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# SOLOMON SYSTECH

## INTERIM REPORT 中期報告 2018

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Solomon Systech (International) Limited

Stock Code 股份代號: 2878

*solutions in silicon*



**SOLOMON  
SYSTECH**  
晶門科技

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本中期報告以環保紙印製

# FINANCIAL HIGHLIGHTS

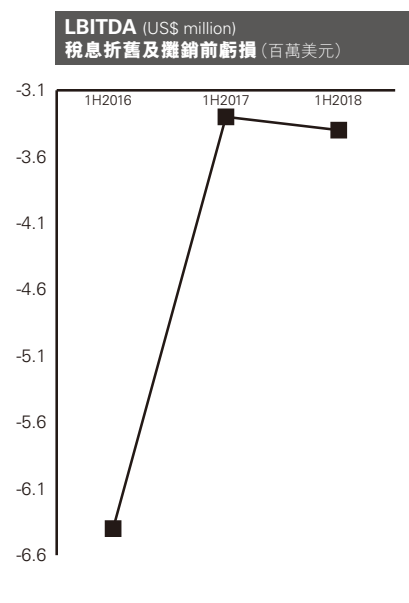
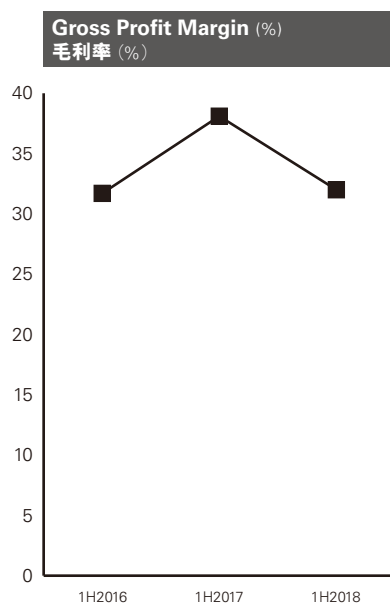
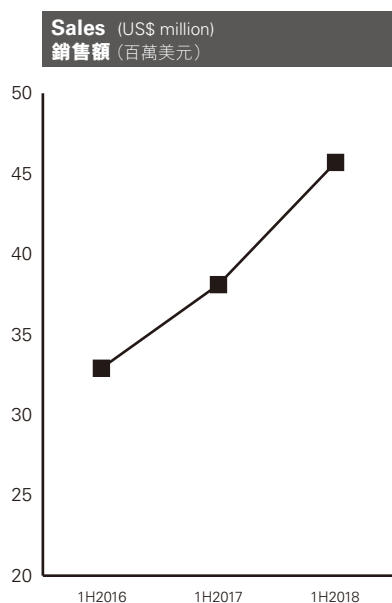
## 財務摘要

		<b>Unaudited</b> 未經審核	
		<b>Six months ended 30 June</b> 6月30日止6個月	
		<b>2018</b>	2017
		<b>US\$ million</b>	US\$ million
		百萬美元	百萬美元
Sales	銷售額	<b>45.7</b>	38.6
Gross profit	毛利	<b>14.6</b>	14.7
Gross margin (%)	毛利率 (%)	<b>32.0</b>	38.1
Net loss	虧損淨額	<b>6.3</b>	5.6
Loss per share (US cent)	每股虧損(美仙)	<b>0.25</b>	0.23
Book-to-bill ratio	訂單出貨比率	<b>1.1</b>	1.1
		<b>Unaudited</b> 未經審核	Audited 經審核
		<b>30 June</b> 6月30日	31 December 12月31日
		<b>2018</b>	2017
		<b>US\$ million</b>	US\$ million
		百萬美元	百萬美元
Total assets	總資產	<b>117.5</b>	116.2
Shareholders' funds	股東權益	<b>86.1</b>	91.8

- Sales increased by about 18% to US\$45.7 million
- Gross profit stayed flat at US\$14.6 million
- Gross margin was 32.0% (1H 2017: 38.1%)
- Net loss was US\$6.3 million (1H 2017: US\$5.6 million)
- Loss per share was 0.25 US cent (1.94 HK cents)
- Book-to-bill ratio was 1.1 (1H 2017: 1.1)
- 銷售額升約18%至45.7百萬美元
- 毛利持平於14.6百萬美元
- 毛利率為32.0%(2017上半年: 38.1%)
- 虧損淨額為6.3百萬美元(2017上半年: 5.6百萬美元)
- 每股虧損為0.25美仙(1.94港仙)
- 訂單出貨比率為1.1(2017上半年: 1.1)

# 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 2018.

### 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 2018 together with the comparative figures for the corresponding period last year 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2018年6月30日止6個月的中期股息。

### 中期業績

董事宣佈，本公司及其附屬公司(統稱「本集團」)截至2018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 2018  
截至2018年6月30日止6個月

		<b>Unaudited</b> 未經審核	
		<b>Six months ended 30 June</b> 6月30日止6個月	
		Notes	
		附註	
			<b>2018</b> <b>US\$'000</b> 千美元
			2017 US\$'000 千美元
Sales	銷售額	5	<b>45,685</b>
Cost of sales	銷售成本	6	<b>(31,067)</b>
Gross profit	毛利		<b>14,618</b>
Research and development costs	研究及開發成本	6	<b>(16,578)</b>
Selling and distribution expenses	銷售及分銷開支	6	<b>(2,037)</b>
Administrative expenses	行政開支	6	<b>(6,609)</b>
Other income	其他收入		<b>1,936</b>
Finance income – net	投資收入－淨額	7	<b>(8,670)</b>
			<b>2,147</b>
Share of results of associates	應佔聯營公司盈虧		<b>(6,523)</b>
			<b>93</b>
Loss before tax	除稅前虧損		<b>(6,430)</b>
Income tax credit	所得稅抵免	8	<b>114</b>
Loss for the period	期內虧損		<b>(6,316)</b>
Attributable to:	應佔：		
– Equity holders of the Company	– 本公司權益持有人		<b>(6,266)</b>
– Non-controlling interests	– 非控股權益		<b>(50)</b>
			<b>(6,316)</b>
Loss per share attributable to the equity holders of the Company: (expressed in US cent per share)	本公司權益持有人應佔的每股虧損：(以美仙，每股呈列)	9	
– Basic	– 基本		<b>(0.25)</b>
– Diluted	– 攤薄		<b>(0.25)</b>

The notes on pages 8 to 37 form an integral part of this condensed consolidated interim financial information.

第8至37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 2018  
截至2018年6月30日止6個月

		<b>Unaudited</b> 未經審核	
		<b>Six months ended 30 June</b> 6月30日止6個月	
		<b>2018</b> <b>US\$'000</b> 千美元	2017 US\$'000 千美元
Loss for the period	期內虧損	<b>(6,316)</b>	(5,607)
Other comprehensive income	其他全面收入		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	於往後期間，其他全面收入將重新分類至損益表：		
– Exchange differences arising on translation of foreign operations	– 換算海外業務時產生之匯兌差額	<b>569</b>	138
<b>Total comprehensive loss for the period</b>	<b>期內全面虧損總計</b>	<b>(5,747)</b>	(5,469)
Attributable to:	應佔：		
– Equity holders of the Company	– 本公司權益持有人	<b>(5,697)</b>	(5,439)
– Non-controlling interests	– 非控股權益	<b>(50)</b>	(30)
		<b>(5,747)</b>	(5,469)

The notes on pages 8 to 37 form an integral part of this condensed consolidated interim financial information.

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# CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

## 簡明綜合中期資產負債表

As at 30 June 2018  
於2018年6月30日

		Notes 附註	Unaudited 未經審核 30 June 於6月30日 2018 US\$'000 千美元	Audited 經審核 31 December 於12月31日 2017 US\$'000 千美元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Intangible assets	無形資產		17,771	19,841
Property, plant and equipment	物業、廠房及設備		5,461	5,084
Investments in associates	於聯營公司的投資		608	515
Available-for-sale financial assets	可供出售財務資產		–	2,206
Prepayments and deposits	預付款項及訂金	12	531	180
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		455	788
Total non-current assets	非流動資產總計		24,826	28,614
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨		31,840	20,527
Trade and other receivables	應收款及其他應收款	12	23,508	21,231
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		15,405	22,370
Pledged bank deposit	已抵押的銀行存款		130	130
Cash and cash equivalents	現金及現金等價物		21,783	23,347
Total current assets	流動資產總計		92,666	87,605
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and other payables	應付款及其他應付款	13	30,406	23,332
Interest-bearing bank borrowing	銀行計息貸款		69	92
Deferred income	遞延收入		409	271
Tax payables	應付稅款		–	143
Total current liabilities	流動負債總計		30,884	23,838
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		61,782	63,767
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		86,608	92,381
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Interest-bearing bank borrowing	銀行計息貸款		184	207
Deferred tax liability	遞延所得稅負債		340	366
Total non-current liabilities	非流動負債總計		524	573
<b>Net assets</b>	<b>資產淨值</b>		86,084	91,808
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to the equity holders of the Company</b>	<b>本公司權益 持有人應佔權益</b>			
Share capital	股本	14	31,967	31,958
Reserves	儲備		53,505	59,188
			85,472	91,146
<b>Non-controlling interests</b>	<b>非控股權益</b>		612	662
<b>Total equity</b>	<b>總權益</b>		86,084	91,808

The notes on pages 8 to 37 form an integral part of this condensed consolidated interim financial information.

