

Solomon Systech (International) Limited
HKSE : 2878
Annual Report 2014年報



**SOLOMON
SYSTECH**
晶門科技

Building on
Momentum
乘勢而上

solutions in silicon



Building on *Momentum* 乘勢而上

Archery is a perfect metaphor for the growth momentum of Solomon Systech built up over 2014. The bow portrays the Group's well-established infrastructure, the basis of its business development growth. The Group has been building up growth momentum by focusing on target application areas, investing in technology experts, strengthening technological capability and product and application portfolios, as an archer enhances his skills through training to best harness the power of the bow to reach the objective. The Group is dedicated to building on and accelerating the momentum to achieve its goal, like releasing the bowstring powering a strong arrow to reach the target.

以箭藝來比喻晶門科技於2014年的增長動力最為貼切。強弓正如本集團穩健的基礎，是業務增長的基石。本集團憑藉專注於目標應用領域、投放資源於技術專才，以及強化科技及產品應用組合，成功締造增長動力，就如弓箭手反覆進行訓練，務求勢不可擋、百發百中。本集團將致力進一步提升增長動力，如強箭離弦，乘勢而上，直達目標。

CORPORATE PROFILE

公司簡介

Solomon Systech (International) Limited and its subsidiaries as a Group, is a leading semiconductor company providing integrated circuit products and system solutions that enable a wide range of display applications for smartphones, smart TVs and other smart devices including consumer electronic products, portable devices, industrial appliances and green energy applications.

Solomon Systech (International) Limited 及其附屬公司為一個具領導地位的半導體集團，提供顯示器集成電路晶片及系統解決方案，廣泛應用於各類智能手機、智能電視及其它智能產品，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。

VISION

願景

Provide the ultimate silicon solution for every display system

為每個顯示系統提供最終的晶片解決方案

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FINANCIAL HIGHLIGHTS

財務摘要

| | | 2014 US\$ million 百萬美元 | 2013 US\$ million 百萬美元 |
|-------------------------------------|---------------|------------------------------|------------------------------|
| Sales | 銷售額 | 60.1 | 55.2 |
| Gross profit | 毛利 | 20.8 | 21.0 |
| Gross margin | 毛利率(%) | 34.6 | 38.1 |
| Net profit/(loss) | 純利/(虧損淨額) | (3.0) | 1.3 |
| Earnings/(loss) per share (US cent) | 每股溢利/(虧損)(美仙) | (0.12) | 0.05 |
| Book-to-bill ratio | 訂單出貨比率 | 1.10 | 0.86 |
| Total assets | 總資產 | 130.1 | 129.0 |
| Shareholders' funds | 股東權益 | 115.3 | 117.8 |

Sales increased by 9% to US\$60.1 million
銷售額上升9%至60.1百萬美元

Gross profit decreased slightly by 1% to US\$20.8 million
毛利輕微減少1%至20.8百萬美元

Gross margin was 34.6%, down 3.5 percentage points
because of a provision of US\$2.2 million on slow moving inventories
計入滯銷存貨撥備2.2百萬美元，毛利率因而減少3.5個百分點至34.6%

Net loss was US\$3.0 million,
mainly due to additional investment in new products and technology
虧損淨額為3.0百萬美元，主要由於新產品及技術的額外投資

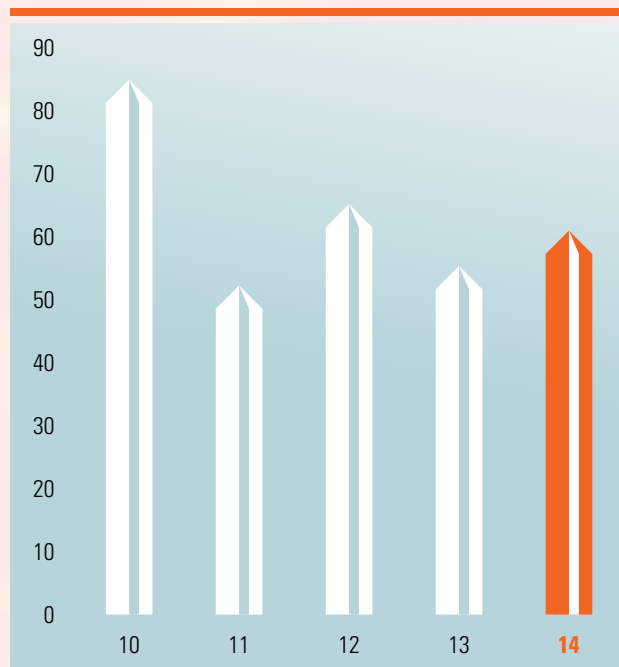
Loss per share was 0.12 US cent (0.95 HK cent)
每股虧損為0.12美仙 (0.95港仙)

Book-to-bill ratio was 1.10
訂單出貨比率為1.10

The Board of Directors resolved not to propose any
final dividend for the year ended 31 December 2014
董事會決議不建議宣派截至2014年12月31日止年度的
末期股息

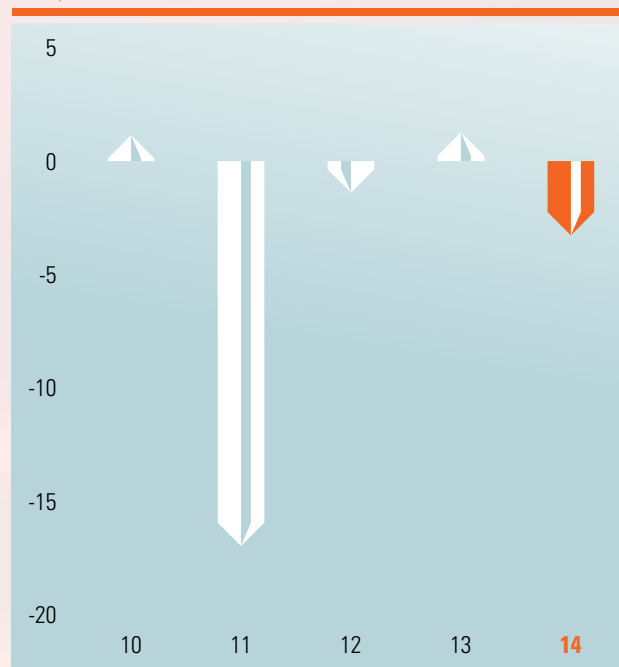
SALES (US\$million)

銷售額 (百萬美元)



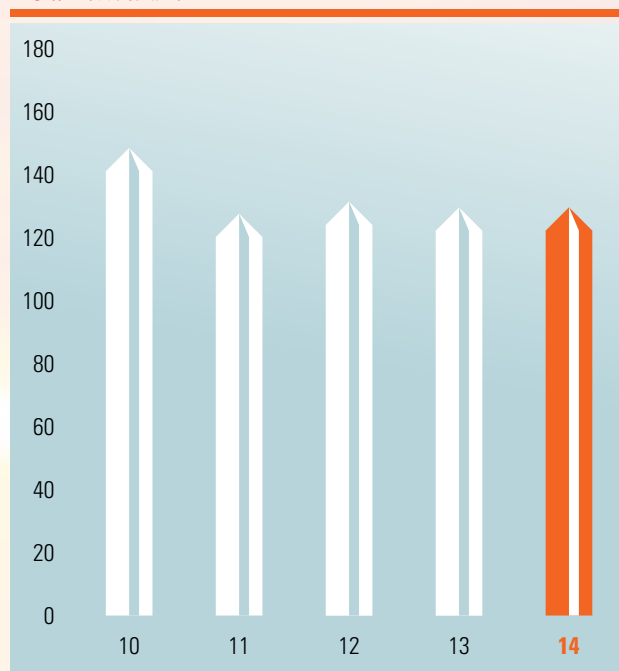
NET PROFIT/ LOSS (US\$million)

純利/虧損淨額 (百萬美元)



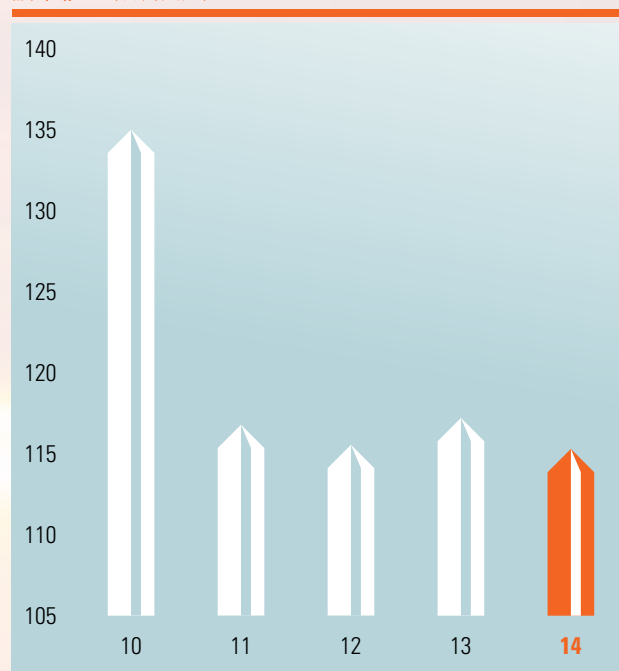
TOTAL ASSETS (US\$million)

總資產 (百萬美元)



SHAREHOLDERS' FUNDS (US\$million)

股東權益 (百萬美元)



Building on
Momentum
乘勢而上





SMARTPHONES SMART WATCHES SECURITY CAMCORDERS VIDEO CAMERAS ELECTRONIC SHELF LABELS

ROUTERS LCD TV BABY MONITORS HEALTHCARE DEVICES

SMARTPHONES SMART WATCHES SECURITY CAMCORDERS VIDEO CAMERAS ELECTRONIC SHELF LABELS
ROUTERS LCD TV BABY MONITORS HEALTHCARE DEVICES SMARTPHONES SMART WATCHES SECURITY CAMCORDERS VIDEO CAMERAS ELECTRONIC SHELF LABELS

ROUTERS LCD TV BABY MONITORS HEALTHCARE DEVICES SMARTPHONES SMART WATCHES SECURITY CAMCORDERS VIDEO CAMERAS ELECTRONIC SHELF LABELS

CHAIRMAN'S STATEMENT

主席報告



Newton¹'s First Law of Motion states that momentum is a result of an object's mass and velocity (Momentum = Mass x Velocity). Momentum increases when either mass or velocity increases.

Applying this law to Solomon Systech, we have successfully boosted our "momentum" in 2014 by enhancing our "mass" and "velocity."

根據牛頓¹的「第一運動定律」，動力是物體的質量與其速度的乘積（動力=質量x速度）。質量越大或速度越高，動力越大。

將此定律應用於晶門科技，我們透過加強「質量」及「速度」，成功提升了我們於2014年的「動力」。

SUN, Patrick
Chairman

辛定華
主席

Momentum takes time and effort to build up to become a sustained force. The Group has, in the past few years, adopted the strategy of focusing on high growth, high volume business areas. We have enhanced our “mass” by investing in more well-experienced technology experts and in strengthening our technological capability. At the same time, we have also enhanced our “velocity” by optimizing our new product introduction processes, reducing design-in time and also bolstering customer outreach activities.

As a result of these initiatives, Solomon Systech has witnessed greater growth momentum in 2014, with both our unit shipments and sales seeing a sequential upward trend during the year.

We are ready to forge ahead in the future, building on this momentum by further strengthening our “mass” and “velocity” to realize our goals of achieving sustainable growth.

Welcome New Board Members

The Group has taken a forward-looking approach to refreshing the composition of our Board to ensure that it retains the right dynamics, and we have in place a well-established Board succession plan to ensure sustainable and balanced development of the Group. Through this approach, our Board has continued to evolve and in October, 2014, there have been five new appointees to the Board while three members have resigned. On behalf of the Board of Directors, I am delighted to extend a warm welcome to our new Board members listed below:

- Mr. Leung Heung Ying as Independent Non-executive Director
- Mr. Sheu Wei Fu as Independent Non-executive Director
- Dr. Li Jun as Non-executive Director
- Mr. Li Rongxin as Non-executive Director
- Mr. Cheung Wai Kuen, Kenny as Executive Director

We believe that the new members of the Board will bring a rich mix of exceptional skills, a global perspective and expertise, and provide additional sources of impartial business advice and guidance, which will prove invaluable to our continued growth and development.

I would also like to thank Board members Mr. Lai Weide, Mr. Li Xiaochun and Mr. Lai Woon Ching who have resigned from the Board during the year for their dedicated service and contribution during their tenure of service.

Corporate Governance

As Chairman of the Board, I and the other Non-Executive Directors are responsible for the strategic planning and direction of the Group, monitoring execution of the business strategies to achieve solid performance results and also upholding

動力需要時間和努力的投入才能成為持續的力量。過去數年，本集團所採取的策略是專注於高增長及大批量的業務範疇。為了提升「質量」，我們投放了資源在更多經驗豐富的科技專才及加強科技實力提升。同時，為提高「速度」，我們亦優化新產品推出程序、縮短設計週期以及加強市場推廣活動。

以上種種舉措推動了晶門科技於2014年的增長動力，年內付運量及營業額亦隨之上升。

我們已經準備就緒，透過進一步加強「質量」及「速度」，並憑藉此增長動力，實現持續增長的目標。

董事會增添新成員

本集團對董事會成員組成的修訂一向採取前瞻性策略，確保董事會具備所需的動力；而我們已制定完善的董事會接替計劃，確保本集團持續和均衡的業務發展。在此策略的基礎上本集團持修訂更董事會的成員組合，於2014年10月共有五名人士獲委任加入董事會，同時有三名董事會成員辭任。我謹代表董事會歡迎以下新成員加入董事會：

- 梁享英先生為獨立非執行董事
- 許維夫先生為獨立非執行董事
- 李峻博士為非執行董事
- 李榮信先生為非執行董事
- 張惠權先生為執行董事

我們相信，新的董事會成員將會帶來更多元化的專長、國際視野及專業資歷，以及提供更多中肯的業務建議和指導，對本集團的持續增長和發展非常寶貴。

我們亦謹此向已於年內辭任之董事會成員賴偉德先生、李曉春先生及黎垣清先生於在任期間之服務和貢獻致以謝意。

企業管治

作為董事會主席，本人和其他非執行董事專責本集團的策略規劃和發展方向，並監察業務策略的執行，務求取得出色的業務表現，同時秉持企業誠信。我們相信，良好的企業管治是達致

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

CHAIRMAN'S STATEMENT (continued) 主席報告(續)

corporate integrity. We believe that good corporate governance is indispensable for long-term business success and to create trust and engagement between the Group and its stakeholders. To this end, we have established good corporate governance practices, implemented a sound governance structure and measures, and also established a number of related policies, an internal control system and other management mechanisms and procedures.

As of 31 December 2014, the Board comprises ten directors, of whom two are Executive Directors, three are Non-executive Directors and five are Independent Non-executive Directors. Under the Board, there are four committees – the Audit Committee, the Remuneration Committee, the Nomination Committee and the Investment Committee. Each committee is dedicated to achieving and maintaining high corporate governance standards, which are critical to ensuring the integrity of the Company's operations and maintaining the trust of investors in the Company.

Throughout the year ended 31 December 2014, the Group has complied with most of the Code Provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules and, where appropriate, has adopted the recommended best practices set out in the Corporate Governance Code.

Our Board is committed to maintaining high governance standards and continually works to improve these standards. During 2013 and 2014, our Board and management has carefully reviewed, assessed and consulted with parties concerned on the impact of the updated Internal Control-Integrated Framework ("2013 Framework") released by COSO in May 2013. The Group has finally adopted the 2013 Framework on 15 December 2014, the effective date of the 2013 Framework.

Risk management is also one of the key topics that our Board and management has been assessing in 2014 to further strengthen the Group's overall risk management approach and strategy.

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

Corporate Social Responsibility

The Group has a strong sense of commitment to fulfilling its corporate social responsibility ("CSR") and ensuring that it becomes part of our everyday operations. We believe good corporate citizenship reflects positively on our brand and reinforces our values, while being critical to the Group's long term sustainable growth.

With reference to the Stock Exchange's Consultation Conclusions on Environmental, Social and Governance Reporting Guide, we have set up a working committee in 2014 to define our sustainability theme as well as the key performance indicators (KPIs) that are most relevant and important to our business. KPIs could also facilitate

長期業務成功及建立本集團與持份者之間的信任及合作不可或缺的一環。為了達致這些目標，我們奉行良好企業管治守則，實行有效的管治架構和措施，並建立多項相關政策、內部控制系統及其他管理機制和程序。

於2014年12月31日，董事會共有10名董事，計有兩名執行董事，三名非執行董事，五名獨立非執行董事。董事會之下設有四個委員會，分別為審核委員會、薪酬委員會、提名委員會及投資委員會。每個委員會均致力達到並維持高水平的企業管治，是維護本公司業務營運的誠信和提高投資者對本公司信心的關鍵因素。

截至2014年12月31日止年度，本集團符合大部分上市規則附錄14所載之企業管治守則條文，並適當地採用了企業管治守則所載的建議最佳常規守則。

董事會致力維持高管治水平，並持續努力提高此等標準。於2013及2014年，董事會及管理層審慎檢討、評估及諮詢有關人士對採用COSO於2013年5月發表的更新「內部控制-整合架構」(「2013年架構」)所帶來的影響。本集團於2014年12月15日(即架構的生效日期)採納2013年架構。

風險管理亦是董事會及管理層於2014年進行評估的重要範疇之一，旨在進一步加強本集團的整體風險管理方案及策略。

有關本集團企業管治守則的詳情，請參閱本年報的「企業管治報告」一節。

企業社會責任

本集團一直致力履行企業社會責任(「CSR」)，並確保其成為日常營運的一部分。我們相信，擔當良好的企業公民反映了我們的品牌和我們的價值，對本集團達致長遠可持續增長至關重要。

我們參考聯交所的《有關環境、社會及管治報告指引的諮詢總結》，於2014年成立了工作委員會界定可持續發展主題及與業務息息相關和重要的主要表現指標。主要表現指標亦有助監察本集團在員工、市場、環境及社區等範疇的表現以及有關報

1. A Chinese military general, strategist and philosopher who lived in the Spring and Autumn and the Warring States Period of ancient China.
中國春秋戰國時代的軍事家、謀略家及哲學家。
2. One of the most famous and influential Chinese military classics.
中國著名具影響力的軍事經典著作之一。

We exited 2014 with growth momentum propelling our advance. Momentum is pivotal for success, as Sun Tzu¹ says in The Art of War², “When torrential water tosses boulders, it is because of its momentum.”

2014年的增長勢頭將推動我們的未來發展。正如孫子¹在《孫子兵法》²中所述：「激水之疾，至於漂石者，勢也。」可見“勢”乃成功的關鍵。

the monitoring and reporting of our performance in the areas of employees, the marketplace, the environment and the community. The Board fully supports the Group’s commitment to CSR and its efforts in enhancing its CSR policies and intends to constantly raise the bar on its performance in these four key aspects.

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

Shareholder Value

The Group managed to achieve sales growth of 9% year-on-year to US\$60.1 million. Despite the sales increase, the Group recorded a net loss of US\$3.0 million having invested to strengthen new technology development and new product introduction, and also enhance customer outreach activities. As a result, the Board has resolved not to propose any final dividend for the year ended 31 December, 2014.

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

Prospects

We exited 2014 with growth momentum propelling our advance. Momentum is pivotal for success, as Sun Tzu¹ says in The Art of War², “When torrential water tosses boulders, it is because of its momentum”. Once we have the momentum on our side, it will become a powerful force that leads us to all goals, just as torrential water is able to move boulders.

The global economy is expected to grow steadily in 2015, as is the semiconductor industry. Our strategic target of smart applications, in particular wearables, smartphones and LCD TVs, are forecast to exhibit strong growth and have outstanding potential for development.

Venturing into 2015, our management team will strive to further enhance our “mass” and increase our “velocity” to accelerate our growth momentum, in order to ensure we are well prepared to optimally exploit the opportunities arising and deliver long-term and sustainable value to our shareholders.

告。董事會全力支持本集團履行企業社會責任以及致力加強相關策略，以不斷提升在此四個範疇的表現。

有關集團企業社會責任活動的詳情，可參閱本年報「企業社會責任報告」一節。

股東價值

本集團錄得按年9%的銷售額增長至60.1百萬美元。雖然銷售額上升，但由於需要投資加強新技術開發和推出新產品，以及加強客戶推廣，本集團錄得虧損淨額3.0百萬美元。因此，董事會決議不建議宣派截至2014年12月31日止年度的末期股息。

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

前景

2014年的增長勢頭將推動我們的未來發展。正如孫子¹在《孫子兵法》²中所述：「激水之疾，至於漂石者，勢也。」可見“勢”乃成功的關鍵。得勢者，當可無往而不利，達致所有目標；正如洶涌急流能移動大石一樣。

全球經濟預期於2015年會穩步增長，半導體行業的發展亦將跟隨大勢所趨。我們於目標智能應用（特別是可穿戴式設備、智能手機及LCD電視）預計會有強勁增長，具有龐大的發展潛力。

踏入2015年，我們的管理團隊將致力進一步加強「質量」和「速度」以提高增長動力，確保我們作好充分準備把握湧現的商機，為股東帶來長期可持續的回報。



SUN, Patrick

Chairman

Hong Kong, 26 March 2015

辛定華

主席

香港，2015年3月26日

MANAGING DIRECTOR'S REVIEW

董事總經理回顧



In 2014, the Group managed to achieve solid year-on-year and also quarter-on-quarter growth in both unit shipments and sales.

於2014年，本集團在付運量及銷售額方面成功錄得穩健的按年及按季增長。

LEUNG Kwong Wai
Managing Director

梁廣偉
董事總經理

Building Growth Momentum

In 2014, the Group managed to achieve solid year-on-year and also quarter-on-quarter growth in both unit shipments and sales. The Group's total shipments increased around 27% to approximately 115 million units, while the total sales rose 9% to US\$60.1 million.

This solid performance was attained despite our businesses during the first half of the year being adversely affected by volatile demand fluctuations among some of our key customers and market segments, and the challenging economic and market conditions particularly in the first quarter of the year. During the second half of the year, we have gained growth momentum, particularly in the Advanced Display and Large Display businesses, which has raised the overall business performance for the full year 2014.

This momentum was attributed not only to the surging market segments that we have targeted and stronger demand from our key customers, but also most importantly, our strategy of focusing on solutions and technologies for the high growth, high volume smart device applications. Another major contributing factor was our concerted efforts in building a strong foundation by enhancing our technological capability, new product introduction process and sales and marketing outreach, as well as securing more manufacturing capacity and shortening manufacturing lead time. We have been able to extend both our product and application portfolios to drive growth, while also shifting our product mix to include more high quality, value-added new products with a strong market demand. Thus we have managed to overcome market volatility to increase our share in the target market segments.

Looking Ahead

Building on and Accelerating Growth Momentum

Moving forward, we shall continue to invest more resources to develop innovative new products and strengthen our capabilities to capture the bright growth spots in the markets.

Capturing Bright Growth Spots with Enhanced Product Portfolios Wearables

If 2013 saw the rise of wearable technology, 2014 was the year we witnessed the evolution of wearables into one of the most popular consumer electronics categories. The year 2015 is anticipated to ignite a feverish acceleration in the take-up of wearable technology and become the "Year of the Wearables". Shipments of smart wearables are expected to grow from 9.7 million in 2013 to 135 million in 2018¹. With the close relationship between wearables and the Internet of Things, many even foresee wearable technology as a phenomenon with a potential to completely change our lives and our world.

1. CSS Insights Market Forecast: Wearables Report
CSS Insights市場預測：可穿戴式產品報告

加強增長勢頭乘勢而上

於2014年，本集團在付運量及銷售額方面均錄得穩健的按年及按季增長。本集團的總付運量上升約27%至約115百萬件，總銷售額上升9%至60.1百萬美元。

儘管本集團業務於上半年受到部分主要客戶及市場類別的需求波動，以及年內尤其是首季充滿挑戰的經濟及市場情況所帶來的不利因素影響，本集團仍然錄得穩健的業務表現。於下半年，本集團增長勢頭加強，特別是先進顯示及大型顯示業務，帶動了2014年全年的整體業務上升。

此增長勢頭除了歸因於本集團的目標市場急速增長，以及主要客戶的需求增加外，最重要的是有賴本集團專注於高增長、大批量智能產品應用的解決方案及科技的策略。另一重要因素是本集團透過加強科技能力、新產品推出流程以及銷售及市場推廣，並確保取得更多產能以及縮短生產週期等，致力建立了堅實的基礎。本集團亦擴闊了產品及應用組合以推動增長，同時把更多優質、市場渴求的高增值新產品加入產品組合，因此能夠克服市場波動，擴大我們在目標市場類別的份額。

展望

進一步強化增長勢頭

展望未來，本集團將會繼續投放更多資源於發展創新產品，同時加強本身實力以捕捉市場增長亮點。

強化產品組合以捕捉增長亮點

可穿戴式產品

可穿戴式科技於2013年興起，2014年見證了可穿戴式產品發展成為其中一項最受歡迎電子消費產品類別；而2015年則預期可穿戴科技的熱潮將快速升溫，成為「可穿戴式產品之年」。預期智能可穿戴設備的付運量將由2013年的9.7百萬件增至2018年的135百萬件¹。鑒於可穿戴式設備與物聯網關係密切，很多人甚至預測可穿戴科技有機會徹底改變我們的生活和世界。

MANAGING DIRECTOR'S REVIEW (continued) 董事總經理回顧(續)

We have leveraged the surging wearables market to boost our businesses in PMOLED display driver ICs and MIPI display interface controller ICs. More new products are to be launched to cater to the market trends of larger panel size, higher resolution and dpi, curved surface and color display. We are determined to capitalize on this market segment with enormous potential.

Smartphones

The smartphone market has been a key growth driver in the consumer electronics market for the last few years, and it has continued to perform well in 2014, with a year-on-year increase of more than 26%². The year 2015 is expected to see a relatively slower, yet still a double-digit growth percentage.

Smartphones are rapidly adopting higher resolution displays with lower power consumption and larger screens to match demand for increasing functionality. We have focused on developing new display driver ICs, On-cell and In-cell touch panel controller ICs and MIPI display interface controller ICs to cater to these trends. Some of our recently-launched products have scored design wins in 2014 and an array of new products are in the pipeline to debut during 2015 in order to capture the rising market opportunities.

ESLs

As one of the key applications of AMEPD, an advanced e-paper technology, the electronic shelf labels ("ESL") market segment is expected to enjoy a robust CAGR in revenue exceeding 18% from 2014-2018³.

The Group's AMEPD business has continued to record shipment growth despite facing the twin challenges of price erosion and intense market competition. Nonetheless the Group continues to develop leading-edge high value-added solutions to meet the market trends of higher resolution, color, flexibility and large format displays. In addition to working with world-leading ESL manufacturers, the Group is also exploring other market opportunities. China, with a number of local start-ups in the ESL industry, is a huge potential market.

LCD TVs

The worldwide shipment growth of LCD TV has accelerated, particularly in the second half of 2014, and the growth momentum is expected to continue during 2015. There has been a shortage in the supply of LCD TV panels, and some panel manufacturers in China have invested to improve their production capacity to cater to growing market needs.

Thanks to an enhanced product portfolio, the Group has managed to increase its share of business of its key customer, Panda-LCD, and has achieved substantial growth in its Large Display business in the second half of 2014.

隨著可穿戴式產品市場急速發展，本集團已乘勢推動旗下 PMOLED 顯示驅動器 IC 及 MIPI 顯示器介面控制器 IC 的業務，並將會推出更多新產品以迎合市場上追求更大面板尺寸、更高解像度及解析度、彎曲表面及彩色顯示的趨勢。本集團銳意把握這個具龐大潛力的市場。

智能手機

過去數年，智能手機市場一直是消費電子產品市場的主要增長動力，在 2014 年亦繼續表現理想，按年上升超過 26%²。預計 2015 年的增長將會相對稍為放緩，但仍有雙位數的百分比增長。

智能手機紛紛採用較低功耗、更大屏幕及更高解像度的顯示器，以滿足用戶對手機加入更多功能的需求。有見及此，本集團一直專注於開發新的顯示驅動器 IC、表嵌式及內嵌式觸控面板控制器 IC 以及 MIPI 顯示器介面控制器 IC，以捕捉此新趨勢。一些近期推出的產品於 2014 年贏得多項設計項目，而一系列新產品亦將在 2015 年陸續面世，以把握不斷湧現的市場機遇。

電子貨架標籤

電子貨架標籤業務作為先進電子紙科技 AMEPD 的主要應用之一，市場預期在 2014 至 2018 年將錄得超過 18% 的強勁收益複合年增長率³。

儘管面對價格下調及激烈市場競爭的雙重挑戰，本集團的 AMEPD 業務付運量仍繼續錄得增長。本集團繼續發展先進的高增值解決方案，以迎合市場要求更高解像度、色彩、靈活性及大尺寸顯示的趨勢。除與世界頂尖的電子貨架標籤製造商合作外，本集團亦正發掘其他市場機遇。中國的電子貨架標籤行業擁有多家本地新成立公司，因此是一個龐大的潛在市場。

LCD 電視

LCD 電視的全球付運量增長呈加快趨勢，特別是 2014 年下半年，預計此增長勢頭在 2015 年將會持續。因 LCD 電視面板供應短缺，中國一些面板製造商已投資提升產能，以滿足持續增長的市場需要。

憑藉已強化的產品組合，本集團得以擴大在其主要客戶熊貓液晶所佔的業務份額，促使大型顯示業務於 2014 年下半年錄得大幅增長。預計中國電子旗下新的中國南京 8.5 代線工廠於 2015 年建

2. IDC Worldwide Quarterly Mobile Phone Tracker

IDC 全球季度移動電話追蹤報告

3. Global Electronic Shelf Label (ESL) Market 2014-2018 by TechNavio
TechNavio 發表的《全球電子貨架標籤市場 2014-2018》

Like a speeding train roaring down the tracks, we shall build on and accelerate our growth momentum to further extend our reach in the target market segments.

正如在路軌上疾駛的高速列車，本集團會進一步強化增長勢頭，擴大在目標市場的覆蓋。

The completion of the new 8.5th generation factory in Nanjing, China under CEC in 2015 provides a strong driving force for the growth of the Group's business. More details about China as a potential key market of the Group can be found in the following section "Leveraging China as a Key Market."

Leveraging China as a Key Market

China is a market offering immense potential for the Group. China's semiconductor consumption dominates the worldwide market. It is also the leading manufacturer of electronic devices including mobile phones, PCs and color TVs. To capture the huge business opportunities in this target market, the Group has already established a strong foothold in terms of customer relations and R&D, as well as sales and distribution networks in China.

Apart from outreaching to more module makers and systems customers for our target applications, the Group has been engaged as a qualified IC product supplier of the new 8.5th generation factory in Nanjing, China under CEC scheduled to start pilot production in mid-2015. This production line covers small and large display panels, presenting great business opportunities for both its Mobile Display and Large Display business units. The Group has invested more resources in design engineering as well as sales and marketing to set up a special team for this strategically important project. Multiple new products are on the roadmap to be launched in 2015 and 2016.

Looking into 2015, as our target business areas continue to prosper, we aim to harness the momentum we have successfully built to drive our business to new heights and generate greater revenue. We shall also continue to bolster our product innovation and productivity to put us in a stronger position to seize opportunities and overcome challenges.

Like a speeding train roaring down the tracks, we shall build on and accelerate our growth momentum to further extend our reach in the target market segments.

成後，將為本集團業務增長提供強大的推動力。有關中國為本集團潛在主要市場的詳情可見於下一部分「中國作為主要市場」。

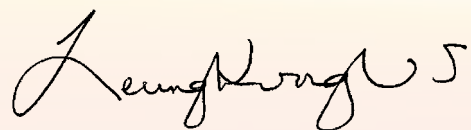
中國作為主要市場

對本集團來說，中國是潛力雄厚的市場。中國的半導體消費在全球佔據領導地位，亦是領先的電子設備（如移動電話、個人電腦及彩色電視）生產國。為把握這目標市場的龐大商機，本集團在中國就客戶關係、研發、銷售以及分銷網絡方面已建立強大的據點。

除了覆蓋更多目標應用的模組製造商及系統客戶外，本集團亦獲得委任作為中國電子旗下位於中國南京的新8.5代線工廠的合資格IC產品供應商，該生產線將於2015年中開始試產。這生產線生產大及小型顯示屏，為移動顯示及大型顯示業務單元提供龐大的商機。本集團已投放更多資源於設計工程以及銷售及市場推廣，特別為這重要項目成立專責隊伍。多項新產品預計將於2015及2016年推出市場。

展望2015年，本集團的目標業務範疇繼續蓬勃，因此本集團銳意利用已成功締造的增長勢頭，乘勢而上，推動業務再攀高峰以增加收益。本集團亦會繼續加強產品創新及生產力，以處於更有利位置，把握商機及克服挑戰。

正如在路軌上疾駛的高速列車，本集團會進一步強化增長勢頭，擴大在目標市場的覆蓋。



LEUNG Kwong Wai
Managing Director

Hong Kong, 26 March 2015

梁廣偉
董事總經理

香港，2015年3月26日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

財務回顧

Overview

For the year ended 31 December 2014, the Group managed to achieve solid year-on-year growth in both unit shipments and sales. Total shipment units was approximately 115 million and sales amounted to US\$60.1 million. The book-to-bill ratio was 1.10 (2013: 0.86).

Despite the sales increase, the Group recorded a net loss of US\$3.0 million, having invested to strengthen new technology development and new product introduction, and also to enhance customer outreach activities.

Sales and Gross Profit

The Group's total shipments increased around 27% to approximately 115 million units (2013: 91 million units), while the total sales rose 9% to US\$60.1 million (2013: US\$55.2 million).

Gross profit of the Group was US\$20.8 million (2013: US\$21.0 million), decreased slightly by 1%. Gross margin decreased by 3.5 percentage points to 34.6% (2013: 38.1%) because of a provision of US\$2.2 million (2013: US\$0.7 million) on slow moving inventory. Excluding the inventory provisions, the gross margins for the two years were at a comparable level.

Costs and Expenses

The Group has remained vigilant in controlling its expenses. The Group's total expenses, including product R&D costs, S&D expenses and administrative expenses, were US\$27.4 million, up by US\$2.3 million, representing an increase of 9%. This was mainly due to the increase in product R&D costs.

The Group continued to invest in product R&D and business development and remained selective in its product R&D spending. To strengthen new technology development and new product introduction, and also enhance customer outreach activities, its product R&D costs in the year increased US\$2.4 million to US\$16.3 million (2013: US\$13.9 million), up 18% year-on-year.

S&D expenses were US\$3.0 million (2013: US\$3.1 million), a slight decrease of US\$0.1 million year-on-year. S&D expenses to sales ratio was 5.1% (2013: 5.6%).

Administrative expenses were US\$8.0 million, slightly decreased by US\$0.1 million compared with US\$8.1 million in 2013.

Other Income

Other income in 2014 totalled US\$0.1 million (2013: US\$1.0 million). US\$0.8 million of the other income in 2013 was attributed to a gain on disposal of certain manufacturing equipment.

Finance Income – Net

During 2014, the Group recorded an interest income of US\$2.0 million (2013: US\$2.5 million) as well as dividends and other income of US\$1.9 million (2013: US\$0.5 million) from FVTPL, totaling US\$3.9 million (2013: US\$3.0 million). In

概覽

截至2014年12月31日止，本集團在付運量及銷售額方面均錄得穩健的按年增長。總付運量約為115百萬件而總銷售額則達至60.1百萬美元。訂單出貨比率為1.10（2013：0.86）。

雖然銷售額上升，但由於需要投資於加強新技術開發和推出新產品，以及加強客戶推廣，本集團錄得虧損淨額3.0百萬美元。

銷售及毛利

本集團的總付運量上升約27%至約115百萬件（2013：91百萬件），總銷售額上升9%至60.1百萬美元（2013：55.2百萬美元）。

本集團毛利較輕微減少1%至20.8百萬美元（2013：21.0百萬美元）。計入滯銷存貨撥備2.2百萬美元（2013：0.7百萬美元），毛利率因而減少3.5個百分點至34.6%（2013：38.1%）。撇除該存貨撥備，本集團毛利率於過去兩年均錄得相若水平。

成本及開支

本集團繼續審慎控制開支。本集團的總開支（包括產品工程開發成本、銷售及分銷開支和行政開支）增加2.3百萬美元至27.4百萬美元，上升9%，主要由於產品工程開發成本增加。

本集團繼續投放資金於產品工程開發及業務發展，並在選擇產品開發重點時保持審慎。由於需要投資加強新技術開發和推出新產品，以及加強客戶推廣，產品工程開發成本增加2.4百萬美元至16.3百萬美元（2013：13.9百萬美元），較去年同期上升18%。

銷售及分銷開支為3.0百萬美元（2013：3.1百萬美元），按年輕微減少0.1百萬美元。銷售及分銷開支與銷售額比率為5.1%（2013：5.6%）。

行政開支為8.0百萬美元，對比2013年8.1百萬美元輕微減少0.1百萬美元。

其他收入

2014年其他收入合共0.1百萬美元（2013：1.0百萬美元）。2013年其他收入當中0.8百萬美元源於出售一些生產設備的收益。

投資收入－淨額

於2014年內，本集團確認利息收入2.0百萬美元（2013：2.5百萬美元）及股息和其他來自FVTPL的收益1.9百萬美元（2013：0.5百萬美元）合共3.9百萬美元（2013：3.0百萬美元）。另外，

addition, a net unrealized loss of US\$0.5 million (2013 net unrealizable gain: US\$0.9 million) was recorded from the investment in the FVTPL portfolio pursuant to mark-to-market price as at 31 December 2014.

Net Profit and Loss

For the year ended 31 December 2014, the loss attributable to the equity holders of the Company was US\$3.0 million (2013 profit: US\$1.3 million), having invested to strengthen new technology development and new product introduction, and also to enhance customer outreach activities.

Liquidity and Financial Resources

Total cash and cash equivalents and bank deposits (both current and non-current) of the Group amounted to US\$35.3 million as at 31 December 2014, compared to US\$32.9 million as at 31 December 2013.

Net cash used in operating activities during the year was US\$6.0 million (2013: US\$2.4 million). The cash outflow in operating activities was mainly due to the net loss before income tax of US\$3.0 million and the slight increase in working capital, which comprised net of receivables, inventories and payables, amounted to US\$1.0 million.

Regarding the use of cash reserves, the Group will continue to allocate funds for product development, securing production capacity, strengthening its infrastructure in mainland China to broaden its customer base and capture market and sales opportunities, entering into strategic corporate ventures and meeting general corporate operational purposes. As at 31 December 2014, the Group had no major borrowing other than the US\$0.4 million in a mortgage loan for the purchase of an office property in Hsinchu, Taiwan. The Group's cash balance was mainly invested in various deposits in banks.

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

Capital Expenditure and Contingent Liabilities

In 2014, capital expenditure of the Group was US\$0.5 million (2013: US\$0.6 million).

As at 31 December 2014, there was US\$0.2 million (2013: US\$0.02 million) capital expenditure contracted but not provided for in respect of the machineries purchase by the manufacturing subsidiary in China. As at 31 December 2013 and 2014, there was no material capital expenditure approved but not contracted for.

