



**SOLOMON
SYSTECH**
晶門科技

SOLOMON SYSTECH

Interim Report 中期報告 2017

Solomon Systech (International) Limited

Stock Code 股份代號: 2878

solutions in silicon

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FINANCIAL HIGHLIGHTS

財務摘要

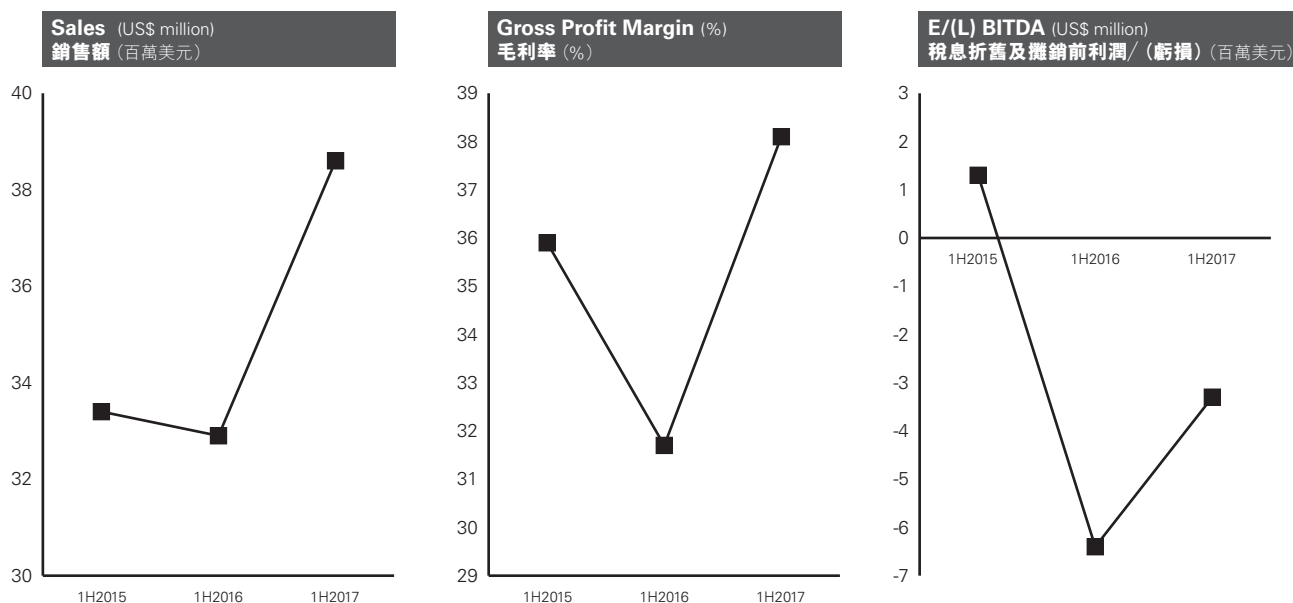
		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2017	2016
		US\$ million	US\$ million
		百萬美元	百萬美元
Sales	銷售額	38.6	32.9
Gross profit	毛利	14.7	10.4
Gross margin (%)	毛利率(%)	38.1	31.7
Net loss	虧損淨額	5.6	6.4
Loss per share (US cent)	每股虧損(美仙)	0.23	0.26
Book-to-bill ratio	訂單出貨比率	1.1	1.0

		Unaudited 未經審核	Audited
		30 June	31 December
		6月30日	12月31日
		2017	2016
		US\$ million	US\$ million
		百萬美元	百萬美元
Total assets	總資產	116.5	115.6
Shareholders' funds	股東權益	95.8	101.0

- Sales increased by about 18% to US\$38.6 million
- Gross profit increased by about 41% to US\$14.7 million
- Gross margin was 38.1% (1H 2016: 31.7%), up 6.4 percentage points
- Net loss was US\$5.6 million (1H 2016: US\$6.4 million)
- Loss per share was 0.23 US cent (1.74 HK cents)
- Book-to-bill ratio was 1.1 (1H 2016: 1.0)
- 銷售額升約18%至38.6百萬美元
- 毛利升約41%至14.7百萬美元
- 毛利率升約6.4個百分點至38.1%(2016上半年: 31.7%)
- 虧損淨額為5.6百萬美元(2016上半年: 6.4百萬美元)
- 每股虧損為0.23美仙(1.74港仙)
- 訂單出貨比率為1.1(2016上半年: 1.0)

FINANCIAL HIGHLIGHTS (continued)

財務摘要(續)



Note:

All the numbers presented in the charts are unaudited.

Interim Dividend

The Directors of Solomon Systech (International) Limited resolved not to declare an interim dividend for the six months ended 30 June 2017.

Interim Results

The Directors announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2017 together with the comparative figures for the corresponding period as follows.

附註：

圖表列示的所有數字均未經審核。

中期股息

Solomon Systech (International) Limited的董事們決議不宣派截至2017年6月30日止6個月的中期股息。

中期業績

本公司的董事宣佈，本公司及其附屬公司(統稱「本集團」)截至2017年6月30日止6個月的未經審核簡明綜合中期業績連同上年度同期的比較數字列載如下。

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

簡明綜合中期損益表

For the six months ended 30 June 2017
截至2017年6月30日止6個月

		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2017	2016
	Note	US\$'000	US\$'000
	附註	千美元	千美元
Sales	6	38,637	32,887
Cost of sales	7	(23,926)	(22,448)
Gross profit		14,711	10,439
Research and development costs	7	(16,275)	(9,618)
Selling and distribution expenses	7	(1,571)	(1,733)
Administrative expenses	7	(6,004)	(6,296)
Other income		1,084	376
Finance income – net	8	(8,055)	(6,832)
		2,496	66
Share of results of associated companies		(5,559)	(6,766)
		(62)	(67)
Loss before income tax		(5,621)	(6,833)
Income tax credit	9	14	451
Loss for the period		(5,607)	(6,382)
Loss for the period attributable to:			
– Equity holders of the Company		(5,577)	(6,382)
– Non-controlling interests		(30)	–
		(5,607)	(6,382)
Loss per share attributable to the equity holders of the Company: (expressed in US cent per share)			
– Basic	10	(0.23)	(0.26)
– Diluted		(0.23)	(0.26)

The notes on pages 8 to 33 form an integral part of this condensed consolidated interim financial information.
第8至33頁的附註為本簡明綜合中期財務資料的組成部份。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

簡明綜合中期全面收入報表

For the six months ended 30 June 2017
截至2017年6月30日止6個月

		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2017 US\$'000 千美元	2016 US\$'000 千美元
Loss for the period	期內虧損	(5,607)	(6,382)
Other comprehensive income for the period:	期內其他全面收入：		
Item that may be reclassified to profit or loss	可能會重新分類至損益的項目		
– Currency translation differences	– 外幣換算差額	138	7
Total comprehensive loss for the period	期內全面虧損總計	(5,469)	(6,375)
Total comprehensive loss for the period attributable to:	期內應佔全面虧損：		
– Equity holders of the Company	– 本公司權益持有人	(5,439)	(6,375)
– Non-controlling interests	– 非控股權益	(30)	–
		(5,469)	(6,375)

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CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

簡明綜合中期資產負債表

As at 30 June 2017
於2017年6月30日

		Note 附註	Unaudited 未經審核 30 June 於6月30日 2017 US\$'000 千美元	Audited 經審核 31 December 於12月31日 2016 US\$'000 千美元
ASSETS	資產			
Non-current assets	非流動資產			
Intangible assets	無形資產		16,850	16,740
Property, plant and equipment	物業、廠房及設備		3,998	3,223
Goodwill	商譽	12	2,317	–
Investments in associated companies	於聯營公司的投資		431	493
Available-for-sale financial assets	可供出售財務資產		2,206	2,206
Prepayments and deposits	預付款項及訂金	13	337	661
Financial assets at fair value through profit or loss	通過損益以反映公平價值的財務資產		874	–
			27,013	23,323
Current assets	流動資產			
Inventories	存貨		13,533	13,053
Trade and other receivables	應收款及其他應收款	13	17,919	17,514
Financial assets at fair value through profit or loss	通過損益以反映公平價值的財務資產		33,458	36,985
Pledged bank deposits	已抵押的銀行存款		130	130
Short-term fixed deposits	短期定期存款		4,299	727
Cash and cash equivalents	現金及現金等價物		20,111	23,830
			89,450	92,239
Total assets	總資產		116,463	115,562
EQUITY	權益			
Capital and reserves attributable to the equity holders of the Company	本公司權益 持有人應佔 資本及儲備			
Share capital	股本	14	31,939	31,926
Reserves	儲備		63,853	69,073
Shareholders' funds	股東權益		95,792	100,999
Non-controlling interests	非控股權益		717	–
Total equity	總權益		96,509	100,999
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Bank loan	銀行貸款		67	107
Deferred income tax liability	遞延所得稅負債		392	–
			459	107
Current liabilities	流動負債			
Trade and other payables	應付款及其他應付款	15	18,795	13,759
Bank loan	銀行貸款		263	86
Deferred income	遞延收入		348	522
Income tax	所得稅		89	89
			19,495	14,456
Total liabilities	總負債		19,954	14,563
Total equity and liabilities	權益及負債總額		116,463	115,562

The notes on pages 8 to 33 form an integral part of this condensed consolidated interim financial information.
第8至33頁的附註為本簡明綜合中期財務資料的組成部份。

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

簡明綜合中期權益變動表

For the six months ended 30 June 2017
截至2017年6月30日止6個月

		Unaudited 未經審核									
		Attributable to the equity holders of the Company 本公司權益持有人應佔									
		Share capital	Share premium	Merger reserve	Exchange reserve	Equity compensation reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	合併儲備	匯兌儲備	權益報酬儲備	其他儲備	累計虧損	總計	非控股權益	總權益
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
At 1 January 2016	於2016年1月1日	31,926	83,400	2,082	419	17,246	230	(26,821)	108,482	-	108,482
Comprehensive income/(loss)	全面收入/(虧損)										
Loss for the period	期內虧損	-	-	-	-	-	-	(6,382)	(6,382)	-	(6,382)
Item that may be reclassified to profit or loss	可能會重新分類至損益的項目										
- Currency translation differences	- 外幣換算差額	-	-	-	7	-	-	-	7	-	7
Total comprehensive income/(loss)	全面收入/(虧損)總計	-	-	-	7	-	-	(6,382)	(6,375)	-	(6,375)
Transactions with owners	股東交易										
Equity compensation	股本權益報酬	-	-	-	-	126	-	-	126	-	126
Total transactions with owners	股東交易總計	-	-	-	-	126	-	-	126	-	126
At 30 June 2016	於2016年6月30日	31,926	83,400	2,082	426	17,372	230	(33,203)	102,233	-	102,233
At 1 January 2017	於2017年1月1日	31,926	83,400	2,082	(212)	17,323	230	(33,750)	100,999	-	100,999
Comprehensive income/(loss)	全面收入/(虧損)										
Loss for the period	期內虧損	-	-	-	-	-	-	(5,577)	(5,577)	(30)	(5,607)
Item that may be reclassified to profit or loss	可能會重新分類至損益的項目										
- Currency translation differences	- 外幣換算差額	-	-	-	138	-	-	-	138	-	138
Total comprehensive income/(loss)	全面收入/(虧損)總計	-	-	-	138	-	-	(5,577)	(5,439)	(30)	(5,469)
Transactions with owners	股東交易										
Equity compensation	股本權益報酬	-	-	-	-	191	-	-	191	-	191
Exercise of share options	購股權獲行使	13	28	-	-	-	-	-	41	-	41
Non-controlling interests arising on business combination	業務合併產生的非控股權益	-	-	-	-	-	-	-	-	747	747
Total transactions with owners	股東交易總計	13	28	-	-	191	-	-	232	747	979
At 30 June 2017	於2017年6月30日	31,939	83,428	2,082	(74)	17,514	230	(39,327)	95,792	717	96,509

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第8至33頁的附註為本簡明綜合中期財務資料的組成部份。

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

簡明綜合中期現金流量表

For the six months ended 30 June 2017
截至2017年6月30日止6個月

		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2017 US\$'000 千美元	2016 US\$'000 千美元
Operating activities	經營活動		
Cash used in operations	經營使用的現金	(1,076)	(2,807)
Overseas income tax paid	繳付海外所得稅	(3)	(1)
Interest paid on the bank loan	繳付銀行貸款之利息	(1)	(2)
Net cash used in operating activities	經營活動使用的現金淨額	(1,080)	(2,810)
Investing activities	投資活動		
Purchases of property, plant and equipment	購置物業、廠房及設備	(1,167)	(96)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的款項	1	–
Acquisition of a subsidiary, net of cash acquired	購入附屬公司，扣除購入的現金	(3,967)	–
Decrease/(increase) in financial assets at fair value through profit or loss	通過損益以反映公平價值的財務資產減少/(增加)	5,381	(2,131)
(Increase)/decrease in short-term fixed deposits	短期定期存款(增加)/減少	(3,572)	49
Interest received	已收利息	454	562
Dividend received	已收股息	189	477
Net cash used in investing activities	投資活動使用的現金淨額	(2,681)	(1,139)
Financing activities	融資活動		
Repayment of bank loan	償還銀行貸款	(36)	(41)
Proceeds from exercise of share options	購股權獲行使所得款	41	–
Net cash generated from/(used in) financing activities	融資活動產生/(使用)的現金淨額	5	(41)
Net decrease in cash and cash equivalents	現金及現金等價物減少	(3,756)	(3,990)
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	23,830	16,434
Exchange differences on cash and cash equivalents	現金及現金等價物匯兌差額	37	(11)
Cash and cash equivalents at 30 June	於6月30日的現金及現金等價物	20,111	12,433
Analysis of balances of cash and cash equivalents:	現金及現金等價物之結餘分析：		
– Bank balances and cash	– 銀行結餘及現金	20,111	12,433

The notes on pages 8 to 33 form an integral part of this condensed consolidated interim financial information.