第8至37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 2018  
截至2018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	股本權益報酬儲備	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 2017	於2017年1月1日	31,926	83,400	2,082	(212)	17,323	230	(33,750)	100,999	-	100,999
Loss for the period	期內虧損	-	-	-	-	-	-	(5,577)	(5,577)	(30)	(5,607)
Other comprehensive income for the period:	期內其他全面收入：										
- Exchange differences arising on translation of foreign operations	- 換算海外業務時產生之匯兌差額	-	-	-	138	-	-	-	138	-	138
<b>Total comprehensive income/(loss)</b>	<b>全面收入/(虧損)總計</b>	-	-	-	138	-	-	(5,577)	(5,439)	(30)	(5,469)
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 (note 11)	業務合併產生的非控股權益(附註11)	-	-	-	-	-	-	-	-	747	747
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
At 1 January 2018	於2018年1月1日	<b>31,958</b>	<b>83,470</b>	<b>2,082</b>	<b>(303)</b>	<b>17,692</b>	<b>230</b>	<b>(43,983)</b>	<b>91,146</b>	<b>662</b>	<b>91,808</b>
Loss for the period	期內虧損	-	-	-	-	-	-	(6,266)	(6,266)	(50)	(6,316)
Other comprehensive income for the period:	期內其他全面收入：										
- Exchange differences arising on translation of foreign operations	- 換算海外業務時產生之匯兌差額	-	-	-	569	-	-	-	569	-	569
<b>Total comprehensive income/(loss)</b>	<b>全面收入/(虧損)總計</b>	-	-	-	569	-	-	(6,266)	(5,697)	(50)	(5,747)
Equity compensation	股本權益報酬	-	-	-	-	(5)	-	-	(5)	-	(5)
Exercise of share options	購股權獲行使	9	28	-	-	(9)	-	-	28	-	28
At 30 June 2018	於2018年6月30日	<b>31,967</b>	<b>83,498</b>	<b>2,082</b>	<b>266</b>	<b>17,678</b>	<b>230</b>	<b>(50,249)</b>	<b>85,472</b>	<b>612</b>	<b>86,084</b>

The notes on pages 8 to 37 form an integral part of this condensed consolidated interim financial information.

第8至37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 2018  
截至2018年6月30日止6個月

		<b>Unaudited</b> 未經審核	
		<b>Six months ended 30 June</b> 6月30日止6個月	
	Note 附註	<b>2018</b> <b>US\$'000</b> 千美元	2017 US\$'000 千美元
<b>Net cash used in operating activities</b>	經營活動使用的現金淨額	<b>(12,368)</b>	(1,080)
<b>Cash flows from investing activities</b>	投資活動之現金流量		
Purchases of items of property, plant and equipment	購置物業、廠房及設備	<b>(1,241)</b>	(1,167)
Proceeds from disposal of items 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)
Proceeds from disposal of financial assets at FVTPL	出售通過損益以反映公平價值的財務資產的款項	<b>11,314</b>	5,381
Increase in short-term fixed deposits	短期定期存款增加	–	(3,572)
Interests received	已收利息	<b>251</b>	454
Dividends received	已收股息	<b>89</b>	189
<b>Net cash from/(used in) investing activities</b>	投資活動產生/(使用)的現金淨額	<b>10,413</b>	(2,681)
<b>Cash flows from financing activities</b>	融資活動之現金流量		
Repayment of interest-bearing bank borrowing	償還銀行計息貸款	<b>(46)</b>	(36)
Proceeds from exercise of share options	購股權獲行使所得款	<b>28</b>	41
<b>Net cash from/(used in) financing activities</b>	融資活動產生/(使用)的現金淨額	<b>(18)</b>	5
Net decrease in cash and cash equivalents	現金及現金等價物減少	<b>(1,973)</b>	(3,756)
<b>Cash and cash equivalents at beginning of period</b>	期初現金及現金等價物	<b>23,347</b>	23,830
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額	<b>409</b>	37
<b>Cash and cash equivalents at end of period</b>	期末現金及現金等價物	<b>21,783</b>	20,111
<b>Analysis of balances of cash and cash equivalents as stated in the condensed consolidated interim balance sheet:</b>	簡明綜合中期資產負債表內現金及現金等價物之結餘分析：		
– <b>Bank balances and cash</b>	– 銀行結餘及現金	<b>21,783</b>	20,111

The notes on pages 8 to 37 form an integral part of this condensed consolidated interim financial information.

第8至37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 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 2018.

### 2. Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2018 of the Group has been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual report for the year ended 31 December 2017.

### 1. 一般資料

Solomon Systech (International) Limited及其附屬公司為無晶圓廠半導體公司，專門設計、開發及銷售專有集成電路晶片產品及系統解決方案，能廣泛應用於智能手機、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各類顯示及觸控應用。

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2018年8月22日獲批准刊發。

### 2. 編製基準

本集團截至2018年6月30日止6個月的未經審核簡明綜合中期財務資料已根據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」編製。未經審核簡明綜合中期財務資料並沒有載有一般收錄於年度綜合財務報表之所有資料及附註，故此，應與本公司截至2017年12月31日止年度的年報一併閱讀。

### 3. Significant Accounting policies

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except for the adoption of the following new and revised HKFRSs (which also included HKASs and interpretations) that affect the Group and are adopted for the first time for the current period's financial information.

#### (a) Changes in accounting policies and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current period's financial information.

Amendments to HKFRS 2 香港財務報告準則第2號之修訂	<i>Classification and Measurement of Share-based Payment Transactions</i> 以股份為基礎之付款交易之分類及計量
Amendments to HKFRS 4 香港財務報告準則第4號之修訂	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> 採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
HKFRS 9 香港財務報告準則第9號	<i>Financial Instruments</i> 金融工具
HKFRS 15 香港財務報告準則第15號	<i>Revenue from Contracts with Customers</i> 客戶合約收益
Amendments to HKFRS 15 香港財務報告準則第15號之修訂	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> 澄清香港財務報告準則第15號客戶合約收益
Amendments to HKAS 40 香港會計準則第40號之修訂	<i>Transfers of Investment Property</i> 轉撥投資物業
HK(IFRIC)-Int 22 香港(國際財務報告詮釋委員會) — 詮釋第22號	<i>Foreign Currency Transactions and Advance Consideration</i> 外幣交易及預付代價
<i>Annual Improvements 2014-2016 Cycle</i> 2014年至2016年週期的年度改進	Amendments to HKFRS 1 and HKAS 28 香港財務報告準則第1號及香港會計準則第28號之修訂

Other than as explained below regarding the impacts of HKFRS 9 and HKFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial information.

### 3. 重大會計政策

除因採納下列新訂及經修訂之香港財務報告準則影響本集團並於本財務資料首次採納(當中亦包括香港會計準則及詮釋)外,編製未經審核簡明綜合中期財務資料所採納之會計政策與編製本集團截至2017年12月31日止年度之年度財務報表所採納者一致。

#### (a) 會計政策及披露之變動

本集團已於本期間之財務資料首次採納以下新訂及經修訂之香港財務報告準則:

除下文所述有關香港財務報告準則第9號及香港財務報告準則第15號的影響外,採納上述新訂及經修訂之準則對該等財務資料並沒有重大財務影響。

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

## 簡明綜合中期財務資料附註(續)

### 3. Significant Accounting policies (continued)

#### (a) Changes in accounting policies and disclosures (continued)

##### **HKFRS 9**

The Group has adopted HKFRS 9 on 1 January 2018. HKFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting which have resulted in the following changes in accounting policies.

The Group has not restated comparative information for the period ended 30 June 2017 for financial instruments in the scope of HKFRS 9. Therefore, the comparative information for 2017 would follow the requirements under HKAS 39 *Financial Instruments: Recognition and Measurement* and is not comparable to the information presented for 2018. Differences arising from the adoption of HKFRS 9 have been recognised directly in relevant balance sheet items as of 1 January 2018.

##### (i) *Classification and measurement*

Except for certain trade receivables, under HKFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss ("FVTPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI criterion").

### 3. 重大會計政策(續)

#### (a) 會計政策及披露之變動(續)

##### **香港財務報告準則第9號**

本集團由2018年1月1日起已首次採納香港財務報告準則第9號。香港財務報告準則第9號就分類及計量、減值及對沖會計引進新規定，導致以下會計政策之變動。

本集團在香港財務報告準則第9號範圍內沒有就金融工具重新編列截至2017年6月30日的比較資料。2017年的比較資料根據香港會計準則第39號*金融工具：確認及計量*呈報，因此不能與2018年的呈報資料比較。採納香港財務報告準則第9號導致的差異已於2018年1月1日資產負債表內相關項目直接確認。

##### (i) *分類及計量*

根據香港財務報告準則第9號，除若干應收款外，本集團初步按公平價值加交易成本(倘為並非通過損益以反映公平價值的財務資產)計量財務資產。

根據香港財務報告準則第9號，債務財務工具其後按公平價值於損益內列賬(「通過損益以反映公平價值」)、按攤銷成本計量或按公平價值於其他全面收益內列賬計量(「通過其他全面收益以反映公平價值」)。分類乃按兩個基準作出：本集團管理資產的業務模式；以及工具的合約現金流是否為就未償還本金的「僅支付本金及利息」(「SPPI標準」)而言。

### 3. Significant Accounting policies (continued)

#### (a) Changes in accounting policies and disclosures (continued)

##### HKFRS 9 (continued)

##### (i) Classification and measurement (continued)

The new classification and measurement of the Group's financial assets are as follows:

- Debt instruments at amortised cost for financial assets – that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade and other receivables.
- Equity investments at FVOCI – with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity investments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group does not have any financial assets classified in this category.
- Financial assets at FVTPL – include a derivative instrument, listed debt instruments, listed and unlisted equity investments which the Group has not irrevocably elected, at initial recognition or transition, to classify as FVOCI. Under HKAS 39, the Group's unlisted equity investments were classified as available-for-sale financial assets at cost.
- Debt instruments at FVOCI – with gains or losses recycled to profit or loss on derecognition. The Group does not have any financial assets classified in this category.

### 3. 重大會計政策(續)

#### (a) 會計政策及披露之變動(續)

##### 香港財務報告準則第9號(續)

##### (i) 分類及計量(續)

本集團的財務資產新分類及計量如下：

- 財務資產按攤銷成本計量的債務工具 – 指在業務模式為持有財務資產作收取符合SPPI標準的合約現金流為目的的財務資產。此類別包括本集團之應收款及其他應收款。
- 通過其他全面收益以反映公平價值的股本投資 – 於終止確認時概無收益或虧損結轉至損益。此類別僅包括本集團擬就可見將來所持有及於初步確認或過渡內本集團不可撤回地選擇如此分類的股本投資。本集團並無任何歸類於此類別的財務資產。
- 通過損益以反映公平價值的財務資產 – 包括一項衍生工具、上市債務工具、上市及非上市股本投資，本集團於初步確認或過渡內並沒有不可撤回地選擇將其分類為通過其他全面收益以反映公平價值。本集團之非上市股本投資根據香港會計準則第39號分類為按成本列帳的可供出售財務資產。
- 通過其他全面收益以反映公平價值的債務工具 – 於終止確認時產生的收益或虧損於損益表重列。本集團並無此類別財務資產。

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

## 簡明綜合中期財務資料附註(續)

### 3. Significant Accounting policies (continued)

#### (a) Changes in accounting policies and disclosures (continued)

##### **HKFRS 9** (continued)

##### (i) *Classification and measurement* (continued)

The assessment of the Group's business model was made as of the date of initial application, i.e. 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under HKAS 39.

