



**SOLOMON
SYSTECH**
晶門科技

SOLOMON SYSTECH

Interim Report

中期報告

2013

Solomon Systech (International) Limited
HKSE: 2878

solutions in silicon

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FINANCIAL HIGHLIGHTS

財務摘要

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月		
		2013 US\$ million 百萬美元	2012 US\$ million 百萬美元	Change 變動
Sales	銷售額	31.1	27.6	13%
Gross profit	毛利	12.8	11.6	10%
Gross margin (%)	毛利率(%)	41.0	42.2	
Results from core businesses*	核心業務溢利/(虧損)*	0.8	(1.4)	
Net profit/(loss)	純利/(虧損淨額)	0.8	(1.8)	
Earnings/ (loss) per share (US cent)	每股溢利/(虧損)(美仙)	0.03	(0.07)	
Book-to-bill ratio	訂單出貨比率	0.8	1.1	

		Unaudited 未經審核 30 June 6月30日 2013 US\$ million 百萬美元	Audited 經審核 31 December 12月31日 2012 US\$ million 百萬美元	
Total assets	總資產	128.6	131.0	(2%)
Shareholders' funds	股東權益	116.8	115.9	1%

* The design, development and sales of proprietary IC products and system solutions businesses

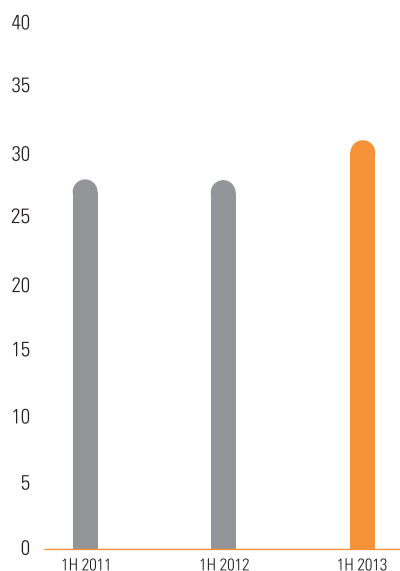
* 設計、開發及銷售專有IC產品及系統解決方案業務

- Sales increased by 13% to US\$31.1 million
 - Gross profit increased from US\$11.6 million to US\$12.8 million
 - Gross margin was 41.0%
 - Results from core businesses returned to a profit of US\$0.8 million (1H 2012 loss: US\$1.4 million)
 - Net profit was US\$0.8 million (1H 2012 net loss: US\$1.8 million)
 - Earnings per share was 0.03 US cent (0.26 HK cent)
 - Book-to-bill ratio was 0.8
- 銷售額增長13%至31.1百萬美元
 - 毛利由11.6百萬美元上升至12.8百萬美元
 - 毛利率為41.0%
 - 核心業務業績轉為0.8百萬美元溢利 (2012上半年虧損: 1.4百萬美元)
 - 純利為0.8百萬美元(2012上半年虧損淨額: 1.8百萬美元)
 - 每股溢利為0.03美仙(0.26港仙)
 - 訂單出貨比率為0.8

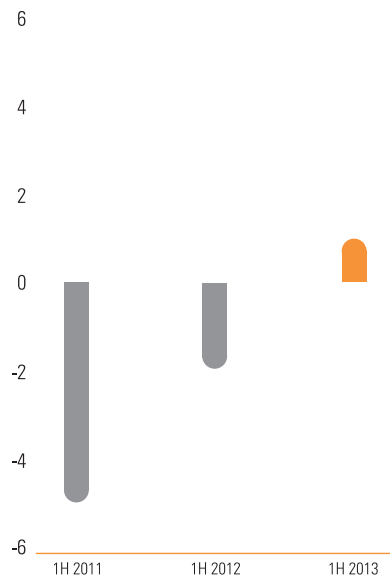
FINANCIAL HIGHLIGHTS (continued)

財務摘要(續)

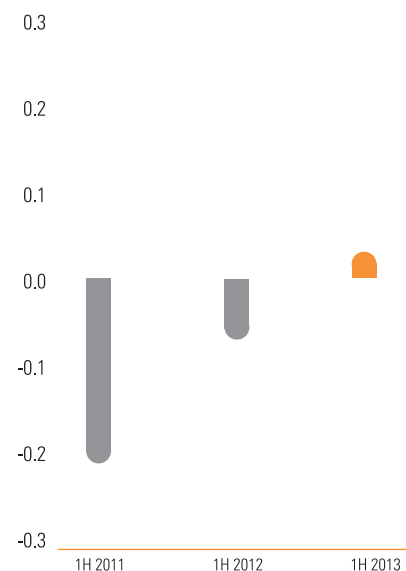
Sales (US\$m)
銷售額 (百萬美元)



Net Profit / Loss (US\$m)
純利/虧損淨額 (百萬美元)



Earnings / Loss Per Share (US cent)
每股溢利/虧損 (美仙)



Note:

All the numbers presented in the charts are unaudited.

Interim Dividend

The Directors of Solomon Systech (International) Limited resolved not to declare any interim dividend for the six months ended 30 June 2013.

Interim Results

The Directors are pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2013 together with the comparative figures for the corresponding period as follows.

附註：

圖表列示的所有數字均未經審核。

中期股息

Solomon Systech (International) Limited的董事們決議不宣派截至2013年6月30日止6個月的中期股息。

中期業績

本公司的董事欣然宣佈，本公司及其附屬公司(統稱「本集團」)截至2013年6月30日止6個月的未經審核簡明綜合中期業績連同上年度同期的比較數字列載如下。

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

簡明綜合中期損益表

For the six months ended 30 June 2013
截至2013年6月30日止6個月

		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2013	2012
		US\$' 000	US\$' 000
		千美元	千美元
	Note 附註		
Sales	銷售額	31,142	27,569
Cost of sales	銷售成本	(18,363)	(15,942)
Gross profit	毛利	12,779	11,627
Research and development costs	研究及開發成本	(6,755)	(7,067)
Selling and distribution expenses	銷售及分銷開支	(1,645)	(1,508)
Administrative expenses	行政開支	(4,061)	(4,501)
Other income	其他收入	448	70
Finance income/(loss) – net	投資收入/(虧損) – 淨額	766 (572)	(1,379) 1,824
Results of associated companies:	聯營公司盈虧：	194	445
– Share of results of associated companies	– 應佔聯營公司盈虧	31	(1,827)
– Provision for impairment loss	– 減值撥備	—	(442)
Profit/(loss) before income tax	除稅前溢利/(虧損)	225	(1,824)
Income tax credit/(expenses)	所得稅收入/(支出)	597	(2)
Profit/(loss) attributable to the equity holders of the Company	本公司權益持有人應佔溢利/(虧損)	822	(1,826)
Earnings/(loss) per share attributable to the equity holders of the Company: (expressed in US cent per share)	本公司權益持有人應佔的每股溢利/(虧損)： (以美仙，每股呈列)		
– Basic	– 基本	0.03	(0.07)
– Diluted	– 攤薄	0.03	(0.07)
Dividend	股息	—	—

The notes on pages 8 to 24 form an integral part of this condensed consolidated interim financial information.

第8至24頁的附註為本簡明綜合中期財務資料的組成部份。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

簡明綜合中期全面收入報表

For the six months ended 30 June 2013
截至2013年6月30日止6個月

		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2013 US\$'000 千美元	2012 US\$'000 千美元
Profit/ (loss) for the period	期內溢利/(虧損)	822	(1,826)
Other comprehensive loss for the period:	期內其他全面虧損：		
Item that may be reclassified to profit or loss	可能會重新分類至損益表的項目		
– Currency translation differences	– 外幣換算差額	(49)	(105)
Total comprehensive income/ (loss) attributable to the equity holders of the Company	本公司權益持有人應佔全面收入/(虧損)總計	773	(1,931)

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CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

簡明綜合中期資產負債表

As at 30 June 2013
於2013年6月30日

	Note 附註	Unaudited 未經審核 30 June 於6月30日 2013 US\$' 000 千美元	Audited 經審核 31 December 於12月31日 2012 US\$' 000 千美元
ASSETS			
Non-current assets			
Property, plant and equipment		3,473	4,190
Investments in associated companies		702	672
Available-for-sale financial assets		2,206	2,206
		6,381	7,068
Current assets			
Inventories		8,751	6,788
Trade and other receivables	12	14,398	15,227
Financial assets at fair value through profit or loss		62,128	63,431
Pledged bank deposits		130	130
Short-term fixed deposits		7,355	1,550
Cash and cash equivalents		29,461	36,816
		122,223	123,942
Total assets		128,604	131,010
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		31,689	31,658
Reserves			
Own shares held		(122)	(122)
Others		85,260	84,413
Total equity		116,827	115,949
LIABILITIES			
Non-current liabilities			
Obligations under finance leases		3	3
Bank loan		450	497
Deferred income tax	9	—	50
		453	550
Current liabilities			
Obligations under finance leases		1	3
Trade and other payables	14	10,695	13,413
Financial liabilities at fair value through profit or loss		81	—
Bank loan		95	95
Income tax	9	452	1,000
		11,324	14,511
Total liabilities		11,777	15,061
Total equity and liabilities		128,604	131,010
Net current assets		110,899	109,431
Total assets less current liabilities		117,280	116,499

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

簡明綜合中期權益變動表

For the six months ended 30 June 2013
截至2013年6月30日止6個月

		Unaudited 未經審核 Attributable to the equity holders of the Company 本公司權益持有人應佔								
		Share capital 股本	Share premium 股份溢價	Own shares held 所持本身股份	Merger reserve 合併儲備	Exchange reserve 匯兌儲備	Equity compensation reserve 股本權益 報酬儲備	Other reserve 其他儲備	Accumulated losses 累計虧損	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
At 1 January 2012	於2012年1月1日	31,658	83,058	(167)	2,082	1,186	16,427	230	(17,056)	117,418
Comprehensive loss	全面虧損									
Loss for the period	期內虧損	-	-	-	-	-	-	-	(1,826)	(1,826)
Currency translation differences	外幣換算差額	-	-	-	-	(105)	-	-	-	(105)
Total comprehensive loss	全面虧損總計	-	-	-	-	(105)	-	-	(1,826)	(1,931)
Transactions with owners	股東交易									
Equity compensation	股本權益報酬	-	-	38	-	-	33	-	(38)	33
Total transactions with owners	股東交易總計	-	-	38	-	-	33	-	(38)	33
At 30 June 2012	於2012年6月30日	31,658	83,058	(129)	2,082	1,081	16,460	230	(18,920)	115,520
At 1 January 2013	於2013年1月1日	31,658	83,058	(122)	2,082	1,012	16,502	230	(18,471)	115,949
Comprehensive income/(loss)	全面收入/(虧損)									
Profit for the period	期內溢利	-	-	-	-	-	-	-	822	822
Currency translation differences	外幣換算差額	-	-	-	-	(49)	-	-	-	(49)
Total comprehensive income/(loss)	全面收入/(虧損)總計	-	-	-	-	(49)	-	-	822	773
Transactions with owners	股東交易									
Shares issued from exercise of share options	購股權獲行使而發行的股份	31	20	-	-	-	-	-	-	51
Equity compensation	股本權益報酬	-	-	-	-	-	54	-	-	54
Total transactions with owners	股東交易總計	31	20	-	-	-	54	-	-	105
At 30 June 2013	於2013年6月30日	31,689	83,078	(122)	2,082	963	16,556	230	(17,649)	116,827

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CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

簡明綜合中期現金流量表

For the six months ended 30 June 2013
截至2013年6月30日止6個月

		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2013 US\$' 000 千美元	2012 US\$' 000 千美元
Net cash generated from/ (used in) operating activities	經營活動產生/(使用)的現金淨額	(2,267)	287
Net cash used in investing activities	投資活動使用的現金淨額	(5,047)	(5,866)
Net cash generated from/ (used in) financing activities	融資活動產生/(使用)的現金淨額	2	(50)
Net decrease in cash and cash equivalents	現金及現金等價物淨減少	(7,312)	(5,629)
Exchange differences on cash and cash equivalents	現金及現金等價物匯兌差額	(43)	(117)
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	36,816	51,660
Cash and cash equivalents at 30 June	於6月30日的現金及現金等價物	29,461	45,914
Analysis of balances of cash and cash equivalents:	現金及現金等價物之結餘分析:		
– Bank balances and cash	– 銀行結餘及現金	29,461	45,914

The notes on pages 8 to 24 form an integral part of this condensed consolidated interim financial information.

第8至24頁的附註為本簡明綜合中期財務資料的組成部份。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

1. General information

Solomon Systech (International) Limited and its subsidiaries are fabless semiconductor companies specializing in the design, development and sales of proprietary IC products and system solutions that enable a wide range of display applications for smartphones, smart TVs, smart projectors and other smart devices including consumer electronics products, portable devices, industrial appliances and green energy applications such as LED lighting.

The Company was incorporated in the Cayman Islands on 21 November 2003 as an exempted company with limited liability under Cap.22, the Cayman Islands Companies Law (Law 3 of 1961, as consolidated and revised). The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the address of its principal office in Hong Kong Special Administrative Region 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.