第8至33頁的附註為本簡明綜合中期財務資料的組成部份。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

簡明綜合中期財務資料附註

1. General information

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

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 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, 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. This condensed consolidated interim financial information is presented in US dollars, unless otherwise stated.

This condensed consolidated interim financial information has been reviewed but not audited, and it was approved for issue on 22 August 2017.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2017 of the Group has been prepared in accordance with HKAS 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the Company's annual report for the year ended 31 December 2016, which was prepared in accordance with Hong Kong Financial Reporting Standards.

1. 一般資料

Solomon Systech (International) Limited及其附屬公司為無晶圓廠半導體公司，專門設計、開發及銷售專有集成電路晶片產品及系統解決方案，能於智能手機、平板電腦、電視／顯示器、筆記本電腦以及其他智能產品，包括可穿戴產品、醫療保健設備、智能家居設備，以及工業用設備等作廣泛的顯示及觸控應用。

本公司於2003年11月21日根據開曼群島公司法（1961年法律3，經綜合及修訂）第22章在開曼群島註冊成立為一間獲豁免的有限公司。本公司註冊辦事處的地址為P.O. Box 10008, Willow House, Cricket Square, Grand Cayman, KY1-1001, 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，本簡明綜合中期財務資料均以美元作呈列單位。

本簡明綜合中期財務資料乃經審閱但未經審核，並於2017年8月22日獲批准刊發。

2. 編製基準

本集團截至2017年6月30日止6個月的簡明綜合中期財務資料已根據香港會計準則第34號「中期財務報告」編製。本簡明綜合中期財務資料應與已按照香港財務報告準則編製的本公司截至2016年12月31日止年度的年報一併閱讀。

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2016, as described in those annual consolidated financial statements.

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

(a) Amendments to standards effective in 2017

The Group has adopted the following amendments to standards that have been issued and are effective for the Group's financial year commencing on 1 January 2017:

HKAS 7 (Amendment) 香港會計準則第7號(修正)	Statement of Cash Flows – Disclosure Initiative 現金流量表－披露計劃
HKAS 12 (Amendment) 香港會計準則第12號(修正)	Recognition of Deferred Tax Assets for Unrealized Losses 未變現虧損之遞延所得稅資產的確認
HKFRS 12 (Amendment) 香港財務報告準則第12號(修正)	Disclosure of Interest in Other Entities 於其他實體權益之披露

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

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

3. 會計政策

除下述列載外，期內所採用之會計政策與截至2016年12月31日止年度之綜合財務報表一致，並刊載於該等年度綜合財務報表中。

應計的中期所得稅是根據預期全年度總溢利適用稅率而計算。

(a) 於2017年生效的修正準則

本集團已採納下列於2017年1月1日開始的本集團財政年度已頒佈及生效之修正準則：

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

沒有任何其他於此期內首次生效的新準則、修訂準則及修正準則或對現有準則之詮釋預期會對本集團構成重大影響。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

3. Accounting policies (continued)

(b) New standards, amendments to standards and interpretations that are issued but effective for periods commencing after 1 January 2017

The following new standards, amendments to standards and interpretations have been issued, but not effective for the financial year beginning 1 January 2017 and have not been early adopted by the Group:

3. 會計政策(續)

(b) 已頒佈但於2017年1月1日年度開始後生效新準則、修正準則及解釋

下列新準則、修正準則及解釋已頒佈，但於2017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 28 (Amendment) 香港會計準則第28號(修正)	Investments in Associates and Joint Ventures 在聯營和合營企業的投資	1 January 2018 2018年1月1日
HKFRS 1 (Amendment) 香港財務報告準則第1號(修正)	First Time Adoption of HKFRS 首次採納香港財務報告準則	1 January 2018 2018年1月1日
HKFRS 4 (Amendment) 香港財務報告準則第4號(修正)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts 針對香港財務報告準則第4號保險合同實施香港財務報告準則第9號金融工具	1 January 2018 2018年1月1日
HKFRS 2 (Amendment) 香港財務報告準則第2號(修正)	Classification and Measurement of Share-based Payment Transactions 以股份為基礎付款之交易的分類及計量	1 January 2018 2018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	To be determined 待定
HKFRS 15 香港財務報告準則第15號	Revenue from Contracts with Customers 源自與客戶訂定合約之收入	1 January 2018 2018年1月1日
HKFRS 16 香港財務報告準則第16號	Leases 租賃	1 January 2019 2019年1月1日
HK (IFRIC) 22 香港(國際財務報告解釋公告)第22號	Foreign Currency Transactions and Advance Consideration 外幣交易和預付/預收對價	1 January 2018 2018年1月1日
HK (IFRIC) 23 香港(國際財務報告解釋公告)第23號	Uncertainty over Income Tax Treatments 所得稅不確定性事項的處理	1 January 2019 2019年1月1日

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

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

4. Financial risk management and financial instruments

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, liquidity risk and cash flow and fair value interest rate risk. There have been no changes in any risk management policies since 2016 year end. Compared to 2016 year end, there was no material change in the contractual undiscounted cash flows for financial liabilities.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2016.

4.2 Fair value estimation

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

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

4. 財務風險管理及金融工具

4.1 財務風險因素

本集團因其業務須承受各種不同的財務風險：市場風險(包括外匯風險和價格風險)、信貸風險、流動資金風險和現金流量及公平值利率風險。自2016年終至此，沒有風險管理政策上的改變。與2016年終比較，財務負債之具合約性未貼現的現金流量沒有重大的改變。

本簡明綜合中期財務資料並未包括所有財務風險管理資料及於年度財務報表必須之披露，並應與本集團截至2016年12月31日止年度之綜合財務報表一併閱讀。

4.2 公平值估計

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

4. Financial risk management and financial instruments (continued)

4.2 Fair value estimation (continued)

The Group's financial assets at fair value through profit or loss were as follows:

		Unaudited 未經審核 30 June 2017 2017年6月30日			Audited 經審核 31 December 2016 2016年12月31日		
		Level 1 第一層級 US\$'000 千美元	Level 3 第三層級 US\$'000 千美元	Total 總計 US\$'000 千美元	Level 1 第一層級 US\$'000 千美元	Level 3 第三層級 US\$'000 千美元	Total 總計 US\$'000 千美元
Unlisted	非上市						
Call option over non-controlling interests	非控股權益認購權	-	874	874	-	-	-
Marketable bonds	可買賣債券	15,233	-	15,233	18,884	-	18,884
Marketable funds	可買賣基金	11,824	-	11,824	11,311	-	11,311
Listed	上市						
Equity securities	股票	6,341	-	6,341	6,736	-	6,736
Fund	基金	60	-	60	54	-	54
		33,458	874	34,332	36,985	-	36,985

There were no transfers between levels during the Track Record Period.

往績期內沒有層級之間的轉移。

4.3 Valuation techniques for deriving Level 1 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.

4.3 應用於第一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。此等工具包括在第一層級。

4. Financial risk management and financial instruments (continued)

4.4 Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 instruments for the six months ended 30 June 2017.

4. 財務風險管理及金融工具(續)

4.4 利用重大不可觀察輸入數據計量公平值(第三層級)

下表呈列截至2017年6月30日止6個月第三層級工具的變動。

		Unaudited 未經審核 Call option over non-controlling interests 非控股權益認購權 US\$'000 千美元
Opening balance at 1 January 2017	於2017年1月1日的期初結餘	-
Acquisition of Sentron, Inc. (Note 12)	收購Sentron, Inc.(附註12)	874
Closing balance at 30 June 2017	於2017年6月30日的期末結餘	874
Total unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	計入於報告期末所持資產盈虧的期內未變現收益或虧損總額	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

4. Financial risk management and financial instruments (continued)

4.4 Fair value measurements using significant unobservable inputs (Level 3) (continued)

As described, the fair values of financial assets that are classified in level 3 of the fair value hierarchy are determined using valuation techniques that make use of significant inputs that are not based on observable market data. These fair values could be sensitive to changes in the assumptions used to derive the inputs. The table below illustrates the sensitivity of the significant inputs when they are changed to reasonably possible alternative inputs:

4. 財務風險管理及金融工具(續)

4.4 利用重大不可觀察輸入數據計量公平值(第三層級)(續)

誠如所述者，分類為公平價值級別第三層級的金融資產公平價值乃按使用並非根據可觀察市場數據所得出重大輸入數據的估值方法釐定。該等公平價值對用以得出輸入數據的假設的變動具敏感性質。下表說明重大輸入數據當變更為合理可能的其他輸入數據時的敏感度：

Description 概述	Fair value as at 30 June 2017 於2017年 6月30日的 公平價值 US\$'000 千美元	Valuation technique 估值方法	Unobservable inputs 不可觀察 輸入數據	Range of unobservable inputs 不可觀察 輸入數據範圍	Relationship of unobservable inputs to fair value 不可觀察 輸入數據與 公平價值的關係
Financial assets at fair value through profit or loss – Call option over non-controlling interests 通過損益以反映公平 價值的財務資產 – 非控股權益 認購權	874	Monte Carlo Method 蒙特卡羅 模擬法	Volatility 波幅	45%-60%	The higher the volatility, the higher the fair value 波幅愈大， 公平價值愈高
			Risk-free interest rate 無風險利率	1.5%-1.9%	The higher the risk-free interest rate, the higher the fair value 無風險利率愈高， 公平價值愈高
			Price to sales ratio 市銷率	0.9-1.2	The higher the price to sales ratio, the higher the fair value 市銷率愈高， 公平價值愈高

4. Financial risk management and financial instruments (continued)

4.5 Valuation process

The Group adopted the fair values of the financial instruments other than call option over non-controlling interests provided by reputable financial institutions which are using advanced financial valuation technique.

The Group's call option over non-controlling interests was valued at 30 June 2017 by an independent, professionally qualified valuer. The Group's finance department includes a team that review the valuations performed by the independent valuer for financial reporting purposes. Discussions of valuation processes and results are held between the Vice President, Finance, audit committee, the valuation team and independent valuer at least once every six months, in line with the Group's interim and annual reporting dates.

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

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

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

4. 財務風險管理及金融工具(續)

4.5 估價程序

除了非控股權益認購權的公平值，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。

本集團的非控股權益認股期權於2017年6月30日由一位獨立專業合資格估值師進行估值。本集團的財務部擁有一支團隊就由獨立估值師所進行估值進行審閱，以達到財務申報目的。副總裁－財務、審核委員會、估值團隊及獨立估值師至少每6個月就估值過程及結果進行商討一次，與本集團的中期及年度報告日期一致。

4.6 以攤銷成本披露的財務資產及負債之公平值

以下財務資產及負債的公平值與其賬面值接近：

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

5. Critical accounting estimates and judgements

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

In preparing this condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016, except as described below.

Acquisition accounting

Accounting for acquisition require the Group to allocate the cost of acquisition to specific assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The Group has undertaken processes to identify all assets and liabilities acquired, including acquired intangible assets. Judgements made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset's useful lives, could materially impact the calculation of goodwill and amortisation charges in subsequent periods. Estimated fair values are based on information available near the acquisition date and on expectations and assumptions that have been deemed reasonable by management. Determining the estimated useful lives of intangible assets acquired also requires judgement.