Under HKFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities in non-financial host contracts has not been changed from that required by HKAS 39.

##### (ii) *Impairment*

The adoption of HKFRS 9 has changed the Group's accounting for impairments by replacing HKAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. HKFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets original effective interest rate.

### 3. 重大會計政策(續)

#### (a) 會計政策及披露之變動(續)

##### **香港財務報告準則第9號**(續)

##### (i) 分類及計量(續)

本集團於首次應用日期即2018年1月1日評估業務模式。於首次確認資產時評估債務工具的合約現金流是否僅代表本金及利息乃按事實及情況。

本集團的財務負債會計大致上與按香港會計準則第39號下相同。

根據香港財務報告準則第9號，嵌入式衍生工具不再與主體財務資產分開列示。相反，財務資產根據其合約條款和集團的業務模式進行分類。於財務負債中，嵌入非財務主體合約的衍生工具的會計處理與香港會計準則第39號所要求的相比並未改變。

##### (ii) 減值

香港財務報告準則第9號以前瞻性的預期信貸虧損模式(「預期信貸虧損」)，取代香港會計準則第39號已產生虧損之減值模式，有關採納導致本集團會計政策之變動。香港財務報告準則第9號規定，本集團對所有並非按公平價值於損益內列賬的貸款及其他債務財務資產確認預期信貸虧損。預期信貸虧損按合約到期的合約現金流與本集團預期收到的所有現金流之差額確認。差額會以與資產原始實際利率相近的來貼現。

### 3. Significant Accounting policies (continued)

#### (a) Changes in accounting policies and disclosures (continued)

##### **HKFRS 9** (continued)

##### (ii) *Impairment* (continued)

For trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic conditions.

The Group has applied the general approach and recorded twelve-month ECLs that are estimated based on the possible default events on its other receivables within the next twelve months. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The adoption of the ECL requirements of HKFRS 9 did not result in change in impairment allowances of the Group's debt financial assets.

### 3. 重大會計政策(續)

#### (a) 會計政策及披露之變動(續)

##### **香港財務報告準則第9號**(續)

##### (ii) 減值(續)

就應收款而言，本集團採用了準則內的簡化計算法及已根據年內預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸損失經驗計算的撥備矩陣，並按與債務人相關之前瞻性因素及經濟條件調整。

本集團採用了一般方式並記錄根據未來12個月內有關其他應收款項的可能違約事件估算的12個月預期信貸虧損。本集團認為，倘合約已逾期還款超過30日，則信貸風險已大幅上升。倘合約已逾期還款超過90日，則本集團認為財務資產違約。然而，在若干情況下，倘內部或外部資料反映，在沒有計及任何現有信貸提升措施前，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為財務資產違約。

採納香港財務報告準則第9號預期信貸虧損法並無導致本集團的債務財務資產撥備出現變動。

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

## 簡明綜合中期財務資料附註(續)

### 3. Significant Accounting policies (continued)

#### (a) Changes in accounting policies and disclosures (continued)

##### HKFRS 9 (continued)

##### (iii) Impairment (continued)

The following table analyses the impact of transition to HKFRS 9 on consolidated balance sheet of the Group.

		Balance at 31 December 2017 as originally presented 於2017年 12月31日餘額 原來呈報 US\$'000 千美元	Reclassification due to HKFRS 9 香港財務報告 準則第9號 下重新分類 US\$'000 千美元	Balance at 1 January 2018 於2018年 1月1日 餘額 US\$'000 千美元
Consolidated Balance Sheet (extract)	綜合資產負債表(摘錄)			
<b>Non-current assets</b>	<b>非流動資產</b>			
Available-for-sale financial assets	可供出售財務資產	2,206	(2,206)	-
Financial assets at FVTPL	通過損益以反映公平價值的 財務資產	788	2,206	2,994

##### HKFRS 15

HKFRS 15 supersedes HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration of all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The Group adopted HKFRS 15 using the modified retrospective method which allows the Group to recognise the cumulative effects of initially applying HKFRS 15 as an adjustment to the opening balance of accumulated losses at 1 January 2018 and not to restate the comparative figures.

### 3. 重大會計政策(續)

#### (a) 會計政策及披露之變動(續)

##### 香港財務報告準則第9號(續)

##### (iii) 減值(續)

香港財務報告準則第9號之過渡性條文對本集團綜合資產負債表的影響分析如下。

##### 香港財務報告準則第15號

香港財務報告準則第15號取代香港會計準則第11號「建築合約」、香港會計準則第18號「收益」及相關詮釋，且其應用於客戶合約產生之所有收益，除非該等合約屬於其他準則範圍。新準則確立一個五步模式，以來自客戶合約的收益入賬。根據香港財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取的代價金額進行確認。該準則要求實體作出判斷，並計及於將該模式之各步應用於其客戶合約時的所有相關事實及情況。該準則亦訂明將獲得合約的額外成本及與履行合約直接相關的成本入賬。本集團以經修改追溯法採納香港財務報告準則第15號。經修改追溯法允許本集團首次應用香港財務報告準則第15號時，就確認累計影響調整2018年1月1日累計虧損期初結餘以及不重新編列比較數字。



### 3. Significant Accounting policies (continued)

#### (a) Changes in accounting policies and disclosures (continued)

##### **HKFRS 15** (continued)

The Group is in the business of sales of proprietary integrated circuits products in which the Group's contracts with customers for the sale of products generally include one type of performance obligation. The Group has concluded that revenue from sale of products should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Therefore, the adoption of HKFRS 15 did not have an impact on the timing of revenue recognition. However, the amount of revenue to be recognised was affected, as noted below.

The Group provides volume rebates to certain of its customers on specified products purchased by these customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Prior to adoption of HKFRS 15, the Group estimated the expected volume rebates using the probability-weighted average amount of rebates approach and included a provision for rebates in trade and other payables.

Under HKFRS 15, volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Group applied the 'most likely amount method' as the contracts offer fixed amount of rebates for a single volume threshold for each particular product. The Group then applies the requirements on constraining estimates of variable consideration. Upon adoption of HKFRS 15, the Group recognised refund liabilities under trade and other payables for the expected future rebates and derecognised the provision for rebates under trade and other payables of US\$537,000 as at 1 January 2018. The adoption of HKFRS 15 did not result in any impact on the loss for the corresponding period or accumulated losses as at 1 January 2018 as the estimation of variable considerations and application of constraint are not materially different from the previous estimation under HKAS 18.

### 3. 重大會計政策(續)

#### (a) 會計政策及披露之變動(續)

##### **香港財務報告準則第15號**(續)

本集團從事專有集成電路產品銷售業務，而本集團與客戶就產品銷售訂立的合約一般包括一項履約責任。本集團已得出結論，產品銷售收入應於資產控制權轉移至客戶時確認，一般於交付產品時確認。因此，採納香港財務報告準則第15號對收益確認的時間並無影響。但是，如下所述，要確認的收入金額受到影響。

本集團對某些客戶購買特定產品超過合同規定數量時提供批量回扣。於採納香港財務報告準則第15號前，本集團使用概率加權平均法估計回扣數量，回扣撥備包含在應付款及其他應付款內。

根據香港財務報告準則第15號，批量回扣引起可變對價。合約就每種特定產品的所定數量提供固定回扣數量，本集團採用「最可能的金額方法」估計有權獲得的可變對價，應用可變對價估計的限制要求。於採納香港財務報告準則第15號後，本集團於2018年1月1日在應付款及其他應付款內確認預期未來回扣的退款責任及終止確認應付款及其他應付款內回扣撥備537,000美元。可變對價估計及應用限制於採納香港財務報告準則第15號與香港會計準則第18號的撥備估計並無重大差異，未有對2018年1月1日的累計虧損及相應期間的虧損產生任何影響。

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

## 簡明綜合中期財務資料附註(續)

### 3. Significant Accounting policies (continued)

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

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

Amendments to HKFRS 9 香港財務報告準則第9號之修訂	<i>Prepayment Features with Negative Compensation<sup>1</sup></i> 具有負補償之特性的預付款項 <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 (2011) 香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i> 投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>3</sup>
HKFRS 16 香港財務報告準則第16號	<i>Leases<sup>1</sup></i> 租賃 <sup>1</sup>
HKFRS 17 香港財務報告準則第17號	<i>Insurance Contracts<sup>2</sup></i> 保險合約 <sup>2</sup>
Amendments to HKAS 19 香港會計準則第19號之修訂	<i>Plan Amendments, Curtailment or Settlement<sup>1</sup></i> 計劃修訂、縮減或結算 <sup>1</sup>
Amendments to HKAS 28 香港會計準則第28號之修訂	<i>Long-term Interests in Associates and Joint Ventures<sup>1</sup></i> 於聯營公司及合營企業之長期權益 <sup>1</sup>
HK(IFRIC)-Int 23 香港(國際財務報告詮釋委員會) — 詮釋第23號	<i>Uncertainty over Income Tax Treatments<sup>1</sup></i> 所得稅之不確定性之處理 <sup>1</sup>
<i>Annual Improvements 2015-2017 Cycle</i> 2015年至2017年週期的年度改進	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 <sup>1</sup> 香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂 <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of the new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on the Group's result of operation and financial position.

### 3. 重大會計政策(續)

#### (b) 已頒佈但未生效之香港財務報告準則

本集團財務資料並無採納下列已頒佈但尚未生效之新準則及修正準則：

<i>Prepayment Features with Negative Compensation<sup>1</sup></i> 具有負補償之特性的預付款項 <sup>1</sup>
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i> 投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>3</sup>
<i>Leases<sup>1</sup></i> 租賃 <sup>1</sup>
<i>Insurance Contracts<sup>2</sup></i> 保險合約 <sup>2</sup>
<i>Plan Amendments, Curtailment or Settlement<sup>1</sup></i> 計劃修訂、縮減或結算 <sup>1</sup>
<i>Long-term Interests in Associates and Joint Ventures<sup>1</sup></i> 於聯營公司及合營企業之長期權益 <sup>1</sup>
<i>Uncertainty over Income Tax Treatments<sup>1</sup></i> 所得稅之不確定性之處理 <sup>1</sup>
Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 <sup>1</sup> 香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂 <sup>1</sup>

<sup>1</sup> 於2019年1月1日年度開始後生效

<sup>2</sup> 於2021年1月1日年度開始後生效

<sup>3</sup> 未有強制生效日期但可供採納

本集團已經開始對首次採納上列之新準則、修訂準則及解釋的影響進行評估，目前尚未確定該等新準則、修訂準則及解釋會否對本集團的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 2017 year end. Compared to 2017 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 2017.

