90 days	61 - 90日	1,462	3,000
Over 90 days	超過90日	212	88
		15,764	15,845

The trade and other payables are non-interest-bearing and have an average term of three months.

應付款及其他應付款為免息且一般於3個月內結算。

(b) Contract liabilities include short-term advances received from customers for the sale of ICs.

(b) 合約負債包括因晶片銷售而收取客戶之短期預收款項。

### 29. Interest-bearing bank borrowings

### 29. 銀行計息貸款

At 31 December 2020, the Group had a bank loan of US\$181,000 (2019: bank loan of US\$169,000) in connection with a Korean subsidiary. The bank borrowing was originally matured on 5 July 2019 and was subsequently extended to 2 July 2021 and bears interest at a rate of 1% (2019: 1%) per annum. The carrying amount of the loan at the end of the reporting period approximated to its fair value and the loan is denominated in KRW.

於2020年12月31日，本集團有一項銀行貸款181,000美元（2019：銀行貸款169,000美元）歸屬於韓國子公司。該項銀行貸款到期日原為2019年7月5日及後延期至2021年7月2日，貸款年利率為1%（2019：1%）。年末賬面值與其公平值相若，並以韓元列值。

### 30. Banking facilities

### 30. 銀行信貸

At 31 December 2020 and 31 December 2019, the Group had no unused banking facilities.

於2020年12月31日及2019年12月31日，本集團並沒有未用的銀行信貸額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 31. Notes to consolidated statement of cash flows

#### (a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of US\$524,000 (2019: US\$139,000) and US\$524,000 (2019: US\$139,000), respectively, in respect of lease arrangements for leased properties.

#### (b) Change in liabilities arising from financing activities

2020

At 1 January 2020	於2020年1月1日	169	1,898
Changes from financing cash flows	籌資現金流量的變化	-	(1,254)
New leases	新租賃	-	524
Foreign exchange movement	匯率變動	12	-
Interest expense	利息支出	-	95
Interest paid classified as operating cash flows	已付利息分類為經營現金流量	-	(95)
COVID-19-related rent concession from lessors	2019冠狀病毒病相關租賃減免	-	(281)

At 31 December 2020

於2020年12月31日

181

887

2019

At 31 December 2018	於2018年12月31日	198	-
Effect of adoption of HKFRS 16	採納香港財務報告準則第16號的影響	-	3,238

At 1 January 2019	於2019年1月1日	198	3,238
Changes from financing cash flows	籌資現金流量的變化	(29)	(1,289)
New leases	新租賃	-	139
Interest expense	利息支出	-	147
Interest paid classified as operating cash flows	已付利息分類為經營現金流量	-	(147)
Remeasurement on lease modifications	租賃修訂之計量	-	(190)

At 31 December 2019

於2019年12月31日

169

1,898

### 31. 綜合現金流量表附註

#### (a) 主要非現金交易

年內，本集團就安排租賃物業的使用權資產和租賃負債的非現金添置分別為524,000美元（2019：139,000美元）和524,000美元（2019：139,000美元）。

#### (b) 融資活動導致之負債變化

2020

	Borrowings 貸款 US\$'000 千美元	Lease liabilities 租賃負債 US\$'000 千美元
--	-------------------------------------	----------------------------------------------

At 1 January 2020	169	1,898
Changes from financing cash flows	-	(1,254)
New leases	-	524
Foreign exchange movement	12	-
Interest expense	-	95
Interest paid classified as operating cash flows	-	(95)
COVID-19-related rent concession from lessors	-	(281)

At 31 December 2020

於2020年12月31日

181

887

2019

	Borrowings 貸款 US\$'000 千美元	Lease liabilities 租賃負債 US\$'000 千美元
--	-------------------------------------	----------------------------------------------

At 31 December 2018	198	-
Effect of adoption of HKFRS 16	-	3,238

At 1 January 2019	198	3,238
Changes from financing cash flows	(29)	(1,289)
New leases	-	139
Interest expense	-	147
Interest paid classified as operating cash flows	-	(147)
Remeasurement on lease modifications	-	(190)