5. 關鍵會計估算及判斷

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

除了以下披露外，編製本簡明綜合中期財務資料時，管理層需要對運用本集團的會計政策作出的重要判斷及關鍵不確定的估算資料來源與本公司截至2016年12月31日止年度的綜合財務報表一致。

收購會計處理

收購的會計處理規定本集團根據收購日的估計公平價值分配收購成本至所收購特定資產及所承擔負債。本集團已執程序以識別所收購一切資產及負債，包括所收購無形資產。就識別全部所收購資產、釐定分配至各類別所收購資產及所承擔負債的估計公平價值以及資產可使用年期作出的判斷可重大影響往後期間有關商譽及攤銷費用的計算。估計公平價值根據收購日前後可取得資料以及管理層認為屬合理的期望及假設計算得出。釐定所收購無形資產的估計可使用年期時亦須作出判斷。

6. Segment information

The Group has principally engaged in the design, development and sales of proprietary IC products and system solutions that enable a wide range of display and touch applications for smartphones, tablets, TVs/monitors, notebooks and other smart devices, including wearables, healthcare devices, smart home devices, as well as industrial appliances.

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

The chief operating decision-makers have been identified as the Executive Directors and senior management led by the Chief Executive Officer. The Executive Directors and senior management reviewed the Group's internal reporting to assess performance and allocate resources. A management approach has been used for the operating segment reporting.

(a) Sales

Sales amounted to US\$38,637,000 and US\$32,887,000 for the six months ended 30 June 2017 and 2016 respectively.

6. 分部資料

本集團主要從事設計、開發、銷售專有IC產品及系統解決方案，能廣泛應用於智能手機、平板電腦、電視／顯示器、筆記本電腦以及其他智能產品，包括可穿戴產品、醫療保健設備、智能家居設備，以及工業用設備等作廣泛的顯示及觸摸應用。

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

(a) 銷售額

截至2017年及2016年6月30日止6個月，銷售額分別為38,637,000美元及32,887,000美元。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

6. Segment information (continued)

(a) Sales (continued)

The Company is domiciled in Hong Kong. The Group mainly operates in Hong Kong. During the period under review, the Group's products were mainly sold to customers located in Hong Kong, Taiwan, Korea and China.

6. 分部資料(續)

(a) 銷售額(續)

本公司的所在地位於香港。本集團主要於香港經營其業務。於回顧期內，本集團之產品主要銷售予位於香港、台灣、韓國及中國的客戶。

		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2017	2016
		US\$'000	US\$'000
		千美元	千美元
Hong Kong	香港	10,517	11,802
Taiwan	台灣	9,910	12,728
Korea	韓國	5,323	576
China	中國	4,515	4,172
Europe	歐洲	3,271	1,693
Japan	日本	2,837	1,079
South East Asia	東南亞	1,593	365
USA	美國	194	134
Others	其他	477	338
		38,637	32,887

Sales are classified based on the places/countries in which customers are located.

銷售額按客戶所在地區／國家分類。

(b) Total assets

(b) 總資產

		Unaudited 未經審核	Audited 經審核
		30 June	31 December
		6月30日	12月31日
		2017	2016
		US\$'000	US\$'000
		千美元	千美元
Hong Kong	香港	79,146	84,589
China	中國	20,399	18,462
Taiwan	台灣	8,536	6,656
Korea	韓國	6,253	859
UK	英國	1,790	1,265
South East Asia	東南亞	131	3,604
Others	其他	208	127
		116,463	115,562

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。

6. Segment information (continued)

6. 分部資料(續)

(c) Capital expenditures

(c) 資本開支

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2017 US\$'000 千美元	2016 US\$'000 千美元
Intangible assets	無形資產		
Korea	韓國	1,896	–
		1,896	–
Property, plant and equipment	物業、廠房及設備		
UK	英國	547	–
China	中國	330	56
Taiwan	台灣	250	–
Korea	韓國	29	–
Hong Kong	香港	29	39
Others	其他	1	1
		1,186	96
		3,082	96

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。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

7. Expenses by nature

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

7. 按性質分類的開支

包括在銷售成本、研究及開發成本、銷售及分銷開支和行政開支內的開支分析如下：

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2017 US\$'000 千美元	2016 US\$'000 千美元
Cost of inventories sold	售出存貨成本	21,865	20,341
Product engineering costs	產品工程成本	2,565	2,422
Provision for obsolete or slow moving inventories	過時或滯銷存貨的撥備	1,475	1,045
Amortization of intangible assets	無形資產攤銷	1,786	7
Depreciation of owned property, plant and equipment	自置物業、廠房及設備的折舊	510	414
Operating leases for land and buildings	土地及樓宇的經營租賃	988	718
Employee benefit expenses (including Directors' emoluments):	僱員福利開支 (包括董事酬金):		
– Equity compensation	– 股本權益報酬	191	126
– Non-equity compensation	– 非股本權益報酬	15,007	10,422
– Severance & long service expenses	– 遣散費及長期服務金	67	1,421
Net exchange loss	淨匯兌虧損	309	72

8. Finance income – net

8. 投資收入－淨額

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2017 US\$'000 千美元	2016 US\$'000 千美元
Interest income	利息收入	454	818
Dividend income	股息收入	189	477
Gain/(loss) on disposal of FVTPL	出售FVTPL的收益/(虧損)	461	(553)
Net unrealized gain/(loss) from FVTPL	FVTPL未變現的淨收益/(虧損)	1,393	(675)
Interest expense of bank loan	銀行貸款的利息支出	(1)	(2)
Others	其他	–	1
		2,496	66

9. Income tax

Hong Kong income tax has been provided at the rate of 16.5% (2016: 16.5%) while overseas income tax has been provided at the rates of taxation prevailing in the countries in which the Group operates. No provision for Hong Kong income tax has been made as the Group has no estimated assessable profits for the six months ended 30 June 2017 and 2016.

9. 所得稅

香港所得稅已根據稅率16.5%(2016: 16.5%)計算，而海外所得稅則根據本集團的營運所在國家之適用稅率計算，本集團因截至2017年及2016年6月30日止6個月並無估計應課稅溢利而毋須作香港所得稅撥備。

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2017 US\$'000 千美元	2016 US\$'000 千美元
Current income tax:	本期所得稅：		
– Hong Kong	– 香港	–	–
– Overseas	– 海外	3	1
Write-back of income tax provision in prior years	以往年度估算的 所得稅回撥	–	(452)
Deferred income tax	遞延所得稅	(17)	–
Income tax credit	所得稅抵免	(14)	(451)

10. Loss per share

(a) Basic loss per share

The basic loss per share is calculated based on the Group's loss for the period attributable to the equity holders of the Company and the weighted average number of 2,477,597,379 (1H 2016: 2,477,102,351) ordinary shares in issue during the period.

The Group's loss for the period attributable to the equity holders of the Company was US\$5,577,000 (1H 2016: US\$6,382,000).

10. 每股虧損

(a) 每股基本虧損

每股基本虧損是根據本公司的權益持有人應佔本集團之虧損及本期內已發行普通股加權平均數2,477,597,379股(2016上半年: 2,477,102,351股)計算。

本公司的權益持有人期內應佔本集團之虧損為5,577,000美元(2016上半年: 6,382,000美元)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

10. Loss per share (continued)

(b) Diluted loss per share

The diluted loss per share is calculated based on the Group's loss attributable to the equity holders of the Company and the weighted average number of ordinary shares after adjusting for the effects of all dilutive potential ordinary shares during the period.

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

10. 每股虧損(續)

(b) 每股攤薄虧損

每股攤薄虧損乃根據本公司的權益持有人應佔本集團之虧損及已就期內所有具潛在攤薄影響的普通股作出調整後之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：

		Number of shares 股份數目	
		Unaudited 未經審核	
		Six months ended 30 June 6月30日止6個月	
		2017	2016
Weighted average number of ordinary shares in issue	已發行加權平均普通股股數	2,477,597,379	2,477,102,351
Conversion of all dilutive share options outstanding ^①	兌換所有可予發行具攤薄影響的流通購股權 ^①	-	-
Adjusted weighted average number of ordinary shares for diluted loss per share calculation	用作計算每股攤薄虧損的調整後加權平均普通股股數	2,477,597,379	2,477,102,351

^① As at 30 June 2017, there were 37,750,000 share options outstanding which could potentially have a dilutive impact but were anti-dilutive for the period then ended. Hence, there was no dilutive effect on the calculation of the diluted loss per share for the period ended 30 June 2017.

^① 於2017年6月30日，可予發行具攤薄影響的購股權為37,750,000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2017年6月30日止期內的每股攤薄虧損造成攤薄影響。

11. Dividend

No dividend for the year ended 31 December 2016 was declared or paid by the Company. In addition, the Board resolved not to declare an interim dividend for the six months ended 30 June 2017.

12. Business combinations

On 22 February 2017, the Group acquired 52% of the issued shares and a call option to acquire the remaining 48% of the equity interests in Sentron, Inc., a company that is a design and development house of ICs for display applications, for a consideration of US\$4,000,000. The acquisition is expected to increase the Group's market share by product developments.

The goodwill of US\$2,317,000 arises from a number of factors, including expected synergies through combining a highly skilled workforce, obtaining greater production efficiencies through knowledge transfer, and unrecognised assets such as the workforce. None of the goodwill recognised is expected to be deductible for income tax purposes.

11. 股息

本公司並沒有宣派或派付截至2016年12月31日止年度之股息。董事會亦決議不宣派截至2017年6月30日止6個月的中期股息。

12. 業務合併

於2017年2月22日，本集團以作價4,000,000美元，收購了Sentron, Inc.，一家顯示應用IC的設計及開發公司的已發行股份的52%及認股期權以收購Sentron, Inc.餘下48%股本權益。是項收購預計將加強產品開發，有助本集團拓展市場份額。

價值2,317,000美元的商譽乃來自多個因素，包括預期與高技術人才協作產生的協同效應、透過知識轉移提升生產效率，以及未經確認的資產，如人才。並無經確認的商譽預計可作扣除所得稅用途。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

12. Business combinations (continued)

The following table summarises the consideration paid for Sentron, Inc., and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

12. 業務合併(續)

下表總結了在收購日繳付Sentron, Inc.的作價、購入的資產及確認承擔的負債金額。

	Note 附註	Unaudited 未經審核 22 February 2月22日 2017 US\$'000 千美元
Cash paid		4,000
Less: Fair value of call option over non-controlling interests	a	(874)
Total consideration		3,126
Recognised amounts of identifiable assets acquired and liabilities assumed		
– Intangible assets		1,896
– Property, plant and equipment		19
– Cash and cash equivalents		33
– Trade and other receivables		264
– Inventories		13
– Trade and other payables		(86)
– Deferred income tax liabilities		(409)
– Bank loan		(174)
Total identifiable net assets		1,556
Non-controlling interests	b	(747)
Goodwill		2,317
Total consideration		3,126
Acquisition-related costs (included in administrative expenses in the interim condensed consolidated income statement for the period ended 30 June 2017)		75
Net cash outflow on acquisition		
Cash paid		4,000
Less: Cash and cash equivalents acquired		(33)
		3,967

12. Business combinations (continued)

(a) Call option over non-controlling interests

Pursuant to the share purchase agreement entered into between the Group and the shareholders of Sentron, Inc., the Group was granted a call option to acquire part or all of the remaining 48% equity interest in Sentron, Inc. The call option is divided into four batches, each representing 12% equity interests in Sentron, Inc. Each of the four batches would become exercisable after the years ending 31 December 2018, 2019, 2020 and 2021, respectively. The exercise price of each batch would be determined based on the performance targets for the respective financial years and the total consideration for the remaining 48% equity interests is capped at US\$4,000,000.

The fair value of the call option was determined by using the Monte Carlo simulation model with the following key assumptions:

		Unaudited 未經審核 30 June 6月30日 2017
Risk-free interest rate	無風險利率	1.55%-1.85%
Volatility	波幅	50%
Dividend yield	股息率	0%
Price to sales ratio	市銷率	0.99
Expected option life (year)	認股期權預期年期(年)	1.5-4.5

(b) Non-controlling interests

The non-controlling interests were recognized at their proportionate share of the recognised amounts of identifiable net assets in Sentron, Inc.