### 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2017年終至此，沒有風險管理政策上的改變。與2017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2017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:

4. 財務風險管理及金融工具(續)

4.2 公平值估計(續)

本集團通過損益以反映公平價值之財務資產列載如下：

		Unaudited 未經審核 30 June 2018 2018年6月30日			Audited 經審核 31 December 2017 2017年12月31日		
		Level 1 第1層級 US\$'000 千美元	Level 3 第3層級 US\$'000 千美元	Total 總計 US\$'000 千美元	Level 1 第1層級 US\$'000 千美元	Level 3 第3層級 US\$'000 千美元	Total 總計 US\$'000 千美元
<b>Unlisted</b>	<b>非上市</b>						
Call option over non-controlling interests	非控股權益認購權	-	455	455	-	788	788
Equity investment	股本投資	-	4,760	4,760	-	-	-
<b>Marketable bonds</b>	<b>可買賣債券</b>	<b>1,925</b>	-	<b>1,925</b>	7,819	-	7,819
<b>Marketable funds</b>	<b>可買賣基金</b>	<b>8,502</b>	-	<b>8,502</b>	9,575	-	9,575
<b>Listed</b>	<b>上市</b>						
Equity securities	股票	153	-	153	4,908	-	4,908
Fund	基金	65	-	65	68	-	68
		<b>10,645</b>	<b>5,215</b>	<b>15,860</b>	22,370	788	23,158

There were no transfers between levels during the six months ended 30 June 2018 and year ended 31 December 2017.

截至2018年6月30日止6個月及2017年12月31日止年度沒有層級之間的轉移。

#### 4. Financial risk management and financial instruments (continued)

##### 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.

##### 4.4 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 2018.

#### 4. 財務風險管理及金融工具(續)

##### 4.3 應用於第1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1層級。

##### 4.4 利用重大不可觀察輸入數據計量公平值(第3層級)

下表呈列截至2018年6月30日止6個月第3層級工具的變動。

		Call option over non-controlling interests 非控股權益 認購權 US\$'000 千美元	Unlisted equity investment 非上市 股本投資 US\$'000 千美元
Opening balance at 1 January 2018	於2018年1月1日的 期初結餘	788	2,206
Fair value gain/(loss) on revaluation recognized in profit or loss	於損益確認之重估公平值 收益/(虧損)	(333)	2,554
Closing balance at 30 June 2018	於2018年6月30日的 期末結餘	455	4,760

# 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3層級)(續)

誠如所述者，分類為公平價值級別第3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 2018 於2018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 – Unlisted equity investment 通過損益以反映公平價值的財務資產 – 非上市股本投資	4,760	Market approach 市場法	Third party quotation 第三方報價	US\$4,760,000 4,760,000美元	The higher the quotation price, the higher the fair value 報價價格愈大，公平價值愈高
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	455	Monte Carlo Method 蒙特卡羅模擬法	Volatility 波幅	50%	The higher the volatility, the higher the fair value 波幅愈大，公平價值愈高
			Risk-free interest rate 無風險利率	1.8%-2.2%	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	0.94	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. 財務風險管理及金融工具(續)

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

##### 4.4 利用重大不可觀察輸入數據計量公平值(第3層級)(續)

Description 概述	Fair value as at 31 December 2017 於2017年 12月31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	788	Monte Carlo Method 蒙特卡羅 模擬法	Volatility 波幅	50%	The higher the volatility, the higher the fair value 波幅愈大， 公平價值愈高
			Risk-free interest rate 無風險利率	1.9%-2.2%	The higher the risk-free interest rate, the higher the fair value 無風險利率愈高， 公平價值愈高
			Price to sales ratio 市銷率	1.0	The higher the price to sales ratio, the higher the fair value 市銷率愈高， 公平價值愈高

During the period ended 30 June 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (year ended 31 December 2017: Nil).

截至2018年6月30日止6個月，第一層級及第二層級間公平價值並無轉讓，概無財務資產及財務負債從第三層級轉入或轉出(2017年12月31日：無)。

# 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)

#### 4.5 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 deposit, short-term fixed deposits, cash and cash equivalents
- Trade and other payables
- Interest-bearing bank borrowings

### 5. 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, etc.

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.

### 4. 財務風險管理及金融工具(續)

#### 4.5 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
- 銀行計息貸款

### 5. 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各類顯示及觸摸應用。

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。



## 5. Segment information (continued)

### (a) Sales

Sales represents the net invoiced value of goods sold, after allowances for returns and trade discounts, during the period which amounted to US\$45,685,000 (1H 2017: US\$38,637,000).

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, China and Japan.

## 5. 分部資料(續)

### (a) 銷售額

銷售額為扣除退貨和貿易折扣後的銷貨淨發票價值，期間為45,685,000美元(2017年上半年：38,637,000美元)。

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

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2018 US\$'000 千美元	2017 US\$'000 千美元
Hong Kong	香港	17,224	10,517
Taiwan	台灣	11,828	9,910
China	中國	5,870	4,515
Japan	日本	4,644	2,837
Europe	歐洲	3,220	3,271
Korea	韓國	2,286	5,323
USA	美國	186	194
South East Asia	東南亞	94	1,593
Others	其他	333	477
		45,685	38,637

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。

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

5. Segment information (continued)

5. 分部資料(續)

(b) Total assets

(b) 總資產

		Unaudited 未經審核 30 June 6月30日 2018 US\$'000 千美元	Audited 經審核 31 December 12月31日 2017 US\$'000 千美元
Hong Kong	香港	61,352	67,863
China	中國	30,470	27,387
Taiwan	台灣	22,816	12,754
Korea	韓國	1,881	7,050
UK	英國	853	987
Others	其他	120	109
South East Asia	東南亞	-	69
		<b>117,492</b>	116,219

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。

(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 2018 US\$'000 千美元	2017 US\$'000 千美元
<b>Intangible assets</b>	<b>無形資產</b>		
Korea	韓國	-	1,896
		-	1,896
<b>Property, plant and equipment</b>	<b>物業、廠房及設備</b>		
China	中國	981	330
Taiwan	台灣	161	250
Hong Kong	香港	75	29
UK	英國	23	547
Korea	韓國	1	29
Others	其他	-	1
		<b>1,241</b>	1,186
		<b>1,241</b>	3,082

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。

## 6. Expenses by nature

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

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2018 US\$'000 千美元	2017 US\$'000 千美元
Cost of inventories sold	售出存貨成本	28,458	21,865
Product engineering costs	產品工程成本	1,857	2,565
Provision for obsolete or slow moving inventories	過時或滯銷存貨的撥備	1,452	1,475
Amortization of intangible assets	無形資產攤銷	2,132	1,786
Depreciation	折舊	908	510
Minimum lease payments under operating leases	經營租賃之最低租賃付款	944	988
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	(5)	191
– Non-equity compensation	– 非股本權益報酬	16,172	14,743
– Pension scheme contributions	– 退休金計劃供款	305	331
Foreign exchange differences, net	外匯差額，淨額	507	309

## 7. Finance income – net

## 7. 投資收入 – 淨額

		Unaudited 未經審核 Six months ended 30 June 6月30日止6個月	
		2018 US\$'000 千美元	2017 US\$'000 千美元
Interest income	利息收入	251	454
Dividend income	股息收入	89	189
Fair value gain on financial assets at FVTPL, net	FVTPL公平值收益，淨額	1,809	1,854
Interest expense of bank loans	銀行貸款的利息支出	(2)	(1)
		2,147	2,496

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

## 簡明綜合中期財務資料附註(續)

### 8. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) while overseas income tax has been provided at the rates of taxation prevailing in the countries/jurisdiction in which the Group operates. No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the six months ended 30 June 2018 and 2017.

### 8. 所得稅

香港所得稅已根據稅率16.5%(2017: 16.5%)計算，而海外所得稅則根據本集團的營運所在國家／司法權區之適用稅率計算，本集團因截至2018年及2017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。

		<b>Unaudited</b>	
		未經審核	
		<b>Six months ended 30 June</b>	
		6月30日止6個月	
		<b>2018</b>	2017
		<b>US\$'000</b>	US\$'000
		千美元	千美元
Current – Hong Kong	即期 – 香港		
– Overprovision in prior years	– 以往年度多提撥備	<b>(89)</b>	–
Current – Elsewhere	即期 – 其他地區		
– Charge for the period	– 本期支出	<b>1</b>	3
Deferred	遞延	<b>(26)</b>	(17)
Total tax credit for the period	本期所得稅抵免總額	<b>(114)</b>	(14)

## 9. 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 2,479,800,417 (1H 2017: 2,477,597,379) ordinary shares in issue during the period.

The Group's loss for the period attributable to the equity holders of the Company was US\$6,266,000 (1H 2017: US\$5,577,000).

### (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:

## 9. 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2,479,800,417股(2017上半年: 2,477,597,379股)計算。

本公司的權益持有人期內應佔本集團之虧損為6,266,000美元(2017上半年: 5,577,000美元)。

### (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	
		2018	2017
Weighted average number of ordinary shares in issue	已發行加權平均普通股股數	<b>2,479,800,417</b>	2,477,597,379
Conversion of all dilutive share options outstanding <sup>(i)</sup>	兌換所有可予發行人攤薄影響的流通購股權 <sup>(i)</sup>	-	-
Adjusted weighted average number of ordinary shares for diluted loss per share calculation	用作計算每股攤薄虧損的調整後加權平均普通股股數	<b>2,479,800,417</b>	2,477,597,379

(i) As at 30 June 2018, there were 22,910,000 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 2018.

(i) 於2018年6月30日，可予發行人攤薄影響的購股權為22,910,000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2018年6月30日止期內的每股攤薄虧損造成攤薄影響。

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

## 簡明綜合中期財務資料附註(續)

### 10. Dividend

No dividend for the year ended 31 December 2017 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 2018 (1H 2017: Nil).