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

FVTPL 投資組合按2014年12月31日市價作基準估值錄得未變現淨虧損為0.5百萬美元(2013未變現的淨收益:0.9百萬美元)。

盈虧淨額

由於需要投資於加強新技術開發和推出新產品，以及加強客戶推廣，本公司截至2014年12月31日止年度權益持有人應佔虧損為3.0百萬美元(2013溢利：1.3百萬美元)。

流動資金及財務資源

於2014年12月31日，本集團的現金及現金等價物和銀行存款(包括流動與非流動)總計為35.3百萬美元，而於2013年12月31日則為32.9百萬美元。

年內經營活動使用的現金淨額為6.0百萬美元(2013：2.4百萬美元)，經營活動現金流出主要由於除稅前3.0百萬美元虧損及營運資金(包括應收款、存貨及應付款之淨額)輕微增加了1.0百萬美元。

有關現金儲備的使用，本集團將繼續主要分配資源於產品開發、提升生產力、加強中國的基建以擴闊客戶基礎及把握市場及銷售商機、進行若干策略性企業投資及用作一般公司營運用途。於2014年12月31日，除了0.4百萬美元作位於台灣新竹之辦公室物業按揭貸款外，本集團並無任何主要借貸。本集團之現金餘額主要投資於各類銀行存款。

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

資本開支及或然負債

於2014年，本集團的資本開支為0.5百萬美元(2013：0.6百萬美元)。

於2014年12月31日，共有0.2百萬美元(2013：0.02百萬美元)已商定合約但未撥備之資本開支，用於本集團在中國負責生產之附屬公司購買機器。於2013及2014年12月31日，本集團並沒有重大已獲批但未商定合約之資本開支。

除前述之外，本集團概無其他重大資本承擔或或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)
 管理層討論及分析(續)

BUSINESS PERFORMANCE & OUTLOOK
 業務回顧及展望

2014 KEY NEW PRODUCTS AND DESIGN WINS

主要新產品及成功設計項目



MOBILE DISPLAY
 移動顯示



MOBILE SYSTEM
 移動系統

KEY NEW PRODUCTS 主要新產品



FWVGA In-Cell Touch Display Driver IC
 SSD2068
 FWVGA內嵌式觸控顯示驅動器IC
 SSD2068



Large Panel Size
 Capacitive Touch Panel
 Controller IC with Palm
 Rejection SSD62XX series
 支持大屏的電容式
 觸摸屏控制器IC，
 具備防手掌誤觸功能
 SSD62xx系列



On-Cell Capacitive
 Touch Panel Controller IC
 SSD6140
 On-Cell電容式
 觸摸屏控制器IC
 SSD6140



In-Cell Capacitive
 Touch Panel Controller IC
 SSD6600
 In-Cell電容式
 觸摸屏控制器IC
 SSD6600

KEY DESIGN WINS 主要成功設計項目



Smartphone
 智能手機



Smart Printer
 智能打印機



Smartphone
 智能手機



Tablet
 平板電腦



Camcorder
 便攜式攝像機



Smart Watch
 智能手錶



ADVANCED DISPLAY
先進顯示



LARGE DISPLAY
大型顯示



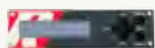
132 Segment Color Bistable Display Driver IC
SSD1627
支持彩色132段碼式雙穩態顯示驅動器IC
SSD1627



Source Display Driver IC
源顯示驅動器IC
SSD3252UR4
SSD3236UR4
SSD3239UR4



Gate Display Driver IC
柵顯示驅動器IC
SSD3272U2R4
SSD3266Z
SSD3269UR4



Industrial Application
工業應用



Electronic Shelf Label
電子貨架標籤



Home Audio System
家用音響系統



Gaming Device
遊戲裝置



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



LCD Monitor
LCD顯示器



LCD TV
LCD電視

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

BUSINESS PERFORMANCE & OUTLOOK (continued)

業務回顧及展望(續)

The Group's total shipments in 2014 achieved a strong year-on-year increase of around 27% to approximately 115 million units, while its total sales reached more than US\$60 million, climbing 9% year-on-year.

The overall upward trend in shipments culminated in a strong rise in the last quarter of the year. The quarter-on-quarter shipment volume also registered a continuous double-digit percentage growth since the beginning of the year. The increase in total shipments was mainly attributed to an increase in shipments in the Large Display and the Advanced Display businesses.

During the year, the Group has further expanded its product portfolio with high resolution, high performance and high value-added products targeting high volume and high growth market segments. A number of these products have been launched in the second half of the year with more in the pipeline ready to capture the potentially lucrative business opportunities arising. The Group has extended the application portfolio of its key products to broaden revenue sources. It is also noteworthy that the book-to-bill ratio for 2014 was 1.1, indicating that demand has outpaced supply.

於2014年，本集團的總付運量按年增加約27%至約115百萬件，而總銷售額則按年上升9%至超過60百萬美元。

年內整體付運量呈上升趨勢，於本年度最後一季錄得最高付運量。自年初開始，按季的付運量亦連續錄得雙位數百分比增長。總付運量上升主要受惠於大型顯示及先進顯示業務的付運量增長所致。

年內，本集團進一步擴大其針對大批量及高增長市場類別的高解像度、高性能及高增值產品，於本年度下半年推出多項上述產品，並將陸續推出更多產品以把握龐大的業務商機。本集團亦進一步擴大其主要產品應用組合，以擴闊收入來源。值得注意的是2014年的訂單出貨比率為1.1，顯示本集團的產品在市場上仍然求過於供。

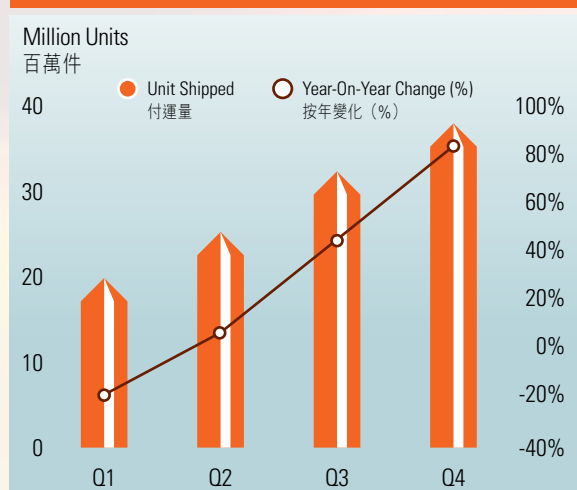
PRODUCT SHIPMENT (BY BUSINESS UNIT)

產品付運量(按業務單元)

| Units Shipped (million) | 付運量(百萬件) | 2014 | 2013 | Change 變動 |
|-------------------------|----------|-------|------|--------------|
| Advanced Display | 先進顯示 | 68.8 | 57.5 | 20% |
| Mobile Display | 移動顯示 | 13.7 | 14.2 | (3%) |
| Mobile System | 移動系統 | 6.0 | 10.5 | (43%) |
| Large Display | 大型顯示 | 26.2 | 8.3 | 216% |
| Total | 總數 | 114.7 | 90.5 | 27% |

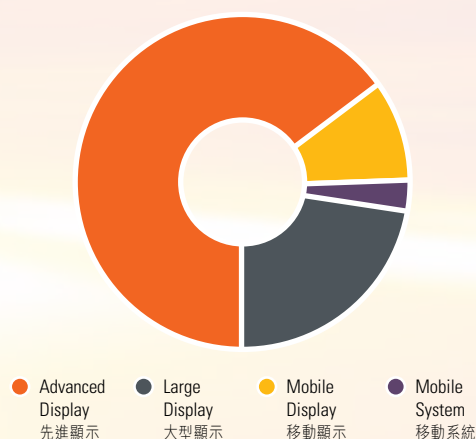
2014 PRODUCT SHIPMENT (BY QUARTER)

2014年產品付運量(按季度)



2014 PRODUCT SHIPMENT (BY BUSINESS UNIT)

2014年產品付運量(按業務單元)





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



Home Audio System
家用音響系統

Gaming Device
遊戲裝置



Industrial Application
工業應用



Advanced Display

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

The total unit shipments of Advanced Display products recorded a strong rise of 20% year-on-year to 68.8 million units (2013: 57.5 million units). The increase was mainly due to the Group's success in capturing the rapidly growing wearables market, particularly during the second half of the year, and in further extending the range of applications for both its OLED and bistable products.

The Group's PMOLED display driver ICs scored a number of design-wins with world-renowned brands of wearable health and fitness devices, as well as in a wide variety of applications, including healthcare devices, home audio systems, gaming devices, industrial applications, water heaters, set-top boxes, etc.

Subsequent to the launch of the AMOLED display driver IC for the first-ever qHD panel in China in 2013, the Group has been collaborating with customers to develop AMOLED driver ICs with a higher resolution. In 2014, a new AMOLED IC for HD display has been developed.

The bistable display business of the Group continued to grow. During the year, the Group has further extended the application portfolio of its AMEPD solutions through scoring design-wins for smart applications, including smart thermostats, healthcare products, smart cards, etc.

先進顯示

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

先進顯示產品的總付運量按年大幅增加 20% 至 68.8 百萬件（2013：57.5 百萬件）。付運量增加主要有賴於本集團於本年度下半年成功把握迅速增長的可穿戴式產品市場，以及擴大 OLED 及雙穩態產品的應用範疇。

本集團的 PMOLED 顯示驅動器 IC 贏得多個國際著名可穿戴式健康和保健產品品牌的設計項目，亦贏得其他應用範疇之設計項目，如：健康護理產品、家用音響系統、遊戲裝置、工業應用、熱水爐及以及機頂盒等。

本集團於 2013 年推出適用於中國首發 qHD 面板的 AMOLED 顯示驅動器 IC 後，繼續與客戶攜手合作，開發更高解像度的 AMOLED 驅動器 IC。本集團於 2014 年開發了新的高清顯示 AMOLED IC。

本集團的雙穩態顯示業務於年內持續增長，並贏得智能恆溫器、健康保健產品及智能咭等應用的設計項目，進一步擴大 AMEPD 解決方案的產品應用組合。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

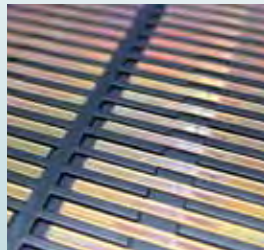
管理層討論及分析(續)

BUSINESS PERFORMANCE & OUTLOOK (continued)

業務回顧及展望(續)



Solomon Systech garners 2014 Hong Kong Awards for Industries Technological Achievement Grand Award
晶門科技獲頒2014香港工商業獎的科技成就大獎



TFT LCD Display Driver IC for HD Smartphones
適用於高清顯示智能手機的 TFT LCD 驅動器



In-Cell Touch TFT LCD Display Driver IC
內嵌式觸控 TFT LCD 顯示驅動器 IC

Mobile Display

The Mobile Display business unit provides LCD display driver ICs targeting high resolution and high value-added applications, including smartphones, industrial and other portable applications.

During the year, the Group has achieved further advancement in shifting its focus towards higher resolution technologies and extending the application portfolios of its products. Towards this end, the Group has successfully produced a self-capacitive In-Cell touch TFT LCD display driver IC for FWWGA panels at the end of 2014 to prepare for mass production in 2015.

The Group's HD TFT LCD driver IC for metal oxide panels has garnered the Grand Award for Technology Achievement in the prestigious Hong Kong Awards for Industries 2014, a solid recognition of the product's technological excellence and most importantly, the Group's technological innovation capability. The Group has leveraged this award-winning product to start a new project for smartphones and tablets with a key panel customer.

The Group also scored design-wins for other popular portable display applications, including automotive, printers, GPS, etc., further enhancing the revenue base of the business unit.

The unit shipments of Mobile Display products in 2014 were approximately 13.7 million units (2013: 14.2 million units), a slight 3% decrease year-on-year. The decrease was mainly attributed to changes in the business plans of key customers which caused reductions in the unit shipments of some key products of the Group. Moreover, some of the new products were not able to commence production in time to contribute to the total unit shipments for the year.

移動顯示

移動顯示業務單元提供 LCD 顯示驅動器 IC，針對高解像度及高增值應用，包括智能手機、工業及其他便攜式應用。

年內，本集團於轉移業務單元核心至較高解像度技術及擴大產品的應用組合方面取得更大進展，並於2014年底成功開發應用於FWVGA面板的自電容內嵌式觸控 TFT LCD 顯示驅動器 IC，為2015年的批量生產作好準備。

本集團旗下適用於金屬氧化物面板的高清 TFT LCD 驅動器 IC 榮獲2014「香港工商業獎 - 科技成就大獎」，充分體現產品的科技優勢，最重要是彰顯本集團科技創新的能力。憑藉此得獎產品，本集團得以與一主要的面板客戶開展有關智能手機及平板電腦的新項目。

本集團亦贏得其他熱門便攜式顯示應用的設計項目，包括汽車、打印機、全球定位系統等，進一步強化業務單元的收益基礎。

於2014年，移動顯示產品的付運量按年輕微減少3%至約13.7百萬元(2013: 14.2百萬元)，主要由於主要客戶改變其業務計劃，令本集團部分主要產品的付運量減少所致。此外，部分新產品未能及時投入生產，致令年內總付運量未能受惠。

Mobile System

The Mobile System business unit delivers a wide range of products, including capacitive touch panel controller ICs, high speed eDP display interface controller ICs, MIPI display interface controller ICs, graphic display controller ICs and multimedia processors, targeting system customers for applications spanning smart watches, smartphones, tablets, Ultrabooks, automotive DVRs, IP cameras, projectors, etc.

During the year, the Group's capacitive touch panel controller IC business has been slow due to delays in the launch of some new products. Nonetheless, the Group has invested in enhancing the new products with more value-added features, and reinforcing its design engineering to remain at the forefront of technology as well as sales and marketing capability. By the end of 2014, the Group has enriched its portfolio of touch panel controller ICs with an array of new products supporting a full range of touch technologies, including Out-cell, On-cell and also In-cell, ready to cater to different market needs. The Group has scored design-wins for applications including smartphones, education tablets, etc.

The Group's MIPI display interface controller ICs have made good inroads into the smart watches and other wearable devices market segments. It has scored design-wins for a number of smart watches as well as other applications including virtual reality headsets and tablets. The Group has also developed a new eDP-to-MIPI display interface controller IC for large-sized displays with WQXGA resolution, presenting another potential high value-added application for this product category.

The Group's graphic display controller ICs achieved design-wins including smart watches, industrial applications, IP cameras and multiple other consumer devices.

The total unit shipments of the Mobile System business unit saw a decrease of about 43% to 6.0 million units (2013: 10.5 million units) year-on-year, due primarily to new product launch delays.

移動系統

移動系統業務單元提供多種產品，包括電容式觸摸屏控制器 IC、高速 eDP 顯示器介面控制器 IC、MIPI 顯示器介面控制器 IC、圖像顯示控制器 IC 及多媒體處理器，針對的系統客戶廣泛，涵蓋智能手錶、智能手機、平板電腦、Ultrabook、行車數碼影像記錄器、IP 相機及投影機等應用。

年內，本集團的電容式觸摸屏控制器 IC 業務因部分新產品延遲推出而發展較慢。不過，本集團已投放資源為新產品增添更多增值功能，並加強設計工程以能繼續處於科技前沿及提高銷售及推廣能力。於 2014 年底，本集團加入一系列支援外嵌式、表嵌式及內嵌式觸控技術的新產品，擴大其觸摸屏控制器 IC 組合，以滿足不同的市場需要。本集團亦贏得智能手機及教育平板電腦等應用的設計項目。

本集團的 MIPI 顯示器介面控制器 IC 已成功進軍智能手錶及其他可穿戴式設備市場，並贏得多個智能手錶及虛擬實境頭戴式顯示器及平板電腦等其他應用的設計項目。本集團亦已開發了新的 eDP-to-MIPI 顯示器介面控制器 IC，該項新產品用於具 WQXGA 解像度的大尺寸顯示屏，為此產品組別提供另一項具潛力的高增值應用。

本集團的圖像顯示控制器 IC 已取得智能手錶、工業應用、IP 相機及其他多項消費類產品的設計項目。

移動系統業務單元的總付運量按年減少約 43% 至 6.0 百萬件 (2013 : 10.5 百萬件)，主要由於本集團延遲推出新產品所致。



On-Cell Capacitive
Touch Panel Controller IC
SSD6140
On-Cell 電容式
觸摸屏控制器 IC
SSD6140



In-Cell Capacitive
Touch Panel Controller IC
SSD6600
In-Cell 電容式
觸摸屏控制器 IC
SSD6600



MIPI Display Interface Controller IC
for displays of WQXGA resolution
適用於 WQXGA 顯示的 MIPI 顯示器
介面控制器 IC



Smart Watch
智能手錶



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

BUSINESS PERFORMANCE & OUTLOOK (continued)

業務回顧及展望(續)



Large Display

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

During the year, the total shipments of the Large Display business unit surged over two times year-on-year to 26.2 million units (2013: 8.3 million units). The growth momentum was especially strong in the second half of the year, as the Group's new large TFT display driver ICs for 18.5" HD monitors and 21.5" FHD monitors have completed qualifications and started mass production respectively in the second quarter and the third quarter of the year. These qualified new products have become components within the key product lines of our major customer, contributing to the increase in unit shipments.

During the year, a range of new products were also under development to continue to ride on the growth momentum to generate more business.

Outlook

The 2014 book-to-bill ratio of 1.1 is a positive indicator for future growth. This favorable ratio, together with the growth momentum built up over the years, the enhanced array of products and the expanded application portfolios have set the stage for further growth in 2015.

The Group will strive to score additional design-wins and will continue to introduce more innovative and high performance products aimed at expanding its footprint in the high-growth, high-volume smart applications segments. The Group aims to ride further on the growing momentum to reach new business heights in 2015 and beyond.

大型顯示

大型顯示業務單元主要提供用於包括電視和螢幕等應用的大型顯示應用的大屏幕 TFT 顯示驅動器 IC。

年內，大型顯示業務單元的總付運量按年激增超過兩倍至 26.2 百萬件 (2013 : 8.3 百萬件)。增長勢頭於本年度下半年尤其強勁，此乃由於本集團適用於 18.5 吋高清顯示屏及 21.5 吋全高清顯示屏的全新大型 TFT 顯示驅動器 IC 已完成質量認證，並分別於本年度第二及第三季開始批量生產所致。此等具質量認證的新產品成為本集團主要客戶的主要產品線的元件，令付運量有所上升。

年內，本集團正開發多項新產品，繼續把握增長勢頭及進一步拓展業務。

展望

2014 年的訂單出貨比率 1.1 是未來增長的正面指標。此利好的比率、多年來建立的增長勢頭、更優質的多元化產品種類及擴闊的應用組合，為 2015 年的未來增長奠定基礎。

本集團將致力爭取更多設計項目，並將繼續推出更多創新及高性能的產品，以在高增長、大批量的智能應用市場類別擴大業務網絡。本集團旨在憑藉正在加強的增長勢頭，於 2015 年及往後時間在業務上創新高峰。

Smartphones

The Group's new In-Cell touch display driver IC with enhanced features for FWVGA TFT LCD panels is expected to commence mass production during 2015 and contribute to the revenue stream. It is starting to develop another new In-cell touch display driver IC for FHD TFT LCD panels in 2015. The Group also aims to begin design-in projects with tier-one customers for its IGZO TFT LCD display driver ICs to capture the rising market opportunities.

The Group will leverage its innovative MIPI display interface controller ICs and the enhanced array of touch solutions, in particular On-Cell and In-Cell touch panel controller ICs to target first-tier system customers for smartphones, tablets and Ultrabooks to advance business growth.

The Group also target to have pilot production for its new AMOLED display driver IC for HD resolution displays in smartphones.

Smart TVs

The start of 2015 has witnessed continued strong growth in the Group's business with its key customer for LCD TVs and monitors.

To ride on this momentum and set the stage for greater business growth, the Group will strengthen the design engineering resources and launch multiple new products in the coming year, aiming to further increase its share of this key customer's increased capacity.

智能手機

加入更多適用於FWVGA TFT LCD面板的功能的全新內嵌式觸控顯示驅動器IC，預期將於2015年開始批量生產，為本集團帶來收益貢獻。本集團亦於2015年開始開發另一種適用於全高清TFT LCD面板的全新內嵌式觸控顯示驅動器IC，並計劃與一線客戶合作，開展IGZO TFT LCD顯示驅動器IC的設計項目，以把握不斷湧現的市場商機。

本集團將憑藉其創新的MIPI顯示器介面控制器IC及更多元化的觸控解決方案（特別是表嵌式及內嵌式觸摸屏驅動器IC），針對智能手機、平板電腦及Ultrabooks的一線系統客戶以推動業務增長。

本集團用於高清解像顯示智能手機的全新AMOLED顯示驅動器IC亦計劃進行試產。

智能電視

2015年伊始，本集團與主要客戶有關的LCD電視及屏幕業務持續錄得強勁增長。

本集團為把握此勢頭及為奠定業務增長的基礎，將於來年投放更多設計工程資源及推出多項新產品，以擴大其於此主要客戶增加了的產能的份額。



MANAGEMENT DISCUSSION AND ANALYSIS (continued) 管理層討論及分析(續)

BUSINESS PERFORMANCE & OUTLOOK (continued) 業務回顧及展望(續)



Other Smart Devices

The Group will continue to capitalize on the rapid expansion in the wearables market to ramp up shipments, in particular for PMOLED display driver ICs and MIPI display interface controller ICs.

The Group aims to further extend the applications of its PMOLED display ICs. New products for larger display size, higher resolution and DPI and curved surface color display are being developed to capture the growing market needs.

The Group expects to have its new OLED lighting driver IC for customer trial run during the year.

The Group will also tap further into the ESL business segment through expanding the application portfolio of its AMEPD solutions.

Product Development

Product development has always been the cornerstone of the Group's business as innovation remains its foundation. To enhance our strengths in target product display applications and pave the way for future growth, the Group has focused on developing new related technologies and also enhancing the features of and adding functionality to existing products. In 2014, the Group spent roughly US\$16.3 million on product R&D engineering, representing about 59% of total expenses and 27% of sales for the year.

其他智能產品

本集團將繼續把握可穿戴式設備市場迅速增長所帶來的機遇以增加付運量，特別是PMOLED顯示驅動器IC及MIPI顯示器介面控制器IC的付運量。

本集團正計劃進一步擴大PMOLED顯示器IC的應用，並正開發適用於較大顯示呎吋、較高解像度及解析度以及曲面彩色顯示的新產品，以把握不斷增長的市場需要。

本集團預期其全新OLED照明驅動器IC將於年內進行客戶試用。

本集團亦將透過擴大AMEPD解決方案的應用組合，進一步發展電子貨架標籤業務範疇。

產品開發

產品開發一向是本集團業務的基石，而創新則是本集團的根基。為加強我們於目標產品顯示應用的優勢以及為未來的增長鋪路，本集團專注開發相關的新技術，並提升及增加現有產品的功能。於2014年，本集團於產品工程開發方面的支出約為16.3百萬美元，佔年內總開支約59%及佔銷售額約27%。

As of 31 December 2014, the Group had an product R&D engineering workforce of 201 (2013: 195), representing 62% (2013: 60%) of our total employees (excluding those of a manufacturing subsidiary in China). The Group's product R&D engineering teams possess domain expertise in various areas, spanning from design of high-speed serial master bridges, projected capacitance multi-touch controller ICs and OLED lighting driver ICs, to display drivers for various panel technologies such as amorphous silicon TFT, metal-oxide TFT, LTPS, AMOLED, PMOLED, and AMEPD. This wide array of critical knowhow enables fast fulfillment of customers' sophisticated requirements. The Group continues to adopt wafer technologies as advanced as 55nm high voltage process on 12" wafer to address the challenge of increasingly higher resolution and lower power consumption in mobile consumer end products.

Numerous IPs Developed

Many IPs have been developed or were under development during 2014 aiming at low power, high resolution smart applications. Highlights included self-capacitance multi-touch analog frontend (AFE) and parasitic capacitance compensation for in-cell touch panels, an enhanced quality video processing unit (VPU) and a 1/3 RAM memory compression codec for mobile display driver products. For PMOLED & AMOLED display driver ICs, high uniformity is one of the prime concerns of our customers, and we have developed a smart high-uniformity IP to achieve this. Our AMEPD display driver IC is one of the first of its kind in the industry. A new IP was developed and is capable of supporting single-color AMEPD displays. In addition, a low-voltage AFE has been realized for better display noise immunity in touch applications. Advanced algorithms for various noise avoidances and cancellations were also developed to achieve high SNR touch detections, and an advanced system-level power saving IP was designed for WQXGA eDP-to-MIPI bridge IC.

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

During the year, the Group has been granted eight patents covering various display design and application areas. The Group has also added resources to encourage patent application and filing, with a view to further strengthening its IP portfolio in the future.

於2014年12月31日，本集團的產品工程開發團隊共有201名員工（2013：195名），約佔員工總數（不包括中國負責生產之附屬公司的員工）的62%（2013：60%）。本集團的產品工程開發團隊具備多個範疇的專業知識，包括設計高速串行主電橋、投射式電容多點觸控控制器IC及OLED照明驅動器IC，以至氮化非晶硅TFT、金屬氧化物TFT、LTPS、AMOLED、PMOLED及AMEPD等多種面板技術的顯示驅動器。憑藉豐富的專業知識，本團能迅速滿足客戶的不同需求。本集團採用先進的晶圓技術，於12吋晶圓使用55納米高壓製程，以滿足移動消費終端產品對更高解像及更低功耗不斷增加的市場需求。

已開發多項知識產權

本集團於2014年成功開發或正在開發適用於低功耗及高解像度智能產品應用的多個知識產權，包括用於內嵌式觸控顯示屏的自電容多點觸控模擬前端（AFE）及寄生電容補償，適用於移動顯示驅動器產品的更優質的視頻處理單元（VPU）及1/3RAM記憶壓縮編碼器。在PMOLED及AMOLED顯示驅動器IC方面，由於高一致性是客戶的首要考慮因素之一，本集團已開發了一項高均勻度知識產權以達致此標準。本集團的AMEPD顯示驅動器IC是業內首個同類產品之一。我們開發了一項新知識產權以支援單色AMEPD顯示。此外，本集團以低壓AFE實現觸控顯示應用時達致更佳抗噪功能，並開發多項預防及消除噪音的先進算法，以達致高度SNR觸控檢測，及開發了一項先進系統水平節能知識產權用於WQXGA eDP-to-MIPI橋接IC。

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

年內，本集團於多個顯示設計及應用範疇取得八項專利。本集團亦已增加資源鼓勵專利申請，藉以進一步加強其未來的知識產權組合。





Corporate Social ———
——— *Responsibility Report*

企業社會責任報告

CORPORATE SOCIAL RESPONSIBILITY REPORT

企業社會責任報告

WORKPLACE QUALITY

工作環境質素



The Group believes that corporate social responsibility (“CSR”) and Environmental, Social and Governance (“ESG”) are integral parts of our business excellence and a means to achieving long-term sustainable growth. We have a strong commitment to fulfilling our corporate social responsibility and ensuring that both CSR and ESG become part and parcel of our everyday operations.

In view of the growing importance attached to ESG performance and reporting globally, the Stock Exchange published the finalized ESG Reporting Guide in 2012, aiming to ensure that companies listed in Hong Kong are aware of this trend, and to help them start reporting and adopting best international practices of ESG. With reference to this Guide, in 2014 we set up an ESG Working Committee comprising representatives from various departments of the Company, to define our sustainability theme as well as the most relevant and important key performance indicators (KPIs) to our business. These KPIs could facilitate the monitoring and reporting of our performance in the four key focused areas we believe contribute to a sustainable business model: employees, the marketplace, the environment and the community.

In recognition of our continuous efforts in corporate social responsibility and the care we show for our employees and the environment, the Group has been named as a “Caring Company” for the tenth consecutive year by the Hong Kong Council of Social Service. Below are some highlights of our commitments and performance in 2014 within the scope of CSR.

本集團相信，企業社會責任（「CSR」）及環境、社會及管治（「ESG」）是達致卓越業務表現及長期可持續增長的關鍵。本集團一直致力履行CSR，並確保CSR及ESG為其日常營運不可或缺的一部分。

由於ESG表現及報告在全球的重要性日漸提升，聯交所於2012年發表已定案的ESG報告指引，旨在確保香港上市公司注意此趨勢，並協助它們開始報告及採納ESG的最佳國際守則。根據此指引，我們於2014年成立由本公司多個部門代表組成的ESG工作委員會，以設定本集團持續發展的主題，以及與我們的業務最相關及重要的主要表現指標。此等主要表現指標有助監察及報告本集團於員工、市場、環境及社區此四個組成可持續業務模式的主要範疇的表現。

本集團連續第十年獲香港社會服務聯會頒授「商界展關懷」標誌，表揚本集團致力履行企業社會責任，及對員工和環境的關顧。以下是我們於2014年在CSR範疇的承諾及表現摘要。

Employees

We recognize that as a technology company, our success rests on our employees' ability to create and innovate. They are our greatest asset, thus fostering and retaining employees is pivotal to our development and success.

As of 31 December 2014, the Group had a total workforce of 387 employees, including its manufacturing subsidiary in China. In terms of workforce composition, we have increased the headcount for product development to be in line with our focus on new product innovation. Of the total workforce, around 50% were based in the Hong Kong head office with the rest located in China, Japan, Singapore, Taiwan and the USA.

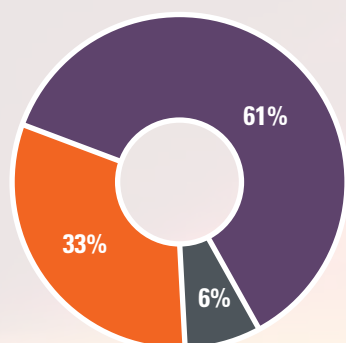
員工

作為一家科技公司，本集團的成功有賴員工的創造與創新能力，員工是本集團最重要的資產，因此，培育及保留員工對我們的發展及成功至為重要。

於2014年12月31日，本集團共有387名員工，包括位於中國負責生產的附屬公司的員工。就員工組合而言，我們為配合專注於產品創新的策略，增加了產品開發的員工數目。整體員工中約50%駐香港總辦事處，其餘員工分別駐中國、日本、新加坡、台灣及美國。

FUNCTION

職能



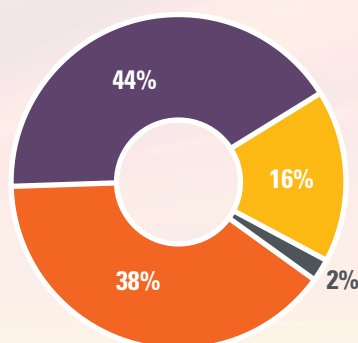
- Product Development
產品開發
- Sales & Marketing and Others
銷售及推廣及其他
- Quality & Manufacturing
品質管理及製造

- 217 technical engineering staff
217名技術工程師
- 323 staff worldwide as at 31 December 2014
於2014年12月31日，全球聘有共323名員工

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

EDUCATION

教育程度

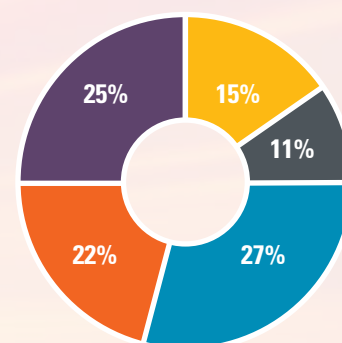


- Master's Degree or above
碩士學位或以上
- Bachelor's Degree
學士學位
- Diploma / Certificate
文憑/證書
- Others
其他

- 44% Master's Degree or above
44%持碩士學位或以上
- 82% Bachelor's Degree or above
82%持學士學位或以上

EXPERIENCE

經驗



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

- Management team with 27 years of working experience
管理團隊擁有27年工作經驗
- Average 14 years of working experience
員工平均擁有14年工作經驗

More than 80% of the Group's employees hold a bachelor's degree or above, and more than 44% have earned a master's degree or higher academic qualifications. The Group's emphasis on R&D is also reflected in the composition of our workforce, as more than 60% are engineers who specialize in product design and development. The entire team has, on average, 14 years of working experience.

本集團超過八成員工擁有學士學位或以上學歷，逾44%持碩士學位或以上學歷。本集團著重工程開發的文化亦反映於員工組合之中，逾60%的員工為專注產品設計及開發的工程師。整體員工平均擁有逾14年工作經驗。

CORPORATE SOCIAL RESPONSIBILITY REPORT (continued)

企業社會責任報告(續)

WORKPLACE QUALITY (continued)

工作環境質素(續)



Project Management Trainings
項目管理培訓



Product and Negotiation
Skills Trainings
產品和談判技巧培訓



Talent Development & Training

The pace of technological change is accelerating. To stay competitive in the ever-changing global display market, we provide our people with knowledge and build up their professional capabilities. At Solomon Systech, we cultivate a culture of "Continuous Learning." We provide training courses and workshops to employees and strive to ensure that they become continuous learners with enhanced capabilities to create and innovate.

In 2014, we stepped up our efforts and dedicated more than 6,600¹ man-hours to training and development (an average of 21¹ training hours per employee), covering industrial and technical training, and other areas including corporate governance, project management, internal control, quality management, information security, etc. For example, in October, we staged a five-day intensive training program for our sales and marketing team as well as field applications engineers. The program covered product training as well as consultative selling and negotiation skills. Apart from in-house training, the Group also encourages employees to take external job-related courses and sponsors a portion of the tuition.

Code of Conduct and Anti-Fraud Policy

"Integrity," together with "Industry Talents," "Innovation," "Institutionalization" and "International Partnership" constitute the five core competences of the Group. These competencies form a key cornerstone in the foundation of our success.

To ensure all employees and other persons acting on behalf of the Group uphold business ethics and integrity, we have in place a Code of Conduct and an Anti-

人才發展及培訓

科技發展的步伐持續加快。為了在瞬息萬變的全球顯示器市場中保持競爭力，我們向員工提供所需知識及培育他們的專業技能。本集團亦建立「持續進修」的文化，為員工提供不同的培訓課程及工作坊，確保員工能夠持續進修，並具備更佳的創造及創新能力。

於2014年，我們加大力度及投入超過6,600¹小時於培訓及發展（平均每名員工21¹小時的培訓），涵蓋業內及技術培訓，以及企業管治、項目管理、內部監控、品質管理及資訊安全等其他範疇。例如，我們於10月份為銷售及推廣團隊及應用工程人員提供一個為期五天的密集式培訓項目，有關項目涵蓋產品培訓以及協商銷售及磋商技巧。除內部培訓外，本集團亦鼓勵員工報讀職外與職業相關的課程，並資助部分學費。

行為守則及反欺詐政策

「堅守誠信」、「精英薈萃」、「創新意念」、「確立制度」及「國際夥伴」是本集團的五大核心價值，這也是本集團成功的重要基石。

為確保所有員工及代表本集團行事的其他人士秉持商業道德和誠信，我們已實施行為守則和反欺詐政策，以及相關政策和指

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

Fraud Policy, as well as associated policies and guidelines including Business Principles, Internal Control Policies and Procedures, Human Resources Policies and Procedures, Gift Handling Policies, Finance Policies and Procedures and Protection of Proprietary Information.

An "Internal Control & Information Protection Training" session which covers the Code of Conduct, Anti-Fraud Policy, Protection of Proprietary Information and Gift Handling Policy is conducted for all new employees of the Group. In 2014, the training was conducted once at the Hong Kong office and three times at the Shenzhen office. All these policies and guidelines are available on the Company Intranet for easy access of all employees. No suspected enquiries or cases involving fraud were reported during the year.

Employees' Well-being

We recognize that employees' well-being is important to ensuring a competent and qualified workforce can operate in a professional manner that effectively meets our customers' needs. In 2014, the Staff Recreation Club (SRC), which is led by departmental representatives, organized an increased number and variety of participatory activities for employees. These activities encompassing health talks, sports tournaments, interest classes, corporate gatherings, team-building activities, etc., aim at enhancing our employees' well-being and promoting teamwork and a sense of belonging.

The Group also cares about work safety and the health of our employees. Occupational safety and health measures are in place to facilitate assessment of workplace risks and related occupational safety standards. A health talk on "Preventing Musculoskeletal Disorder for Office Workers" was also conducted at the Hong Kong office in 2014.

引，包括業務原則、內部監控政策及程序、人力資源政策及程序、禮物處理政策、財務政策及程序和專利資料保密。

本集團為所有新入職員工提供「內部監控及資訊保密培訓」，涵蓋行為守則、反欺詐政策、專利資料保護及禮物處理政策。於2014年，香港辦事處及深圳辦事處分別舉行了一次及三次上述培訓。所有員工均可於本集團內聯網查看此等政策及指引。本集團於年內並無接獲任何有關欺詐的懷疑查詢或事件報告。

員工福祉

我們明白員工福祉對建立能幹及高質素的人力團隊非常重要，能確保他們以專業的態度經營業務以滿足客戶的需要。因此於2014年，由不同部門代表領導的員工康樂會為員工籌辦了更多各式各樣的活動，包括健康講座、體育比賽、興趣班、公司聚會及團隊建立活動等，以提高員工福祉、促進員工之間的合作及加強他們的歸屬感。

本集團亦十分關注工作環境的安全及員工健康。為此，本集團已實施職業安全及健康措施，協助評估工作環境的風險和相關職業安全標準。香港辦事處於2014年舉辦了名為「辦公室僱員預防筋肌勞損」的健康講座。



Anniversary Dinner
週年晚宴



Health Talk
健康講座



Coffee Workshop
咖啡班



Bakery Class
烹飪班



Sports Activities
體育活動



CORPORATE SOCIAL RESPONSIBILITY REPORT (continued)

企業社會責任報告(續)

WORKPLACE QUALITY (continued)

工作環境質素(續)

Open and Collaborative Working Environment

To ensure our employees enjoy working with the Group and are motivated to contribute their best efforts to its success, the Group strives to maintain effective communication with our employees and create an open and collaborative environment that increases job satisfaction.

Apart from providing training, the Group advocates sharing and interactive communication among employees. The Group Managing Director authors an article each week as “CEO Sharing” and the management team also takes turns to write a weekly article, “Knowledge Sharing”, to share with employees worldwide their respective areas of professional knowledge through the Company Intranet. All departments are encouraged to hold information sharing sessions and departmental gatherings. The Group also conducts monthly “Operations Review” and quarterly video conferences, “Mass Communication Meetings”, to inform all employees about the current status of the business. A company newsletter is published in both digital and print formats to provide an overview of the business performance and key activities of the year. In addition, the Group Managing Director has also been hosting small group afternoon tea gatherings to interact face-to-face with employees.

Remuneration and Awards

The Group believes in motivating, retaining and rewarding employees and attracting new talent with the right incentives, to facilitate the alignment of their interests with its own. In 2014, selected employees have been granted share options under the 2013 Share Option Scheme in appreciation of their past performance and contributions, and as an incentive for their continuing contributions. In addition, the Group has in place first order awards, and also implements the NPI Incentive Program, a cash reward program, to reward development teams for their success in introducing new products to the market that excel in time-to-market and revenue contribution. Patent Awards are in place to encourage and reward technological innovation. The Group also offers long service awards to reward employees of long standing.