(c) Revenue and profit contribution

Sentron, Inc. contributed no revenues and net loss of US\$344,000 to the Group since acquisition date. If the acquisition had occurred on 1 January 2017, consolidated revenue and consolidated loss for the six months ended 30 June 2017 would have been nil and US\$522,000 respectively.

12. 業務合併(續)

(a) 非控股權益認購權

根據本集團與Sentron, Inc.股東訂立的購股協議，本集團獲授認股期權以收購Sentron, Inc.部分或全部餘下48%股本權益。該認股期權分為四批，各佔Sentron, Inc.股本權益的12%。四批認股期權各自分別於截至2018年、2019年、2020年及2021年12月31日止年度後可予行使。各批的行使價將根據相關財政年度的表現目標釐定，而餘下48%股本權益的總計作價上限為4,000,000美元。

認股期權的公平價值使用蒙特卡羅模擬模式按以下主要假設釐定：

(b) 非控股權益

非控股權益按其在Sentron, Inc.已確認的可辨認淨資產中的比例確認。

(c) 收入和利潤貢獻

所購入業務於加入本集團後沒有貢獻收入和貢獻淨虧損344,000美元。如該項收購發生於2017年1月1日，截至2017年6月30日止半年的合併收入和合併淨虧損應分別為零美元和522,000美元。

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

13. Trade and other receivables

13. 應收款及其他應收款

		Note 附註	Unaudited 未經審核 30 June 6月30日 2017 US\$'000 千美元	Audited 經審核 31 December 12月31日 2016 US\$'000 千美元
Trade receivables	應收款		13,366	13,171
Trade receivables from related parties	關聯方應收款	18	976	1,465
Trade receivables – net	應收款 – 淨額		14,342	14,636
Deposits, prepayments and other receivables	訂金、預付款及 其他應收款		3,466	2,595
Prepayments to related parties	關聯方預付款	18	111	283
Trade and other receivables – current portion	應收款及其他應收款 – 流動		17,919	17,514
Prepayments and deposits – non-current portion	預付款及訂金 – 非流動		337	661
			18,256	18,175

As at 30 June 2017, the Group's trade receivables from customers were mainly on credit terms of 30 to 90 days. The ageing analysis of trade receivables not impaired based on overdue days is as follows:

於2017年6月30日，本集團對客戶之應收款信貸期主要為30至90日。沒有減值撥備的應收款以過期日起的賬齡分析如下：

		Unaudited 未經審核 30 June 6月30日 2017 US\$'000 千美元	Audited 經審核 31 December 12月31日 2016 US\$'000 千美元
Current	即期	10,515	10,751
1–30 days	1–30日	2,791	3,592
31–60 days	31–60日	693	293
61–90 days	61–90日	343	–
		3,827	3,885
		14,342	14,636

As at 30 June 2017, trade receivables of US\$3,827,000 (31 December 2016: US\$3,885,000) were considered past due if measured against the credit terms offered. All the overdue sum was not impaired since most of the overdue sum has been settled after the balance sheet date.

於2017年6月30日，若以所給予的信貸期計算，逾期之應收款為3,827,000美元(2016年12月31日：3,885,000美元)。因多數逾期未收之款項於結算日後已收訖，所以全部該等逾期未收之款項並未作減值。

As at 30 June 2017 and 31 December 2016, no trade receivables were impaired and provided for.

於2017年6月30日及2016年12月31日，並沒有應收款被減值或撥備。

14. Share capital

14. 股本

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月			
		2017		2016	
		Number of shares 股份數目	US\$'000 千美元	Number of shares 股份數目	US\$'000 千美元
Authorized:	法定：				
– Ordinary shares of HK\$0.10 each	– 每股面值0.10港元的普通股	5,000,000,000	64,433	5,000,000,000	64,433
Issued and fully paid:	已發行及繳足：				
– At 1 January	– 於1月1日	2,477,102,351	31,926	2,477,102,351	31,926
– Exercise of share options	– 行使購股權	1,000,000	13	–	–
– At 30 June	– 於6月30日	2,478,102,351	31,939	2,477,102,351	31,926

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

15. Trade and other payables

15. 應付款及其他應付款

			Unaudited 未經審核 30 June 6月30日 2017 US\$'000 千美元	Audited 經審核 31 December 12月31日 2016 US\$'000 千美元
Trade payables	應付款		12,451	8,398
Other payables to related parties	關聯方其他應付款	18	3	55
Accrued expenses and other payables	應計開支及其他應付款		6,341	5,306
			18,795	13,759

As at 30 June 2017, the ageing analysis of trade payables based on overdue days is as follows:

於2017年6月30日，應付款以逾期日期的賬齡分析如下：

			Unaudited 未經審核 30 June 6月30日 2017 US\$'000 千美元	Audited 經審核 31 December 12月31日 2016 US\$'000 千美元
Current	即期		11,384	7,006
1-30 days	1-30日		509	1,096
31-60 days	31-60日		367	178
61-90 days	61-90日		-	28
Over 90 days	超過90日		191	90
			12,451	8,398

16. Equity compensation scheme

(a) The Share Option Scheme

The Company adopted a share option scheme (“2013 Share Option Scheme”) at the annual general meeting held on 28 May 2013.

As at 30 June 2017, there were in total 37,750,000 (44,050,000 as at 31 December 2016) valid share options outstanding.

During the period, movements in the number of share options outstanding under the share option scheme and their related exercise prices are as follows:

16. 股本權益報酬計劃

(a) 購股權計劃

本公司於2013年5月28日舉行的股東週年大會已採納一購股權計劃(「2013購股權計劃」)。

於2017年6月30日，合共有37,750,000(於2016年12月31日：44,050,000)股有效購股權未經行使。

期內，關於購股權計劃尚未行使購股權數目的變動及其有關行使價列載如下：

Grant date 授出日期	Exercise price per share HK\$ 每股行使價 港元	Unaudited 未經審核 Number of share options (in thousand units) 購股權數目(以千位計)				Held at 30 June 2017 於2017年 6月30日持有	Expiry date 到期日
		Held at 1 January 2017 於2017年 1月1日持有	Exercised during the period 期內 已行使	Lapsed/ forfeited during the period 期內 已註銷/放棄	Held at 30 June 2017 於2017年 6月30日持有		
9 October 2014 2014年10月9日	0.3950	7,100	-	-	7,100	29 September 2017 2017年9月29日	
	0.3950	1,100	-	-	1,100	28 September 2018 2018年9月28日	
30 March 2015 2015年3月30日	0.3090	350	-	-	350	30 March 2018 2018年3月30日	
	0.3090	100	-	-	100	29 March 2019 2019年3月29日	
2 October 2015 2015年10月2日	0.3150	5,000	(1,000)	-	4,000	28 September 2018 2018年9月28日	
	0.3150	1,000	-	(300)	700	30 September 2019 2019年9月30日	
11 January 2016 2016年1月11日	0.3690	2,500	-	(2,500)	-	29 March 2019 2019年3月29日	
	0.3690	2,500	-	(2,500)	-	31 December 2019 2019年12月31日	
	0.3690	2,500	-	-	2,500	31 March 2020 2020年3月31日	
	0.3690	2,500	-	-	2,500	31 December 2020 2020年12月31日	
	0.3690	2,500	-	-	2,500	31 March 2021 2021年3月31日	
	0.3690	2,500	-	-	2,500	31 December 2021 2021年12月31日	
30 September 2016 2016年9月30日	0.3050	2,400	-	-	2,400	30 September 2019 2019年9月30日	
	0.3050	6,000	-	-	6,000	31 March 2020 2020年3月31日	
	0.3050	6,000	-	-	6,000	31 March 2021 2021年3月31日	
Total 總計		44,050	(1,000)	(5,300)	37,750		

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

簡明綜合中期財務資料附註(續)

16. Equity compensation scheme (continued)

(a) The Share Option Scheme (continued)

The Company has been using the Black-Scholes Valuation Model to value the share options granted. There was no share option granted during the six months ended 30 June 2017. The key parameters used in the Model and the corresponding fair values of the share options granted during the period ended 30 June 2016 are listed below:

Date of grant	授出日期	2016 11 January 1月11日
Number of share options granted	已授出購股權數目	15,000,000
Total share option value	購股權總值	
– HK\$'000	– 千港元	1,809
– US\$'000 equivalent	– 千美元等值	233
Share price at date of grant (HK\$)	授出日期的股價(港元)	0.325
Exercise price (HK\$)	行使價(港元)	0.369
Expected life of options (years)	購股權的預期限期(年)	2-5
Annualized volatility	年度波幅	54.2-59.7%
Risk free interest rate	無風險利率	0.44%
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.

16. 股本權益報酬計劃(續)

(a) 授購股權計劃(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。於截至2017年6月30日止六個月內概無授出購股權。而截至2016年6月30日止期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。

16. Equity compensation scheme (continued)

(b) The Share Award

Based on the recommendation of the Remuneration Committee of the Board, 2,212,000 ordinary shares of the Company ("Awarded Shares") have been awarded conditionally to the Chief Executive Officer (the "Beneficiary") as a long-term incentive in January 2017.

In the absence of an award share scheme and trustee upon successful vesting of the Awarded Shares, and subject to the Listing Rules, the Beneficiary shall instruct an agent or a broker to purchase the Awarded Shares directly from the market, with the cash reserve made available by the Company.

16. 股本權益報酬計劃(續)

(b) 股份頒授

根據董事會薪酬委員會的建議，本公司於2017年1月向行政總裁(「受益人」)附條件地授予2,212,000股本公司的普通股(「頒授股份」)作為長期獎勵。

頒授股份於成功歸屬時倘未有股份獎勵計劃及受託人的情況下，並於上市規則容許下，受益人將指令代理人或經紀以由本公司提供的現金儲備於市場直接購買頒授股份。

Grant date 12 January 2017	授出日期 2017年1月12日
Closing price of the shares of the Company on the date of grant HK\$0.36	本公司股份於授予日期的收市價 0.36港元
Vesting condition and schedule	歸屬條件與期限
Subject to the annual results for the year ending 31 December 2017, of which:	依據截至2017年12月31日止年度全年業績，其中：
– 1,106,000 shares will be vested after the close of business on 30 March 2018 ^(note 1)	– 1,106,000股股份會於2018年3月30日(附註1)營業日完結後歸屬
– 1,106,000 shares will be vested after the close of business on 31 December 2018	– 1,106,000股股份會於2018年12月31日營業日完結後歸屬

Note 1:

Must be an active employee with the Group as at 31 December of the financial year of which the performance is observed.

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.

附註1：

必須在與表現掛鉤的財政年度的12月31日仍屬本集團的在職僱員。

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

17. Commitments

(a) Capital commitments

Capital expenditure contracted but not provided for as at the balance sheet date is as follows:

		Unaudited 未經審核 30 June 6月30日 2017 US\$'000 千美元	Audited 經審核 31 December 12月31日 2016 US\$'000 千美元
Property, plant and equipment	物業、廠房及設備	356	337

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-cancelable leases are as follows:

		Unaudited 未經審核 30 June 6月30日 2017 US\$'000 千美元	Audited 經審核 31 December 12月31日 2016 US\$'000 千美元
Not later than 1 year	不超過一年	1,628	1,684
Later than 1 year and not later than 5 years	超過一年，但不超過五年	442	1,032
		2,070	2,716

17. 承擔

(a) 資本承擔

於結算日已商定合約但未撥備的資本開支列載如下：

除上述已披露者外，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，未來最低租賃總額列載如下：

18. Related party transactions

China Electronics Corporation, a state-owned information technology conglomerate under the administration of the central government of the PRC, through its wholly own subsidiary Huada Semiconductor Co. Ltd., owns approximately 28.5% of the issued shares of the Company and is thus a substantial shareholder of the Company. Transactions between the Group and the subsidiaries or associates of CEC are regarded as transactions with related parties.