This condensed consolidated interim financial information is presented in US dollars, unless otherwise stated. This condensed consolidated interim financial information has been reviewed but not audited, and it was approved for issue on 22 August 2013.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2013 of the Group has been prepared in accordance with HKAS 34 "Interim Financial Reporting".

The condensed consolidated interim financial information should be read in conjunction with the Company's annual report for the year ended 31 December 2012, which was prepared in accordance with Hong Kong Financial Reporting Standards.

1. 一般資料

Solomon Systech (International) Limited 及其附屬公司為無晶圓廠半導體公司，專門設計、開發及銷售專有IC產品及系統解決方案，能廣泛應用於各類智能手機、智能電視、智能投影機及其他智能產品，包括消費電子產品、便攜式裝置、工業用設備及環保能源應用如LED照明產品。

本公司於2003年11月21日根據開曼群島公司法(1961年法律3，經綜合及修訂)第22章在開曼群島註冊成立為一間獲豁免有限公司。本公司註冊辦事處的地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands，而其香港特別行政區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，一直在香港聯合交易所有限公司主板上市。

除另有聲明外，本簡明綜合中期財務資料均以美元作呈列單位。本簡明綜合中期財務資料乃經審閱但未經審核，並於2013年8月22日獲批准刊發。

2. 編製基準

本集團截至2013年6月30日止6個月的簡明綜合中期財務資料已根據香港會計準則第34號「中期財務報告」編製。

本簡明綜合中期財務資料應與已按照香港財務報告準則編製的本公司截至2012年12月31日止年度的年報一併閱讀。

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2012, as described in those annual consolidated financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New, revised standards and amendments to standards effective in 2013

The Group has adopted the following new, revised standards and amendments to standards that have been issued and are effective for the Group's financial year commencing on 1 January 2013:

HKAS 19 (Revised 2011) — Employee benefits	香港會計準則第19號(2011修訂) — 員工福利
HKAS 27 (Revised 2011) — Separate financial statements	香港會計準則第27號(2011修訂) — 獨立財務報表
HKAS 28 (Revised 2011) — Investments in associates and joint ventures	香港會計準則第28號(2011修訂) — 於聯營公司及合資公司之投資
HKFRS 10 — Consolidated financial statements	香港財務報告準則第10號 — 綜合財務報表
HKFRS 11 — Joint arrangements	香港財務報告準則第11號 — 共同安排
HKFRS 12 — Disclosure of interests in other entities	香港財務報告準則第12號 — 披露於其他實體之權益
HKFRS 13 — Fair value measurement	香港財務報告準則第13號 — 公平值計量
HKFRS 1 (Amendment) — First-time adoption of HKFRS: Government loans	香港財務報告準則第1號(修正) — 首次採納香港財務報告準則：政府貸款
HKFRS 7 (Amendment) — Disclosures: Offsetting financial assets and financial liabilities	香港財務報告準則第7號(修正) — 披露事項：財務資產及財務負債的抵銷
Annual improvement projects — Improvements to HKASs and HKFRSs 2011	年度改進項目 — 2011年香港會計準則及香港財務報告準則的改進
Amendments to HKFRS 10, 11 and 12 — Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance	香港財務報告準則第10號、第11號及第12號之修正 — 綜合財務報表、共同安排及於其他實體的權益披露：過渡指引

3. 會計政策

除下述列載外，期內所採用之會計政策與截至2012年12月31日止年度之綜合財務報表一致，並刊載於該等年度綜合財務報表中。

應計的中期所得稅是根據預期全年度總溢利適用稅率而計算。

(a) 於2013年生效的新準則、修訂和修正準則

本集團已採納下列於2013年1月1日開始的本集團財政年度已頒佈及生效之新準則、修訂和修正準則：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

3. Accounting policies (continued)

(a) New, revised standards and amendments to standards effective in 2013 (continued)

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

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

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

The following new standard and amendments to standards have been issued, but are not effective for the financial year beginning 1 January 2013 and have not been early adopted by the Group:

3. 會計政策(續)

(a) 於2013年生效的新準則、修訂和修正準則(續)

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

沒有任何其他於此期內首次生效的新準則、修訂和修正準則或詮釋預期會對集團構成重大影響。

(b) 尚未生效且本集團並無提前採納的新準則和修正準則

下列新準則和修正準則已頒佈，但於2013年1月1日開始的財政年度尚未生效，且本集團並無提前採納：

		Effective for annual periods beginning on or after 開始於或之後的年度期間生效
HKAS 32 (Amendment)	香港會計準則第32號(修正)	1 January 2014
— Financial instruments presentation: Offsetting financial assets and financial liabilities	— 金融工具列報： 財務資產及財務負債的抵銷	2014年1月1日
HKFRS 9	香港財務報告準則第9號	1 January 2015
— Financial instruments	— 金融工具	2015年1月1日
Amendments to HKFRS 7 and 9	香港財務報告準則第7號及第9號之修正	1 January 2015
— Mandatory effective date of HKFRS 9 and transition disclosures	— 香港財務報告準則第9號之 強制生效日期及過渡性披露	2015年1月1日
Amendments to HKFRS 10, 12 and HKAS 27	香港財務報告準則第10號、第12號及 香港會計準則第27號	1 January 2014
— Investment entities	— 投資實體	2014年1月1日

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

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

4. Financial risk management and financial instruments

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and cash flow and fair value interest rate risk. There have been no changes in any risk management policies since the year end.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2012.

4.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

4.3 Fair value estimation

The Group's investments in financial instruments are measured in the balance sheet at fair value. The fair value measurements are disclosed by level of the following fair value measurement hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

4. 財務風險管理及金融工具

4.1 財務風險因素

本集團因其業務須承受各種不同的財務風險：市場風險(包括外匯風險和價格風險)、信貸風險、流動資金風險和現金流量及公平值利率風險。自年終至此，沒有風險管理政策上的改變。

本簡明綜合中期財務資料並未包括所有財務風險管理資料及於年度財務報表必須之披露，並應與本集團截至2012年12月31日止年度之綜合財務報表一併閱讀。

4.2 流動資金風險

與年終比較，財務負債之具合約性未貼現的現金流出沒有重大的改變。

4.3 公平值估計

本集團的金融工具之投資於資產負債表中以公平值計量並按下列公平值計量的級別分類法披露：

- 第1層級－相同資產或負債於活躍市場的報價(未經調整)；
- 第2層級－除包括於第1層級的報價外，可直接(即價格)或間接(即由價格衍生)觀察出資產或負債的輸入資料；
- 第3層級－非由可觀察的市場數據的資產或負債的輸入資料(即非可觀察的輸入資料)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

4. Financial risk management and financial instruments (continued)

4.3 Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that were measured at fair value by valuation method:

		Unaudited 未經審核 30 June 2013 2013年6月30日				Audited 經審核 31 December 2012 2012年12月31日			
		Level 1 第1層級 US\$'000 千美元	Level 2 第2層級 US\$'000 千美元	Level 3 第3層級 US\$'000 千美元	Total 總計 US\$'000 千美元	Level 1 第1層級 US\$'000 千美元	Level 2 第2層級 US\$'000 千美元	Level 3 第3層級 US\$'000 千美元	Total 總計 US\$'000 千美元
Financial assets at fair value through profit or loss	通過損益以反映其公平價值的財務資產								
Unlisted	非上市								
Deposit notes	存款票據	-	8,150	-	8,150	-	8,090	-	8,090
Derivative financial instruments	衍生金融工具	-	-	-	-	-	29	-	29
Marketable bonds	可買賣債券	34,336	-	-	34,336	38,953	-	-	38,953
Marketable funds	可買賣基金	10,194	-	-	10,194	6,326	-	-	6,326
Listed in Hong Kong	於香港上市								
Equity securities	股票	9,394	-	-	9,394	9,968	-	-	9,968
Fund	基金	54	-	-	54	65	-	-	65
		53,978	8,150	-	62,128	55,312	8,119	-	63,431
Financial liabilities at fair value through profit or loss	通過損益以反映其公平價值的財務負債								
Unlisted	非上市								
Derivative financial instruments	衍生金融工具	-	81	-	81	-	-	-	-
		-	81	-	81	-	-	-	-

There were no transfers between Levels 1 and 2 during the period.

期內沒有第1和第2層級之間的轉移。

4. 財務風險管理及金融工具(續)

4.3 公平值估計(續)

本集團以估值方法作公平值計量之財務資產及負債列載如下：

4. Financial risk management and financial instruments (continued)

4.4 Valuation techniques for deriving Level 2 fair values

Level 2 financial assets and liabilities comprise deposit notes and forward foreign exchange contracts.

The value of financial instruments that are not traded in an active market (for example, over-the-counter instruments) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. The instruments will be included in level 2 if all significant inputs, other than the quoted prices included within level 1 required to fair value an instrument, are observable either directly (that is, as prices) or indirectly (that is, derived from prices).

Forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

4.5 Valuation process

The Group adopted the fair values of the financial instruments provided by reputable financial institutions who are using advanced financial valuation technique.

4.6 Fair value of financial assets and liabilities measured at amortized cost

The fair values of the following financial assets and liabilities approximate their carrying amounts:

- Trade and other receivables
- Pledged bank deposits, short-term fixed deposits, cash and cash equivalents
- Trade and other payables
- Bank borrowings
- Other current liabilities

4. 財務風險管理及金融工具(續)

4.4 應用於第2層級公平值的估值方法

第2層級的財務資產及負債包括存款票據及遠期外匯合約。

不在活躍市場交易的金融工具(如：不透過交易所買賣之工具)的公平值採用估值方法確定。該等估值方法盡量使用可觀察之市場數據，並盡可能少依賴公司個別估算。如所需的輸入資料全是可觀察的，除包括於第1層級的報價以制定公平值的工具外，該項工具可直接(即價格)或間接(即由價格衍生)觀察出資產或負債的輸入資料會分類為第2層級。

遠期外匯合約已按於活躍市場取得之遠期兌換率以公平值確認。貼現率的影響對第2層級衍生工具一般並不重大。

4.5 估值程序

本集團採納應用先進估值方法之有信譽的金融機構為金融工具提供的公平值。

4.6 以攤銷成本披露的財務資產及負債之公平值

以下財務資產及負債的公平值與其賬面值接近：

- 應收款及其他應收款
- 已抵押的銀行存款、短期定期存款、現金及現金等價物
- 應付款及其他應付款
- 銀行貸款
- 其他流動負債

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued) 簡明綜合中期財務資料附註(續)

5. Critical accounting estimates and judgements

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012, with the exception of changes in estimates that are required in determining the provision for income taxes.

6. Segment information

The Group has been 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, smart TVs, smart projectors and other smart devices including consumer electronics products, portable devices, industrial appliances and green energy applications such as LED lighting.

The Group has been operating in one single operating segment, i.e. the design, development and sales of proprietary IC products and system solutions.

The chief operating decision-makers have been identified as the executive director and senior management led by the Group CEO (Managing Director). The executive director and senior management reviewed the Group's internal reporting to assess performance and allocate resources. A management approach has been used for the operating segment reporting.

5. 關鍵會計估算及判斷

編製簡明綜合中期財務資料需要管理層運用判斷、估算及應用會計政策時和報告資產負債數額、收入及費用有影響的假設。故此，真實結果可能與估算不同。

除制定所得稅應需的撥備而引致所得稅估算的變動外，編製本簡明綜合中期財務資料時管理層需要對運用本集團的會計政策作出的重要判斷及關鍵不確定的估算資料來源與本公司截至2012年12月31日止年度的綜合財務報表一致。

6. 分部資料

於回顧期內，本集團主要從事設計、開發、銷售專有IC產品及系統解決方案，能廣泛應用於各類智能手機、智能電視、智能投影機及其他智能產品，包括消費電子產品、便攜式裝置、工業用設備及環保能源應用如LED照明產品。

本集團一直在單一營運分部經營，即設計、開發、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集團行政總裁(董事總經理)暨領導下的執行董事和高級管理層。執行董事和高級管理層檢討本集團內部報告以評估業績及分配資源。管理層基於該等報告確定營運分部報告。

6. Segment information (continued)

(a) Sales

Sales amounted to US\$31,142,000 and US\$27,569,000 for the six months ended 30 June 2013 and 2012 respectively.

The Company is domiciled in Hong Kong. The Group mainly operates in Hong Kong. The sales of the Group were mainly to customers located in Hong Kong, China, Taiwan and Europe.