At 31 December 2019

於2019年12月31日

169

1,898

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 31. Notes to consolidated statement of cash flows (continued)

#### (c) Total cash outflows for leases

The total cash outflows for leases included in the statement of cash flows is as follows:

		2020 US\$'000 千美元	2019 US\$'000 千美元
Within operating activities	在經營活動中	95	147
Within financing activities	在融資活動中	1,254	1,289
		1,349	1,436

### 32. Commitments

#### Capital commitments

Capital expenditure contracted for but not yet provided for at end of the reporting period is as follows:

		2020 US\$'000 千美元	2019 US\$'000 千美元
Property, plant and equipment	物業、廠房及設備	1,018	169

### 31. 綜合現金流量表附註(續)

#### (c) 租賃現金流出總額

現金流量表中包括的租賃現金流出總額如下：

	2020 US\$'000 千美元	2019 US\$'000 千美元
Within operating activities	95	147
Within financing activities	1,254	1,289
	1,349	1,436

### 32. 承擔

#### 資本承擔

於報告期末，已商定合約但尚未動用的資本開支列載如下：

	2020 US\$'000 千美元	2019 US\$'000 千美元
Property, plant and equipment	1,018	169

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 33. Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

**2020**  
**Financial assets**

		Financial asset at fair value through other comprehensive income 按公平價值計入其他全面收益的金融資產		
		Equity investment 股權投資 US\$'000 千美元	Financial assets at amortised cost 按攤銷成本計算的金融資產 US\$'000 千美元	Total 總計 US\$'000 千美元
Equity investment at fair value through other comprehensive income	按公平價值計入其他全面收益的股權投資	929	-	929
Financial assets included in trade and other receivables	應收款及其他應收款內的金融資產	-	16,486	16,486
Pledged bank deposit	已抵押的銀行存款	-	130	130
Cash and cash equivalents	現金及現金等價物	-	50,827	50,827
		<b>929</b>	<b>67,443</b>	<b>68,372</b>

				Financial liabilities at amortised cost 按攤銷成本計算的金融負債 US\$'000 千美元
<b>Financial liabilities</b>		<b>金融負債</b>		
Financial liabilities included in trade and other payables	應付款及其他應付款內的金融負債			20,393
Interest-bearing bank borrowing	銀行計息貸款			181
				<b>20,574</b>

### 33. 金融工具按類別

各類別的金融工具於報告日帳面值如下：

**2020**  
**金融資產**

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 33. Financial instruments by category (continued)

### 33. 金融工具按類別 (續)

2019

Financial assets

2019

金融資產

	Financial asset at fair value through other comprehensive income 按公平價值計入其他全面收益的金融資產	Equity investment 股權投資 US\$'000 千美元	Financial assets at amortised cost 按攤銷成本計算的金融資產 US\$'000 千美元	Total 總計 US\$'000 千美元
Equity investment at fair value through other comprehensive income	按公平價值計入其他全面收益的股權投資	929	-	929
Financial assets included in trade and other receivables	應收款及其他應收款內的金融資產	-	20,759	20,759
Pledged bank deposit	已抵押的銀行存款	-	130	130
Cash and cash equivalents	現金及現金等價物	-	18,078	18,078
		929	38,967	39,896
<b>Financial liabilities</b>	<b>金融負債</b>			<b>Financial liabilities at amortised cost 按攤銷成本計算的金融負債 US\$'000 千美元</b>
Financial liabilities included in trade and other payables	應付款及其他應付款內的金融負債			19,859
Interest-bearing bank borrowing	銀行計息貸款			169
				20,028

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 34. Related parties transactions

- (a) China Electronics Corporation (“CEC”), a state-owned information technology conglomerate under the administration of the central government of the PRC, through one of its wholly-owned subsidiaries, Huada Semiconductor Co. Ltd., owns approximately 28.5% of the issued shares of the Company 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:

			2020 US\$'000 千美元	2019 US\$'000 千美元
	Notes 附註			
Sales:		銷售額：		
Subsidiary of CEC	(i)	中國電子的附屬公司	19,364	14,568
Associate of CEC	(ii)	中國電子的聯繫人	1,549	1,458
Rental service charges:		租賃服務費：		
Subsidiaries of CEC	(iii)	中國電子的附屬公司	305	281

Notes:

- (i) This represented the transaction amount for the supply of IC and driver products (“**IC Products**”) from the Group to CEACI during the year ended 31 December 2020, based on the agreement dated 17 July 2018 (the “**IC Products Supply Agreement**”) entered into between the Company and CEACI. The IC Products Supply Agreement has a term of three years from 1 January 2018 to 31 December 2020. The IC products supply transactions contemplated under the IC Products Supply Agreement constituted non-exempt continuing connected transactions for the Company under the Listing Rules and the Company has complied with the relevant requirements under the Listing Rules in respect of the non-exempt continuing connected transactions.
- (ii) This represented the transaction amount for the supply of IC and driver products from the Group to an associated company of CEC which constituted a related party transaction and not a continuing connected party transaction under the Listing Rules.
- (iii) This represented the rental service charges from a subsidiary of CEC to the Group which constituted a fully exempted continuing connected transactions under the Listing Rules.

### 34. 關聯方交易

- (a) 中國電子信息產業集團有限公司（「中國電子」）是直接隸屬於中國中央政府管理的國有電子資訊技術企業集團，通過其全資附屬公司華大半導體有限公司擁有約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：

附註：

- (i) 這代表根據本公司與CEACI所訂立日期為2018年7月17日的協議（「**IC 產品供應協議**」），本集團於截至2020年12月31日止年度向CEACI供應IC及驅動器產品（「**IC 產品**」）的交易金額。IC產品供應協議的期限為三年，由2018年1月1日至2020年12月31日。IC產品供應協議項下擬進行的IC產品供應交易構成上市規則項下本公司的非豁免持續關連交易，而本公司已就該等非豁免持續關連交易遵守上市規則的相關規定。
- (ii) 這代表本集團向CEC的一家聯營公司供應IC及驅動器產品的交易金額，有關交易構成關聯方交易而非上市規則項下的持續關連人士交易。
- (iii) 這代表CEC的一家附屬公司向本集團收取的租賃服務費，有關交易構成上市規則項下的全面豁免持續關連交易。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 34. Related parties transactions (continued)

(a) (continued)

The following were balances arising from such sales/purchases:

		Notes 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
Trade receivables:	應收款：	22		
Subsidiaries of CEC	中國電子的附屬公司		1,230	1,702
Associate of CEC	中國電子的聯繫人		379	–
Prepayments:	預付款：	22		
Subsidiaries of CEC	中國電子的附屬公司		186	175
Trade payables:	應付款：	28		
Subsidiaries of CEC	中國電子的附屬公司		47	–

(b) Compensation of key management personnel of the Group:

			2020 US\$'000 千美元	2019 US\$'000 千美元
Direct fee	董事袍金		10	–
Salaries, allowance, bonuses and other benefits	薪金、津貼、花紅及其他福利		1,847	602
Pension scheme contributions	退休金計劃供款		54	22
Share-based payment expense	股權開支		11	15
Total compensation paid to key management personnel	已付主要管理人員之報酬總額		1,922	639

Details of compensation of the Company's directors are disclosed in note 10 to the financial statements.

The transactions in respect of the above compensation of key management personnel of the Group were exempted continuing connected transactions under the Listing Rules.

### 34. 關聯方交易 (續)

(a) (續)

由銷售／採購構成的賬目：

	Notes 附註	2020 US\$'000 千美元	2019 US\$'000 千美元
Trade receivables:	22		
Subsidiaries of CEC		1,230	1,702
Associate of CEC		379	–
Prepayments:	22		
Subsidiaries of CEC		186	175
Trade payables:	28		
Subsidiaries of CEC		47	–

(b) 本集團主要管理人員的報酬：

		2020 US\$'000 千美元	2019 US\$'000 千美元
Direct fee	董事袍金	10	–
Salaries, allowance, bonuses and other benefits	薪金、津貼、花紅及其他福利	1,847	602
Pension scheme contributions	退休金計劃供款	54	22
Share-based payment expense	股權開支	11	15
Total compensation paid to key management personnel	已付主要管理人員之報酬總額	1,922	639

