



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

(Incorporated in Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 2878

ANNUAL REPORT 2023
年報

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CORPORATE PROFILE

公司簡介

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

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

VISION

Provide the ultimate silicon solution for every display system

願景

為每個顯示系統提供最終的晶片解決方案



PRODUCTS OVERVIEW

產品簡介

BISTABLE DISPLAY

Bistable display is a non-traditional display technology. It is a display device illuminated by reflecting ambient light. Bistable display offers paper-like readability, with features such as high contrast, a wide viewing angle, reflectiveness, and readability under sunlight. It is ultra thin and lightweight. Some bistable displays can even be twisted out of shape. Moreover, system power can be saved by the bistability characteristics, since the image remains on display even after the panel power supply has been removed.

Solomon Systech develops the specialized Bistable Display Driver Controllers to make this novel display technology a standard in low-power-consuming monitors. These highly integrated drivers consist of MCU interface for command and image data input, display RAM to buffer image data and high voltage driving outputs. To minimize system cost and space, the drivers have built-in DC/DC converter to supply high voltage to drive bistable display. These drivers can be applied to different bistable display technologies, such as Electrophoretic displays (EPD) and more.

In order to allow customers to verify the functions and customize for his own interest, we can support various development platforms for easy testing and development, and the display driver with MCU board and USB interface can drive and simulate customers' own design by PC programming.

Applications

IoT Devices, Electronic Shelf Labels (ESL), Electronic Signages for POP/POS, Smart Watches/Meters, Health Care Devices, Mobile Displays, Indicators, Smart Cards, etc.

雙穩態顯示

雙穩態顯示是一種非傳統的顯示技術，一種通過反射環境光照明的顯示設備。雙穩態顯示具備類似於紙張的可讀性：高對比度、寬視角、反射性和陽光下可讀，而且超薄、輕便，部分軟屏技術產品更可彎折變形。即使切斷面板電源，圖像仍保留於顯示器上，因此通過雙穩態特性可以節省系統功率。

晶門科技開發了專門的雙穩態顯示驅動控制IC，令這項新穎的顯示技術成為現實中低功耗顯示屏標準。這些高度集成的驅動IC包括用於命令和圖像數據輸入的MCU接口，用於緩沖圖像數據的顯示RAM和高壓驅動輸出。為了使系統成本和空間最小化，驅動IC內置DC/DC轉換器以提供高電壓來驅動雙穩態顯示器。這些驅動IC可以應用於不同的雙穩態顯示技術，如電泳顯示器(EPD)等。

為了使客戶能夠驗證功能並根據自己的產品進行設計，晶門科技可以支持各種開發平台，以方便進行測試和開發，帶有MCU板和USB接口的顯示驅動IC可以通過PC編程來驅動和模擬客戶自己的設計。

應用領域

物聯網設備、電子貨架標籤(ESL)、用於POP/POS的電子標牌、智能手表/儀表、健康保健設備、移動顯示器、指示器、智能卡等。



MOBILE DISPLAY

Solomon Systech provides a wide range of Mobile display IC solutions, including In-Cell Touch Display Driver IC (TDDI), TFT Display Driver IC, STN Display Driver IC, MIPI Bridge IC, Display Controller IC, LCD Touch Controller IC, Hi-speed interface IC and Local Dimming MiniLED Backlight Product. They support applications including Smartphones, tablets, wearable, gaming and IoT devices etc.

移動顯示

晶門科技提供多種移動顯示IC解決方案，包括內嵌式觸控顯示驅動IC、TFT顯示驅動IC、STN顯示驅動IC、MIPI橋接IC、顯示控制IC、LCD觸控IC、高速介面IC和區域調光MiniLED背光產品。它們支持智能手機、平板電腦、可穿戴設備、遊戲和物聯網設備等各種應用。



PRODUCTS OVERVIEW

產品簡介

OLED DISPLAY

As OLED display technology and its manufacturing process become mature, more and more applications have adopted OLED as a smart display. In addition, as the self-emissive OLED display is readable under any light condition and inherent a wide operating temperature range, it is suitable for outdoor applications even under severe weather condition. Solomon Systech offers wide range of OLED driver ICs to match with various kinds of applications.

Passive Matrix OLED Driver Controller

Solomon Systech continues to be the market leader in the Passive Matrix OLED (“PMOLED”) display IC, which has competitive edge in small size mobile display applications. In addition to providing a full range of PMOLED driver ICs from icon, mono and gray scale to full color with highly integrated features, Solomon Systech continues to expand its product portfolio by launching new PMOLED display ICs with built-in Character ROMs.

With the success of Solomon Systech’s OLED driver technology, the PMOLED drivers employ a proprietary driving scheme to reduce system power consumption and enhance display performance. They are ideal display solutions for portable devices.

Applications

Mobile phone, portable gadget, health care product, smart power meter, industrial instrument, consumer appliance, remote control, keypad, switch, etc.

OLED顯示

隨著OLED顯示技術及其製造工藝日漸成熟，越來越多的應用將OLED用於智能顯示。此外，由於自發光OLED顯示器在各種光線狀況下都適宜閱讀，並有寬闊的工作溫度範圍，因此即使在惡劣的天氣條件下，它也適用於戶外應用。晶門科技提供多種OLED驅動IC，適用於多種應用。

被動式OLED驅動控制IC

晶門科技是被動式OLED（「PMOLED」）顯示IC市場的領導者，該產品在小尺寸移動顯示應用中極具競爭優勢。除了提供從圖標、單色和灰階顯示到全彩色高度集成的全系列PMOLED驅動IC外，晶門科技還通過推出內置字符ROM的新型PMOLED顯示IC來繼續擴展其產品組合。

隨著晶門科技OLED驅動IC技術的成功，其PMOLED驅動IC採用了專有的驅動方案來降低系統功耗並增強顯示性能。它們是便攜式設備的理想顯示解決方案。

應用領域

手機、便攜式小應用、醫療產品、智能電表、工業儀器、消費類電器、遙控器、鍵盤、智能開關等。



LARGE DISPLAY

Solomon Systech provides a wide range of large display driver IC solutions, including source drivers, gate drivers, a GIP controller and power IC. They support applications including monitors, notebooks, large-size TVs, etc. in different resolutions of HD, FHD, QHD and UHD 4K/8K.

Applications

Monitors, TV, Notebooks, etc.

大型顯示

晶門科技提供多種應用於大型顯示屏驅動芯片的解決方案，包括源極驅動、柵極驅動、GIP控制器和電源IC。支持HD、FHD、QHD、UHD4K/8K等不同分辨率的顯示器、筆記本、大尺寸電視等應用。

應用範圍

顯示器、電視、筆記本等。



PRODUCTS OVERVIEW

產品簡介

CUSTOM ICs

We have specialized in designing, testing and delivering custom IC for digital, analog and mixed-signal applications. With more than 20 years of display IC experience, our turnkey services have provided one of the most convenient and easiest ways from ASIC to SoC production. Our in-house experts and manufacturing partners have strived to ensure the production quality of the IC tailored for our customers with the provision of state-of-the-art test facilities.

MiniLED/μLED Custom Driver Controller

Nowadays, the fast-response and vivid color MiniLED/μLED display is very popular for high resolution devices. In response to the demand for MiniLED/μLED displays, Solomon Systech provides custom display ICs design solution. Solomon Systech has rich experience in both passive matrix, amorphous/LTPS/Oxide-TFT driver design and owns a library featuring state-of-the-art IPs that are tailor-made for MiniLED/μLED display. Combined with compact design Solomon Systech drivers are the ultimate MiniLED/μLED display driver solutions for the applications.

Hi-Speed Interface IC

Pioneering in MIPI solutions for display, Solomon Systech offers a series of proprietary MIPI bridge IC that support high-resolution, high-speed and low-power display of smart devices. Among our solutions which all support AMOLED, a-Si LCD, metal oxide TFT and LTPS LCD panel technologies, we boast the lowest power consumption MIPI 8-lane transmitter in the world. In addition to MIPI bridge IC, Solomon Systech also provides other custom hi-speed interface IC solutions such as eDP, QSPI and LVDS to tailor to individual needs.

Local Dimming MiniLED Backlight Product

Local dimming is the most effective technology to improve the performance of LCD displays. The distinction between black and white becomes stronger and the contrast of the display will be increased with this technique. Solomon Systech's Local Dimming MiniLED Backlight Products control LED backlight array effectively. Displays can be easily upgraded by replacing the MiniLED backlight array modules with our local dimming solutions. While utilising existing LCD Panel and structure can help save development time and cost, visual performance comparable with OLED display can be achieved with lower cost.

Applications

Mobile phone, tablet PC, TV, VR/AR glasses, consumer appliance, portable game console etc.

定制集成電路

晶門科技專門從事數字、模擬和混合信號的集成電路定制服務，提供從設計、測試到量產交付的整體解決方案。憑借超過20年的顯示IC開發經驗，晶門科技的一站式服務可為ASIC到SoC生產提供最簡便的途徑。晶門科技的內部專家團隊和生產合作夥伴共同致力於利用最先進的測試設備確保客戶定制集成電路產品的品質。

MiniLED/μLED定制驅動控制IC

快速響應和色彩鮮艷的MiniLED/μLED顯示IC在當今高解析度顯示設備中備受青睞。為滿足用戶對MiniLED/μLED顯示IC的需求，晶門科技提供了定制顯示集成電路設計解決方案。晶門科技在被動式、非晶、LTPS、氧化物-TFT等驅動IC設計方面均具有豐富經驗，並擁有專用於MiniLED/μLED顯示的最先進的IP數據庫。結合緊湊的設計，晶門科技的驅動IC是針對MiniLED/μLED顯示驅動產品應用的終極解決方案。

高速介面IC

晶門半導體是MIPI顯示解決方案的先驅，提供一系列專有MIPI橋接IC，支持智能設備的高分辨率、高速和低功耗顯示。我們的解決方案均支持AMOLED、非晶矽LCD、金屬氧化物TFT及LTPS LCD面板技術，並擁有全球最低功耗的MIPI 8通道傳輸器。除MIPI橋接IC外，晶門半導體亦提供其他定制高速介面IC解決方案，如eDP、QSPI及LVDS，以滿足個別需求。

區域調光MiniLED背光產品

區域調光是改善LCD顯示器效果的最有效技術。使用此技術會讓畫面變得更黑白分明，整體而言顯示器的對比度將會增加。晶門半導體的區域調光IC只需配備Mini LED背光模塊便能有效地控制LED背光的輸出，從而可輕鬆升級顯示器的表現。運用現有的LCD面板及架構有助節省開發時間及成本，並可以更低成本達到與OLED顯示器相當的視覺表現。

應用領域

手機、平板電腦、電視、虛擬實境(VR)/擴增實境(AR)眼鏡、消費類設備、便攜式遊戲機等。

FINANCIAL HIGHLIGHTS

財務摘要

(A) Results 業績

		2023 US\$ million 百萬美元	2022 US\$ million 百萬美元	Change % 變動百分比
Revenue	銷售額	153.2	190.8	-19.8%
Gross profit	毛利	46.3	65.5	-29.2%
Gross margin (%)	毛利率(%)	30.3	34.3	-4.0% point 百分點
Profit attributable to owners of the parent	本公司擁有人應佔溢利	19.4	27.8	-30.1%
Earnings per share (US cent)	每股盈利(美仙)	0.8	1.1	

(B) Financial Position 財務狀況

		As at 31 December 於12月31日		
		2023 US\$ million 百萬美元	2022 US\$ million 百萬美元	Change % 變動百分比
Total assets	總資產	157.4	158.3	-0.5%
Shareholders' funds	股東權益	126.9	109.2	16.3%

(C) Financial Ratios 財務比率

		As at 31 December 於12月31日	
		2023	2022
Current ratio	流動比率	4.96	3.02
Debt to equity ratio	債務權益比率	0.013	0.013

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

I have great pleasure to present the Group's annual report for the year ended 31 December 2023.

2023 was a year full of challenges and opportunities. The high interest rates and inflation hindered the demand for and development of consumer electronics. However, the Group formulated a relatively prudent business strategy at the beginning of the year to actively reduce inventory and maintain its efforts in research and development. With the end of the interest rate hike cycle and economic recovery, the semiconductor industry was expected to bottom out in the second half of 2024. Facing the unpredictable market environment, the Group actively developed and innovated products in various areas, and established diversified chip solutions and partnerships, to respond to market changes with flexible strategies.

Industry returns to normal and technology as driver of growth

Although the overall semiconductor market performance was relatively flat in 2023, the industry players have showed resilience under multiple pressures, and tapped into the artificial intelligence (AI) and automotive application sectors to cater for the latest needs of consumers. It is expected that the destocking cycle across the semiconductor industry will end in 2024, and supply and demand will gradually tend to achieve a balance. Therefore, the industry is likely to recover from the second half of the year. Benefiting from the recovery of end product demand, the International Data Corporation (IDC) forecasts that the Asia-Pacific market will grow by 14% in 2024.

With an increase in the income of USA citizens and the acceleration of emerging retail trend, retail giants will introduce ESL on a large scale this year. Meanwhile, following the environmental, social and corporate governance (ESG) trend, ESL will be used more frequently, and accordingly the market size will gradually expand. It is estimated that in 2024, the global ESL market size will reach US\$1.73 billion. Furthermore, driven by automotive intelligence and networking, more and more automotive electronics will rely on chips in the future, bringing stable demand for semiconductors in the long term.

各位股東：

本人欣然提呈本集團截至2023年12月31日止年度的年報。

2023年是充滿挑戰與機遇的一年，高利率及高通脹環境對消費電子產品的需求和發展形成阻礙。慶幸集團於年初已訂下相對穩健的經營策略，以積極減低庫存及保持研發力度。隨著加息週期完結及經濟復甦，半導體行業有望在2024年下半年觸底反彈。面對變幻莫測的市場環境，集團在不同產品領域積極研發創新，建立多元化的芯片解決方案和合作夥伴關係，以靈活的策略應對市場變化。

行業回歸正常科技引領增長

儘管2023年半導體整體市場表現較為平淡，各業者在多重壓力下仍表現出韌性，紛紛切入人工智能(AI)及汽車應用領域，以迎合消費者最新需求。市場預期整個半導體行業的去庫存週期將在2024年結束，供需將逐步趨向平衡，行業有望在下半年開始復甦。受惠終端需求回升，國際數據公司(IDC)預測2024年亞太市場將增長14%。

隨著美國居民收入增加和新零售趨勢加速，零售巨頭企業將在今年大規模推出電子貨架標籤，同時受到環境、社會和企業管治(ESG)趨勢的影響，電子貨架標籤的使用率將逐步提高，市場規模也將逐步擴大。預計在2024年，全球電子貨架標籤市場將達到17.3億美元。另一方面，在汽車智能化與聯網化驅動下，未來將有越來越多的汽車電子依賴晶片，帶來對半導體長期而穩健的需求。

Focus on technology and innovation to cope with the ever-changing market

The semiconductor market is changing rapidly. With years of extensive experience in the industry, the Group deeply understands the importance of technology and innovation. Leveraging its own scientific research and technology advantages, in combination with external R&D cooperation, it has made remarkable achievements in scientific research. As a world leading supplier of e-paper display driver IC, we provide high-quality and reliable products to meet the demanding requirements of customers. In the fourth quarter of 2023, the large-sized four-color label was successfully launched on the market, which reflected the Group's technological advantages and established its leading position in this large market. Meanwhile, as a forerunner in the application of mini/micro-LED, the Group launched the world's first small-sized passive matrix micro-LED display driver IC – SSD2363 in 2023, further establishing its top position in the global market share of PMOLED display driver IC with technological innovation.

In view of the changing market, the Group actively expanded its competitive advantages in some basic areas. In particular, the Group has launched a series of highly competitive icon IC products in 2023, which have significant price advantages with a wide range of applications, covering displays up to the size of 4 inches. These products will help the Group expand its market share in the large-panel smart home appliances sector, while promoting the sales of OLED display ICs.

Looking ahead, the semiconductor industry remains challenging amid uncertain macroeconomic conditions. However, leveraging the Group's advantages such as strong R&D team, comprehensive product coverage, diversified patent portfolio, extensive distribution channels and an experienced management team with a global perspective, we are cautiously optimistic that the semiconductor market will bottom out in 2024. The Group will continue to strive for excellence by formulating sustainable development strategies, enhancing the team's R&D capabilities and diversifying its business and product portfolio to respond to the ever-changing consumer demand, and explore various opportunities arising from the digital economy, aiming to generate satisfactory returns to the Shareholders.