The following transactions were carried out with related parties:

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2017 US\$'000 千美元	2016 US\$'000 千美元
Sales:	銷售額：		
Subsidiaries of CEC	CEC的附屬公司	3,507	1,184
Purchases:	採購：		
Subsidiaries of CEC	CEC的附屬公司	164	169

Period-end balances arising from sales/purchases:

由銷售／採購構成的期終帳目：

		Unaudited 未經審核 30 June 6月30日 2017 US\$'000 千美元		Audited 經審核 31 December 12月31日 2016 US\$'000 千美元
		Note 附註		
Trade receivables:	應收款：			
Subsidiaries of CEC	CEC的附屬公司	13	976	1,465
Prepayments:	預付款：			
Subsidiaries of CEC	CEC的附屬公司	13	111	283
Other payable:	其他應付款：			
Subsidiaries of CEC	CEC的附屬公司	15	3	55

18. 關聯方交易

中國電子是直接隸屬於中國中央政府管理的國有電子信息技術企業集團，通過其全資附屬公司華大半導體有限公司擁有約28.5%本公司之發行股份，乃本公司之主要股東。本集團與CEC的附屬公司或其聯繫人的交易構成關聯方交易。

以下交易為關聯方之交易：

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

TO THE BOARD OF DIRECTORS OF SOLOMON SYSTECH (INTERNATIONAL) LIMITED

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 3 to 33, which comprises the condensed consolidated interim balance sheet of Solomon Systech (International) Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2017 and the related condensed consolidated interim income statement, statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 22 August 2017

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

中期財務資料的審閱報告



羅兵咸永道

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

引言

本核數師(以下簡稱「我們」)已審閱列載於第3至33頁的中期財務資料，此中期財務資料包括Solomon Systech (International) Limited(「貴公司」)及其子公司(合稱「貴集團」)於2017年6月30日的簡明綜合中期資產負債表與截至該日止6個月期間的相關簡明綜合中期損益表、簡明綜合中期全面收入報表、簡明綜合中期權益變動表和簡明綜合中期現金流量表，以及主要會計政策概要和其他附註解釋。香港聯合交易所有限公司證券上市規則規定，就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」編製及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並僅按照我們協定的業務約定條款向閣下(作為整體)報告我們的結論，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

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

結論

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

羅兵咸永道會計師事務所
執業會計師

香港，2017年8月22日

羅兵咸永道會計師事務所，香港中環太子大廈二十二樓
總機：+852 2289 8888，傳真：+852 2810 9888，www.pwchk.com

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Results

During the period under review, the Group achieved a satisfactory growth rate of 18% in revenue to US\$38.6 million (1H 2016: US\$32.9 million), mainly due to new business operations and an increase in the general average selling price of the Group's products. The overall book-to-bill ratio of the Group for the period in 2017 was 1.1 (1H 2016: 1.0).

With these favorable factors, there was a big increment in both gross profit (US\$14.7 million) and gross margin (38.1%) recorded in the six months ended 30 June 2017 (1H 2016: US\$10.4 million and 31.7% respectively).

Both S&D expenses (US\$1.6 million) and administrative expenses (US\$6.0 million) were maintained at a comfortable level and recorded a slight drop from the corresponding period in 2016.

Being a technology company, the Group is committed to investing in product R&D and business development. Although the Group remained selective in its product R&D spending, because of the new business operations and products, its R&D costs during the period under review surged to US\$16.3 million (mainly staff costs and amortization of intangible assets), compared to US\$9.6 million in the same period last year, representing an approximately 69% jump.

For the six months ended 30 June 2017, a net finance income (US\$2.5 million) was derived from the various investment portfolios of the Group, comprising bank interests, dividends from securities, disposal gains on FVTPL investments and mark-to-market gain on financial assets, in contrast to a breakeven position in the first half year period in 2016 (1H 2016: US\$0.1 million).

As a result of the aforesaid elements, the Group has reported a net loss attributable to the Company's equity holders of US\$5.6 million (1H 2016: US\$6.4 million). The Board resolved not to declare an interim dividend for the six months ended 30 June 2017.

財務回顧

業績

在回顧期內，本集團的營業額增長率理想，達18%至38.6百萬美元(2016年上半年：32.9百萬美元)，主要由於新業務運作和整體產品平均售價上漲。本集團於2017年期內的總訂單出貨比率為1.1(2016年上半年：1.0)。

鑑於這些有利因素，截至2017年6月30日止六個月的毛利(14.7百萬美元)和毛利率(38.1%)均錄得大幅增長(2016年上半年：分別為10.4百萬美元和31.7%)。

銷售及分銷開支(1.6百萬美元)和行政開支(6.0百萬美元)均維持在一個合適的水平，與2016年同期相比略有所下降。

作為一家科技公司，本集團致力投放資源於產品工程開發及業務發展。雖然本集團在產品工程開發及業務發展支出方面持續審慎，鑑於新的業務和產品，其回顧期內的產品工程開發費用激增至16.3百萬美元(主要為員工成本及無形資產攤銷)，而去年同期則為9.6百萬美元，跳升約69%。

截至2017年6月30日止六個月，淨投資收入(2.5百萬美元)來自本集團的各類投資組合，包括銀行利息、證券派息、投資出售收益及金融資產按市價計算的收益，對比2016年上半年為盈虧平衡(2016年上半年：0.1百萬美元)。

基於上述因素，本集團錄得本公司股東應佔淨虧損為5.6百萬美元(2016年上半年：6.4百萬美元)。董事會決議不宣派截至2017年6月30日止六個月的中期股息。

Liquidity and financial resources

The Group has invested in financial assets as part of its treasury management for interest and dividend income. During the period under review, the Group recorded an interest and dividend income of US\$0.6 million (1H 2016: US\$1.3 million)

Given the fair market sentiment, a gain on disposal of certain financial assets of US\$0.5 million (1H 2016: loss of US\$0.6 million) was registered.

The Group's financial assets at fair value through profit or loss ("FVTPL Portfolio") is stated at fair value. FVTPL Portfolio traded in active markets is based on quoted market prices at the reporting date. The FVTPL Portfolio at balance sheet date was pursuant to the mark-to-market prices as at 30 June 2017 and a net unrealized gain of US\$1.4 million (1H 2016: net unrealized loss of US\$0.7 million) was recorded, resulted mainly from the fair value gain of equity securities.

As a result, the Group recorded a satisfactory net finance income of US\$2.5 million (1H 2016: US\$0.1 million) from treasury investment.

The Group has an internal treasury review team (the "Team") to execute treasury management policy, review the overall investment portfolio and monitor the performance on a regular basis to increase the yield of cash reserves. The Team conducts regular review meetings or teleconferences with individual external portfolio managers and holds internal review meetings to evaluate and monitor the investment performance. The majority of the FVTPL were under external professional portfolio management as at 30 June 2017. These FVTPLs comprised mainly marketable bonds, mutual funds, exchange traded funds and listed equity securities held through reputable financial institutions including Citibank, Goldman Sachs, UBS and Hang Seng Bank. As at 31 July 2017, being the latest practicable date prior to the printing of the Interim Report, the carrying value of the FVTPL under current assets was further appreciated by approximately 2% from that on the balance sheet date.

Total cash and cash equivalents and bank deposits of the Group were US\$24.5 million as at 30 June 2017, a slight reduction of US\$0.2 million, compared to US\$24.7 million as at 31 December 2016. Cash and cash equivalents and bank deposits of the Group were mainly denominated in US dollar and Renminbi.

流動資金及財務資源

本集團投資於財務資產作資金管理以獲取利息及股息收入。於回顧期內，本集團錄得利息及股息收入0.6百萬美元(2016上半年：1.3百萬美元)。

在市況一般的情況下，基於出售部份財務資產而錄得0.5百萬美元收益(2016上半年：虧損0.6百萬美元)。

本集團之通過損益反映公平價值的財務資產(「FVTPL投資組合」)按公平值列賬。FVTPL投資組合於活躍市場交易的財務資產之公平值乃基於結算日的市場報價。於結算日之FVTPL投資組合按2017年6月30日市價作基準估值錄得未變現淨額收益為1.4百萬美元(2016上半年：未變現虧損淨額0.7百萬美元)，主要來自股票證券的公平值收益。

整體結果，本集團於財政庫務投資錄得滿意的淨額收入2.5百萬美元(2016上半年：0.1百萬美元)。

本集團設有內部庫務審閱小組(「小組」)，負責執行庫務管理政策、審閱整體投資組合及定期監察投資表現以提升現金儲備的回報率。該小組定期與外聘之投資組合管理經理進行會面或電話會議及舉行內部審閱會議以檢討及監察投資表現。於2017年6月30日，大部份FVTPL乃由外聘專業投資組合管理。這些FVTPL主要包括透過花旗銀行、高盛、瑞銀及恆生銀行等具信譽的金融機構所持的銷售債券、共同基金、交易所買賣基金和上市股權證券。於2017年7月31日，作為中期報告印發前最後切實可行的日期，流動資產內的FVTPL的賬面價值較於資產負債表日的價值上升約2%。

於2017年6月30日，本集團的現金及現金等價物和銀行存款總計為24.5百萬美元，而於2016年12月31日則為24.7百萬美元，輕微減少0.2百萬美元。現金及現金等價物和銀行存款主要以美元及人民幣結算。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

The Group will continue to allocate funds for product development, securing production capacity, broadening its customer base and capture market and sales opportunities, entering into strategic corporate ventures and meeting general corporate operational purposes. The Group will also continue to execute its treasury management policy to enhance the yield of cash reserves during the period of low interest return. As at 30 June 2017, the Group had no major borrowing other than the US\$0.1 million in a mortgage loan, which was denominated in New Taiwan dollars for the finance of an office property in Hsinchu, Taiwan and the revolving bank credit lines of a Korean subsidiary for working capital financing amounting to US\$0.2 million denominated in Korean Won. 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 period under review, the Group had not used any derivative instruments to hedge against foreign currency exposure in operation as the Board considered this exposure to be insignificant. However, necessary hedging against foreign currency exposure in Euro was arranged by the external professional portfolio managers for the FVTPL Portfolio in Europe.

Capital expenditure and contingent liabilities

In 1H 2017, capital expenditure of the Group was US\$3 million (1H 2016: US\$0.1 million), of which the majority was related to the equipment purchased and patents acquired in business combination.

As at 30 June 2017, there was US\$0.4 million capital expenditure contracted but not provided for (31 December 2016: US\$0.3 million).

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

本集團將繼續分配資源於產品開發、保障產能、擴大顧客群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。本集團亦將繼續執行庫務管理政策，於低利率期間增加現金儲備之回報率，於2017年6月30日，除了0.1百萬美元(以新台幣結算)作位於台灣新竹之辦公室物業融資之按揭貸款及經一韓國附屬公司從銀行取得循環信貸金額為0.2百萬美元(以韓圻結算)，作營運資金融資外，本集團並無任何主要借貸。本集團之現金餘額主要投資於銀行各類存款。

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。但外聘專業投資經理已運用合適衍生工具以對沖對具有歐羅外匯風險的歐洲FVTPL投資組合。

資本開支與或然負債

於2017上半年，本集團的資本開支為3百萬美元(2016上半年：0.1百萬美元)，當中大部分用於購買設備及購買業務合併的無形資產。

於2017年6月30日，共有0.4百萬美元已商定合約但未撥備之資本開支(2016年12月31日：0.3百萬美元)。

除前述之外，本集團概無其他重大資本承擔或或然負債。

BUSINESS REVIEW AND OUTLOOK

BUSINESS REVIEW

During the first half of 2017, the Group recorded an increase in revenue of around 18% year-on-year to US\$38.6 million, mainly attributable to the strategies adopted in 2016 which enhanced business growth and development. These strategies included the restructuring of the Group's core business operations to streamline and optimize resources, and to focus on products with a higher long-term value; the purchase of the market-leading maXTouch® touchscreen technology assets and products from Microchip to strengthen technology and product portfolios; and also achieve synergistic effects with the Group's current technologies, including In-Cell Touch and Display Driver Integration (TDDI); and the establishment of the new technology center in the UK to reinforce technological capabilities and enhance new product development. Successful execution of these strategies has laid a strong groundwork for growth amidst the challenging market and competitive industry environment.

During the period under review, the Group has launched a total of 8 new products, and set up new technology centers in Korea and Taiwan, in addition to the existing technology centers in Hong Kong, Japan, Shenzhen and the UK. The Group has also started preparations to establish the Nanjing Technology Center (NJTC) in China scheduled to open in the second half of 2017. The NJTC is intended to further enhance relationships with key customers and business partners, and most importantly, to drive business development in China, the Group's major market. Despite the increase in R&D costs attributed to the new business operations and for developing new products, the Group is well equipped to capture the upcoming business opportunities.