開放、合作的工作環境

本集團致力以有效方式與員工溝通，建立開放、合作的環境，以提高工作滿意度，務求令員工投入工作，為本集團的成功發展盡顯所長。

除提供培訓外，本集團主張員工之間有分享和互動交流。本集團董事總經理每週撰寫文章，作為「行政總裁分享」，同時管理團隊亦輪流每週撰寫文章，作為「知識共享」，透過公司內聯網向全球員工分享在所屬範疇的專業知識。本集團鼓勵各部門舉行資訊分享會及部門聚會。本集團亦舉行每月「業務回顧」和每季視像會議「員工溝通大會」，讓各員工瞭解當前業務情況。本集團亦以數碼及印刷方式刊發公司通訊，概述年內的業務表現及重要活動。此外，本集團董事總經理亦主持小組下午茶聚，直接與員工交流。

酬金及獎勵

本集團相信，適當的獎勵計劃可以獎勵、穩定及鼓勵員工，並吸納新的人才，更令員工的利益及本集團的利益連成一線。於2014年，按照2013年購股權計劃，個別員工獲授購股權，以表揚他們的傑出表現及鼓勵他們繼續為本集團作出貢獻。除此之外，本集團頒發「首張訂單獎」並推行名為「NPI 獎勵計劃」的現金獎勵計劃，以嘉許成功將新產品適時推出市場並帶來收益的開發小組。本集團亦頒發「專利權獎」以鼓勵及獎賞員工創新科技，以及頒發長期服務獎以嘉許持續服務多年的員工。

THE MARKET PLACE 市場

The Group strives to collaborate with suppliers to promote and uphold business ethics and integrity, and to increase our positive impact socially and environmentally by requiring suppliers to meet the high business standards that it practices every day. We aim to promote sustainability in the marketplace, and create long term value for the Group and society.

We work closely with suppliers to convey our requirements, monitor compliance, improve performance and build capability. The Group requires its suppliers to comply with the international quality and environmental management standards that we have attained, including ISO9001 Quality Management Certification, ISO 14001 Environmental Management Certification, Restriction of Hazardous Substances Directive (RoHS) Certification, OHSAS 18001 Certification for Occupational Health and Safety Management Systems, etc. We also monitor the quality and safety performance of our products through site audits and regular meetings with suppliers.

In addition, we embed sustainability into core business practices by integrating our Code of Conduct into supplier contracts and assessing suppliers' sustainability performance through our business scorecard. We partner with suppliers to build their capability through training and regular dialogue.

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

Supplier Quality Management

Attaching great importance to quality, the Group applies ISO9001 certification standards in our Quality Management System to ensure the quality of all aspects related to new product development, procurement, production, service provision, etc.

本集團致力與供應商攜手合作，推廣及秉持商業道德及誠信，並透過要求供應商達到本集團日常實踐的高業務營運水平，以增加我們對社會及環境的正面影響。我們務求在市場推廣可持續發展，為本集團及社會創造長期價值。

我們與供應商緊密合作，向他們傳達我們的要求，監察合規情況，改善表現並建立相關生產能力。本集團要求供應商遵照我們已獲頒的國際質量及環境管理標準，包括ISO9001質量管理證書、ISO14001環境管理證書、危害性物質限制指令（RoHS）證書、OHSAS 18001職業健康及安全管理体系證書等等。我們亦透過現場審核和與供應商的定期會議監察產品的品質及安全表現。

此外，我們透過在供應商合約加入行為守則及利用我們的業務計分卡，評估供應商的可持續發展表現，把可持續發展納入核心營商方法。我們透過培訓及定期溝通，與供應商合作使其建立相關能力。

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

供應商質量管理

本集團極重視品質，採納質量管理系統的ISO9001證書標準，確保新產品開發、採購、生產及服務供應等各方面均達到有關品質。

CORPORATE SOCIAL RESPONSIBILITY REPORT (continued)

企業社會責任報告(續)

THE MARKET PLACE (continued)

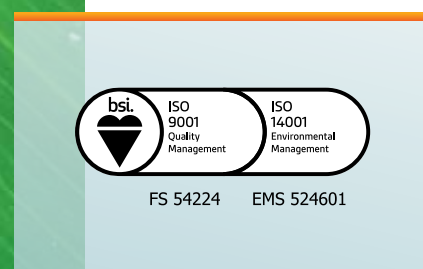
市場(續)

Our Supplier Quality Management process comprises the following key steps:

我們的供應商質量管理包括以下幾個主要程序：



THE ENVIRONMENT 環境



ISO & BSI Logos
ISO & BSI標誌

In striving for environmental excellence, the Group is committed to developing more energy-efficient solutions and to complying with international environmental standards. We also require our suppliers and staff to share in our mission of protecting the environment. In doing so, we aim to act today for a better tomorrow.

Green Products

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

We strive to fulfill our Green Mission by:

- Restricting the use of hazardous substances in products
- Utilizing natural resources prudently and rationally

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

在致力加強環境保護方面，本集團不斷致力開發更多節能解決方案以及符合國際環境標準。我們亦要求供應商及員工一同肩負保護環境的使命，務求以行動去創建更美好明天。

環保產品

低功耗設計已成為智能手機、平板電腦及許多其他消費類及工業應用的極重要設計要求之一。本集團的IC產品及系統解決方案是降低這些應用耗電量的主要元件，這些環保產品正反映了我們對保護環境的承諾。

我們致力透過以下方法履行環保使命：

- 禁止產品含有有害物質
- 慎用天然資源

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

CORPORATE SOCIAL RESPONSIBILITY REPORT (continued) 企業社會責任報告(續)

THE ENVIRONMENT (continued) 環境(續)



Green Outing
綠色戶外考察

ClimateWatch Field Study & Hike
氣候監測野外考察及遠足



Red Packets Recycling Campaign
利是封回收重用活動

Green Thinking and Practices

In compliance with the principles of “Reduce, Reuse and Recycle” to minimize our use of natural resources and to instill a passion for sustainability among employees, the Group has introduced a range of measures and organized a variety of activities to engage us to help protect the environment.

In addition to supporting “Earth Hour 2014” by switching off the lights during lunch every day for one hour, we have proactively promoted energy-saving ideas and simple but feasible energy-saving measures in the workplace, such as weekly “green tips,” and sending friendly reminders to the staff to switch off computers and unplug electronic devices before long weekends to reduce electricity consumption. We have also set up a comprehensive electronic documentation system to promote e-filing and e-approvals to reduce paper consumption.

We encourage recycling activities, including the recycling of gold scraps, used products, such as red packets, batteries, energy-saving compact fluorescent light bulbs and fluorescent lamps, mooncake boxes, etc., and the transfer of Chinese New Year gifts to charitable organizations.

During the year we organized green outings, including a “ClimateWatch Field Study & Hike” in November 2014. At this activity, participating staff collected data about the life cycles of different plants and animals along a hiking trail, in support of the ClimateWatch project of Earthwatch Institute, an international environmental charity. This activity has both helped to raise environmental awareness of our employees as well as enhance their well-being.

環保思維及措施

為遵循「減少使用、物盡其用和循環再造」的原則，以減少使用天然資源和向員工灌輸可持續發展的信念，本集團推出了一系列措施以及舉辦不同活動，讓大家為保護環境獻一分力。

除了於午膳時間關燈一小時以支持「2014地球一小時」活動之外，我們亦在積極在工作環境之中推廣節能概念和簡單可行的節能方法，例如每週「環保提示」，於長週末之前提醒員工關閉電腦及拔掉電子產品電源，以減少整體耗電量。我們亦設立全面電子化文件系統，推廣電子存檔及電子批核，以減少用紙。

我們鼓勵回收活動，包括回收金廢料、使用過的物品如利是封、電池、節能燈泡及光管、月餅盒等等，並把農曆年禮物轉贈慈善機構。

年內我們舉辦了環保戶外考察，包括2014年11月的「氣候監測野外考察及遠足」。通過這個活動，參與的員工收集沿途各種動植物生命週期的數據，支持國際環保慈善機構 Earthwatch Institute 的氣候監測計劃。該活動既可提高員工的環保意識，更有益身心。

THE COMMUNITY 社區

We care about our earth as well as the communities where we work. Apart from supporting charitable events, the Group is dedicated to the overall sustainable development of the community.

Supporting Charity Events

We encourage our employees to participate in social and community events and to volunteer for good causes. In 2014, our employees participated in a number of such activities, including the “Walks for Millions” organized by the Community Chest of Hong Kong.

Contributing to Sustainable Community Development

As a responsible technology company, the Group is highly committed to the sustainable development of the community, with special focus on three areas: industrial development, government strategies and talent and education.

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

The Group believes that education and nurturing talent is pivotal to the well-being of society. Towards this end, it has established a scholarship program for top students nominated by accredited universities in Hong Kong, in addition to providing job placement opportunities and summer internships.

Senior management also sits on the advisory boards of local universities and educational institutions, and has advised and participated in seminars, training and workshops organized by universities to share their professional experiences and insights, thereby contributing to the development of new talent for the industry and a better society.



2014 Walks for Millions of the Community Chest of Hong Kong
2014公益金百萬行

Named as a “Caring Company” for the 10th Consecutive Year
連續十年獲頒為「商界展關懷」公司



我們關心地球及工作所在的社區。除了支持慈善活動，本集團亦致力促進社區整體的可持續發展。

支持公益活動

本集團鼓勵員工參與公益活動和義務工作。2014年，我們參與了若干公益活動，包括由香港公益金舉辦的公益金百萬行。

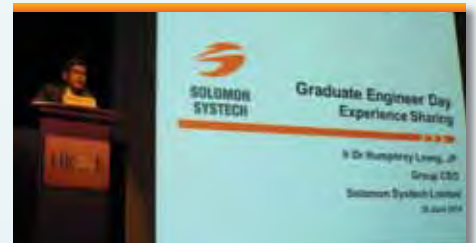
為社會的可持續發展作出貢獻

作為一家負責任的科技公司，本集團非常重視社會的可持續發展，尤其是三大方面：行業發展、政府政策及人才培育。

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

本集團相信教育和培養人才對社會福祉極為重要。為此，本集團為香港認可大學提名的優秀學生設立獎學金計劃，並提供就業及暑期實習機會。

高級管理層亦參與本地大學及教育組織的顧問委員會，參加大學的研討會、培訓及工作坊以分享其專業經驗及見解，從而為行業及社會培育新人才出一分力。



Dr. Leung Kwong Wai at the Hong Kong Institution of Engineers' Graduate Engineer Day sharing his experiences
梁廣偉博士在“香港工程師學會見習工程師日”分享經驗

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Independent Non-executive Chairman



Mr. SUN, Patrick, aged 56

- Independent Non-executive Chairman
- Appointed to the Board: 2004

- Chairman of the Nomination Committee and Remuneration Committee
- Member of the Audit Committee

Skills and experience:

- Received a B.Sc. degree from Wharton School, University of Pennsylvania. Mr. Sun is a member of the Hong Kong Institute of Certified Public Accountants. He has rich experience in investment banking.

Current appointments include:

- Independent non-executive director of (i) China CNR Corporation Limited (HKSE: 6199 & SSE: 601299), (ii) China NT Pharma Group Limited (HKSE: 1011), (iii) China Railway Construction Corporation Limited (HKSE: 1186 & SSE: 601186), (iv) Sihuan Pharmaceutical Holdings Group Ltd. (HKSE: 0460) and (v) Trinity Limited (HKSE: 0891)
- Chairman of the Chamber of Hong Kong Listed Companies

Former appointments include:

- Independent non-executive director of China Railway Group Limited (HKSE: 0390) and non-executive director, Renhe Commercial Holdings Company Limited (HKSE: 1387)
- Member of Takeovers & Mergers Panel and the Takeovers Appeal Committee, deputy chairman of the Listing Committee, and member of the Council of the Stock Exchange
- Senior country officer and head of investment banking for Hong Kong, JPMorgan Chase & Co., and group executive director and head of investment banking for Greater China of Jardine Fleming Holdings Limited

Managing Director



Dr. LEUNG Kwong Wai, JP, aged 58

- Founder and Managing Director of the Group/ the Group Chief Executive Officer ("CEO")
- Authorized Representative pursuant to Rule 3.05 of the Listing Rules

- Chairman of the Investment Committee and member of the Nomination Committee of the Company
- Director of the following wholly-owned subsidiaries of the Group:
 - Ample Pacific Limited
 - Broadwood Global Limited
 - Cornway International Limited
 - Loyal Creative Limited¹

1. Deregistered in February 2015
於2015年2月撤消公司註冊

獨立非執行主席

辛定華先生，56歲

- 獨立非執行主席
- 獲委任為董事：2004年
- 提名委員會及薪酬委員會主席
- 審核委員會委員

才能及經驗：

- 於賓夕凡利亞州大學華頓商學院取得理學士學位。辛先生是香港會計師公會成員。彼具豐富投資銀行經驗。

現任職位包括：

- 分別為 (i) 中國北車股份有限公司 (香港股份編號：6199 及上海證券股份代碼：601299)、(ii) 中國泰凌醫藥集團有限公司 (香港股份編號：1011)、(iii) 中國鐵建股份有限公司 (香港股份編號：1186 及上海證券股份代碼：601186)、(iv) 四環醫藥控股集團有限公司 (香港股份編號：0460) 和 (v) 利邦控股有限公司 (香港股份編號：0891) 的獨立非執行董事
- 香港上市公司商會主席

曾任職位包括：

- 中國中鐵股份有限公司 (香港股份編號：0390) 獨立非執行董事及人和商業控股有限公司 (香港股份編號：1387) 的非執行董事
- 收購及合併委員會及收購上訴委員會的成員、上市委員會副主席及聯交所理事會成員
- 摩根大通香港區高級地區主管兼投資銀行主管及 Jardine Fleming Holdings Limited 大中華地區集團執行董事兼投資銀行業務主管

董事總經理

梁廣偉博士，太平紳士，58歲

- 本集團創辦人兼董事總經理 / 集團行政總裁
- 依據上市規則第3.05條本公司之授權代表
- 投資委員會主席及提名委員會委員
- 以下集團全資附屬公司的董事：
 - Ample Pacific Limited
 - 博活環球有限公司
 - Cornway International Limited
 - 來建有限公司¹

- Mentor Ventures Limited
 - Pac-Pacific Limited
 - Solomon Systech Inc.
 - Solomon Systech Limited
 - Solomon Systech Japan Company Limited
 - Solomon Systech Taiwan Limited
 - Systech Technology China Limited
 - WE3 Ventures Limited
 - WE3 Technology Company Limited
- Dr. Leung did not hold any directorship in the companies of which the shares are listed on the Stock Exchange of Hong Kong or overseas in the last three years except in the Company.

Skills, experience and awards:

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

Current appointments include:

- Appointed member of the Steering Committee on Innovation and Technology of the HKSAR on an ad personam basis
- 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 of the HKSAR
- Honorary vice chairman of Hong Kong Electronic Industries Association
- Vice president of the Hong Kong Semiconductor Industry Council
- Member of Technical Advisory Committee of the National ASIC Engineering Research Centre (Hong Kong Branch)
- Vice president of Executive Council of China Semiconductor Industry Association IC Design Branch

Former appointments include:

- Director of operations of Motorola Semiconductors Hong Kong Limited just before establishing Solomon Systech Limited in 1999
- Member of the board of directors of Nano and Advanced Materials Institute Limited

- Mentor Ventures Limited
 - 通洋有限公司
 - Solomon Systech Inc.
 - 晶門科技有限公司
 - Solomon Systech Japan Company Limited
 - 晶門科技股份有限公司
 - 晶門電子科技中國有限公司
 - WE3 Ventures Limited
 - 維駿科技有限公司
- 除本公司外，梁博士於過往三年並無在其證券於香港或海外任何證券市場上市的公眾公司中擔任任何董事職務。

才能、經驗及獎項：

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

現任職位包括：

- 以個人名義獲委任為香港特別行政區創新及科技督導委員會成員
- 獲委任為香港特別行政區經濟發展委員會轄下四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之非官方委員
- 香港電子業商會名譽副會長
- 香港半導體行業協會副會長
- 國家專用集成電路系統工程技術研究中心香港分中心的技術諮詢委員會成員
- 中國半導體行業協會集成電路設計分會副理事長

曾任職位包括：

- 於1999年成立晶門科技有限公司前為萬力半導體香港有限公司營運總監
- 納米及先進材料研究院有限公司的董事會成員

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Executive Directors



Mr. CHEUNG Wai Kuen, Kenny, aged 49

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

Mr. Cheung was an Executive Director of the Company during the period from March 2009 to November 2010. Saved as aforesaid, Mr. Cheung did not hold any directorships in the companies of which the shares are listed on the Stock Exchange or overseas in the last three years.

Skills and experience:

- Received a bachelor's degree in engineering from The Hong Kong Polytechnic (now The Hong Kong Polytechnic University)
- Received a master's degree in engineering management from City University of Hong Kong
- With over 27 years of working experience in the electronics industry in managing global business operations including product engineering, product applications, business and market development

Current appointments include:

- Vice President, Business Operations of SSL
- Director of the wholly-owned subsidiaries of the Company WE3 Technology Company Limited and 維深通訊（深圳）有限公司

Former appointments include:

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

Non-executive Directors



Dr. LI Jun, aged 39

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

Skills and experience:

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

Current appointments include:

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

執行董事

張惠權先生，49歲

- 執行董事
- 獲委任為董事：2014年10月
- 投資委員會委員

於2009年3月至2010年11月期間，張先生曾為本公司執行董事。除如前述，張先生於過往三年並無在於聯交所或海外上市的公司中擔任任何董事職務。

才能及經驗：

- 於香港理工學院（現為香港理工大學）獲得工程學學士學位
- 於香港城市大學取得工程管理碩士學位
- 在電子行業擁有超過27年管理全球業務營運的經驗，包括產品工程、產品應用、業務及市場開發

現任職位包括：

- 晶門香港業務營運副總裁
- 本公司全資附屬公司維駿科技有限公司及維深通訊（深圳）有限公司董事

曾任職位包括：

- 加入本集團前，張先生服務於萬力半導體香港有限公司，任職摩托羅亞亞太區無線及移動系統部總經理

非執行董事

李峻博士，39歲

- 非執行董事
- 獲委任為董事：2014年10月
- 投資委員會委員

才能及經驗：

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

現任職位包括：

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

Former appointments include:

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

**Mr. LI Rongxin, aged 44**

- Non-executive Director
- Appointed to the Board: October 2014
- Mr. Li did not hold any directorships in the companies of which the shares are listed on the Stock Exchange or overseas in the last three years

Skills and experience:

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

Current appointments include:

- General manager and director of Shanghai Huahong Integrated Circuit Co. Ltd ("Huahong") and deputy general manager of Huada Semiconductors Co. Ltd ("Huada"). Both Huahong and Huada are subsidiaries of CEC

Former appointments include:

- Worked in Intel (China) Co. Ltd from 1996 to 2006 and also Shanghai Belling Co. Ltd. (SSE: 600171) on new product development

**Mr. ZHAO Guiwu, aged 52**

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

Skills and experience:

- A senior engineer who holds a master's degree in inorganic non-metallic materialism from Tianjin University
- Extensive experience in semiconductors industry

Current appointments include:

- Chairman of Shanghai Belling Co., Ltd. (SSE:600171)

Former appointments include:

- Chairman of Shanghai Huahong Integrated Circuit Co.,Ltd
- Non-executive vice-chairman of China Electronics Corporation Holdings Company Limited (HKSE: 0085)
- General manager of the Integrated Circuit Business Group of CEC, deputy manager of the Strategic Planning Department and general manager of the Planning Development (Strategic Projects) Department of CEC, Chief of Planning Division of the Department of Corporate Planning of China Electronics Technology Group Corporation and deputy general manager of CETC (Deqing) Huaying Electronics Co., Ltd.

曾任職位包括：

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

李榮信先生，44歲

- 非執行董事
- 獲委任為董事：2014年10月
- 李先生於過往三年並無在於聯交所或海外上市的公司中擔任任何董事職務

才能及經驗：

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

現任職位包括：

- 上海華虹集成電路有限責任公司(「華虹」)總經理及董事，及華大半導體有限公司(「華大」)副總經理。華虹及華大為CEC附屬公司

曾任職位包括：

- 於1996至2006年期間任職英特爾(中國)有限公司及服務上海貝嶺股份有限公司(上海證券股份代碼：600171)，負責新產品開發

趙貴武先生，52歲

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

才能及經驗：

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

現任職位包括：

- 上海貝嶺股份有限公司(上海證券股份代碼：600171)董事長

曾任職位包括：

- 上海華虹集成電路有限責任公司董事長
- 中國電子集團控股有限公司(香港股份編號：0085)非執行副主席
- 中國電子集成電路事業本部主任、中國電子戰略規劃部副總經理及規劃計畫部(重大項目)總經理、中國電子科技集團公司企業策劃部規劃處處長及中電科技(德清)華瑩電子有限公司副總經理。

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

Independent Non-executive Directors

Mr. SUN, Patrick

(please refer to Independent Non-executive Chairman on Page 38)



Mr. CHOY Kwok Hung, Patrick, aged 72

- Independent Non-executive Director
- Appointed to the Board: October 2004

- Member of the Audit Committee, Investment Committee and Remuneration Committee

Skills and experience:

- Received a diploma in Chinese Law from East Asia University
- With extensive experience in corporate finance and semiconductor industry

Current appointments include:

- Director of Beijing LED Energy Management Technology Co. Ltd., an associated company of the Group
- Founder and Chairman of Global Strategy Group

Former appointments include:

- Retired from Motorola as Corporate Vice President in 2003 after serving numerous senior finance, investment and strategy positions in Motorola Asia Pacific since the 1970's
- Member of the Chinese People's Political Consultative Conference, National Committee
- Adviser to Motorola, Freescale, Bunge, Temasak, Keppel, Nan Fung, etc.
- Executive director and chairman of China Financial Leasing Group Limited (HKSE: 2312)



Mr. LEUNG Heung Ying, aged 51

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

Skills and experience:

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

Current appointments include:

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

獨立非執行董事

辛定華先生

(請參閱第38頁獨立非執行主席一節)

蔡國雄先生，72歲

- 獨立非執行董事
- 獲委任為董事：2004年10月

- 審核委員會、投資委員會及薪酬委員會委員

才能及經驗：

- 於東亞大學取得中國法律文憑
- 於企業財務及半導體行業方面具豐富經驗

現任職位包括：

- 本集團聯營公司北京愛爾益地節能科技有限責任公司的董事

- 環球策略有限公司創辦人兼董事長

曾任職位包括：

- 於2003年退休前為摩托羅拉企業副總裁，歷任摩托羅拉亞太區多個高級財務、投資和策略職能
- 中國人民政治協商會議全國委員會成員
- 摩托羅拉，飛思卡爾，邦基，淡馬錫，吉寶，南豐等公司顧問
- 中國金融租賃集團有限公司（香港股份編號：2312）執行董事兼主席

梁享英先生，51歲

- 獨立非執行董事
- 獲委任為董事：2014年10月
- 審核委員會主席

才能及經驗：

- 於英國百拉福大學取得學士學位，英國倫敦大學倫敦經濟及政治學院之碩士學位，及中國北京大學之中國法律學士學位

- 英格蘭及威爾斯特許會計師公會及香港會計師公會之資深會員，以及香港證券學會的委員

現任職位包括：

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

Former appointments include:

- Executive director of China Packaging Group Company Limited (HKSE: 0572) and independent non-executive director of Creative Energy Solutions Holdings Limited (HKSE: 8109)
- Member of the Hong Kong Institute of Certified Public Accountants Corporate Finance Committee, the Expert Panel on Listing and the Advisory Committee on Listing and Takeover Regulations

**Mr. SHEU Wei Fu, aged 45**

- Independent Non-executive Director
- Appointed to the Board: October 2014
- A member of the Nomination Committee

Skills and experience:

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

Current appointments include:

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

Former appointments include:

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

**Mr. YIU Tin Chong, Joseph, aged 65**

- Independent Non-executive Director
- Appointed to the Board: 2011

- Member of the Audit Committee, Investment Committee, Nomination Committee and Remuneration Committee
- Mr. Yiu did not hold any directorships in the companies of which the shares are listed on the Stock Exchange or overseas in the last three years

Skills and experience:

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

Current appointments include:

- Chairman Emeritus of Freescale Semiconductor (Hong Kong) Ltd ("FSHKL") and advisor to FSHKL on regional business strategy, government affairs and corporate governance

Former appointments include:

- Worked for Motorola Group for over 26 years, both in USA and Asia. He was the corporate vice president of Motorola Group and general manager of Motorola Semiconductor Hong Kong Ltd.

曾任職位包括：

- 中國包裝集團有限公司(香港股份代號：0572)的執行董事及科瑞控股有限公司(香港股份代號：8109)之獨立非執行董事
- 香港會計師公會的企業融資委員會、香港上市專家評審委員會及香港上市及收購條例諮詢委員會的成員

許維夫先生，45歲

- 獨立非執行董事
- 獲委任為董事：2014年10月
- 提名委員會委員

才能及經驗：

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

現任職位包括：

- 廣達電腦股份有限公司主席及行政總裁之特別助理(策略與規劃)

曾任職位包括：

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

姚天從先生，65歲

- 獨立非執行董事
- 獲委任為董事：2011年
- 審核委員會、投資委員會、提名委員會及薪酬委員會委員

- 姚先生於過往三年並無在於聯交所或海外上市的公司中擔任任何董事職務

才能及經驗：

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

現任職位包括：

- 飛思卡爾半導體(香港)有限公司(「飛思卡爾香港」)榮譽主席，就區域業務拓展策略、政府關係及企業管治等多方面提供諮詢服務

曾任職位包括：

- 在摩托羅拉集團服務超過26年，跡遍美國和亞洲地區。姚先生曾為摩托羅拉集團副總裁及萬力半導體香港有限公司總經理

BOARD OF DIRECTORS AND SENIOR MANAGEMENT (continued)

董事會及高級管理層 (續)

Honorary Adviser



Professor KAO Kuen, Charles, aged 81, was an Independent Non-executive Director of the Company until 1 March 2008 and has been acting as the honorary adviser of the Company. Known as “the father of fiber optics”, Prof. Kao was awarded the 2009 Nobel Prize in Physics.

榮譽顧問

高錕教授，81歲，於2008年3月1日前擔任本公司的獨立非執行董事，現為本公司的榮譽顧問。被喻為「光纖之父」的高教授，於2009年獲頒授諾貝爾物理學獎。

Company Secretary



Mrs. FUNG Lui Kit Har, Keziah, aged 54, Vice President, Finance. Mrs. Fung joined Solomon Systech Limited in 2000 as Finance Director and is currently acting as the Company Secretary and the Authorized Representative of the Company pursuant to Rule 3.05 of the Listing Rules. Mrs. Fung is a Director of Ample Pacific Limited, Loyal Creative Limited¹, Pac-Pacific Limited and Solomon Systech Pte. Ltd., the wholly-owned subsidiaries of the Group.

公司秘書

馮雷潔霞女士，54歲，為集團副總裁—財務，於2000年加入晶門科技有限公司出任財務總監。馮女士目前兼任本公司的公司秘書職務亦為依據上市規則第3.05條本公司所委任之授權代表，馮女士亦為集團全資附屬公司，包括Ample Pacific Limited、來建有限公司¹、通洋有限公司及Solomon Systech Pte. Ltd.的董事。

Senior Management

Mr. HUANG Hsing Hua, aged 56, Vice President, Sales. Mr. Huang joined the Group in 2003 as Sales Director of Solomon Systech Limited. Mr. Huang is a Director of Solomon Systech Limited and Solomon Systech Taiwan Limited, the wholly-owned subsidiaries of the Group.

高級管理層

黃心華先生，56歲，副總裁—營業。黃先生於2003年加入本集團出任晶門科技有限公司營業總監。黃先生為本集團全資附屬公司晶門科技有限公司及晶門科技股份有限公司的董事。

Mr. LAI Woon Ching, aged 61, Vice President, China Operations and Quality & Manufacturing of Solomon Systech Limited, joined the Group at its inception in 1999. Mr. Lai is also leading the Large Display business operations of the Group. He is a director of the wholly-owned subsidiaries of the Group, namely Cornway International Limited, Jing Guang Semiconductors (Dongguan) Limited, Solomon Systech (Shenzhen) Limited and Systech Technology China Limited. Mr. Lai has been an Executive Director of the Company from March 2004 to October 2014.

黎垣清先生，61歲，晶門科技有限公司副總裁—中國業務和品質及製造，自本集團於1999年成立時加入工作。黎先生亦同時領導本集團大型顯示業務。黎先生為本集團全資附屬公司：Cornway International Limited、東莞晶廣半導體有限公司、晶門科技（深圳）有限公司及晶門電子科技中國有限公司的董事。黎先生於2004年3月至2014年10月為本公司執行董事。

Mr. LO Wai Ming, aged 52, Vice President, Business Operations. Mr. Lo joined the Group at its inception in 1999 as Business Operations Director of Solomon Systech Limited. He is also a Director of Kitronix Limited and Beijing LED Energy Management Technology Co. Ltd., the associated companies of the Group. Mr. Lo is also a Director of the wholly-owned subsidiaries of the Group, namely Broadwood Global Limited, Cornway International Limited, Mentor Ventures Limited, Solomon Systech Japan Company Limited, Solomon Systech (Shenzhen) Limited and Solomon Systech Taiwan Limited.

盧偉明先生，52歲，副總裁—業務營運。盧先生自本集團於1999年成立時起加入晶門科技有限公司出任業務營運總監。他亦是集團聯營公司奇創力有限公司及北京愛爾益地節能科技有限責任公司的董事。他亦為集團全資附屬公司博活環球有限公司、Cornway International Limited、Mentor Ventures Limited、Solomon Systech Japan Company Limited、晶門科技（深圳）有限公司及晶門科技股份有限公司的董事。

Mr. TSUI Wai Hung, Ken, aged 46, Vice President, Design Engineering. Mr. Tsui joined Solomon Systech Pte. Ltd., a wholly owned subsidiary of the Group in 2004 as Design Engineering Manager. He is also a Director of Solomon Systech Pte. Ltd.

徐偉雄先生，46歲，副總裁—設計工程。徐先生於2004年加入集團全資附屬公司Solomon Systech Pte. Ltd.出任技術經理。他亦為該公司董事。

Mr. WANG Wah Chi, Raymond, aged 49, Vice President, Business Operations. Mr. Wong rejoined Solomon Systech Limited in 2006 as Business Operations Director.

王華志先生，49歲，副總裁—業務營運。王先生於2006年重新加入晶門科技有限公司出任業務營運總監。

1. Deregistered in February 2015
於2015年2月撤消公司註冊

Ms. LO Oi Yee, Mabel, aged 50, Human Resources Director. Ms. Lo joined Solomon Systech Limited in 2000 as Human Resources Manager.

Mr. WONG Ka Kei, aged 49, Planning & Customer Services Director. Mr. Wong joined Solomon Systech Limited in 2005 as Business Process Solutions Manager.

Mr. WONG Yat Sheung, aged 42, Corporate Development Director. Mr. Wong joined Solomon Systech Limited in 2014.

Changes in Information of Directors

Pursuant to the disclosure requirement under Rule 13.51B(1) of the Listing Rules, changes in information of Directors of our Company subsequent to the date of the Company's 2014 Interim Report are as follows:

- In October 2014, Mr. Sun, Patrick was appointed an independent non-executive director of China Railway Construction Corporation Limited (HKSE: 1186 & SSE: 601186).

盧愛兒女士，50歲，人力資源總監。盧女士於2000年加入晶門科技有限公司出任人力資源經理。

黃家驥先生，49歲，策劃及客戶服務總監。黃先生於2005年加入晶門科技有限公司出任業務流程經理。

黃溢湘先生，42歲，企業發展總監。黃先生於2014年加入晶門科技有限公司。

董事資料變更

根據聯交所上市規則第13.51B（1）條的資料披露規定，於本公司2014年中期報告日期後之本公司董事資料的變更如下：

- 辛定華先生於2014年10月獲委任為中國鐵建股份有限公司（香港股份編號：1186及上海證券股份代碼：601186）的獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate governance practices

The Board of Directors and the management of the Group are committed to achieving and maintaining high standards of corporate governance, which the Group considers as critical in safeguarding the integrity of its business operations and maintaining investors' trust in the Company. The management also actively and constantly observes the latest corporate governance developments in Hong Kong and overseas, particularly those in UK and USA.

Save as disclosed in the "Board meetings, Board Committees meetings and General Meetings" on page 55 of this Annual Report, the Company has complied with all the applicable Code Provisions in the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2014. To maintain high standards of corporate governance, the Company has complied with certain recommended best practices in the Code.

Directors' securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code for Directors' securities transactions. All the Directors have confirmed their compliance with the required standards set out in the Model Code during the year. Regarding the shares held by the Directors, the details are listed in the "Report of the Directors" from pages 67 to 76 of this Annual Report. Pursuant to the Code Provision A.6.4, the Company established its own written guidelines on no less exacting terms than the Model Code for Directors and relevant employees who are likely to be in possession of unpublished inside information in respect of their dealings in the securities of the Company. All Directors and relevant employees conformed to the Group's own guidelines throughout the year 2014.

Board of Directors

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

- Strategy and management
- Group structure and capital
- Financial reporting and control
- Internal controls
- Major contracts

企業管治常規

本集團的董事會及管理層承諾達到及保持高水平的企業管治，這也是維護本集團業務營運的誠信和提高投資者對本公司信心的關鍵因素。管理層亦主動和經常地留意香港與海外(特別是英國及美國)的最新企業管治的發展。

除本年報第55頁之「董事會會議、董事委員會會議及股東大會」一節所披露外，截至2014年12月31日止年度內，本公司一直遵守上市規則附錄14所載之企業管治守則(「守則」)中所有適用的守則條文。為維持高水平的企業管治標準，本公司已遵守部分守則中建議的最佳常規守則。

董事的證券交易

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事進行證券交易的守則。全體董事已向本公司確認彼等於年內一直遵守標準守則所載的規定。就董事所持有的股份而言，有關詳情乃列於本年報第67至76頁之「董事會報告」一節。根據守則條文第A.6.4條，本公司已就董事及有關員工可能在買賣本公司證券時取得尚未公開的內幕消息，制訂不比標準守則寬鬆的書面指引。於2014年全年，所有董事及有關員工已確認遵守本集團之內部指引。

董事會

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

- 策略及管理
- 集團架構及資本
- 財務報表及監控
- 內部監控
- 主要合約

Board of Directors (continued)

- Corporate communications
- Board membership and other appointments
- Remuneration
- Authority and delegation
- Corporate governance
- Company policies

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

Chairman and Managing Director

The roles of the Independent Non-executive Chairman (the “Chairman”), Mr. Sun, Patrick, and the Managing Director, Dr. Leung Kwong Wai are segregated as stipulated in the Listing Rules, in order to ensure a clear distinction between the responsibilities of the Chairman and the Managing Director.

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

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

The Managing Director, Dr. Leung Kwong Wai, is responsible for managing the Group and executing the strategies adopted by the Board. He functions as the Chief Executive Officer who leads the Group’s management team in accordance with the directions set by the Board. He is responsible for ensuring that a proper internal control system is in place and that the Group’s business conforms to applicable laws and regulations. The Managing Director chairs the monthly operations and financial reviews and also the bi-weekly management staff meetings, as well as the quarterly employees’ communication meeting.

董事會(續)

- 企業傳訊
- 董事會成員及其他任命
- 薪酬
- 職權及授權
- 企業管治
- 公司政策

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

主席及董事總經理

獨立非執行主席(「主席」)辛定華先生及董事總經理梁廣偉博士之職責，根據上市規則的規定已作區分，藉以確保主席與董事總經理的責任明確劃分。

主席及董事總經理的職責及職權有明確區分，可確保權力均衡，加強問責性，以及提高董事會作出獨立決策的能力。

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

董事總經理梁廣偉博士負責管理本集團運作，以及執行董事會採納的策略。他以行政總裁的角色帶領本集團的管理團隊按照董事會的指示履行職務。他須確保本集團具備適當的內部監控體系，及本集團的業務經營遵守適用的法律和規例。董事總經理於每月召開的業務及財務檢討會議和每兩星期召開的高級管理層會議擔任主席，並會主持每季召開的員工溝通大會。

Board composition

As at the date of this Annual Report, the Board comprises two Executive Directors (including the Managing Director), three Non-executive Directors and five Independent Non-executive Directors (including the Chairman). The size and composition of the Board are reviewed from time to time, taking into account the scope and nature of the Company's operations, to ensure that the size of the Board is adequate to provide a diversity of views and facilitate effective decision-making. The biographical details of all Directors and the relationships among them, if any, are set out in the "Board of Directors and Senior Management" on pages 38 to 45 of this Annual Report and the Company's website. Except as disclosed in the section of "Board of Directors and Senior Management", none of the Directors has any financial, business, family or other material or relevant relationships among members of the Board and the Company has received annual confirmation of independence from each of the Independent Non-executive Directors.