Appreciation

On behalf of the Board of Directors, I wish to express my sincere gratitude to shareholders, investors, customers, suppliers, bankers and business partners for their continuing support. The arrival of the new era of digital economy will promote the further expansion of the consumer market for semiconductors, and the industry will face unprecedented competition and cooperation possibilities. We will forge ahead and actively leverage our leading technological advantages, and work together as a whole to prepare for a new cycle of market demand.

Ma Yuchuan
Chairman

Hong Kong, 20 March 2024

科技與創新為重 應對市場不斷變化

半導體市場瞬息萬變，集團憑藉多年的行業深耕，深刻理解科技與創新的重要性，通過自身的科研技術優勢，結合外部研發合作，推動科研成果豐碩。作為全球領先的電子紙顯示驅動IC供應商，我們提供高品質、可靠的產品，以滿足客戶的嚴格要求。大尺寸四色標籤於2023年第四季成功推出市場，體現集團的技術優勢，並奠定集團在該龐大市場中的領先地位。同時，作為mini/micro-LED應用的先行者，集團於2023年推出了全球首枚小尺寸被動式micro-LED顯示驅動IC – SSD2363，再一次以科技創新確立作為PMOLED顯示驅動IC全球市佔率第一的地位。

因應市場的持續變化，集團積極拓展在部分基礎領域的競爭優勢。集團於2023推出一系列極具競爭力的圖標IC(icon IC)產品，其價格優勢明顯，且適用範圍廣泛，覆蓋大至4英寸的面板尺寸。這些產品將有助於集團擴展在大面板智能家電領域的市場份額，同時促進OLED顯示IC的銷售。

展望未來，在不明朗的宏觀經濟狀況下，半導體行業仍充滿挑戰。然而，憑藉集團強大的研發團隊、全面的產品覆蓋、豐富的專利組合、廣闊的分銷渠道，以及具國際視野和經驗豐富的管理團隊等優勢，我們對於半導體市場於2024年走出谷底抱持審慎樂觀的看法。集團將繼續力爭上游，制定可持續發展策略，提升團隊研發能力，多元拓展業務和產品組合，以回應日新月異的消費需求，並發掘數字經濟帶來的種種機遇，最終目標為股東帶來理想的回報。

致謝

本人謹代表董事會，衷心感謝股東、投資者、客戶、供應商、銀行及商業夥伴長期以來的支持。數字經濟新時代的到來，將推動半導體消費市場進一步擴大，整個行業也將迎來前所未有的競爭與合作可能性。我們會砥礪前行，積極發揮領先的技術優勢，集團上下一心，迎接一個新的市場需求週期。

馬玉川
主席

香港，2024年3月20日

CHIEF EXECUTIVE OFFICER'S MESSAGE

行政總裁的話

Dear Shareholders,

Looking back on 2023, global economic activities faced severe challenges. The inflation and high interest rate environment significantly impacted the demand for consumer electronics. The Group has set relatively conservative operating targets at the beginning of 2023: focusing on active destocking and maintaining the market share of the Group's major products. Fortunately, the gradual reduction in foundry costs of wafer fabs since the second half of 2023 has alleviated some of the cost pressure on companies. Despite the difficult external environment, the Group continued to consolidate its technological leadership in the industry and timely adjust its operating strategies in response to market changes to maintain its business growth momentum and resilience.

Steady Growth in Shipment Volume Offsetting Price Reduction

During the year ended December 31, 2023 (the "Year under Review"), market demand for the Group's products remained stable and the shipment volume of the Group grew steadily, with a year-on-year increase of 7.4% to approximately 336 million units. However, affected by the price reduction in products, sales revenue decreased by 19.8% year-on-year to US\$153.2 million. Profit attributable to owners of the Company decreased by 30.1% year-on-year to US\$19.4 million as a result of the decrease in sales revenue and the disproportionate decrease in average selling prices compared to decrease in some costs of products. Earnings per share for the year was 0.8 US cents. During the Year under Review, the Group continued to ensure the stability of the supply chain, control the inventory level and push forward with product innovation, thereby strengthening its competitive advantages and ensuring reasonable profit.

Leveraging our Technological Strengths and Stabilizing our Business Foundation

In the light of the continued depressed demand for semiconductors in 2023, the Group flexibly adjusted its product mix in line with market conditions. While stabilizing its main business, the Group developed new products such as passive matrix micro-LED display driver, mini-LED backlight products, four-color display labels and automotive integrated driver IC.

During the Year under Review, driven by the sales of existing three-color display labels and the launch of large-size four-color display labels in the fourth quarter, the shipment volume of new display IC products increased by 9.8% year-on-year. Regarding the OLED Display ICs business, the Group offers passive matrix OLED ("PMOLED") and mini/micro-LED products. The Group is the world's largest manufacturer of display driver ICs for PMOLED display products in terms of shipment volume during the year.

各位股東：

回顧2023年，環球經濟活動受到嚴峻挑戰，通脹和高息環境嚴重打擊消費電子產品的需求。本集團在2023年初已訂下相對保守經營目標，以積極去庫存、保持集團在主要產品的市佔率為主。可幸晶圓廠代工成本於2023年下半年起持續漸下降，緩解了企業部分成本壓力。儘管外部環境嚴峻，本集團持續鞏固在行業上的技術領先優勢，同時亦因應市場變化適時調整營運策略，以保持業務的增長動力及發展韌性。

付運量穩健增長 抵銷價格下降 影響

於截至2023年12月31日止年度（「回顧年內」），市場對集團產品保持穩定需求，本集團付運量穩健增長，2023年交付量按年增長7.4%，至約336百萬件。然而，受產品價格下降影響，銷售收入按年減少19.8%至153.2百萬美元。在銷售收入減少，以及產品平均售價的下跌與部分成本的降低不成比例的情況下，本公司擁有人應佔溢利按年減少30.1%至19.4百萬美元。年內每股盈利為0.8美仙。集團於回顧年內繼續確保供應鏈穩定，致力控制庫存及推動產品創新，以增加自身競爭優勢及保持合理利潤水平。

發揮技術優勢 穩健業務基礎

半導體需求於2023年持續低迷，集團根據市場情況積極靈活調整產品組合。在穩定基礎業務的同時開發新型產品，例如被動式micro-LED顯示驅動晶片、mini-LED背光產品、四色顯示標籤、車用整合驅動IC等。

於回顧年內，在現有三色顯示標籤的銷售帶動下，加上大尺寸四色顯示標籤於第四季上市，新型顯示IC產品付運量按年增長9.8%。OLED顯示IC業務上，集團提供被動式OLED（「PMOLED」）和mini/micro-LED產品等，按年內付運量計算，集團是全球最大的PMOLED顯示驅動IC廠商。

CHIEF EXECUTIVE OFFICER'S MESSAGE

行政總裁的話

Regarding the Mobile Display and Mobile Touch ICs business, during the Year under Review, the Group co-developed a human interface display platform with several leading small-to-medium-sized TFT-LCD panel makers and successfully entered mass production in the second half of the year. Meanwhile, the demand for the Group's game console controller and MIPI Bridge ICs remains steady, and the Group has successfully secured manufacturing orders for 2024, which will bring sustained and stable revenue and profit contributions to the Group.

Expanding the Scope of R&D to Speed Up our Entry into Markets

The Group keeps abreast with technology advancement and market trends and continues to focus on novel product development. Leveraging its technological edge and intellectual properties, the Group actively expands R&D collaboration to accelerate its entry into target markets with a view to achieving promising returns in the less explored areas.

During the Year under Review, the Group launched the world's first small-sized passive matrix micro-LED display driver IC – SSD2363 and was honored with the "Product Award – Best of the MCU/Driver IC (Asia) of the Year" award at EE Awards Asia 2023, which was the Product Award from EE Awards Asia won by the Group for the second time in a row. As for the newly developed mini-LED backlight solution, the Group is actively reaching out to customers in different fields to launch products for specific applications.

As for electronic paper, the Group supported E Ink in developing the Display IC Solutions that enables a four color spectrum display for Spectra™ 3100, a next-generation specialised platform for ESL and retail signage application, which has been launched in the second half of 2023. Meanwhile, we are developing large display applications, including color electronic retail signage over the size of 20 inches, which is expected to commence mass production in the first half of 2024. The Group is also partnering with internationally renowned e-book brands to launch full-color e-book readers. With the related display IC products delivered in the first quarter of 2024, hopefully this would become a new driving force for our new display IC segment revenue.

Regarding our Large Display ICs business, the Group has closely followed the main trends in the future and started the development of automotive driver IC solutions. The Group is cooperating with a large display manufacturer in the design and development of the first automotive-specific integrated driver IC, which targets mass production in the fourth quarter of 2024 and will be applied to major automotive systems in Mainland China.

移動顯示及移動觸控IC業務方面，集團於回顧年內與數家行業領先的中小型TFT-LCD顯示器面板廠商合作開發人機介面顯示平台，並於下半年實現量產。同時市場對集團的遊戲控制器及MIPI橋接IC的需求穩定，集團已成功取得2024年的生產訂單，將為集團帶來持續穩定的收入和盈利貢獻。

擴大研發領域 加速進入市場

本集團緊貼技術進步和市場趨勢，持續專注創新產品開發。透過技術優勢和知識產權，積極擴大研發合作，以加速進入目標市場，並在較少探索的領域獲得理想回報。

回顧年內，集團成功推出全球首款小尺寸被動式micro-LED顯示驅動IC – SSD2363，並榮獲2023年亞洲金選獎 (EE Awards Asia) 的「產品獎 – 年度最佳MCU/Driver IC (亞洲)」獎項，為集團連續第二年於亞洲金選獎中獲得產品獎。同時，針對新開發的mini-LED背光方案，集團正與不同領域的客戶接觸，以推出切合個別應用的產品。

在電子紙方面，本集團已於2023年下半年推出支援元太科技的新一代電子墨水專用平台 Spectra™ 3100所研發的四色顯示IC解決方案。同時，我們正在研發大型顯示應用，包括20英寸以上的彩色電子零售標牌，預計將於2024年上半年開始量產。集團亦正攜手國際知名的電子書品牌推出彩色電子書閱讀器，相關的顯示IC產品已於2024年第一季交付，有望成為我們新型顯示IC收入的新動力。

在大型顯示IC領域，集團已緊跟未來的主流趨勢，正式展開車載驅動IC解決方案的開發。集團正與某大型顯示屏廠商合作進行首款車用規格整合驅動IC的設計開發，旨在於2024年第四季量產，並應用於中國內地主流車載系統。

CHIEF EXECUTIVE OFFICER'S MESSAGE

行政總裁的話

Future Prospect and Strategies

Looking ahead, against the backdrop of ongoing high interest rate, the macro economy remains uncertain and demand growth in the manufacturing industry remains weak. However, as the interest rate hike cycle is expected to come to an end, the overall high inventory in the industry will gradually improve and the market will begin to recover in the second half of 2024. In addition, with the recovering demand for consumer electronics, the market for personal electronic devices is expected to rebound and thus bring about a turn for the better for the display driver IC industry. The real benefits of the price reduction measures of wafer fabs in 2023 to the companies will be reflected in 2024, effectively alleviating cost pressure.

In response to the current market conditions, the Group launched a series of icon ICs with competitive prices in 2023. This product is applied to displays up to the size of 4 inches, which can help the Group expand into the market of large-panel smart home appliances and stimulate the sales of the OLED display ICs segment. The Group will also strengthen the promotion of other newly developed products including SSD2363 and mini-LED backlight solutions to potential customers to expand the scope of product applications and increase sales.

In 2024, with a cautiously optimistic attitude, we will continue to focus on technology improvement and develop high value-added products that meet market demand. We will also actively look for opportunities to bring better returns to the Group.

Last but not least, I would like to take this opportunity to extend my sincere gratitude to all members of senior management and staff for their hard work and dedication to their duties despite the uncertain external environment in the past year. Also, I would like to express my heartfelt thanks to all shareholders, investors and other business partners for their consistent support to and trust in the Group. Let us work together to maximize value.

Wang Wah Chi, Raymond
Chief Executive Officer

Hong Kong, 20 March 2024

未來展望與策略

展望未來，持續高息環境使宏觀經濟依然不明朗，製造業的需求增長仍然疲軟。然而，隨著加息週期有望完結，行業整體庫存積壓情況逐漸改善，市場可期在2024下半年開始復甦。此外，隨著消費電子需求回溫，個人電子設備的市場將實現反彈，這將為顯示驅動芯片行業帶來轉機。而晶圓廠於2023年的降價措施將反映在2024年企業的實際效益，有效減輕成本壓力。

針對目前市場情況，本集團於2023年推出一系列具價格競爭力的圖標IC(icon IC)，該產品可用於大至4英寸的面板，有望拓闊集團市場至大面板智能家電，刺激OLED顯示IC分部的銷售。本集團將同時加大力度向潛在客戶推廣其他新開發的產品，包括SSD2363及mini-LED背光方案，以拓展更大的產品應用範圍，推動產品銷售。

保持着審慎樂觀的態度，於2024年我們將持續專注提升科研技術，開發切合市場需要的高增值產品，並主動尋找為集團帶來利益的機會。

本人謹藉此機會，向全體高級管理層和員工致以最誠摯的感謝，感謝他們過去一年的默默耕耘，以及在外部環境不明朗的情況下依然恪盡職守。衷心感謝所有股東、投資者及其他業務夥伴，對集團一貫的支持與信賴表示，讓我們攜手前行，創造更大價值。

王華志
行政總裁

香港，2024年3月20日

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Business Review

In 2023, while the global economy was plagued by uncertainties such as high interest rates and the Russia-Ukraine war which affected the demand for consumer electronics, it still takes time for the economy to fully recover. Despite the downward price pressure on end products, the overall inventory level of the industry remained high. Fortunately, the Group's overall shipment volume was still growing and the overall inventory has dropped by approximately 42% compared to the end of last year, which helped reduce operating risks. In terms of costs, wafer foundries began to allow room for price reductions in the middle of the year which slightly alleviated the cost pressure on the Group, and the real benefits are expected to be reflected in early 2024.

During the year under review, the Group's shipment volume for the year increased by 7.4% to approximately 336 million units compared with 2022 (312.9 million units). However, sales revenue decreased by 19.8% to US\$153.2 million compared with 2022 (US\$190.8 million) due to lower average product prices.

New Display ICs

New Display IC products mainly refer to bistable display products of the Group. Bistable display is a non-traditional display technology where the display device is illuminated by reflecting ambient light.

During the year under review, the shipment volume of the Group's new display IC products grew steadily. In addition to the sales of existing three-color display labels, it was also driven by the new launch of four-color display labels into the market in the fourth quarter. The Group supported E Ink in developing the Display IC Solutions for Spectra™ 3100, a next-generation specialised platform for ESL and retail signage application in 2021. This significant technological breakthrough that enables a four-color spectrum display has helped place the Group in a leading position in this huge market. The large-size four-color display labels supported by the Group's IC products was launched on the market in the fourth quarter of 2023, and other sizes of the four-color display labels are expected to be launched subsequently.

Affected by the change from three-color to four-color displays and market competition, the average selling price of the Group's new display IC products dropped, resulting in a decrease in revenue. The sales of three-color display labels slowed down as retailers waited for the launch of the new generation four-color display. The high level of inflation and strong US dollar have also affected the incentives of some retailers in Europe and Asia to install ESL.

ESL provides flexibility in price update and facilitates efficiency improvement and easy stock management. It not only reduces long-term costs, but also reduces the carbon footprint of merchants, meeting the global trend of paperless for sustainable development. ESL is not only prevailing in Europe and North America, but it is also becoming an emerging trend in other Asian countries. The Group has been a pioneer in developing ESL ICs for many years, and our customers include many of the world's top-ranked supermarkets. To further tap into the markets of e-Signage and e-Reader applications, the Group commenced mass production of the AMEPD driver IC for Advanced Color e-Paper (ACeP) products in 2022, which is expected to have a wide application in 2024, such as for e-books. In addition to ESL, the Group is also committed to expanding the application of IC products to other areas, such as translators and large retail signage applications. As global businesses are becoming more environmentally conscious, the Group believes that energy-efficient displays will be inevitable for future development, and the Group shall move towards multi-color and large-size displays.