業務回顧及展望

業務回顧

於2017年上半年，本集團的銷售額與去年同期相比，錄得升幅約18%至38.6百萬美元，主要歸因於本集團在2016年所採取的策略，加強了業務增長和發展。這些策略包括重組本集團的核心營運業務以精簡架構和優化資源，並把重點放在具有較高長期價值的產品；購入Microchip領先市場的maXTouch®觸屏技術資產和產品以加強技術和產品組合，及與本集團現有技術，包括In-Cell觸控與顯示驅動器集成(TDDI)達致協同效應；同時亦在英國成立了新的科技中心，以強化技術能力和新產品的開發。這些策略的成功落實，為本集團在具挑戰的市場和競爭激烈的行業環境下奠定了強大的根基，有利增長。

在回顧期內，本集團推出了共八項新產品，並繼香港、日本、深圳及英國外，在韓國及台灣亦成立了新的科技中心。本集團並開始了於中國建立南京科技中心(NJTC)的計劃。NJTC預計於2017年下半年開業，旨在進一步加強與主要客戶和商業夥伴的關係；而最重要的是推動本集團的主要市場－中國的業務發展。雖然新的業務和產品開發令致工程開發費用增加，但也讓本集團擁有最佳裝備，抓緊未來的業務機遇。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

The Group's sales by business unit during the period under review were as follows:

回顧期內按本集團的業務單元劃分的銷售額如下：

Sales (US\$ million)	銷售額(百萬美元)	1H 2017 2017上半年	1H 2016 2016上半年	Change 變動	2016 Full Year 2016全年
Main Display	主流顯示	20.0	15.3	+31%	31.6
Advanced Display	先進顯示	18.6	17.6	+6%	36.8
Total	總數	38.6	32.9	+18%	68.4

Main display

The Main Display Business Unit ("MDBU") provides In-Cell TDDI IC, In-Cell, On-Cell and Out-Cell touchscreen controller ICs, TFT LCD display driver ICs and MIPI bridge ICs targeting smart mobile devices; as well as TFT LCD display driver ICs for large-display products, including TVs, monitors, notebooks, tablet PCs, etc.

During the period under review, the total sales of the MDBU amounted to US\$20.0 million (1H 2016: US\$15.3 million), an increase of approximately 31% year-on-year. This was mainly attributed to the additional revenue contribution from the newly purchased maXTouch® touchscreen controller ICs which have garnered design wins and design-in projects with key international brands.

The Group's TDDI IC for FWVGA panels has continued to generate revenue for the MDBU. The Group has been developing new TDDI ICs with a view to capturing the growing trend of bezel-less smartphones. The Group's display driver IC for HD IGZO panels has started pilot production.

The Group's MIPI bridge ICs have captured design wins including a leading international notebook brand. In terms of large panel display driver ICs, the demand from the Group's major customer has started to pick up slightly during the review period.

主流顯示

主流顯示業務單元(「MDBU」)提供針對智能移動裝置的In-Cell TDDI IC、In-Cell、On-Cell及Out-Cell觸摸屏控制器IC、TFT LCD顯示驅動器IC及MIPI橋接IC，和用於大型顯示產品(包括電視、監視器、筆記本電腦、平板電腦等)的TFT LCD顯示驅動器IC等。

在回顧期內，MDBU的總銷售額達20.0百萬美元(2016年上半年：15.3百萬美元)，按年增加了約31%。這主要有賴新購入的maXTouch®觸摸屏控制器IC所帶來的額外銷售額貢獻。maXTouch®觸摸屏控制器IC取得了主要國際品牌的訂單及設計項目。

本集團針對FWVGA面板的TDDI IC持續為MDBU帶來收益。本集團亦在開發新的TDDI IC，冀能捕捉無邊框智能手機的增長趨勢。本集團用於高清IGZO面板的顯示驅動IC已開始了試產。

本集團的MIPI橋接IC亦贏得了包括領先國際筆記本電腦品牌的訂單。至於大型顯示驅動IC方面，本集團主要客戶的需求，在回顧期內開始略有回升。

Advanced display

The Advanced Display Business Unit (“ADBU”) includes PMOLED display and OLED lighting products, as well as bistable products. In addition to standard ICs, the ADBU also provides custom IC design services, including analog, mixed-signal and high-voltage IC designs to cater to the specific needs of customers.

The growth momentum of the Advanced Display business during 2016 has carried forward to the period under review, with the total sales increasing around 6% year-on-year to US\$18.6 million (1H 2016: US\$17.6 million).

The Group’s PMOLED display driver ICs continued to capture the surging market of wearables, and garnered design-wins with a number of world-renowned brands. The Group has also achieved design-wins and engaged in design-in projects for other applications, in particular set-top boxes, smart home appliances and healthcare devices.

In terms of its bistable display business, the Group has managed to enhance its relationship and has collaborated closely with module manufacturers and independent design houses helping to improve its business performance during the review period. The Group has achieved design-wins for custom ICs for ESLs, while extending applications to scoreboards and logistics tags. The Group’s segment-type EPD solutions have also garnered design-in projects for keyboards.

OUTLOOK

The anticipated positive outlook for key application markets, in particular wearables, ESLs, and smart handheld devices, should provide good business opportunities for the Group’s array of new, high performance products.

In addition, as a result of the restructuring initiatives in 2016, the Group foresees positive changes taking root in the second half of 2017. Its international R&D team, comprising local experts from regional technology centers, together with the strengthened product and technology portfolios, forms a strong backbone for driving technology innovation and new product development to boost business growth. The favorable book-to-bill ratio of 1.1 is also a positive indicator of future growth.

先進顯示

先進顯示業務單元(「ADBU」)包括PMOLED顯示和OLED照明產品，以及雙穩態產品。ADBU除了提供標準IC外，亦提供定製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。

先進顯示在2016年的增長勢頭持續至回顧期內；總銷售按年增加約6%至18.6百萬美元(2016年上半年：17.6百萬美元)。

本集團的PMOLED顯示驅動IC繼續捕捉正在增長中的可穿戴產品市場，並獲得多個世界知名品牌的訂單。本集團亦已取得其他應用的訂單和設計項目，尤其是機頂盒、智能家電和保健裝置。

至於雙穩態顯示業務方面，本集團成功鞏固了與模組製造商的關係，並與獨立設計公司更緊密合作，改善了回顧期內的業績表現。本集團獲得了定制貨架標籤IC的訂單，並將應用擴展至計分牌和物流標籤。本集團的段式EDP解決方案亦獲得了鍵盤的設計項目。

展望

主要的應用市場預期前景樂觀，尤其可穿戴、電子貨架標籤，以及智能便攜裝置；應能為本集團的一系列高性能新產品提供良好商機。

此外，鑒於2016年的重組舉措，本集團預期2017年下半年可見正面的變化植根。其來自區域科技中心的當地專才組成的國際研發團隊，加上強化了的產品和技術組合，形成強大的骨幹，推動技術創新和新產品開發以促進業務增長。利好的1.1訂單出貨比率，亦顯示發展前景樂觀。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論及分析(續)

Main display

In the immediate future, the Group plans to strive to achieve more design wins with its maXTouch® touchscreen solutions supporting AMOLED, In-Cell and also On-Cell display panels. More panel makers are said to be focusing their efforts on increasing supply capacity for curved and flexible AMOLED displays. Many smartphone brands are also planning to apply flexible AMOLED displays to their high-end product lines. The Group is further enhancing its development of new touch controller ICs supporting this advanced technology, which is believed will define the next generation displays.

In terms of LCD panel technology, the Group has been actively engaged in outreach to prospective customers, and aims to start mass production of its TDDI IC for FHD panels in the second half of 2017. Moreover, the Group has started to develop other new TDDI ICs to cater to the industry trend of high-end smartphones with a bezel-less frame and an 18:9 screen aspect ratio.

Ongoing market penetration of UHD LCD TVs will likely boost the demand for display driver ICs for large, high resolution displays, while the establishment of the Nanjing Technology Center in the second half of 2017 is expected to strengthen the Group's R&D and supporting capability in China.

Advanced display

Underpinned by the expansion of the panel manufacturing capacity alongside the strong momentum of the wearables market, the Group's PMOLED display driver IC business is expected to continue its growth trend into the second half of 2017. The Group has also been developing new products supporting higher resolution color displays, and has been extending its reach to application markets with good prospects, including smart home appliances and smart watches.

The ESL market continues to be a key target of the Group's bistable display driver ICs, in particular the larger displays with higher resolution; along with other new applications boosted by the onset of the Internet of Things (IoT) era.

主流顯示

未來本集團將致力為支援AMOLED、In Cell及On-Cell顯示屏的maXTouch®觸摸屏解決方案贏取更多訂單。越來越多面板製造商據稱集中於增加曲面和柔性AMOLED顯示的產能；而許多智能手機品牌也計劃在高端產品線採用柔性AMOLED顯示。本集團將進一步加快開發支援這被認為將是下一代嶄新技術的觸摸屏控制器IC。

有關LCD面板技術方面，本集團一直積極開發潛在客戶，致力於2017年下半年開始批量生產支援FHD面板的TDDI IC。此外，本集團亦已開始開發其他新的TDDI IC，以迎合無邊框及18:9屏幕長寬比的高端智能手機的行業趨勢。

UHD LCD電視持續滲透市場，很大機會推動對高解析度大型顯示驅動IC的需求；而於2017年下半年成立的南京科技中心則預計可加強本集團在中國的R&D及配套能力。

先進顯示

在可穿戴市場強勁的增長勢頭，加上面板產能的擴張的驅動下，本集團的PMOLED顯示驅動IC業務預計2017年下半年將持續升勢。本集團並一直在開發支援高解析度彩色顯示的新產品，以及擴展至具良好前景的應用市場，包括家電和智能手錶。

電子貨架標籤市場仍然是本集團的雙穩態顯示驅動IC的主要目標，尤其是更高解析度和更大尺寸的顯示；以及因物聯網 (IoT) 時代來臨而帶來的其他新的應用。

PRODUCT DEVELOPMENT

Product development has always been the cornerstone of the Group's business. To differentiate itself from the competition and pave the way for future growth, the Group has invested heavily in R&D to develop new products and to enhance the features of existing products. During the period under review, the Group has invested approximately US\$16.3 million on R&D, representing about 68% of total expenses and 42% of sales.

HUMAN RESOURCES

As of 30 June 2017, the Group had a total workforce of 430 employees*. About 43% of the workforce were based at the Hong Kong headquarters, with the rest located in China, Japan, Korea, Taiwan and the UK.

* Data excludes the manufacturing subsidiary in China

產品開發

產品開發一直是集團業務的基石。要脫穎而出並為未來的增長鋪路，本集團已投放大量資源開發新產品，並強化現有產品的功能。在回顧期間，本集團在產品研發方面支出約為16.3百萬美元，分別佔總開支約68%及銷售額約42%。

人力資源

於2017年6月30日，本集團共有430名員工*。整體員工中約43%駐香港總辦事處，其餘員工分別駐中國、日本、韓國、台灣及英國。

* 數據不包括中國負責生產的附屬公司

DIRECTORS' INTERESTS

董事權益

As at 30 June 2017, the interests and short positions of each Director and the chief executive in the shares and underlying shares of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance), as recorded in the register required to be kept by the Company under Section 352 of part XV of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

於2017年6月30日，各董事及行政總裁於本公司及其相聯法團(定義見證券及期貨條例)的股份及相關股份中擁有登記於根據SFO第XV部第352條規定本公司須存置的登記名冊上，或須根據上市發行人董事進行證券交易的標準守則知會本公司及聯交所的權益及淡倉如下：

Ordinary shares in the Company as at 30 June 2017 於2017年6月30日本公司的普通股						
		Position 權益狀況	Number of shares held 所持股份數目	Number of share options held ⁽ⁱ⁾ 所持購股權 數目 ⁽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				
Leung Heung Ying	梁享英	Long 權益	–	1,600,000	1,600,000	0.06%
Sheu Wei Fu	許維夫	Long 權益	–	2,400,000	2,400,000	0.10%
Yiu Tin Chong, Joseph	姚天從	Long 權益	2,000,000	2,400,000	4,400,000	0.18%
Non-executive Directors		非執行董事				
Li Rongxin	李榮信	Long 權益	–	–	–	–
Li Jun	李峻	Long 權益	–	–	–	–
Zhao Guiwu	趙貴武	Long 權益	–	–	–	–
Executive Directors		執行董事				
Yeh Tsuei Chi	葉垂奇	Long 權益	2,212,000 ⁽ⁱⁱ⁾	10,000,000 ⁽ⁱⁱⁱ⁾	12,212,000 ^(iv)	0.49%
Lo Wai Ming	盧偉明	Long 權益	33,572,179	6,000,000	39,572,179	1.60%

Notes:

- (i) Share options granted under the 2013 Share Option Scheme with more details on pages 47 to 49.
- (ii) Shares of the Company awarded to Dr. Yeh Tsuei Chi ("Dr. Yeh") on 12 January 2017 are subject to vesting conditions. The shares have not vested as at 30 June 2017 and also the date of this interim report.
- (iii) Share options of the Company granted to Dr. Yeh on 18 January 2016 are subject to vesting and accordingly are not exercisable as at 30 June 2017 and also the date of this interim report.
- (iv) The shares and share options are subject to an acting-in-concert agreement between Huada and Dr. Yeh. More details can be referred to under the subject "Substantial Shareholders' Interests" on page 46.