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

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

董事會組合

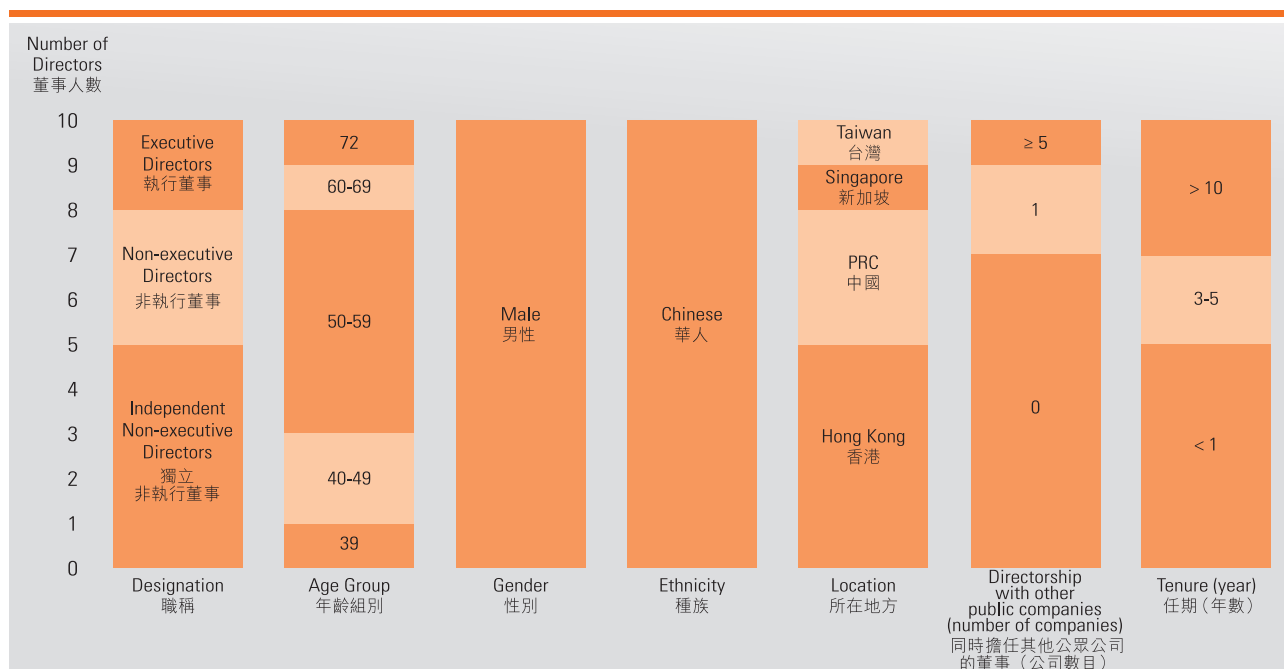
於本年報日，董事會計有兩名執行董事(包括董事總經理)，三名非執行董事及五名獨立非執行董事(包括主席)。本集團會不時檢討董事會的規模及組成，當中會考慮本公司的業務範圍及性質，以確保董事會的規模足以提供不同的觀點，並作出有效決策。所有董事的履歷詳情及彼等之間的關係(如有)均載於本年報第38至45頁之「董事會及高級管理層」一節及本公司網站。除「董事會及高級管理層」一節所披露外，概無董事與董事會成員之間有任何財務、商業、家族或其他重大或相關關係，而本公司亦已收到各獨立非執行董事之年度對獨立性的確認函。

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

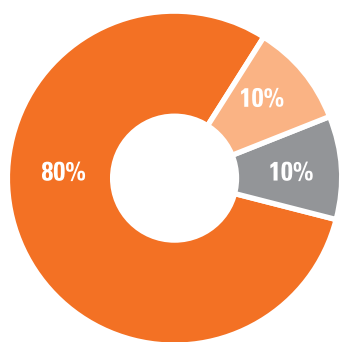
甄選人選將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族。最終將按人選的長處及可為董事會作出的貢獻而作決定。

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

現時董事會組合的分析如下列圖表：

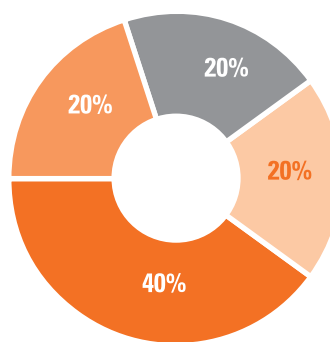


INDUSTRY EXPERIENCE 行業經驗



- Accounting & Finance (會計及財務)
- Banking & Investment (銀行及投資)
- Electronics & Semiconductors (電子及半導體)

ACADEMIC BACKGROUND 學術背景



- Accounting / Finance (會計/財務)
- Business / Economics (商業/經濟)
- Engineering (工程)
- Engineering & Business (工程及商業)

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

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

Non-executive Directors

The Non-executive Directors bring a wide range of skills, industry and business experience to the Group. At least once a year, Non-executive Directors and also Independent Non-executive Directors will have a private discussion with the Chairman on the Group's matters without the presence of the Executive Directors (including the Managing Director). In addition, Non-executive Directors, according to the Group's policy, may approach the Group's employees at anytime they think appropriate. During the year, the Group's management also met with certain Non-executive Directors to seek their views on certain business or operational matters.

During the year 2014, the Board had a total of five Independent Non-executive Directors and they represented half of the Board which were in excess of the minimum requirements for three under Rule 3.10(1) of the Listing Rules and for one-third under Rule 3.10A of the Listing Rules respectively. This composition of the Board demonstrates a strong independent element, which can effectively exercise independent judgment pursuant to the Code Provision A.3 so as to further strengthen the Company's corporate governance.

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

Subject to re-election according to the procedures set out in the Company's Articles of Association, the Company has entered into service contracts for a specific term ended on 30 June 2015 with each of the Non-executive Directors and Independent Non-executive Directors.

非執行董事

非執行董事為本集團帶來各方面的技術、行業及業務經驗。非執行董事及獨立非執行董事就本集團事宜與主席進行每年不少於一次的私下討論，執行董事(包括董事總經理)並不列席。此外，根據本集團之政策，非執行董事可於彼等認為合適時隨時接觸本集團之員工。年內，本集團的管理層亦不時會見若干非執行董事，尋求他們在若干業務或營運事宜的意見。

於2014年內，董事會共有五名獨立非執行董事而他們佔董事會成員人數的一半，已分別超越上市規則第3.10(1)條必須最少三名及上市規則第3.10A條要求三分之一之最低要求之規定。使公司董事會的組成具備更強的獨立元素，更有效達成守則條文A.3條所載的獨立判斷，進一步加強本公司的企業管治。

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

受本公司組織章程細則所載的膺選連任程序的規限，本公司已與各非執行董事及獨立非執行董事訂立服務合約至2015年6月30日。

Directors' continuous training and development

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

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

In 2014, some of the Directors attended the seminars or read materials on the corporate governance, updates on laws, rules and regulations and other professional skills. Directors were also encouraged to take educational courses on duties of the directors.

The Board has received from each of the Directors (Independent Non-executive Directors, Non-executive Directors including the alternative Director and Executive Directors) of the Company a record of the training received for the year ended 2014 indicating their compliance to the Code Provision A.6.5.

董事之持續培訓及發展

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

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

於2014年，部分董事出席了講座或閱覽有關企業管治、法律、規則和規例之最新資料及其他專業技能。本集團亦鼓勵董事修讀有關董事職務之教育課程。

董事會亦收悉本公司每位董事(獨立非執行董事、非執行董事—包括替代董事及執行董事)於2014年度止所接受的培訓記錄均顯示他們已經遵守守則條文第A.6.5條。

Directors' appointment, re-election and removal

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

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

In accordance with Article 112 of the Company's Articles of Association, Mr. Sun, Patrick, Mr. Choy Kwok Hung, Patrick, Mr. Yiu Tin Chong, Joseph and Mr. Zhao Guiwu are due to retire at the forthcoming annual general meeting.

Board meetings and Board practices

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

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

董事的委任、重選及罷免

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

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

根據本公司的組織章程細則第112條，辛定華先生、蔡國雄先生、姚天從先生及趙貴武先生於即將舉行的股東週年大會上輪席退任。

董事會會議及董事會常規

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

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

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

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

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

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

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

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

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

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

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

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

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

所有董事委員會均採納董事會會議中所採用的相同原則及程序。

CORPORATE GOVERNANCE REPORT (continued)

企業管治報告(續)

Board Committees

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

董事委員會

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

| | Position 職位 | Date of first appointment to the Board 首次獲委任為董事會成員的日期 | Date of last re-election as Director 最近一次膺選連任為董事的日期 | Audit Committee 審核委員會 | Remuneration Committee 薪酬委員會 | Nomination Committee 提名委員會 | Investment Committee 投資委員會 |
|--|---|--|--|--------------------------|---------------------------------|-------------------------------|-------------------------------|
| Sun, Patrick 辛定華 | Independent Non-executive Chairman & Independent Non-executive Director 獨立非執行主席及獨立非執行董事 | 25 February 2004 2004年2月25日 | 24 May 2012 2012年5月24日 | √ | √ | √ | |
| Choy Kwok Hung, Patrick 蔡國雄 | Independent Non-executive Director 獨立非執行董事 | 25 February 2004 2004年2月25日 | 28 May 2013 2013年5月28日 | √ | √ | | √ |
| Leung Heung Ying ⁽ⁱ⁾ 梁享英 | Independent Non-executive Director 獨立非執行董事 | 8 October 2014 2014年10月8日 | N/A 不適用 | √ | | | |
| Sheu Wei Fu ⁽ⁱ⁾ 許維夫 | Independent Non-executive Director 獨立非執行董事 | 8 October 2014 2014年10月8日 | N/A 不適用 | | | √ | |
| Yiu Tin Chong, Joseph 姚天從 | Independent Non-executive Director 獨立非執行董事 | 6 July 2011 2011年7月6日 | 27 May 2014 2014年5月27日 | √ | √ | √ | √ |
| Li Jun ⁽ⁱ⁾ 李峻 | Non-executive Director 非執行董事 | 8 October 2014 2014年10月8日 | N/A 不適用 | | | | √ |
| Li Rongxin ⁽ⁱ⁾ 李榮信 | Non-executive Director 非執行董事 | 8 October 2014 2014年10月8日 | N/A 不適用 | | | | |
| Zhao Guiwu 趙貴武 | Non-executive Director 非執行董事 | 11 October 2010 2010年10月11日 | 28 May 2013 2013年5月28日 | √ | √ | √ | |
| Leung Kwong Wai 梁廣偉 | Executive Director/ Managing Director/ Chief Executive Officer 執行董事/董事總經理/ 行政總裁 | 21 November 2003 2003年11月21日 | 27 May 2014 2014年5月27日 | | | √ | √ |
| Cheung Wai Kuen, Kenny ⁽ⁱ⁾ 張惠權 | Executive Director 執行董事 | 8 October 2014 2014年10月8日 | N/A 不適用 | | | | √ |

(i) New Directors of the Company appointed by the shareholders of the Company at the Extraordinary General Meeting held on 8 October 2014.

(i) 由本公司股東於2014年10月8日舉行的股東特別大會中委任為本公司新董事。

Board meetings, Board Committees meetings and General Meetings

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

董事會會議、董事委員會會議及股東大會

本年度董事出席的董事會會議、董事委員會會議及股東大會詳情列於下表：

| | | Annual General Meeting 股東週年大會 | Extraordinary General Meeting 股東特別大會 | Board Meeting 董事會會議 | Audit Committee Meeting 審核委員會會議 | Remuneration Committee Meeting 薪酬委員會會議 | Nomination Committee Meeting 提名委員會會議 | Investment Committee Meeting 投資委員會會議 |
|--|------------------------------------|--|---|------------------------|------------------------------------|---|---|---|
| Number of meetings held | 舉行會議次數 | 1 | 1 | 5 | 2 | 2 | 2 | 1 |
| Members of the Board | 董事會成員 | Number of meetings attended (Attendance Rate) 出席會議次數(出席率) | | | | | | |
| Independent Non-executive Directors | 獨立非執行董事 | | | | | | | |
| Sun, Patrick (Independent Non-executive Chairman) | 辛定華 (獨立非執行主席) | 1(100%) | 1(100%) | 5(100%) | 2(100%) | 2(100%) | 2(100%) | 1(100%) |
| Choy Kwok Hung, Patrick | 蔡國雄 | 1(100%) | 1(100%) | 5(100%) | 2(100%) | 2(100%) | — | 1(100%) |
| Leung Heung Ying ⁽ⁱ⁾ | 梁享英 ⁽ⁱ⁾ | — | — | 1(50%) | — | — | — | — |
| Sheu Wei Fu ⁽ⁱⁱ⁾ | 許維夫 ⁽ⁱⁱ⁾ | — | A | 2(100%) | — | — | — | — |
| Wong Yuet Leung, Frankie ⁽ⁱ⁾ | 黃月良 ⁽ⁱ⁾ | 1(100%) | — | 1(100%) | 1(100%) | — | — | — |
| Yiu Tin Chong, Joseph | 姚天從 | 1(100%) | 1(100%) | 5(100%) | 1(100%) | 1(100%) | 1(50%) | 1(100%) |
| Executive Directors | 執行董事 | | | | | | | |
| Leung Kwong Wai (Managing Director) | 梁廣偉(董事總經理) | 1(100%) | 1(100%) | 5(100%) | — | — | 2(100%) | 1(100%) |
| Cheung Wai Kuen, Kenny ⁽ⁱⁱ⁾ | 張惠權 ⁽ⁱⁱ⁾ | — | A | 2(100%) | — | — | — | — |
| Lai Woon Ching ⁽ⁱⁱⁱ⁾ | 黎垣清 ⁽ⁱⁱⁱ⁾ | 1(100%) | 1(100%) | 3(100%) | — | — | — | 1(100%) |
| Non-executive Directors | 非執行董事 | | | | | | | |
| Lai Weide ⁽ⁱⁱⁱ⁾ | 賴偉德 ⁽ⁱⁱⁱ⁾ | 0(0%) | 0(0%) | 2(67%) | — | 0(0%) | — | — |
| Lam Pak Lee ⁽ⁱ⁾ | 林百里 ⁽ⁱ⁾ | 0(0%) | — | 0(0%) | — | — | — | — |
| Sheu Wei Fu ^(iv) (alternate to Lam Pak Lee) | 許維夫 ^(iv) (林百里之 替代董事) | 0(0%) | — | 0(0%) | — | — | — | — |
| Li Jun ⁽ⁱⁱ⁾ | 李峻 ⁽ⁱⁱ⁾ | — | A | 2(100%) | — | — | — | — |
| Li Rongxin ⁽ⁱⁱ⁾ | 李榮信 ⁽ⁱⁱ⁾ | — | A | 2(100%) | — | — | — | — |
| Li Xiaochun ⁽ⁱⁱⁱ⁾ | 李曉春 ⁽ⁱⁱⁱ⁾ | 0(0%) | 0(0%) | 2(67%) | 1(100%) | — | — | — |
| Zhao Guiwu | 趙貴武 | 1(100%) | 1(100%) | 5(100%) | — | 1(100%) | — | 1(100%) |

A: In attendance

- (i) Directors retired at the 2014 Annual General Meeting of the Company who did not offer themselves for re-election.
- (ii) Directors elected at the Extraordinary General Meeting of the Company held on 8 October 2014.
- (iii) Directors resigned at the conclusion of the Extraordinary General Meeting of the Company held on 8 October 2014.
- (iv) Upon the retirement of Dr. Lam Pak Lee, Mr. Sheu Wei Fu ceased to be the alternate to Dr. Lam Pak Lee.

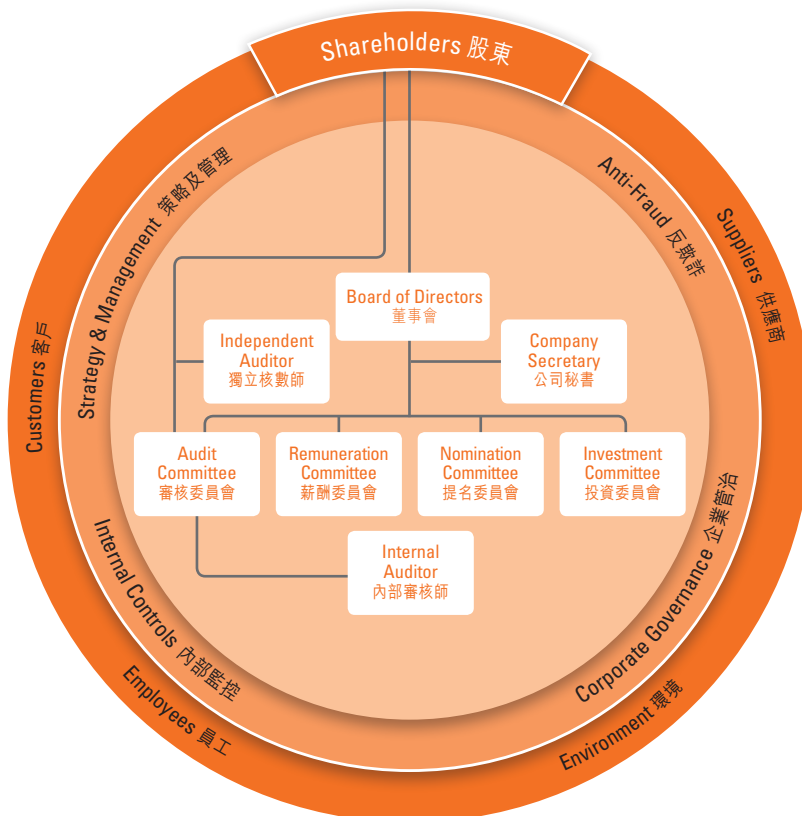
Pursuant to the Code Provision A.6.7, Independent Non-executive Directors and Non-executive Directors should attend general meetings. According to the above table, three Non-executive Directors and two Non-executive Directors of the Company were unable to attend the Annual General Meeting and Extraordinary General Meeting of the Company held on 27 May 2014 and 8 October 2014 respectively due to their business engagements. All Independent Non-executive Directors and Non-executive Directors were present at the General Meetings and available to answer questions from shareholders of the Company.

A: 列席

- (i) 已於本公司2014年股東週年大會輪席告退並放棄重選連任之董事。
- (ii) 於2014年10月8日本公司股東特別大會獲委任之董事。
- (iii) 於2014年10月8日本公司股東特別大會完結後辭任之董事。
- (iv) 林百里博士退任董事之同時，許維夫先生亦停任為林百里博士的替代董事。

根據守則條文第A.6.7條，獨立非執行董事及非執行董事應出席股東大會。根據上述列表，本公司分別有三名非執行董事及二名非執行董事因公務未能出席本公司於2014年5月27日舉行之股東週年大會及2014年10月8日舉行之股東特別大會。所有獨立非執行董事及非執行董事均已出席股東大會並回答本公司股東之問題。

Corporate governance structure
 企業管治架構



Remuneration Committee

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

薪酬委員會

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

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

The main duties of the Remuneration Committee are as follows:

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

In 2014, the Remuneration Committee confirmed the remuneration policy for the Executive Directors, assessed their performances as well as reviewed their employment contracts with the Group. Details of remuneration of Directors and the senior management can be obtained in note 9(b) of the Notes to the Consolidated Financial Statements section.

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

薪酬委員會之主要職務如下：

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

於2014年，薪酬委員會已確認執行董事的薪酬政策、評估其表現及審閱其與本集團的聘用合約。董事及高級管理層之薪酬詳情載於綜合財務報表附註9(b)內。

Nomination Committee

The Nomination Committee comprises the Chairman (also the Chairman of the Committee), the Managing Director, one Non-executive Director and two Independent Non-executive Directors. The Committee generally meets before the annual general meeting, or at other times as required by the Chairman of the Committee.

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

The main duties of the Nomination Committee are as follows:

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

In 2014, the Nomination Committee reviewed the policy for the nomination of Directors, the nomination procedures, the process and criteria to select and recommend candidate for directorship and the Board Diversity Policy. The Nomination Committee considers that the current Board composition has provided the Company with a good balance and diversity of skills and experiences appropriate for the business of the Company.

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

提名委員會

提名委員會的委員包括主席(亦為該委員會之主席)、董事總經理、一名非執行董事及二名獨立非執行董事。該委員會會議須於股東週年大會前或該委員會主席要求的其他時間舉行。

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

提名委員會之主要職務如下：

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

於2014年，提名委員會已檢討董事提名政策、挑選及建議候選人擔任董事的提名程序、過程及標準以及董事會成員多元化政策。提名委員會認為，董事會目前的成員組合為本公司提供均衡及多元化的技能及經驗，適合本公司業務所需。

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

Investment Committee

The Investment Committee comprises two Executive Directors, one Non-executive Director and two Independent Non-executive Directors. It shall meet at the request of any member of the Committee and its meetings will be facilitated by the Corporate Development Director, and the Vice President, Finance will also participate in the discussion.

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

The main duties of the Investment Committee are as follows:

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

In 2014, the Investment Committee has reviewed and monitored the performance of investments and made recommendations to the Board on investment proposals.

投資委員會

投資委員會的委員包括兩名執行董事、一名非執行董事及兩名獨立非執行董事。委員會須於任何委員會委員提出要求時召開會議，會議由企業發展總監作出安排，副總裁－財務亦會參與討論。

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

投資委員會之主要職務如下：

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

於2014年，投資委員會已審閱及監察投資表現及就投資提案的有關事宜向董事會提出建議。

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

Audit Committee

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

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

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

The authorities of the Audit Committee include (1) investigating any activity within its terms of reference; (2) seeking any information it requires from any employee; and (3) obtaining outside legal or other independent professional advice if required.

The main duties of the Audit Committee are as follows:

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

審核委員會

審核委員會的委員包括四名獨立非執行董事及一名非執行董事。審核委員會由梁享英先生擔任主席。梁先生是英格蘭及威爾斯特許會計師公會及香港會計師公會之資深會員，並具有多年董事會級之企業財務經驗。而辛定華先生(為審核委員會委員之一)亦是一名經驗豐富並有專業資格的投資銀行家。他們同樣具備符合上市規則第3.10(2)條的規定之適當的專業資格或會計或有關財務管理的專門技術。

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

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

審核委員會的職權包括(1)調查屬於其職權範圍內的任何活動；(2)向任何員工尋求委員會所需的任何資料；以及(3)在有需要時向外尋求法律或其他獨立專業意見。

審核委員會之主要職務如下：

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

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

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

Audit Committee (continued)

The Audit Committee held two meetings during the year ended 31 December 2014 to review and discuss the financial results and reports, financial reporting and compliance procedures, internal control system and risk management review and process and the re-appointment of the independent auditor of the Group.

As the Audit Committee is also responsible for corporate governance duties, the Committee performed the following duties during the year ended 31 December 2014:

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

Accountability and audit

Financial reporting

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

審核委員會(續)

審核委員會於截止2014年12月31日止年度曾舉行兩次會議，審閱及討論本集團的財務業績及報告、財務報表及遵守守則的程序、內部監控系統及風險管理審閱與程序和續聘本集團的獨立核數師。

由於審核委員會亦負責企業管治之職務，截至2014年12月31日止年度，該委員會履行如下的職務：

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

問責性及審核

財務報告

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

Internal control and risk management

The Board has responsibilities for maintaining and reviewing the effectiveness of the Group's internal control system. The internal control within the Group are designed to help the Group achieve key initiatives, and represent the Group's efforts in protecting its physical assets, information and technology. As maintaining an effective control system is a shared responsibility of all in the Group, the Group is dedicated to educating all employees via trainings and the weekly Managing Director's message on the Company web portal to ensure they understand the importance of internal control policies and adhere to them. The presence of internal controls empowers the Group to implement best business practices in dynamic and challenging business environments.

To facilitate effective internal control system, the Group implemented the Internal Control-Integrated Framework issued by COSO in 1992 (the "1992 Framework"). In May 2013, the COSO updated Internal Control-Integrated Framework (the "2013 Framework") to reflect changes in the global business environment over the 20 years since release of the 2012 Framework. During the transition period adopting the 2013 Framework, the Board and management carefully reviewed, assessed and consulted with parties concerned on the impact of the 2013 Framework to the Group. The Group has finally adopted the 2013 Framework on 15 December 2014, the effective date of the framework.

The Board assessed the effectiveness of internal control for the year ended 31 December 2014, including financial and operational controls, and risk management functions, by considering reviews performed by the Audit Committee, senior management and the Corporate Audit Department, and the independent auditor's management letters, if any. The Board also reviewed the Group's operating and financial performance against the financial budget on a quarterly basis while senior management closely monitored the financial performance on a monthly basis.

The management is committed to improve the Group's overall risk management approach and strategy. They continuously monitors the global business environment, industry development, as well as internal processes, to ensure existing risk management system can identify and manage risks and opportunities effectively. In 2014, the management reviewed the existing risk management system and further modification of the system will be implemented in the coming year.

內部監控及風險管理

董事會有責任維持及審閱本集團內部監控體系之效能。本集團的內部監控旨在協助本集團達成目標，致力保障其資產、資訊及科技。由於保持具效能的內部監控體系是每位集團成員共同的責任，固本集團致力從培訓及董事總經理每星期於門戶網站的分享用以教育員工明白內部監控政策及對其堅持的重要性。現有的內部監控能讓本集團在瞬息萬變及富挑戰的營商環境下實踐最佳的營商方法。

為促進有效的內部控制制度，本集團已推行於1992年由COSO發表的內部監控架構（「1992架構」）。於2013年5月，COSO已更新內部監控架構（「2013架構」）用以反映自推行1992架構後超過20年的全球商業環境之變化。於採用2013架構的過渡期內，董事會及管理層仔細地審閱、評估及諮詢有關人士對採用2013架構後對本集團的影響。本集團最終於2014年12月15日（即該架構的生效日期）採用2013架構。

截至2014年12月31日止年度，董事會已評估內部監控的成效（如參考由審核委員會、高級管理層及內審部對包括財務、營運監控及風險管理功能之審閱和獨立核數師致管理層的建議報告（如有））。董事會亦會每季以財務預算為審核本集團運作及財務表現，同時高級管理層亦會緊密監察每月的實際財務表現。

管理層致力改善本集團的整體風險管理方針及策略。他們不斷監察環球商業環境、行業發展以及內部工作程序，以確保現有的風險管理系統能有效地識別及管理風險和機會。於2014年，管理層已檢討現有的風險管理系統並將下年度進一步優化該系統。

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

Accountability and audit (continued)

Internal control and risk management (continued)

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

To enhance the internal control system, the Group established and published a whistleblowing policy and a system on anti-fraud for employees and third parties to raise concerns in confidence, which complied with the recommended best practice in the Code. In 2014, no incident of fraud or misconduct was reported from employees or stakeholders that had material effect on the Group's financial statements and overall operations.

The Board considered that the internal control system of the Group in 2014 is effective and adequate and the Company had complied with the Code Provisions.

Independent auditor

The Group's independent auditor is PricewaterhouseCoopers. PwC HK is responsible for auditing and forming an independent opinion on the Group's annual consolidated financial statements. Apart from the statutory audit of the annual consolidated financial statements, PwC HK was also engaged to perform a review on the condensed consolidated interim financial information of the Group for the six months ended 30 June 2014 as well as advise the Group on taxation and related matters.

The fees payable by the Group to the independent auditor in respect of audit and non-audit services provided by them for the year ended 31 December 2014 are US\$191,000 (2013: US\$179,000) and US\$25,000 (2013: US\$25,000) respectively.

問責性及審核(續)

內部監控及風險管理(續)

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

為加強內部監控體系，本集團已制定及公開有關告密政策及反欺詐行為制度，讓員工及第三方可暗中舉報，此為符合建議最佳常規。於2014年，並無員工或持份者舉報任何足以對本集團財務報表及整體業務運作構成重大影響的欺詐或失當行為。

董事會認為在2014年度本集團的內部監控體系是有效及充足，而本公司亦已遵守守則條文。

獨立核數師

本集團之獨立核數師乃羅兵咸永道會計師事務所。羅兵咸永道香港負責審核及對年度綜合財務報表發出獨立意見。除對年度綜合財務報表作出法定審核外，羅兵咸永道香港亦獲聘為審閱本集團截至2014年6月30日止六個月簡明綜合中期財務資料，並就稅務法規及有關事宜提供意見。

截至2014年12月31日止年度，本集團付予獨立核數師有關審核及非審核服務之費用分別為191,000美元(2013: 179,000美元)及25,000美元(2013: 25,000美元)。

Shareholders communication

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

For the year under review, the Group has taken a proactive approach to communicate with the investment community, for example, institutional investors, analysts and retail investors. For the year ended 31 December 2014, the Group conducted meetings and conference calls with investors and analysts. To enhance the Group's profile among the general public in Hong Kong, interviews were conducted with local media, and group visits to its principal office were arranged with local universities and technology institutions.

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

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

股東通訊

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

於回顧年內，本集團一直採取積極態度與投資大眾(例如：機構投資者、分析員及散戶投資者)溝通。截至2014年12月31日止年度，本集團與投資者及分析員舉行了多個會議及電話會議。為提升香港公眾對本集團的認識，本集團多次接受本地傳媒訪問和安排多個本地大學及科技協會團體參觀本公司的總辦事處。

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

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

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

Shareholders communication (continued)

To the best of the Company's knowledge, as at 31 December 2014, CEC held about 28.6% of the Company's shares, the Board held roughly 5.4%, and the remaining approximately 66%, is believed to be in public hands.

The website of the Group (www.solomon-systech.com) is also updated constantly to inform investors and the general public of the latest information of the Group, for example, the important dates for shareholders in the coming year. Further information for shareholders can be found on pages 158 to 159 of this Annual Report.

Shareholders' rights and constitutional documents

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

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

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

With regard to general enquiry, a shareholder may contact the Company's Share Registrar directly. Information on proceedings at general meetings, votes of members, proxies, dividends and reserves, transfer of shares and other information are detailed in the Company's Memorandum and Articles of Association, which is accessible for inspection at the Company's Share Registrar, through website of the Group or the website of the Stock Exchange. The contact details of the Share Registrar is on page 158 of this Annual Report. In the event that a shareholder wishes to put forward a proposal to the Board, he may put forth his enquiry in writing to the Corporate Communications Department of the Group who will act on the subject matter accordingly.

Company Secretary

The Company Secretary is responsible for advising the Board through the Chairman and/or the Managing Director on governance matters and should also facilitate induction and continuous training of Directors. In 2014, the Company Secretary has undertaken more than 15 hours of relevant professional training which exceeded the requirement of Rule 3.29 of the Listing Rules.

股東通訊(續)

據本公司所知，截至2014年12月31日止，中國電子持有本公司股份約28.6%，董事會的董事持有大約5.4%本公司的股份，餘下約66%的股份，則相信是由公眾人士所持有。

本集團的網站(www.solomon-systech.com)亦會定期更新資料，向投資者和公眾人士提供本集團的最新訊息，例如股東於來年需注意的重要日期。有關股東須知的其他資料可參閱本年報第158至159頁。

股東權利及組織章程文件

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

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

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

股東可直接聯絡本公司的股份過戶登記處，查詢一般資料。有關股東大會的程序、投票方法、委任代表、股息及儲備、股份轉讓及其他資料，已詳列於本公司的組織章程大綱及細則，組織章程大綱及細則可於本公司的股份過戶登記處、通過本集團的網站或聯交所網站查閱。股份過戶登記處的聯絡資料載於本年報第158頁。如股東欲向董事會提呈任何建議，可致函本集團的企業傳訊部，以妥善處理有關事宜。

公司秘書

公司秘書負責通過董事會主席及/或董事總經理就管治事宜向董事會提出意見，並協助初始及持續之董事培訓。在2014年，公司秘書已超過上市條例第3.29條的要求，接受多於15小時相關專業培訓。

REPORT OF THE DIRECTORS

董事會報告

The Directors submit their report together with the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2014.

Principal activities and geographical analysis of operations

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

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

Results and appropriations

The results of the Group for the year are set out in the consolidated income statement on page 80.

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

Reserves

Movements in the reserves of the Group and of the Company during the year are set out in note 25 to the consolidated financial statements.

Donations

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

Property, plant and equipment

Details of the movements in property, plant and equipment of the Group and of the Company are set out in note 15 to the consolidated financial statements.

Share capital

Details of the movements in share capital of the Company are set out in note 23 to the consolidated financial statements.

Distributable reserves

Distributable reserves of the Company as at 31 December 2014, comprising share premium reserve of US\$108,774,000 that is subject to the regulation of Section 34 of the Cayman Islands Companies Law and the Articles of Association of the Company, the equity compensation reserve of US\$17,119,000 and accumulated losses of US\$18,970,000 totaling US\$106,923,000 net are available for distribution to the Company's shareholders.

董事謹提呈本公司及其附屬公司截至2014年12月31日止年度的經審核綜合財務報表。

主要業務及按地區分析的營運

本公司的主要業務為投資控股。附屬公司的業務載於綜合財務報表附註17。

本集團本年度按業務分部的表現分析載於綜合財務報表附註5。

業績及分派

本集團本年度的業績載於綜合損益表第80頁。

本公司董事會不建議派付末期股息。

儲備

本集團及本公司於年內的儲備變動載於綜合財務報表附註25。

捐獻

本集團於年內作出的慈善及其他捐獻為9,000美元。

物業、機器及設備

本集團的物業、機器及設備變動詳情載於綜合財務報表附註15。

股本

本公司的股本變動詳情載於綜合財務報表附註23。

可分派儲備

本公司於2014年12月31日的可分派儲備，包括股份溢價儲備108,774,000美元(受開曼群島公司法第34條及本公司的組織章程細則規限)，股本權益報酬儲備17,119,000美元及累計虧損18,970,000美元合共106,923,000美元淨額可供分派予本公司股東。

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

Pre-emptive rights

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

Five-year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years ended 31 December is set out on page 153.

Purchase, sale or redemption of Company's listed shares

The Remuneration Committee of the Company has directed HSBC Institutional Trust Services (Asia) Limited, the Trustee of the Share Award Plan, to utilize the funds made available under the Trust Deed to purchase existing shares from the market to replenish the pool of shares held by the Trustee pursuant to the share award scheme of the Company. The following purchase transactions were made during the year:

| Date of transaction | 交易日期 | Number of shares purchased 購買股份數目 | Price per share 每股股價 | | |
|---------------------|-------------|--------------------------------------|--------------------------|--------------------------|-------------------------|
| | | | Average HK\$ 平均 港元 | Highest HK\$ 最高 港元 | Lowest HK\$ 最低 港元 |
| 6 October 2014 | 2014年10月6日 | 110,000 | 0.3900 | 0.3900 | 0.3900 |
| 7 October 2014 | 2014年10月7日 | 400,000 | 0.3989 | 0.4000 | 0.3900 |
| 15 December 2014 | 2014年12月15日 | 752,480 | 0.3392 | 0.3450 | 0.3350 |

Save as aforesaid, there was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 31 December 2014.

Share options

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

優先購買權

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

五年財務摘要

本集團截至12月31日止最近五個財政年度的業績和資產及負債摘要載於第153頁。

購買、出售或贖回本公司上市股份

本公司薪酬委員會根據本公司的股份獎勵計劃指示受託人HSBC Institutional Trust Services (Asia) Limited使用信託契約內賦予之資金從市場購入現有股份以補充受託人持有的股份數目。以下為年內之購買交易：

除上文所披露外，截至2014年12月31日止年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司上市股份。

購股權

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

As at 31 December 2014, there are total 20,600,000 valid share options outstanding, of which 4,800,000 share options are under the Old Scheme and the other 15,800,000 are under the 2013 Share Option Scheme.

Valuation of share options

The Company has been using the Black-Scholes Valuation Model to value the share options granted. Details of the key parameters used in the Model and the corresponding fair values of the share options granted during the year should be referred to note 24(a) to the consolidated financial statements. The details of the share options granted to the respective parties during 2014 and 2013 are as follows:

於2014年12月31日，合共有20,600,000股有效購股權未經行使，其中4,800,000股購股權屬於舊計劃，另15,800,000股購股權屬於2013購股權計劃。

購股權價值

本公司採用畢蘇訂價模式計算已授出購股權的價值。本年度應用此模式的主要參考數據及對應該等授出的購股權之公平值詳情參見綜合財務報表附註24(a)。於2014及2013年內授予相關人士的購股權詳情如下：

| | | 2014 | | 2013 | |
|--|---------------|---|---------------------------------|---|---------------------------------|
| | | Number (in thousand units) 數量 (以千位計) | Value US\$' 000 價值 千美元 | Number (in thousand units) 數量 (以千位計) | Value US\$' 000 價值 千美元 |
| Sun, Patrick | 辛定華 | 800 | 12.2 | 800 | 14.7 |
| Choy Kwok Hung, Patrick | 蔡國雄 | 800 | 12.2 | 800 | 14.7 |
| Leung Heung Ying | 梁享英 | 800 | 12.1 | — | — |
| Sheu Wei Fu | 許維夫 | 800 | 12.1 | — | — |
| Yiu Tin Chong, Joseph | 姚天從 | 800 | 12.1 | 800 | 14.7 |
| Li Jun | 李峻 | — | — | — | — |
| Li Rongxin | 李榮信 | — | — | — | — |
| Zhao Guiwu | 趙貴武 | — | — | — | — |
| Leung Kwong Wai | 梁廣偉 | 800 | 12.1 | 800 | 14.7 |
| Cheung Wai Kuen, Kenny | 張惠權 | 1,300 | 21.0 | — | — |
| Lam Pak Lee | 林百里 | — | — | 800 | 14.7 |
| Sheu Wei Fu (alternate to Lam Pak Lee) | 許維夫(林百里之替代董事) | — | — | — | — |
| Lai Weide | 賴偉德 | — | — | — | — |
| Lai Woon Ching | 黎垣清 | — | — | 800 | 14.6 |
| Li Xiaochun | 李曉春 | — | — | — | — |
| Wong Yuet Leung, Frankie | 黃月良 | — | — | 800 | 14.7 |
| Subtotal for Directors | 董事小計 | 6,100 | 93.8 | 5,600 | 102.8 |
| Senior management | 高級管理層 | 3,000 | 50.8 | 800 | 14.6 |
| Employee | 員工 | 300 | 5.2 | — | — |
| Total | 總計 | 9,400 | 149.8 | 6,400 | 117.4 |

REPORT OF THE DIRECTORS (continued)

董事會報告(續)

Share options (continued)

Valuation of share options (continued)

Details of the share options outstanding as at 31 December 2014 under the Old Scheme and 2013 Share Option Schemes are as follows:

購股權(續)

購股權價值(續)

於2014年12月31日關於舊計劃及2013購股權計劃授出之購股權的詳情如下：

| Name of Directors 董事名稱 | | Number of share options (in thousand units) 購股權數目(以千位計) | | | | Exercise price HKS 行使價 港元 | Grant date 授出日期 | Exercise period 行使期 | |
|---|-------|--|--|--|--|------------------------------------|---------------------------------|------------------------------|---------------------------------|
| | | Held on 1 January 2014 於2014年 1月1日持有 | Granted during the year 年內已授出 | Exercised during the year 年內已行使 | Held on 31 December 2014 於2014年 12月31日持有 | | | Begins 開始 | Ends 結束 |
| Independent Non-executive Directors Sun, Patrick 獨立非執行董事 辛定華 | | 800 | — | — | 800 | 0.2126 | 28 September 2012 2012年9月28日 | 1 October 2013 2013年10月1日 | 30 September 2015 2015年9月30日 |
| | | 800 | — | — | 800 | 0.3450 | 4 October 2013 2013年10月4日 | 1 October 2014 2014年10月1日 | 30 September 2016 2016年9月30日 |
| | | — | 800 | — | 800 | 0.3950 | 9 October 2014 2014年10月9日 | 2 October 2015 2015年10月2日 | 29 September 2017 2017年9月29日 |
| | | 1,600 | 800 | — | 2,400 | | | | |
| Choy Kwok Hung, Patrick 蔡國雄 | | 800 | — | (800) | — | 0.2126 | 28 September 2012 2012年9月28日 | 1 October 2013 2013年10月1日 | 30 September 2015 2015年9月30日 |
| | | 800 | — | — | 800 | 0.3450 | 4 October 2013 2013年10月4日 | 1 October 2014 2014年10月1日 | 30 September 2016 2016年9月30日 |
| | | — | 800 | — | 800 | 0.3950 | 9 October 2014 2014年10月9日 | 2 October 2015 2015年10月2日 | 29 September 2017 2017年9月29日 |
| | | 1,600 | 800 | (800) | 1,600 | | | | |
| Leung Heung Ying 梁享英 | | — | 800 | — | 800 | 0.3950 | 9 October 2014 2014年10月9日 | 2 October 2015 2015年10月2日 | 29 September 2017 2017年9月29日 |
| Sheu Wei Fu 許維夫 | | — | 800 | — | 800 | 0.3950 | 9 October 2014 2014年10月9日 | 2 October 2015 2015年10月2日 | 29 September 2017 2017年9月29日 |
| 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 |
| | | 800 | — | — | 800 | 0.3450 | 4 October 2013 2013年10月4日 | 1 October 2014 2014年10月1日 | 30 September 2016 2016年9月30日 |
| | | — | 800 | — | 800 | 0.3950 | 9 October 2014 2014年10月9日 | 2 October 2015 2015年10月2日 | 29 September 2017 2017年9月29日 |
| | 2,800 | 800 | (1,200) | 2,400 | | | | | |
| Subtotal | 小計 | 6,000 | 4,000 | (2,000) | 8,000 | | | | |

| Name of Directors 董事名稱 | | Number of share options (in thousand units) 購股權數目 (以千位計) | | | | Exercise price HK\$ 行使價 港元 | Grant date 授出日期 | Exercise period 行使期 | |
|--|--------------|---|--|--|--|-------------------------------------|---------------------------------|------------------------------|---------------------------------|
| | | Held on 1 January 2014 於2014年 1月1日持有 | Granted during the year 年內已授出 | Exercised during the year 年內已行使 | Held on 31 December 2014 於2014年 12月31日持有 | | | Begins 開始 | Ends 結束 |
| Executive Directors Leung Kwong Wai | 執行董事 梁廣偉 | 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 |
| | | 800 | — | — | 800 | 0.3450 | 4 October 2013 2013年10月4日 | 1 October 2014 2014年10月1日 | 30 September 2016 2016年9月30日 |
| | | — | 800 | — | 800 | 0.3950 | 9 October 2014 2014年10月9日 | 2 October 2015 2015年10月2日 | 29 September 2017 2017年9月29日 |
| | | 2,800 | 800 | (1,200) | 2,400 | | | | |
| Cheung Wai Kuen, Kenny | 張惠權 | — | 1,050 | — | 1,050 | 0.3950 | 9 October 2014 2014年10月9日 | 2 October 2015 2015年10月2日 | 29 September 2017 2017年9月29日 |
| | | — | 250 | — | 250 | 0.3950 | 9 October 2014 2014年10月9日 | 3 October 2016 2016年10月3日 | 28 September 2018 2018年9月28日 |
| | | — | 1,300 | — | 1,300 | | | | |
| Subtotal | 小計 | 2,800 | 2,100 | (1,200) | 3,700 | | | | |
| Ex-directors | 前董事 | 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 |
| | | 2,400 | — | (800) | 1,600 | 0.2126 | 28 September 2012 2012年9月28日 | 1 October 2013 2013年10月1日 | 30 September 2015 2015年9月30日 |
| | | 2,400 | — | — | 2,400 | 0.3450 | 4 October 2013 2013年10月4日 | 1 October 2014 2014年10月1日 | 30 September 2016 2016年9月30日 |
| Subtotal | 小計 | 6,000 | — | (2,000) | 4,000 | | | | |
| Senior management & employees | 高級管理層 及員工 | 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 |
| | | 800 | — | — | 800 | 0.3450 | 4 October 2013 2013年10月4日 | 1 October 2014 2014年10月1日 | 30 September 2016 2016年9月30日 |
| | | — | 2,050 | — | 2,050 | 0.3950 | 9 October 2014 2014年10月9日 | 2 October 2015 2015年10月2日 | 29 September 2017 2017年9月29日 |
| | | — | 1,250 | — | 1,250 | 0.3950 | 9 October 2014 2014年10月9日 | 3 October 2016 2016年10月3日 | 28 September 2018 2018年9月28日 |
| Subtotal | 小計 | 2,800 | 3,300 | (1,200) | 4,900 | | | | |
| Total | 總計 | 17,600 | 9,400 | (6,400) | 20,600 | | | | |

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

Directors

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

Independent Non-executive Directors

Mr. Sun, Patrick (Chairman)
Mr. Choy Kwok Hung, Patrick
Mr. Leung Heung Ying (appointed w.e.f. 8 October 2014)
Mr. Sheu Wei Fu (appointed w.e.f. 8 October 2014)
Mr. Wong Yuet Leung, Frankie (retired w.e.f. 27 May 2014)
Mr. Yiu Tin Chong, Joseph

Non-executive Directors

Dr. Lam Pak Lee (retired w.e.f. 27 May 2014)
Mr. Sheu Wei Fu, alternate to Dr. Lam Pak Lee
(ceased to be the alternate to Dr. Lam Pak Lee w.e.f. 27 May 2014)
Dr. Li Jun (appointed w.e.f. 8 October 2014)
Mr. Li Rongxin (appointed w.e.f. 8 October 2014)
Mr. Lai Weide (resigned w.e.f. 8 October 2014)
Mr. Li Xiaochun (resigned w.e.f. 8 October 2014)
Mr. Zhao Guiwu

Executive Directors

Dr. Leung Kwong Wai (Managing Director)
Mr. Cheung Wai Kuen, Kenny (appointed w.e.f. 8 October 2014)
Mr. Lai Woon Ching (resigned w.e.f. 8 October 2014)

In accordance with Article 112 of the Company's Articles of Association, Messrs. Choy Kwok Hung, Patrick, Sun, Patrick, Yiu Tin Chong, Joseph and Zhao Guiwu will retire by rotation at the forthcoming annual general meeting. Messrs. Choy Kwok Hung, Patrick and Sun, Patrick have been in office for more than 9 consecutive years and in accordance with the Service Term Policy introduced in 2013, both decided not to offer themselves for re-election. Messrs. Yiu Tin Chong, Joseph and Zhao Guiwu being eligible, offer themselves for re-election.