### 11. 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.

### 10. 股息

本公司並沒有宣派或派付截至2017年12月31日止年度之股息。董事會亦決議不宣派截至2018年6月30日止6個月的中期股息(2017上半年：無)。

### 11. 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。

## 11. 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.

## 11. 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。

		Notes 附註	Audited 經審核 22 February 2月22日 2017 US\$'000 千美元
Cash paid	現金支付		4,000
Less: Fair value of call option over non-controlling interests	減：非控股權益認購權	a	(874)
<b>Total consideration</b>	<b>總作價</b>		<b>3,126</b>
Recognized amounts of identifiable assets acquired and liabilities assumed	經確認的已收購可辨認 資產和承擔負債		
– Intangible assets	– 無形資產		1,896
– Property, plant and equipment	– 物業、廠房和設備		19
– Cash and cash equivalents	– 現金和現金等價物		33
– Trade and other receivables	– 應收款及其他應收款		264
– Inventories	– 存貨		13
– Trade and other payables	– 應付款及其他應付款		(86)
– Deferred tax liability	– 遞延所得稅負債		(409)
– Interest-bearing bank borrowing	– 銀行計息貸款		(174)
<b>Total identifiable net assets</b>	<b>可辨認淨資產總額</b>		<b>1,556</b>
Non-controlling interests	非控股權益	b	(747)
Goodwill	商譽		2,317
<b>Total consideration</b>	<b>總作價</b>		<b>3,126</b>
Acquisition-related costs (included in administrative expenses in the condensed consolidated interim income statement for the period ended 30 June 2017)	與收購有關費用 (已列入截至2017年6月30日 止期內簡明綜合中期損益表內 的行政費用)		75
Cash paid	現金支付		4,000
Less: Cash and cash equivalents acquired	減：購入現金及現金等價物		(33)
<b>Net cash outflow on acquisition</b>	<b>購入業務現金流出量</b>		<b>3,967</b>

**11. 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.

**(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, Sentron, Inc. contributed revenue and net loss for the six months ended 30 June 2017 would have been nil and US\$522,000, respectively.

**11. 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。

**(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日止半年的貢獻收入和淨虧損應分別為零美元和522,000美元。



## 12. Trade and other receivables

## 12. 應收款及其他應收款

		Note 附註	Unaudited 未經審核 30 June 6月30日 2018 US\$'000 千美元	Audited 經審核 31 December 12月31日 2017 US\$'000 千美元
Trade receivables	應收款		15,554	15,491
Trade receivables from related parties	關聯方應收款	17	1,693	1,696
Trade receivables	應收款		17,247	17,187
Deposits, prepayments and other receivables	訂金、預付款及其他應收款		6,166	3,810
Prepayments to related parties	關聯方預付款	17	95	234
Trade and other receivables – current portion	應收款及其他應收款 – 流動		23,508	21,231
Prepayments and deposits – non-current portion	預付款及訂金 – 非流動		531	180
			24,039	21,411

As at 30 June 2018, 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2018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 2018 US\$'000 千美元	Audited 經審核 31 December 12月31日 2017 US\$'000 千美元
Current	即期		13,182	10,805
1 – 30 days	1 – 30日		2,915	4,490
31 – 60 days	31 – 60日		1,150	1,370
61 – 90 days	61 – 90日		–	519
91 – 180 days	91 – 180日		–	3
			4,065	6,382
			17,247	17,187

As at 30 June 2018, trade receivables of US\$4,065,000 (31 December 2017: US\$6,382,000) were considered past due but not impaired since most of the overdue sum has been settled after the balance sheet date.

於2018年6月30日，逾期之應收款為4,065,000美元（2017年12月31日：6,382,000美元）。因多數逾期未收之款項於結算日後已收訖，所以並未作減值。

The Group considers a financial asset in default when the contractual payment day is more than 90 days past due. As there was no history of default in prior years, the management considered the default rate is minimal.

本集團認為財務資產逾期超過合約付款日90天屬違約。由於以往年度並無違約記錄，管理層認為違約率極微。

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 payables

13. 應付款及其他應付款

		Unaudited 未經審核 30 June 6月30日 2018 US\$'000 千美元	Audited 經審核 31 December 12月31日 2017 US\$'000 千美元
Trade payables	應付款	19,767	15,636
Accrued expenses and other payables	應計開支及其他應付款	10,639	7,696
		<b>30,406</b>	23,332

As at 30 June 2018, the ageing analysis of trade payables based on overdue days is as follows:

於2018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 2018 US\$'000 千美元	Audited 經審核 31 December 12月31日 2017 US\$'000 千美元
Current	即期	18,792	11,526
1 – 30 days	1 – 30日	670	3,692
31 – 60 days	31 – 60日	158	272
Over 90 days	超過90日	147	146
		<b>19,767</b>	15,636

14. Share capital

14. 股本

		Unaudited 未經審核 30 June 6月30日 2018	Audited 經審核 31 December 12月31日 2017		
		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 beginning of period/year	- 於期初/年初	2,479,552,351	31,958	2,477,102,351	31,926
- Exercise of share options	- 行使購股權	700,000	9	2,450,000	32
- At end of period/year	- 於期終/年終	<b>2,480,252,351</b>	<b>31,967</b>	2,479,552,351	31,958

## 15. 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 2018, there were in total 22,910,000 (31,600,000 as at 31 December 2017) 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:

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)				Expiry date 到期日
		Held at 1 January 2018 於2018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 2018 於2018年 6月30日持有	
9 October 2014 2014年10月9日	0.395	950	-	-	950	28 September 2018 2018年9月28日
30 March 2015 2015年3月30日	0.309	350	(100)	(250)	-	30 March 2018 2018年3月30日
	0.309	100	-	-	100	29 March 2019 2019年3月29日
2 October 2015 2015年10月2日	0.315	2,900	(300)	-	2,600	28 September 2018 2018年9月28日
	0.315	500	(300)	-	200	30 September 2019 2019年9月30日
11 January 2016 2016年1月11日	0.369	2,500	-	(1,500)	1,000	31 March 2020 2020年3月31日
	0.369	2,500	-	(1,500)	1,000	31 December 2020 2020年12月31日
	0.369	2,500	-	-	2,500	31 March 2021 2021年3月31日
	0.369	2,500	-	-	2,500	31 December 2021 2021年12月31日
30 September 2016 2016年9月30日	0.305	2,400	-	-	2,400	30 September 2019 2019年9月30日
	0.305	6,000	-	(4,740)	1,260	31 March 2020 2020年3月31日
	0.305	6,000	-	-	6,000	31 March 2021 2021年3月31日
9 October 2017 2017年10月9日	0.370	2,400	-	-	2,400	30 September 2020 2020年9月30日
Total 總計		31,600	(700)	(7,990)	22,910	

There was no share option granted during the six months ended 30 June 2018.

## 15. 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2018年6月30日，合共有22,910,000(於2017年12月31日：31,600,000)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：

於截至2018年6月30日止6個月內概無授出購股權。

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

## 簡明綜合中期財務資料附註(續)

### 15. Equity compensation scheme (continued)

#### (b) The Share Award

Based on the recommendation of the Remuneration Committee of the Board, 1,902,000 ordinary shares of the Company ("Awarded Shares") have been awarded conditionally to the Chief Executive Officer (the "Beneficiary") as a long-term incentive in March 2018.

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.

### 15. 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2018年3月向行政總裁(「受益人」)附條件地授予1,902,000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 28 March 2018	授出日期 2018年3月28日
Closing price of the shares of the Company on the date of grant HK\$0.315	本公司股份於授予日期的收市價 0.315港元
<b><i>Vesting condition and schedule</i></b>	<b><i>歸屬條件與期限</i></b>
Subject to the annual results for the year ending 31 December 2018, of which:	依據截至2018年12月31日止年度全年業績，其中：
– 951,000 shares will be vested after the close of business on 30 March 2019 <sup>(note 1)</sup>	– 951,000股股份會於2019年3月30日 <sup>(附註1)</sup> 營業日完結後歸屬
– 951,000 shares will be vested after the close of business on 31 December 2019	– 951,000股股份會於2019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, initially and at the end of each reporting period until settlement, at fair value.

附註1：

必須在與表現掛鈎的財政年度的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入帳，於初始及每個報告期末直至結算，按股份授出日期的適用公平值入賬。

## 16. Commitments

### (a) Capital commitments

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

		<b>Unaudited</b> 未經審核 <b>30 June</b> 6月30日 <b>2018</b> <b>US\$'000</b> 千美元	Audited 經審核 31 December 12月31日 2017 US\$'000 千美元
Property, plant and equipment	物業、廠房及設備	<b>195</b>	309

### (b) Operating lease commitments – the Group as lessee

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

		<b>Unaudited</b> 未經審核 <b>30 June</b> 6月30日 <b>2018</b> <b>US\$'000</b> 千美元	Audited 經審核 31 December 12月31日 2017 US\$'000 千美元
Within 1 year	不超過一年	<b>1,712</b>	1,061
In the second to fifth year, inclusive	超過一年，但不超過五年	<b>2,689</b>	296
		<b>4,401</b>	1,357

Aside from the aforesaid, there was no other material capital commitment or contingent liability.

## 16. 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：

### (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：

除上述已披露者外，概無其他重大資本承擔或或然負債。

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

## 簡明綜合中期財務資料附註(續)

### 17. 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-owned 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:

### 17. 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：

		<b>Unaudited</b> 未經審核 <b>Six months ended 30 June</b> 6月30日止6個月	
		<b>2018</b> <b>US\$'000</b> 千美元	2017 US\$'000 千美元
Sales:	銷售額：		
Subsidiaries of CEC	CEC的附屬公司	<b>8,268</b>	3,507
Purchases:	採購：		
Subsidiaries of CEC	CEC的附屬公司	<b>143</b>	164

Period/year end balances arising from sales/purchases:

由銷售／採購構成的期／年終帳目：

		<b>Unaudited</b> 未經審核 <b>30 June</b> 6月30日 <b>2018</b> <b>US\$'000</b> 千美元	Audited 經審核 31 December 12月31日 2017 US\$'000 千美元
	Note 附註		
Trade receivables:	應收款：		
Subsidiaries of CEC	CEC的附屬公司	<b>1,693</b>	1,696
Prepayments:	預付款：		
Subsidiaries of CEC	CEC的附屬公司	<b>95</b>	234

## 18. Event after the reporting period

On 8 June 2018, the Group entered into sales and purchase agreements with five independent purchasers to dispose of an unlisted equity investment for an aggregate consideration of HK\$36,890,000 (equivalent to US\$4,760,000), detail of which may refer to the announcement dated 8 June 2018 of the Company. As at 30 June 2018, deposits of HK\$13,488,000 (equivalent to US\$1,740,000) were received and the transactions are expected to be completed in August 2018, subject to fulfillment of certain precedent conditions.