6. 分部資料(續)

(a) 銷售額

截至2013年及2012年6月30日止6個月，銷售額分別為31,142,000美元及27,569,000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。本集團銷售額主要源自在香港、中國、台灣及歐洲的客戶。

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2013 US\$' 000 千美元	2012 US\$' 000 千美元
Hong Kong	香港	8,216	7,083
China	中國	7,904	4,252
Taiwan	台灣	4,669	4,960
Europe	歐洲	4,540	4,880
South East Asia	東南亞	2,221	2,254
Korea	韓國	2,102	2,048
Japan	日本	1,168	971
USA	美國	244	817
Others	其他	78	304
		31,142	27,569

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) Total assets

		Unaudited 未經審核 30 June 6月30日 2013 US\$' 000 千美元	Audited 經審核 31 December 12月31日 2012 US\$' 000 千美元
Hong Kong	香港	98,160	107,218
China	中國	23,758	17,964
Taiwan	台灣	5,881	4,450
South East Asia	東南亞	683	1,188
Others	其他	122	190
		128,604	131,010

Assets are listed based on where the assets are located. Others comprise Japan and USA.

資產是根據資產的所在地予以列載。其他包括日本及美國。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

6. Segment information (continued)

6. 分部資料(續)

(c) Capital expenditures

(c) 資本開支

		Property, plant and equipment 物業、機器及設備	
		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2013 US\$'000 千美元	2012 US\$'000 千美元
Hong Kong	香港	39	78
China	中國	87	161
Taiwan	台灣	36	–
		162	239

Capital expenditures are listed based on where the assets are located.

資本開支是根據資產的所在地予以列載。

7. Expenses by nature

Expenses included in cost of sales, research and development costs, selling and distribution expenses and administrative expenses are analyzed as follows:

7. 按性質分類的開支

包括在銷售成本、研究及開發成本、銷售及分銷開支和行政開支內的開支分析如下：

		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2013 US\$'000 千美元	2012 US\$'000 千美元
Cost of inventories sold	售出存貨成本	18,104	16,866
Product engineering costs	產品工程成本	978	1,081
Write-back of provision for obsolete or slow moving inventories	過時或滯銷存貨的回撥	(251)	(1,236)
Amortization of the prepaid operating lease	攤銷預付經營租賃款	–	15
Depreciation of owned property, plant and equipment	自置物業、機器及設備的折舊	802	1,224
Depreciation of leased property, plant and equipment	租賃物業、機器及設備的折舊	1	3
Operating leases for land and buildings	土地及樓宇的經營租賃	519	648
Employee benefit expenses (including Directors' emoluments):	僱員福利開支 (包括董事酬金):		
– Equity compensation	– 股本權益報酬	54	33
– Non-equity compensation	– 非股本權益報酬	8,502	8,541
Net exchange (gain)/ loss	淨匯兌(收益)/虧損	44	(32)

8. Finance income/ loss – net

8. 投資收入／虧損－淨額

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2013 US\$' 000 千美元	2012 US\$' 000 千美元
Gain on disposal of FVTPL	出售FVTPL的收益	189	23
Interest income	利息收入	1,283	714
Dividend income	股息收入	188	167
Net unrealizable gain or loss from FVTPL:	FVTPL未變現的淨收益或虧損：		
– Fair value gain of financial assets	– 財務資產的公平值收益	91	1,220
– Fair value loss of financial assets	– 財務資產的公平值虧損	(2,211)	(271)
– Fair value loss of financial liabilities	– 財務負債的公平值虧損	(110)	(39)
Interest expense of bank loan	銀行貸款的利息支出	(5)	(6)
Others	其他	3	16
		(572)	1,824

9. Income tax

Hong Kong income tax has been provided at the rate of 16.5% (2012: 16.5%) while overseas income tax has been provided at the rates of taxation prevailing in the countries in which the Group operates. No provision for Hong Kong income tax has been made as the Group has no estimated assessable profits for the six months ended 30 June 2013 and 2012.

9. 所得稅

香港所得稅已根據稅率16.5%(2012: 16.5%)計算，而海外所得稅則根據本集團的營運所在國家之適用稅率計算，本集團因截至2013年及2012年6月30日止6個月並無估計應課稅溢利而毋須作香港所得稅撥備。

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2013 US\$' 000 千美元	2012 US\$' 000 千美元
Current income tax:	本期所得稅：		
– Hong Kong	– 香港	–	–
– Overseas	– 海外	1	2
Reversal of income tax provision	所得稅撥備回撥	(548)	–
Reversal of deferred income tax provision	遞延所得稅撥備回撥	(50)	–
Income tax (credit)/ expenses	所得稅(收入)／支出	(597)	2

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

10. Earnings/ loss per share

(a) Basic earnings/ loss per share

The basic earnings/ loss per share is calculated based on the Group's earnings for the period attributable to the equity holders of the Company of US\$822,000 (1H 2012 loss: US\$1,826,000) and the weighted average number of 2,455,183,693 (1H 2012: 2,454,575,820) ordinary shares in issue excluding own shares held during the current period.

(b) Diluted earnings/ loss per share

The diluted earnings/ loss per share is calculated based on the Group's earnings/ loss attributable to the equity holders of the Company and the weighted average number of ordinary shares after adjusting for the effects of all dilutive potential ordinary shares including allocated but excluding unallocated own shares held during the periods.

The information related to the weighted average number of ordinary shares is as follows:

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		Number of shares 股份數目	
		2013	2012
Weighted average number of ordinary shares in issue	已發行加權平均普通股股數	2,455,183,693	2,454,575,820
Allocated own shares held under Share Award Scheme	根據股份獎勵計劃，已分配所持本身股份	2,679,889	1,202,319
Conversion of all dilutive share options outstanding	兌換所有可予發行具攤薄影響的流通購股權	3,571,857	-
Adjusted weighted average number of ordinary shares for diluted earnings/ loss per share calculation	用作計算每股攤薄溢利/虧損的調整後平均普通股股數	2,461,435,439	2,455,778,139

The conversion of all dilutive share options outstanding and inclusion of allocated own shares held during the six months ended 30 June 2012 had an anti-dilutive effect on the loss per share. Hence, there was no dilutive effect on the calculation of the diluted loss per share for the six months ended 30 June 2012.

11. Dividend

No dividend related to the year ended 31 December 2012 was declared or paid during the period. In addition, the Board resolved not to declare any interim dividend for the six months ended 30 June 2013.

10. 每股溢利/虧損

(a) 每股基本溢利/虧損

每股基本溢利/虧損是根據本公司的權益持有人應佔本集團之溢利822,000美元(2012上半年虧損: 1,826,000美元)及本期內已發行普通股(不包括所持本身股份)加權平均數2,455,183,693股(2012上半年: 2,454,575,820股)計算。

(b) 每股攤薄溢利/虧損

每股攤薄溢利/虧損乃根據本公司的權益持有人應佔本集團之溢利/虧損及已就期內所有具攤薄影響的潛在普通股(包括已獲分配但除卻未獲分配之所持本身股份)作出調整後之已發行加權平均普通股股數計算。

加權平均普通股股數的有關資料列載如下:

於2012年6月30日止6個月期內，兌換所有可予發行具攤薄影響的流通購股權加上已獲分配之所持本身股份於計算每股攤薄虧損是產生反攤薄影響。因此，並無對2012年6月30日止6個月該期的每股攤薄虧損造成攤薄影響。

11. 股息

期內並沒有宣派或派付任何關於截至2012年12月31日止年度之股息。董事會亦決議不宣派截至2013年6月30日止6個月的中期股息。

12. Trade and other receivables

12. 應收款及其他應收款

		Unaudited 未經審核 30 June 6月30日 2013 US\$'000 千美元	Audited 經審核 31 December 12月31日 2012 US\$'000 千美元
Trade receivables	應收款	9,850	9,816
Trade receivables from related parties	關聯方應收款	1,589	3,161
Provision for impairment	減值撥備	(121)	(121)
Trade receivables – net	應收款－淨額	11,318	12,856
Deposits, prepayments and other receivables	訂金、預付款及其他應收款	3,011	2,199
Prepayments to related parties	關聯方預付款	69	172
		14,398	15,227

As at 30 June 2013, the Group's trade receivables from corporate customers were mainly on credit terms of 30 to 90 days. The ageing analysis of trade receivables not impaired based on overdue days is as follows:

於2013年6月30日，本集團對企業公司客戶之應收款信貸期主要為30至90日。沒有減值撥備的應收款以過期日起的賬齡分析如下：

		Unaudited 未經審核 30 June 6月30日 2013 US\$'000 千美元	Audited 經審核 31 December 12月31日 2012 US\$'000 千美元
Current	即期	7,646	8,998
1 - 30 days	1 - 30日	2,538	3,500
31 - 60 days	31 - 60日	896	254
61 - 90 days	61 - 90日	68	86
91 - 180 days	91 - 180日	53	18
181 - 365 days	181 - 365日	117	-
		3,672	3,858
		11,318	12,856

As at 30 June 2013, trade receivables of US\$3,672,000 (31 December 2012: US\$3,858,000) were considered past due if measured strictly against the credit terms offered. Majority of the overdue sum was not impaired since most of the overdue sum has been settled after the balance sheet date.

於2013年6月30日，若嚴謹地以所給予的信貸期計算，逾期之應收款為3,672,000美元(2012年12月31日：3,858,000美元)。因多數逾期未收之款項於結算日後已收訖，故大部份該等逾期未收之款項並未作減值。

As at 30 June 2013, trade receivables of US\$121,000 (31 December 2012: US\$121,000) were impaired and provided for.

於2013年6月30日，121,000美元(2012年12月31日：121,000美元)之應收款已被減值和撥備。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

13. Share capital

13. 股本

		Unaudited 未經審核 2013		Audited 經審核 2012	
		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	2,456,302,351	31,658	2,456,302,351	31,658
– Exercise of share options	– 購股權行使	2,400,000	31	–	–
At 30 June 2013/ 31 December 2012	於2013年6月30日/ 2012年12月31日	2,458,702,351	31,689	2,456,302,351	31,658

14. Trade and other payables

14. 應付款及其他應付款

		Unaudited 未經審核 30 June 6月30日 2013 US\$' 000 千美元	Audited 經審核 31 December 12月31日 2012 US\$' 000 千美元
Trade payables	應付款	7,330	10,785
Payables to related parties	關聯方應付款	9	63
Trade payables - total	應付款總計	7,339	10,848
Accrued expenses and other payables	應計開支及其他應付款	3,336	2,546
Accrued expenses and other payables to related parties	關聯方應計開支及其他應付款	20	19
		10,695	13,413

At 30 June 2013, the ageing analysis of trade payables based on overdue days is as follows:

於2013年6月30日，應付款以過期日起的賬齡分析如下：

		Unaudited 未經審核 30 June 6月30日 2013 US\$' 000 千美元	Audited 經審核 31 December 12月31日 2012 US\$' 000 千美元
Current	即期	6,783	8,750
1 - 30 days	1-30日	409	2,004
31 - 60 days	31-60日	81	16
61 - 90 days	61-90日	–	–
Over 90 days	超過90日	66	78
		7,339	10,848

15. Equity compensation scheme

(a) The Share Option Schemes

The Company adopted a share option scheme at an extraordinary general meeting held on 25 February 2004 and a meeting of the Board on 19 March 2004 ("Existing Share Option Scheme") under which options may be granted to subscribe for the Company's shares. The Scheme is valid for a period of 10 years.

The Board successfully obtained shareholders' approval at the annual general meeting held on 28 May 2013 for the adoption of the 2013 Share Option Scheme and the termination of the Existing Share Option Scheme.

No share options were granted under the 2013 Share Option Scheme from the date of adoption till 30 June 2013. Movements in the number of share options outstanding under the Existing Share Option Scheme and their related exercise prices for the six months ended 30 June 2013 are as follows:

Grant date 授出日期	Exercise price per share 每股行使價 HK\$ 港元	Unaudited 未經審核 Number of share options (in thousand units) 購股權數目(以千位計)				Expiry date 到期日
		Held on 1 January 2013 於2013年 1月1日持有	Exercised 已行使	Lapsed 已失效	Held on 30 June 2013 於2013年 6月30日持有	
28 June 2010 2010年6月28日	0.6200	12,000	—	(12,000)	—	30 June 2013 2013年6月30日
30 September 2011 2011年9月30日	0.1634	9,600	(2,400)	—	7,200	30 September 2014 2014年9月30日
28 September 2012 2012年9月28日	0.2126	6,400	—	—	6,400	30 September 2015 2015年9月30日
		28,000	(2,400)	(12,000)	13,600	

During the period, 12,000,000 share options granted in 2010 with an exercise price of HK\$0.62 per share were lapsed on 30 June 2013.

The Company has been using the Black-Scholes Valuation Model to value the share options granted. No share options were granted for the six months ended 30 June 2013.

15. 股本權益報酬計劃

(a) 購股權計劃

本公司已採納分別於2004年2月25日舉行的股東特別大會上及於2004年3月19日舉行的董事會會議上批准的購股權計劃(「現有購股權計劃」)。據此，可授出購股權以認購本公司股份。該計劃有效期為10年。

董事會於2013年5月28日舉行的股東週年大會上成功取得股東批准採納2013年購股權計劃及撤銷現有購股權計劃。

從採納日至2013年6月30日止，並未於2013年購股權計劃授出任何購股權。截至2013年6月30日止6個月關於現有購股權計劃下尚未行使購股權數目的變動及其有關行使價列載如下：

期內，於2010年授出的12,000,000股行使價為每股0.62港元之購股權已於2013年6月30日失效。

本公司利用布萊克－蘇科爾購股權訂價模式計算已授出的購股權。截至2013年6月30日止6個月，未有任何購股權授出。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

15. Equity compensation scheme (continued)

(b) The Share Award Plan

The Share Award Plan was adopted by the Company at an extraordinary general meeting held on 25 February 2004 and a meeting of the Board on 19 March 2004 with an initial pool of 46,223,520 shares held by HSBC Institutional Trust Services (Asia) Limited ("Trustee") as trustee for the benefit of the directors and employees.