業務回顧

2023年，環球經濟受到利率高企、俄烏戰爭等眾多不明朗因素困擾，影響了消費電子產品的需求，經濟全面復甦仍然需要時間。雖然終端產品面對降價壓力，行業整體庫存仍處高水平。猶幸本集團整體付運量仍有所增長，整體庫存相對去年年底下降約42%，減低了經營風險。成本方面，晶圓廠於年中開始釋出降價空間，稍為減輕了本集團的成本壓力，而實際效益將於2024年初開始反映。

於回顧年內，集團全年付運量較2022年(312.9百萬元)增加7.4%至約336百萬元，然而由於產品平均價格下降，銷售收入較2022年(190.8百萬元)減少19.8%至153.2百萬元。

新型顯示IC

新型顯示IC產品主要指本集團之雙穩態顯示產品。雙穩態顯示是一種非傳統的顯示技術，顯示設備通過反射環境光來照明。

於回顧年內，本集團新型顯示IC產品的付運量穩定增長，除了受現有三色顯示標籤的銷售支持，亦受到四色顯示標籤於第四季新推出市場推動。本集團支援元太科技於2021年為用於電子貨架標籤和零售標牌的新一代電子墨水專用平台Spectra™ 3100研發出嶄新的顯示IC解決方案。此項重大技術突破，實現了四色顯示，亦促使本集團在該龐大的市場中處於領先地位。本集團IC產品支持的大尺寸四色顯示標籤於2023年第四季推出市場，預計其後將相繼有其他尺寸的四色顯示標籤推出。

受三色四色顯示更迭及市場競爭影響，本集團新型顯示IC產品的平均售價降低，令收入減少。三色顯示標籤的銷售因零售商等待新一代四色顯示推出而減慢，而高通漲環境及美元匯價高企亦影響部分歐洲及亞洲零售商安裝電子貨架標籤的意欲。

電子貨架標籤既能靈活更新價格、提高效率，亦易於庫存管理，不僅可降低長期成本，更可減少商戶的碳足跡，迎合無紙化可持續發展的全球趨勢。眾多優點令電子貨架標籤不僅在歐洲及北美普及，在其他亞洲國家亦成為新興趨勢。本集團早著先機，發展電子貨架標籤IC多年，客戶包括全球多家排名前列的超級市場。為進一步開拓電子標牌和電子閱讀器市場，本集團於2022年開始量產用於先進彩色電子紙墨水屏(ACeP)的主動矩陣電泳顯示(AMEPD)驅動IC，預計於2024年將能被更廣泛地使用，例如用於電子書。除了電子貨架標籤，本集團亦致力將IC產品應用拓展到其他範疇，如翻譯機和大型零售標牌的應用。全球企業的環保意識越來越高，集團相信節能的顯示方式將是未來發展的必然方向，集團將會朝着多色和大尺寸的方向發展。

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OLED Display ICs

The Group offers a wide range of OLED display driver ICs to match with various applications, including PMOLED display products and mini/micro-LED products. The Group is the world's number one PMOLED display driver IC player with a dominant market share in terms of unit of shipment during the Year under review.

The Group provides a full range of PMOLED driver ICs from icon to matrix, mono and grey scale to full color with highly integrated features and are ideal display solutions for portable devices. During the year under review, the Group launched a series of icon ICs with competitive prices. The products are applicable to displays ranging from 1 to 4 inches, which can help the Group expand into the large display market for smart home appliances. With the increasing popularity of smart home appliances in the market, it is expected that demand for PMOLED smart home solutions and the Internet of Things (IoT) will continue to grow in the future.

The Group is a forerunner in the application of mini/ micro-LED. Our mini-LED DDI solutions for 50" to 100" indoor signage display have been in mass production since 2018 and are used in the curved signage display in the underground and subways in the UK and the US. The Group has launched the world's first small-sized passive matrix micro-LED display driver IC – SSD2363 during the year, which can be applied to next-generation high brightness displays of 3 inches or less for wearable devices, home appliances and industrial appliances. The Group is actively approaching various types of customers to seek application of our products in different types of high value-added projects, such as automotive devices.

Mobile Display and Mobile Touch ICs

The Group provides a wide range of Mobile Display and Mobile Touch IC solutions that is ever-expanding, including In-Cell Touch Display Driver IC, TFT Display Driver IC, STN Display Driver IC, MIPI Bridge IC and Display Controller IC, which support industrial and consumer applications, such as smartphones, tablets, wearables, gaming devices and IoT devices.

The Group pioneers the MIPI solutions for display with a series of proprietary features that support high-resolution, high-speed and low-power display of smart devices. During the year under review, the Group co-developed a human interface display platform with a number of leading small-to-medium-sized TFT-LCD panel makers, which has successfully entered mass production in the second half of the year.

With profound expertise in TDDI technology, the Group designs game console controller ICs that enable more accurate controls, faster response and longer battery runtime. The demand for the Group's game console controller and MIPI Bridge ICs remains steady, providing a sustainable revenue base for the Group. We are also actively researching and developing the application of mobile display and mobile touch ICs to a wider range of areas, such as the newly developed mini-LED backlight solution of the Group. We are reaching out to customers who produce different kinds of end products to gather and understand their needs so as to develop products for specific applications, including mobile or automotive electronics.

OLED顯示IC

本集團提供多種OLED顯示驅動IC，應用廣泛，包括被動式OLED（「PMOLED」）和mini/micro-LED產品等。集團是全球最大的PMOLED顯示驅動IC廠商，按年內付運量計算，市場份額佔主導地位。

本集團提供從圖標到點陣，從單色和灰階顯示到全彩色高度集成的全系列PMOLED驅動IC，是便攜式設備的理想顯示解決方案。於回顧年內，本集團推出了一系列具價格競爭力的圖標IC（icon IC）。該產品針對1至4英寸的顯示器，可為本集團拓闊智能家電的大面板市場。隨著智能家電產品在市場上越來越普及，有望未來PMOLED智能家居解決方案和物聯網（IoT）的需求將繼續增長。

本集團是mini/micro-LED應用的先行者，用於50至100英寸室內顯示標牌的mini-LED DDI解決方案自2018年至今一直在量產，於英國和美國地鐵站的曲面顯示標牌中使用。本集團於本年推出全球首枚小尺寸被動式micro-LED顯示驅動IC—SSD2363，該產品可應用於3英寸或以下的新一代高亮度顯示屏，適用於穿戴裝置、家用電器及工業應用。本集團正積極接觸不同類型的客戶以期將此產品應用到各高增值項目，例如車用裝置。

移動顯示及移動觸控IC

本集團提供多種移動顯示及移動觸控IC解決方案，不斷擴闊產品組合，包括內嵌式觸控顯示驅動IC、TFT顯示驅動IC、STN顯示驅動IC、MIPI橋接IC和顯示控制IC，支持廣泛的工業和消費產品，如智能手機、平板電腦、可穿戴設備、遊戲裝置和物聯網設備等。

本集團是MIPI顯示解決方案的先驅，提供一系列專有功能，支持智能設備的高分辨率、高速和低功耗顯示。於回顧年內，本集團與數家領先的中小型TFT-LCD顯示器面板廠商聯合開發出人機介面顯示平台，該產品已成功於本年度下半年進入量產。

本集團在TDDI方面擁有深厚的專業能力，設計的遊戲控制器IC能讓操控更準確、反應更快捷而電池運行時間更長。市場對集團的遊戲控制器及MIPI橋接IC的需求穩定，為集團可持續的收入基礎。我們正積極研發將移動顯示及移動觸控IC應用到更多不同領域，例如針對集團新開發的mini-LED背光方案，我們正接觸生產不同終端產品的客戶，以收集和了解其需求來開發出切合個別應用，例如移動電子產品或車用的產品。

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Large Display ICs

The Group provides a wide range of large display driver IC solutions that support various applications, including commercial displays, high-end gaming monitors, medium and large color ESLs and smart TVs of various sizes.

Looking back on 2023, the accumulation of inventory after the pandemic, coupled with the high interest rate environment that suppressed overall corporate and consumer spending, cooled down demand for the large-size display market. A steady price rise of display panels, panel makers still experienced declining demand and losses, which led to a freeze in sales of large-size display driver ICs. Nevertheless, since the second half of the year, as we continued to improve our products, demand for some major products has shown signs of gradual recovery.

During the year under review, the Group carried out mass production of a number of mainstream new products for international brands in conjunction with panel makers, including projects for 23.8-inch UHD gaming monitors with a high-refresh-rate of 100Hz, 43-inch smart FHDTVs and 32-inch HD entry-level smart TV. The Group has also been authorized by a major Chinese display manufacturer to develop a new generation point-to-point (P2P) high-speed interface display driver IC, which is expected to commence trial production in the third quarter of 2024. In addition to the existing IC solutions for medium and large displays, the Group has identified the main trends in the future and started the development of automotive driver IC solutions. The Group signed a memorandum of understanding on strategic cooperation with a major Shenzhen display manufacturer in July 2023 and began cooperation in the design and development of the first automotive-specific integrated driver IC. The product targets mass production in the fourth quarter of 2024 and will be applied to major automotive systems in the PRC.

Product Development

The Group stresses the importance of novel product development to keep abreast of the rapid technology advancement and fast-moving trends. By leveraging our technological edge and pool of intellectual properties, we continue to expand our scope of collaboration. This strategy will enable our accelerated presence in the targeted fronts, leading us to the less explored market with promising rewards.

During the year under review, the Group launched the world's first small-sized passive matrix micro-LED display driver IC – SSD2363. The product features high brightness and can be applied to three-inch or less 16.7M color display according to customers' personal needs. As for the newly developed mini-LED backlight solution of the Group, we are actively reaching out to customers in different fields to launch products for specific applications.

大型顯示IC

本集團致力於與國內外顯示屏大廠開發多種大尺寸顯示驅動IC解決方案，支持商用顯示器、高階電競顯示器、中大型彩色電子標籤以及各尺寸智能電視等應用。

回顧2023年，大尺寸顯示器市場因疫情後庫存累積，加上高息環境抑制整體企業與消費者支出而出現需求降溫。雖然顯示面板價格持續穩定提升，但顯示面板製造商仍面臨需求下滑、虧損之情況，進而導致大尺寸顯示驅動IC銷售狀況冰凍現象。不過，進入下半年後，由於產品持續改善，部分主流商品需求已出現逐步回溫之跡象。

回顧年內，本集團與顯示屏廠商合作量產多項用於國際終端品牌之主流新品，包括100Hz高更新率23.8吋超高清電競顯示器、43吋全高清智能電視、32吋超清入門智能電視等新項目，並獲得中國顯示屏大廠授權開發新世代點對點(P2P)高速傳輸介面顯示驅動IC，預計於2024年第三季試產。除現有中大型顯示器IC方案外，集團已鎖定未來主流趨勢，正式進行車載驅動IC解決方案開發。集團已於2023年7月與深圳顯示屏大廠簽訂戰略合作意向書，並開始合作進行首款車用規格整合驅動IC之設計開發，目標於2024第四季量產，並用於中國主流車載系統。

產品開發

本集團重視創新產品開發，緊貼快速的技術進步和瞬息萬變的市場趨勢。透過積極發揮技術優勢和豐富的知識產權，本集團持續擴大研發合作，此策略將能推動我們加速進入目標市場，以期在較少探索的領域獲得理想回報。

於回顧年內，集團推出全球首枚小尺寸被動式micro-LED顯示驅動IC – SSD2363。該產品具備高亮度的特質，可以根據客戶需要，應用於3英寸或以下的16.7M彩色顯示器，配合個性化需求。針對集團新開發的mini-LED背光方案，我們正積極接觸不同領域的客戶，以推出切合個別應用的產品。

BUSINESS REVIEW & OUTLOOK

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As for electronic paper, the Group supported E Ink in developing the Display IC Solutions that enables a four color spectrum display for Spectra™ 3100, a next-generation specialised platform for ESL and retail signage application, which has been launched in the second half of 2023. To further expand the application of the Group's IC products in electronic paper, the Group is developing large display applications in addition to ESL, such as large color electronic retail signage of over 20 inches, which is expected to commence mass production in the first half of 2024.

The Group is also cooperating with three internationally renowned e-book brands to launch full-color e-book reader tablets, and has delivered the related display IC products in the first quarter of 2024. The shipment volume is expected to keep growing in the future. E-books have the advantage of being environmentally friendly, easy to carry, and friendly to the eyes. As the new generation of color e-books are able to offer a richer digital reading experience in comparison to the traditional black and white e-books, it is expected to become a new trend.

Awards and Recognitions

In 2023, the Group was honoured with the "Product Award – Best of the MCU/Driver IC (Asia) of the Year" award at EE Awards Asia 2023 for its PM-micro-LED display driver SSD2363, which was the Product Award from EE Awards Asia won by the Group for the second time in a row. Being the world's first PM-micro-LED display driver, the award-winning display driver SSD2363 is targeted at the next generation of high-brightness and high-resolution display with high-speed data transmission for wearables, home appliances and industrial applications.

Outlook

Against the backdrop of ongoing high interest rate, the macro economy remains uncertain and weak demand growth poses challenges to the manufacturing industry. An upturn in the market is still awaited. One thing is for sure, destocking will continue for the industry in 2024. Upon total depletion of the inventory accumulated during the pandemic, the supply chain is expected to return to normal. On the other hand, wafer fabs have started to lower the average price since the second half of 2023, which is expected to have a positive impact on the gross profit of the Group in 2024.

As the Group started the official partnership with well-known e-book brands to launch color e-book readers, the Group's new display IC segment revenue will gain new impetus. Regarding the OLED segment, we are confident that the series of competitively priced large-size icon ICs launched in 2023 would allow the Group to expand into the market of large-panel smart home appliances. We will also strengthen the promotion of other newly developed products including SSD2363 and mini-LED backlight solutions to potential customers to expand the scope of product applications and increase sales.

Although the market recovery is slower than expected, we have kept up our effort. We will be cautiously optimistic and continue to focus on technology improvement while keeping abreast of market developments to develop high value-added products that meet market demand. We will also actively look for opportunities to bring better returns to the Group.

電子紙方面，本集團支援元太科技為用於電子貨架標籤和零售標牌的新一代電子墨水專用平台Spectra™ 3100研發的四色顯示IC解決方案亦已於2023年下半年推出。為進一步拓展集團IC產品在電子紙上的應用，集團正研發電子貨架標籤以外的大型顯示應用，如20英寸以上之大型彩色電子零售標牌，該項目預計於2024年上半年量產。

集團亦正與三家國際知名的電子書品牌合作推出全彩電子書閱讀器平板，並已於2024年第一季交付相關的顯示IC產品，未來付運量預計將持續增長。電子書擁有環保易携不傷眼的優點，而新一代彩色電子書相比傳統的黑白電子書能提供更豐富的數位閱讀體驗，相信將會成為新趨勢。

獎項及表彰

於2023年，本集團以被動式micro-LED (PM-micro-LED)顯示驅動晶片SSD2363榮獲2023年亞洲金選獎(EE Awards Asia)的「產品獎—年度最佳MCU/Driver IC (亞洲)」獎項，為集團連續第二年於亞洲金選獎中獲得產品獎。作為全球首款被動式micro-LED顯示驅動晶片，獲獎的SSD2363針對新一代高亮度、高分辨率、能實現高速數據傳輸的顯示屏，適用於穿戴裝置、家用電器及工業應用。

展望

在持續高息環境下，宏觀經濟仍然不明朗，需求增長乏力令製造業面對挑戰，市場仍在等待轉勢。可以肯定的是，行業去庫存於2024年將會持續，待疫情期間積累的庫存都消化完畢後，供應鏈有望恢復正常。另一方面，晶圓廠於2023年下半年起已陸續下調平均價格，對集團2024年毛利有正面影響。

隨着本集團與知名電子書品牌正式合作推出彩色電子書閱讀器，集團的新型顯示IC分部收入將可得到新動力。OLED分部方面，我們有信心於2023年推出的一系列具價格競爭力的大尺寸圖標IC可以為本集團拓闊市場至大面板智能家電。我們亦會向潛在客戶加強推廣其他新開發的產品包括SSD2363及mini-LED背光方案，以開拓更大的產品應用範圍，提高銷售。

雖然市場回暖的速度比預期為慢，我們並未有停下步伐。我們將抱持審慎樂觀的態度，繼續專注提高技術，並緊貼市場發展，以開發出適合市場需求的高增值產品，並主動尋找機會，為集團帶來更佳收益。

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OUR PEOPLE AND CORPORATE SOCIAL RESPONSIBILITY

我們的員工及企業社會責任

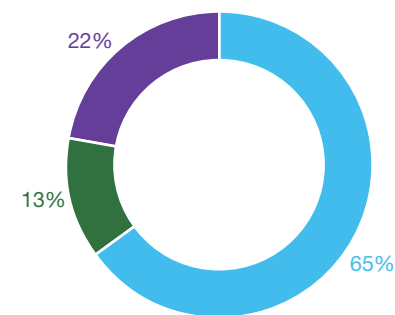
Employees

As of 31 December 2023, the Group had a total workforce of 302 employees¹ (2022: 294 employees). Of the total workforce, around 37% were based in Hong Kong head office with the rest located in Mainland China and Taiwan.