Messrs. Sun, Patrick, Choy Kwok Hung, Patrick, Leung Heung Ying, Sheu Wei Fu and Yiu Tin Chong, Joseph are Independent Non-executive Directors of the Company and their service contracts were renewed in 2014 for a term expiring on 30 June 2015.

Directors' service contracts

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

董事

本年度內及截至本報告日期止之董事如下：

獨立非執行董事

辛定華先生(主席)
蔡國雄先生
梁享英先生(2014年10月8日委任)
許維夫先生(2014年10月8日委任)
黃月良先生(2014年5月27日退任)
姚天從先生

非執行董事

林百里博士(2014年5月27日退任)
許維夫先生，林百里博士之替代董事
(自2014年5月27日停任林百里博士之替代董事)
李峻博士(2014年10月8日委任)
李榮信先生(2014年10月8日委任)
賴偉德先生(2014年10月8日離任)
李曉春先生(2014年10月8日離任)
趙貴武先生

執行董事

梁廣偉博士(董事總經理)
張惠權先生(2014年10月8日委任)
黎垣清先生(2014年10月8日離任)

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、辛定華先生、姚天從先生和趙貴武先生於即將舉行的股東週年大會上輪席退任。蔡國雄先生及辛定華先生在任已連續超過九年，依據2013年推出的任期政策，兩位決定不再膺選連任。姚天從先生和趙貴武先生符合資格及願意膺選連任。

辛定華先生、蔡國雄先生、梁享英先生、許維夫先生及姚天從先生為本公司獨立非執行董事，他們已於2014年續簽訂其服務合約，任期至2015年6月30日止。

董事的服務合約

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

Directors' interests in contracts

No contracts of significance in relation to the Group's business to which the Company, or its subsidiaries, was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Biographical details of Directors and senior management

Brief biographical details of Directors and senior management are set out on pages 38 to 45 of this Annual Report.

Directors' interests

As at 31 December 2014, the interests and short positions of each Director and Chief Executive Officer in the shares and underlying shares of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

董事於合約的權益

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

董事及高級管理層的履歷詳情

董事及高級管理層的履歷載於本年報第38至第45頁。

董事權益

於2014年12月31日，各董事及行政總裁於本公司或其相聯法團（定義見證券及期貨條例）的股份及相關股份中擁有登記於根據SFO第XV部第352條規定本公司須存置的登記名冊上，或須根據上市發行人董事進行證券交易的標準守則知會本公司及聯交所的權益及淡倉如下：

| Ordinary shares of HK\$0.10 each in the Company as at 31 December 2014 於2014年12月31日本公司每股面值0.10港元的普通股 | | | | | | |
|---|------------------|--------------|---|-------------|--|-------|
| | Position 權益狀況 | Shares 股份 | Share Options ⁽ⁱ⁾ 購股權 ⁽ⁱ⁾ | Total 總計 | % of the issued share capital of the Company 佔本公司 已發行股本 百分比 | |
| Independent Non-executive Directors | 獨立非執行董事 | | | | | |
| Sun, Patrick | 辛定華 | Long 權益 | — | 2,400,000 | 2,400,000 | 0.10% |
| Choy Kwok Hung, Patrick | 蔡國雄 | Long 權益 | — | 1,600,000 | 1,600,000 | 0.06% |
| Leung Heung Ying | 梁享英 | Long 權益 | — | 800,000 | 800,000 | 0.03% |
| Sheu Wei Fu | 許維夫 | Long 權益 | — | 800,000 | 800,000 | 0.03% |
| Yiu Tin Chong, Joseph | 姚天從 | Long 權益 | 1,200,000 | 2,400,000 | 3,600,000 | 0.15% |
| Non-executive Directors | 非執行董事 | | | | | |
| Li Jun | 李峻 | Long 權益 | — | — | — | — |
| Li Rongxin | 李榮信 | Long 權益 | — | — | — | — |
| Zhao Guiwu | 趙貫武 | Long 權益 | — | — | — | — |
| Executive Directors | 執行董事 | | | | | |
| Leung Kwong Wai | 梁廣偉 | Long 權益 | 120,600,308 | 2,400,000 | 123,000,308 | 4.98% |
| Cheung Wai Kuen, Kenny | 張惠權 | Long 權益 | 1,260,000 | 1,300,000 | 2,560,000 | 0.10% |

(i) These are share options granted under the Old Scheme and 2013 Share Option Scheme with more details on pages 141 to 143.

(i) 該等購股權為根據舊計劃及2013購股權計劃(詳情見第141到143頁)授出之購股權。

REPORT OF THE DIRECTORS (continued)

董事會報告(續)

Directors' interests (continued)

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

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, 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 ownership in BJ-LED as at 31 December 2014 was 15.3% (2013: 15.3%) and 11.5% (2013: 11.5%) respectively.

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

Substantial shareholders' interests

The register of substantial shareholders required to be kept by the Company under section 336 of Part XV of the SFO shows that as at 31 December 2014, the Company had been notified of the following substantial shareholders' interests and short positions in the shares or underlying shares of the Company, being interests of 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive Officer of the Company.

董事權益(續)

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

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盧偉明先生(「盧先生」)透過彼等控制的投資公司投資於本集團的一家聯營公司BJ-LED。蔡先生與盧先生申報他們於2014年12月31日分別擁有BJ-LED 15.3%(2013: 15.3%)及11.5%(2013: 11.5%)。

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

主要股東權益

根據SFO第XV部第336條須存置的主要股東登記名冊所示，於2014年12月31日，本公司已獲知會下列主要股東的權益及淡倉(即於本公司已發行股本擁有5%或以上權益)。該等權益為上文披露的本公司董事及行政總裁權益以外的。

Ordinary shares of HK\$0.10 each in the Company as at 31 December 2014 於2014年12月31日本公司每股面值0.10港元的普通股

| Name of shareholder 股東名稱 | Capacity 身份 | Position 權益狀況 | Number of shares held 所持股份數目 | % of the issued share capital of the Company 佔本公司已發行 股本百分比 |
|---|---------------------------|------------------|------------------------------------|--|
| China Electronics Corporation 中國電子信息產業集團有限公司 | Beneficial owner 實益擁有人 | Long 權益 | 706,066,000 | 28.61% |

Saved as disclosed above, as at 31 December 2014, no other persons (other than the Directors) were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

Management contracts

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

除上文所披露者外，於2014年12月31日，根據證券及期貨條例第336條本公司須予備存的登記冊所記錄，概無其他人士(董事除外)擁有本公司股份及相關股份的權益或淡倉。

管理合約

年內概無簽訂或現存有關本公司全部或任何主要部分業務的管理及行政的合約。

Major suppliers and customers

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

| | | |
|-----------------------------------|-----------|-----|
| Purchases | 採購 | |
| – the largest supplier | – 最大供應商 | 19% |
| – five largest suppliers combined | – 五大供應商合計 | 63% |
| Sales | 銷售 | |
| – the largest customer | – 最大客戶 | 20% |
| – five largest customers combined | – 五大客戶合計 | 47% |

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

Related parties and connected transactions

A summary of the related party transactions entered into by the Group during the year ended 31 December 2014 were contained in note 32 to the consolidated financial statements. The following transactions between certain connected parties (as defined in the Listing Rules) and the Group have been entered into and/or are ongoing for which relevant announcements, if necessary, had been made by the Company in accordance with Chapter 14A of the Listing Rules.

Continuing connected transactions

The continuing connected transactions between the Group and Panda-LCD, valid for three years from 2012 to 2014 were approved by the shareholders at the Extraordinary General Meeting held on 9 October 2012.

The Independent Non-executive Directors of the Company, together with the Group's Corporate Audit Department and Audit Committee, have conducted annual reviews of the continuing connected transactions of the Group for the year ended 31 December 2014, and were satisfied that the Group's continuing connected transactions during 2014 have complied with the Listing Rules requirement in all respects.

The Company's independent auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed for the year ended 31 December 2014 in accordance with paragraph 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

主要供應商及客戶

本集團主要供應商及客戶應佔本年度的採購及銷售百分比如下：

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

關聯方及關連交易

截至2014年12月31日止年度，本集團訂立的關聯方交易摘要載於綜合財務報表附註32。按照上市規則第14A章的披露規定，若干關連方（按上市規則定義）與本集團進行的下列交易經已訂立及／或持續進行，而本公司已根據上市規則的規定作出相關公佈（如需要）。

持續關連交易

本集團與熊貓液晶自2012年到2014年有效三年的持續關連交易已於2012年10月9日之股東特別大會獲股東審批。

本公司獨立非執行董事已經聯同集團的內審部和審核委員會對截至2014年12月31日止年度的持續關連交易作年度審閱，並滿意本集團在2014年度內的持續關連交易於各方面均符合上市規則的要求。

根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，本公司之獨立核數師已受聘對本集團持續關連交易作出報告。根據上市規則第14A.38條，核數師已就截至2014年12月31日止年度的持續關連交易，發出無保留意見的函件，並載有其發現和結論。本公司已將核數師函件副本向聯交所提供。

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

Related parties and connected transactions (continued)

Connected transactions

Beijing Huada Emyprean Software Co., Ltd., an indirect subsidiary of CEC - in connection with the grant of the Licence to the Group.

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares as at 26 March 2015.

Compliance with the Corporate Governance Code

During the year, the Company had complied with most of the code provisions of the Corporate Governance Code under Appendix 14 of the Listing Rules. To maintain high standards of corporate governance, the Company has complied with certain recommended best practices in the Code.

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

The Company has its own written guidelines on securities transactions by Directors and relevant employees on no less exacting terms than the required standard set out in Appendix 10 of the Listing Rules. Specific enquiry has been made to all Directors, and all Directors have confirmed that they have been in compliance with such guidelines during the year ended 31 December 2014.

Independent auditor

The consolidated financial statements for the year ended 31 December 2014 have been audited by PricewaterhouseCoopers who retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board
代表董事會



LEUNG Kwong Wai 梁廣偉
Managing Director 董事總經理

Hong Kong, 26 March 2015
香港 · 2015年3月26日

關聯方及關連交易(續)

關連交易

CEC的間接附屬公司北京華大九天軟件有限公司－就授權本集團使用軟件事宜。

充足的公眾持股量

根據本公司可循公開途徑獲得的資料及據董事所知，已確認於2015年3月26日，本公司超過25%的已發行股份由公眾人士持有，故公眾持股量充足。

遵守企業管治守則

年內，本公司已遵守大部分上市規則附錄14所載的企業管治守則。為維持高水平的企業管治標準，公司已遵守部分守則中建議的最佳常規守則。

遵守上市發行人董事進行證券交易的標準守則

本公司亦就董事及有關員工進行的證券交易制訂其本身的書面指引，條款與上市規則附錄10所載的規定標準同樣嚴格。本公司已向全體董事作出具體查詢，於截至2014年12月31日止年度內，彼等均一直遵守該等指引。

獨立核數師

截至2014年12月31日止年度的綜合財務報表已由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所須於即將舉行之股東週年大會中退任，並符合資格及願意應聘連任。

INDEPENDENT AUDITOR'S REPORT



羅兵咸永道

PricewaterhouseCoopers

22/F, Prince's Building
Central, Hong Kong

TO THE SHAREHOLDERS OF SOLOMON SYSTECH (INTERNATIONAL) LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Solomon Systech (International) Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 80 to 152, which comprise the consolidated and company balance sheets as at 31 December 2014, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 26 March 2015

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羅兵咸永道

羅兵咸永道會計師事務所
香港中環
太子大廈22樓

致 SOLOMON SYSTECH (INTERNATIONAL) LIMITED 股東

(於開曼群島註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第 80 至 152 頁 Solomon Systech (International) Limited(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於 2014 年 12 月 31 日的綜合和公司資產負債表與截至該日止年度的綜合損益表、綜合全面收入報表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見，並僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否存在任何重大錯誤陳述。

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

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於 2014 年 12 月 31 日的事務狀況，及 貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所

執業會計師

香港，2015 年 3 月 26 日

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

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2014
截至2014年12月31日止年度

| | | Note | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|--|--------------------------------------|------|-------------------------|-------------------------|
| Sales | 銷售額 | 5 | 60,072 | 55,150 |
| Cost of sales | 銷售成本 | 6 | (39,276) | (34,154) |
| Gross profit | 毛利 | | 20,796 | 20,996 |
| Research and development costs | 研究及開發成本 | 6 | (16,289) | (13,854) |
| Selling and distribution expenses | 銷售及分銷開支 | 6 | (3,042) | (3,092) |
| Administrative expenses | 行政開支 | 6 | (8,023) | (8,130) |
| Other income | 其他收入 | 7 | 141 | 956 |
| Finance income – net | 投資收入—淨額 | 8 | (6,417) 3,365 | (3,124) 3,913 |
| Share of results of associated companies | 應佔聯營公司盈虧 | 16 | (3,052) 71 | 789 37 |
| Profit/(loss) before income tax | 除稅前溢利/(虧損) | | (2,981) | 826 |
| Income tax credit/(expenses) | 所得稅收入/(支出) | 10 | (24) | 508 |
| Profit/(loss) attributable to the equity holders of the Company | 本公司權益持有人應佔溢利/(虧損) | | (3,005) | 1,334 |
| 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) | 12 | (0.12) | 0.05 |
| – Basic | — 基本 | | (0.12) | 0.05 |
| – Diluted | — 攤薄 | | (0.12) | 0.05 |
| Dividend | 股息 | 13 | — | — |

The notes on pages 87 to 152 form an integral part of these consolidated financial statements.

第87至152頁的附註為該等綜合財務報表的組成部分。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入報表

For the year ended 31 December 2014
截至2014年12月31日止年度

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|-----------------------|-------------------------|-------------------------|
| Profit/(loss) for the year | 本年度溢利/(虧損) | (3,005) | 1,334 |
| Other comprehensive income/(loss) for the year: | 本年度其他全面收入/(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 | (128) | 363 |
| 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 | (3,133) | 1,697 |

The notes on pages 87 to 152 form an integral part of these consolidated financial statements.

第87至152頁的附註為該等綜合財務報表的組成部分。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2014
於2014年12月31日

| | Note 附註 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|------------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 14 | 60 | 163 |
| Property, plant and equipment | 15 | 2,593 | 3,078 |
| Investments in associated companies | 16 | 780 | 709 |
| Available-for-sale financial assets | 18 | 2,206 | 2,206 |
| Prepayments | 21 | 215 | — |
| Bank deposits | 19 | 9,836 | 9,836 |
| | | 15,690 | 15,992 |
| Current assets | | | |
| Inventories | 20 | 7,334 | 7,849 |
| Trade and other receivables | 21 | 16,357 | 10,875 |
| Financial assets at fair value through profit or loss | 22 | 65,209 | 71,087 |
| Pledged bank deposits | | 130 | 130 |
| Short-term fixed deposits | 19 | 402 | 10,846 |
| Cash and cash equivalents | 19 | 25,013 | 12,181 |
| | | 114,445 | 112,968 |
| Total assets | | 130,135 | 128,960 |
| EQUITY | | | |
| Capital and reserves attributable to the equity holders of the Company | | | |
| Share capital | 23 | 31,803 | 31,720 |
| Reserves | 25 | — | (89) |
| Own shares held | | — | (89) |
| Others | | 83,452 | 86,204 |
| Total equity | | 115,255 | 117,835 |


| | Note 附註 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|--|---------------------|-------------------------|-------------------------|
| LIABILITIES | | | |
| Non-current liabilities | 負債 非流動負債 | | |
| Bank loan | 28 | 288 | 402 |
| Deferred income tax | 26 | — | — |
| | | 288 | 402 |
| Current liabilities | 流動負債 | | |
| Obligations under finance leases | | — | 2 |
| Trade and other payables | 27 | 13,593 | 9,684 |
| Bank loan | 28 | 89 | 95 |
| Deferred income | | 368 | 400 |
| Income tax | | 542 | 542 |
| | | 14,592 | 10,723 |
| Total liabilities | 總負債 | 14,880 | 11,125 |
| Total equity and liabilities | 權益及負債總額 | 130,135 | 128,960 |
| Net current assets | 流動資產淨值 | 99,853 | 102,245 |
| Total assets less current liabilities | 總資產減流動負債 | 115,543 | 118,237 |

The notes on pages 87 to 152 form an integral part of these consolidated financial statements.

第87至152頁的附註為該等綜合財務報表的組成部分。

On behalf of the Board

代表董事會



LEUNG Kwong Wai 梁廣偉
Managing Director 董事總經理



CHEUNG Wai Kuen, Kenny 張惠權
Director 董事

BALANCE SHEET

資產負債表

As at 31 December 2014
於2014年12月31日


| | Note 附註 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|------------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | — | — |
| Investments in subsidiaries | 17(a) | 49,468 | 56,529 |
| | | 49,468 | 56,529 |
| Current assets | | | |
| Trade and other receivables | | 337 | 398 |
| Amounts due from subsidiaries | 17(b) | 14,409 | 20,642 |
| Financial assets at fair value through profit or loss | 22 | 60,716 | 64,259 |
| Short-term fixed deposits | 19 | — | 4,718 |
| Cash and cash equivalents | 19 | 14,532 | 5,352 |
| | | 89,994 | 95,369 |
| Total assets | | 139,462 | 151,898 |
| EQUITY | | | |
| Capital and reserves attributable to the equity holders of the Company | | | |
| Share capital | 23 | 31,803 | 31,720 |
| Reserves | 25 | 106,923 | 118,400 |
| Total equity | | 138,726 | 150,120 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred income tax | 26 | — | — |
| Current liabilities | | | |
| Amounts due to subsidiaries | 17(b) | 545 | 514 |
| Accrued expenses and other payables | | 103 | 1,176 |
| Income tax | | 88 | 88 |
| | | 736 | 1,778 |
| Total liabilities | | 736 | 1,778 |
| Total equity and liabilities | | 139,462 | 151,898 |
| Net current assets | | 89,258 | 93,591 |
| Total assets less current liabilities | | 138,726 | 150,120 |

The notes on pages 87 to 152 form an integral part of these consolidated financial statements.

第87至152頁的附註為此等綜合財務報表的組成部分。

On behalf of the Board

代表董事會



LEUNG Kwong Wai 梁廣偉
Managing Director 董事總經理



CHEUNG Wai Kuen, Kenny 張惠權
Director 董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2014
截至2014年12月31日止年度

| | | Attributable to equity holders of the Company 本公司權益持有人應佔 | | | | | | | | |
|---|------------------|---|-----------------------|-------------------------------|------------------------|--------------------------|---|-----------------------|----------------------------|---------------------|
| | | Share capital 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 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 | 全面收入 | | | | | | | | | |
| Profit for the year | 年內溢利 | — | — | — | — | — | — | — | 1,334 | 1,334 |
| Item that may be classified to profit or loss | 可能會重新分類至損益的項目 | | | | | | | | | |
| – Currency translation differences | – 外幣換算差額 | — | — | — | — | 363 | — | — | — | 363 |
| Total comprehensive income | 全面收入總計 | — | — | — | — | 363 | — | — | 1,334 | 1,697 |
| Transactions with owners | 股東交易 | | | | | | | | | |
| Exercise of share options | 行使購股權 | 62 | 39 | — | — | — | — | — | — | 101 |
| Shares purchased for Share Award Plan | 購買股份用於 股份獎勵計劃 | — | — | (64) | — | — | — | — | — | (64) |
| Equity compensation | 股本權益報酬 | — | — | 97 | — | — | 152 | — | (97) | 152 |
| Total transactions with owners | 股東交易總計 | 62 | 39 | 33 | — | — | 152 | — | (97) | 189 |
| At 31 December 2013 | 於2013年12月31日 | 31,720 | 83,097 | (89) | 2,082 | 1,375 | 16,654 | 230 | (17,234) | 117,835 |
| At 1 January 2014 | 於2014年1月1日 | 31,720 | 83,097 | (89) | 2,082 | 1,375 | 16,654 | 230 | (17,234) | 117,835 |
| Comprehensive loss | 全面虧損 | | | | | | | | | |
| Loss for the year | 年內虧損 | — | — | — | — | — | — | — | (3,005) | (3,005) |
| Item that may be classified to profit or loss | 可能會重新分類至損益的項目 | | | | | | | | | |
| – Currency translation differences | – 外幣換算差額 | — | — | — | — | (128) | — | — | — | (128) |
| Total comprehensive loss | 全面虧損總計 | — | — | — | — | (128) | — | — | (3,005) | (3,133) |
| Transactions with owners | 股東交易 | | | | | | | | | |
| Exercise of share options | 行使購股權 | 83 | 63 | — | — | — | — | — | — | 146 |
| Shares purchased for Share Award Plan | 購買股份用於 股份獎勵計劃 | — | — | (58) | — | — | — | — | — | (58) |
| Equity compensation | 股本權益報酬 | — | — | 147 | — | — | 465 | — | (147) | 465 |
| Total transactions with owners | 股東交易總計 | 83 | 63 | 89 | — | — | 465 | — | (147) | 553 |
| At 31 December 2014 | 於2014年12月31日 | 31,803 | 83,160 | — | 2,082 | 1,247 | 17,119 | 230 | (20,386) | 115,255 |

The notes on pages 87 to 152 form an integral part of these consolidated financial statements.

第87至152頁的附註為此等綜合財務報表的組成部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2014
截至2014年12月31日止年度

| | Note 附註 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|-------------------------|-------------------------|-------------------------|
| Operating activities | 經營活動 | | |
| Cash used in operations | 30(a) | (5,986) | (2,412) |
| Overseas income tax paid | | (24) | (2) |
| Interest paid on the bank loan | | (8) | (10) |
| Net cash used in operating activities | 經營活動使用的現金淨額 | (6,018) | (2,424) |
| Investing activities | 投資活動 | | |
| Purchases of property, plant and equipment | 15 | (473) | (377) |
| Purchase of intangible asset | 14 | — | (174) |
| Proceeds from disposal of intangible assets and property, plant and equipment | 30(b) | 6 | 884 |
| Decrease/(increase) in financial assets at fair value through profit or loss | | 6,257 | (6,751) |
| Decrease/(increase) in short-term fixed deposits | | 10,444 | (9,296) |
| Increase in bank deposits | | — | (9,836) |
| Interest received | | 1,718 | 2,525 |
| Dividend received | | 955 | 539 |
| Net cash generated from/(used in) investing activities | 投資活動產生/(使用)的現金淨額 | 18,907 | (22,486) |
| Financing activities | 融資活動 | | |
| Payment of capital element of finance leases | | (2) | (4) |
| Repayment of bank loan | | (120) | (95) |
| Purchase of ordinary shares for Share Award Plan | | (58) | (64) |
| Proceeds from exercise of share options | | 146 | 101 |
| Net cash used in financing activities | 融資活動使用的現金淨額 | (34) | (62) |
| Net increase/(decrease) in cash and cash equivalents | | 12,855 | (24,972) |
| Exchange gain/(loss) on cash and cash equivalents | | (23) | 337 |
| Cash and cash equivalents at 1 January | 於1月1日的現金及現金等價物 | 12,181 | 36,816 |
| Cash and cash equivalents at 31 December | 於12月31日的現金及現金等價物 | 25,013 | 12,181 |
| Analysis of balances of cash and cash equivalents: | 現金及現金等價物的結餘分析: | | |
| – Bank balances and cash | – 銀行結餘及現金 | 25,013 | 12,181 |

The notes on pages 87 to 152 form an integral part of these consolidated financial statements.

第87至152頁的附註為該等綜合財務報表的組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. General information

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

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

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

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

2. Summary of significant accounting policies

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

2.1 Basis of preparation

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

The consolidated financial statements are prepared in accordance with the applicable disclosure requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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、開發及銷售專有集成電路晶片產品及系統解決方案，能廣泛應用於各類智能手機、智能電視及其他智能產品，包括消費電子產品、便攜式裝置、工業用設備及環保能源應用。

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

本公司自2004年4月8日起，在香港聯合交易所有限公司主板上市。

除另有列明外，此等綜合財務報表以美元作呈列單位。

2. 主要會計政策概要

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

2.1 編製基準

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

此綜合財務報表是根據舊有香港《公司條例》(第32章)的適用披露規定，就本財政年度和比較期間而編製。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

(a) Amendments to standards and interpretation to existing standards effective in 2014

The Group has adopted the following amendments to standards and interpretation to existing standards that have been issued and are effective for the Group's financial year commencing on 1 January 2014:

| | |
|--|--|
| HKAS 32 (Amendment) 香港會計準則第32號(修正) | Financial Instruments Presentation: Assets and Liabilities Offsetting 金融工具呈報：資產及負債的對銷 |
| HKAS 36 (Amendment) 香港會計準則第36號(修正) | Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets 資產減值：非財務資產之可回收金額的披露 |
| HKAS 39 (Amendment) 香港會計準則第39號(修正) | Financial Instruments: Recognition and Measurement (novation of derivatives) 金融工具：確認及計量(衍生工具的替代) |
| HKFRS 10, 12 and HKAS 27 (2011) (Amendment) 香港財務報告準則第10號、 第12號及香港會計準則 第27號(2011)(修正) | Consolidation for Investment Entities 投資主體的合併 |
| HK(IFRIC) – Interpretation 21 香港(國際財務報告準則 詮釋委員會) – 解釋公告21 | Levies 徵費 |

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

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

2. 主要會計政策概要(續)

2.1 編製基準(續)

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

(a) 於2014年生效的修正準則和對現有準則之詮釋

本集團已採納下列於2014年1月1日開始的本集團財政年度已頒佈及生效之修正準則和對現有準則之詮釋：

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

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

2.1 Basis of preparation (continued)

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

The following new standards and amendments to standards have been issued, but are not effective for the financial year beginning 1 January 2014 and have not been early adopted by the Group:

2.1 編製基準(續)

(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2014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 1 (Amendment) 香港會計準則第1號(修正) | Disclosure Initiative 披露計畫 | 1 January 2016 2016年1月1日 |
| HKAS 19 (2011) (Amendment) 香港會計準則第19號(2011)(修正) | Defined Benefit Plans 設定受益計畫 | 1 July 2014 2014年7月1日 |
| HKAS 16 and 38 (Amendment) 香港會計準則第16號及38號(修正) | Clarification of Acceptable Methods of Depreciation and Amortisation 折舊和攤銷的可接受方法的澄清 | 1 January 2016 2016年1月1日 |
| HKAS 16 and 41 (Amendment) 香港會計準則第16號及41號(修正) | Agriculture: Bearer Plants 結果實的植物 | 1 January 2016 2016年1月1日 |
| HKAS 27 (Amendment) 香港會計準則第27號(修正) | Equity Method in Separate Financial Statements 獨立財務報表中使用的權益法 | 1 January 2016 2016年1月1日 |
| HKFRS 9 香港財務報告準則第9號 | Financial Instruments 金融工具 | 1 January 2018 2018年1月1日 |
| HKFRS 10 and HKAS 28 (Amendment) 香港財務報告準則第10號及 香港會計準則第28號(修正) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營或合營企業之間的 資產出售或注資 | 1 January 2016 2016年1月1日 |
| HKFRS 11 (Amendment) 香港財務報告準則第11號(修正) | Accounting for Acquisitions of Interests in Joint Operations 收購共同經營權益的會計法 | 1 January 2016 2016年1月1日 |
| HKFRS 14 香港財務報告準則第14號 | Regulatory Deferral Accounts 價格監管遞延賬戶 | 1 January 2016 2016年1月1日 |
| HKFRS 15 香港財務報告準則第15號 | Revenue from Contracts with Customers 基於客戶合同的收入確認 | 1 January 2017 2017年1月1日 |
| HKFRSs (Amendments) 香港財務報告準則(修正) | Annual Improvements 2012, 2013 2012、2013年年度改進 | 1 July 2014 2014年7月1日 |
| HKFRSs (Amendments) 香港財務報告準則(修正) | Annual Improvements 2014 2014年年度改進 | 1 January 2016 2016年1月1日 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

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

In addition, the requirements of Part 9 "Accounts and Audit" pursuant to section 357 to 358 of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014. The Group will comply with the presentation and disclosure requirements in the consolidated financial statements from the financial year ending 31 December 2015.

2.2 Consolidation

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

(a) Subsidiaries

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

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

2. 主要會計政策概要(續)

2.1 編製基準(續)

(b) 尚未生效且本集團並無提前採納的新準則和修正準則(續)

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

此外，新香港《公司條例》(第622章)第357至358條第9部「賬目和審計」的規定已於本公司二零一四年三月三日或之後開始的首個財政年度生效。本集團將由截至2015年12月31日起的財政年度之綜合財務報表內遵守該呈列和披露要求。

2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司所編製截至12月31日止的財務報表。

(a) 附屬公司

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

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

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

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

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

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

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

2.2 綜合賬目(續)

(a) 附屬公司(續)

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

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

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

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

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

2. 主要會計政策概要(續)

2.2 綜合賬目(續)

(a) 附屬公司(續)

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

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

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

附屬公司投資按成本扣除減值列賬。成本亦包括投資的直接成本。

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

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

(b) Associated companies

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

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

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

2.2 綜合賬目(續)

(a) 附屬公司(續)

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

(b) 聯營公司

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

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

於聯營公司的投資所產生的攤薄盈虧於綜合損益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.3 Segment reporting

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

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

2. 主要會計政策概要(續)

2.3 分部呈報

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

2.4 外幣換算

(a) 功能及呈報貨幣

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

(b) 交易及結餘

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

所有其他匯兌盈虧於綜合損益表中呈列。

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

2.4 Foreign currency translation (continued)

(b) Transactions and balances (continued)

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

(c) Group companies

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

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

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

2.4 外幣換算(續)

(b) 交易及結餘(續)

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

(c) 集團公司

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.5 Property, plant and equipment

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

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

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

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

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

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

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

2. 主要會計政策概要(續)

2.5 物業、機器及設備

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

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

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

資產的剩餘價值及可使用年期於各結算日予以審閱及恰當地作出調整。

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

出售盈虧按所得款與賬面值的差額釐定，並在綜合損益表內確認。

2.6 Intangible assets

(a) Goodwill

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

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

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

(b) Patents and intellectual property

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

2.6 無形資產

(a) 商譽

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

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

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。商譽賬面值與可收回數額（使用價值與公平值減出售成本較高者）比較。任何減值須即時確認及不得在之後期間回撥。

(b) 專利及知識產權

專利及知識產權是按歷史成本呈列。專利及知識產權有固定的可使用年期，並按成本減累計攤銷列賬。攤銷的計算是採用直線法，估計專利及知識產權使用不多於為五年之年期，以作成本分攤。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at balance sheet date.

2.8 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

FVTPL and other financial assets are financial assets designated by management as fair value through profit or loss upon initial recognition. Financial assets are classified in this category because they are managed and their performance are evaluated on a fair value basis, in accordance with the Group's investment strategy. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets, if expected to be settled in 12 months, otherwise, they are classified as non-current.

2. 主要會計政策概要(續)

2.7 非財務資產的減值

沒有確定使用年期之資產無需攤銷，但需要每年就減值進行測試。當有事件出現或情況改變顯示資產賬面值可能無法收回時，就必須為資產進行減值檢討。減值虧損按資產賬面值高於其可收回金額之差額確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之間較高者為準。於評估減值時，資產按可分開識別現金流量(現金產生單位)的最低層次進行組合。除商譽外，已蒙受減值的非財務資產在每個報告日期均就減值是否可以回撥進行檢討。

2.8 財務資產

(a) 分類

本集團的財務資產分為以下類別：通過損益以反映公平價值、貸款及應收款和可供出售。分類乃視乎購入有關財務資產的目的而釐定。管理層會於初始確認時釐定財務資產的類別。

(i) 通過損益以反映公平價值的財務資產

FVTPL及其他財務資產指初始時管理層定為通過損益以反映公平價值的財務資產。該財務資產以此項分類乃基於其管理及表現符合集團投資策略以公平值作基準。衍生工具除被指定為作對沖用途之外，均視為作買賣用途。本類別之資產，若預期在12個月內結算，被界定為流動資產，否則分類為非流動資產。

2.8 Financial assets (continued)

(a) Classification (continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables include trade and other receivables, cash and cash equivalents and fixed deposits in the consolidated balance sheet (notes 2.12 and 2.13).

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognized on trade-date i.e. the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. FVTPL are initially recognized at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and FVTPL are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

2.8 財務資產(續)

(a) 分類(續)

(ii) 貸款及應收款

貸款及應收款為固定或可釐定付款、且在活躍市場並無報價的非衍生財務資產。此等項目包括在流動資產內，惟到期日為結算日後超過十二個月者，則為非流動資產。於綜合資產負債表中貸款及應收款包括應收款及其他應收款、現金及現金等價物和定期存款(附註2.12及2.13)。

(iii) 可供出售財務資產

可供出售財務資產為被指定為此類別或並無歸入任何其他類別的非衍生工具。除非管理層計劃在結算日後十二個月內出售有關投資，否則列為非流動資產。

(b) 確認及計量

定期買賣的財務資產於交易日確認，交易日即本集團承諾買賣資產的日期。對於並非通過損益以反映其公平價值的所有財務資產，投資初始按公平值加交易成本確認。FVTPL 初始按公平值確認，其交易成本於綜合損益表支銷。當從投資所收取現金流量的權利已到期或已轉讓，且本集團已將所有權的全部風險及回報實際轉讓，則終止確認財務資產。可供出售的財務資產和FVTPL 其後均按公平值列賬。貸款及應收款均以實際利率法按攤銷成本列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.8 Financial assets (continued)

(b) Recognition and measurement (continued)

Dividend income and gains or losses arising from changes in the fair value of the FVTPL category are presented in the consolidated income statement as “finance income - net” when the Group’s right to receive payments is established in the year in which they arise respectively.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated income statement as “finance income - net”.