## 18. 結算日後事項

於2018年6月8日，本集團與5個獨立買方訂立買賣協議，以總作價36,890,000港元（相當於4,760,000美元）出售一項非上市股本投資，詳情可參閱本公司於2018年6月8日刊登之公告。於2018年6月30日，本集團已收取訂金13,488,000港元（相當於1,740,000美元），受限於所訂明的先決條件獲達成的前提下，交易預期於2018年8月完成。

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



## **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 of Solomon Systech (International) Limited (the “Company”) and its subsidiaries set out on pages 3 to 37, which comprises the condensed consolidated interim balance sheet of the Company as at 30 June 2018 and the related condensed consolidated interim income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and 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* (“HKAS 34”) 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 HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 HKAS 34.

### **Ernst & Young**

*Certified Public Accountants*

22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

22 August 2018



# 中期財務資料的審閱報告



## 致Solomon Systech (International) Limited董事會

(於開曼群島註冊成立的有限公司)

### 引言

本核數師已審閱列載於第3頁至第37頁之Solomon Systech (International) Limited(「貴公司」)及其附屬公司中期財務資料，中期財務資料包括於2018年6月30日之簡明綜合中期資產負債表以及截至該日止六個月期間之有關簡明綜合中期損益表、全面收入報表、權益變動表及現金流量表與說明附註。根據香港聯合交易所有限公司證券上市規則，中期財務資料報告之編製必須符合上市規則之相關規定及香港會計師公會所頒佈之香港會計準則第34號*中期財務報告*(「香港會計準則第34號」)。貴公司董事須負責根據香港會計準則第34號編製及呈列本中期財務資料。本核數師須負責根據吾等之審閱對本中期財務資料發表結論。吾等之報告乃根據協定之委聘條款，僅向閣下作為一個實體作出，而非為其他目的。本核數師不會就本報告之內容而對任何其他人士承擔或負上任何責任。

### 審閱範圍

本核數師乃根據香港會計師公會頒佈之《香港審閱工作準則》第2410號*實體之獨立核數師對中期財務資料之審閱*進行審閱工作。中期財務資料之審閱包括主要向負責財務及會計事宜之人員作出查詢，並運用分析及其他審閱程序。由於審閱之範圍遠較根據香港審計準則進行之審計為小，因此不能保證本核數師會知悉在審核中可能會發現之所有重大事宜。因此，本核數師不發表審計意見。

### 結論

根據本核數師之審閱工作，本核數師並無發現任何事宜，使本核數師相信中期財務資料在所有重大方面並無根據香港會計準則第34號之規定編製。

## 安永會計師事務所

執業會計師

香港中環  
添美道1號  
中信大廈22樓

2018年8月22日

# 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\$45.7 million (1H 2017: US\$38.6 million), mainly due to new products introduced to the market. The overall book-to-bill ratio of the Group for the period in 2018 was 1.1 (1H 2017: 1.1).

Gross profit of US\$14.6 million and gross margin of 32.0% were recorded for the six months ended 30 June 2018 (1H 2017: US\$14.7 million and 38.1%, respectively).

S&D expenses of US\$2.0 million and administrative expenses of US\$6.6 million represented an increase from the corresponding period in 2017.

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 products introduced, its R&D costs during the Period Under Review was maintained at a high level of US\$16.6 million (mainly staff costs and amortization of intangible assets) (1H 2017: US\$16.3 million).

For the six months ended 30 June 2018, the Group recorded a net finance income of US\$2.1 million (1H 2017: US\$2.5 million) derived from the various investment portfolios of the Group, comprising bank interests, dividends from securities and mark-to-market gain on financial assets.

As a result of the aforesaid elements, the Group has reported a net loss attributable to the Company's equity holders of US\$6.3 million (1H 2017: US\$5.6 million). The Board resolved not to declare an interim dividend for the six months ended 30 June 2018.

### 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45.7百萬美元(2017年上半年：38.6百萬美元)，主要由於新產品推出市場。本集團於2018年期內的總訂單出貨比率為1.1(2017年上半年：1.1)。

截至2018年6月30日止六個月的毛利14.6百萬美元和毛利率32.0%(2017年上半年：分別為14.7百萬美元和38.1%)。

銷售及分銷開支2.0百萬美元和行政開支6.6百萬美元，比2017年同期增加。

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，鑑於新產品推出，其回顧期內的產品工程開發費用維持高水平為16.6百萬美元(主要為員工成本及無形資產攤銷)(2017年上半年：16.3百萬美元)。

截至2018年6月30日止六個月，本集團錄得淨投資收入2.1百萬美元(2017年上半年：2.5百萬美元)來自本集團的各類投資組合，包括銀行利息、證券派息及財務資產按市價計算的收益。

基於上述因素，本集團錄得本公司權益持有人應佔淨虧損為6.3百萬美元(2017年上半年：5.6百萬美元)。董事會決議不宣派截至2018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\$0.3 million (1H 2017: US\$0.6 million).

The Group's financial assets at fair value through profit or loss are stated at fair value. A net fair value loss of US\$0.4 million (1H 2017 net fair value gain: US\$1.9 million) was recorded on marketable and listed debt or equity securities. A net fair value gain of US\$2.2 million (1H 2017: Nil) was recorded for a derivative instrument and an unlisted equity security.

As a result, the Group recorded a net finance income of US\$2.1 million (1H 2017: US\$2.5 million) from financial investments.

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 2018. These FVTPLs comprised mainly marketable bonds, mutual funds, exchange traded funds and listed equity securities held through reputable financial institutions including Goldman Sachs, UBS and Hang Seng Bank. As at 31 July 2018, being the latest practicable date prior to the printing of the Interim Report, the carrying value of the FVTPL under current assets was maintained at the similar level as that on the balance sheet date with no material fluctuation.

Total cash and cash equivalents and bank deposits of the Group were US\$21.8 million as at 30 June 2018, a reduction of US\$1.5 million, compared to US\$23.3 million as at 31 December 2017. 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0.3百萬美元（2017年上半年：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按公平值列賬。可買賣及上市之債務或股票證券錄得公平值淨額虧損0.4百萬美元（2017年上半年公平值淨額收益：1.9百萬美元）。一項衍生工具及一項非上市的股本投資錄得公平值淨額收益2.2百萬美元（2017年上半年：無）。

整體結果，本集團於財務投資錄得淨投資收入2.1百萬美元（2017年上半年：2.5百萬美元）。

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2018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2018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的賬面價值與資產負債表日的價值相若並無重大變動。

於2018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21.8百萬美元，而於2017年12月31日則為23.3百萬美元，減少1.5百萬美元。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 2018, 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 gearing ratio was almost zero. 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.

### Capital Expenditure and Contingent Liabilities

During 1H 2018, capital expenditure of the Group was US\$1.2 million (1H 2017: US\$3.1 million).

As at 30 June 2018, there was US\$0.2 million capital expenditure contracted but not provided for (31 December 2017: 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2018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，資本負債比率幾乎為零。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。

### 資本開支與或然負債

2018上半年期間，本集團的資本開支為1.2百萬美元(2017上半年：3.1百萬美元)。

於2018年6月30日，共有0.2百萬美元已商定合約但未撥備之資本開支(2017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 Period Under Review, the Group managed to achieve an increase in revenue of around 18% year-on-year to US\$45.7 million, while the total shipments saw a significant increase year-on-year of around 60% to 144.9 million units. This was mainly attributable to the strong growth of the PMOLED display driver IC and bistable display driver IC businesses under the Advanced Display Business Unit (“ADBU”); and the contribution from the touch controller IC and large display driver IC business under the Main Display Business Unit (“MDBU”).

The establishment of the strategic China business and technology center in Nanjing has greatly facilitated the Group’s business development in China, in particular for its large display driver ICs. The R&D talent pool strengthened by the establishment of technology centers in Nanjing, the UK, Taiwan and Korea has accelerated the pace of new product development, preparing the Group for capturing the upcoming business opportunities.

The Group’s sales by business unit during the Period Under Review were as follows:

### 業務回顧及展望

#### 業務回顧

於回顧期內，本集團實現了收入按年增長約18%至45.7百萬美元，而總出貨量按年大幅增加約60%至144.9百萬元。這主要有賴先進顯示業務單元(「ADBU」)下PMOLED顯示驅動器IC及雙穩態顯示驅動器IC業務的強勁增長；以及主流顯示業務單元(「MDBU」)下的觸摸屏控制器IC和大型顯示驅動器IC業務的貢獻。

在南京成立策略性中國業務和科技中心，大大促進了本集團於中國的業務發展，特別是大型顯示驅動器IC。因在南京、英國、台灣及韓國成立了科技中心，加強了研發人才庫的建立，有助加快新產品開發的步伐，讓本集團準備就緒，抓緊未來商機。

回顧期內按本集團業務單元劃分的銷售額如下：

Sales (US\$ million)	銷售額(百萬美元)	1H 2018 2018上半年	1H 2017 2017上半年	Change 變動	2017 Full Year 2017全年
Advanced Display	先進顯示	25.9	18.6	+39%	41.2
Main Display	主流顯示	19.8	20.0	-1%	41.3
Total	總數	45.7	38.6	+18%	82.5

# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## 管理層討論及分析(續)

### Advanced Display

The ADBU includes PMOLED displays 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.

During the Period Under Review, the ADBU has witnessed a robust growth in revenue of 39% year-on-year to US\$25.9 million (1H 2017: US\$18.6 million).

With the expansion in production capacity of PMOLED panels in the market, an increasing number of bank keys are adopting PMOLED displays instead of STN LCD displays. Also, the smart appliances market has been witnessing rapid growth in the age of the Internet of Things (“IoT”). These trends, together with the continued growth of the wearables market, have underpinned the substantial growth of the Group’s PMOLED display driver IC business during the Period Under Review. For wearables, as the market has seen a shift of display trend from monochrome to higher resolution grayscale, the Group has garnered design-in projects to capture the business opportunities arising. The Group has also continued to expand the application portfolio of the PMOLED display driver IC business by engaging in design-in projects for other applications, including medical devices, optical view finders, etc.

The Group has been developing new products to pave the way for the future. One of its major innovations is the PMOLED Touch and Display Driver Integration (“TDDI”) IC, which revolutionizes PMOLED technology by integrating display and touch microelectronics into one single chip. This innovation, which is the world’s first ever TDDI IC supporting PMOLED panels, is believed to mark an important milestone in the PMOLED industry and is set to become a significant revenue driver for the Group. Its key applications include wearables, medical devices and smart home appliances, which are all thriving markets. A PMOLED TDDI IC sample is ready for customer outreach.