員工

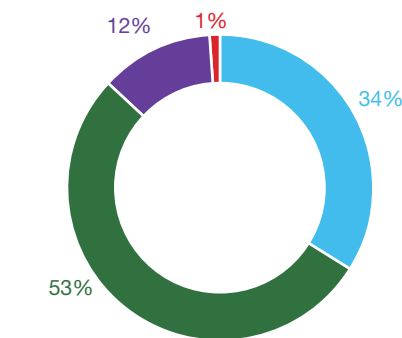
於2023年12月31日，本集團共有302名員工¹（2022年：294名員工）。整體員工中約37%駐香港總辦事處，其餘員工分別駐中國大陸及台灣。

FUNCTION 職能



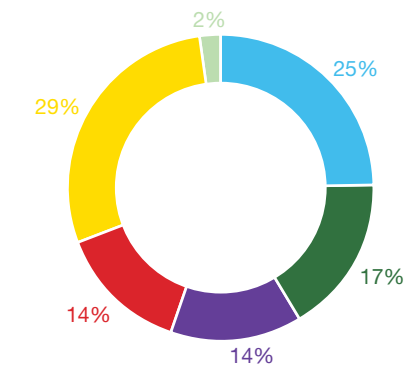
- Product Development
產品開發
- Quality and Manufacturing
品質及製造
- Others
其他

EDUCATION 教育程度



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

EXPERIENCE 經驗



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

- 237 engineering employees
237名工程師

- 302 employees worldwide as at 31 December 2023
於2023年12月31日，全球聘有共302名員工

- 34% Master's Degree or above
34%持碩士或以上學位

- 87% Bachelor's Degree or above
87%持學士或以上學位

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

About 87% of the Group's employees hold a bachelor's degree or above, and around 34% have earned a master's degree or higher academic qualifications. The Group's emphasis on R&D is also reflected in the composition of our workforce, as 65% are engineers who specialize in product design and development. The entire team has, on average, around 14 years of working experience.

本集團約87%員工擁有學士學位或以上學歷，約34%持碩士學位或以上學歷。本集團著重產品研發的文化亦反映在員工組合之中，65%的員工為專注產品設計及開發的工程師。整體員工平均擁有約14年工作經驗。

The Group also had a testing center located in Mainland China, with a total workforce of 67 employees.

本集團另設有一間位於中國內地之測試中心，其共有67名員工。

Note¹: Data excludes testing center in Mainland China
註¹: 數據不包括於中國內地之測試中心

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OUR PEOPLE AND CORPORATE SOCIAL RESPONSIBILITY

我們的員工及企業社會責任

Training & Development

At the Group, we strive to cultivate a culture of “Continuous Learning”, and to inspire, encourage and develop our staff. In 2023, the Group dedicated a total of over 10,354 man-hours to training and development, covering technical and soft skill training. Apart from in-house training, the Group has also encouraged and sponsored employees to take external job-related courses.

Employee's Well-being

We put more resources in health, safety, and wellness of our employees as we care about their well-being. Apart from providing a safe working environment and health insurance covering medical, disability, accidental and life benefits to eligible employees, we also aimed at assisting employees to strike a healthy work life balance and to promote team spirit. In 2023, the Group organized a range of activities for employees to achieve these targets. The Group also arranged leisure activities inviting our employees to participate together with their family members.

Remuneration and Awards

The Group believes in motivating, retaining and rewarding employees and attracting new talent with the right incentives, in order to facilitate the alignment of their interests with the Company. NPI First Order Awards were granted to project teams in appreciation of the order winning on our new products. The Group also offers cash reward schemes (including KPI Incentive for recognizing the attainment of annual KPI on both the team and individual levels), and ES1 MP Award for new products which win for mass production with the first successful sample attempt. Patent Awards are in place to encourage and reward technological innovation. The Group also offers long service awards to reward employees of long standing.

Details of the remuneration of employees, bonus and share option scheme are disclosed in relevant section of the Directors' Report, and note 6, note 10, note 11 and note 26 to the Consolidated Financial Statements.

Corporate Social Responsibility

The Group has a strong sense of commitment to fulfilling its corporate social responsibility and ensures that it becomes part of the daily operations of the Group. The Group's Environmental, Social, Governance (“ESG”) working committee has monitored the Group's performance in the areas of employees, the marketplace, the environment and the community during 2023. The Group's ESG Report for 2023 has been published separately on the Company's website at www.solomon-systech.com and the Stock Exchange's website at www.hkexnews.hk on the same date as this annual report.

培訓及發展

本集團建立了「持續進修」的文化，並啟發、鼓勵和加強員工的發展。2023年，本集團投入共超過10,354小時於培訓及發展，涵蓋技術及職能培訓。除內部培訓外，本集團亦讓員工報讀職外與職業相關的課程，並提供資助。

員工福祉

我們十分關注員工的福祉，因此投入資源於員工的健康、安全及福利。除提供安全的工作環境及涵蓋醫療、傷殘、意外和人壽保障的健康保險外，亦幫助我們的員工取得健康的工作與生活平衡，促進團隊精神。於2023年，集團為員工安排了一系列活動，幫助員工實踐上述目標。同時亦安排了休閒活動，邀請員工與家人一同參與。

酬金及獎勵

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

有關僱員酬金、花紅及購股權已於董事會報告相關部份，以及於綜合財務報表附註6、附註10、附註11及附註26披露。

企業社會責任

本集團一直致力履行企業社會責任，並確保其成為日常營運的一部份。本集團的環境、社會和企業管治（「ESG」）工作委員會監察本集團於2023年在員工、市場、環境及社區等範疇的表現。本集團2023年的ESG報告已於本年報日期同日於本公司網站 www.solomon-systech.com 及聯交所網站 www.hkexnews.hk 公佈。

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FINANCIAL REVIEW

財務回顧

Revenue and Results Overview

The Group recorded a decrease of about 19.8% in revenue to US\$153.2 million during the year (2022: US\$190.8 million). With the global supply chain is returning to normal and the supply of wafer stabilised, the group adjusted the average selling price of the our products accordingly, which lead to decrease in revenue.

Profit attributable to owners of the parent was reported at US\$19.4 million, representing a decrease of approximate 30.1% from US\$27.8 million in 2022. Earnings per share were 0.8 US cents, down 0.3 US cents from 2022.

Despite the decrease in the profit attributable to shareholders, the Group was still able to manage a stable growth in total IC shipment in 2023 when comparing to 2022, which shows the Group's capability to maintain a stable market share despite the unfavorable market condition. The Group's product development strategies coping with market needs has in turn led to the stable growth in IC shipment, and we will also continue our on-going effective stringent cost control measures to enhance operational efficiency.

Gross profit

Gross profit of US\$46.3 million and gross margin of 30.3% were recorded during the Period (2022: US\$65.5 million and 34.3%, respectively). The decrease in gross profit and gross profit margin was mainly attributable to the decrease of average selling price which was disproportionate to some of the costs of the Group's products.

收入及業績回顧

本集團年內收入下跌約19.8%至153.2百萬美元(2022年：190.8百萬美元)。全球供應鏈已在復常之中以及晶圓供應已趨穩定，本集團亦相應地調整了產品平均銷售價格，令銷售收入因而減少。

本公司擁有人應佔溢利為19.4百萬美元，較2022年的27.8百萬美元減少約30.1%。每股溢利為0.8美仙，較2022年減少0.3美仙。

儘管股東應佔綜合溢利有所減少，本集團於2023年之IC總付運仍較2022年穩定增長，顯示本集團有能力在不利的市況下維持穩定的市場份額。本集團的產品開發策略貼合市場需要，使IC付運得以穩定增長，而我們將繼續實施現行嚴格有效的成本控制措施，以提高營運效率。

毛利

期內的毛利和毛利率分別為46.3百萬美元和30.3% (2022年：分別為65.5百萬美元和34.3%)。毛利及毛利率減少，其主要由於產品平均售價的下跌與本集團部分產品成本的下降不成比例。

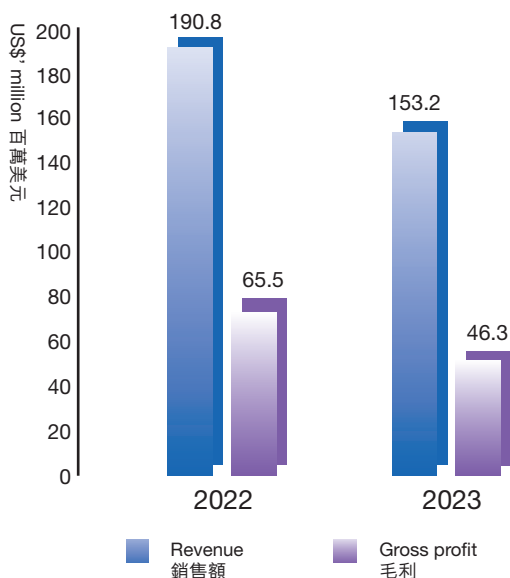
MANAGEMENT DISCUSSION AND ANALYSIS

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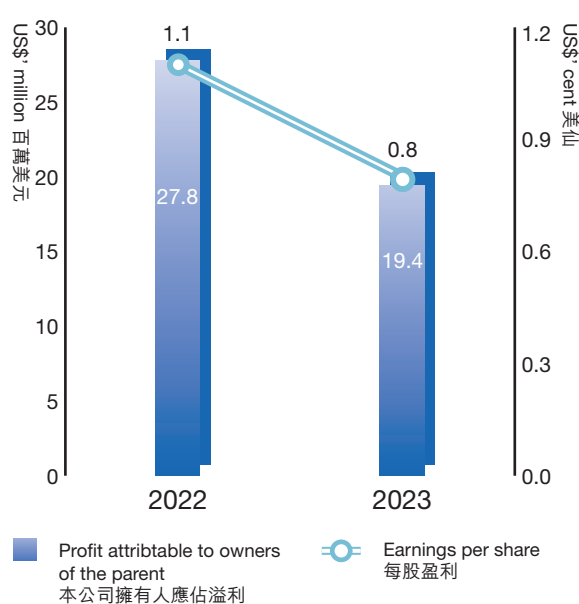
FINANCIAL REVIEW

財務回顧

Revenue/Gross Profit
for the year ended 31 December
截至12月31日止年度銷售額／毛利



Profit attributable to owners of the parent
for the year ended 31 December
截至12月31日止年度本公司擁有人應佔溢利



Costs and Expenses

The Group's total expenses (including product R&D costs, S&D expenses, administrative expenses and other expenses) for the year ended 31 December 2023 amounted to about US\$30.2 million (2022: US\$39.7 million), representing a decrease of 23.9% as compared to that for the year 2022.

The Group is committed to investing in product R&D and business development. R&D spending. The Group has utilised the resources on the new product introduction and technology development mainly on the products that more adopt with the global market trend and on more viable businesses, therefore resulting in an overall reduction in R&D expenditure. During the year under review, the product R&D costs amounted to US\$17.8 million (2022: US\$27.1 million) representing a decrease of US\$9.3 million and a decrease of 34.2%. The product R&D costs to sales ratio for the year ended 31 December 2023 was 11.6% (2022: 14.2%), a decrease of 2.6 percentage points. Apart from that, USD is still strong against all other major currencies during the year, this driven down the R&D salary costs in the Taiwan and the PRC when translating their salary expenses from local currencies back to USD. Still, the Group has set a bold target in R&D for innovation to solidify its leading position in IC display industry.

S&D expenses were US\$3.3 million (2022: US\$4.2 million) whilst the S&D expenses to sales ratio was 2.1% (2022: 2.2%).

Administrative expense amounted to US\$9.1 million (2022: US\$8.3 million), increased by 10.5% as compare to that of 2022. The increase was mainly due to the rent and management fee concession from lessors decrease, depreciation of the additional fixed assets in computer equipment and software, and business travel related expenses for business development.

成本及開支

本集團截至2023年12月31日止年度的總開支（包括產品研發成本、銷售及分銷開支、行政開支及其他開支）約為30.2百萬美元（2022年：39.7百萬美元），較2022年下跌23.9%。

為著提高我們的長期競爭力，本集團致力於科研投入。研究及開發支出以銷售額比率計算，於年內有輕微下跌。本集團在新技術開發和新產品推出的資源投放在更貼近全球市場趨勢及更具發展力的產品上，因而整體產品研發成本有所下降。於回顧年內，產品研發成本為17.8百萬美元（2022年：27.1百萬美元），較去年下跌9.3百萬美元，跌幅為34.2%。截至2023年12月31日止年度，產品研發成本佔銷售額約11.6%（2022年：14.2%），減少2.6個百分點。除此以外，於年內美元相對大多數其他主要貨幣仍然強勁，從而將台灣及中國大陸薪金所使用的貨幣兌換成美元後，令中國大陸及台灣的產品研發成本薪金減少。然而本集團已為創新研發設立宏大目標，務求鞏固於IC顯示器行業的領導地位。

銷售及分銷開支為3.3百萬美元（2022年：4.2百萬美元），銷售及分銷開支與銷售額比率則為2.1%（2022年：2.2%）。

行政開支為9.1百萬美元（2022年：8.3百萬美元），對比2022年增加10.5%，金額上升主要因為來自租賃及管理費減免額減少，新增電腦及軟件等固定資產而衍生的折舊費用，以及業務發展的相關旅費。

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Other Income and Gains – Net

During the year under review, other income amounted to US\$0.9 million (2022: US\$2.0 million), decreased by US\$1.1 million, which was mainly due to decrease in government subsidies in 2023. Government subsidies mainly consisted of grants for the product R&D projects totalling US\$0.5 million in 2023 (2022: US\$1.9 million).

Profit Attributable to the Owners of the Parent

During the year under review, the Group reported a profit attributable to shareholders of US\$19.4 million, as compared to a profit attributable to shareholders for the year ended 31 December 2022 of US\$27.8 million. The main reasons for the decrease in profit attributable to shareholders in the year 2023 were because of the decrease in sales revenue, which was mainly due to the decrease in average selling price of the Group's products, which in turn lead to decrease in profit. The Group will continue the on-going stringent cost control measures on overall expenses to maintain stable profit.

Liquidity and Financial Resources

		As at 31 December 於12月31日	
		2023 US\$'000 千美元	2022 US\$'000 千美元
Current assets	流動資產	148,598	146,126
Current liabilities	流動負債	29,974	48,387
Net current assets	流動資產淨值	118,624	97,739
Current ratio	流動比率	4.96	3.02

The Group's current ratio was 4.96 as at 31 December 2023 (31 December 2022: 3.02), reflecting a strong liquidity in its financial position. Working capital position of the Group remains healthy.

The Group does not have any significant interest-bearing loans and borrowings, and is in net cash position. The Gearing Ratio is 0.013 (2022: 0.013).

Treasury Management

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

其他收入及收益－淨額

於回顧年內，其他收入為0.9百萬美元（2022年：2.0百萬美元），減少1.1百萬美元，主要因為2023年的政府資助減少。於2023年，政府資助主要為政府對本集團產品研發項目的資助共0.5百萬美元（2022年：1.9百萬美元）。

本公司擁有人應佔溢利

於回顧年內，本集團錄得本公司股東應佔溢利19.4百萬美元，對比截至2022年12月31日止年度則錄得本公司股東應佔溢利27.8百萬美元。股東應佔綜合溢利於2023年減少之主要原因為銷售收入減少，其主要由於本集團產品平均售價下跌。本集團會繼續嚴格控制開支以保持穩定利潤。

流動資金及財務資源

於2023年12月31日，本集團的流動比率為4.96（2022年12月31日：3.02），反映集團財務狀況具有強健的流動資金水平。集團流動資金仍保持穩健。

本集團並無任何重大計息貸款及借款，且處於淨現金水平。資產負債比率為0.013（2022年：0.013）。

庫務管理

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

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Total cash and cash equivalents and bank deposits of the Group were US\$86.3 million as at 31 December 2023 (2022: US\$51.6 million), of which US\$6.0 million denominated in US dollars (2022: US\$6.0 million) were pledged to banks to secure for general banking facilities for general operation purpose. Cash and cash equivalents and bank deposits of the Group were mainly denominated in US dollars and Renminbi.

As at 31 December 2023, the Group had no major borrowing other than a bank loan in connection with a PRC subsidiary for working capital financing amounting to US\$1.7 million, which was denominated in Renminbi. The amount was fully repaid before the date of this annual report.