Under the terms and conditions of the grant, 40% of the shares will be vested 1 year from the grant date and the remaining 60% will be vested 2 years from the grant date. The pool of shares brought forward at the time of listing of the Company has been allocated to grantees.

At 30 June 2013, the number of shares allocated but remained unvested under the Trustee for Directors and employees of the Group was 2,660,000 while the total number of shares held by the Trustee was 1,443,520.

Shares held by the Trustee under the Share Award Plan are listed below:

		Unaudited 未經審核 Number of shares 股份數目	
		2013	2012
At 1 January	於1月1日	1,443,520	1,967,520
Shares vested during the period	於期內歸屬的股份	-	(444,000)
At 30 June	於6月30日	1,443,520	1,523,520

There was no share of the Company conditionally awarded to employees of the Group pursuant to Share Award Plan for the six months ended 30 June 2013.

The Group has been using HKFRS 2 to account for the equity compensation expenses of the shares granted at fair value at the date of grant.

15. 股本權益報酬計劃(續)

(b) 股份獎勵計劃

股份獎勵計劃於2004年2月25日舉行的股東特別大會獲本公司及於2004年3月19日獲董事會採納，初始涉及46,223,520股股份，由HSBC Institutional Trust Services (Asia) Limited (「受託人」)以受託人身份持有，受益人則為董事及僱員。

根據股份授予受益人的條款及條件，40%股份將於授出日期後1年歸屬，而餘下60%則於授出日期後2年歸屬。本公司上市時於股份獎勵計劃中所餘下的股份已分配與承授人。

於2013年6月30日，已授予董事及本集團的僱員而未歸屬的股份數目為2,660,000，而受託人持有的全部受託股份為1,443,520股。

受託人所持有的股份獎勵計劃內之股份如下：

截至2013年6月30日止6個月，暫未有任何本公司股份根據股份獎勵計劃向本集團僱員附條件授予。

本集團一直遵照香港財務報告準則第2號為股本權益報酬開支按股份授出日期的適用公平值入賬。

16. Commitments

(a) Capital commitments

Capital expenditure committed at the balance sheet date is as follows:

		Unaudited 未經審核 30 June 6月30日 2013 US\$' 000 千美元	Audited 經審核 31 December 12月31日 2012 US\$' 000 千美元
Approved but not contracted for	已批准但未商定合約	—	—
Contracted but not provided for	已商定合約但未撥備	181	51

(b) Operating lease commitments – the Group as lessee

The future aggregate minimum lease payments under non-cancelable leases are as follows:

		Unaudited 未經審核 30 June 6月30日 2013 US\$' 000 千美元	Audited 經審核 31 December 12月31日 2012 US\$' 000 千美元
Not later than 1 year	不超過1年	1,049	1,112
Later than 1 year and not later than 5 years	超過1年，但不超過5年	835	1,254
		1,884	2,366

16. 承擔

(a) 資本承擔

於結算日已承諾的資本開支列載如下：

(b) 經營租賃承擔 – 本集團為承租人

根據不可撤銷經營租賃，未來最低租賃總額列載如下：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

17. Related parties transactions

The Company understands that China Electronics Corporation, a state-owned information technology conglomerate under the administration of the central government of the PRC, owns approximately 28.6% of the issued shares of the Company during the period 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:

17. 關聯方交易

本公司知悉中國電子信息產業集團有限公司是直接隸屬於中國中央政府管理的國有電子信息技術企業集團，於期內擁有約28.6%本公司之發行股份，乃本公司之主要股東。本集團與CEC的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：

		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2013 US\$'000 千美元	2012 US\$'000 千美元
Sales:	銷售：		
Subsidiaries of CEC	CEC的附屬公司	2,714	1,893
Purchases:	購買：		
Subsidiaries of CEC	CEC的附屬公司	244	196

Period-end balances arising from sales/ purchases:

由銷售／採購構成的期終帳目：

		Unaudited 未經審核		Audited 經審核
		30 June 6月30日		31 December 12月31日
		2013 US\$'000 千美元	2012 US\$'000 千美元	
	Note 附註			
Trade receivables:	應收款：			
Subsidiaries of CEC	CEC的附屬公司	1,589		3,161
Prepayments:	預付款：			
Subsidiaries of CEC	CEC的附屬公司	69		172
Trade payables:	應付款：			
Subsidiaries of CEC	CEC的附屬公司	9		63
Accrued expenses and other payables:	應計開支及其他應付款：			
Subsidiaries of CEC	CEC的附屬公司	20		19

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

**TO THE BOARD OF DIRECTORS OF
SOLOMON SYSTECH (INTERNATIONAL) LIMITED**
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 24, which comprises the interim condensed consolidated balance sheet of Solomon Systech (International) Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2013 and the related interim condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22 August 2013

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中期財務資料的審閱報告



羅兵咸永道

致 SOLOMON SYSTECH (INTERNATIONAL) LIMITED 董事會

(於開曼群島註冊成立的有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第3至24頁的中期財務資料，此中期財務資料包括 Solomon Systech (International) Limited(「貴公司」)及其子公司(合稱「貴集團」)於2013年6月30日的簡明綜合中期資產負債表與截至該日止6個月期間的相關簡明綜合中期損益表、簡明綜合中期全面收入報表、簡明綜合中期權益變動表和簡明綜合中期現金流量表，以及主要會計政策概要和其他附註解釋。香港聯合交易所有限公司證券上市規則規定，就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」編製及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並按照委聘之條款僅向整體董事會報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故不能令我們可保證我們將知悉在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

結論

按照我們的審閱，我們並無發現任何事項，令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號「中期財務報告」編製。

羅兵咸永道會計師事務所

執業會計師

香港，2013年8月22日

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MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Overview

For the six months ended 30 June 2013, the Group's sales were US\$31.1 million (1H 2012: US\$27.6 million), increased by about 13% year-on-year. The Group's core business operation, i.e. the design, development and sales of proprietary IC products and system solutions, achieved a profit of US\$0.8 million (1H 2012 loss: US\$1.4 million).

Sales and Gross Profit

Total unit shipments of the Group's products increased slightly by around 4% from 46.0 million units in the 1H of 2012 to 47.8 million units in the 1H of 2013. The higher percentage of sales increase over shipment increase during the period under review was mainly attributed to the Group's strategy of changing its product mix to include more innovative, high value-added products which raised the blended ASP.

Gross profit of the Group was US\$12.8 million, up by 10% year-on-year (1H 2012: US\$11.6 million). Gross margin was 41.0% (1H 2012: 42.2%). Excluding the provision reversal for slow moving inventory of US\$0.3 million and US\$1.2 million for the 1H of 2013 and 1H of 2012 respectively, there was an effective increase in gross margin from 37.7% to 40.2%. This increase was attributed to the Group's strategy of focusing on innovative, high value-added smart products.

Costs and Expenses

The Group has remained vigilant in controlling its expenses. The Group's total expenses, including R&D costs, S&D expenses and administrative expenses, were US\$12.5 million (1H 2012: US\$13.1 million), down by US\$0.6 million, representing a decrease of 4.7%.

The Group continued to invest in R&D and business development, and remained selective in its R&D spending. Its R&D costs were US\$6.8 million (1H 2012: US\$7.1 million), representing 21.7% (1H 2012: 25.6%) of the sales.

S&D expenses were US\$1.6 million (1H 2012: US\$1.5 million). S&D expenses to sales ratio was 5.3% (1H 2012: 5.5%).

Administrative expenses were US\$4.1 million, decreased by US\$0.4 million compared with US\$4.5 million in 1H 2012.

財務回顧

概覽

截至2013年6月30日止6個月，本集團的銷售額為31.1百萬美元（2012上半年：27.6百萬美元），較去年同期上升約13%。本集團的核心業務營運，即設計、開發及銷售專有IC產品及系統解決方案，錄得0.8百萬美元溢利（2012上半年虧損：1.4百萬美元）。

銷售及毛利

本集團的產品總付運量從2012上半年的46百萬件微升約4%至2013上半年的47.8百萬件。銷售額增幅高於付運量增幅是由於本集團將其產品組合改變，包含了更多創新及高增值產品，提高了混合平均售價所致。

本集團毛利較去年同期上升10%至12.8百萬美元（2012上半年：11.6百萬美元），毛利率為41.0%（2012上半年：42.2%）。撇除分別於2013上半年及2012上半年回撥的滯銷存貨撥備0.3百萬美元及1.2百萬美元，毛利率實際由37.7%增長至40.2%。這增長乃有賴於本集團專注於創新及高增值的智能產品。

成本及開支

本集團繼續審慎控制開支。集團的總開支（包括研發成本、銷售及分銷開支加上行政開支）減少0.6百萬美元至12.5百萬美元（2012上半年：13.1百萬美元），下降4.7%。

本集團繼續投放資金於研發及業務發展，並在選擇研發重點時保持審慎。研發成本為6.8百萬美元（2012上半年：7.1百萬美元），佔銷售額21.7%（2012上半年：25.6%）。

銷售及分銷開支為1.6百萬美元（2012上半年：1.5百萬美元），銷售及分銷開支與銷售額比率為5.3%（2012上半年：5.5%）。

行政開支為4.1百萬美元，比對2012上半年4.5百萬美元減少0.4百萬美元。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

Other Income

Other income totalled US\$0.5 million (1H 2012: US\$0.1 million), with US\$0.4 million attributed to a gain on disposal of certain manufacturing equipment.

Finance Income/ Loss - Net

During the period under review, the Group recorded an interest income of US\$1.3 million and dividends of US\$0.2 million totaling US\$1.5 million (1H 2012: US\$0.9 million).

Pursuant to mark-to-market prices as at 30 June 2013, a net unrealized loss of US\$2.2 million (1H 2012 net unrealized gain: US\$0.9 million) was recorded from the investment in the FVTPL portfolio at balance sheet date.

As a result, the Group recorded a net loss of US\$0.6 million (1H 2012 net gain: US\$1.8 million) from treasury investment.

Net Profit and Loss

The Group managed to attain a breakeven position for the period ended 30 June 2013, with a profit of US\$0.8 million from core businesses (1H 2012 loss: US\$1.4 million). The profit before tax for the six months ended 30 June 2013 was US\$0.2 million (1H 2012 loss before tax: US\$1.8 million).

Furthermore, there was a reversal of US\$0.6 million for a provision of Hong Kong income tax and deferred income tax. Accordingly, the profit attributable to the equity holders of the Company for the six months ended 30 June 2013 was US\$0.8 million, returning to profit from the loss of US\$1.8 million for the six months ended 30 June 2012.

The Board resolved not to declare any interim dividend for the six months ended 30 June 2013.

Liquidity and Financial Resources

Total cash and cash equivalents and bank deposits of the Group amounted to US\$36.8 million as at 30 June 2013, compared to US\$38.4 million as at 31 December 2012. Net cash used in operating activities during the period was US\$2.3 million (1H 2012 net cash generated from operating activities: US\$0.3 million). The change was mainly a result of an increase of US\$3.9 million in working capital.

Regarding the use of cash reserves, the Group will continue to allocate funds for product development, securing production capacity, strengthening its infrastructure in China to broaden its customer base and capture market and sales opportunities, entering into strategic corporate ventures and meeting general corporate operational purposes. As at 30 June 2013, the Group had no major borrowing other than the US\$0.5 million in a mortgage loan for the purchase of an office property in Hsinchu, Taiwan. The Group's cash balance was mainly invested in various deposits in banks.