### 先進顯示

ADBU提供PMOLED顯示和OLED照明產品，以及雙穩態產品。除了標準IC外，ADBU亦提供定制IC設計服務，包括模擬、混合訊號及高壓IC設計，以滿足客戶的特定需要。

回顧期內ADBU產品的銷售額按年大幅上升約39%至約25.9百萬美元(2017上半年：18.6百萬美元)。

隨著市場上PMOLED面板產能的擴大，越來越多的銀行U盾採用PMOLED顯示器代替STN LCD顯示器。此外，智能家電市場於物聯網(「IoT」)時代一直快速增長。這些趨勢加上可穿戴設備市場的持續增長，促使本集團PMOLED顯示驅動器IC業務在回顧期間大幅增長。可穿戴設備方面，由於市場的顯示趨勢由單色轉為更高分辨率的灰階，本集團已獲得設計項目以把握商機。本集團亦透過包括醫療設備、光學取景器等其他應用的設計項目，繼續擴大PMOLED顯示驅動器IC業務的應用組合。

本集團一直致力開發新產品，為未來鋪路。其中一項重要創新是PMOLED觸控與顯示驅動器集成(「TDDI」)IC，它通過將顯示和觸控微電子集成到一晶片中，徹底改革了PMOLED技術。這項創新是全球首枚支持PMOLED面板的TDDI IC，標誌著PMOLED行業的一個重要里程碑，並將成為本集團的一項重要收入來源。主要應用於發展蓬勃的市場，包括可穿戴設備、醫療設備和智能家電。現PMOLED TDDI IC樣品已準備就緒，可用於客戶推廣。

The Group's bistable display business has seen strong growth leveraging the surging trend of store automation and the adoption of ESL in supermarkets and unmanned stores, particularly in the PRC. Apart from ESL applications, the Group has also achieved design-wins for other applications including scoreboards, tags for logistics asset management, etc. During the Period Under Review, the Group has developed new products supporting larger size bistable display panels of 7 inches to 13 inches.

### **Main Display**

The MDBU provides In-Cell TDDI ICs, 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, etc.

During the Period Under Review, the total sales of the MDBU amounted to US\$19.8 million (1H 2017: US\$20.0 million), remaining flat with that of last year.

During the Period Under Review, the Group has achieved a number of design wins for its maXTouch® touchscreen controller ICs with major international smartphone/tablet brands. Since the maXTouch® touchscreen controller ICs had not been actively promoted in the market for over one year prior to being purchased by the Group at the end of 2016, it has taken some time and effort for the maXTouch® team to make inroads back into the market. The Group's investment in these market leading products has begun to bear fruit and should contribute to the revenue stream starting from 2018.

The large display driver IC business has seen satisfactory growth and development in the review period. In addition to Panda-FPD, the Group managed to be qualified as a major supplier of large display driver ICs to CEC Panda's new Gen 8.6 fab in Chengdu, and Caihong Optoelectronics Technology in Xianyang. The Group has increased its share in the business of Panda-FPD and boosted the product shipment and revenue. It has also successfully designed-in a number of projects of the potential customers in Chengdu and Xianyang.

本集團的雙穩態顯示業務，憑藉商店自動化飆升以及愈來愈多超級市場及無人商店(尤其是中國)採用電子貨架標籤的趨勢，實現了強勁增長。除電子貨架標籤應用外，本集團亦已取得其他應用的訂單，包括計分牌、物流資產管理標籤等。於回顧期內，本集團已開發出新產品，支持7英寸至13英寸的大尺寸雙穩態顯示屏。

### **主流顯示**

MDBU提供針對智能移動裝置的In-Cell TDDI IC、On-Cell和Out-Cell觸摸屏控制器IC、TFT LCD顯示驅動器IC和MIPI橋接IC，以及用於包括電視、顯示器、筆記本電腦等大型顯示產品的TFT LCD顯示驅動器IC等。

在回顧期內，MDBU的總銷售額約為19.8百萬美元(2017上半年：20.0百萬美元)，與去年持平。

於回顧期內，本集團為其maXTouch®觸摸屏控制器IC成功取得多項主要國際智能手機／平板電腦品牌的訂單。由於maXTouch®觸摸屏控制器IC在2016年底被本集團收購之前，有超過一年未在市場上積極進行推廣，因此maXTouch®團隊需要花一些時間和精力，才能重新進入市場。本集團對這些市場領先產品的投資已開始見成效，應於2018年起為收入作出貢獻。

大型顯示驅動器IC業務於回顧期內取得了令人滿意的增長和發展。除Panda-FPD外，本集團還成為CEC Panda在成都的新8.6代線晶圓廠，以及咸陽彩虹光電科技的大型顯示驅動器IC主要供應商。本集團增加了其在Panda-FPD業務中的份額，提升了產品出貨量及收入，並成功取得了於成都和咸陽的潛在客戶一些設計項目。

# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## 管理層討論及分析(續)

The shipment volume of the Group's TDDI IC for FHD panels has started to increase in June 2018 and thus could not contribute to the total revenue in time to make up for the reduction in shipments of TDDI IC for FWVGA panels. The Group's new TDDI IC supporting FHD+ "infinity screens" with an aspect ratio of 21:9 has been designed-in a smartphone project and its MIPI bridge ICs have also captured design wins for virtual reality projects.

### OUTLOOK

The Group foresees a positive outlook in the second half of the year, given the anticipated strong growth potential in large display driver ICs and key applications of the Group's PMOLED and bistable products, including wearables, ESLs, and smart home devices. Other favorable developments include the expected ramp-up of shipments from the design wins achieved in the first half of the year together with the launch of key new products, including the world's first PMOLED TDDI IC, all of which should contribute to the revenue stream. The favorable book-to-bill ratio of 1.1 is also a positive indicator of growth.

### Advanced Display

In addition to the anticipated growing demands from applications including bank keys, smart home appliances, and wristbands with a grayscale display which are expected to further boost the Group's PMOLED display driver IC business, its ground breaking innovation of PMOLED TDDI IC is also expected to start pilot production in the last quarter of the year. The Group is optimistic about the strong potential of the PMOLED business.

The Group believes the growth momentum of the bistable display driver IC business should continue in the second half of the year, boosted by the anticipated continued strong growth of the ESL market in the PRC. The larger size bistable display panel market is also expected to expand leveraging the thriving ESL and medical device markets. The Group also aims to explore other new application markets so as to further expand the application portfolio.

本集團用於全高清面板的TDDI IC的出貨量於2018年6月份開始增加，因此未能趕及為總收入作出貢獻，彌補用於FWVG的TDDI IC出貨量的減少。本集團支持寬高比為21:9 FHD+「無限屏幕」的新型TDDI IC，已獲智能手機的設計項目，其MIPI橋接IC亦贏得了虛擬現實項目的訂單。

### 展望

本集團預期下半年前景樂觀，大型顯示驅動器IC和本集團PMOLED及雙穩太產品的主要應用，包括可穿戴設備、電子貨架標籤和智能家居設備皆預計增長潛力強勁。其他有利發展包括上半年獲得的訂單預期令出貨量增加；加上推出包括世界首枚PMOLED TDDI IC在內的關鍵新產品，全都應為收入來源作出貢獻。利好的1.1訂單出貨比率，亦是增長理想的指標。

### 先進顯示

除了預期需求日益增長的應用(包括銀行U盾、智能家居電器，和帶灰階顯示屏的手環)，將進一步推動本集團的PMOLED顯示驅動器IC業務以外，其具突破性創新的PMOLED TDDI IC亦預期在今年最後一個季度開始試產。本集團對PMOLED業務的強勁潛力持樂觀態度。

本集團預期中國的電子貨架標籤市場在下半年持續強勁增長，將推動雙穩顯示驅動器IC業務的增長勢頭。較大尺寸的雙穩態顯示器面板市場亦預計可憑藉蓬勃發展的電子貨架標籤和醫療設備市場而有所增長。本集團同時致力開拓其他新的應用市場，以進一步擴展應用組合。



## Main Display

The Group expects its maXTouch® touchscreen solutions, which have garnered a number of design wins during the Period Under Review, to continue the growth trend in the second half of 2018. Samples of its key new product, foldable AMOLED touch controller IC, are expected to be ready by the end of 2018 and mass production to start in 2019. The Group is continuing to develop more new touch controller ICs with additional advanced functionality to capture the strong growth potential of this next generation technology. The Group believes that its current leading products and new innovations would help to increase its market share and establish it as a leading global player in mobile touch solutions.

Given the success in increasing its share in the business of Panda-FPD, and engaging with the potential customers in Chengdu and Xianyang, the Group expects its large display driver IC business to sustain the growth momentum in the second half of 2018.

In terms of LCD panel technology, the Group is striving to capture the opportunities arising from the shortage of TDDI IC for FHD+ panels in the market. The Group's new TDDI IC targeting smartphones with a bezel-less frame and a 21:9 screen aspect ratio is expected to start mass production at the end of 2018 or early 2019.

## 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\$16.6 million on R&D, representing about 66% of total expenses and 36% of sales.