Interest on available-for-sale financial assets calculated using the effective interest method is recognized in the consolidated income statement as part of “finance income - net”. Dividends on available-for-sale financial assets are recognized in the consolidated income statement as “finance income - net” when the Group’s right to receive payments is established.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

2. 主要會計政策概要(續)

2.8 財務資產(續)

(b) 確認及計量(續)

股息收入及來自FVTPL類別的公平值變動所產生的盈虧，當本集團確定收取有關款項的權利時，列入產生期間綜合損益表內的「投資收入－淨額」中。

貨幣證券及分類為可供出售的非貨幣證券的公平值變動於其他全面收入確認。

當分類為可供出售的證券售出或減值時，在權益中確認的累計公平值調整列入綜合損益表內作為「投資收入－淨額」。

可供出售的財務資產的利息是按實際利率法計算，於綜合損益表內確認為「投資收入－淨額」其中之一。當集團收取有關款項的權利確定時，可供出售財務資產的股息將於綜合損益表作為「投資收入－淨額」確認。

可於活躍市場交易的金融工具(如：公開交易的衍生產品)，其公平值是基於結算日的市場報價。本集團所持有的財務資產的市場報價是當時的買價；恰當的財務負債的市場報價是當時的賣價。

2.8 Financial assets (continued)

(b) Recognition and measurement (continued)

The fair value of financial instruments that are not publicly traded in market but with active valuation from reputable financial institution (for example, structured products linked to equity price) is determined by reference to the dealer's quote or input from reputable financial institutions.

Available-for-sale financial assets that do not have quoted market prices in any active markets and those fair values cannot be reliably measured are stated at cost less impairment loss.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indication that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated income statement, is removed from equity and recognized in the consolidated income statement. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. Impairment testing of trade receivables is described in note 2.12.

2.8 財務資產(續)

(b) 確認及計量(續)

不在市場公開交易的金融工具，但能於有信譽的金融機構提供活躍估值(如：與證券掛鈎的結構性產品)，其公平值的釐定是恰當參考發行商的報價或有信譽的金融機構的資料。

沒有任何活躍市場報價之可供出售財務資產其公平值未能可靠地估算者，以成本扣除減值虧損呈列。

本集團於各結算日評估是否有客觀證據顯示有單項或一組財務資產出現減值。就歸類為可供出售的財務資產的權益證券而言，若證券的公平值大幅或長期下跌至低於其成本值，會被視為證券已經顯示減值。倘若可供出售財務資產存在任何此等證據，累計虧損(按收購成本與當時公平值之間的差額，減有關財務資產以往已於綜合損益表內確認的任何減值虧損計算)會自權益中剔除及於綜合損益表內確認。於綜合損益表就股本工具確認的減值虧損不會在綜合損益表內撥回。應收款的減值測試在附註2.12中說明。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10 Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values.

Changes in the fair value of the derivative instruments which do not qualify for hedge accounting are recognized immediately in the consolidated income statement.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials and subcontracting charges. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. 主要會計政策概要(續)

2.9 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

2.10 衍生金融工具

衍生金融工具初始按簽訂合約日的公平值確認，其後再按其公平值重新計量。

不適用對沖交易會計法的衍生金融工具的公平值變動，將立即於綜合損益表中確認。

2.11 存貨

存貨按成本及可變現淨值兩者中較低者列賬。成本採用加權平均法釐定。製成品及在製品的成本包括原材料及分包費用。可變現淨值指於日常業務過程中的估計售價，減適用的變動銷售開支。

2.12 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and defaults or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognized in the consolidated income statement. When a trade receivable is uncollectible, it is written off against the provision account of trade receivables. Subsequent recoveries of amounts previously written off are credited the consolidated income statement.

2.13 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash at bank and in hand, deposits held at call with banks and fixed deposits with original maturity within 3 months or less. The cash and cash equivalents meet the definition of loans and receivables and are measured at amortized cost using the effective interest method.

2.12 應收款及其他應收款

應收款及其他應收款初始按公平值確認，其後採用實際利率法按攤銷成本減去減值撥備計量。倘有客觀證據顯示本集團將不能根據應收款的原訂條款收回全部到期款項，則會為該等應收款及其他應收款設定減值撥備。債務人出現重大財務困難、債務人可能破產或進行財務重組，以及沒有履行償還欠款，均被視為是應收款減值的跡象。撥備金額為資產賬面值與估計未來現金流量按原實際利率貼現之現值的差額。資產賬面值的扣減是透過使用撥備削減，其虧損於綜合損益表中內入賬確認。如一項應收款無法收回，其會予應收款內的備付賬戶撇銷。之前已撇銷的款項如其後收回，將撥回綜合損益表中。

2.13 現金及現金等價物

在綜合現金流量表中，現金及現金等價物包括銀行存款及手頭現金、銀行可贖回的定期存款和少於三個月或以內到期的定期存款。現金及現金等價物符合貸款及應收款定義，並以實際利率法攤銷成本計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and share options are shown in equity as a deduction from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from the equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in the equity attributable to the Company's equity holders.

2.15 Current and deferred income tax

The income tax expense for the year comprises current and deferred tax. Tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2. 主要會計政策概要(續)

2.14 股本

普通股乃列作權益。發行新股份或購股權應佔的直接邊際成本於所得款項扣除後列入權益入賬。

如任何本集團之公司購入本公司的權益股本(庫存股份)，所支付的代價，包括任何直接應佔的邊際成本(扣除所得稅)，於本公司權益持有人應佔的權益中扣除，直至股份被註銷或重新發行為止。如股份其後被重新發行，任何已收取的代價，扣除任何直接應佔的邊際交易成本及相關的所得稅影響，應包括在本公司權益持有人的應佔權益內。

2.15 本期和遞延所得稅

本年度的所得稅包括於綜合損益表中確認的本期和遞延稅項。稅項在利潤表中確認，但與在其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。本期所得稅依據本公司及其附屬公司營運和產生應課稅收入之國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

遞延所得稅採用負債法就資產及負債的稅基與其在綜合財務報表中的賬面值之差額產生的暫時差額全數撥備。然而，若遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初始確認，而在交易進行時並無對會計損益或應課稅盈虧造成影響，則毋須為該遞延所得稅入賬。遞延所得稅採用於結算日已頒佈或實質上已頒佈，且預期於有關遞延所得稅資產變現或遞延所得稅負債獲清償時適用的稅率(及法例)予以釐定。

2.15 Current and deferred income tax (continued)

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.16 Employee benefits

(a) Pension obligations

The Group operates defined contribution plans, under which the Group pays fixed contributions into separate entities. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(b) Share-based compensation

The Group operates equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the shares or share options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares or share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of shares or share options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of shares or share options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the consolidated income statement, and a corresponding adjustment to equity over the remaining vesting period.

2.15 本期和遞延所得稅(續)

遞延所得稅資產是就很可能有未來應課稅溢利而就此可使用暫時差額作出確認。

遞延所得稅就於附屬公司投資產生的暫時差額作出撥備，惟在本集團可控制暫時差額的撥回時間及暫時差額在可預見將來很有可能不會撥回的情況下則除外。

2.16 僱員福利

(a) 退休金責任

本集團現參與界定為退休金供款計劃，據此，本集團向獨立實體支付定額供款。若該基金並無持有足夠資產向所有僱員就其在當期及以往期間的服務支付福利，本集團亦無法定或推定責任支付進一步供款。

(b) 以股份為基礎的補償

本集團設有一項以權益償付、以股份為基礎的補償計劃。僱員提供服務而獲授予股份或購股權的公平值乃確認為開支。於歸屬期內列作開支的總金額乃參照已授出的股份或購股權的公平值釐定，不包括任何非市場歸屬條件(例如盈利能力和銷售增長目標)的影響。非市場歸屬條件包括在關於預期股份或購股權歸屬數目的假設中。於各結算日，本集團修改其預期可行使股份和購股權數目，並於綜合損益表內確認修改原來估計數字(如有)的影響，以及在餘下歸屬期對權益作出相應調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.16 Employee benefits (continued)

(b) Share-based compensation (continued)

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the share options are exercised.

The Company adopted share option schemes under which share options may be granted to subscribe for the Company's shares. Please refer to note 24(a).

The Company has adopted a share award plan. Under the plan, directors and employees of the Group are entitled to receive shares in the Company. The share award plan was set up in 2004 and was expired in 2014. Detail of the plan and the outstanding shares can be referred to note 24(b) to the consolidated financial statements.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick/injury leave and maternity/paternity leave are not recognized until the time of leave.

(d) Profit-sharing and bonus plans

The Group recognizes a liability and an expense for profit-sharing bonus based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2. 主要會計政策概要(續)

2.16 僱員福利(續)

(b) 以股份為基礎的補償(續)

於購股權獲行使時，已收取的所得款項(扣除任何直接應佔交易成本)均計入股本(面值)及股份溢價中。

本公司採納購股權計劃，據此，購股權可予授出以認購本公司股份。有關購股權計劃的詳情可參閱附註24(a)。

本公司亦採納股份獎勵計劃。根據該計劃，本集團董事及僱員可以藉此取得本公司股份。股份獎勵計劃於2004年成立並於2014年到期完結。計劃的詳情及股份餘額可參閱綜合財務報表附註24(b)。

(c) 僱員應享假期

僱員應享年假在僱員享有時確認。本集團為截至結算日僱員已提供服務而享有年假的估計負債作出撥備。

僱員應享病/受傷假及分娩/待產假期於僱員正式休假時才予確認。

(d) 分享溢利及花紅計劃

本集團根據一項計算公式，就花紅及分享溢利確認負債及費用。該公式參考本公司股東的應佔溢利作出若干調整。本集團依合約或過往慣例產生推定性的責任時確認撥備。

2.17 Provisions

Provisions for restructuring costs and legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

2.18 Trade payables and other payables

Trade payables and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.19 Revenue recognition

Revenue comprises the fair value of consideration received or receivable for the sale of products in the ordinary course of the Group's activities. Revenue is shown net of discount and after eliminating sales within the Group. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.17 撥備

在出現以下情況時，就重組費用及法律索償作出撥備：本集團因過去事件承擔現有法律或推定性的責任，而清償有關責任需導致資源流出的可能性極高，以及有關金額已被可靠估計。惟不會就未來營運虧損確認撥備。

倘出現多項類似責任，清償有關責任導致資源流出的可能性乃經考慮整體責任類別後予以釐定。即使就同類責任中任何一個項目相關的資源流出的可能性甚低，仍須確認撥備。

撥備採用稅前利率按照預期需償付有關責任的開支的現值計量，該利率反映當時市場對貨幣時間值和有關責任特定風險的評估。隨著時間過去而增加的撥備確認為利息開支。

2.18 應付款及其他應付款

應付款及其他應付款初始以公平值確認，其後採用實際利率法按攤銷成本計量。

2.19 收入確認

收入指本集團在日常經營活動中銷售產品的已收款或應收款的公平值。收入在扣除折扣及對銷本集團內部銷售後以淨值列賬。當收入的金額能夠可靠計量，未來經濟利益很有可能流入有關實體，本集團每項營運活動均符合具體準則時(如下文所述)，本集團確認收入。本集團會根據其往業績並考慮客戶類別、交易種類和每項安排的特點作出估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.19 Revenue recognition (continued)

(a) Sales of products

The Group manufactures and sells proprietary IC products and system solutions. Sales of products are recognized on the transfer of risks and rewards of ownerships, which generally coincides with the time of shipment/delivery.

(b) Interest income

Interest income is recognized using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(c) Other income

Other income is recognized when the Group's right to receive payments is established.

2.20 Leases (as the lessee)

(a) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

- (i) Prepayments made under operating lease are amortized to the consolidated income statement on a straight-line basis over the period of the lease, or when there is impairment, the impairment is expensed in the consolidated income statement.
- (ii) Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2. 主要會計政策概要(續)

2.19 收入確認(續)

(a) 產品銷售

本集團生產及銷售專有IC產品及系統解決方案。產品銷售於擁有權的風險及回報轉讓時予以確認，一般與裝運/付運時間同時發生。

(b) 利息收入

利息收入採用實際利率法，按時間分攤基準確認。倘若應收款出現減值，本集團則會將賬面值減至可收回金額，即估計的未來現金流量按該工具之原實際利率貼現值，並繼續將貼現計算並確認為利息收入。

(c) 其他收入

其他收入是當本集團被確定為有權收取款項時確認。

2.20 租賃(作為承租人)

(a) 經營租賃

擁有權的大部分風險及回報權利由出租人保留的租賃乃列為經營租賃。

- (i) 根據經營租賃所支付的預付款項會按直線法於租期內在綜合損益表內列作開支。當有需要作出減值撥備時，減值差額於綜合損益表支銷。
- (ii) 根據經營租賃所支付的款項(扣除來自出租人的任何收入)會按直線法於租期內在綜合損益表內列作開支。

2.20 Leases (as the lessee) (continued)

(b) Finance lease

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other short-term and other long-term payables. The interest element of the finance lease payment is charged to the consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.21 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

2.20 租賃(作為承租人)(續)

(b) 融資租賃

本集團有物業、機器及設備租賃。由本集團承擔擁有權的大部分風險及回報的物業、機器及設備租賃乃列為融資租賃。融資租賃乃於租賃開始時按租賃物業的公平值與最低租金現值兩者中較低者資本化。

每筆租金均會於負債與財務費用之間分配，以達到尚未支付融資餘額的固定比率。相應的租金責任(扣除融資費用)乃計入其他短期及其他長期應付款。融資成本的利息部分會於有關租期內於綜合損益表中確認，並藉此制訂各期間負債餘額的固定定期利率。從融資租賃而獲得的物業、機器及設備乃按使用期及租賃期兩者中較短者作折舊計算。

2.21 政府補貼

倘可合理保證將獲得補貼及本集團符合所有附帶條件，則按公平值確認政府補貼。

政府補貼之有關成本予以遞延，並配合其計劃補償的成本支銷期間在綜合損益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Summary of significant accounting policies (continued)

2.22 Research and development

Research expenditure is expensed as incurred. Development costs include cost in product engineering and development. Costs incurred on development projects (relating to the design and testing of new products) are recognized as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures are expensed as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs with a finite useful life that have been capitalized as an intangible asset are amortized from the commencement of the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

Development assets are tested for impairment annually in accordance with HKAS 36 - Impairment of Assets.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors.

2. 主要會計政策概要(續)

2.22 研究及開發

研發開支乃於產生時支銷。開發成本包含產品工程及開發類。產生於項目開發的開支(於設計及測試新的產品相關)被確認為無形資產，需符合以下準則：

- 技術上可完成的無形資產，能供使用或出售；
- 管理層計劃完成的無形資產並作使用或出售；
- 能供使用或出售的無形資產；
- 能證明極有可能於未來產生經濟效益的無形資產；
- 能以合適的技術、財政及其他資源完成開發，從而能供使用或出售；及
- 歸屬於無形資產開發時的開支能被可靠的計量。

其他研發開支於產生時支銷。以往確認為開支的研發成本於往後期間不會確認為資產。已資本化且可使用年期有限的研發成本於有關產品投入商業使用時，按直線法於其預期利益期間(不超過五年)攤銷。

研發資產需每年根據香港會計準則第36號－資產減值作減值測試。

2.23 股息分派

分派予公司股東的股息會於本公司股東或董事批准派發股息的期間內於本集團財務報表中確認為負債。

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and cash flow and fair value interest rate risk.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the HKD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Part of the FVTPL are in foreign currencies.

Since the HKD is pegged to USD, the management considered that the Group does not have any material foreign exchange exposure in this regard.

3. 財務風險管理

3.1 財務風險因素

本集團因其業務須承受各種不同的財務風險：市場風險(包括外匯風險和價格風險)、信貸風險、流動資金風險和現金流量及公平值利率風險。

(a) 市場風險

(i) 外匯風險

本集團經營跨國業務，承受各類貨幣所產生的外匯風險，其風險主要來自港元。外匯風險因日後進行的商業交易，已確認海外業務的資產和負債而產生。部分FVTPL亦以外幣為單位。

因港元與美元掛鉤，管理層認為本集團外匯風險不高。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Price risk

The Group is exposed to price risk because certain investments held by the Group are classified on the consolidated balance sheet as FVTPL. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity financial instruments, the Group diversifies its portfolio and invests only in high turnover blue chips with good dividend yield and equity funds.

At 31 December 2014, the Group held listed equity securities, marketable bonds and funds (note 22). If the equity/bond/fund price had increased/decreased by 10% with all other variables held constant, the post-tax loss (2013: post-tax profit) for the year would have been approximately US\$6,099,000 (2013: US\$6,207,000) lower/higher (2013: higher/lower) as a result of gain/loss on listed equity securities, marketable bonds and funds classified as at fair value through profit or loss.

The investments in the available-for-sales financial assets are exposed to price risk. As all of the available-for-sale financial assets held by the Group do not have quoted market price in any active market and are stated at cost less impairment loss. The price risk has therefore been reflected in the impairment loss.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 價格風險

本集團承受價格風險，因為本集團持有於綜合資產負債表中之分類為FVTPL的投資。本集團並沒有商品價格之風險。本集團處理投資於股本金融工具上所產生之價格風險是透過分散不同的投資組合及投資於高流量和高息率的藍籌證券以及股票基金。

於2014年12月31日，本集團持有上市股票、可買賣債券及基金(附註22)。如股票/債券/基金價格上升/下降10%(其他變數保持不變)，年內其除稅後虧損(2013: 除稅後溢利)約會減少/增加(2013: 增加/減少)6,099,000美元(2013: 6,207,000美元)，由分類為通過損益以反映公平價值的上市股票、可買賣債券及基金的收益/損失所導致。

本集團的可供出售財務資產有價格風險。因本集團持有的全部可供出售資產均沒有任何活躍市場報價，並以成本扣除減值虧損呈列。因此價格風險已於減值虧損中反映。

3.1 Financial risk factors (continued)

(b) Credit risk

Customers of the Group are mainly well-known distributors and manufacturers with sound financial background. In addition, the Group has policies in place to ensure that sales of products are made to customers with appropriate credit days and within their respective credit limits.

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Deposits are only placed with reputable banks and financial institutions. For credit exposures to customers, Group management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk at the reporting date is the carrying value of the trade and other receivables. The Group has been monitoring the receivables aging closely. As at 31 December 2014, past due amount accounted for 25% (2013: 25%) of total trade receivables and no provision for impairment was made in 2013 and 2014.

3.1 財務風險因素(續)

(b) 信貸風險

本集團的客戶主要為具穩健財務背景的分銷商。此外，本集團已有一套既定政策，確保產品於適當信貸期及信貸額內銷售予客戶。

信貸風險以組合方式處理。信貸風險產生於現金及現金等價物，和銀行及金融機構的存款，同時集團亦承受客戶的信貸風險，包括應收而未收取款項。存款只會存放於商譽良好的銀行及金融機構。至於客戶的信貸，本集團的管理層會就客戶的信貸能力、財務狀況、過往經驗及其他因素作出評估。

應收款及其他應收款於報告日的賬面值為最高之信貸風險。本集團緊密查察應收款之賬齡。於2014年12月31日，逾期之應收款佔應收款總計的25%(2013: 25%)。於2013及2014年，本集團未有對此應收款作撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

The Group adopts prudent liquidity risk management. The table below analyses the Group's and the Company's financial liabilities into relevant maturity groups based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances, as the impact of discounting is not significant.

| | | Group 本集團 | | Company 本公司 | |
|--|------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| Due within 12 months | 於12個月內到期 | | | | |
| Trade and other payables | 應付款及其他應付款 | 13,593 | 9,684 | 103 | 1,176 |
| Bank loan including interest portions | 銀行貸款(包括利息部分) | 94 | 103 | — | — |
| Obligations under finance leases including interest portions | 融資租賃責任(包括利息部分) | — | 2 | — | — |
| Amounts due to subsidiaries | 應付附屬公司款 | — | — | 545 | 514 |
| Due after 12 months | 於12個月之後到期 | | | | |
| Bank loan including interest portions | 銀行貸款(包括利息部分) | 296 | 418 | — | — |

(d) Cash flow and fair value interest rate risk

Except for the cash and cash equivalents, bank deposits, other financial assets and certain bonds and notes classified as FVTPL, the Group has no other significant interest-bearing assets or liabilities.

The majority of the FVTPL investments are bonds issued at fixed interest rates which expose the Group to fair value interest rate risk.

The investments in available-for-sale financial assets and FVTPL as at 31 December 2014 did not have material interest rate risk.

Since there is no significant borrowing in the Group and the cash and cash equivalents and bank deposits are under short maturity terms, the cash flow and fair value interest rate risk is considered to be low.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

本集團採用審慎的流動資金風險管理。本集團及本公司之財務負債按結算日至合約到期日餘下的限期分類為不同的到期組合列載如下。於列表中披露之金額為未貼現的合約現金流量。因貼現率並無對此帶來重大影響，於十二個月內到期的餘額相等於其面值。

(d) 現金流量及公平值利率風險

除現金及現金等價物、銀行存款、其他財務資產和分類為通過損益以反映公平價值的債券及票據外，本集團並無重大計息資產或負債。投資於可供出售的財務資產及FVTPL並無重大利率風險。

大部分FVTPL的投資乃以固定利率發行之債券令本集團承受公平值利率風險。

投資於可供出售的財務資產及FVTPL於2014年12月31日並無重大利率風險。

由於本集團並無重大借貸，以及現金及現金等價物和銀行存款的限期條款均屬短期，故現金流量及公平值利率風險被視為不高。

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or repurchase shares.

During 2014, the Group had no material borrowing. The decrease in shareholders' funds is mainly due to the loss for the year.

3.3 Fair value estimation

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

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

3.2 資金風險管理

本集團管理資金的目標為確保本集團持續營運、提供回報予股東及利益予其他持份者，並維持最佳的資金結構以減低資金成本。

為維持或調整資金結構，本集團可能會調整派付股息之金額、退還資金予股東或回購股份。

於2014年，本集團並無重大借貸。股東權益減少主要是由於年內的虧損。

3.3 公平值估計

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

- 第1層級－相同資產或負債於活躍市場的報價(未經調整)；
- 第2層級－除包括於第一層級的報價外，可直接(即價格)或間接(即由價格衍生)觀察出資產或負債的輸入資料；
- 第3層級－非由可觀察的市場數據的資產或負債的輸入資料(即非可觀察的輸入資料)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

3. Financial risk management (continued)

3.3 Fair value estimation (continued)

(a) Financial assets at fair value through profit or loss – Group:

| | | 2014 | | | | 2013 | | | |
|----------------------------------|--------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| | | 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 |
| Unlisted | 非上市 | | | | | | | | |
| Deposit notes | 存款票據 | — | 4,203 | — | 4,203 | — | 8,821 | — | 8,821 |
| Derivative financial instruments | 衍生金融工具 | — | 16 | — | 16 | — | 200 | — | 200 |
| Marketable bonds | 可買賣債券 | 26,650 | — | — | 26,650 | 27,143 | — | — | 27,143 |
| Marketable funds | 可買賣基金 | 18,509 | — | — | 18,509 | 16,627 | — | — | 16,627 |
| Listed | 上市 | | | | | | | | |
| Equity securities | 股票 | 15,762 | — | — | 15,762 | 18,235 | — | — | 18,235 |
| Fund | 基金 | 69 | — | — | 69 | 61 | — | — | 61 |
| | | 60,990 | 4,219 | — | 65,209 | 62,066 | 9,021 | — | 71,087 |

(b) Financial assets at fair value through profit or loss – Company:

| | | 2014 | | | | 2013 | | | |
|----------------------------------|--------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| | | 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 |
| Unlisted | 非上市 | | | | | | | | |
| Deposit notes | 存款票據 | — | 2,201 | — | 2,201 | — | 4,298 | — | 4,298 |
| Derivative financial instruments | 衍生金融工具 | — | 16 | — | 16 | — | 200 | — | 200 |
| Marketable bonds | 可買賣債券 | 25,241 | — | — | 25,241 | 25,940 | — | — | 25,940 |
| Marketable funds | 可買賣基金 | 17,427 | — | — | 17,427 | 15,525 | — | — | 15,525 |
| Listed | 上市 | | | | | | | | |
| Equity securities | 股票 | 15,762 | — | — | 15,762 | 18,235 | — | — | 18,235 |
| Fund | 基金 | 69 | — | — | 69 | 61 | — | — | 61 |
| | | 58,499 | 2,217 | — | 60,716 | 59,761 | 4,498 | — | 64,259 |

There were no transfers between level 1 and 2 during 2014 and 2013.

第1與第2層之間於2014及2013年內並無轉移。

3. 財務風險管理(續)

3.3 公平值估計(續)

(a) 通過損益以反映公平價值的財務資產 – 本集團:

(b) 通過損益以反映公平價值的財務資產 – 本公司:

3.4 Valuation techniques for deriving Level 1 and 2 fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

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

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

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

3.4 應用於第1與第2層級公平值的估值方法

在活躍市場買賣的金融工具的公平價值根據資產負債表日的市場報價列賬。當報價可即時和定期從證券交易所、交易商、經紀、業內人士、定價服務者或監管代理獲得，而該等報價代表按公平交易基準進行的實際和常規市場交易時，該市場被視為活躍。本集團持有的金融資產的市場報價為當時買方報價。此等工具包括在第1層級。

第2層級的財務資產包括存款票據及遠期外匯合約。

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

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。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

3. Financial risk management (continued)

3.5 Valuation process

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

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

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

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

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

4.1 Income tax

The Group is subject to income tax in several jurisdictions. Significant judgement is required in determining the worldwide provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provision and deferred tax assets and liabilities in the period in which such determination is made.

3. 財務風險管理(續)

3.5 估算程序

本集團採納應用先進估值方法之有信譽的金融機構為金融工具提供的公平值。

3.6 以攤銷成本披露的財務資產及負債之公平值

以下財務資產及負債的公平值與其賬面值接近：

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

4. 關鍵會計估算及判斷

估算及判斷會持續予以評估，並以過往經驗及其他因素(包括在某些情況下對未來事件的合理預計)為依據。

本集團對未來作估算及假設。根據定義，會計估算的結果極少與相關的實際結果相同。所作的估算及假設可能存在重大風險，並導致下一財政期間的資產及負債賬面值有重大調整的項目在下文論述。

4.1 所得稅

本集團需繳納若干司法權區的所得稅。釐定各地所得稅撥備涉及重大判斷。許多交易，對其最終稅項的釐定難以作出確定的計算。本集團根據對預計是否有額外稅項的負擔，就預期稅項審計事項確認為負債。倘該等事項的最終稅項結果與初始記錄金額有別，該差異將影響釐定稅項期間的所得稅撥備及遞延稅項資產及負債。

4.2 Equity compensation

In determining the total expenses for the Group's share-based compensation plans, the Group estimates the number of share options or shares that are expected to become exercisable or vested at the date of grant. At each balance sheet date before the share options or shares become fully exercisable or vested, the Group will revise the total expenses where the number of share options or shares that are expected to become exercisable or vested is different from previously estimated.

4.3 Estimate impairment of investments in subsidiaries and in associated companies

The Group tests annually whether investments in subsidiaries and investments in associated companies have suffered any impairment, in accordance with the accounting policy stated in note 2.7. The recoverable amounts of investments in subsidiaries and investments in associated companies have been determined based on value-in-use calculations or market valuations. These calculations require the use of judgement and estimates, in particular of future revenue or cash flow. Management believes that any reasonable possible deviation from any of these assumptions would not cause the aggregate carrying amounts of cash-generating units to exceed their recoverable amounts.

4.4 Impairment of available-for-sale financial assets

The Group follows the guidance of HKAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

4.2 股本權益報酬

就本集團的股本權益報酬計劃釐定總開支時，本集團估計於授出當日預期可予行使的購股權或歸屬的股份數目。於購股權全面行使或股份全面歸屬前的各結算日，倘預期可予行使的購股權或歸屬的股份數目與先前的估計有別，則本集團將會修訂其總開支。

4.3 於附屬公司及聯營公司投資的減值估算

依據附註2.7所列示的會計政策，本集團每年就附屬公司及聯營公司投資是否遭受任何減值進行測試。附屬公司及聯營公司投資的可收回金額乃使用價值之計算或市場估值。該等計算須運用判斷及估算，尤其是未來之收入或現金流。管理層相信任何合理而可能出現與假設之差異不會使現金產出單元之累計賬面值高於其可收回金額。

4.4 可供出售財務資產減值

本集團在釐定一項可供出售財務資產是否已減值時，依循香港會計準則第39號的指引。此項釐定需要有重大判斷。在作出此項判斷時，本集團評估(包括其他因素)某項投資的公平值低於其成本的持續時間和數額，以及被投資者的財政健全情況和短期業務前景，包括例如行業和範疇表現、技術變遷以及經營和籌資現金流量等因素。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

4. Critical accounting estimates and judgements (continued)

4.5 Provision for impairment of trade receivables

The Group makes provision for impairment of trade receivables based on an assessment of the recoverability of trade receivables. Provisions are applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade receivables and provision for impaired receivables in the year in which such estimate has been changed.

4.6 Provision for obsolete or slow moving inventories

The Group makes provision for obsolete or slow moving inventories based on consideration of obsolescence of raw materials and work in progress and the net realizable value of finished goods. The identification of inventory obsolescence and estimated selling price in the ordinary course of business require the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventory and impairment provision in the year in which such estimate has been changed.

5. Segment information – Group

During the year, the Group has principally engaged in the design, development and sales of proprietary IC products and system solutions that enabled a wide range of display applications for smartphones, smart TVs and other smart devices including consumer electronics products, portable devices, industrial appliances and green energy applications.

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.

4. 關鍵會計估算及判斷(續)

4.5 應收款減值

本集團根據應收款可收回情況的評估為應收款作出減值撥備。倘出現事項或情況有變而顯示不一定可收回餘款時，則須就應收款撥備。識別減值須運用判斷及作出估算。倘預期金額有別於原先估計數值，則有關差額將影響估計數值出現變動年度之應收款的賬面值及應收款減值撥備。

4.6 過時或滯銷存貨減值

本集團根據原材料及在製品的過時情況及製成品的可變現淨值為過時或滯銷存貨作出撥備。識別存貨過時情況及於日常業務過程中的估計售價須運用判斷及作出估算。倘預期金額有別於原先估計數值，則有關差額將影響估計數值出現變動年度之存貨的賬面值及減值撥備。

5. 分部資料 – 本集團

於年內，本集團主要從事設計、開發及銷售專有IC產品及系統解決方案，能廣泛應用於各類智能手機、智能電視及其他智能產品，包括消費電子產品、便攜式裝置、工業用設備及環保能源應用。

本集團一直以單一營運分部經營，即設計、開發及銷售專有IC產品及系統解決方案。

本集團最高營運決策層為集團行政總裁(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。

Sales amounted to US\$60,072,000 and US\$55,150,000 for the years ended 31 December 2014 and 2013 respectively.

The Company is domiciled in Hong Kong. The Group mainly operates in Hong Kong. During 2014, the Group's products were mainly sold to customers located in China, Europe and Hong Kong.

(a) Sales

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|-----------------|-----|---------------------------------------|-------------------------|
| China | 中國 | 18,623 | 12,452 |
| Europe | 歐洲 | 10,349 | 7,896 |
| Hong Kong | 香港 | 9,998 | 14,589 |
| Taiwan | 台灣 | 9,094 | 9,363 |
| Korea | 韓國 | 5,393 | 3,816 |
| Japan | 日本 | 2,755 | 2,146 |
| South East Asia | 東南亞 | 2,469 | 4,088 |
| USA | 美國 | 753 | 486 |
| Others | 其他 | 638 | 314 |
| | | 60,072 | 55,150 |

Sales are classified based on the places/countries in which customers are located.

截至2014及2013年12月31日止年度，銷售額分別為60,072,000美元及55,150,000美元。

本公司的所在地位於香港。本集團主要於香港經營其業務。於2014年內，本集團之產品主要銷售予位於中國、歐洲及香港的客戶。

(a) 銷售額

銷售額按客戶所在地區／國家分類。

(b) Total assets

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|-----------------|-----|---------------------------------------|-------------------------|
| Hong Kong | 香港 | 105,551 | 105,046 |
| China | 中國 | 18,862 | 18,520 |
| Taiwan | 台灣 | 5,074 | 4,857 |
| South East Asia | 東南亞 | 498 | 484 |
| Others | 其他 | 150 | 53 |
| | | 130,135 | 128,960 |

Assets are listed based on where the assets are located. Others comprise Japan and the 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

5. Segment information – Group (continued)

(c) Capital expenditures – Group

| | | Investments in 投資於 | | | |
|-----------------|-----|---|-------------------------|---------------------------|-------------------------|
| | | Property, plant and equipment 物業、機器及設備 | | Intangible assets 無形資產 | |
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| Hong Kong | 香港 | 213 | 170 | — | — |
| China | 中國 | 223 | 142 | — | 174 |
| South East Asia | 東南亞 | 28 | 28 | — | — |
| Others | 其他 | 9 | 37 | — | — |
| | | 473 | 377 | — | 174 |

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

資本開支是根據資產的所在地予以列載。

(d) Major customers – Group

Details of customers accounted for 10% or more of total revenue of the Group are as follows:

(d) 主要客戶 – 本集團

佔本集團的總銷售額10%或以上的客戶詳情如下：

| Customer and location | | 客戶及其所在地 | | 2014 | 2013 |
|-----------------------|--------|---------|----|-----------------|-----------------|
| | | | | US\$'000 千美元 | US\$'000 千美元 |
| Customer A | China | 客戶A | 中國 | 12,018 | N/A 不適用 |
| Customer B | Europe | 客戶B | 歐洲 | 6,431 | N/A 不適用 |

6. Expenses by nature – Group

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

6. 按性質分類的開支 – 本集團

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：

| | | 2014 | 2013 |
|--|--------------------|-----------------|-----------------|
| | | US\$'000 千美元 | US\$'000 千美元 |
| Cost of inventories sold | 售出存貨成本 | 36,026 | 32,100 |
| Product engineering costs | 產品工程成本 | 3,221 | 2,135 |
| Provision for obsolete or slow moving inventories | 過時或滯銷存貨的撥備 | 2,169 | 711 |
| Amortization of intangible assets | 攤銷無形資產 | 27 | 11 |
| Depreciation of owned property, plant and equipment | 自置物業、機器及設備的折舊 | 851 | 1,400 |
| Depreciation of leased property, plant and equipment | 租賃物業、機器及設備的折舊 | 1 | 1 |
| Operating leases for land and buildings | 土地及樓宇的經營租賃 | 1,040 | 1,037 |
| Auditor's remuneration | 核數師酬金 | 191 | 179 |
| Employee benefit expenses (excluding Directors' emoluments) | 僱員福利開支 (董事酬金除外) | 18,217 | 16,710 |
| Directors' emoluments | 董事酬金 | 723 | 702 |
| Net exchange gain | 淨匯兌收益 | (122) | (54) |

7. Other income – Group

7. 其他收入 – 本集團

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|--|-------------------------|-------------------------|-------------------------|
| Gain/(loss) on disposal of intangible assets and property, plant and equipment | 出售無形資產及物業、機器及設備的收益/(虧損) | (71) | 770 |
| Others | 其他 | 212 | 186 |
| | | 141 | 956 |

8. Finance income – net – Group

8. 投資收入 – 淨額 – 本集團

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|------------------|-------------------------|-------------------------|
| Interest income | 利息收入 | 2,030 | 2,464 |
| Dividend income | 股息收入 | 955 | 539 |
| Gain/(loss) on disposal of FVTPL | 出售FVTPL的收益/(虧損) | 914 | (23) |
| Net unrealizable gain or loss from FVTPL: | FVTPL未變現的淨收益或虧損： | | |
| – Fair value gain | – 公平值收益 | 1,249 | 2,005 |
| – Fair value loss | – 公平值虧損 | (1,784) | (1,077) |
| Interest expense of bank loan | 銀行貸款的利息支出 | (8) | (10) |
| Others | 其他 | 9 | 15 |
| | | 3,365 | 3,913 |

9. Employee benefit expenses – Group

9. 僱員福利開支 – 本集團

(a) Employee benefit expenses

(a) 僱員福利開支

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|-------------------------------|-------------------------|-------------------------|
| Wages and salaries | 工資及薪金 | 15,592 | 14,329 |
| Discretionary bonuses | 酌情花紅 | 164 | 123 |
| Equity compensation – shares and share options | 股本權益報酬 – 股份及購股權 | 86 | 87 |
| Pension costs – defined contribution plans ⁽ⁱ⁾ | 退休金成本 – 界定供款計劃 ⁽ⁱ⁾ | 659 | 578 |
| Other employee benefits | 其他僱員福利 | 1,716 | 1,593 |
| | | 18,217 | 16,710 |

(i) Forfeited contributions to certain defined contribution plans will be utilized to reduce contributions. During 2014, there was US\$19,000 of contribution being forfeited (2013: US\$22,000).

(i) 已放棄之供款可用作扣減界定供款計劃的供款。於2014年內，已放棄的供款為19,000美元(2013：22,000美元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

9. Employee benefit expenses – Group (continued)

(b) Directors' emoluments

The remuneration of every director of the Company including the equity compensation charged to the consolidated income statement under the requirements of HKFRS 2 "Share-based payment" is set out below:

9. 僱員福利開支 – 本集團 (續)

(b) 董事酬金

本公司每名董事的酬金(包括根據香港財務報告準則第2號「以股份為基礎的付款」在綜合損益表內支銷的股本權益報酬)列載如下：

| | | Directors' emoluments for the year ended 31 December 2014 截至2014年12月31日止年度董事之酬金 | | | | | | |
|---|-------------------|--|---------------------------------|--|---|-----------------------------------|---|--------------------------------|
| | | Fees 袍金 US\$'000 千美元 | Salary 薪金 US\$'000 千美元 | Other benefits ⁽ⁱ⁾ 其他福利 ⁽ⁱ⁾ US\$'000 千美元 | Employer's contribution to pension scheme 僱主的 退休金 計劃供款 US\$'000 千美元 | Subtotal 小計 US\$'000 千美元 | Equity compensation ⁽ⁱⁱ⁾ 股本權益 報酬 ⁽ⁱⁱ⁾ US\$'000 千美元 | Total 總計 US\$'000 千美元 |
| Sun, Patrick | 辛定華 | 35 | — | — | — | 35 | 14 | 49 |
| Choy Kwok Hung, Patrick | 蔡國雄 | 31 | — | — | — | 31 | 14 | 45 |
| Leung Heung Ying | 梁享英 | 6 | — | — | — | 6 | 4 | 10 |
| Sheu Wei Fu | 許維夫 | 7 | — | — | — | 7 | 4 | 11 |
| Yiu Tin Chong, Joseph | 姚天從 | 31 | — | — | — | 31 | 14 | 45 |
| Li Jun | 李峻 | 2 | — | — | — | 2 | — | 2 |
| Li Rongxin | 李榮信 | 2 | — | — | — | 2 | — | 2 |
| Zhao Guiwu | 趙貫武 | 11 | — | — | — | 11 | — | 11 |
| Leung Kwong Wai | 梁廣偉 | — | 285 | 12 | 13 | 310 | 14 | 324 |
| Cheung Wai Kuen, Kenny | 張惠權 | — | 40 | 1 | 2 | 43 | 6 | 49 |
| Lam Pak Lee | 林百里 | 7 | — | — | — | 7 | 10 | 17 |
| Sheu Wei Fu (alternate to Lam Pak Lee) | 許維夫 (林百里之替代董事) | — | — | — | — | — | — | — |
| Lai Weide | 賴偉德 | 4 | — | — | — | 4 | — | 4 |
| Lai Woon Ching | 黎垣清 | — | 109 | 2 | 5 | 116 | 13 | 129 |
| Li Xiaochun | 李曉春 | 4 | — | — | — | 4 | — | 4 |
| Wong Yuet Leung, Frankie | 黃月良 | 11 | — | — | — | 11 | 10 | 21 |
| | | 151 | 434 | 15 | 20 | 620 | 103 | 723 |

(b) Directors' emoluments (continued)**(b) 董事酬金** (續)

| | | Directors' emoluments for the year ended 31 December 2013 截至2013年12月31日止年度董事之酬金 | | | | | | |
|---|-------------------|--|----------|-------------------------------|---|----------|-------------------------------------|----------|
| | | Fees | Salary | Other benefits ⁽ⁱ⁾ | Employer's contribution to pension scheme | Subtotal | Equity compensation ⁽ⁱⁱ⁾ | Total |
| | | US\$'000 | US\$'000 | US\$'000 | 僱主的退休金計劃供款 | US\$'000 | 股本權益報酬 ⁽ⁱⁱ⁾ | US\$'000 |
| | | 千美元 | 千美元 | 千美元 | US\$'000 | 千美元 | 千美元 | 千美元 |
| Sun, Patrick | 辛定華 | 33 | — | — | — | 33 | 9 | 42 |
| Choy Kwok Hung, Patrick | 蔡國雄 | 27 | — | — | — | 27 | 9 | 36 |
| Wong Yuet Leung, Frankie | 黃月良 | 26 | — | — | — | 26 | 9 | 35 |
| Yiu Tin Chong, Joseph | 姚天從 | 25 | — | — | — | 25 | 9 | 34 |
| Lai Weide | 賴偉德 | 3 | — | — | — | 3 | — | 3 |
| Lam Pak Lee | 林百里 | 22 | — | — | — | 22 | 9 | 31 |
| Sheu Wei Fu (alternate to Lam Pak Lee) | 許維夫 (林百里之替代董事) | — | — | — | — | — | — | — |
| Li Xiaochun | 李曉春 | 7 | — | — | — | 7 | — | 7 |
| Zhao Guiwu | 趙貴武 | 7 | — | — | — | 7 | — | 7 |
| Leung Kwong Wai | 梁廣偉 | — | 285 | 38 | 13 | 336 | 9 | 345 |
| Lai Woon Ching | 黎垣清 | — | 141 | 3 | 7 | 151 | 11 | 162 |
| | | 150 | 426 | 41 | 20 | 637 | 65 | 702 |

(i) Other benefits include leave pay, insurance premium and other allowances.