其他收入

其他收入合共0.5百萬美元(2012上半年: 0.1百萬美元), 其中0.4百萬美元源於出售一些生產設備的收益。

投資收入/虧損-淨額

於回顧期內, 本集團確認利息收入1.3百萬美元及股息0.2百萬美元合共1.5百萬美元(2012上半年: 0.9百萬美元)。

於結算日之FVTPL投資組合按2013年6月30日市價作基準估值錄得未變現淨額虧損為2.2百萬美元(2012上半年未變現淨額收益: 0.9百萬美元)。

整體結果, 本集團於財政庫務投資錄得淨額虧損0.6百萬美元(2012上半年淨額收益: 1.8百萬美元)。

盈虧淨額

本集團於截至2013年6月30日期內取得來自核心業務的0.8百萬美元溢利(2012上半年虧損: 1.4百萬美元)達到盈虧平衡。截至2013年6月30日止6個月之除稅前溢利為0.2百萬美元(2012上半年除稅前虧損: 1.8百萬美元)。

另外, 所得稅因回撥一筆香港所得稅及遞延所得稅的撥備錄得所得稅收入0.6百萬美元。因此, 本公司權益持有人截至2013年6月30日止6個月應佔溢利為0.8百萬美元, 從截至2012年6月30日止6個月虧損1.8百萬美元中轉虧為盈。

董事會已決議不宣派截至2013年6月30日止6個月之中期股息。

流動資金及財務資源

於2013年6月30日, 本集團的現金及現金等價物和銀行存款總計為36.8百萬美元, 而於2012年12月31日則為38.4百萬美元。期內經營活動使用的現金淨額為2.3百萬美元(2012上半年期內經營活動產生的現金淨額: 0.3百萬美元), 主要由於營運資金上升3.9百萬美元之故。

有關現金儲備的使用, 本集團將繼續主要分配資源於產品開發、提升生產力、加強中國的基建以擴闊客戶基礎及把握市場及銷售商機、進行若干策略性企業投資及用作一般公司營運用途。於2013年6月30日, 除了0.5百萬美元作位於台灣新竹之辦公室物業按揭貸款外, 本集團並無任何主要借貸。本集團之現金主要投資於銀行各類存款。

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 period under review, the Group did not use any derivative instruments to hedge against foreign currency exposure in operation as the Directors considered this exposure to be insignificant.

Capital Expenditure and Contingent Liabilities

In the 1H of 2013, capital expenditure of the Group was US\$0.2 million (1H 2012: US\$0.2 million), of which the majority was related to the Group's purchase of equipment.

As at 30 June 2013, there was no capital expenditure approved but not contracted for whilst there was a US\$0.2 million (31 December 2012: US\$0.1 million) capital expenditure contracted but not provided for in respect of acquiring certain patents and intellectual properties.

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

BUSINESS PERFORMANCE AND OUTLOOK

Business Performance

During the period under review, the Group's total sales were US\$31.1 million, an increase of approximately 13% from the same period last year, while its total shipments saw a year-on-year increase of around 4% to approximately 47.8 million units. This was mainly attributed to the Group's strategy of changing its product mix to focus on innovative, high value-added smart products which effectively raised the blended average selling price of the Group's products. The sales growth of the Group in the 1H of 2013 has outpaced the expected sales growth of 2.1% of the global semiconductor industry in 2013*.

* *World Semiconductor Trade Statistics (WSTS) Organization's Spring 2013 Global Semiconductor Sales Forecast*

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

資本開支與或然負債

於2013上半年，資本開支為0.2百萬美元(2012上半年：0.2百萬美元)，當中大部分用於本集團購買設備。

於2013年6月30日，本集團沒有已獲批但未商定合約之資本開支，但有0.2百萬美元(2012年12月31日：0.1百萬美元)已商定合約但未撥備之資本開支，主要關於一些專利及知識產權。

除前述之外，本集團概無其他重大資本承擔或或然負債。

業務回顧及展望

業務回顧

於回顧期內，本集團的總銷售額達31.1百萬美元，較去年同期上升約13%。總付運量按年增長約4%至約47.8百萬件。這主要有賴本集團將旗下產品組合重心轉移至創新及高增值智能產品的策略，有效提高本集團產品的混合平均售價。本集團於2013上半年的銷售增長優於2013年全球半導體行業的預期銷售增長2.1%*。

* *世界半導體貿易統計組織(WSTS)的2013年春季全球半導體銷售預測*

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

PRODUCT SHIPMENT (BY BUSINESS UNIT)

產品付運量 (按業務單元)

Units Shipped (million)	付運量(百萬件)	1H 2013 2013上半年	1H 2012 2012上半年	Change 變動	2012
Mobile Display	移動顯示	7.9	10.6*	(26%)	19.4*
Mobile System	移動系統	5.8	5.0*	17%	12.6*
Advanced Display	先進顯示	28.2	26.6	5%	54.0
Large Display	大型顯示	5.4	3.6	51%	16.2
Green Power	環保能源	0.5	0.2	219%	0.5
Total	總數	47.8	46.0	4%	102.7

* Figures aligned based on the shift of product lines resulting from the operational restructuring at the beginning of 2013

* 數字已根據2013年初進行營運重組並轉移產品線後作出調整

To further reinforce organizational efficiency and enhance core competencies, the Group reorganized and restructured the operation of its core business units at the beginning of 2013. The following provides an overview of the development of individual core business unit in the 1H of 2013 after the operational restructuring.

為了進一步加強營運效益及提升核心競爭力，本集團於2013年初重組及重整其核心業務單元之營運。以下為營運重組後，個別核心業務單元於2013上半年的發展概況。

Mobile Display

The Mobile Display business unit provides LCD driver ICs targeting high-end, value added applications, in particular smartphones and tablets.

移動顯示

移動顯示業務單元提供LCD驅動器集成電路晶片，針對高端增值應用，特別是智能電話及平板電腦。

During the period under review, the Group's TFT LCD display driver ICs supporting HD smartphone applications scored design wins with key smartphone brands in China and commenced mass production. Its newly developed HD LCD display driver ICs supporting metal oxide TFT technology have secured design-in projects with top-tier customers. The Group has also been collaborating closely with world-leading LCD panel makers to develop driver ICs supporting in-cell touch technology to cater to an increasing demand for higher-performing smartphones.

於回顧期內，本集團支援高清智能手機應用的TFT LCD顯示驅動器集成電路晶片贏得多個中國主要智能手機品牌的設計項目，並已開始批量生產。本集團新開發的支援金屬氧化物TFT技術的高清LCD顯示驅動器集成電路晶片取得高端客戶的設計項目。本集團亦與全球領先的LCD面板製造商緊密合作，開發支援內嵌式觸摸屏技術的驅動器集成電路晶片，以滿足對較高性能智能手機日益殷切的需求。

The unit shipments of Mobile Display products during the period under review were approximately 7.9 million units (1H 2012: 10.6 million units), decreased by around 26% year-on-year, but the actual sales recorded an increase of around 9%. This was mainly attributed to the strategy of shifting the business focus towards smartphone and tablet applications with higher resolutions and higher average selling prices. Most of the new products have only been launched for a short period of time and have not yet contributed significantly to total shipments. The Group is striving to score more design wins with new products to capture the expanding market.

期內，移動顯示產品的付運量約為7.9百萬件(2012上半年：10.6百萬件)，按年下跌約26%，但實際銷售額則錄得約9%的增幅。這主要由於本集團策略性將業務重心轉移至較高解像度及平均售價的智能手機及平板電腦應用。大部份新產品推出時間尚短，因此未為總付運量帶來顯著貢獻。本集團正積極爭取贏得更多新產品設計項目，以把握日漸擴大的市場。

Mobile System

The Mobile System business unit delivers a wide range of products, including MIPI display interface controller ICs, capacitive touch panel controller ICs, graphic display controller ICs and application processors, all of which target system customers for applications spanning smartphones, tablets, projectors, personal navigation devices, 3D displays, IP cameras, etc.

During the period under review, the total unit shipments of Mobile System products increased strongly by approximately 17% to 5.8 million units (1H 2012: 5.0 million units). This was mainly attributed to the surging demand for the Group's high speed MIPI display interface controller ICs that target high resolution, high speed and low power display of FHD and WQXGA smart devices, in particular tablets. In addition to achieving mass production of the new MIPI solutions launched at the end of 2012, the Group has also scored additional design wins with global brands.

The Group's graphic display controller ICs achieved design-in projects for applications including 3D cameras, multi-view cameras, tablets and car DVRs.

In terms of capacitive touch panel controller ICs, business for the Group's ROM-based products introduced at the end of 2012 has been slow during the period under review. The Group has therefore added significantly skilled resources to enhance the features and performance of the products while strengthening the sales and marketing team, and devising a new positioning strategy and marketing plan for this product line. In addition, a number of new products have been added to the touch panel controller product portfolio to address a variety of applications, including high volume smartphones and tablets ranging from low-end to FHD. The Group hopes that these efforts can boost business growth in the 2H of 2013.

The Group's multimedia processor business continued to benefit from the current clients within the projector market. With their high performance content playback and streaming capabilities, and the proven Internet enabled peer-to-peer server camera control function, these multimedia processors are also ideally suited for IP cameras. During the period under review, the Group has achieved design wins and successfully penetrated into the IP camera market segment.

移動系統

移動系統業務單元提供多種產品，包括MIPI顯示器介面控制器集成電路晶片、電容式觸摸屏控制器集成電路晶片、圖像顯示控制器集成電路晶片及應用處理器，所有產品均以各項應用的系統客戶為目標，此等應用涵蓋智能手機、平板電腦、投影機、個人導航裝置、3D顯示、IP相機等。

於回顧期內，移動系統產品總付運量大幅增長約17%至5.8百萬元(2012上半年：5.0百萬元)，主要由於市場對本集團高速MIPI顯示器介面控制器集成電路晶片的需求急增，此產品專門支援高解像、高速及低功耗全高清及WQXGA智能產品，特別是平板電腦。本集團除了開始批量生產於2012年底推出的新MIPI解決方案外，更贏得更多國際品牌的設計項目。

本集團的圖像控制器集成電路晶片已取得3D相機、多視圖相機、平板電腦及行車數碼影像記錄器等應用的設計項目。

至於電容式觸摸屏控制器集成電路晶片，本集團於2012年底推出以ROM為基礎的產品，惟於回顧期內發展緩慢。有見及此，本集團大幅增加技術性資源以提升產品性能及表現，同時增強營銷及市場推廣隊伍，並為此產品系列制訂新的定位策略及市場推廣計劃。此外，觸摸屏控制器產品組合已加入多項新產品，以支援不同應用，包括低端至全高清的高批量智能手機及平板電腦。本集團期望此等舉措能有助推動2013下半年的業務增長。

本集團的多媒體處理器業務繼續受惠於投影機市場的現有客戶。由於這些多媒體處理器擁有高性能內容播放及串流能力，以及卓越的互聯網對等伺服器相機控制功能，因此亦適用於IP相機。回顧期內，本集團贏得多個設計項目，並成功進軍IP相機市場。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

Advanced Display

The Advanced Display business unit includes OLED Display and New Display product families which focus on module makers of OLED and e-paper, respectively. To better cater to the specific needs of customers, in addition to standard ICs, the Advanced Display business unit also provides custom IC design services, including analog, mixed-signal and high-voltage IC design.

During the period under review, the total unit shipments of Advanced Display products increased by 5% to 28.2 million units (1H 2012: 26.6 million units).

In terms of ESL business, apart from mass production of bistable display driver ICs for direct drive segment/ icon type electrophoretic displays for current customers, the Group has secured additional design wins, and has been working on design-in projects for new applications, including smart cards, healthcare devices and smart watches. In addition, the Group has launched a new AMEPD (AM e-paper) display driver IC during the period, targeting applications that require the display of complex content in high resolution and with low power consumption, for example, QR Codes.

For PMOLED display driver ICs, the Group has been diversifying and expanding its product portfolio. During the period under review, the Group has garnered design wins for smartphone accessories and optical viewfinders of digital cameras; and continued high volume production for applications including smart healthcare devices, portable WIFI routers, enterprise security devices, etc. The Group has also worked on design-in projects for VFD replacement and set-top boxes.

The Group has successfully produced a qHD AMOLED display driver IC for panel development. The Group has also been liaising with potential customers for the development of a new AMOLED display driver IC for HD display, to facilitate the Group's outreach to the rapidly-growing China smartphone market.

Large Display

The Large Display business unit focuses on providing large TFT driver ICs for large LCD display module makers.

During the period under review, the total unit shipments of the Large Display business unit increased by 51% to 5.4 million units year-on-year (1H 2012: 3.6 million units). The shipment growth was not as strong as the Group would have expected due to the need for inventory adjustment in the market. The growth momentum of China's large TFT LCD panels during the period was partially offset by the need to deplete the excess inventory accumulated due to a rapid increase in the production capacity of TFT LCD panel plants in China in 2012. Nevertheless, the Group has developed and submitted two sets of new large TFT driver ICs for customer qualification, and it is expected that the qualification process will be completed in the 2H of 2013.