本公司董事之報酬於財務報表附註10披露。

有關以上本集團主要管理人員報酬的交易是上市規則項下的獲豁免之持續關連交易。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 35. Statement of financial position and reserves of the Company

### 35. 本公司財務狀況表及儲備

#### (a) Statement of financial position

#### (a) 財務狀況表

		2020 US\$'000 千美元	2019 US\$'000 千美元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	55,209	123
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Trade and other receivables	應收款及其他應收款	51	47
Amounts due from subsidiaries	應收附屬公司款	260	54,247
Cash and cash equivalents	現金及現金等價物	209	1,379
Total current assets	流動資產總計	520	55,673
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Amounts due to subsidiaries	應付附屬公司款	479	214
Accrued expenses and other payables	撥備及其他應付款	226	205
Total current liabilities	流動負債總計	705	419
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<b>流動資產／(負債)</b>	<b>(185)</b>	55,254
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	<b>55,024</b>	55,377
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>本公司權益持有人應佔權益</b>		
Issued capital	已發行股本	31,977	31,967
Reserves	儲備	23,047	23,410
<b>Total equity</b>	<b>總權益</b>	<b>55,024</b>	55,377

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 35. Statement of financial position and reserves of the Company (continued)

#### (b) Reserves

		Share premium	Equity compensation reserve	Accumulated losses	Total
		US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元
At 1 January 2019	於2019年1月1日	109,103	17,704	(60,615)	66,192
Loss for the year	年內虧損	-	-	(42,829)	(42,829)
<b>Total comprehensive loss</b>	<b>全面虧損總計</b>	<b>-</b>	<b>-</b>	<b>(42,829)</b>	<b>(42,829)</b>
Equity-settled share option arrangements	股本權益報酬	-	47	-	47
At 31 December 2019	於2019年12月31日	109,103	17,751	(103,444)	23,410
At 1 January 2020	於2020年1月1日	109,103	17,751	(103,444)	23,410
Loss for the year	年內虧損	-	-	(418)	(418)
<b>Total comprehensive loss</b>	<b>全面虧損總計</b>	<b>-</b>	<b>-</b>	<b>(418)</b>	<b>(418)</b>
Equity-settled share option arrangements	股本權益報酬	-	50	-	50
Exercise of share options	行使購股權	11	(6)	-	5
At 31 December 2020	於2020年12月31日	109,114	17,795	(103,862)	23,047

### 35. 本公司財務狀況表及儲備 (續)

#### (b) 儲備

### 36. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 23 March 2021.

### 36. 綜合財務報表審批

本綜合財務報表已於2021年3月23日經董事會審批。

# FIVE-YEAR FINANCIAL SUMMARY

## 五年財務摘要

		2020	2019	2018	2017	2016
		US\$ million 百萬美元				
Sales	銷售	121,261	108.3	98.1	82.5	68.4
Gross profit	毛利	34,846	21.3	28.2	29.3	23.5
Net profit/(loss)	淨溢利／(虧損)	11.7	(27.8)	(13.8)	(10.3)	(6.9)
		US cents 美仙				
Assets and liabilities	資產及負債					
- Total assets	- 總資產	94.2	76.9	107.0	116.2	115.6
- Total liabilities	- 總負債	30.8	25.6	28.0	24.4	14.6
- Shareholders' funds	- 股東權益	63.4	51.3	79.0	91.8	101.0
Earnings/(loss) per share	每股盈利／(虧損)					
- Basic (i)	- 基本(i)	0.5	(1.1)	(0.55)	(0.41)	(0.28)
- Diluted (ii)	- 攤薄(ii)	0.5	(1.1)	(0.55)	(0.41)	(0.28)
Dividends per share	每股股息	0.1	-	-	-	-
Net assets per share (i)	每股資產淨值(i)	2.56	2.07	3.19	3.70	4.08

- (i) The basic earnings/(loss) and net assets per share are based on the weighted average of 2,477,102,351, 2,478,135,913, 2,480,028,242, 2,480,252,351 and 2,480,302,624 ordinary shares in issue during each of the years ended 31 December 2016, 2017, 2018, 2019 and 2020, respectively.