(i) 其他福利包括假期工資、保險費及其他津貼。

(ii) This represents the amount charged to the consolidated income statement under the requirements of HKFRS 2. Equity compensation granted in prior years with vesting term extended into the year has an impact to the current year.

(ii) 股本權益報酬指根據香港財務報告準則第2號的規定於綜合損益表內支銷的金額。包括於以前年度授予之股本權益其歸屬期伸延至本年度之金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

9. Employee benefit expenses – Group (continued)

(c) Equity compensation to Directors

More details for the equity compensation schemes can be referred to note 24 to the consolidated financial statements. Details of the share options granted to each of the directors and their corresponding fair values are listed as below:

9. 僱員福利開支 – 本集團 (續)

(c) 董事的股本權益報酬

有關股本權益報酬的其他資料可參閱綜合財務報表附註24。已授予各董事的購股權，以及其相應的公平值列載如下：

| | | 2014 | | 2013 | |
|---|-----------------------------------|---|--|---|--|
| | | Number of share options granted 已授出購股權數目 (in thousand units) (以千計) | Fair value of the share options at grant date ⁽ⁱ⁾ 於授出日期購股權的公平值 ⁽ⁱ⁾ US\$'000 千美元 | Number of share options granted 已授出購股權數目 (in thousand units) (以千計) | Fair value of the share options at grant date ⁽ⁱ⁾ 於授出日期購股權的公平值 ⁽ⁱ⁾ US\$'000 千美元 |
| Sun, Patrick | 辛定華 | 800 | 12.2 | 800 | 14.7 |
| Choy Kwok Hung, Patrick | 蔡國雄 | 800 | 12.2 | 800 | 14.7 |
| Leung Heung Ying ⁽ⁱⁱⁱ⁾ | 梁享英 ⁽ⁱⁱⁱ⁾ | 800 | 12.1 | — | — |
| Sheu Wei Fu ⁽ⁱⁱⁱ⁾ | 許維夫 ⁽ⁱⁱⁱ⁾ | 800 | 12.1 | — | — |
| Yiu Tin Chong, Joseph | 姚天從 | 800 | 12.1 | 800 | 14.7 |
| Li Jun ⁽ⁱⁱⁱ⁾ | 李峻 ⁽ⁱⁱⁱ⁾ | — | — | — | — |
| Li Rongxin ⁽ⁱⁱⁱ⁾ | 李榮信 ⁽ⁱⁱⁱ⁾ | — | — | — | — |
| Zhao Guiwu | 趙貴武 | — | — | — | — |
| Leung Kwong Wai | 梁廣偉 | 800 | 12.1 | 800 | 14.7 |
| Cheung Wai Kuen, Kenny ⁽ⁱⁱⁱ⁾ | 張惠權 ⁽ⁱⁱⁱ⁾ | 1,300 | 21.0 | — | — |
| Lam Pak Lee ⁽ⁱⁱⁱ⁾ | 林百里 ⁽ⁱⁱⁱ⁾ | — | — | 800 | 14.7 |
| Sheu Wei Fu ^(iv) (alternate to Lam Pak Lee) | 許維夫 ^(iv) (林百里之替代董事) | — | — | — | — |
| Lai Weide ^(iv) | 賴偉德 ^(iv) | — | — | — | — |
| Lai Woon Ching ^(iv) | 黎垣清 ^(iv) | — | — | 800 | 14.6 |
| Li Xiaochun ^(iv) | 李曉春 ^(iv) | — | — | — | — |
| Wong Yuet Leung, Frankie ⁽ⁱⁱⁱ⁾ | 黃月良 ⁽ⁱⁱⁱ⁾ | — | — | 800 | 14.7 |
| | | 6,100 | 93.8 | 5,600 | 102.8 |

- (i) These represent the full fair value of the share options at grant date to be amortized in accordance with the vesting terms of the share option grant and may differ from the total charge to the consolidated income statement of the year.
- (ii) Directors retired at the 2014 Annual General Meeting of the Company who did not offer themselves for re-election.
- (iii) Directors elected at the Extraordinary General Meeting of the Company on 8 October 2014.
- (iv) Directors resigned at the conclusion of the Extraordinary General Meeting of the Company on 8 October 2014.
- (v) Upon the retirement of Dr. Lam Pak Lee, Mr. Sheu Wei Fu ceased to be the alternate to Dr. Lam Pak Lee.

- (i) 呈列的為購股權授出日期的全部公平值，將根據購股權予的歸屬條款予以攤銷，有關之公平值可能有別於本年度於綜合損益表內所扣除的總額。
- (ii) 已於本公司的2014年股東週年大會輪席告退並放棄重選連任之董事。
- (iii) 於2014年10月8日本公司股東特別大會獲委任的董事。
- (iv) 於2014年10月8日本公司股東特別大會完結後辭任之董事。
- (v) 林百里博士退任董事同時，許維夫先生亦停任林百里博士的替代董事。

(d) Five highest paid individuals in the Group

The five individuals whose emoluments were the highest in the Group for the year include two (2013: one) directors whose emoluments are reflected in the analysis above.

The emoluments paid to the remaining three (2013: four) highest paid individuals by nature of expenses and by band are as follows:

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|-----------------|-------------------------|-------------------------|
| Basic salaries, other allowances and benefits in kind | 基本薪金及其他津貼和福利 | 486 | 652 |
| Discretionary bonuses | 酌情花紅 | — | — |
| Contribution to pension scheme and long service payment | 向退休計劃供款及長期服務金付款 | 24 | 27 |
| Equity compensation | 股本權益報酬 | 510 54 | 679 48 |
| | | 564 | 727 |

| | Number of individuals 人數 | |
|-------------------------------------|-----------------------------|------|
| Emolument bands (US\$) 酬金額範圍(美元) | 2014 | 2013 |
| 150,001 - 200,000 | 2 | 3 |
| 200,001 - 250,000 | 1 | 1 |

During the year, no emoluments have been paid to the Directors of the Company or the five highest paid individuals in Group as an inducement to join or upon joining the Group (2013: Nil).

(d) 本集團內五名最高薪人士

本集團五名最高薪人士包括兩名(2013：一名)董事，其酬金已於上述分析中反映。

餘下之三名(2013：四名)最高薪人士的酬金按開支性質及按組合範圍如下：

於年內，並無向本公司董事或集團內五名最高薪人士支付任何酬金，作為吸引加入本集團或於加盟本集團時的獎勵(2013：無)。

(e) Remuneration of the senior management in the Group

The emoluments for the nine senior management members listed on pages 44 to 45 of this Annual Report fell within the following bands:

| | Number of individuals 人數 | |
|-------------------------------------|-----------------------------|------|
| Emolument bands (US\$) 酬金額範圍(美元) | 2014 | 2013 |
| <100,000 | 1 | 2 |
| 100,001 - 150,000 | 2 | 2 |
| 150,001 - 200,000 | 5 | 4 |
| 200,001 - 250,000 | 1 | 1 |

(e) 本集團內之高級管理層薪酬

九名列載於本年報第44至45頁的高級管理層成員酬金額介乎以下範圍：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

10. Income tax – Group

Hong Kong income tax has been provided at the rate of 16.5% (2013: 16.5%) while overseas income tax has been provided at the rates of taxation prevailing in the countries in which the Group operates.

| | Note 附註 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|--------------|-------------------------|-------------------------|
| Current income tax: | 本期所得稅： | | |
| – Hong Kong | – 香港 | — | 88 |
| – Overseas | – 海外 | 24 | 2 |
| Write-back of income tax provision in prior years | 以往年度估算所得稅的回撥 | — | (548) |
| Deferred income tax | 遞延所得稅 | — | (50) |
| | | 24 | (508) |

The tax on the Group's profit/loss before income tax differs from the theoretical amount that would arise using the income tax rate of Hong Kong, the Group's principal place of operation, as follows:

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|-----------------|-------------------------|-------------------------|
| Profit/(loss) before income tax | 除稅前溢利/(虧損) | (2,981) | 826 |
| Income tax calculated at a tax rate of 16.5% | 所得稅按 16.5% 稅率計算 | (492) | 136 |
| Income not subject to tax | 毋須課稅的收入 | (631) | (881) |
| Expenses not deductible for tax purposes | 不可作扣稅的開支 | 114 | 25 |
| Income tax losses not recognized | 未確認所得稅稅項之虧損 | 1,033 | 760 |
| Write-back of income tax provision in prior years | 以往年度估算所得稅的回撥 | — | (548) |
| | | 24 | (508) |

Deferred income tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred income tax assets of US\$9,876,000 (2013: US\$8,843,000) in respect of losses amounting to US\$59,851,000 (2013: US\$53,594,000) that can be carried forward against future taxable profits. These tax losses have no expiry date.

10. 所得稅 – 本集團

香港所得稅已根據稅率 16.5% (2013 : 16.5%) 計算，而海外所得稅則根據本集團營運所在國家的適用稅率計算。

本集團有關除稅前溢利/虧損的所得稅稅項與假設採用香港(本集團的主要營運地點)的稅率而計算的理論稅額的差額如下：

因應稅項虧損之遞延所得稅資產會就未來應課稅溢利很有可能變現時作出確認。本集團未確認因應 59,851,000 美元(2013 : 53,594,000 美元)之稅項虧損的遞延所得稅資產 9,876,000 美元(2013 : 8,843,000 美元)，作為抵銷未來的應課稅溢利。該稅項虧損並無指定過期日。

11. Profit or loss attributable to the equity holders of the Company

The loss attributable to the equity holders of the Company is dealt with in the financial statements of the Company to the extent of US\$12,005,000 in 2014 (2013: US\$6,839,000).

11. 本公司權益持有人應佔溢利或虧損

本公司權益持有人應佔虧損於 2014 年本公司之財務報表列載為 12,005,000 美元(2013 : 6,839,000 美元)。

12. Earnings/loss per share

(a) Basic earnings/loss per share

The basic earnings/loss per share for the year is calculated based on the Group's loss in 2014 attributable to the equity holders of the Company of US\$3,005,000 (2013 profit: US\$1,334,000) and the weighted average number of 2,462,430,618 (2013: 2,457,154,439) ordinary shares in issue excluding own shares held during the year.

(b) Diluted earnings/loss per share

The diluted earnings/loss per share is calculated based on the Group's profit/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 year.

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

| | | Number of shares 股份數目 | |
|---|------------------------------------|--------------------------|---------------|
| | | 2014 | 2013 |
| Weighted average number of ordinary shares in issue | 已發行加權平均普通股股數 | 2,462,430,618 | 2,457,154,439 |
| 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 | — | 3,518,646 |
| Conversion of all dilutive share options outstanding ⁽ⁱ⁾ | 兌換所有可予發行具攤薄影響的流通購股權 ⁽ⁱ⁾ | — | 4,368,918 |
| 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 | 2,462,430,618 | 2,465,042,003 |

(i) As at 31 December 2014, there were 20,600,000 share options outstanding which could potentially have a dilutive impact but were anti-dilutive for the year then ended. Hence, there was no dilutive effect on the calculation of the diluted loss per share for the year ended 31 December 2014.

12. 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於2014年之虧損3,005,000美元(2013溢利：1,334,000美元)及本年內已發行普通股加權平均數2,462,430,618股(2013：2,457,154,439股)計算，不包括所持本身股份。

(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溢利／虧損及已就年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數計算。

加權平均普通股股數的有關資料列載如下：

(i) 於2014年12月31日，可予發行具攤薄影響的購股權為20,600,000股。該等股份本具有攤薄影響，但於計算每股攤薄虧損則產生反攤薄影響。因此，並無2014年12月31日止年內的每股攤薄虧損造成攤薄影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

13. Dividend

No dividend for the years ended 31 December 2014 and 2013 was declared or paid by the Company. In addition, the Board resolved not to propose any final dividend for the year ended 31 December 2014.

13. 股息

本公司並沒有宣派或派付截至2014及2013年12月31日止年度之股息。再者，董事會決議不建議宣派截至2014年12月31日止年度之末期股息。

14. Intangible assets – Group

14. 無形資產 – 本集團

| | | Patents and intellectual property 專利及知識產權 | |
|--------------------------|-------------|--|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| At 1 January | 於1月1日 | 163 | — |
| Addition | 添置 | — | 174 |
| Disposals | 註銷 | (76) | — |
| Amortization | 攤銷 | (27) | (11) |
| At 31 December | 於12月31日 | 60 | 163 |
| Cost | 成本 | 4,581 | 4,674 |
| Accumulated amortization | 累計攤銷 | (4,521) | (4,511) |
| Balance at 31 December | 於12月31日的賬面值 | 60 | 163 |

Amortization expense of US\$27,000 (2013: US\$11,000) has been charged in research and development costs.

攤銷開支27,000美元(2013: 11,000美元)已於研究及開發成本中支銷。

15. Property, plant and equipment

15. 物業、機器及設備

| | | Group 本集團 | | | | | Company 本公司 | |
|------------------------------------|----------------------|--|--|---|--|--|--------------------------------|---|
| | | Land and building ⁽ⁱ⁾ 土地 及樓宇 ⁽ⁱ⁾ US\$'000 千美元 | Leasehold improvements 租賃物業 裝修 US\$'000 千美元 | Furniture, fixtures, licenses and equipment 傢具、 固定裝置、 許可證及設備 US\$'000 千美元 | Machinery and laboratory equipment 機器及 實驗室設備 US\$'000 千美元 | Motor vehicles 汽車 US\$'000 千美元 | Total 總計 US\$'000 千美元 | Furniture, fixtures and office equipment 傢具、 固定裝置及 辦公室設備 US\$'000 千美元 |
| At 1 January 2013 | 於2013年1月1日 | | | | | | | |
| Cost | 成本 | 1,833 | 2,669 | 13,788 | 19,445 | 254 | 37,989 | 611 |
| Accumulated depreciation | 累計折舊 | (86) | (2,423) | (13,167) | (17,930) | (193) | (33,799) | (611) |
| Net book amount | 賬面淨值 | 1,747 | 246 | 621 | 1,515 | 61 | 4,190 | — |
| Year ended 31 December 2013 | 截至2013年12月31日 | | | | | | | |
| Opening net book amount | 期初賬面淨值 | 1,747 | 246 | 621 | 1,515 | 61 | 4,190 | — |
| Exchange differences | 匯兌差額 | — | — | (2) | 28 | — | 26 | — |
| Additions | 添置 | — | 53 | 254 | 70 | — | 377 | — |
| Disposals | 註銷 | — | — | (44) | (70) | — | (114) | — |
| Reclassification | 重分類 | — | (20) | — | 20 | — | — | — |
| Depreciation | 折舊 | (21) | (181) | (511) | (627) | (61) | (1,401) | — |
| Closing net book amount | 期末賬面淨值 | 1,726 | 98 | 318 | 936 | — | 3,078 | — |
| At 31 December 2013 | 於2013年12月31日 | | | | | | | |
| Cost | 成本 | 1,833 | 2,698 | 11,374 | 16,403 | 254 | 32,562 | 611 |
| Accumulated depreciation | 累計折舊 | (107) | (2,600) | (11,056) | (15,467) | (254) | (29,484) | (611) |
| Net book amount | 賬面淨值 | 1,726 | 98 | 318 | 936 | — | 3,078 | — |
| Year ended 31 December 2014 | 截至2014年12月31日 | | | | | | | |
| Opening net book amount | 期初賬面淨值 | 1,726 | 98 | 318 | 936 | — | 3,078 | — |
| Exchange differences | 匯兌差額 | (111) | (1) | 7 | — | — | (105) | — |
| Additions | 添置 | — | 5 | 257 | 211 | — | 473 | — |
| Disposals | 註銷 | — | — | — | (1) | — | (1) | — |
| Depreciation | 折舊 | (21) | (85) | (191) | (555) | — | (852) | — |
| Closing net book amount | 期末賬面淨值 | 1,594 | 17 | 391 | 591 | — | 2,593 | — |
| At 31 December 2014 | 於2014年12月31日 | | | | | | | |
| Cost | 成本 | 1,715 | 2,674 | 8,015 | 16,451 | 254 | 29,109 | 611 |
| Accumulated depreciation | 累計折舊 | (121) | (2,657) | (7,624) | (15,860) | (254) | (26,516) | (611) |
| Net book amount | 賬面淨值 | 1,594 | 17 | 391 | 591 | — | 2,593 | — |

(i) Bank loan is secured by the land and building. Freehold land in Taiwan of US\$757,000 (2013: US\$757,000) was included in the land and building.

(ii) Depreciation expense of US\$542,000 (2013: US\$595,000) has been charged in cost of sales, US\$89,000 (2013: US\$446,000) in research and development costs and US\$221,000 (2013: US\$360,000) in administrative expenses.

(iii) At 31 December 2013, the net book value of furniture, fixtures, licenses and equipment of US\$318,000 includes an amount of US\$3,000 in respect of assets held under finance leases.

(i) 銀行貸款以土地及樓宇作抵押。於台灣擁有永久業權的土地757,000美元（2013：757,000美元），包括在土地及樓宇中。

(ii) 折舊開支542,000美元（2013：595,000美元）已於銷售成本中支銷，而89,000美元（2013：446,000美元）則於研究及開發成本中入賬及221,000美元（2013：360,000美元）於行政開支中入賬。

(iii) 於2013年12月31日，在淨值為318,000美元之傢具、固定裝置、許可證及設備內包括了淨值為3,000美元的融資租賃資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

16. Investments in associated companies – Group

(a) Aggregated assets & liabilities and the results of the year

16. 於聯營公司的投資 – 本集團

(a) 總資產及負債和年度業績

| | | Investments in associated companies 投資於聯營公司 | |
|--|----------|--|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| At 1 January | 於1月1日 | 709 | 672 |
| Share of results of associated companies | 應佔聯營公司盈虧 | 71 | 37 |
| At 31 December | 於12月31日 | 780 | 709 |

(b) Total assets & liabilities and the results of the year

The total assets (excluding goodwill) and liabilities together with the results of the year of the Group's associated companies, all of which are unlisted, are as follows:

(b) 總資產及負債和年度業績

本集團於聯營公司(所有均為非上市公司)的總資產(不包括商譽)及負債和年度業績列載如下:

| Associated Companies 聯營公司 | Place of incorporation and operation 註冊成立及營運地點 | Principal activities 主要業務 | Particulars of issued shares 已發行股份的詳情 | As at 31 December 2014 於2014年12月31日 | | For the year ended 31 December 2014 截至2014年12月31日止年度 | | | | |
|---|---|---|--|--|---|---|--|----------------------------------|---------------------------------|-----------------------|
| | | | | Non-current Assets 非流動資產 US\$'000 千美元 | Current Assets 流動資產 US\$'000 千美元 | Non-current Liabilities 非流動負債 US\$'000 千美元 | Current Liabilities 流動負債 US\$'000 千美元 | Revenue 收入 US\$'000 千美元 | Profit 溢利 US\$'000 千美元 | Interest held 持有權益 |
| Beijing LED Energy Management Technology Co. Ltd. 北京愛爾益地節能科技有限責任公司 | PRC 中國 | LED system design and contract installation LED系統設計及工程安裝 | Registered and paid-up capital of CNY20,000,000 人民幣20,000,000 已註冊及繳足資本 | 21 | 4,478 | — | 832 | 3,682 | 213 | 23.5% |
| EPD Technology Limited ⁽ⁱ⁾ | Hong Kong 香港 | Design, development, manufacturing & distribution of E-paper display modules 設計、開發、製造及分銷電子紙顯示屏模組 | 100,000 ordinary shares of HK\$1 each 每股面值1港元 的100,000普通股 | — | — | — | — | — | — | — |
| Kitronix Limited 奇創力有限公司 | Hong Kong 香港 | Design, development, manufacturing & distribution of LCD modules 設計、開發、製造及分銷液晶顯示屏模組 | 9,500,000 ordinary shares of HK\$1 each 每股面值1港元 的9,500,000普通股 | 1,344 | 908 | — | 47 | 185 | 84 | 25.0% |

(i) EPD Technology Limited is under application for deregistration.

(i) EPD Technology Limited 正申請撤銷公司註冊。

(b) Total assets & liabilities and the results of the year

(continued)

(b) 總資產及負債和年度業績(續)

| Associated Companies 聯營公司 | Place of incorporation and operation 註冊成立及 營運地點 | Principal activities 主要業務 | Particulars of issued shares 已發行股份的詳情 | As at 31 December 2013 於2013年12月31日 | | | | For the year ended 31 December 2013 截至2013年12月31日止年度 | | |
|--|---|---|--|---|--|--|---|---|---|--------------------------|
| | | | | Non- current Assets 非流動 資產 US\$'000 千美元 | Current Assets 流動資產 US\$'000 千美元 | Non- current Liabilities 非流動 負債 US\$'000 千美元 | Current Liabilities 流動負債 US\$'000 千美元 | Revenue 收入 US\$'000 千美元 | Profit/ (loss) 溢利/ (虧損) US\$'000 千美元 | Interest held 持有權益 |
| Beijing LED Energy Management Technology Co. Ltd. 北京愛爾益地節能科技 有限責任公司 | PRC 中國 | LED system design and contract installation LED系統設計及工程安裝 | Registered and paid-up capital of CNY20,000,000 人民幣20,000,000 已註冊及繳足資本 | 60 | 4,536 | — | 925 | 4,845 | 103 | 23.5% |
| EPD Technology Limited | Hong Kong 香港 | Design, development, manufacturing & distribution of E-paper display modules 設計、開發、製造及 分銷電子紙顯示屏模組 | 100,000 ordinary shares of HK\$1 each 每股面值1港元 的100,000普通股 | — | 6 | — | 2,372 | — | (1) | 40.0% |
| Kitronix Limited 奇創力有限公司 | Hong Kong 香港 | Design, development, manufacturing & distribution of LCD modules 設計、開發、製造及 分銷液晶顯示屏模組 | 9,500,000 ordinary shares of HK\$1 each 每股面值1港元 的9,500,000普通股 | 1,419 | 1,053 | — | 304 | 178 | 72 | 25.0% |

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

17. Investments in subsidiaries

(a) Investments in subsidiaries

| | | Company 本公司 | |
|---|-------------|-------------------------|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| Investments in unlisted shares, at cost | 非上市股份投資，按成本 | 68,622 | 68,534 |
| Provision for impairment loss | 減值撥備 | (19,154) | (12,005) |
| | | 49,468 | 56,529 |

The provision for impairment was concluded from the assessment of the cash flow position of the subsidiaries, taking into consideration of the forecasted performance and development of those subsidiaries by management.

減值撥備乃經管理層對附屬公司未來表現及發展的現金流量情況評估後而作出。

(b) Amounts due from/(to) subsidiaries

| | | Company 本公司 | |
|-------------------------------|---------|-------------------------|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| Amounts due from subsidiaries | 應收附屬公司款 | 23,701 | 23,100 |
| Provision for impairment loss | 減值撥備 | (9,292) | (2,458) |
| | | 14,409 | 20,642 |
| Amounts due to subsidiaries | 應付附屬公司款 | (545) | (514) |

The amounts due from/(to) subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

應收/(應付)附屬公司款為無抵押、免息及無固定償還期限。

The carrying value of the amounts due from/(to) subsidiaries approximate their respective fair values.

應收/(應付)附屬公司款的賬面值與公平值接近。

(c) Particulars of subsidiaries

The following is a list of the principal subsidiaries as at 31 December 2014:

(c) 有關附屬公司的詳情

於2014年12月31日，本集團的主要附屬公司列載如下：

| Company Name 公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點及法定地位 | Principal activities and place of operation 主要業務及營運地點 | Particulars of capital 股本詳情 | Interest held 持有權益 |
|--------------------------------------|---|---|--|------------------------------|
| Directly held: 直接持有： | | | | |
| Solomon Systech Limited 晶門科技有限公司 | HK, LLC 香港，有限公司 | Design, development, sales of IC and system solutions, HK 設計、開發、銷售集成電路晶片與系統解決方案，香港 | 188,585,271 ordinary shares of HK\$1 each 188,585,271股每股面值1港元的普通股 | 100% |
| Ample Pacific Limited | BVI, LLC BVI，有限公司 | Investment holding, HK 投資控股，香港 | 50,000 ordinary shares of US\$1 each 50,000股每股面值1美元的普通股 | 100% |
| Broadwood Global Limited 博活環球有限公司 | BVI, LLC BVI，有限公司 | Investment holding, HK 投資控股，香港 | 50,000 ordinary shares of US\$1 each 50,000股每股面值1美元的普通股 | 100% |
| Cornway International Limited | BVI, LLC BVI，有限公司 | Investment holding, HK 投資控股，香港 | 50,000 ordinary shares of US\$1 each 50,000股每股面值1美元的普通股 | 100% |
| In Achieve Limited 達晉有限公司 | BVI, LLC BVI，有限公司 | Investment holding, HK 投資控股，香港 | 50,000 ordinary shares of US\$1 each 50,000股每股面值1美元的普通股 | 100% |
| Mentor Ventures Limited | BVI, LLC BVI，有限公司 | Investment holding, HK 投資控股，香港 | 50,000 ordinary shares of US\$1 each 50,000股每股面值1美元的普通股 | 100% |
| Pac-Pacific Limited 通洋有限公司 | HK, LLC 香港，有限公司 | Investment holding, HK 投資控股，香港 | 2 ordinary shares of HK\$1 each 2股每股面值1港元的普通股 | 100% |
| WE3 Ventures Limited | HK, LLC 香港，有限公司 | Investment holding, HK 投資控股，香港 | 108,930 ordinary shares of US\$0.01 each 108,930股每股面值0.01美元的普通股 | 100% |

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

17. Investments in subsidiaries (continued)

(c) Particulars of subsidiaries (continued)

17. 於附屬公司的投資(續)

(c) 有關附屬公司的詳情(續)

| Company Name 公司名稱 | Place of incorporation and kind of legal entity 註冊成立地點 及法定地位 | Principal activities and place of operation 主要業務及營運地點 | Particulars of capital 股本詳情 | Interest held 持有權益 |
|--|---|---|--|-----------------------|
| Indirectly held: 間接持有: | | | | |
| Jing Guang Semiconductors (Dongguan) Limited 東莞晶廣半導體有限公司 | PRC, LLC 中國, 有限公司 | Manufacturing of IC, China 製造集成電路晶片, 中國 | US\$7,500,000 registered and paid up capital 7,500,000美元已註冊及 繳足資本 | 100% |
| Loyal Creative Limited ⁽ⁱ⁾ 來建有限公司 ⁽ⁱ⁾ | HK, LLC 香港, 有限公司 | Investment holding, HK 投資控股, 香港 | 1 ordinary share of HK\$1 each 1股每股面值1港元的普通股 | 100% |
| Solomon Systech Inc. | USA, LLC 美國, 有限公司 | Market research, USA 市場研究, 美國 | 20,000 ordinary shares of US\$1 each 20,000股每股面值1美元 的普通股 | 100% |
| Solomon Systech Japan Company Limited | Japan, LLC 日本, 有限公司 | Market research, Japan 市場研究, 日本 | 10,000 ordinary shares of JPY1,000 each 10,000股每股面值1千日元 的普通股 | 100% |
| Solomon Systech Pte. Ltd. | Singapore, LLC 新加坡共和國, 有限公司 | Design and distribution of IC, Singapore 設計及分銷集成電路晶片, 新加坡 | 480,000 ordinary shares of SGD1 each 480,000股每股面值1 新加坡元的普通股 | 100% |
| Solomon Systech (Shenzhen) Limited 晶門科技(深圳)有限公司 | PRC, LLC 中國, 有限公司 | Design and distribution of IC, China 設計及分銷集成電路晶片, 中國 | HK\$8,000,000 registered and paid up capital 8,000,000港元已註冊及 繳足資本 | 100% |
| Solomon Systech Taiwan Limited 晶門科技股份有限公司 | ROC, LLC 中華民國, 有限公司 | Market research, Taiwan 市場研究, 台灣 | 5,000,000 ordinary shares of NTD10 each 5,000,000股每股面值10 新台幣的普通股 | 100% |
| Systech Technology China Limited 晶門電子科技中國有限公司 | HK, LLC 香港, 有限公司 | Investment holding, HK 投資控股, 香港 | 10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元 的普通股 | 100% |
| WE3 Technology Company Limited 維駿科技有限公司 | HK, LLC 香港, 有限公司 | Design, development & distribution of handset solutions, HK 設計、發展及分銷手提電話 解決方案, 香港 | 32,390,000 ordinary shares of HK\$1 each 32,390,000股每股面值1港元 的普通股 | 100% |
| 維深通訊(深圳)有限公司 | PRC, LLC 中國, 有限公司 | Design and development of electronic & wireless application, China 設計及發展電子和無線電 應用, 中國 | HK\$600,000 registered and paid up capital 600,000港元已註冊及 繳足資本 | 100% |

(i) Loyal Creative Limited was deregistered on 27 February 2015.

(i) 來建有限公司已於2015年2月27日撤銷公司註冊。

18. Available-for-sale financial assets – Group

18. 可供出售財務資產 – 本集團

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|-------------------------------|-----------|-------------------------|-------------------------|
| Unlisted shares, at cost | 非上市股份，按成本 | 4,941 | 4,941 |
| Provision for impairment loss | 減值撥備 | (2,735) | (2,735) |
| | | 2,206 | 2,206 |

19. Cash and cash equivalents, short-term fixed deposits and bank deposits

19. 現金及現金等價物、短期定期存款及銀行存款

| | | Group 本集團 | | Company 本公司 | |
|--|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| Cash at bank and in hand | 銀行存款及現金 | 15,117 | 8,418 | 4,636 | 1,589 |
| Short-term bank deposits ⁽ⁱ⁾ | 短期銀行存款 ⁽ⁱ⁾ | 9,896 | 3,763 | 9,896 | 3,763 |
| Cash and cash equivalents | 現金及現金等價物 | 25,013 | 12,181 | 14,532 | 5,352 |
| Short-term fixed deposits ⁽ⁱⁱ⁾ | 短期定期存款 ⁽ⁱⁱ⁾ | 402 | 10,846 | — | 4,718 |
| Bank deposits – non-current ⁽ⁱⁱⁱ⁾ | 銀行存款 – 非流動 ⁽ⁱⁱⁱ⁾ | 9,836 | 9,836 | — | — |
| | | 35,251 | 32,863 | 14,532 | 10,070 |

(i) The effective interest rate on short-term bank deposits was 1.38% per annum (2013: 0.54% per annum); these deposits have an average original maturity of 62 days (2013: 23 days).

(ii) The effective interest rate on short-term fixed deposits was 3.2% per annum (2013: 2.3% per annum); these deposits have an average original maturity of 276 days (2013: 147 days).

(iii) The effective interest rate on non-current bank deposits was 3.4% per annum (2013: 3.0% per annum); these deposits have an average original maturity of 1,096 days (2013: 1,096 days).

(i) 短期銀行存款的實際年利率為1.38%(2013: 年利率為0.54%); 該等存款的平均原期限為62日(2013: 23日)。

(ii) 短期定期存款的實際年利率為3.2%(2013: 年利率為2.3%); 該等存款的平均原期限為276日(2013: 147日)。

(iii) 非流動銀行存款的實際年利率為3.4%(2013: 年利率為3.0%); 該等存款的平均原期限為1,096日(2013: 1,096日)。

The carrying amounts of the Group's and the Company's cash and cash equivalents, short-term fixed deposits and non-current bank deposits are denominated in the following currencies:

本集團及本公司之現金及現金等價物、短期定期存款及非流動銀行存款的賬面值按不同幣值分配如下:

| | | Group 本集團 | | Company 本公司 | |
|------------------|------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| USD | 美元 | 19,348 | 12,201 | 13,480 | 8,697 |
| CNY | 人民幣 | 14,400 | 18,821 | 446 | 773 |
| HKD | 港元 | 1,002 | 1,040 | 387 | 244 |
| Other currencies | 其他幣值 | 501 | 801 | 219 | 356 |
| | | 35,251 | 32,863 | 14,532 | 10,070 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

20. Inventories – Group

20. 存貨 – 本集團

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|------------|-------------------------|-------------------------|
| Finished goods | 成品 | 3,035 | 3,303 |
| Raw materials and work in progress | 原材料及在製品 | 10,734 | 9,010 |
| Provision for obsolete or slow moving inventories | 過時或滯銷存貨的撥備 | 13,769 (6,435) | 12,313 (4,464) |
| | | 7,334 | 7,849 |

The cost of inventories recognized as an expense and included in cost of sales amounted to US\$36,026,000 (2013: US\$32,100,000).

確認為開支並計入銷售成本的存貨成本達36,026,000美元(2013: 32,100,000美元)。

Movements on the provision for obsolete or slow moving inventories are as follows:

過時或滯銷存貨撥備的變動分析如下：

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|------------|-------------------------|-------------------------|
| At 1 January | 於1月1日 | 4,464 | 5,154 |
| Scrap of inventories against provision | 存貨報廢扣減撥備 | (198) | (1,401) |
| Provision for obsolete or slow moving inventories | 過時或滯銷存貨的撥備 | 2,169 | 711 |
| At 31 December | 於12月31日 | 6,435 | 4,464 |

21. Trade and other receivables – Group

21. 應收款及其他應收款 – 本集團

| | Note 附註 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---|------------|-------------------------|-------------------------|
| Trade receivables | | 8,194 | 7,007 |
| Trade receivable from a related party | 32 | 4,810 | 1,271 |
| Trade receivables – net | | 13,004 | 8,278 |
| Deposits, prepayments and other receivables | | 3,102 | 2,436 |
| Prepayment to a related party | 32 | 251 | 161 |
| Trade and other receivables – current portion | | 16,357 | 10,875 |
| Prepayments – non-current portion | | 215 | — |
| | | 16,572 | 10,875 |

As at 31 December 2014, the Group's trade receivables from corporate customers were mainly on credit terms of 30 to 90 days. The ageing analysis of trade receivables not impaired based on overdue day is as follows:

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|----------------|-------------|-------------------------|-------------------------|
| Current | 即期 | 9,818 | 6,203 |
| 1 - 30 days | 1 - 30 日 | 2,389 | 1,563 |
| 31 - 60 days | 31 - 60 日 | 570 | 369 |
| 61 - 90 days | 61 - 90 日 | 169 | 93 |
| 91 - 180 days | 91 - 180 日 | 58 | 31 |
| 181 - 365 days | 181 - 365 日 | — | 19 |
| | | 3,186 | 2,075 |
| | | 13,004 | 8,278 |

As at 31 December 2014, trade receivables of US\$3,186,000 (2013: US\$2,075,000) were considered past due if measured strictly against the credit terms offered. As at 31 December 2014, all the overdue balances are not impaired since the most of the overdue balances have been settled after the balance sheet date.

As at 31 December 2014 and 2013, no trade receivables were impaired and provided for.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|------------------|------|-------------------------|-------------------------|
| USD | 美元 | 14,095 | 9,002 |
| CNY | 人民幣 | 1,324 | 826 |
| HKD | 港元 | 979 | 924 |
| Other currencies | 其他幣值 | 174 | 123 |
| | | 16,572 | 10,875 |

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

於2014年12月31日，本集團對企業客戶之應收款信貸期主要為30至90日。未減值撥備的應收款以過期日期的賬齡分析如下：

於2014年12月31日，若嚴謹地以所給予的信貸期計算，逾期之應收款為3,186,000美元(2013：2,075,000美元)。於2014年12月31日，全部分該等逾期未收之款項並未作減值，多數逾期未收之款項於結算日後已收訖。

於2014及2013年12月31日，沒有應收款已被減值及撥備。

本集團之應收款及其他應收款的賬面值按不同幣值之分配如下：

於報告日的最高信貸風險為以上提及的每一類應收款的賬面值。本集團並沒持有任何附帶的抵押品。

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

22. Financial assets at fair value through profit or loss

22. 通過損益以反映公平價值的財務資產

| | | Group 本集團 | | Company 本公司 | |
|----------------------------------|--------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| Unlisted | 非上市 | | | | |
| Deposit notes | 存款票據 | 4,203 | 8,821 | 2,201 | 4,298 |
| Derivative financial instruments | 衍生金融工具 | 16 | 200 | 16 | 200 |
| Marketable bonds | 可買賣債券 | 26,650 | 27,143 | 25,241 | 25,940 |
| Marketable funds | 可買賣基金 | 18,509 | 16,627 | 17,427 | 15,525 |
| Listed | 上市 | | | | |
| Equity securities | 股票 | 15,762 | 18,235 | 15,762 | 18,235 |
| Fund | 基金 | 69 | 61 | 69 | 61 |
| | | 65,209 | 71,087 | 60,716 | 64,259 |

Changes in fair values of FVTPL are recorded in finance income – net in the consolidated income statement (note 8).

FVTPL之公平值之變動記錄於綜合損益表中的投資收入－淨額(附註8)。

The fair values of listed financial instruments are based on quoted market prices at the balance sheet date. The fair values of unlisted financial instruments are determined by reference to the dealer's quote or input from reputable financial institutions.