先進顯示

先進顯示業務單元包括OLED顯示器及新型顯示器兩大產品類別，分別專注於OLED及電子紙模組製造商。為了更有效地滿足顧客的個別需要，本業務單元除了提供標準集成電路晶片外，亦提供訂制集成電路晶片設計服務，包括類比、混合訊號及高壓集成電路晶片設計。

於回顧期內，先進顯示產品的總付運量增加5%至28.2百萬件(2012上半年：26.6百萬件)。

至於電子貨架標籤業務，除了為現有客戶批量生產直接驅動／圖標類型電泳顯示的雙穩態顯示驅動器集成電路晶片外，本集團亦取得新設計項目，並已開始著手新應用的設計項目，包括智能卡、保健器材及智能手錶。此外，期內本集團亦推出了新AMEPD (AM電子紙)顯示驅動器集成電路晶片，目標是需要以高解像度但低功耗顯示複雜內容(例如QR碼)的應用。

PMOLED顯示驅動器集成電路晶片方面，本集團一直推行產品多元化及擴大產品組合。於回顧期內，本集團取得智能手機配件及數碼相機取景器的設計項目，並繼續就多項應用進行大批量生產，包括智能保健器材、便攜式WIFI路由器、企業安全儀器等。本集團亦正進行真空螢光顯示器代替品及機頂盒的設計項目。

本集團成功推出用於面板開發的qHD AMOLED顯示驅動器集成電路晶片，並正與潛在客戶商討有關開發全新用於高清顯示的AMOLED顯示驅動器集成電路晶片，以促進本集團進軍迅速增長的中國智能手機市場。

大型顯示

大型顯示業務單元主要為大型LCD顯示模組製造商提供大屏TFT驅動器集成電路晶片。

於回顧期內，大型顯示業務單元的總付運量按年上升51%至5.4百萬件(2012上半年：3.6百萬件)。付運量的增長並未及本集團預期，原因是市場需要調整存貨量。由於2012年國內TFT LCD面板廠的產能快速增長，致令市場需要消化過剩的存貨，因而抵銷了中國大型TFT LCD面板於期內的部份增長動力。儘管如此，本集團已開發並遞交了兩套全新大型TFT驅動器集成電路晶片作客戶認證，預期2013下半年將完成有關認證程序。

Green Power

The Green Power business unit focuses on providing energy-saving LED driver ICs and LED power modules for LED lighting and LED backlighting applications.

During the period under review, the Green Power business unit shipped approximately 0.5 million units of LED solutions (1H 2012: 0.2 million units), an increase of 219% year-on-year. The strategy of targeting high quality and high value-added products has attracted more top-tier customers, therefore it has ramped up the unit shipments and brought in more revenue. The Group has also made successful inroads into the Southeast Asian market, in addition to Europe.

The Group has secured a number of design wins during the period under review. It has also been certified by Cree, a world leader in LED technology, as its LED Solution Provider. This is a strong endorsement of the excellent quality, performance and reliability of the products, services and support that the Group offers to its customers.

Outlook

The Group's strategy of focusing on the high-growth, high-volume smart applications has proven effective in enhancing its business growth during the period under review. Riding the trend of more and more innovative products launched into the market and commencing mass production, the Group sees potential for growth. At the same time, we remain vigilant in monitoring changes in the global market, as the global economy slowly recovers and becomes less volatile, yet still faces uncertainties such as the slower-than-expected expansion in the developing economies, and the lingering recession in the Eurozone. The Group's book-to-bill ratio of 0.8 for the period indicates that the product order lead time of the customers has been shortened to cater to possible fluctuations in demand, given the uncertain macroeconomic environment and rapidly changing industry landscape.

Smartphones and Tablets

High performance smartphones and tablets with high resolution displays are expected to continue to be the key growth drivers of the consumer electronics market. In today's Mobile Internet Era, consumers are engaged simultaneously with multiple mobile devices and multiple screens including smartphones, tablets, ultrabooks, PCs, TVs, etc. The Group has been developing more innovative products and technologies which enable low power, high resolution and high speed displays to best capitalize on this market trend.

In terms of TFT LCD display driver ICs, we expect our high resolution TFT LCD display driver IC business to ramp up in the 2H of the year, and our metal oxide TFT LCD display driver ICs which have started pilot shipment to start mass production in the 2H of the year. Our new TFT LCD display driver ICs supporting in-cell touch technology are expected to be launched to score more design wins. We also aim to develop a new AMOLED display driver IC for HD display in 2014.

環保能源

環保能源業務單元主要提供節能LED驅動器集成電路晶片及LED電源模組，用於LED照明及LED背光應用。

回顧期內，環保能源業務單元付運約0.5百萬件LED解決方案（2012上半年：0.2百萬件），按年上升219%。憑藉專注於優質及高增值產品的策略，本集團成功吸納更多高端客戶，推動付運量增加，並提升收益。除歐洲市場以外，本集團亦成功拓展東南亞市場。

本集團於回顧期內贏得多個設計項目，同時亦獲得全球LED技術翹楚Cree確認為其認可LED解決方案供應商，足證本集團為客戶所提供的產品、服務及支援均屬優質、表現出色及可靠。

展望

本集團採取專注高增長及高量的智能應用的策略，於回顧期內有效推動業務增長。隨著越來越多創新產品推出市場及開始批量生產，本集團將把握此具增長潛力的趨勢。與此同時，雖然全球經濟逐步復甦及波動減少，但仍面對不明朗因素如發展中國家擴展比預期緩慢，及歐元區持續經濟不景，故本集團會繼續留意全球市場的變化。期內，本集團的訂單出貨比率為0.8，顯示客戶縮短下訂單至出貨時間，以配合在宏觀經濟不穩定及瞬息萬變的行業環境下可能出現的需求變化。

智能手機及平板電腦

本集團預期備有高解像顯示及高性能的智能手機及平板電腦將繼續成為消費電子產品市場的主要增長動力。於現今移動互聯網年代，消費者同時使用多種移動設備及屏幕如智能手機、平板電腦、超輕薄筆記型電腦、個人電腦、電視等。本集團不斷開發更多支援低功耗、高解像及高速顯示的創新產品及技術，以把握這市場趨勢。

TFT LCD顯示驅動器集成電路晶片方面，本集團預期高解像的TFT LCD顯示驅動器集成電路晶片將於下半年提升業務量，而已經開始試行付運的金屬氧化物TFT LCD顯示驅動器集成電路晶片亦將於下半年開始批量生產。此外，本集團預期推出新的支援內嵌式觸摸屏技術的TFT LCD顯示驅動器集成電路晶片，以取得更多設計項目，並冀於2014年開發用於HD顯示的新AMOLED顯示驅動器集成電路晶片。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

Our high speed MIPI display interface controller IC business are expected to ramp up in the 2H of the year, and we are also launching new solutions enhanced with image processing functions targeting tablets and ultrabooks.

For capacitive touch panel controller ICs, the Group anticipates that with enhanced product features and performance together with a broadened portfolio covering multiple applications, our touch panel controller business will gain momentum commencing the 2H of 2013, and contribute to the total shipments and sales growth.

Smart TVs

China is leading the growth of global LCD TV shipments and remains our key target market. The Group will continue to develop more new TFT LCD display driver ICs for TVs and computer monitors, in alignment with the business objectives and future business plans of its anchor customer in China, Nanjing CEC Panda LCD Technology Co., Ltd.

Smart Devices

The Group maintains a positive view about the growth potential of bistable displays. Apart from striving to further ramp up its business for ESL application, in view of the growing market needs to display more complex information beyond numeric data in high resolution with low power consumption, the Group plans to boost its AMEPD businesses to capture the rising demand and contribute to overall sales. In addition, the Group is exploring other potential applications of bistable displays, such as inventory/warehouse management, smart cards, etc.

The Group has been identifying opportunities to diversify and extend further the applications of PMOLED display ICs to drive business growth. Healthcare products represent a key application segment with strong growth potential, in addition to products which feature high brightness and energy saving functions, such as set-top boxes and smartphone accessories.

In terms of LED lighting, the Group will continue to focus on high quality, high performance products targeting top-tier customers. Apart from ramping up production of the new products with design wins secured, the Group is also working on the development of modules for smart LED lighting solutions which integrate wireless control with multi-color features. In addition, the Group is working on the development of OLED lighting solutions.

The Group also will strive to achieve more design wins for its graphic display controller ICs for applications such as 3D cameras, multi-view cameras and baby monitors.

本集團的高速MIPI顯示器介面控制器集成電路晶片的業務量預計於下半年有所提升，而正推出的加入了影像處理功能的新解決方案，將以平板電腦及超輕薄筆記型電腦為目標市場。

至於電容式觸摸屏控制器集成電路晶片，透過提升產品功能及性能，以及擴大產品組合至多元化應用，本集團預期觸摸屏控制器業務可於2013年下半年加快發展，並帶動總付運量及銷售增長。

智能電視

中國LCD電視的付運量增長領先全球，仍然是本集團的主要目標市場。本集團將繼續開發更多適用於電視及電腦屏幕的新TFT LCD顯示驅動器集成電路晶片，以配合其於中國的最大客戶南京中電熊貓液晶顯示科技有限公司的業務目標及未來業務計劃。

智能產品

本集團對雙穩態顯示的增長潛力感到樂觀。除致力擴展電子貨架標籤應用業務外，鑑於市場對以高解像度及低功耗顯示比數據更複雜資訊有殷切需求，因此本集團亦計劃進一步拓展其AMEPD業務，以把握需求上升的機遇並提升整體銷售。此外，本集團正為雙穩態顯示發掘其他潛在應用範疇，如存貨/倉庫管理、智能卡等。

本集團一直尋求機會多元化擴闊PMOLED顯示器集成電路晶片的應用，藉以推動業務增長。除機頂盒及智能手機配件等具有高光度及節能功能的產品外，保健器材亦是一個具有龐大增長潛力的主要應用範疇。

LED照明方面，本集團會繼續專注發展針對高端客戶的優質及高性能產品。除提高贏得產品設計項目的新產品產量外，本集團亦著手開發用於智能LED照明解決方案、融合無線控制與多色功能的模組。此外，本集團亦正進行OLED照明解決方案的開發。

本集團亦會致力取得更多圖像顯示控制器集成電路晶片的設計項目，如3D相機、多視圖相機及嬰兒監視器等。

RESEARCH AND DEVELOPMENT

As part of the core strategy of building our strengths in the target product display applications, and paving the way for future growth, the Group has focused on developing related new technologies and also enhancing the features of existing products. During the period under review, the Group spent approximately US\$6.8 million on R&D, representing about 54% of the total expenses and 22% of sales.

Many intellectual properties were developed or under development during the past six months aimed at low power, high resolution smart device applications. These included mobile display drivers for oxide panels and in-cell touch, high speed serial interfaces with ultra power consumption for up to WQXGA resolution, intelligent touch algorithms to enable fast and accurate response for both double and single layer multi-touch, smart analog front end with optimal touch sensitivity, innovative architecture in OLED lighting drivers for major intelligent lighting control systems, novel high voltage discharge techniques for improving panel reliability and image sticking, improved efficiency buck/ boost converters, high accuracy temperature sensors, etc.

During the period under review, the Group has filed several patent applications with patent offices in different regions, including the USA, China, Taiwan, Korea and Europe. The Group has been successfully granted three patents on touch panel technology, color management and LED lighting control.

As at 30 June 2013, the Group had an R&D workforce of 186, representing approximately 60% of our total employees (excluding those of a manufacturing subsidiary in China). The Group's R&D teams possess domain expertise in various areas, spanning from high-voltage mixed-signal design, high speed serial interface design, analog power management, and high speed low power System-on-Chip design, as well as algorithm design to system architecture design. This wide array of critical knowhow enables fast fulfillment of customers' sophisticated requirements. The Group has adopted wafer technologies as advanced as 65nm CMOS logic and 80nm embedded high voltage on 12" wafer, and is migrating to the next technology node of 55nm high voltage process, to address the challenge of supporting increasingly higher resolution and lower power consumption in mobile consumer end products.

研發

本集團其中一項核心策略為加強於目標產品顯示器應用的優勢，同時為未來增長鋪路，故本集團專注開發相關的新技術之餘，亦加強現有產品的功能。回顧期內，本集團於研發方面的支出約為6.8百萬美元，佔總開支約54%及銷售額約22%。

本集團於過去6個月於低功耗及高解像度智能產品應用方面成功開發或正在開發多個知識產權，包括用於氧化屏及內嵌式觸控的移動顯示驅動器、具超低功耗及高達WQXGA解像度的高速串行介面、為雙層及單層多點觸控提供迅速及準確的回應的智能觸控算法、具有最佳觸控敏感度的智能模擬前端、適用於主要智能照明控制系統的OLED照明驅動器創新架構、改善面板可靠性及影像殘留情況的嶄新高壓放電技術、更具效益的降/升壓型轉換器及高精度溫度感應器等。

於回顧期內，本集團已分別向美國、中國、台灣、韓國及歐洲等不同地區提出數項專利申請，並分別於觸摸屏技術、顏色管理及LED照明控制範疇成功獲批3項專利。

於2013年6月30日，本集團的研發團隊共有186名員工，約佔員工總數(不包括負責生產之中國附屬公司的員工)的60%。研發團隊具備多個範疇的專業知識，如高壓混合訊號設計、高速串行介面設計、模擬電源管理、高速低功耗系統單晶片設計、算法設計以至系統架構設計等。這些關鍵的專業知識讓本集團得以迅速回應客戶的嚴格要求。本集團亦採納先進的65納米CMOS邏輯晶圓技術及於12吋晶圓採納80納米內嵌高壓技術，並正邁向採納新一代55納米高壓技術程序，以滿足移動消費終端產品更高解像及更低功耗的市場需求。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

HUMAN RESOURCES

As at 30 June 2013, the Group had a total workforce of 377 employees, of whom about 45% were based at the Hong Kong headquarters with the rest located in China, Japan, Singapore, Taiwan and the USA.