Most of the Group's trade receivables and payables are quoted in US dollars. The Group closely monitors the movement of foreign exchange rates and constantly seeks to obtain favorable exchange rates for conversion of US dollars into other currencies for paying local operating expenses. During the year under review, the Group had not entered into any major 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 the year of 2023, capital expenditure of the Group was US\$1.1 million (2022: US\$2.5 million).

As at 31 December 2023, capital expenditure contracted for but not yet incurred was approximately US\$2.3 million (2022: US\$0.7 million).

The Company has provided corporate guarantees amounted to US\$14.0 million (2022: US\$12.9 million) to banks in connection with banking facilities granted to a subsidiary, of which US\$8.0 million (2022: US\$8 million) were utilised as at 31 December 2023 as bank guarantees.

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

Significant Investments Held

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

Future Plans for Material Investments and Capital Assets

As at 31 December 2023, the Group did not have any future plans for material investments and capital assets.

Acquisition and Disposal of Material Subsidiaries and Associates

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

於2023年12月31日，本集團的現金及現金等價物和銀行存款總計為86.3百萬美元（2022年：51.6百萬美元），當中6.0百萬美元以美元計值（2022年：6.0百萬美元）屬抵押存款予銀行作融資營運用途。現金及現金等價物和銀行存款主要以美元及人民幣結算。

於2023年12月31日，除了一項銀行貸款歸屬於中國大陸子公司金額為1.7百萬美元（以人民幣結算）作營運資金融資外，本集團並無任何主要借貸。此筆款項已於本年報告日前全額償還。

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

資本開支及或然負債

於2023年，本集團的資本開支為1.1百萬美元（2022年：2.5百萬美元）。

於2023年12月31日，本集團已商定合約但未動用之資本開支約為2.3百萬美元（2022年：0.7百萬美元）。

本公司已就授予附屬公司的銀行融資向銀行提供企業擔保14.0百萬美元（2022年：12.9百萬美元），該融資於2023年12月31日已動用其中8.0百萬美元（2022年：8百萬美元）作銀行擔保。

除前述之外，本集團概無其他重大資本承擔及或然負債。

持有重大投資

於回顧年度，本集團並無持有重大投資。

重大投資及資本資產之未來計劃

於2023年12月31日，本集團並無任何未來重大投資及資本資產計劃。

收購及出售重大附屬公司及聯營公司

於回顧年內，本集團並無收購或出售任何重大附屬公司及聯營公司。

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Charge of Assets

As at 31 December 2023, the Group did not have any other charge on its assets except for time deposits amounted to a total of US\$6.0 million (2022: US\$6.0 million) pledged to banks for securing banking facilities.

HUMAN RESOURCES

As of 31 December 2023, the Group had a total workforce of 302 employees*. About 37% of the workforce were based at the Hong Kong headquarters, with the rest located in Mainland China and Taiwan. The Group also has a testing center located in Mainland China, with a workforce of 67 employees. Employee salary and other benefit expenses decreased to approximately US\$22.1 million during the year under review from approximately US\$24.9 million in the year 2022, which represented a decrease of 11%. The decrease was attributable to the decrease in the average number of employees. The Group's remuneration were determined based on the performance of individual employees, which will be reviewed every year. Apart from the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes for Hong Kong employees) or the government-managed retirement pension scheme (for Mainland China and Taiwan employees), medical and other insurances, discretionary bonus is also awarded to employees according to the assessment of individual performance.

* Data excludes the testing center in Mainland China

資產抵押

於2023年12月31日，本集團已抵押銀行定期存款6.0百萬美元（2022年：6.0百萬美元）用作抵押銀行融資用途，除此以外並無任何資產抵押。

人力資源

於2023年12月31日，本集團共有302名員工*。整體員工中約37%駐香港總辦事處，其餘員工分別駐中國大陸及台灣。本集團另有一位於中國大陸之測試中心，其共有67名員工。僱員薪金及其他福利由2022年約24.9百萬美元減少至本回顧年約22.1百萬美元，減少11%。該減少主要是平均僱員人數下跌。本集團的薪酬政策乃按個別僱員表現制定，將每年予以檢討。除公積金計劃（根據適用於香港僱員的強制性公積金條例的條款）及政府管理退休金計劃（適用於中國大陸及台灣僱員）、醫療及其他保險外，亦會根據個別僱員表現的評估而向僱員授出酌情花紅。

* 數據不包括位於中國大陸測試中心

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Chairman

Mr. MA Yuchuan, aged 58

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

Skills and experience:

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

Current appointments include:

- Director of Huada Semiconductor Company Limited
- Director of Beijing Huada Zhibao Electronic System Co., Ltd.

Former appointments include:

- Held various positions in CEC: division chief of project division of business management department, division chief of integrated circuit & components division of corporate development department, vice general manager of integrated circuit business group and deputy general manager of planning, science & technology department
- Director of Shanghai Anlogic Infotech Co., Ltd. (a company listed on the Shanghai Stock Exchange with stock code: 688107)、APS (Shanghai) Ltd.、China Electronics Huada Technology Company Limited (a company listed on the Hong Kong Stock Exchange with stock code: 0085), Hua Hong Semiconductor Limited (a company listed on the Hong Kong Stock Exchange with stock code: 1347), Shanghai Belling Co., Ltd. (a company listed on the Shanghai Stock Exchange with stock code: 600171), CEC Huada International Co. Ltd., Shanghai Huahong (Group) Co., Ltd., Nanjing Micro One Electronics Inc. and Chengdu Sino Microelectronics Technology Co., Ltd.

主席

馬玉川先生，58歲

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

才能及經驗：

- 畢業於浙江大學，獲半導體物理及器件學士學位
- 具有豐富半導體行業經驗

現任職位包括：

- 華大半導體有限公司董事
- 北京華大智寶電子系統有限公司董事

曾任職位包括：

- 於中國電子擔任多項不同職務：業務管理部項目處處長、企業發展部集成電路及元器件處處長、集成電路事業部副主任及規劃科技部副主任
- 上海安路信息科技股份有限公司（於上海證券交易所上市公司，股份代號：688107）、飛錚半導體（上海）有限公司、中國電子華大科技有限公司（於香港聯交所上市公司，股份代號：0085）、華虹半導體有限公司（於香港聯交所上市公司，股份代號：1347）、上海貝嶺股份有限公司（上海證券交易所上市公司，股份代號：600171）、中電華大國際有限公司、上海華虹（集團）有限公司、南京微盟電子有限公司及成都華微電子科技有限公司董事

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Executive Director

Mr. WANG Wah Chi, Raymond, aged 58

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

Skills and experience:

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

Former appointments include:

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

執行董事

王華志先生，58歲

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

才能及經驗：

- 畢業於香港城市大學，持有電子工程學士學位
- 獲紐西蘭威靈頓維多利亞大學頒發工商管理碩士學位及香港中文大學頒發文學碩士學位
- 特許工程師，在半導體及電子行業擁有超過30年豐富的經驗

曾任職位包括：

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

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Non-executive Directors

Mr. WANG Hui, aged 41

- Non-executive Director
- Appointed to the Board: 2021
- Member of the Remuneration Committee and the Investment Committee

Skills and experience:

- Master of science in engineering in control systems from the University of Sheffield
- Master of business administration from the University of Hong Kong

Current appointments include:

- Director, development and planning department, Huada Semiconductor Co., Ltd.
- Director, Chengdu Sino Microelectronics Technology Co., Ltd
- Director, China Electronics Smart Card Co., Ltd
- Director, Shanghai Belling Co., Ltd (a company listed on the Shanghai Stock Exchange with stock code: 600171)
- Chairman, Alpha Power Solutions Ltd.

Former appointments include:

- Various positions including strategic manager and professional manager of the development and planning department in Huada
- Marketing manager, Brite Semiconductor (Shanghai) Co., Ltd.
- Technical marketing manager, Shanghai Huahong Grace Semiconductor Manufacturing Corporation
- Various engineering positions and technical marketing manager in Shanghai Hua Hong NEC Electronics Co., Ltd.

非執行董事

王輝先生，41歲

- 非執行董事
- 獲任為董事：2021年
- 薪酬委員會及投資委員會成員

才能及經驗

- 於英國謝菲爾德大學取得控制系統工程理學碩士學位
- 於香港大學取得工商管理碩士學位

現任職位包括：

- 華大半導體有限公司規劃總監兼戰略規劃部主任
- 成都華微科技股份有限公司董事
- 中電智能卡有限公司董事
- 上海貝嶺股份有限公司董事（上海證券交易所上市，股份代號：600171）
- 上海飛錘半導體有限公司董事長

曾任職位包括：

- 於華大先後擔任戰略經理、發展規劃部專業經理等多個職務
- 於燦芯半導體（上海）有限公司擔任市場經理
- 於上海華虹宏力半導體製造有限公司擔任技術市場經理。
- 於上海華虹NEC電子有限公司工作，先後擔任多個工程職位及技術市場經理。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Non-executive Directors

Dr. KANG Jian, aged 42

- Non-executive director
- Appointed to the Board: 2021
- Member of the Audit Committee

Skills and experience:

- Doctor of philosophy in computer science granted by De Montfort University in the UK
- Master of business administration degree granted by China Europe International Business School in the PRC

Current appointments include:

- Head of the investment management department of Huada Semiconductor Co., Ltd.
- Director of Shanghai Belling Co., Ltd. (a company listed on the Shanghai Stock Exchange with stock code: 600171).
- Director, CEC Huada International Co., Ltd.
- Director, Advanced Manufacturing EDS Co., Ltd
- Director, Senodia Technologies (Shaoxing) Co., Ltd

Former appointments include:

- Director of CEC Capital Management Co., Ltd.
- Director, China Electronics Corporation (BVI) Holdings Company Limited
- Director of GTA Semiconductor Co., Ltd.
- Supervisor of Advanced Semiconductor Manufacturing Corporation Limited
- Supervisor of China Electronics Smart Card Co., Ltd.
- Supervisor of Beijing Huada Zhibao Electronic System Co., Ltd.
- Director of the Shanghai branch office of China Fortune Land Development Co., Ltd. (a company listed on the Shanghai Stock Exchange with stock code: 600340)
- Various positions including as a senior consultant, director, vice general manager and general manager of the Shanghai branch office of CCID Consulting Company Limited (a company listed on the Hong Kong Stock Exchange with stock code: 2176)

非執行董事

康劍博士，42歲

- 非執行董事
- 獲任為董事：2021年
- 審核委員會成員

才能及經驗

- 持有英國德蒙福特大學頒授的計算機科學博士學位
- 持有於中國中歐國際工商學院頒授的金融工商管理碩士學位

現任職位包括：

- 華大半導體有限公司，投資總監兼投資管理部主任
- 擔任上海貝嶺股份有限公司（於上海證券交易所上市公司，股份代號：600171）董事
- 擔任中電華大國際有限公司董事
- 擔任全芯智造技術有限公司董事
- 擔任深迪半導體（紹興）有限公司董事

曾任職位包括：

- 擔任中電資本管理有限責任公司董事
- 擔任中國電子集團BVI控股有限公司董事
- 擔任上海積塔半導體有限公司董事
- 擔任上海先進半導體製造股份有限公司監事
- 擔任中電智能卡有限責任公司監事
- 擔任北京華大智寶電子系統有限公司監事
- 於華夏幸福基業股份有限公司（於上海證券交易所上市公司，股份代號：600340）上海分公司擔任總監
- 於賽迪顧問股份有限公司（於香港聯交所上市公司，股份代號：2176）擔任高級諮詢師、上海分公司總監、上海分公司副總經理及上海分公司總經理

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Independent Non-executive Directors

Mr. Chan Chi Kong, aged 56

- Independent Non-executive Director
- Appointed to the Board: 2023
- Chairman of the Audit Committee
- Member of the Investment Committee

Skills and experience:

- Graduated from The City University of Hong Kong with a master's degree in business administration
- Obtained a bachelor's degree in accountancy from The Hong Kong Polytechnic University
- Fellow member of each of The Association of Chartered Certified Accountants ("ACCA"), The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in England and Wales, The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, and a CFA charter holder of The Chartered Financial Analyst Institute

Current appointments include:

- Advisory Committee Member of The College of Professional and Continuing Education of the Hong Kong Polytechnic University
- The Convenor of Working Party on Seminars of Accounting Training Board under The Vocational Training Council
- Co-founder of Impacts Technology Limited which is principally engaged in the business of development and provision of interactive e-learning solutions to corporates
- Independent Non-executive Director of APT Electronics Co., Ltd.

Former appointments include:

- Held chief financial officer and various senior management positions in companies whose shares are listed on the main board of the Stock Exchange
- Chairman of ACCA Hong Kong
- Member of The Financial Reporting Review Panel of The Accounting and Financial Reporting Council
- Member of The Accountancy Training Board under The Vocational Training Council
- Honorary advisor to Hong Kong Internet Registration Corporation Limited

獨立非執行董事

陳志光先生，56歲

- 獨立非執行董事
- 獲任為董事：2023年
- 審核委員會主席
- 投資委員會委員

才能及經驗

- 畢業於香港城市大學，獲工商管理碩士學位
- 於香港理工大學獲得會計學學士學位
- 特許公認會計師公會（「ACCA」）、香港會計師公會、英格蘭及威爾斯特許會計師公會、英國特許公司治理公會及香港公司治理公會各自之資深會員，並持有特許金融分析師協會頒發之特許金融分析師名銜

現任職位包括：

- 香港理工大學專業及持續教育學院顧問委員會成員
- 職業訓練局會計業訓練委員會轄下會計業研討會工作小組召集人
- Impacts Technology Limited之共同創辦人，該公司主要從事為企業開發及提供互動電子學習解決方案之業務
- 廣東晶科電子股份有限公司獨立非執行董事

曾任職位包括：

- 曾於在聯交所主板上市之公司擔任首席財務官及多個高級管理職位
- ACCA 香港分會之主席
- 會計及財務匯報局財務匯報檢討委員團成員
- 職業訓練局會計業訓練委員會委員
- 香港互聯網註冊管理有限公司榮譽顧問

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Independent Non-executive Directors (continued)

Dr. CHAN Philip Ching Ho, age 74

- Independent Non-executive Director
- Appointed to the Board: 2020
- Chairman of the Remuneration Committee, member of Nomination Committee, Audit Committee and Investment Committee

Skills and experience:

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

Current appointments include:

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

Former appointments include:

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

獨立非執行董事 (續)

陳正豪博士，74歲

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

才能及經驗：

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

現任職位包括：

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

曾任職位包括：

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

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Independent Non-executive Directors (continued)

Dr. Kwok Hoi Sing, aged 73

- Independent Non-executive Director
- Appointed to the Board: 2023
- Member of the Remuneration Committee and the Nomination Committee

Skills and experience:

- Graduated from Harvard University with a doctoral research degree in applied physics in 1978
- Fellow of The Hong Kong Institution of Engineers
- Fellow of The Optical Society of America
- Fellow of The Institute of Electrical and Electronics Engineers
- Elected Member of The Asia Pacific Academy of Materials
- Fellow of the Society for Information Displays
- Elected member of The Hong Kong Academy of Engineering Science
- Fellow of the National Academy of Inventors
- Received extensive honors and awards and has published numerous papers in the field of information display

Current appointments include:

- Visiting Professor of the Department of Electrical and Electronic Engineering at The Hong Kong University of Science and Technology

獨立非執行董事(續)

郭海成博士，73歲

- 獨立非執行董事
- 獲任為董事：2023年
- 薪酬委員會及提名委員會委員

才能及經驗

- 1978年畢業於哈佛大學，獲應用物理學博士學位
- 香港工程師學會院士
- 美國光學學會會士
- 電機及電子工程師學會院士
- 亞太材料學院會員
- 國際資訊顯示學會會士
- 香港工程科學院院士
- 美國國家發明家科學院院士
- 在資訊顯示領域獲得多項榮譽及獎項，並發表過多篇論文

現任職位包括：

- 香港科技大學電子及計算機工程學系訪問教授

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Independent Non-executive Directors (continued)

Save as disclosed in this annual report, each of the Directors (i) has no relationship with any directors, senior management or substantial shareholders or controlling shareholders (as defined respectively in the Listing Rules) of the Company, (ii) is not interested or deemed to be interested, nor has short positions, in shares, underlying shares, or debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO, (iii) does not hold any positions within the Company or other members of the Group, and (iv) has not been a director of any listed companies in the past three years. Moreover, none of the Directors has been involved in any of the events under Rule 13.51(2)(h) to (v) of the Listing Rules.

Founder and Chairman Emeritus

Dr. LEUNG Kwong Wai, JP, aged 67, is the Founder and Chairman Emeritus of the Group.