附註：

- (i) 該等購股權為根據2013購股權計劃(詳情見第47到49頁)授出之購股權。
- (ii) 於2017年1月12日授予葉垂奇博士(「葉博士」)之本公司股票附歸屬條件，該股票於2017年6月30日及本中期報告日尚未歸屬。
- (iii) 於2016年1月18日授予葉博士之本公司購股權附歸屬條件，故此該購股權於2017年6月30日及本中期報告日尚未可行使。
- (iv) 該股票及購股權與一項華大與葉博士簽訂的一致行動人協議相關，詳情可參閱第46頁之「主要股東權益」一節。

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

Saved as disclosed above, at no time during the period was the Company, its subsidiaries or its associated corporation a party to any arrangement to enable the Directors and chief executive 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.

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

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

除上文所披露外，於期內任何時間，概無本公司、其附屬公司或其相聯法團為任何安排的其中一方，讓本公司董事及行政總裁(包括彼等之配偶及年齡在18歲以下的子女)持有本公司或其相聯法團的股份或相關股份或債權證的任何權益或淡倉。

除上文所披露者外，於期內任何時間，本公司董事及行政總裁(及彼等之聯繫人)概無擁有或獲授予或行使根據SFO須予披露可認購本公司及其相聯法團之股份的任何權利。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

主要股東權益

The register of substantial shareholders required to be kept by the Company under section 336 of Part XV of the SFO shows that as at 30 June 2017, the Company had been notified of the following substantial shareholders' interests in the shares of the Company, being interests of 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and the chief executive officer of the Company.

根據SFO第XV部第336條須存置的主要股東登記名冊所示，於2017年6月30日，本公司已獲知會下列主要股東的權益（即於本公司已發行股本擁有5%或以上權益）。該等權益為上文披露的本公司董事及行政總裁權益以外的。

Ordinary shares in the Company as at 30 June 2017 於2017年6月30日本公司的普通股						
Name of shareholder 股東名稱	Capacity 身份	Position 權益狀況	Number of shares held 所持股份數目	Number of share options held 所持購股權數目	Total 總計	% of the issued share capital of the Company 佔本公司已發行 股本百分比
Huada Semiconductor Co., Ltd 華大半導體有限公司	Beneficial owner 實益擁有人	Long 權益	706,066,000	–	706,066,000	28.5% ⁽ⁱ⁾
China Electronics Corporation ⁽ⁱⁱ⁾ 中國電子信息產業集團 有限公司 ⁽ⁱⁱ⁾	Interest of controlled corporation 所控制的法團的權益	Long 權益	706,066,000	–	706,066,000	28.5% ⁽ⁱⁱ⁾
Leung Kwong Wai 梁廣偉	Beneficial owner 實益擁有人	Long 權益	122,200,308	1,600,000	123,800,308	5.0%

Notes:

- (i) CEC is a state-owned information technology conglomerate under the administration of the central government of the People's Republic of China. Huada is a wholly-owned subsidiary of CEC.
- (ii) Subject to an acting-in-concert agreement between Huada and Dr. Yeh as announced on 2 February 2016, Dr. Yeh is taken to be interested in 12,212,000 shares/share options of the Company (within the meaning of Part XV of the SFO), being interests under the share awards and share options granted to him, and they represent approximately 0.5% of the issued share capital in the Company as at 30 June 2017 and the date of this interim report. The said share and share options have not vested and, accordingly are not exercisable as at 30 June 2017 and the date of this interim report. Upon the full vesting and exercise of these shares and share options, Dr. Yeh and Huada will together hold an aggregate of 718,278,000 shares of the Company representing approximately 29.0% of the then issued share capital of the Company (on the assumption that no further shares will be issued or repurchased by the Company).

註：

- (i) 中國電子是一家直接隸屬於中華人民共和國中央政府管理的國有電子信息技術企業集團。華大乃中國電子之全資附屬公司。
- (ii) 依據2016年2月2日一項華大與葉博士簽訂的一致行動人協議，葉博士按證券及期貨條例第XV部被視為擁有本公司12,212,000股股份／購股權，均為頒授予彼之獎勵股份及購股權，於2017年6月30日及本中期報表日約佔本公司已發行股本0.5%。該頒授予彼之獎勵股份及購股權尚未歸屬並因此於2017年6月30日及本中期報表日未能行使。於該頒授予彼之股份及購股權全數歸屬及行使時，葉博士及華大兩方合共持有718,278,000股本公司股份，約佔本公司當時已發行股本29.0%（假設本公司再無發行新股及無購回股份）。

Saved as disclosed above, as at 30 June 2017, no other persons (other than the Directors) were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

除上文所披露者外，於2017年6月30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。

SHARE OPTION SCHEME

購股權計劃

The Company adopted a share option scheme (the “2013 Share Option Scheme”) at the annual general meeting held on 28 May 2013. The terms of the 2013 Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The 2013 Share Option Scheme is valid and effective for a period of 10 years commencing on 28 May 2013, being the date of adoption of such scheme by the shareholders of the Company. The Board shall be entitled at any time within 10 years commencing on 28 May 2013 to make an offer for the grant of an option to any qualifying participants.

The purpose of the 2013 Share Option Scheme is to provide the participants (directors, employees, advisers, consultants, agents, distributors, contractors, contract manufacturers, suppliers, service providers, customers, business partners, joint venture business partners, etc., of any member of the Group) with the opportunity to acquire proprietary interests in the Company and to encourage them to work towards enhancing the value of the Company for the benefit of the Company and its shareholders as a whole.

The total number of shares which may be issued upon exercise of all options to be granted under the 2013 Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the date of approval of the 2013 Share Option Scheme or 30% of the issued share capital of the Company from time to time.

The total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the shares of the Company in issue.

An offer shall remain open for acceptance by the qualifying participant concerned for a period of 21 days from the date of the offer (or such longer period as the Board may specify in writing). HK\$1.00 is payable by the grantee to the Company on acceptance of the offer of the option.

本公司於2013年5月28日舉行的股東週年大會已採納一購股權計劃(「2013購股權計劃」)。2013購股權計劃的條款是遵照上市規則第17章的條文。2013購股權計劃由2013年5月28日(即本公司股東採納該購股權計劃之日)起生效，為期10年。董事會可以於2013年5月28日起10年內授出購股權予合資格參與者。

2013購股權計劃旨在給予合資格參與者(本集團成員之董事、員工、顧問、諮詢、代理、分銷商、承包商、承包製造商、供應商、服務提供者、客戶、商業夥伴、合營企業商業夥伴等)機會獲得本公司專有股份和鼓勵共同合作為本公司及其股東整體利益而提升本公司價值。

根據2013購股權計劃所授出的所有購股權獲行使而可予發行的股份總數，不得超過於批准購股權計劃當日本公司已發行股本10%或本公司不時已發行股本30%。

每名參與者在任何12個月內獲授的購股權(包括已行使、註銷或尚未行使)獲行使時已經及即將發行的本公司股份總數，合計不得超過本公司已發行股份的1%。

購股權於建議日期起計21日期間(或董事會可書面訂明的較長期間)內可供合資格參與者接納。於接納購股權時，承授人須向本公司支付港幣1.00元。

SHARE OPTION SCHEME (continued)

購股權計劃(續)

The subscription price of share option shall be determined by the Board at its absolute discretion in accordance with the terms of the 2013 Share Option Scheme. The subscription price in respect of any particular option shall be no less than the higher of (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; and (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant.

The total number of share options available for issue upon exercise of all share options to be granted under the 2013 Share Option Scheme as at the date of this interim report is 210,060,235, representing 8.5% of the issued shares of the Company. The number of share options outstanding as at 30 June 2017 was 37,750,000.

Details of the share options outstanding as at 30 June 2017 under the 2013 Share Option Scheme are as follows:

在2013購股權計劃條文規定下，董事會具有絕對權力訂立購股權的認購價。任何個別購股權的認購價須為以下的較高者：(a)股份於授出日期在聯交所每日報價表所列收市價；及(b)股份在緊接授出日期前5個營業日在聯交所每日報價表所列平均收市價。

於本中期報告日，根據2013購股權計劃，倘所有可授與之購股權行使後，可予發行的股份數目為210,060,235股，佔本公司發行股份8.5%。於2017年6月30日，合共有37,750,000股有效購股權未經行使。

於2017年6月30日關於2013購股權計劃授出之購股權的詳情如下：

Name of Directors 董事名稱	Number of share options (in thousand units) 購股權數目(以千位計)				Exercise price HK\$ 行使價 港元	Grant date 授出日期	Exercise period 行使期	
	Held on 1 January 2017 於2017年 1月1日持有	Exercised during the period 期內 已行使	Lapsed/ forfeited during the period 期內 已註銷/放棄	Held on 30 June 2017 於2017年 6月30日持有			Begins 開始	Ends 結束
Independent Non-executive Directors 獨立非執行董事								
Leung Heung Ying 梁享英	800	-	-	800	0.395	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	800	(800)	-	-	0.315	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	800	-	-	800	0.305	30 September 2016 2016年9月30日	3 October 2017 2017年10月3日	30 September 2019 2019年9月30日
	2,400	(800)	-	1,600				
Sheu Wei Fu 許維夫	800	-	-	800	0.395	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	800	-	-	800	0.315	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	800	-	-	800	0.305	30 September 2016 2016年9月30日	3 October 2017 2017年10月3日	30 September 2019 2019年9月30日
	2,400	-	-	2,400				
Yiu Tin Chong, Joseph 姚天從	800	-	-	800	0.395	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	800	-	-	800	0.315	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	800	-	-	800	0.305	30 September 2016 2016年9月30日	3 October 2017 2017年10月3日	30 September 2019 2019年9月30日
	2,400	-	-	2,400				
Subtotal 小計	7,200	(800)	-	6,400				

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 2017 於2017年 1月1日持有	Exercised during the period 期內 已行使	Lapsed/ forfeited during the period 期內 已註銷/放棄	Held on 30 June 2017 於2017年 6月30日持有			Begins 開始	Ends 結束
Executive Directors 執行董事								
Yeh Tsuei Chi 葉垂奇	2,500	-	(2,500)	-	0.369	11 January 2016 2016年1月11日	3 April 2017 2017年4月3日	29 March 2019 2019年3月29日
	2,500	-	(2,500)	-	0.369		2 January 2018 2018年1月2日	31 December 2019 2019年12月31日
	2,500	-	-	2,500	0.369		2 April 2018 2018年4月2日	31 March 2020 2020年3月31日
	2,500	-	-	2,500	0.369		2 January 2019 2019年1月2日	31 December 2020 2020年12月31日
	2,500	-	-	2,500	0.369		1 April 2019 2019年4月1日	31 March 2021 2021年3月31日
	2,500	-	-	2,500	0.369		2 January 2020 2020年1月2日	31 December 2021 2021年12月31日
	15,000	-	(5,000)	10,000				
Lo Wai Ming 盧偉明	3,000	-	-	3,000	0.305	30 September 2016 2016年9月30日	2 April 2018 2018年4月2日	31 March 2020 2020年3月31日
	3,000	-	-	3,000	0.305		1 April 2019 2019年4月1日	31 March 2021 2021年3月31日
	6,000	-	-	6,000				
Subtotal 小計	21,000	-	(5,000)	16,000				
Ex-directors 前董事	2,650	-	-	2,650	0.395	9 October 2014 2014年10月9日	2 October 2015 2015年10月2日	29 September 2017 2017年9月29日
	800	-	-	800	0.315	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
Subtotal 小計	3,450	-	-	3,450				
Senior management & employees 高級管理層及員工	2,050	-	-	2,050	0.395	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
	1,100	-	-	1,100	0.395	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
	350	-	-	350	0.309	30 March 2015 2015年3月30日	1 April 2016 2016年4月1日	30 March 2018 2018年3月30日
	100	-	-	100	0.309	30 March 2015 2015年3月30日	3 April 2017 2017年4月3日	29 March 2019 2019年3月29日
	1,800	(200)	-	1,600	0.315	2 October 2015 2015年10月2日	3 October 2016 2016年10月3日	28 September 2018 2018年9月28日
	1,000	-	(300)	700	0.315	2 October 2015 2015年10月2日	2 October 2017 2017年10月2日	30 September 2019 2019年9月30日
	3,000	-	-	3,000	0.305	30 September 2016 2016年9月30日	2 April 2018 2018年4月2日	31 March 2020 2020年3月31日
	3,000	-	-	3,000	0.305	30 September 2016 2016年9月30日	1 April 2019 2019年4月1日	31 March 2021 2021年3月31日
Subtotal 小計	12,400	(200)	(300)	11,900				
Total 總計	44,050	(1,000)	(5,300)	37,750				

CORPORATE GOVERNANCE AND SUPPLEMENTARY INFORMATION

企業管治及補充資料

Compliance with Corporate Governance Code

The Board 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 Company has complied with all the applicable Code Provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2017.