As a technology company relying on intellectual excellence, we highly value our human resources. To reward and retain talent, the Group offers competitive remuneration to employees and constantly provides employees with training, career development programs and a first-rate working environment to ensure they enjoy and remain fulfilled working with the Group and contribute their best efforts to the Group's success.

New product introduction bonuses and first sales incentives, which aim at driving the success of new product development and new business, remained in place and were paid to certain employees during the 1H of 2013.

人力資源

於2013年6月30日，本集團合共有377名員工，其中約45%駐於香港總部，其餘員工則分別駐於中國、日本、新加坡、台灣及美國。

作為一家重視專業知識的科技公司，本集團高度重視人才。為鼓勵員工及提高他們的歸屬感，本集團不僅為員工提供具競爭力的薪酬，並致力提供培訓、職業發展計劃及一流的工作環境，務求令他們更投入工作，並共同為本集團的成功發展而盡展所長。

為鼓勵開發新產品及業務，本集團於2013上半年向若干員工發放了成功開發新產品花紅及首次成功銷售獎勵。

DIRECTORS' INTERESTS

董事權益

As at 30 June 2013, the interests and short positions of each director and the 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:

於2013年6月30日，各董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例）的股份及相關股份中登記於根據SFO第XV部第352條規定本公司須存置的登記名冊上，或須根據上市公司董事進行證券交易的標準守則知會本公司及聯交所的權益及淡倉如下：

		Ordinary shares of HK\$0.10 each in the Company as at 30 June 2013 於2013年6月30日本公司每股面值0.10港元的普通股					% 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* 購股權*	Total 總計			
Independent Non-executive Directors 獨立非執行董事							
Sun, Patrick	辛定華	Long 權益	—	800,000	800,000	0.03%	
Choy Kwok Hung, Patrick	蔡國雄	Long 權益	2,712,000	2,000,000	4,712,000	0.19%	
Yiu Tin Chong, Joseph	姚天從	Long 權益	—	2,000,000	2,000,000	0.08%	
Wong Yuet Leung, Frankie	黃月良	Long 權益	—	2,000,000	2,000,000	0.08%	
Non-executive Directors 非執行董事							
Lai Weide	賴偉德	Long 權益	—	—	—	—	
Lam Pak Lee	林百里	Long 權益	1,200,000	800,000	2,000,000	0.08%	
Sheu Wei Fu (alternate to Lam Pak Lee)	許維夫 (林百里的替代董事)	Long 權益	—	—	—	—	
Li Xiaochun	李曉春	Long 權益	—	—	—	—	
Zhao Guiwu	趙貴武	Long 權益	—	—	—	—	
Executive Directors 執行董事							
Leung Kwong Wai	梁廣偉	Long 權益	119,400,308	2,000,000	121,400,308	4.94%	
Lai Woon Ching	黎垣清	Long 權益	26,899,032	2,000,000	28,899,032	1.18%	

* These are share options granted under the Share Option Schemes (with more details on pages 40 to 41).

* 該等購股權為根據購股權計劃（詳情見第40至41頁）授出之購股權。

DIRECTORS' INTERESTS (continued)

董事權益(續)

Saved as disclosed above, at no time during the period had the Directors and chief executive of the Company (nor their associates) any interest in, or been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporation required to be disclosed pursuant to the SFO.

Mr. Choy Kwok Hung, Patrick ("Mr. Choy"), Independent Non-executive Director and Mr. Lo Wai Ming ("Mr. Lo"), a member of senior management of the Group (an ex-Executive Director of the Company), through investment vehicles under their control invested in BJ-LED, an associated company of the Group. Mr. Choy and Mr. Lo declared that their respective percentage beneficial ownership in BJ-LED was 15.3% and 11.5% respectively as at 30 June 2013.

Saved as disclosed above, at no time during the period was the Company, its subsidiaries or its associated companies a party to any arrangement to enable the Directors and chief executive of the Company (nor their associates) hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation, other than Dr. Leung Kwong Wai who holds shares of certain subsidiaries solely for the purpose of ensuring that the relevant subsidiaries have more than one members.

除上文所披露者外，於期內任何時間，董事及最高行政人員(及彼等之聯繫人)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。

獨立非執行董事蔡國雄先生(「蔡先生」)和本集團高級管理層成員(本公司前執行董事)盧偉明先生(「盧先生」)透過彼等控制的投資公司投資於BJ-LED，本集團的一家聯營公司。蔡先生與盧先生申報他們於2013年6月30日分別實益擁有BJ-LED 15.3%及11.5%。

除上文所披露者外，於期內任何時間，除梁廣偉博士純粹為確保有關附屬公司有一名以上股東而持有若干附屬公司的股份外，概無本公司、其附屬公司或其相聯法團為任何安排的其中一方，讓本公司董事及最高行政人員(及彼等之聯繫人)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。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

主要股東權益

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 30 June 2013, 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 the chief executive of the Company.

根據SFO第XV部第336條須存置的主要股東登記名冊所示，於2013年6月30日，本公司已獲知會下列主要股東於本公司股份或相關股份中擁有的權益及淡倉（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最高行政人員權益以外者。

Ordinary shares of HK\$0.10 each in the Company as at 30 June 2013 於2013年6月30日本公司每股面值0.10港元的普通股

Name 股東名稱	Capacity 身份	Position 權益狀況	Number of shares held 所持股份數目	% of the issued share capital of the Company 佔本公司已發行 股本百分比
China Electronics Corporation 中國電子信息產業集團有限公司	Interest of controlled corporation 受控制公司權益	Long 權益	703,936,000	28.63%

Note:

The long position of 703,936,000 shares of the Company were held by 華電有限公司 ("HDC"). China Electronics Corporation controlled the entire issued share capital of 中國電子進出口總公司 ("CEC-IE"), which in turn held 100% interest in HDC, and as such, CEC was deemed to be interested in the 703,936,000 shares of the Company held by HDC.

Saved as disclosed above, the Company had not been notified of any interest or short positions in the shares or underlying shares of the Company as at 30 June 2013.

附註：

華電有限公司持有703,936,000股本公司股份之權益。中國電子信息產業集團有限公司控制中國電子進出口總公司全數已發行股本，而中國電子進出口總公司則持有華電有限公司的100%權益，因而CEC被視為持有華電有限公司所持有的703,936,000股本公司股份之權益。

除上文所披露者外，於2013年6月30日，本公司並無被知會於本公司股份或相關股份中擁有任何權益或淡倉。

SHARE OPTION SCHEMES

購股權計劃

The Company adopted a share option scheme at an extraordinary general meeting held on 25 February 2004 and a meeting of the Board on 19 March 2004 ("Existing Share Option Scheme") under which options may be granted to subscribe for the Company's shares. The Scheme is valid for a period of 10 years.

The Board successfully obtained shareholders' approval at the annual general meeting held on 28 May 2013 for the adoption of the 2013 Share Option Scheme and the termination of the Existing Share Option Scheme.

No share options were granted under the 2013 Share Option Scheme from the date of adoption till 30 June 2013. Movements in the number of share options outstanding under the Existing Share Option Scheme and their related exercise prices for the six months ended 30 June 2013 are as follows:

本公司已採納分別於2004年2月25日舉行的股東特別大會上及於2004年3月19日舉行的董事會會議上批准的購股權計劃(「現有購股權計劃」)。據此，可授出購股權以認購本公司股份。該計劃有效期為10年。

董事會於2013年5月28日舉行的股東週年大會上成功取得股東批准採納2013年購股權計劃及撤銷現有購股權計劃。

從採納日至2013年6月30日止，並未於2013年購股權計劃授出任何購股權。截至2013年6月30日止6個月關於現有購股權計劃下尚未行使購股權數目的變動及其有關行使價列載如下：

	Number of share options (in thousand units) 購股權數目 (以千位計)				Exercise price HK\$ 行使價 港元	Grant Date 授出日期	Exercise period 行使期	
	Held on 1 January 2013 於2013年 1月1日 持有	Lapsed during the period 期內 已失效	Exercised during the period 期內 已行使	Held on 30 June 2013 於2013年 6月30日 持有			Begins 開始	Ends 結束
Independent Non-executive Directors 獨立非執行董事								
Sun, Patrick 辛定華	1,200	(1,200)	-	-	0.6200	28 June 2010 2010年6月28日	1 July 2011 2011年7月1日	30 June 2013 2013年6月30日
	1,200	-	(1,200)	-	0.1634	30 September 2011 2011年9月30日	1 October 2012 2012年10月1日	30 September 2014 2014年9月30日
	800	-	-	800	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	3,200	(1,200)	(1,200)	800				
Choy Kwok Hung, Patrick 蔡國雄	1,200	(1,200)	-	-	0.6200	28 June 2010 2010年6月28日	1 July 2011 2011年7月1日	30 June 2013 2013年6月30日
	1,200	-	-	1,200	0.1634	30 September 2011 2011年9月30日	1 October 2012 2012年10月1日	30 September 2014 2014年9月30日
	800	-	-	800	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	3,200	(1,200)	-	2,000				
Yiu Tin Chong, Joseph 姚天從	1,200	-	-	1,200	0.1634	30 September 2011 2011年9月30日	1 October 2012 2012年10月1日	30 September 2014 2014年9月30日
	800	-	-	800	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	2,000	-	-	2,000				
Wong Yuet Leung, Frankie 黃月良	1,200	(1,200)	-	-	0.6200	28 June 2010 2010年6月28日	1 July 2011 2011年7月1日	30 June 2013 2013年6月30日
	1,200	-	-	1,200	0.1634	30 September 2011 2011年9月30日	1 October 2012 2012年10月1日	30 September 2014 2014年9月30日
	800	-	-	800	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	3,200	(1,200)	-	2,000				
Subtotal 小計	11,600	(3,600)	(1,200)	6,800				

	Number of share options (in thousand units) 購股權數目 (以千位計)				Exercise price HKS 行使價 港元	Exercise period 行使期		
	Held on 1 January 2013 於 2013 年 1 月 1 日 持有	Lapsed during the period 期內 已失效	Exercised during the period 期內 已行使	Held on 30 June 2013 於 2013 年 6 月 30 日 持有		Grant Date 授出日期	Begins 開始	Ends 結束
Non-executive and Executive Directors 非執行及執行董事								
Lam Pak Lee 林百里	1,200	(1,200)	-	-	0.6200	28 June 2010 2010年6月28日	1 July 2011 2011年7月1日	30 June 2013 2013年6月30日
	1,200	-	(1,200)	-	0.1634	30 September 2011 2011年9月30日	1 October 2012 2012年10月1日	30 September 2014 2014年9月30日
	800	-	-	800	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	3,200	(1,200)	(1,200)	800				
Leung Kwong Wai 梁廣偉	1,200	(1,200)	-	-	0.6200	28 June 2010 2010年6月28日	1 July 2011 2011年7月1日	30 June 2013 2013年6月30日
	1,200	-	-	1,200	0.1634	30 September 2011 2011年9月30日	1 October 2012 2012年10月1日	30 September 2014 2014年9月30日
	800	-	-	800	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	3,200	(1,200)	-	2,000				
Lai Woon Ching 黎垣清	1,200	(1,200)	-	-	0.6200	28 June 2010 2010年6月28日	1 July 2011 2011年7月1日	30 June 2013 2013年6月30日
	1,200	-	-	1,200	0.1634	30 September 2011 2011年9月30日	1 October 2012 2012年10月1日	30 September 2014 2014年9月30日
	800	-	-	800	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
	3,200	(1,200)	-	2,000				
Subtotal 小計	9,600	(3,600)	(1,200)	4,800				
Others 其他								
Senior management 高級管理層	4,800	(4,800)	-	-	0.6200	28 June 2010 2010年6月28日	1 July 2011 2011年7月1日	30 June 2013 2013年6月30日
	1,200	-	-	1,200	0.1634	30 September 2011 2011年9月30日	1 October 2012 2012年10月1日	30 September 2014 2014年9月30日
	800	-	-	800	0.2126	28 September 2012 2012年9月28日	1 October 2013 2013年10月1日	30 September 2015 2015年9月30日
Subtotal 小計	6,800	(4,800)	-	2,000				
Total 總計	28,000	(12,000)	(2,400)	13,600				

CORPORATE GOVERNANCE AND SUPPLEMENTARY INFORMATION

企業管治及補充資料

Corporate Governance Code

The Company had complied with all applicable code provisions of the Corporate Governance Code under Appendix 14 of the Listing Rules throughout the six months ended 30 June 2013.

Pursuant to the Code Provision A.6.7, Independent Non-executive Directors and Non-executive Directors should attend general meetings. One Independent Non-executive Director and three Non-executive Directors of the Company were unable to attend the annual general meeting of the Company held on 28 May 2013 due to their business engagements. All other Independent Non-executive Directors and Non-executive Directors were present and available to answer any questions from shareholders of the Company.