每股基本盈利／(虧損)及每股資產淨值是分別根據截至2016年、2017年、2018年、2019年及2020年12月31日止年度各年的已發行普通股加權平均數2,477,102,351股、2,478,135,831股、2,480,028,242股、2,480,252,351股及2,480,516,010股計算。

- (ii) For 2016, 2017, 2018, 2019 and 2020, the diluted earnings/(loss) per share information is based on 2,477,102,351, 2,478,135,913, 2,480,028,242, 2,480,252,351 and 2,480,302,624 ordinary shares, respectively, which are the adjusted weighted average number of ordinary shares outstanding assuming conversion of all dilutive/potential share options outstanding during the year.

於2016年、2017年、2018年、2019年及2020年，每股攤薄盈利／(虧損)的資料分別按2,477,102,351股、2,478,135,913股、2,480,028,242股、2,480,252,351股及2,480,516,010股普通股計算，而每股攤薄盈利／(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。

## DEFINITIONS AND GLOSSARY

### 釋義及詞彙

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
Board	Board of Directors
Cayman Islands Companies Law	Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
CEACI	CEAC International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CECI, and a connected person of the Company
CEC	China Electronics Corporation, a state-owned information technology conglomerate under the administration of the central government of the PRC, is a substantial shareholder of the Company through its interests in Huada
CECI	深圳中電國際信息科技有限公司 (CECI Technology Co., Ltd.**), a company established in the PRC and an indirect subsidiary of the CEC, and a connected person of the Company
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
ESL	Electronic Shelf Label
FVTPL	Fair value through profit or loss
Group	The Company and its subsidiaries
HES	北京華大九天軟件有限公司 (Beijing Huada Empyrean Software Co., Ltd.**), a company established in the PRC, and a connected person of the Company
HK\$/HKD	Hong Kong dollars
Hong Kong/HK/HKSAR	Hong Kong Special Administrative Region of the PRC
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. It is a substantial shareholder of the Company
IC	Integrated Circuit

# DEFINITIONS AND GLOSSARY

## 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取得股東批准採納的購股權計劃
AMEPD	主動矩陣電泳顯示
董事會	董事會
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)
CEACI	中國電子器材國際有限公司, 於香港註冊成立之有限公司, 為CECI的全資附屬公司
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主要股東
CECI	深圳中電國際信息科技有限公司, 於中國註冊成立之有限責任公司, 為中國電子集團之間接附屬公司
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	晶門半導體有限公司, 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
電子貨架標籤	電子貨架標籤
FVTPL	通過損益以反映公平價值的財務資產
本集團	本公司及其附屬公司
華大九天	北京華大九天軟件有限公司, 一家於中國成立的公司, 為本公司的關連人士
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

## DEFINITIONS AND GLOSSARY

### 釋義及詞彙

IP	Intellectual Property
JPY	Japanese Yen
KRW	Korean Won
LCD	Liquid Crystal Display
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
Mainland China	Mainland China, for the purpose of this report, excludes Hong Kong and Macau Special Administrative Regions of the PRC
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, for the purpose of this report, excluded Hong Kong and Macau Special Administration Regions
R&D	Product design, development and engineering
S&D	Selling and Distribution
SFO	Securities and Futures Ordinance
the Stock Exchange	The Stock Exchange of Hong Kong Limited
TDDI	Touch and Display Driver Integration
TFT	Thin Film Transistor
UK	United Kingdom
USA	United States of America
US\$/USD	US dollars