Company Secretary

Mr. YU Chon Man, aged 46, Finance Director and Company Secretary. Mr. Yu joined Solomon Systech Limited in 2022. Mr. Yu is also the Authorized Representative of the Company pursuant to Rule 3.05 of the Listing Rules. Please refer to the paragraphs headed “Senior Management” for Mr. Yu’s biography.

獨立非執行董事 (續)

除本年報所披露外，所有董事(i)與本公司任何董事、高級管理人員或主要股東或控股股東(按各詞於聯交所證券上市規則(「上市規則」)項下的定義)概無關係；(ii)並無擁有或被視為擁有證券及期貨條例第XV部所界定之本公司股份或相關股份權益；及(iii)並無於本公司或本集團其他成員公司擔任任何職務，且(iv)於過去三年並無擔任任何上市公司的董事。此外，並無董事涉及根據上市規則第13.51(2)(h)條至第(v)條項下之任何事宜。

永久榮譽主席

梁廣偉博士，太平紳士，67歲，本集團永久榮譽主席。

公司秘書

余俊敏先生，46歲，為財務總監及公司秘書。余先生於2022年加入晶門科技有限公司。余先生亦為依據上市規則第3.05條本公司所委任之授權代表。余先生之履歷請參閱「高級管理人員」各段。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理層

Senior Management

Mr. WANG Wah Chi, Raymond

Please refer to the details of Executive Directors in page 25

Dr. WU Wenchi, aged 55, Vice President, Design Engineering. Dr. Wu joined Solomon Systech Limited in 2017. Prior to joining the company, Dr Wu was assistant general manager of Socle Technology Corporation. Dr. Wu holds a doctorate degree in electrical engineering from the National Central University in Taiwan.

Ms. LO Oi Yee, Mabel, aged 59, Human Resources Director. Ms. Lo joined Solomon Systech Limited in 2000 as Human Resources Manager. Ms. Lo holds a master degree in Human Resources & Training from University of Leicester, the UK, and has over 30 years of human resources management experience.

Mr. YU Chon Man, aged 46, Finance Director, Company Secretary, and Authorized Representative of the Company pursuant to Rule 3.05 of the Listing Rules. Mr. Yu holds a degree in accountancy from The Hong Kong Polytechnic University and is a fellow member in the Association of Certified Public Accountants, CPA Australia and The Hong Kong Institute of Certified Public Accountants. Mr. YU has more than 20 years of experience in capital market management, Initial Public Offering, financial reporting and financial management. Before joining the Company, he was a chief financial officer and company secretary of a company listed on the Hong Kong Stock Exchange. Apart from that, he also worked in an international audit firm for approximately eight years. Mr. YU is currently an independent non-executive director and chairman of audit committee of Luxxu Group Limited, a company listed on the Hong Kong Stock Exchange with stock code 1327.

Mr. WONG Ka Kei, aged 58, Planning & Customer Services Director. Mr. Wong joined Solomon Systech Limited in 2005 as Business Process Solutions Manager. Mr. Wong holds a master degree in Information Systems Management from The Hong Kong University of Science and Technology, and has over 30 years customers' service and logistics management experience in semiconductors industry.

高級管理人員

王華志先生

(請參閱第25頁執行董事一節)

吳文琦博士，55歲，副總裁－設計工程。吳博士於2017年加入晶門科技有限公司。加入本公司前，吳博士為虹晶科技股份有限公司協理。吳博士擁有台灣國立中央大學電機工程博士學位。

盧愛兒女士，59歲，人力資源總監。盧女士於2000年加入晶門科技有限公司出任人力資源經理。盧女士擁有英國萊斯特大學人力資源及訓練碩士學位，並擁有超過30年的人力資源管理經驗。

余俊敏先生，46歲，財務總監、公司秘書及依據上市規則第3.05條本公司所委任之授權代表。余先生持有香港理工大學會計學學位，亦為特許公認會計師公會、澳洲會計師公會及香港會計師公會資深會員。余先生於資本市場管理、首次公開招股、財務報告及財務管理方面擁有逾二十年以上經驗。在加入本公司之前，彼曾為一間在香港聯交所主板上市公司擔任首席財務官及公司秘書。除此之外，他還在一間國際審計公司工作了大約八年。余先生現時為勵時集團有限公司（一間於香港聯交所主板上市的公司）（股份代號：1327）之獨立非執行董事兼審核委員會主席。

黃家驥先生，58歲，策劃及客戶服務總監。黃先生於2005年加入晶門科技有限公司出任業務流程經理。黃先生擁有香港科技大學資訊系統管理碩士學位，並在半導體行業擁有超過30年的客戶服務和物流管理經驗。

Company culture

Our vision is to provide the ultimate silicon solution for every display system.

There are three pillars that serve as the foundation of our company culture to support our pursuit of our vision:

- **Innovative:** We continue to innovate and create new technologies that will improve our product offerings. From electronic shelf labels (ESL), e-Paper display driver ICs to touch and display drive integration, we have continuously invested in our R&D, and sought to secure first-mover advantage in new markets. Currently we possess over 690 patent registered worldwide.
- **Talent-oriented:** People are critical to our success. We have built a highly qualified and experienced workforce: as of 31 December 2023, among our employees, 87% hold a bachelor's degree or above, and 34% have earned a master's degree or higher academic qualifications; 65% are engineers who specialize in product design and development. To retain talents and encourage them to thrive, we offer various incentives such as bonus and share options to our employees.
- **Responsive:** Semiconductor technologies are ever evolving. We always keep an eye on the latest development to capture business opportunities. We also closely monitor the trends in material and logistics costs with a view to maintaining the competitiveness of our products.

We are committed to cultivating a strong company culture that is built on the above core values which will enable the Company to offer sustainable growth and return to our shareholders.

公司文化

我們的願景是為每個顯示系統提供最終的晶片解決方案。

我們公司文化的基礎有三個支柱，以支持我們對願景的追求：

- **創新：**我們將繼續創新及創造新技術，以改進我們的產品。從電子貨架標籤(ESL)、電子紙顯示驅動器IC到觸摸和顯示驅動器集成，我們不斷投資研發，並尋求在新市場中獲得先發優勢。目前，我們在全球擁有超過690項專利註冊。
- **以人才為導向：**員工對我們的成功至關重要。我們建立一支高素質、經驗豐富的員工隊伍：截至2023年12月31日，在我們的員工中，87%擁有本科或以上學歷，34%擁有碩士或以上學歷；65%是專攻產品設計和開發的工程師。為了留住人才並鼓勵彼等蓬勃發展，我們為員工提供各種激勵措施，例如花紅及購股權。
- **回應：**半導體技術不斷發展。我們始終關注最新發展，抓住商機。我們還密切關注材料及物流成本的趨勢，以保持我們產品的競爭力。

我們致力於培養一種以上述核心價值觀為基礎的強大的公司文化，這種文化將使本公司能夠提供可持續發展並回報我們的股東。

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate governance practices

The Board and the management of the Group are committed to achieving and maintaining high standards of corporate governance and continuously improve these standards, which the Group considers as critical in safeguarding the integrity of its business operations and maintaining investors' trust in the Company, and good corporate governance is indispensable for long-term business success and sustainable performance of the Group. The management also actively and constantly observes the latest corporate governance developments in Hong Kong and overseas, particularly those in the UK and the USA.

The Company has adopted and applied the corporate governance principles that emphasize a quality board, effective internal controls, stringent disclosure practices, transparency and accountability. The Company has complied with all the applicable Code Provisions in the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Listing Rules for the year ended 31 December 2023. To maintain high standards of corporate governance, the Company has adopted the recommended best practices in the Code where appropriate. In addition, the Company is committed to continuously improving these practices and inculcating an ethical corporate culture.

Directors' securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the code for Directors' securities transactions. All the Directors have confirmed their compliance with the required standards set out in the Model Code during the year ended 31 December 2023. Regarding the shares held by the Directors, the details are listed in the "Report of the Directors" from pages 59 to 74 of this Annual Report. Pursuant to the Code Provision C.1.3, the Company established its own written guidelines on no less exacting terms than the Model Code for Directors and relevant employees who are likely to be in possession of unpublished inside information in respect of their dealings in the securities of the Company. All Directors and relevant employees conformed to the Group's own guidelines throughout the year 2023.

企業管治常規

本集團的董事會及管理層承諾達到及保持高水平的企業管治，以及不斷優化該等水平，這也是維護本集團業務營運的誠信和提高投資者對本公司信心的關鍵因素，而良好的企業管治是達致本集團長期業務成功不可或缺的一環。管理層亦主動和經常地留意香港與海外（特別是英國及美國）的最新企業管治的發展。

本公司採納及應用企業管治原則，強調要有一個優秀的董事會、有效的內部監管、嚴格的披露常規，具透明度及問責度。截至2023年12月31日止年度內，本公司一直遵守上市規則附錄C1所載之企業管治守則（「守則」）中所有適用的守則條文。為維持高水平的企業管治標準，本公司已採納守則中適當的建議最佳常規守則。此外，本公司不斷優化該等常規，培養高度操守的企業文化。

董事的證券交易

本公司已採納上市規則附錄C3所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易的守則。全體董事已向本公司確認彼等於截至2023年12月31日止年度內一直遵守標準守則所載的規定。就董事所持有的股份而言，有關詳情乃列於本年報第59至74頁之「董事會報告」一節。根據守則條文第C.1.3條，本公司已就董事及有關員工可能在買賣本公司證券時取得尚未公開的內幕消息，制訂不比標準守則寬鬆的書面指引。於2023年全年，所有董事及有關員工已確認遵守本集團之內部指引。

Board of Directors

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

- Strategy and management
- Group structure and capital
- Financial reporting and control
- Internal controls
- Major contracts
- Corporate communications
- Board membership and other appointments
- Remuneration
- Authority and delegation
- Corporate governance
- Company policies

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

Board Composition

As at the date of this Annual Report, the Board comprises one Executive Director, three Non-executive Directors and three Independent Non-executive Directors. The size and composition of the Board are reviewed from time to time, taking into account the scope and nature of the Company's operations, to ensure that the size of the Board is adequate to provide a diversity of views and facilitate effective decision-making. The biographical details of all Directors and the relationships among them, if any, are set out in the "Board of Directors and Senior Management" on pages 24 to 32 of this Annual Report and the Company's website. Except as disclosed in the section of "Board of Directors and Senior Management", none of the Directors has any financial, business, family or other material or relevant relationships among members of the Board and the Company has received annual confirmation of independence from each of the Independent Non-executive Directors. Accordingly, the Board considers that all Independent Non-executive Directors are independent as defined in the Listing Rules.

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

董事會

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

- 策略及管理
- 集團架構及資本
- 財務報表及監控
- 內部監控
- 主要合約
- 企業傳訊
- 董事會成員及其他任命
- 薪酬
- 職權及授權
- 企業管治
- 公司政策

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

董事會組合

於本年報日，董事會計有一名執行董事，三名非執行董事及三名獨立非執行董事。本集團會不時檢討董事會的規模及組成，當中會考慮本公司的業務範圍及性質，以確保董事會的規模足以提供不同的觀點，並作出有效決策。所有董事的履歷詳情及彼等之間的關係(如有)均載於本年報第24至32頁之「董事會及高級管理層」一節及本公司網站。除「董事會及高級管理層」一節所披露外，概無董事與董事會成員之間有任何財務、商業、家族或其他重大或相關關係，而本公司亦已收到各獨立非執行董事之年度對獨立性的確認函。因此，董事會認為所有獨立非執行董事均為上市規則所界定的獨立人士。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

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

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

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

Name 姓名	Position 職位	Gender 性別	Ethnicity 種族	Age 年齡	Date of first appointment to the Board 首次獲委任為董事會成員的日期	Date of last re-election as Director 最近一次膺選連任為董事的日期	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Investment Committee 投資委員會
Mr. Wang Wah Chi, Raymond 王華志先生	Executive Director/CEO 執行董事/行政總裁	Male 男	Chinese 華人	58	20 March 2019 2019年3月20日	22 June 2022 2022年6月22日				C
Mr. Ma Yuchuan 馬玉川先生	Non-executive Director/ Chairman 非執行董事/主席	Male 男	Chinese 華人	58	14 March 2018 2018年3月14日	22 June 2022 2022年6月22日			C	√
Mr. Wang Hui 王輝先生	Non-executive Director 非執行董事	Male 男	Chinese 華人	41	1 April 2021 2021年4月1日	23 June 2023 2023年6月23日		√		√
Dr. Kang Jian 康劍博士	Non-executive Director 非執行董事	Male 男	Chinese 華人	42	3 November 2021 2021年11月3日	22 June 2022 2022年6月22日	√			
Mr. Chan Chi Kong (effective from 1 November 2023) 陳志光先生(2023年11月1日起生效)	Independent Non-executive Director 獨立非執行董事	Male 男	Chinese 華人	56	30 November 2023 2023年11月1日	N/A 不適用			C	√
Dr. Chan Philip Ching Ho 陳正豪博士	Independent Non-executive Director 獨立非執行董事	Male 男	Chinese 華人	74	10 December 2020 2020年12月10日	23 June 2023 2023年6月23日	√	C	√	√
Dr. Kwok Hoi Sing (effective from 1 November 2023) 郭海成博士(2023年11月1日起生效)	Independent Non-executive Director 獨立非執行董事	Male 男	Chinese 華人	73	30 November 2023 2023年11月1日	N/A 不適用			√	√
Mr. Leung Heung Ying (from 1 January 2023 to 31 October 2023) 梁享英先生 (由2023年1月1日至2023年10月31日)	Independent Non-executive Director 獨立非執行董事	Male 男	Chinese 華人	60	8 October 2014 2014年10月8日	22 June 2022 2022年6月22日	C	√	√	√
Mr. Sheu Wei Fu (from 1 January 2023 to 31 October 2023) 許維夫先生 (由2023年1月1日至2023年10月31日)	Independent Non-executive Director 獨立非執行董事	Male 男	Chinese 華人	53	8 October 2014 2014年10月8日	23 June 2023 2023年6月23日	√	C	√	

C – chairman of the committee 委員會主席

√ – member of the committee 委員會成員

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

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

Board meetings and Board practices

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

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

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

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

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

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

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

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

董事會會議及董事會常規

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

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

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

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

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

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

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

所有董事委員會均採納董事會會議中所採用的相同原則及程序。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is of the view that the following mechanisms adopted by the Company are effective in ensuring that independent views and inputs are available to the Board:

- The Board comprises a majority of Non-executive Directors.
- The terms of appointment of all Non-executive Directors and Independent Non-executive Directors would not be more than nine consecutive years.
- In appraising suitability of the Director candidates, the Board will consider their profiles, including their experience, qualifications and time commitment; the Board will also consider to the Board's overall composition and skill matrix as well as the Company's diversity policy.
- The Board will review each Director's time commitment to the Company's business annually.
- The Board will assess Non-executive Directors' independence upon appointment and annually.
- Directors are required to abstain from voting in matters in which he has material interest.
- Directors can upon reasonable request seek independent professional advice at the Company's expenses to discharge their duties.

The quality of deliberations at meetings of the Board are reviewed during the annual evaluation of the Board's performance.

The Board, supported by the Audit Committee, regularly accesses the effectiveness of the Company's risk management and internal control system and considers it to be adequate and effective. The review covers all material risks, including ESG risks, and controls including financial, operational, information technology and compliance controls, and risk management functions. The Board is not aware of any significant area of concern which may affect the shareholders. The Board is satisfied that the Company has fully complied with the code of provisions on internal controls as set forth in the Code.