上市的金融工具之公平值是基於結算日的市場報價。非上市金融工具的公平值之釐定是取決於合適的參考發行商的報價或良好商譽的金融機構資料。

The carrying amounts of FVTPL are denominated in the following currencies:

FVTPL的賬面值按不同幣值之分配如下：

| | | Group 本集團 | | Company 本公司 | |
|------------------|------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| USD | 美元 | 53,742 | 55,457 | 49,249 | 48,629 |
| HKD | 港元 | 9,417 | 10,101 | 9,417 | 10,101 |
| Other currencies | 其他幣值 | 2,050 | 5,529 | 2,050 | 5,529 |
| | | 65,209 | 71,087 | 60,716 | 64,259 |

23. Share capital

23. 股本

| | 2014 | | 2013 | |
|--|-----------------------------|-----------------|--------------------------|-----------------|
| | 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: – Ordinary shares of HK\$0.10 each | 法定: – 每股面值0.10港元 的普通股 | 5,000,000,000 | 5,000,000,000 | 64,433 |
| Issued and fully paid: At 1 January | 已發行及繳足: 於1月1日 | 2,461,102,351 | 2,456,302,351 | 31,658 |
| Exercise of share options | 行使購股權獲 | 6,400,000 | 4,800,000 | 62 |
| At 31 December | 於12月31日 | 2,467,502,351 | 2,461,102,351 | 31,720 |

24. Employee compensation scheme

24. 股本權益報酬計劃

(a) The Share Option Scheme

(a) 購股權計劃

The Company adopted a share option scheme at the annual general meeting held on 28 May 2013 (“2013 Share Option Scheme”) and at the same time terminated the old share option scheme (“Old Scheme”) which expired in February 2014. Upon termination, no further options under the Old Scheme had been offered but in all other respects the provision of the same shall remain in force and the options granted prior to such termination shall continue to be valid and exercisable in accordance with the same.

本公司於2013年5月28日舉行的股東週年大會已採納一購股權計劃(「2013購股權計劃」)及同時撤銷原於2014年2月失效的原有購股權計劃(「舊計劃」)。舊計劃撤銷後不得進一步提呈更多購股權，惟同樣條文將於所有其他方面繼續有效執行，及按照同樣情況在該等終止前已授出的購股權將繼續有效及可行使。

The terms of the 2013 Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The 2013 Share Option Scheme is valid and effective for a period of 10 years commencing 28 May 2013, being the date of adoption of such scheme by the shareholders of the Company.

2013購股權計劃的條款是遵照上市規則第17章的條文。2013購股權計劃由2013年5月28日(即本公司股東採納該購股權計劃之日)起生效，為期10年。

As at 31 December 2014, there are in total 20,600,000 valid share options outstanding, of which 4,800,000 share options are under the Old Scheme and the other 15,800,000 share options are under the 2013 Share Option Scheme.

於2014年12月31日，合共有20,600,000股有效購股權未經行使，其中4,800,000股購股權屬於舊計劃，另15,800,000股購股權屬於2013購股權計劃。

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

24. Employee compensation scheme (continued)

(a) The Share Option Scheme (continued)

During the year, movements in the number of share options outstanding under the two share option schemes and their related exercise prices are as follows:

24. 股本權益報酬計劃(續)

(a) 購股權計劃(續)

年內，關於兩個購股權計劃尚未行使購股權數目的變動及其有關行使價列載如下：

| Grant date 授出日期 | Exercise price per share HK\$ 每股 行使價 港元 | Number of share options (in thousand units) 購股權數目(以千位計) | | | | Expiry date 到期日 |
|---|--|--|----------------|------------------|--|---------------------------------|
| | | Held on 1 January 2014 於2014年 1月1日 持有 | Granted 已授出 | Exercised 已行使 | Held on 31 December 2014 於2014年 12月31日 持有 | |
| Old Scheme 舊計劃 | | | | | | |
| 30 September 2011 2011年9月30日 | 0.1634 | 4,800 | — | (4,800) | — | 30 September 2014 2014年9月30日 |
| 28 September 2012 2012年9月28日 | 0.2126 | 6,400 | — | (1,600) | 4,800 | 30 September 2015 2015年9月30日 |
| | | 11,200 | — | (6,400) | 4,800 | |
| 2013 Share Option Scheme 2013 購股權計劃 | | | | | | |
| 4 October 2013 2013年10月4日 | 0.3450 | 6,400 | — | — | 6,400 | 30 September 2016 2016年9月30日 |
| 9 October 2014 2014年10月9日 | 0.3950 | — | 7,900 | — | 7,900 | 29 September 2017 2017年9月29日 |
| 9 October 2014 2014年10月9日 | 0.3950 | — | 1,500 | — | 1,500 | 28 September 2018 2018年9月28日 |
| | | 6,400 | 9,400 | — | 15,800 | |
| | | 17,600 | 9,400 | (6,400) | 20,600 | |

(a) The Share Option Scheme (continued)

The Company has been using the Black-Scholes Valuation Model to value the share options granted. The key parameters used in the Model and the corresponding fair values of the share options granted during 2014 and 2013 are listed below:

| | | 2014 9 October 10月9日 | 2014 9 October 10月9日 | 2013 4 October 10月4日 |
|-------------------------------------|-------------|----------------------------|----------------------------|----------------------------|
| Date of grant | 授出日期 | | | |
| Number of share options granted | 已授出購股權數目 | 3,000,000 | 6,400,000 | 6,400,000 |
| Total share option value | 購股權總值 | | | |
| – HK\$ | – 港元 | HK\$408,300 | HK\$752,640 | HK\$910,080 |
| – US\$ equivalent | – 美元等值 | US\$52,684 | US\$97,115 | US\$117,400 |
| Share price at date of grant (HK\$) | 授出日期的股價(港元) | 0.395 | 0.395 | 0.345 |
| Exercise price (HK\$) | 行使價(港元) | 0.395 | 0.395 | 0.345 |
| Expected life of options (years) | 購股權的預定期限(年) | 2-3 | 2 | 2 |
| Annualized volatility | 年度波幅 | 54.5-57.2% | 57.2% | 76.3% |
| Risk free interest rate | 無風險利率 | 0.47-0.93% | 0.47% | 0.31% |
| Dividend payout rate | 派息率 | — | — | — |

The Black-Scholes Valuation Model is used to estimate the fair values of European share options. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the Model used. The value of a share option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of a share option.

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily closing share prices over the last two years.

(a) 購股權計劃(續)

本公司一直使用畢蘇購股權訂價模式計算已授出的購股權。於2014及2013年內已授出購股權的公平值及應用此模式的主要參考數據如下：

畢蘇訂價模式是用來估算歐式購股權的公平值。計算出的公平值受給定假設和模式自身限制而具有固有的主觀性及不確定。購股權的價值會隨著某些主觀假設的不同變數而改變。所採用的變數的任何改變可能會對購股權公平值的估算造成重大影響。

波幅乃基於過去波幅乃基於過去兩年每日股份收市價的統計分析之股份複合回報之標準差計算出來。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

24. Employee 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 the Board on 19 March 2004.

Under the terms and conditions of the grant, 40% of the shares will be vested one year from the grant date and the remaining 60% will be vested two years from the grant date. HSBC Institutional Trust Services (Asia) Limited was Trustee for the benefit of the directors and employees.

Since the Share Award Plan has been valid for a period of 10 years and expired in March 2014, there was no share of the Company conditionally awarded to employees of the Group pursuant to Share Award Plan throughout the year 2014. The shares granted prior to the expiry date shall continue to vest in accordance with the same. With the approval of the Remuneration Committee of the Company, the Trustee executed the instruction to replenish the pool by purchasing a total of 1,262,480 shares at various price ranging from HK\$0.335 to 0.400 using the cash held by the Trustee in the second half of 2014. At 31 December 2014, all the shares held under the Trustee were vested or transferred to beneficiaries. Accordingly, the trust deed with the Trustee was terminated and the Share Award Plan of the Company was closed.

24. 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。

根據股份授予受益人的條款及條件，40%股份將於授出日期後一年歸屬，而餘下60%則於授出日期後兩年歸屬，由HSBC Institutional Trust Services (Asia) Limited以受託人身份持有，受益人則為董事及僱員。

由於股份獎勵計劃已經維持10年並於2014年3月失效，故此於2014年全年內並無任何股份依據股份獎勵計劃向本集團僱員附條件授予。在有效期前已授出的股份將按照同樣情況繼續歸屬。受託人獲本公司薪酬委員會批准，於2014年下半年以受託人持有的現金以介乎0.335至0.400港元的價格購入合共1,262,480股份以補充受託股份數目。於2014年12月31日，受託人持有之所有股份已全數歸屬或過戶到受益人。因此，與受託人的信托已契約已終止，而本公司的股份獎勵計劃亦完結。

(b) The Share Award Plan (continued)

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

| | | Number of shares 股份數目 | |
|-------------------------------|----------|--------------------------|-------------|
| | | 2014 | 2013 |
| At 1 January | 於1月1日 | 1,819,520 | 1,443,520 |
| Shares purchased | 購入股份 | 1,262,480 | 1,500,000 |
| Shares vested during the year | 於年內歸屬的股份 | (3,082,000) | (1,124,000) |
| At 31 December | 於12月31日 | — | 1,819,520 |

The following is a summary of the shares granted, forfeited and vested during the year since the set up of the Share Award Plan:

(b) 股份獎勵計劃 (續)

受託人所持有的股份獎勵計劃內之股份如下：

以下為自設立股份獎勵計劃以來於年內已授出、已放棄及已歸屬股份的概要：

| | | Number of shares (in thousand unit) 股份數目 (以千位計) | | | | | |
|--------------------------|---------|--|---------|---------|-------|-------|---------------|
| | | Cumulative Total 累計總數 | 2013 | 2012 | 2011 | 2010 | 2004- 2009 |
| Granted during the year | 年內授出 | 75,870 | 1,610 | 2,560 | 1,100 | 860 | 69,740 |
| Shares forfeited | 已放棄 | (8,616) | (40) | (32) | (912) | (88) | (7,544) |
| Shares vested | 已歸屬 | (67,254) | (1,570) | (2,528) | (188) | (772) | (62,196) |
| Allocated but not vested | 已授出但未歸屬 | — | — | — | — | — | — |

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

本集團已遵照香港財務報告準則第2號之要求，為股本權益報酬開支按股份授出日期的適用公平值入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

25. Reserves

25. 儲備

| | | Group 本集團 | | | | | | | |
|--|--------------------|---|---|--|--|--|---|--|--------------------------------|
| | | Share premium 股份溢價 US\$'000 千美元 | Own shares held 所持本身股份 US\$'000 千美元 | Merger reserve 合併儲備 US\$'000 千美元 | Exchange reserve 匯兌儲備 US\$'000 千美元 | Equity compensation reserve 股本權益 報酬儲備 US\$'000 千美元 | Other reserve 其他儲備 US\$'000 千美元 | Accumulated losses 累計虧損 US\$'000 千美元 | Total 總計 US\$'000 千美元 |
| At 1 January 2013 | 於2013年1月1日 | 83,058 | (122) | 2,082 | 1,012 | 16,502 | 230 | (18,471) | 84,291 |
| Comprehensive profit | 全面溢利 | | | | | | | | |
| Profit for the year | 年內溢利 | — | — | — | — | — | — | 1,334 | 1,334 |
| Item that may be classified 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 | — | — | — | 363 | — | — | — | 363 |
| Total comprehensive income | 全面收入總計 | — | — | — | 363 | — | — | 1,334 | 1,697 |
| Transactions with owners | 股東交易 | | | | | | | | |
| Exercise of share options | 行使購股權 | 39 | — | — | — | — | — | — | 39 |
| Share purchased for Share Award Plan | 購買股份用於股份 獎勵計劃 | — | (64) | — | — | — | — | — | (64) |
| Equity compensation | 股本權益報酬 | — | 97 | — | — | 152 | — | (97) | 152 |
| Total transactions with owners | 股東交易總計 | 39 | 33 | — | — | 152 | — | (97) | 127 |
| At 31 December 2013 | 於2013年12月31日 | 83,097 | (89) | 2,082 | 1,375 | 16,654 | 230 | (17,234) | 86,115 |
| At 1 January 2014 | 於2014年1月1日 | 83,097 | (89) | 2,082 | 1,375 | 16,654 | 230 | (17,234) | 86,115 |
| Comprehensive loss | 全面虧損 | | | | | | | | |
| Loss for the year | 年內虧損 | — | — | — | — | — | — | (3,005) | (3,005) |
| Item that may be classified to profit or loss | 可能會重新分類至 損益表的項目 | | | | | | | | |
| – Currency translation differences | – 外幣換算差額 | — | — | — | (128) | — | — | — | (128) |
| Total comprehensive loss | 全面虧損總計 | — | — | — | (128) | — | — | (3,005) | (3,133) |
| Transactions with owners | 股東交易 | | | | | | | | |
| Exercise of share options | 行使購股權 | 63 | — | — | — | — | — | — | 63 |
| Share purchased for Share Award Plan | 購買股份用於股份 獎勵計劃 | — | (58) | — | — | — | — | — | (58) |
| Equity compensation | 股本權益報酬 | — | 147 | — | — | 465 | — | (147) | 465 |
| Total transactions with owners | 股東交易總計 | 63 | 89 | — | — | 465 | — | (147) | 470 |
| At 31 December 2014 | 於2014年12月31日 | 83,160 | — | 2,082 | 1,247 | 17,119 | 230 | (20,386) | 83,452 |

| | | Company 本公司 | | | |
|---------------------------------------|---------------|---|--|--|--------------------------------|
| | | Share premium 股份 溢價 US\$'000 千美元 | Equity compensation reserve 股本權益 報酬儲備 US\$'000 千美元 | Accumulated losses 累計 虧損 US\$'000 千美元 | Total 總計 US\$'000 千美元 |
| At 1 January 2013 | 於2013年1月1日 | 108,672 | 16,502 | (126) | 125,048 |
| Comprehensive loss | 全面虧損 | | | | |
| Loss for the year | 年內虧損 | — | — | (6,839) | (6,839) |
| Transactions with owners | 股東交易 | | | | |
| Exercise of share options | 行使購股權 | 39 | — | — | 39 |
| Equity compensation | 股本權益報酬 | — | 152 | — | 152 |
| Total transactions with owners | 股東交易總計 | 39 | 152 | — | 191 |
| At 31 December 2013 | 於2013年12月31日 | 108,711 | 16,654 | (6,965) | 118,400 |
| At 1 January 2014 | 於2014年1月1日 | 108,711 | 16,654 | (6,965) | 118,400 |
| Comprehensive loss | 全面虧損 | | | | |
| Loss for the year | 年內虧損 | — | — | (12,005) | (12,005) |
| Transactions with owners | 股東交易 | | | | |
| Exercise of share options | 行使購股權 | 63 | — | — | 63 |
| Equity compensation | 股本權益報酬 | — | 465 | — | 465 |
| Total transactions with owners | 股東交易總計 | 63 | 465 | — | 528 |
| At 31 December 2014 | 於2014年12月31日 | 108,774 | 17,119 | (18,970) | 106,923 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

26. Deferred income tax

Deferred income tax is recognized using liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements using a principal tax rate of 16.5% (2013: 16.5%).

The gross movement on the deferred income tax liabilities account is as follows:

| | Note 附註 | Group 本集團 | | Company 本公司 | |
|----------------------------------|------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
| At 1 January | 於1月1日 | — | 50 | — | — |
| Credited to the income statement | 於損益表內貸出 | — | (50) | — | — |
| At 31 December | 於12月31日 | — | — | — | — |

The movements by tax category in deferred income tax liabilities are as follows:

| | | Group 本集團 | | Company 本公司 | |
|----------------------------------|--------------|---|---|---|---|
| | | Accelerated tax depreciation 加速稅項折舊類 US\$'000 千美元 | Accelerated tax depreciation 加速稅項折舊類 US\$'000 千美元 | Accelerated tax depreciation 加速稅項折舊類 US\$'000 千美元 | Accelerated tax depreciation 加速稅項折舊類 US\$'000 千美元 |
| At 1 January 2013 | 於2013年1月1日 | — | 50 | — | — |
| Credited to the income statement | 於損益表內貸出 | — | (50) | — | — |
| At 31 December 2013 | 於2013年12月31日 | — | — | — | — |
| Credited to the income statement | 於損益表內貸出 | — | — | — | — |
| At 31 December 2014 | 於2014年12月31日 | — | — | — | — |

26. 遞延所得稅

遞延所得稅的確認是採用負債法，即採用主要稅率16.5% (2013：16.5%)就基於資產及負債的稅項與綜合財務報表該稅項面值之間的暫時差額作全數撥備。

遞延所得稅負債賬目的總變動列載如下：

遞延所得稅負債按稅項分類的變動列載如下：

27. Trade and other payables – Group

27. 應付款及其他應付款 – 本集團

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|-------------------------------------|------------|-------------------------|-------------------------|
| Trade payables | 應付款 | 10,638 | 5,694 |
| Accrued expenses and other payables | 應計開支及其他應付款 | 2,955 | 3,990 |
| | | 13,593 | 9,684 |

At 31 December 2014, the ageing analysis of the trade payables based on overdue day is as follows:

於2014年12月31日，應付款以逾期日起的賬齡分析如下：

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|--------------|----------|-------------------------|-------------------------|
| Current | 即期 | 9,180 | 4,091 |
| 1 - 30 days | 1 - 30日 | 1,309 | 1,375 |
| 31 - 60 days | 31 - 60日 | 58 | 135 |
| 61 - 90 days | 61 - 90日 | — | 28 |
| Over 90 days | 超過90日 | 91 | 65 |
| | | 10,638 | 5,694 |

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

本集團之應付款及其他應付款的賬面值按不同幣值之分配如下：

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|------------------|------|-------------------------|-------------------------|
| USD | 美元 | 11,425 | 7,201 |
| HKD | 港元 | 1,076 | 1,176 |
| CNY | 人民幣 | 772 | 1,010 |
| Other currencies | 其他幣值 | 320 | 297 |
| | | 13,593 | 9,684 |

28. Bank loan – Group

At 31 December 2014, the Group had a mortgage bank loan of US\$377,000 in connection with the office property in Hsinchu, Taiwan. The bank borrowing matures by 14 January 2019 and bears an interest rate of long-term funding determined by the Council of Economic Planning and Development of Taiwan Government plus 0.41%.

The carrying amount of the bank borrowing approximated its fair value as it was subject to a floating rate and is wholly denominated in Taiwan dollars.

28. 銀行貸款 – 本集團

於2014年12月31日，本集團有一項台灣新竹辦公室的按揭貸款377,000美元。該項銀行貸款到期日為2019年1月14日，貸款利率乃根據台灣政府行政院經濟建設委員會所訂的中長期資金運用利率加0.41%。

因承受浮動利率並全部以台幣呈列，銀行貸款的賬面值與公平值接近。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

29. Banking facilities – Group

At 31 December 2014 and 31 December 2013, the Group had no unused banking facilities.

29. 銀行信貸 – 本集團

於2014年12月31日及2013年12月31日，本集團並沒有未用的銀行信貸額。

30. Cash used in operations – Group

(a) Reconciliation of profit/loss before income tax to cash used in operations

| | | Note 附註 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|--|-------------------------|------------|-------------------------|-------------------------|
| Profit/(loss) before income tax | 除稅前溢利/(虧損) | | (2,981) | 826 |
| Depreciation of property, plant and equipment | 物業、機器及設備的折舊 | 15 | 852 | 1,401 |
| Amortization of intangible asset | 無形資產攤銷 | 14 | 27 | 11 |
| Share of results of associated companies | 應佔聯營公司盈虧 | 16(a) | (71) | (37) |
| Finance costs | 理財成本 | 8 | 8 | 10 |
| Equity compensation | 股本權益報酬 | 25 | 465 | 152 |
| (Gain)/loss on disposal of intangible assets and property, plant and equipment | 出售無形資產及物業、機器及設備的收益/(虧損) | 7 | 71 | (770) |
| (Gain)/loss on disposal of FVTPL | 出售FVTPL的(收益)/虧損 | 8 | (914) | 23 |
| Fair value decrease/(increase) in FVTPL | FVTPL的公平值減少/(增加) | 8 | 535 | (928) |
| Interest income | 利息收入 | 8 | (2,030) | (2,464) |
| Dividend income | 股息收入 | 8 | (955) | (539) |
| | | | (4,993) | (2,315) |
| Decrease/(increase) in trade and other receivables | 應收款及其他應收款減少/(增加) | | (5,385) | 4,293 |
| Decrease/(increase) in inventories | 存貨減少/(增加) | | 515 | (1,061) |
| Increase/(decrease) in trade and other payables | 應付款及其他應付款增加/(減少) | | 3,877 | (3,329) |
| Cash used in operations | 經營使用的現金 | | (5,986) | (2,412) |

30. 經營使用的現金 – 本集團

(a) 除稅前溢利/虧損與經營所使用的現金之對賬

(b) Proceeds from disposal of intangible assets and property, plant and equipment

(b) 出售無形資產及物業、機器及設備的所得款項

| | | Note 附註 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|--|-------------------------|------------|-------------------------|-------------------------|
| Net book amount | 賬面淨值 | | 77 | 114 |
| Gain/(loss) on disposal of intangible assets and property, plant and equipment | 出售無形資產及物業、機器及設備的收益/(虧損) | 7 | (71) | 770 |
| Proceeds from disposal of intangible assets and property, plant and equipment | 出售無形資產及物業、機器及設備的所得款項 | | 6 | 884 |

31. Commitments – Group

(a) Capital commitments

Capital expenditure committed at the balance sheet date but not yet contracted for and incurred is as follows:

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|---------------------------------|-----------|-------------------------|-------------------------|
| Approved but not contracted for | 已批准但未商定合約 | — | — |
| Contracted but not provided for | 已商定合約但未撥備 | 234 | 16 |

Aside from the aforesaid, there was no other material capital commitment or contingent liability.

(b) Operating lease commitments – the Group as lessee

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

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|--|-------------|-------------------------|-------------------------|
| Not later than 1 year | 不超過一年 | 717 | 891 |
| Later than 1 year and not later than 5 years | 超過一年，但不超過五年 | 149 | 444 |
| | | 866 | 1,335 |

31. 承擔 – 本集團

(a) 資本承擔

於結算日，已承諾但尚未商定合約或未動用的資本開支列載如下：

除上述已披露者外，集團概無其他重大資本承擔或或然負債。

(b) 經營租賃承擔 – 本集團為承租人

根據不可撤銷經營租賃，未來最低租金總額列載如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

32. Related parties transactions - Group

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 year and is thus a substantial shareholder of the Company. Transactions between the Group and the subsidiaries or associates of CEC are regarded as transactions with related parties.

The following transactions were carried out with related parties:

| | | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|-----------------------|----------|-------------------------|-------------------------|
| Sales: | 銷售額： | | |
| Subsidiaries of CEC | CEC的附屬公司 | 12,018 | 4,480 |
| Purchases: | 購買： | | |
| Subsidiaries of CEC | CEC的附屬公司 | 402 | 570 |
| An associated company | 聯營公司 | — | 174 |

Year-end balances arising from sales/purchases:

由銷售／採購構成的年終賬目：

| | | Note 附註 | 2014 US\$'000 千美元 | 2013 US\$'000 千美元 |
|-------------------|----------|------------|-------------------------|-------------------------|
| Trade receivable: | 應收款： | 21 | | |
| Subsidiary of CEC | CEC的附屬公司 | | 4,810 | 1,271 |
| Prepayment: | 預付款： | 21 | | |
| Subsidiary of CEC | CEC的附屬公司 | | 251 | 161 |

33. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 26 March 2015.

33. 綜合財務報表審批

本綜合財務報表已於2015年3月26日經董事會審批。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

| | | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------------------------|-----------------------|-------------------|-------|--------|--------|-------|
| | | US\$ million 百萬美元 | | | | |
| Sales | 銷售額 | 60.1 | 55.2 | 65.1 | 51.6 | 84.7 |
| Gross profit | 毛利 | 20.8 | 21.0 | 25.1 | 15.8 | 25.6 |
| Net profit/(loss) | 純利/(虧損淨額) | (3.0) | 1.3 | (1.4) | (17.6) | 1.0 |
| Assets and liabilities | | US cents 美仙 | | | | |
| – Total assets | – 總資產 | 130.1 | 129.0 | 131.0 | 126.5 | 154.2 |
| – Total liabilities | – 總負債 | 14.9 | 11.1 | 15.1 | 9.0 | 19.3 |
| – Shareholders' funds | – 股東權益 | 115.3 | 117.8 | 115.9 | 117.4 | 135.0 |
| Earnings/(loss) per share | | US cents 美仙 | | | | |
| – Basic ⁽ⁱ⁾ | – 基本 ⁽ⁱ⁾ | (0.12) | 0.05 | (0.06) | (0.72) | 0.04 |
| – Diluted ⁽ⁱⁱ⁾ | – 攤薄 ⁽ⁱⁱ⁾ | (0.12) | 0.05 | (0.06) | (0.72) | 0.04 |
| Dividends per share | 每股股息 | — | — | — | — | — |
| Net asset per share ⁽ⁱ⁾ | 每股資產淨值 ⁽ⁱ⁾ | 4.68 | 4.79 | 4.73 | 4.79 | 5.53 |

(i) The basic earnings/loss and net assets per share are based on the weighted average of 2,442,244,818, 2,452,286,337, 2,454,697,989, 2,457,154,439 and 2,462,430,618 ordinary shares in issue excluding own shares held during each of the years ended 31 December 2010, 2011, 2012, 2013 and 2014 respectively.

(ii) For 2010, 2011, 2012, 2013 and 2014, the diluted earnings/loss per share information is based on 2,454,078,716, 2,453,389,264, 2,456,090,508, 2,465,042,003 and 2,462,430,618 ordinary shares respectively, which are the adjusted weighted average number of ordinary shares outstanding assuming conversion of all dilutive/potential share options outstanding but excluding unallocated own shares held during the year.

(i) 每股基本溢利/虧損及每股資產淨值是分別根據截至2010年、2011年、2012年、2013年及2014年12月31日止年度各年的已發行普通股加權平均數2,442,244,818股、2,452,286,337股、2,454,697,989股、2,457,154,439股及2,462,430,618股計算。

(ii) 於2010年、2011年、2012年、2013年及2014年，每股攤薄溢利/虧損的資料分別按2,454,078,716股、2,453,389,264股、2,456,090,508股、2,465,042,003股及2,462,430,618股普通股計算，而每股攤薄溢利/虧損乃根據假設年內所有尚未行使購股權已作轉換的調整後已發行加權平均普通股計算，惟不包括年內未獲分配所持本身股份。

DEFINITIONS AND GLOSSARY

| | |
|------------------------------|--|
| 2013 Share Option Scheme | The share option scheme approved by shareholders for adoption at the annual general meeting held on 28 May 2013 |
| AMEPD | Active Matrix Electrophoretic Display |
| AMOLED | Active Matrix Organic Light Emitting Diode |
| ASP | Average Selling Price |
| BJ-LED | Beijing LED Energy Management Technology Co. Ltd**, a company incorporated in the PRC with limited liability |
| Board | Board of Directors |
| BVI | The British Virgin Islands |
| CAGR | Compound Annual Growth Rate |
| Cayman Islands Companies Law | Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands |
| CEC | China Electronics Corporation, a state-owned information technology conglomerate under the administration of the central government of the PRC, a substantial shareholder of the Company |
| China | Mainland China |
| Code Provision(s) | Code provision(s) in the Corporate Governance Code |
| COSO | Committee of Sponsoring Organization of the Treadway Commission is a private sector initiative that has issued internationally recognized internal control frameworks |
| CNY | Chinese Yuan, Reminbi |
| Company | Solomon Systech (International) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange |
| Director(s) | The director(s) of the Company |
| ESL | Electronic Shelf Label |
| FHD | Full High Definition, a display resolution of 1920 x 1080 pixels |
| FVTPL | Financial assets at fair value through profit or loss |
| FWVGA | Full Wide Video Graphics Array, a display resolution spec of 854 x 480 pixels |
| GPS | Global Positioning System |
| Group | The Company and its subsidiaries |
| HD | High Definition, a display resolution of 1280 x 720 pixels |
| HK\$/HKD | Hong Kong dollars |
| Hong Kong/HK/HKSAR | Hong Kong Special Administrative Region |
| HKAS | Hong Kong Accounting Standards |
| HKFRS | Hong Kong Financial Reporting Standards, or collectively for HKAS and Hong Kong Financial Reporting Standards |
| HK (IFRIC) | Hong Kong (International Financial Reporting Standards Interpretations Committee) |
| IC | Integrated Circuit |
| IP | Intellectual Property |
| IP Camera | Internet Protocol Camera |
| JPY | Japanese Yen |

釋義及詞彙

| | |
|-------------------|---|
| 2013 購股權計劃 | 於 2013 年 5 月 28 日舉行之股東週年大會上取得股東批准採納的購股權計劃 |
| AMEPD | 主動矩陣電泳顯示 |
| AMOLED | 主動矩陣有機發光二極體面板 |
| 平均售價 | 平均售價 |
| BJ-LED | 北京愛爾益地節能科技有限責任公司，於中國註冊成立之有限公司 |
| 董事會 | 董事會 |
| BVI | 英屬處女群島 |
| CAGR | 複合年增長率 |
| 開曼群島公司法 | 開曼群島公司法(1961年法律3，經綜合及修訂) |
| 中國電子／CEC | 中國電子信息產業集團有限公司，一家直接隸屬於中國中央政府管理的國有電子信息技術企業集團，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 |
| COSO | Committee of Sponsoring Organization of the Treadway Commission 是一項私營計劃，曾發表獲國際認可的內部監管架構 |
| 人民幣 | 中國元、人民幣 |
| 本公司 | Solomon Systech (International) Limited，一家成立於開曼群島的有限公司，其股票於聯交所主板上市 |
| 董事 | 本公司之董事 |
| 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 |
| FWVGA | 全寬視頻圖形陣列，是一種顯示解像度的規格，解像度為 854 x 480 像素 |
| GPS | 全球定位系統 |
| 本集團 | 本公司及其附屬公司 |
| 高清 | 高清，解像度為 1280 x 720 像素 |
| 港元 | 香港元 |
| 香港 | 香港特別行政區 |
| 香港會計準則 | 香港會計準則 |
| 香港財務報告準則 | 香港財務報告準則，或香港會計準則及香港財務報告準則的統稱 |
| 香港(國際財務報告準則詮釋委員會) | 香港(國際財務報告準則詮釋委員會) |
| IC／集成電路晶片 | 集成電路晶片 |
| 知識產權 | 知識產權 |
| IP 相機 | IP 相機 |
| 日元 | 日本元 |

DEFINITIONS AND GLOSSARY (continued)

| | |
|--------------------|---|
| LCD | Liquid Crystal Display |
| LED | Light Emitting Diode |
| Listing Rules | The Rules Governing the Listing of Securities on the Stock Exchange |
| LTPS | Low Temperature Polysilicon, a technology for the manufacturing of TFT-LCD |
| LLC | Limited liabilities company |
| Model Code | Model Code for Securities Transactions by Directors of Listed Issuers |
| NTD | New Taiwan dollars |
| OLED | Organic Light Emitting Diode |
| Panda-LCD | Nanjing CEC Panda LCD Technology Co., Ltd.** , a company incorporated in the PRC with limited liability, is an associate of CEC |
| PMOLED | Passive Matrix Organic Light Emitting Diode |
| PRC | The People's Republic of China |
| PwC HK | PricewaterhouseCoopers, the independent auditor of the Company |
| qHD | Quarter High Definition, a display resolution of 960 x 540 pixels |
| R&D | Design, development and engineering |
| ROC | The Republic of China |
| RoHS | Restriction of Hazardous Substances |
| S&D | Selling and Distribution |
| SFO | Securities and Futures Ordinance |
| SGD | Singapore dollars |
| Singapore | The Republic of Singapore |
| SoC | System-on-Chip |
| SSL | Solomon Systech Limited, a company incorporated in Hong Kong with limited liability and is the major wholly-owned operating subsidiary of the Company |
| TFT | Thin Film Transistor |
| TV | Television |
| the Stock Exchange | The Stock Exchange of Hong Kong Limited |
| Ultrabook | High-end subnotebook |
| UK | United Kingdom |
| USA | United States of America |
| US\$/USD | US dollars |
| WQXGA | Wide Quad Extended Graphics Array, a display resolution spec of 2560 x 1600 pixels |

** for identification purpose only

釋義及詞彙(續)

| | |
|-------------|--|
| LCD | 液晶顯示器 |
| LED | 發光二極體 |
| 上市規則 | 聯交所證券上市規則 |
| LTPS | 低溫多晶矽，一種製造薄膜電晶體液晶顯示器的技術 |
| 有限公司 | 有限公司 |
| 標準守則 | 上市公司董事進行證券交易之標準守則 |
| 新台幣 | 新台幣 |
| 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，於中國註冊成立之有限公司，CEC的聯繫人士 |
| PMOLED | 被動矩陣有機發光二極體 |
| 中國 | 中華人民共和國 |
| 羅兵咸永道香港 | 羅兵咸永道會計師事務所，本公司的獨立核數師 |
| qHD | 四份一全高清，解像度為960×540像素 |
| 工程開發／研發／R&D | 設計、開發及工程 |
| ROC | 中華民國 |
| RoHS | 危害性物質限制指令 |
| 銷售及分銷 | 銷售及分銷 |
| SFO | 證券及期貨條例 |
| 新加坡元 | 新加坡元 |
| 新加坡 | 新加坡共和國 |
| SoC | 系統單晶片 |
| 晶門香港 | 晶門科技有限公司，於香港註冊成立之有限公司，為本公司主要營運全資附屬公司 |
| TFT | 薄膜電晶體 |
| 電視 | 電視 |
| 聯交所 | 香港聯合交易所有限公司 |
| Ultrabook | 高端小型筆記本電腦 |
| 英國 | 英國 |
| 美國 | 美利堅合眾國 |
| 美元 | 美國元 |
| WQXGA | 寬四擴展圖形陣列，是一種顯示解像度的規格，解像度為2560 x 1600像素 |

CORPORATE AND SHAREHOLDER INFORMATION

公司及股東資料

Financial Calendar

Financial Year End

31 December

Announcement of Interim Results

18 August 2014

Announcement of Annual Results

26 March 2015

Closure of Register of Members

12 – 16 June 2015

Annual General Meeting

16 June 2015

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

2,467,502,351 (as at 31 December 2014)

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

Hong Kong Branch Share Registrar

Tricor Investor Services Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

Tel: (852) 2980 1333

Fax: (852) 2810 8185

Website: www.tricoris.com

財務日誌

財政年度結算日

12月31日

公佈中期業績

2014年8月18日

公佈全年業績

2015年3月26日

暫停辦理過戶登記手續

2015年6月12日至16日

股東週年大會

2015年6月16日

股份上市資料

上市地點

香港聯合交易所有限公司主板

上市日期

2004年4月8日

香港股份編號

2878

買賣單位

2,000股

交易貨幣

港元

已發行股份

2,467,502,351 (於2014年12月31日)

股份過戶登記總處

Royal Bank of Canada Trust Company (Cayman) Limited

4/F, Royal Bank House

24 Shedden Road, George Town

Grand Cayman KY1-1110

開曼群島

香港股份過戶登記分處

卓佳證券登記有限公司

香港

皇后大道東183號

合和中心22樓

電話：(852) 2980 1333

傳真：(852) 2810 8185

網址：www.tricoris.com

Independent Auditor

PricewaterhouseCoopers

Solicitors

ReedSmith Richards Butler

Authorized Representatives

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

Company Secretary

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

Investor Relations

Mr. Nelson Wong
Corporate Development Director
Email : ir@solomon-systech.com

Corporate Communications

Ms. Jessica Lee
Corporate Communications Manager
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Website

www.solomon-systech.com

獨立核數師

羅兵咸永道會計師事務所

法律顧問

禮德齊伯禮律師行

授權代表

梁廣偉博士 · 太平紳士
馮雷潔霞女士

公司秘書

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

投資者關係

黃溢湘先生
企業發展總監
電郵 : ir@solomon-systech.com

企業傳訊

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企業傳訊經理
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香港科學園
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網址

www.solomon-systech.com

This 2014 Annual 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 Annual Report posted on the Company's website will promptly upon request be sent by post the Annual Report in printed form free of charge.

Shareholders may at any time change their choice of means of receipt of the Company's corporate communications.

Shareholders may request for printed copy of the Annual Report or change their choice of means of receipt of the Corporate Communications by sending reasonable notice in writing to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by sending an email to solomon2878-ecom@hk.tricorglobal.com.

本2014年報的中英文雙語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年報上出現困難的股東,可即時要求以郵寄方式獲免費發送年報的印刷本。

股東可隨時更改收取本公司的公司通訊方式。

股東可在給予本公司合理時間的書面通知,要求索取年報的印刷本或更改收取本公司之公司通訊的方式,該書面通知應交予本公司之香港股份過戶登記分處—卓佳證券登記有限公司,地址為香港皇后大道東183號合和中心22樓,或將該通知電郵至 solomon2878-ecom@hk.tricorglobal.com。

2004 Annual Report
2004年報



Best of Hong Kong
2005 International – ARC Awards
2005年ARC國際獎項 –
香港最佳年報大獎

2005 Annual Report
2005年報



Annual Report Printing Champion –
The 18th Hong Kong Print Awards –
Gold Winner (金獎)
2006 International ARC Awards –
Gold Winner (金獎)

2006 Annual Report
2006年報



2007 International ARC Awards –
Gold Winner (金獎)
2007 Galaxy Awards –
Gold Winner (金獎)

2007 Annual Report
2007年報



2008 Annual Report
2008年報



2009 Annual Report
2009年報



2010 Annual Report
2010年報



2010 International ARC Awards –
Gold Winner (金獎)

LACP Vision Awards
Platinum Award (白金獎) –
Semiconductor & Equipment
Gold Award (金獎) –
Best Letter to Shareholders
(Asia-Pacific Region)

2011 Annual Report
2011年報



2012 Annual Report
2012年報



2013 Annual Report
2013年報



LACP Vision Awards
Platinum Award (白金獎) –
Overall Report
Best Agency Annual Report
– Platinum (白金獎)
(Asia-Pacific Region)
Top 100 (100強) Annual Reports
Worldwide
Top 50 (50強) Annual Reports in the
Asia-Pacific Region
Top 25 (25強) Chinese Annual
Reports of 2011

LACP Vision Awards
Platinum Award (白金獎) –
Technology, Electronic Equipment &
Instruments
Most Engaging Annual Report –
Bronze (銅獎)
(Asia-Pacific Region)
Top 100 (100強) Annual Reports
Worldwide
Top 50 (50強) Annual Reports in the
Asia-Pacific Region
Top 50 (50強) Chinese Annual Reports

LACP Vision Awards
Gold Award (金獎) –
Technology, Equipments &
Semiconductors
Best Report Narrative (最佳敘述獎)
(Asia-Pacific Region)
Top 80 (80強) Annual Reports in the
Asia-Pacific Region
Top 20 (20強) Chinese Annual Reports

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