Compliance with the Model Code

The Company has its own written guidelines on securities transactions by Directors and relevant employees on terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all Directors, and all Directors have confirmed that they have been in compliance with such guidelines during the six months ended 30 June 2017.

Purchase, Sale or Redemption of the Company's Listed Shares

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the six months ended 30 June 2017.

Review of Condensed Consolidated Interim Financial Information

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

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

遵守企業管治守則

董事會及本集團的管理層承諾達到及保持高水平的企業管治，這也是維護業務營運的誠信和保持投資者對本公司信心的關鍵因素。

截至2017年6月30日止6個月期間，本公司一直遵守上市規則附錄14所載之企業管治守則中所有適用的守則條文。

遵守標準守則

本公司備有就董事及有關員工進行的證券交易的書面指引，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2017年6月30日止6個月期間，彼等均一直遵守該等指引。

購買、出售或贖回本公司上市股份

於截至2017年6月30日止6個月期間，本公司或其任何附屬公司並無購買、出售或贖回本公司上市股份。

審閱簡明綜合中期財務資料

審核委員會由兩名獨立非執行董事及一名非執行董事組成。未經審核的簡明綜合中期財務資料，已通過管理層聯同審核委員會審閱。

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

Investor Relations and Communications

The Group recognizes the rights of the Company's shareholders to know more about its business and prospect, and therefore it has always taken a proactive approach to communicate with the investment community, for example, institutional investors, sell-side analysts and retail investors. In the first half of 2017, the Group held meetings and conference calls with investors and analysts. Stakeholders of the Company are recommended to visit the Group's website (www.solomon-systech.com) from time to time, where up-to-date information of the Group can be accessed.

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

All the interim financial and other related information of the Group required by the Listing Rules has been published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.solomon-systech.com) on 22 August 2017.

On behalf of the Board

Solomon Systech (International) Limited

YEH Tsuei Chi

Chief Executive Officer

Hong Kong, 22 August 2017

As at the date of this report, the Board comprises: (a) Executive Directors – Dr. Yeh Tsuei Chi (Chief Executive Officer) and Mr. Lo Wai Ming; (b) Non-executive Directors – Mr. Li Rongxin (Chairman), Dr. Li Jun and Mr. Zhao Guiwu; and (c) Independent Non-executive Directors – Mr. Leung Heung Ying, Mr. Sheu Wei Fu and Mr. Yiu Tin Chong, Joseph.

投資者關係及溝通

本集團深明本公司股東有權對本集團業務及前景有更多了解，故此本集團一直採取積極態度與投資大眾（例如：機構投資者、賣方分析員及散戶投資者）溝通。於2017上半年，本集團繼續與投資者及分析員舉行會議及電話會議。本集團建議權益人不時登入本集團網站 (www.solomon-systech.com)，查閱本集團的最新資訊。

中期業績於聯交所網站及本公司網站公佈

本公司已於2017年8月22日於聯交所網站 (www.hkexnews.hk) 及本公司網站 (www.solomon-systech.com) 公佈所有根據上市規則規定的本集團的中期財務及相關資料。

代表董事會

Solomon Systech (International) Limited

葉垂奇

行政總裁

香港，2017年8月22日

於本報告日期，董事會由 (a) 執行董事－葉垂奇博士（行政總裁）及盧偉明先生；(b) 非執行董事－李榮信先生（主席）、李峻博士及趙貴武先生；及 (c) 獨立非執行董事－梁享英先生、許維夫先生及姚天從先生組成。

DEFINITIONS AND GLOSSARY

AMOLED	Active Matrix Organic Light Emitting Diode
Board	Board of Directors
CEC	China Electronics Corporation, a state-owned information technology conglomerate under the administration of the central government of the PRC, is a substantial shareholder of the Company
China	Mainland China
Code Provision(s)	Code provision(s) in the Corporate Governance Code contained in Appendix 14 to the Listing Rules
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
EDP	Electrophoretic Display
ESL	Electronic Shelf Label
FHD	Full High Definition, a display resolution standard of 1920 x 1080 pixels
FVTPL	Financial assets at fair value through profit or loss
FWVGA	Full Wide Video Graphics Array, a display resolution standard of 854 x 480 pixels
Group	The Company and its subsidiaries
HD	High Definition, a display resolution of 1280 x 720 pixels
HKAS	Hong Kong Accounting Standards
HK\$/HKD	Hong Kong dollars
HKFRS	Hong Kong Financial Reporting Standards, or collectively for HKAS and Hong Kong Financial Reporting Standards
Hong Kong/HK/HKSAR	Hong Kong Special Administrative Region
IC	Integrated Circuit
IGZO	A semiconductor material consisting of indium (In), gallium (Ga), zinc (Zn) and oxygen (O)
LCD	Liquid Crystal Display
Listing Rules	The Rules Governing the Listing of Securities on the Stock Exchange
MIPI	Mobile Industry Processor Interface
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
OLED	Organic Light Emitting Diode
PMOLED	Passive Matrix Organic Light Emitting Diode
PRC	The People's Republic of China
R&D	Product Design, development and engineering
S&D	Selling and Distribution
SFO	Securities and Futures Ordinance
the Stock Exchange	The Stock Exchange of Hong Kong Limited
TFT	Thin Film Transistor
UHD	Ultra high definition (UHD or 4K/8K) is a display resolution standard of at least 3840 x 2160 pixels (8.3 megapixels; 4K)
USA/US	United States of America
US\$	US dollars

釋義及詞彙

AMOLED	主動矩陣有機發光二極體
董事會	董事會
CEC	中國電子信息產業集團有限公司，一家直接隸屬於中國中央政府管理的國有電子信息技術企業集團，乃本公司之主要股東
中國	中國大陸
守則條文	上市規則附錄14所載之企業管治守則中的守則條文
本公司	Solomon Systech (International) Limited，一家成立於開曼群島的有限公司，其股份於聯交所主板上市
董事	本公司之董事
EDP	電泳顯示
電子貨架標籤	電子貨架標籤
全高清	全高清，是一種顯示解像度的標準，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標準，解像度為854 x 480像素
本集團	本公司及其附屬公司
高清	高清，是一種顯示解像度的標準，解像度為1280 x 720像素
香港會計準則	香港會計準則
港元	香港元
香港財務報告準則	香港財務報告準則，或香港會計準則及香港財務報告準則的統稱
香港	香港特別行政區
IC	集成電路晶片
IGZO	一種半導體物料，包含銻、鎘、鋅及氧
LCD	液晶顯示器
上市規則	聯交所證券上市規則
MIPI	移動行業處理器界面
標準守則	上市規則附錄10所載之上市發行人董事進行證券交易的標準守則
OLED	有機發光二極體
PMOLED	被動矩陣有機發光二極體
中國	中華人民共和國
工程開發	產品設計、開發及工程
銷售及分銷	銷售及分銷
SFO	證券及期貨條例
聯交所	香港聯合交易所有限公司
TFT	薄膜電晶體
UHD	超高清(Ultra-High Definition, UHD)是一種顯示解像度的標準，最低為3840 x 2160像素(8.3百萬像素；4K)
美國	美利堅合眾國
美元	美國元

CORPORATE AND SHAREHOLDER INFORMATION

公司及股東資料

Financial Calendar

Financial Year End

31 December

Announcement of Interim Results

22 August 2017

Share Listing

Listing Venue and Date

Main Board of The Stock Exchange of Hong Kong Limited
8 April 2004

HKSE Stock Code

2878

Board Lot

2,000 shares

Trading Currency

HKD

Issued Shares

2,478,102,351 (as at 30 June 2017)

Principal Share Registrar and Transfer Agent

Tricor Services (Cayman Islands) Limited
P.O. Box 10008,
Willow House, Cricket Square,
Grand Cayman KY1-1001
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

Independent Auditor

PricewaterhouseCoopers

Solicitors

Reed Smith Richards Butler

財務日誌

財政年度結算日

12月31日

公佈中期業績

2017年8月22日

股份上市資料

上市地點及日期

香港聯合交易所有限公司主板
2004年4月8日

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

2,478,102,351 (於2017年6月30日)

股份過戶登記總處

Tricor Services (Cayman Islands) Limited
P.O. Box 10008,
Willow House, Cricket Square,
Grand Cayman KY1-1001
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

獨立核數師

羅兵咸永道會計師事務所

法律顧問

禮德齊伯禮律師行

Board Members

Executive Directors

Dr. Yeh Tsuei Chi (*Chief Executive Officer*)
Mr. Lo Wai Ming

Non-executive Directors

Mr. Li Rongxin (*Chairman*)
Dr. Li Jun
Mr. Zhao Guiwu

Independent Non-executive Directors

Mr. Leung Heung Ying
Mr. Sheu Wei Fu
Mr. Yiu Tin Chong, Joseph

Authorized Representatives

Dr. Yeh Tsuei Chi
Mr. Ng Sui Wa, Thomas

Company Secretary & Qualified Accountant

Mr. Ng Sui Wa, Thomas
FCCA, ACPA, ACA

Corporate Communications/Investor Relations

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

Principal Office

6/F., No.3 Science Park East Avenue
Hong Kong Science Park
Shatin, New Territories
Hong Kong
Tel: (852) 2207 1111
Fax: (852) 2267 0800

Website

www.solomon-systech.com

董事成員

執行董事

葉垂奇博士 (*行政總裁*)
盧偉明先生

非執行董事

李榮信先生 (*主席*)
李峻博士
趙貴武先生

獨立非執行董事

梁享英先生
許維夫先生
姚天從先生

授權代表

葉垂奇博士
吳瑞華先生

公司秘書及合資格會計師

吳瑞華先生
FCCA, ACPA, ACA

企業傳訊／投資者關係

李雅妮女士
企業傳訊經理
電話：(852) 2207 1672
傳真：(852) 2207 1372
電郵：communication@solomon-systech.com

總辦事處

香港
新界沙田
香港科學園
科技大道東3號6樓
電話：(852) 2207 1111
傳真：(852) 2267 0800

網址

www.solomon-systech.com

CORPORATE AND SHAREHOLDER INFORMATION (continued)

公司及股東資料(續)

This 2017 Interim Report (bilingual version in English and Chinese) has been posted on the Company's website at www.solomon-systech.com.

Shareholders who have chosen to receive the Company's corporate communications (including but not limited to annual reports, summary financial reports (where applicable), interim reports, summary interim reports (where applicable), notices of meeting, listing documents, circulars and proxy forms) via the Company's website and for any reason have difficulty in gaining access to the Interim Report posted on the Company's website will promptly upon request be sent by post the Interim Report in printed form free of charge.

Shareholders may at any time change their choice of means of receipt of the Company's corporate communications.

Shareholders may request for printed copy of the Interim Report or change their choice of means of receipt of the Corporate Communications by sending reasonable notice in writing to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by sending an email to solomon2878-ecom@hk.tricorglobal.com.

本2017年中期報告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中期報告上出現困難的股東，可即時要求以郵寄方式獲免費發送中期報告的印刷本。

股東可隨時更改收取本公司的公司通訊方式。

股東可在給予本公司合理時間的書面通知，要求索取中期報告的印刷本或更改收取本公司之公司通訊的方式，該書面通知應交予本公司之香港股份過戶登記分處—卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，或將該通知電郵至 solomon2878-ecom@hk.tricorglobal.com。



Solomon Systech (International) Limited

6/F., No.3 Science Park East Avenue

Hong Kong Science Park

Shatin, New Territories, Hong Kong

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

香港新界沙田

香港科學園

科技大道東3號6樓

電話：(852) 2207 1111 傳真：(852) 2267 0800

www.solomon-systech.com

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