董事會認為，本公司採用的以下機制可有效確保董事會可獲得獨立意見及觀點：

- 董事會由多數非執行董事組成。
- 所有非執行董事和獨立非執行董事的任期不得超過連續九年。
- 在評估董事候選人的適宜性時，董事會將考慮其履歷，包括其經驗、資格及時間投入；董事會還將考慮董事會的總體構成及技能矩陣以及公司的多元化政策。
- 董事會將每年審閱每位董事對公司業務的時間投入。
- 董事會將在委任後每年評估非執行董事的獨立性。
- 董事必須對其有重大利益的事項放棄投票。
- 董事可應合理要求尋求獨立的專業意見，費用由本公司承擔。

董事會會議的審議質素在董事會表現年度評估期間進行檢討。

董事會在審核委員會的支援下，定期瞭解本公司風險管理和內部控制系統的有效性，並認為其充分有效。檢討涵蓋所有重大風險，包括ESG風險和控制措施，包括財務、運營、資訊技術及合規控制措施以及風險管理職能。董事會並不知悉任何可能影響股東的重大關注領域。董事會確信本公司已完全遵守守則中規定的內部控制規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board meetings, Board Committees meetings and General Meetings

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

	Annual General Meeting 股東週年大會	Extraordinary General Meeting 股東特別大會	Board Meeting 董事會會議	Audit Committee meeting 審核委員會會議	Remuneration Committee meeting 薪酬委員會會議	Nomination Committee meeting 提名委員會會議	Investment Committee meeting 投資委員會會議	
Number of meetings held	舉行會議次數	1	1	4	3	1	1	0 ⁽ⁱ⁾
Members of the Board	董事會成員	Number of meetings attended/Eligible to attend in 2023 出席會議次數/2023年符合資格出席會議						
Executive Director	執行董事							
Mr. Wang Wah Chi, Raymond (CEO)	王華志先生(行政總裁)	1/1	1/1	4/4				N/A 不適用
Non-executive Directors	非執行董事							
Mr. Ma Yuchuan (Chairman)	馬玉川先生(主席)	1/1	1/1	4/4		1/1	1/1	N/A 不適用
Mr. Wang Hui	王輝先生	1/1	1/1	4/4				N/A 不適用
Dr. Kang Jian	康劍博士	1/1	0/1	3/4	2/3			
Independent Non-executive Directors	獨立非執行董事							
Mr. Leung Heung Ying (ii)	梁享英先生(ii)	1/1	N/A 不適用	3/3	2/2	1/1	1/1	N/A 不適用
Mr. Sheu Wei Fu (ii)	許維夫先生(ii)	1/1	N/A 不適用	3/3	2/2	1/1	1/1	N/A 不適用
Mr. Chan Chi Kong (iii)	陳志光先生(iii)	-	1/1	1/1	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Dr. Chan Philip Ching Ho	陳正豪博士	1/1	1/1	4/4	3/3	1/1	1/1	N/A 不適用
Dr. Kwok Hoi Sing (iv)	郭海成博士(iv)	-	1/1	1/1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

- (i) No Investment Committee meeting was held during the year under review as no proper investment plan and strategies were sound to propose to the Board.
- (ii) Resigned with effect from 1 November 2023.
- (iii) Appointed as Chairman of Audit Committee and member of Investment Committee with effect from 1 November 2023.
- (iv) Appointed as member of Remuneration Committee and Nomination Committee with effect from 1 November 2023.

Pursuant to the Code Provision C.1.6, Independent Non-executive Directors and Non-executive Directors should attend general meetings. According to the above table, all the Independent Non-executive Directors, Non-executive Directors and the Executive Director were present at the 2023 AGM and available to answer questions from shareholders of the Company.

董事會會議、董事委員會會議及股東大會

本年度董事出席的董事會會議、董事委員會會議及股東大會詳情列於下表：

	Annual General Meeting 股東週年大會	Extraordinary General Meeting 股東特別大會	Board Meeting 董事會會議	Audit Committee meeting 審核委員會會議	Remuneration Committee meeting 薪酬委員會會議	Nomination Committee meeting 提名委員會會議	Investment Committee meeting 投資委員會會議	
Number of meetings held	舉行會議次數	1	1	4	3	1	1	0 ⁽ⁱ⁾
Members of the Board	董事會成員	Number of meetings attended/Eligible to attend in 2023 出席會議次數/2023年符合資格出席會議						
Executive Director	執行董事							
Mr. Wang Wah Chi, Raymond (CEO)	王華志先生(行政總裁)	1/1	1/1	4/4				N/A 不適用
Non-executive Directors	非執行董事							
Mr. Ma Yuchuan (Chairman)	馬玉川先生(主席)	1/1	1/1	4/4		1/1	1/1	N/A 不適用
Mr. Wang Hui	王輝先生	1/1	1/1	4/4				N/A 不適用
Dr. Kang Jian	康劍博士	1/1	0/1	3/4	2/3			
Independent Non-executive Directors	獨立非執行董事							
Mr. Leung Heung Ying (ii)	梁享英先生(ii)	1/1	N/A 不適用	3/3	2/2	1/1	1/1	N/A 不適用
Mr. Sheu Wei Fu (ii)	許維夫先生(ii)	1/1	N/A 不適用	3/3	2/2	1/1	1/1	N/A 不適用
Mr. Chan Chi Kong (iii)	陳志光先生(iii)	-	1/1	1/1	1/1	N/A 不適用	N/A 不適用	N/A 不適用
Dr. Chan Philip Ching Ho	陳正豪博士	1/1	1/1	4/4	3/3	1/1	1/1	N/A 不適用
Dr. Kwok Hoi Sing (iv)	郭海成博士(iv)	-	1/1	1/1	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用

- (i) 由於無合適之投資計劃及策略建議提交予董事會，於回顧年度，並無召開投資委員會會議。
- (ii) 已提請辭任獨立非執行董事，自2023年11月1日起生效。
- (iii) 獲委任為審核委員會主席及投資委員會成員，自2023年11月1日生效。
- (iv) 獲委任為薪酬委員會及提名委員會成員，自2023年11月1日生效。

根據守則條文第C.1.6條，獨立非執行董事及非執行董事應出席股東大會。根據上述列表，本公司所有獨立非執行董事、非執行董事及執行董事均已出席2023股東週年大會並回答本公司股東之問題。

Directors' Continuous Training and Development

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

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

Mr. Ma Yuchuan, Mr. Wang Wah Chi, Raymond, Dr. Kang Jian, Mr. Wang Hui, Mr. Chan Chi Kong, Dr. Chan Philip Ching Ho and Dr. Kwok Hoi Sing attended seminars or read materials on corporate governance, updates on laws, rules and regulations and other professional skills. Directors were also encouraged to take educational courses on duties of the directors.

The Board has received from each of the Directors (Independent Non-executive Directors, Non-executive Directors and the Executive Director) a record of the trainings received for the year ended 2023 indicating their compliance to Code Provision C.1.4.

Chairman and Chief Executive Officer

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

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

Mr. Wang Wah Chi, Raymond, as CEO, is responsible for managing the Group and executing the strategies adopted by the Board. He leads the Group's management team in accordance with the directions set by the Board. He is responsible for ensuring that a proper internal control system is in place and that the Group's business conforms to applicable laws and regulations. The CEO chairs the monthly operations and financial reviews and also the weekly management staff meetings, as well as the quarterly employees' communication meeting.

董事之持續培訓及發展

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

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

馬玉川先生、王華志先生、康劍博士、王輝先生、陳志光先生、陳正豪博士及郭海成博士出席了講座或閱覽有關企業管治、法律、規則和規例之最新資料及其他專業技能。本集團亦鼓勵董事修讀有關董事職務之教育課程。

董事會亦收悉本公司每位董事（獨立非執行董事、非執行董事及執行董事）於2023年度止所接受的培訓記錄均顯示他們已經遵守守則條文第C.1.4條。

主席及行政總裁

非執行主席馬玉川先生及行政總裁王華志之職責及職權，根據上市規則的規定已作區分，以確保權力均衡，權力均衡，加強問責性，以及提高董事會作出獨立決策的能力。

非執行主席馬玉川先生的職責是確保全體董事均以股東的最佳利益行事。獨立於本公司，他對股東負全責，在所有高層次或策略決定上，向董事會及本集團提供建議。具體而言，他獲委予三項主要職務，包括領導董事會、確保本集團與股東進行有效溝通及實行高標準之企業管治。

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

Directors' Appointment, Re-election and Removal

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

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

Rule 3.09D of the Listing Rules

The directors newly appointed during the year 2023, namely Mr. Chan Chi Kong and Dr. Kwok Hoi Sing confirmed that (i) they have obtained the legal advice referred to under Rules 3.09D of the Listing Rules in November 2023, and (ii) understood the requirements under the Listing Rules that are applicable to him as a director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Non-executive Directors

The Non-executive Directors bring a wide range of skills, industry and business experience to the Group. The composition of Executive and Non-executive Directors (including Independent Non-executive Directors) demonstrates a strong independent element on the Board, which can effectively exercise independent judgment pursuant to the Code Provision B.1 so as to further strengthen the Company's corporate governance. The Non-executive Directors are of sufficient caliber and number for their views to carry weight. At least once a year, Non-executive Directors and also Independent Non-executive Directors will have a private discussion with the Chairman on the Group's matters. In addition, Non-executive Directors, according to the Group's policy, may approach the Group's employees at anytime they think appropriate. During the year, the Group's management also met with certain Non-executive Directors to seek their views on certain business or operational matters.

During the year 2023, the Board had a total of three Independent Non-executive Directors and they represented more than one-third of the Board, which is a sufficient number to meet the minimum requirements under Rule 3.10(1) and Rule 3.10A of the Listing Rules.

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

董事的委任、重選及罷免

於本公司的每次股東週年大會上，三分之一當時的董事，或倘其人數並非三或三的倍數，則最接近的人數不少於三分之一，須輪席告退。每一位董事最少需要每三年或按聯交所不時規定之期限內退任。退任董事可參加重選連任，並在其退任董事的股東週年大會上繼續以董事資格行事。

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

上市規則第3.09D條

年內新委任的董事陳志光先生及郭海成博士確認，(i)彼等已於2023年11月取得上市規則第3.09D條所述的法律意見，及(ii)了解上市規則項下適用於其作為本公司董事的規定，以及向聯交所作出虛假聲明或提供虛假信息可能引致的後果。

非執行董事

非執行董事為本集團帶來各方面的技術、行業及業務經驗。公司董事會中執行董事與非執行董事（包括獨立非執行董事）的組成具備強大的獨立元素，能夠有效達成守則條文B.1條所載的獨立判斷，進一步加強本公司的企業管治。非執行董事具有足夠才幹和人數，以使其意見具有影響力。非執行董事及獨立非執行董事就本集團事宜與主席進行每年不少於一次的私下討論。此外，根據本集團之政策，非執行董事可於彼等認為合適時隨時接觸本集團之員工。年內，本集團的管理層亦不時會見若干非執行董事，尋求他們在若干業務或營運事宜的意見。

於2023年度內，董事會共有三名獨立非執行董事，而他們佔董事會成員人數超過三分之一，已有足夠人數，符合上市規則第3.10(1)條及第3.10A條的最低要求之規定。

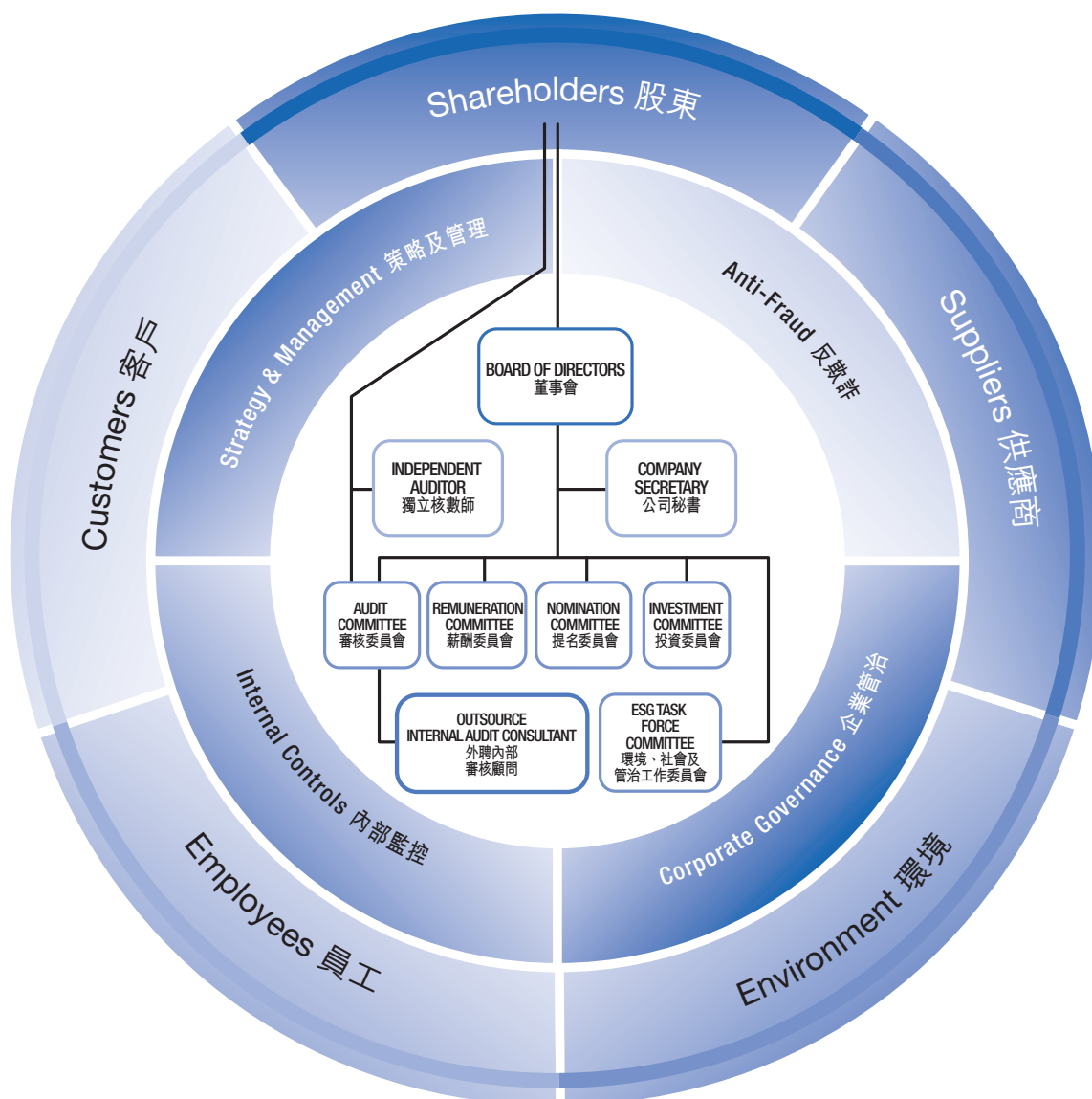
所有獨立非執行董事都憑藉他們豐富的經驗為董事會效力，並積極為本集團作出貢獻。他們密切監察本集團的發展，並在董事會會議上自由發表意見。根據上市規則第3.13條，所有獨立非執行董事（除本年報所披露外）與本集團之間並無任何業務或財務方面的利益關係。本公司認為所有獨立非執行董事根據上市規則之獨立指引是獨立於本集團。

CORPORATE GOVERNANCE REPORT

企業管治報告

Corporate Governance Structure

企業管治架構



Remuneration Committee

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

The meetings of the Remuneration Committee shall normally be held not less than once a year to review and approve principally the remuneration of Executive Directors of the Company. As recommended by the Committee and approved by the Board, the Committee, currently chaired by Dr. Chan Philip Ching Ho (with effect from 1 November 2023), has delegated to the CEO the authority to approve the remuneration of all the employees of the Group below the rank of Executive Director. Policy related remuneration schemes will be decided by the Remuneration Committee. Mr. Sheu Wei Fu was the chairman of the Remuneration Committee from 1 January 2023 to 31 October 2023, he ceased to be the chairman of the Remuneration Committee upon his resignation as Director of the Company. No remuneration has been paid to Non-executive directors.