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

The Company has its own written guidelines on securities transactions by Directors and relevant employees on no less exacting terms than the required standard set out in Appendix 10 of the Listing Rules. Specific enquiry has been made to all Directors, and all Directors have confirmed that they have been in compliance with such guidelines during the six months ended 30 June 2013.

Other Changes about Directors

In accordance with Article 112 of the Company's Articles of Association, the retiring directors, namely Messrs. Choy Kwok Hung, Patrick, Li Xiaochun, Lai Weide and Zhao Guiwu, were all successfully re-elected at the 2013 Annual General Meeting.

In January 2013, Dr. Leung Kwong Wai was appointed by the Chief Executive of the HKSAR as a non-official member of the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries, which is among the four Working Groups of the Economic Development Commission.

As announced on 27 June 2013 by the Chamber of Hong Kong Listed Companies, the Company's Independent Non-executive Chairman, Mr. Sun, Patrick, was elected as the Chairman of the Chamber of Hong Kong Listed Companies.

Dr. Leung Kwong Wai was appointed as a Justice of the Peace ("JP") by the Chief Executive of the HKSAR with effect from 1 July 2013, pursuant to section 3(1)(b) of the Justices of the Peace Ordinance (Chapter 510) of the HKSAR.

企業管治守則

截至2013年6月30日止6個月，本公司一直遵守上市規則附錄14所載企業管治守則中適用的守則條文。

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。本公司有1名獨立非執行董事及3名非執行董事因公務未能出席本公司於2013年5月28日舉行之股東週年大會。所有其他獨立非執行董事及非執行董事均已出席該大會以回答任何本公司股東之問題。

遵守上市發行人董事進行證券交易的標準守則

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所載的規定標準同樣嚴格。本公司已向全體董事作出具體查詢，於截至2013年6月30日止6個月，彼等均一直遵守該等指引。

董事其他變動

根據本公司的組織章程細則第112條，本公司之董事蔡國雄先生、李曉春先生、賴偉德先生及趙貴武先生已於2013年股東週年大會上輪席告退並成功膺選連任。

梁廣偉博士於2013年1月獲香港特別行政區行政長官委任為經濟發展委員會轄下的4個工作小組中之製造、高新科技及文化創意產業工作小組的非官方委員。

香港上市公司商會於2013年6月27日公佈本公司獨立非執行主席辛定華先生獲選為香港上市公司商會主席。

梁廣偉博士獲香港特別行政區行政長官委任為太平紳士("JP")，該委任乃依據香港特別行政區太平紳士條例第510章第3(1)(b)條，並於2013年7月1日起生效。

Purchase, Sale or Redemption of the 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 period under review.

Review of Condensed Consolidated Interim Financial Information

The Audit Committee is composed of three Independent Non-executive Directors and one Non-executive Director. The unaudited condensed consolidated interim financial information has been reviewed by the Audit Committee of the Company alongside the internal audit team.

The unaudited condensed consolidated interim financial information has been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The auditor's independent review report is included in the Interim Report of the Group.

Investor Relations and Communications

The Group recognizes the rights of the Company's shareholders to know more about its business and prospect, and therefore it has always taken a proactive approach to communicate with the investment community, for example, institutional investors, sell-side analysts and retail investors. In the 1H of 2013, the Group held 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. Stakeholders of the Company are recommended to visit the Group's website (www.solomon-systech.com) from time to time, where up-to-date information of the Group can be accessed.

Publication of Interim Results on the Stock Exchange's Website and the Company's Website

All the interim financial and other related information of the Company required by the Listing Rules has been published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.solomon-systech.com) on 22 August 2013.

購買、出售或贖回本公司上市股份

回顧期內，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。

審閱簡明綜合中期財務資料

審核委員會由3名獨立非執行董事及1名非執行董事組成。未經審核的本集團簡明綜合中期財務資料，已通過內部審核聯同審核委員會審閱。

該等未經審核的簡明綜合中期財務資料，已經由本公司獨立核數師羅兵咸永道會計師事務所根據香港會計師公會頒佈的香港審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。核數師的獨立審閱報告載於本集團中期報告內。

投資者關係及溝通

本集團深明本公司股東有權對本集團業務及前景有更多了解，故此本集團一直採取積極態度與投資大眾(例如：機構投資者、賣方分析員及散戶投資者)溝通。於2013上半年，本集團繼續與投資者及分析員舉行多個會議及電話會議。為提升香港公眾對本集團的認識，本集團接受多次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。本集團建議權益人不時登入本集團網站(www.solomon-systech.com)，查閱本集團的最新資訊。

中期業績於聯交所網站及公司網站公佈

本公司已於2013年8月22日於聯交所網站(www.hkex.com.hk)及公司網站(www.solomon-systech.com)公佈所有根據上市規則規定的中期財務及相關資料。

DEFINITIONS AND GLOSSARY

AMEPD	Active Matrix Electrophoretic Display
AMOLED	Active Matrix Organic Light Emitting Diode
ASP	Average Selling Price
BJ-LED	Beijing LED Lighting Engineering Co., Ltd.** , a company incorporated in the PRC with limited liabilities
Board	Board of Directors
CEC	China Electronics Corporation, a state-owned information technology conglomerate under the administration of the central government of the PRC, a substantial shareholder of the Company
China	Mainland China
Code Provision	Code Provisions in the Corporate Governance Code
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
DVR	Digital Video Recorder
ESL	Electronic Shelf Label
FHD	Full High Definition, a display resolution of 1920 × 1080 pixels
FVTPL	Financial assets/ liabilities at fair value through profit or loss
Group	the Company and its subsidiaries
HD	High Definition, a display resolution of 1280 × 720 pixels
HKAS	Hong Kong Accounting Standards
HKFRS	Hong Kong Financial Reporting Standards, or collectively for HKAS and Hong Kong Financial Reporting Standards
HKSAR/Hong Kong	Hong Kong Special Administrative Region
IC	Integrated Circuit
IP Camera	Internet Protocol Camera
LCD	Liquid Crystal Display
LED	Light Emitting Diode
LTFT-LCD	Large Thin Film Transistor Liquid Crystal Display
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
MIPI	Mobile Industry Processor Interface
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers
OLED	Organic Light Emitting Diode
Panda-LCD	Nanjing CEC Panda LCD Technology Co. Ltd.** , an associate of CEC
PMOLED	Passive Matrix Organic Light Emitting Diode
PRC	the People's Republic of China
qHD	Quarter High Definition, a display resolution of 960 × 540 pixels
QR Code	Quick Response Code
ROM	Read Only Memory
R&D	Design, development and engineering
S&D	Selling and Distribution
SFO	Securities and Futures Ordinance
TFT	Thin Film Transistor
the Stock Exchange	The Stock Exchange of Hong Kong Limited
USA	United States of America
VFD	Vacuum Fluorescent Display
WIFI	Wireless Fidelity, wireless local area network products based on the IEEE 802.11 standards
WQXGA	Wide Quad Extended Graphics Array, a display resolution of 2560 × 1600 pixels

** for identification purpose only

釋義及詞彙

AMEPD	主動矩陣電泳顯示
AMOLED	主動矩陣有機發光二極體
平均售價	平均售價
BJ-LED	北京愛爾益地照明工程有限公司，於中國註冊成立之有限公司
董事會	董事會
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，乃本公司之主要股東
中國	中國大陸
守則條文	企業管治守則中的守則條文
本公司	Solomon Systech (International) Limited，一家成立於開曼群島的有限公司，其股份於聯交所主板上市
董事	本公司之董事
數碼影像記錄器	數碼影像記錄器
電子貨架標籤	電子貨架標籤
全高清	全高清，解像度為1920 x 1080像素
FVTPL	通過損益以反映公平價值的財務資產／負債
本集團	本公司及其附屬公司
HD	高清，解像度為1280 × 720像素
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
香港	香港特別行政區
IC	集成電路晶片
IP相機	IP相機
LCD	液晶顯示器
LED	發光二極體
LTFT-LCD	大型薄膜電晶體液晶顯示器
上市規則	聯交所證券上市規則
MIPI	移動行業處理器接口
標準守則	上市發行人董事進行證券交易的標準守則
OLED	有機發光二極體
熊貓液晶	南京中電熊貓液晶顯示科技有限公司，CEC的聯繫人
PMOLED	被動矩陣有機發光二極體
中國	中華人民共和國
qHD	四份一全高清，解像度為960 × 540像素
QR碼	快速響應矩陣碼
ROM	唯讀記憶體
研發	設計、開發及工程
銷售及分銷	銷售及分銷開支
SFO	證券及期貨條例
TFT	薄膜電晶體
聯交所	香港聯合交易所有限公司
美國	美利堅合眾國
真空螢光顯示器	真空螢光顯示器
WiFi	無線保真，使用IEEE 802.11規格的無線區域網絡產品
WQXGA	寬四擴展圖形陣列，一種顯示解像度，解像度為2560 x 1600像素

CORPORATE AND SHAREHOLDER INFORMATION

公司及股東資料

Financial Calendar

Financial Year End

31 December

Interim Results Announced

22 August 2013

Share Listing

Listing Venue

Main Board of The Stock Exchange of Hong Kong Limited

Listing Date

8 April 2004

HKSE Stock Code

2878

Board Lot

2,000 shares

Trading Currency

HKD

Issued Shares

2,458,702,351 (as at 30 June 2013)

Principal Share Registrar and Transfer Agent

Royal Bank of Canada Trust Company (Cayman) Limited
4/F, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Branch Share Registrar

Tricor Investor Services Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185
Website: www.tricoris.com

Independent Auditor

PricewaterhouseCoopers

Solicitors

ReedSmith Richards Butler

財務日誌

財政年度結算日

12月31日

公佈中期業績

2013年08月22日

股份上市資料

上市地點

香港聯合交易所有限公司主板

上市日期

2004年04月08日

香港股份編號

2878

買賣單位

2,000股

交易貨幣

港元

已發行股份

2,458,702,351 (於2013年6月30日)

股份過戶登記總處

Royal Bank of Canada Trust Company (Cayman) Limited
4/F, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
開曼群島

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓
電話：(852) 2980 1333
傳真：(852) 2810 8185
網址：www.tricoris.com

獨立核數師

羅兵咸永道會計師事務所

法律顧問

禮德齊伯禮律師行

Board Members

Independent Non-executive Directors

Mr. Sun, Patrick (Chairman)
Mr. Choy Kwok Hung, Patrick
Mr. Wong Yuet Leung, Frankie
Mr. Yiu Tin Chong, Joseph

Non-executive Directors

Dr. Lam Pak Lee (Mr. Sheu Wei Fu as his alternate)
Mr. Li Xiaochun
Mr. Lai Weide
Mr. Zhao Guiwu

Executive Directors

Dr. Leung Kwong Wai, JP (Managing Director)
Mr. Lai Woon Ching

Authorized Representatives

Dr. Leung Kwong Wai, JP
Mrs. Fung Lui Kit Har, Keziah

Company Secretary

Mrs. Fung Lui Kit Har, Keziah
FCMA, CGMA, FCPA, ACS, ACIS
Vice President, Finance

Investor Relations

Mr. Jerry Chan
Corporate Development Director
Email : ir@solomon-systech.com

Corporate Communications

Ms. Jessica Lee
Corporate Communications Manager
Tel: (852) 2207 1672
Fax: (852) 2207 1372
Email : communication@solomon-systech.com

Principal Office

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Hong Kong
Tel: (852) 2207 1111
Fax: (852) 2267 0800

Website

www.solomon-systech.com

董事成員

獨立非執行董事

辛定華先生 (主席)
蔡國雄先生
黃月良先生
姚天從先生

非執行董事

林百里博士 (許維夫先生為其替代董事)
李曉春先生
賴偉德先生
趙貴武先生

執行董事

梁廣偉博士 · JP (董事總經理)
黎垣清先生

授權代表

梁廣偉博士 · JP
馮雷潔霞女士

公司秘書

馮雷潔霞女士
FCMA, CGMA, FCPA, ACS, ACIS
副總裁－財務

投資者關係

陳力山先生
企業發展總監
電郵 : ir@solomon-systech.com

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總辦事處

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香港科學園
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電話 : (852) 2207 1111
傳真 : (852) 2267 0800

網址

www.solomon-systech.com

This 2013 Interim Report (bilingual version in English and Chinese) has been posted on the Company's website at 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 Interim Report posted on the Company's website will promptly upon request be sent by post the Interim 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 copies of the Interim 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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong or by sending an email to solomon2878-ecom@hk.tricorglobal.com.

2013年中期報告的中英文合併本已登載於本公司網站 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公司通訊上出現困難的股東, 可即時要求以郵寄方式獲免費發送中期報告的印刷本。

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, 要求索取中期報告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, 地址為香港灣仔皇后大道東28號金鐘匯中心26樓, 或將該通知電郵至 solomon2878-ecom@hk.tricorglobal.com。

Solomon Systech (International) Limited

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Hong Kong Science Park

Shatin, New Territories, Hong Kong

Tel: (852) 2207 1111 Fax: (852) 2267 0800

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香港新界沙田

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This Interim Report is printed on environmental friendly paper. 

本中期報告以環保紙印製