\*\* for identification purpose only

# DEFINITIONS AND GLOSSARY

## 釋義及詞彙

知識產權	知識產權
日元	日本元
韓元	韓元
LCD	液晶顯示器
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
中國大陸	中華人民共和國，就本報告而言，不包括中國香港及澳門特別行政區
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，就本報告而言，不包括中國香港及澳門特別行政區
工程開發／研發／R&D	產品設計、開發及工程
銷售及分銷	銷售及分銷
SFO	證券及期貨條例
聯交所	香港聯合交易所有限公司
TDDI	觸控與顯示驅動器集成
TFT	薄膜電晶體
英國	英國
美國	美利堅合眾國
美元	美國元

# CORPORATE AND SHAREHOLDER INFORMATION

## 公司及股東資料

### Financial Calendar

#### Financial Year End

31 December

### 財務日誌

財政年度結算日

12月31日

#### Announcement of Annual Results

23 March 2021

公佈全年業績

2021年3月23日

### Share Listing

#### Listing Venue and Date

Main Board of The Stock Exchange of Hong Kong Limited

8 April 2004

### 股份上市資料

上市地點及日期

香港聯合交易所有限公司主板

2004年4月8日

#### HKSE Stock Code

2878

香港股份編號

2878

#### Board Lot

2,000 shares

買賣單位

2,000股

#### Trading Currency

HKD

交易貨幣

港元

#### Issued Shares

2,481,052,351 (as at 31 December 2020)

已發行股份

2,481,052,351 (於2020年12月31日)

### Principal Share Registrar and Transfer Agent

Tricor Services (Cayman Islands) Limited

2/F., Century Yard, Cricket Square

P.O. Box 902

Grand Cayman KY1-1103

Cayman Islands

### 股份過戶登記總處

Tricor Services (Cayman Islands) Limited

2/F., Century Yard, Cricket Square

P.O. Box 902

Grand Cayman KY1-1103

開曼群島

### Hong Kong Branch Share Registrar

Tricor Investor Services Limited

Level 54, Hopewell Center

183 Queen's Road East

Hong Kong

Tel: (852) 2980 1333

Fax: (852) 2810 8185

Website: [www.tricoris.com](http://www.tricoris.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54樓

電話：(852) 2980 1333

傳真：(852) 2810 8185

網址：[www.tricoris.com](http://www.tricoris.com)

### Independent Auditor

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

### 獨立核數師

安永會計師事務所

執業會計師

註冊公眾利益實體核數師

### Solicitors

ReedSmith Richards Butler

### 法律顧問

禮德齊伯禮律師行



# CORPORATE AND SHAREHOLDER INFORMATION

## 公司及股東資料

### Board Members

#### Executive Director

Mr. Wang Wah Chi, Raymond (Chief Executive Officer)

#### Non-executive Directors

Mr. Ma Yuchuan (Chairman)

Dr. Li Jun

Mr. Yu Jian

Mr. Lo Wai Ming

#### Independent Non-executive Directors

Mr. Leung Heung Ying

Mr. Sheu Wei Fu

Dr. Chan Philip Ching Ho

#### Authorized Representative

Mr. Wang Wah Chi, Raymond

#### Company Secretary & Qualified Accountant

Mr. Cheung Chi Wah, Patrick

#### Corporate Communications/Investor Relations

Mr. Cheung Chi Wah, Patrick

Head of Corporate Communications

Tel: (852) 2207 1672

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)

### 董事成員

#### 執行董事

王華志先生 (行政總裁)

#### 非執行董事

馬玉川先生 (主席)

李峻博士

虞儉先生

盧偉明先生

#### 獨立非執行董事

梁享英先生

許維夫先生

陳正豪博士

#### 授權代表

王華志先生

#### 公司秘書及合資格會計師

張志華先生

#### 企業傳訊／投資者關係

張志華先生

企業傳訊主管

電話：(852) 2207 1672

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)

# CORPORATE AND SHAREHOLDER INFORMATION

## 公司及股東資料

This 2020 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 54, Hopewell Center, 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2020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54樓，或將該通知電郵至[solomon2878-ecom@hk.tricorglobal.com](mailto:solomon2878-ecom@hk.tricorglobal.com)。



[www.solomon-systech.com](http://www.solomon-systech.com)

# Solomon Systech (International) Limited

## 晶門半導體有限公司

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  
www.solomon-systech.com

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