## HUMAN RESOURCES

As of 30 June 2018, the Group had a total workforce of 424 employees\*. About 40% 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

## 主流顯示

本集團預期於回顧期內獲得多個訂單的maXTouch®觸摸屏解決方案，將於2018年下半年繼續保持增長勢頭。其主要新產品—可折疊式AMOLED觸摸屏控制器IC的樣品預計於2018年底準備就緒，並於2019年開始批量生產。本集團將繼續開發更多具有額外先進功能的新型觸摸屏控制器IC，以捕捉此新一代技術的強勁增長潛力。本集團相信其目前的主要產品及創新產品將有助增加其市場份額，使其成為移動觸控解決方案的全球領先企業。

本集團成功增加於Panda-FPD業務中的份額，並與成都及咸陽的潛在客戶合作，預期其大型顯示驅動器IC業務的增長勢頭於2018年下半年將持續。

就液晶面板技術而言，本集團正致力抓住市場上缺乏FHD+面板TDDI IC所帶來的機遇。本集團針對無邊框和21:9屏幕寬高比智能手機的全新TDDI IC，預計將於2018年底或2019年初開始量產。

## 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16.6百萬美元，分別佔總開支約66%及銷售額約36%。

## 人力資源

於2018年6月30日，本集團共有424名員工\*。整體員工中約40%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 2018, 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2018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 2018 於2018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 <sup>(i)</sup> 所持購股權 數目 <sup>(i)</sup>	Total 總計	% of the issued share capital of the Company 佔本公司已發行 股本百分比
<b>Independent Non-executive Directors</b>		<b>獨立非執行董事</b>				
Leung Heung Ying	梁享英	Long 權益	–	1,600,000	1,600,000	0.06%
Sheu Wei Fu	許維夫	Long 權益	–	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%
<b>Non-executive Directors</b>		<b>非執行董事</b>				
Li Rongxin	李榮信	Long 權益	–	–	–	–
Li Jun	李峻	Long 權益	–	–	–	–
Ma Yuchuan	馬玉川	Long 權益	–	–	–	–
<b>Executive Directors</b>		<b>執行董事</b>				
Yeh Tsuei Chi	葉垂奇	Long 權益	1,902,000 <sup>(ii)</sup>	7,000,000 <sup>(iii)</sup>	8,902,000 <sup>(iv)</sup>	0.36%
Lo Wai Ming	盧偉明	Long 權益	33,572,179	3,000,000	36,572,179	1.47%

Notes:

附註：

- (i) Share options granted under the 2013 Share Option Scheme with more detail on pages 51 to 53.
- (ii) 1,902,000 Shares of the Company awarded to Dr. Yeh Tsuei Chi (“Dr. Yeh”) on 28 March 2018 are subject to vesting conditions. The shares have not vested as at 30 June 2018 and also the date of this interim report.
- (iii) Share options of the Company granted to Dr. Yeh on 11 January 2016 are subject to vesting of which 2 million share options have been vested during the period and accordingly the remaining 5 million options are not exercisable as at 30 June 2018 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 50.

- (i) 該等購股權為根據2013購股權計劃(詳情見第51到53頁)授出之購股權。
- (ii) 於2018年3月28日授予葉垂奇博士(「葉博士」)之1,902,000股本公司股票附歸屬條件，該股票於2018年6月30日及本中期報告日尚未歸屬。
- (iii) 於2016年1月11日授予葉博士之本公司購股權附歸屬條件，其中2百萬股於本期已歸屬，其餘5百萬股購股權於2018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50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 2018, 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2018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 2018 於2018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% <sup>(i)</sup>
China Electronics Corporation <sup>(ii)</sup> 中國電子信息產業集團 有限公司 <sup>(ii)</sup>	Interest of controlled corporation 所控制的法團的權益	Long 權益	706,066,000	-	706,066,000	28.5% <sup>(ii)</sup>

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 8,902,000 share awards/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 0.36% of the issued share capital in the Company as at 30 June 2018 and the date of this interim report. 1,902,000 share awards and 5,000,000 share options have not vested and, accordingly are not exercisable as at 30 June 2018 and the date of this interim report. Upon the full vesting and exercise of these share awards and share options, Dr. Yeh and Huada will together hold an aggregate of 714,968,000 shares of the Company representing approximately 28.7% of the then issued share capital of the Company (on the assumption that no further shares will be issued or repurchased by the Company).

附註：

- (i) 中國電子是一家直接隸屬於中華人民共和國中央政府管理的國有電子信息技術企業集團。華大乃中國電子之全資附屬公司。
- (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8,902,000股股份頒授／購股權，均為頒授予彼之獎勵股份及購股權，於2018年6月30日及本中期報告日約佔本公司已發行股本0.36%。該頒授予彼之1,902,000股獎勵股份及5,000,000股購股權尚未歸屬並因此於2018年6月30日及本中期報告日未能行使。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714,968,000股本公司股份，約佔本公司當時已發行股本28.7%（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 2018, 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2018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 225,115,235, representing 9.1% of the issued shares of the Company. The number of share options outstanding as at 30 June 2018 was 22,910,000.

Details of the share options outstanding as at 30 June 2018 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225,115,235股，佔本公司發行股份9.1%。於2018年6月30日，合共有22,910,000股有效購股權未經行使。

於2018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 2018 於2018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 2018 於2018年 6月30日持有			Begins 開始	Ends 結束
<b>Independent Non-executive Directors</b> 獨立非執行董事								
Leung Heung Ying 梁享英	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
	800	-	-	800	0.370	9 October 2017 2017年10月9日	2 October 2018 2018年10月2日	30 September 2020 2020年9月30日
	<b>1,600</b>	-	-	<b>1,600</b>				
Sheu Wei Fu 許維夫	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
	800	-	-	800	0.370	9 October 2017 2017年10月9日	2 October 2018 2018年10月2日	30 September 2020 2020年9月30日
	<b>2,400</b>	-	-	<b>2,400</b>				
Yiu Tin Chong, Joseph 姚天從	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
	800	-	-	800	0.370	9 October 2017 2017年10月9日	2 October 2018 2018年10月2日	30 September 2020 2020年9月30日
	<b>2,400</b>	-	-	<b>2,400</b>				
<b>Subtotal</b> 小計	<b>6,400</b>	-	-	<b>6,400</b>				

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 2018 於2018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 2018 於2018年 6月30日持有			Begins 開始	Ends 結束
<b>Executive Directors</b> 執行董事								
Yeh Tsuei Chi 葉垂奇	2,500	-	(1,500)	1,000	0.369	11 January 2016 2016年1月11日	2 April 2018 2018年4月2日	31 March 2020 2020年3月31日
	2,500	-	(1,500)	1,000	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
	<b>10,000</b>	<b>-</b>	<b>(3,000)</b>	<b>7,000</b>				
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
	<b>6,000</b>	<b>-</b>	<b>(3,000)</b>	<b>3,000</b>				
<b>Subtotal</b> 小計	<b>16,000</b>	<b>-</b>	<b>(6,000)</b>	<b>10,000</b>				
<b>Ex-directors</b> 前董事	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
<b>Subtotal</b> 小計	<b>800</b>	<b>-</b>	<b>-</b>	<b>800</b>				
<b>Senior management &amp; employees</b> 高級管理層及員工	950	-	-	950	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	(100)	(250)	-	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
	500	(300)	-	200	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
	500	(300)	-	200	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	-	(1,740)	1,260	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
<b>Subtotal</b> 小計	<b>8,400</b>	<b>(700)</b>	<b>(1,990)</b>	<b>5,710</b>				
<b>Total</b> 總計	<b>31,600</b>	<b>(700)</b>	<b>(7,990)</b>	<b>22,910</b>				

# 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 2018.

### 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 2018.

### 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 2018.

### 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, Ernst & Young, 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2018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2018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2018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2名獨立非執行董事及1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安永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 1H 2018, 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](http://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](http://www.hkexnews.hk)) and the Company's website ([www.solomon-systech.com](http://www.solomon-systech.com)) on 22 August 2018.

On behalf of the Board  
**Solomon Systech (International) Limited**  
**YEH Tsuei Chi**  
*Chief Executive Officer*

Hong Kong, 22 August 2018

## 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2018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](http://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2018年8月22日於聯交所網站([www.hkexnews.hk](http://www.hkexnews.hk))及本公司網站([www.solomon-systech.com](http://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，2018年8月22日

## 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, for the purpose of this report, excludes Hong Kong and Macau Special Administrative Regions of the PRC and Taiwan
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
ESL	Electronic Shelf Label
FHD	Full High Definition, a display resolution standard of 1920 x 1080 pixels
FHD+	A display resolution standard of 2220 x 1080 pixels, which is more than the normal FHD 1080p
FVTPL	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 of the PRC
IC	Integrated Circuit
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
Panda-FPD	Nanjing CEC Panda Flat Panel Display Technology Co., Ltd.**, a company established in the PRC with limited liability, is a subsidiary of Nanjing Huadong Electronics Information & Technology Co., Ltd.**
Period Under Review	For the first six months ended 30 June 2018
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
TDDI	Touch and Display Driver Integration
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

\*\* for identification purpose only

## 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	中華人民共和國，就本報告而言，不包括中國香港及澳門特別行政區及台灣
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
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
FHD+	一種顯示解像度的標準，解像度為2220 x 1080像素，較一般全高清1080p為高
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	中國香港特別行政區
IC	集成電路晶片
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
熊貓平板顯示	南京中電熊貓平板顯示科技有限公司，一家於中國註冊成立之有限責任公司，乃南京華東電子信息科技股份有限公司的附屬公司
回顧期	截至2018年6月30日止6個月
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
TDDI	觸控與顯示驅動器集成
TFT	薄膜電晶體
UHD	超高清(Ultra-High Definition, UHD或4K/8K)是一種顯示解析度的標準，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 2018

### 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

2,480,252,351 (as at 30 June 2018)

#### 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](http://www.tricoris.com)

#### Independent Auditor

Ernst & Young

#### 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

2018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

2,480,252,351 (於2018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](http://www.tricoris.com)

#### 獨立核數師

安永會計師事務所

#### 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. Ma Yuchuan (*appointed on 14 March 2018*)  
Mr. Zhao Guiwu (*resigned on 14 March 2018*)

### 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, FCA*

### Corporate Communications/Investor Relations

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

### Principal Office

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

### Website

[www.solomon-systech.com](http://www.solomon-systech.com)

## 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  
馬玉川先生(*於2018年3月14日獲委任*)  
趙貴武先生(*於2018年3月14日辭任*)

### 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, FCA*

### 企業傳訊／投資者關係

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

### 總辦事處

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

### 網址

[www.solomon-systech.com](http://www.solomon-systech.com)

# CORPORATE AND SHAREHOLDER INFORMATION (continued)

## 公司及股東資料(續)

This 2018 Interim Report (bilingual version in English and Chinese) has been posted on the Company's website at [www.solomon-systech.com](http://www.solomon-systech.com).

Shareholders who have chosen to receive the Company's corporate communications (including but not limited to annual reports, summary financial reports (where applicable), interim reports, summary interim reports (where applicable), notices of meeting, listing documents, circulars and proxy forms) via the Company's website and for any reason have difficulty in gaining access to the 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](mailto:solomon2878-ecom@hk.tricorglobal.com).

本2018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](http://www.solomon-systech.com)。

選擇透過本公司網站收取本公司的公司通訊(其中包括但不限於年報、財務摘要報告(如適用)、中期報告、中期摘要報告(如適用)、會議通告、上市文件、通函及代表委任表格),及因任何理由以致在接收載於本公司網站的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](mailto:solomon2878-ecom@hk.tricorglobal.com)。