The main duties of the Remuneration Committee are as follows:

- To determine the framework and broad policy for the remuneration of Directors, senior management and general staff
- To establish guidelines for the recruitment of the Chief Executive Officer and senior management
- To approve the policy and structure for the remuneration of Directors (including Non-executive Directors) whilst ensuring no Director or any of his associates is involved in deciding his own remuneration
- To determine the remuneration of Executive Directors including benefits in kind, pension right and compensation payment
- To review and approve the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to Executive Directors and senior management to ensure that it is consistent with contractual terms and is otherwise fair and not excessive
- To review the criteria for assessing the performance of the Executive Directors and/or senior management which should reflect the Company's business objectives and targets
- To determine the annual performance bonus for Executive Directors and review the annual performance bonus for senior management achievements against the performance criteria and by reference to market norms

薪酬委員會

薪酬委員會的委員包括一名非執行董事及兩名獨立非執行董事。獨立非執行董事在薪酬委員會內佔大比數投票權。該委員會不會處理非執行董事的酬金事宜，釐定非執行董事的酬金應屬於董事會執行董事的職務。董事或高級行政人員將不會參與有關其酬金的任何討論。該委員會亦會向主席諮詢有關其他執行董事酬金的意見，並在有需要時，尋求專業意見。該委員會會向人力資源部主管諮詢有關人事政策、市場及其他公司資料。

薪酬委員會每年召開不少於一次會議，主要是檢討和核准本公司執行董事的酬金。經委員會推薦及董事會批准，該委員會現時由陳正豪博士擔任主席（自2023年11月1日起生效），並已授予行政總裁權力，以核准屬於執行董事職級以下本集團全體員工的酬金。薪酬委員會將作出有關薪酬政策事宜的決定。許維夫先生於2023年1月1日至2023年10月31日期間為薪酬委員會主席，彼於辭任本公司董事起不再出任薪酬委員會主席。既無向非執行董事支付薪酬。

薪酬委員會之主要職務如下：

- 審批董事、高級管理層及一般員工的廣泛薪酬政策
- 制定招聘行政總裁及高級管理層的指引
- 審批就董事（包括非執行董事）薪酬的政策及結構，同時確保任何董事或其任何聯繫人不得參與釐定自己的薪酬
- 釐定執行董事的薪酬待遇，包括非金錢利益、退休金權利及賠償金額
- 檢討及批准有關執行董事及高級管理層因喪失或被終止其職務或委任或因行為失當而被解僱或罷免所涉及的賠償安排，以確保有關賠償與合約條款一致、公平合理而不致過多
- 審閱評估執行董事及／或高級管理層表現的準則；有關準則須反映本公司的業務目的及目標
- 根據表現準則評核執行董事、高級管理層的表現並參考市場標準，釐定執行董事以及審閱高級管理層的年度表現花紅

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee (continued)

- To review and/or make recommendation to the Board on the matters relating to share schemes under Chapter 17 of the Listing Rules
- To engage such external professional advisors to assist and/or advise the Remuneration Committee on issues as it considers necessary

In 2023, the Remuneration Committee confirmed the remuneration policy for the Executive Director, assessed his performances as well as reviewed his employment contract with the Group. They also delegated the CEO the authority to approve the remuneration of senior management and all other employees of the Group. Details of remuneration of Directors and the senior management are set out in notes 11 and 36(b) of the Notes to the Consolidated Financial Statements section.

The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2023 is set out below:

Remuneration bands 酬金範圍

HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元
HK\$5,500,001 to HK\$6,000,000	5,500,001港元至6,000,000港元

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix D2 to the Listing Rules are set out in notes 10 and 11 to the consolidated financial statements.

Nomination Committee

The Nomination Committee comprises one Non-executive Director and two Independent Non-executive Directors, with a majority being Independent Non-executive Directors. The Committee generally meets before the annual general meeting, or at other times as required by the Chairman of the Committee. The Committee will nominate such candidates for the Board to consider, and regularly review the composition of the Board as well as make suggestions on any change that may be required.

The main duties of the Nomination Committee are as follows:

- To review the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board to implement the Company's corporate strategy
- To assess the independence of Independent Non-executive Directors
- To identify and nominate candidates to the Board for it to appoint or to recommend to shareholders for election

薪酬委員會 (續)

- 就上市規則第17章項下的股份計劃相關事宜進行檢討及／或向董事會提供建議
- 就薪酬委員會認為有需要的事宜外聘專業顧問，向委員會提供協助及／或意見

於2023年，薪酬委員會已確認執行董事的薪酬政策、評估其表現及審閱其與本集團的聘用合約。彼等亦已授予行政總裁權力，以核准屬於本集團高級管理人員及其他全體員工之薪酬。董事及高級管理層之薪酬詳情載於綜合財務報表附註11及36(b)內。

截至2023年12月31日止年度按範圍劃分本集團之高級管理層成員的酬金載列如下：

Number of persons 人數

3
1
1

根據上市規則附錄D2須予披露的有關董事酬金及五名最高薪酬僱員的進一步詳情載於綜合財務報表附註10及11。

提名委員會

提名委員會的委員包括一名非執行董事及兩名獨立非執行董事，而獨立非執行董事在提名委員會內佔大比數。委員會會議須於股東週年大會前或委員會主席要求的其他時間舉行。提名委員會就提名候選人提呈董事會考慮，並定期檢討董事會成員組成及提交需要作出變動的建議。

提名委員會之主要職務如下：

- 至少每年檢討董事會的架構、規模及組成，並按本公司的企業策略向董事會提出任何改動建議
- 評定獨立非執行董事的獨立性
- 物色候選人並向董事會提名，供董事會委任或向股東推薦選任為董事

Nomination Committee (continued)

- To regularly review the time required from a Director to perform his responsibilities
- To make recommendations to the Board on relevant matters relating to the succession planning for the Chairman, the Chief Executive Officer as well as the senior management
- To review the Board Diversity Policy, as appropriate; and the progress on achieving the objectives set for implementing the policy

The Board has adopted a nomination policy to set out the criteria and process in the nomination and appointment of Directors, and to ensure the balance of skills and experience and diversity of the Board and the Board's continuity.

The ultimate responsibility for selection and appointment of the Director rests with the entire Board; the Nomination Committee has been delegated the responsibility and authority to assess and select potential Director candidates.

In assessing a Director candidate's suitability, the Nomination Committee will consider, among other things, reputation for integrity, qualifications, skills, knowledge, experience, willingness and ability to devote adequate time to discharge his duties as Director, independence, diversity, etc.

The Director nomination procedures and process are set out in the Company's nomination policy (which can be found in the Company's website), which are summarized below:

- The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out in the nomination policy to determine whether such candidate is qualified for directorship.
- If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

提名委員會(續)

- 定期檢討董事履行其責任所需付出的時間
- 就主席、行政總裁及高級管理層繼任計劃的有關事宜向董事會提出建議
- 審閱董事會成員多元化政策(視乎適用情況而定)及落實政策的達標進度

董事會已通過一項提名政策，規定董事提名及委任的標準和流程，並確保董事會技能和經驗的平衡以及董事會的連續性。

選擇及委任董事的最終責任由整個董事會承擔；提名委員會已被授予評估和選擇潛在董事候選人的職責及權力。

在評估董事候選人的適宜性時，提名委員會將考慮誠信、資質、技能、知識、經驗、意願和能力等方面的聲譽，以投入充分的時間履行其董事職責、獨立性、多元化等。

董事提名程序及流程見本公司的提名政策(可在本公司網站上查閱)，概述如下：

- 提名委員會及／或董事會應在收到委任新董事的提議和候選人的履歷資料(或相關詳情)後，根據提名政策規定的標準對該候選人進行評估，以確定該候選人是否有資格擔任董事。
- 倘若流程產生一名或多名理想候選人，提名委員會及／或董事會應根據本公司的需求按優先順序對其進行排序，並對每個候選人進行背景調查(如適用)。
- 提名委員會應建議董事會委任合適的董事候選人(如適用)。

Nomination Committee (continued)

- For any person that is nominated by a shareholder of the Company for election as a director at the general meeting of the Company (please refer to the Company's website for the relevant procedures), the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
- Where appropriate, the Nomination Committee and/or the Board should make recommendation to the shareholders in respect of the proposed election of director at the general meeting.

The Company also recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. In this connection, the Board has adopted a Board Diversity Policy (which can be found in the Company's website) to set out the approach to achieve diversity on the Board.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

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

See the paragraph headed "Board Composition" for the composition of the Board.

In 2023, the Nomination Committee reviewed the policy for the nomination of Directors, the nomination procedures, the process and criteria to select and recommend candidate for directorship and the Board Diversity Policy. The Nomination Committee considers that the current Board composition has provided the Company with a good balance and diversity of skills and experiences appropriate for the business of the Company.

As regards the diversity of the Board, it is noted that the Board currently comprises male Directors only. In this regard, the Board has commenced the process to identify potential Director candidates in 2023 and will appoint at least a director of a different gender on the Board no later than 31 December 2024.

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

提名委員會 (續)

- 對於由本公司股東提名在公司股東大會上當選為董事的任何人士(相關程序請參見本公司網站), 提名委員會及/或董事會應根據上述標準評估該候選人, 以確定該候選人是否有資格擔任董事。
- 在適當情況下, 提名委員會及/或董事會應在股東大會上就擬議的董事選舉向股東提出建議。

本公司還認可並接受擁有多元化董事會以提高表現質素的好處。在此方面, 董事會採用董事會多元化政策(可在本公司網站上查閱), 載列董事會實現多元化的舉措。

為了實現可持續及平衡的發展, 本公司認為董事會層面的多元化日益增強是支援實現其戰略目標和可持續發展的基本要素。所有董事會的委任將基於任人唯賢的原則, 將根據適當的標準考慮候選人, 同時適當考慮董事會多元化的好處。

本公司承諾選擇最佳人選。除教育背景、專業經驗、技能、知識和服務年限外, 候選人的選擇將基於各種多元化視角, 包括但不限於性別、年齡、文化背景和種族。最終決定將基於所選候選人將為董事會帶來的優勢及貢獻。

董事會的組合見「董事會組合」一節。

於2023年, 提名委員會已檢討董事提名政策、挑選及建議候選人擔任董事的提名程序、過程及標準以及董事會成員多元化政策。提名委員會認為, 董事會目前的成員組合為本公司提供均衡及多元化的技能及經驗, 適合本公司業務所需。

關於董事會的多元化, 值得注意的是, 董事會目前僅由男性董事組成。在此方面, 董事會已於2023年開始物色潛在董事候選人, 並至少於2024年12月31日之前委任一名異性董事。

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

Investment Committee

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

The Investment Committee, currently chaired by Mr. Wang Wah Chi, Raymond, will evaluate and approve any strategic investment of US\$2 million or less. Any strategic investment exceeding that amount will be proposed by the Committee for the Board's approval. The Committee is authorized, at the expense of the Group, to seek external professional advice it considers necessary and to arrange external advisers to attend its meetings. The Committee will also periodically report the status and performance of investments to the Board.

The main duties of the Investment Committee are as follows:

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

No investment committee meeting held during the year under review since there were no proper investment plan and strategies.

投資委員會

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

投資委員會現時由王華志先生擔任主席，評估及批准任何二百萬美元或以下的策略性投資。任何超越該金額的策略性投資將會由委員會呈呈以待董事會通過。委員會獲授權有需要時以本集團支出尋求外界專業意見及安排該等外聘顧問出席會議。委員會就投資的狀況及表現定期向董事會匯報。

投資委員會之主要職務如下：

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

由於沒有合適之投資計劃及策略，故於回顧年度，並無召開投資委員會會議。

Audit Committee

The Audit Committee comprises two Independent Non-executive Directors and one Non-executive Director and is chaired by Mr. Chan Chi Kong (“Mr. Chan”). Mr. Chan is a fellow member of each of The Association of Chartered Certified Accountants, The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in England and Wales, The Chartered Governance Institute and The Hong Kong Chartered Governance Institute, and a CFA charter holder of The Chartered Financial Analyst Institute. Mr. Chan has substantial experience in auditing, accounting, corporate finance, investment, company secretarial practice, business development and general management. He held chief financial officer and various senior management positions in companies whose shares are listed on the main board of the Stock Exchange. Mr. Chan meets the requirement of having appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules for the purpose of such appointment.

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

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

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

The main duties of the Audit Committee are as follows:

- To make recommendations to the Board on the appointment, re-appointment and removal of the independent auditor, and to approve the remuneration and terms of engagement of the independent auditor, and deal with any question of resignation or dismissal of that auditor
- To review with the Group’s management, independent auditor and internal auditor, the adequacy of the Group’s policies and procedures regarding risk management and internal control systems, and any statement by the Directors to be included in the annual accounts prior to endorsement by the Board
- To review independent auditor’s independence, objectivity, effectiveness of the audit process and the scope of the independent audit including the engagement letter, prior to commencement of audit

審核委員會

審核委員會由兩名獨立非執行董事及一名非執行董事組成，並由陳志光先生（「陳先生」）擔任主席。陳先生為英國特許公認會計師公會、香港會計師公會、英格蘭及威爾斯特許會計師公會、英國特許公司治理公會及香港公司治理公會各自之資深會員，並持有特許金融分析師協會頒發之特許金融分析師名銜。陳先生在審核、會計、企業融資、投資、公司秘書實務、業務發展及綜合管理方面擁有豐富經驗。彼曾於在聯交所主板上市之公司擔任首席財務官及多個高級管理職位。陳先生具備符合上市規則第3.10(2)條之規定之適當的專業資格或會計或有關財務管理的專門技術。

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

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

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

審核委員會之主要職務如下：

- 負責向董事會提出就委任、重新委任及罷免獨立核數師的建議，並批准獨立核數師的薪酬及聘任條款，以及處理任何有關辭任或辭退該核數師的問題
- 與本集團的管理層、獨立核數師及內部核數師檢討本集團有關風險管理及內部監控系統的政策及程序是否足夠，以及在提交董事會批署前審閱任何董事擬載於年度賬目內的聲明
- 於開始審核工作前審視獨立核數師是否獨立、客觀、審核程序是否有效，以及獨立審核的範疇，包括聘任書

Audit Committee (continued)

- To review the annual, quarterly (if any) and interim financial reports prior to approval by the Board and liaise with the Board and senior management, and the Committee must meet, at least twice a year, with the independent auditor
- To evaluate the cooperation received by the independent auditor; obtain the comments of management regarding the responsiveness of the independent auditor to the Group's needs; inquire the independent auditor as to whether there have been any disagreements with the management which if not satisfactorily resolved would result in the issue of a qualified report on the Group's financial statements
- To seek from the independent auditor, on an annual basis, information about policies and processes for maintaining independence and monitoring compliance with relevant requirements, including provision of non-audit services and requirements regarding rotation of audit partners and staff
- To review and monitor the scope, effectiveness and results of internal audit function, ensure co-ordination between the internal and independent auditors and ensure that the internal audit function is adequately resourced and has appropriate standing within the Group
- To discuss with management the scope and quality of systems of internal control and ensure that management has discharged its duty to have an effective internal control system including the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, and their training programs and budget
- To review the findings of internal investigations and the management's response into any suspected frauds or irregularities or failures of internal controls or infringements of laws, rules and regulations
- To consider other topics, as defined by the Board

The Audit Committee held three meetings during the year ended 31 December 2023 to review and discuss the financial results and reports, financial reporting and compliance procedures, internal control system and risk management review and process, to evaluate the effectiveness of internal audit function by reviewing the work performed by the outsourced internal audit consultant and to re-appoint of the independent auditor of the Group.

審核委員會(續)

- 在提交董事會批准前審閱年度、季度(如有)及中期財務報表,及與董事會和高級管理層磋商,而該委員會必須與獨立核數師每年會面至少兩次
- 評估獨立核數師從管理層所得到的配合;取得管理層對有關獨立核數師回應本集團需要的意見;查詢獨立核數師曾否與管理層有任何意見分歧,以致若無法圓滿解決而導致獨立核數師就本集團的財務報表發出具保留意見的報告
- 每年要求獨立核數師提供就其維持獨立性及監察是否遵守相關規定所採納的政策及程序的資料,包括是否提供非審核服務及審核工作所涉及的合夥人及員工的輪任要求
- 檢討及監察內部審核職能的範疇、效能及結果,確保內部及獨立核數師互相協調,以及確保內部審核職能獲足夠資源並於本集團內有恰當地位
- 與管理層商討內部監控的範疇及質素,以及確保管理層已履行其職責確保內部監控系統有效,包括所需資源、會計及財務匯報人員的資歷及經驗和相關員工的培訓計劃及預算開支是否足夠
- 審查任何懷疑不誠實行為或不合規情況或內部監控缺失或涉嫌違反法律、規則及規例情況的內部調查結果及管理層的回應
- 考慮董事會界定的其他議題

審核委員會於截止2023年12月31日止年度曾舉行三次會議,審閱及討論本集團的財務業績及報告、財務報表及遵守守則的程序、內部監控系統及風險管理審閱與程序、審閱外聘內部審核顧問的工作以評估內部審計職能的有效性和續聘本集團的獨立核數師。

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee (continued)

As the Audit Committee is also responsible for corporate governance duties, the Committee performed the following duties during the year ended 31 December 2023:

- To note the amendments to Corporate Governance Code under Appendix C1 of the Listing Rules from time to time in particular in the area of risk management, and to review the Group's policies and practices on corporate governance to ensure compliance
- To review and monitor the training and continuous professional development of the Directors and senior management
- To review and monitor the policies and practices on compliance with legal and regulatory requirements
- To review and monitor the Code of Conduct applicable to employees and the Directors
- To review the compliance with the Code Provisions and disclosure in the Corporate Governance Report

ESG Task Force Committee

Pursuant to Appendix C2 to the Listing Rules, an ESG Task Force Committee was established in 2021 under the delegated authority of the Board. The ESG Task Force Committee was chaired by the Executive Director of the Company working on promoting and implementing various activities and measures regarding environmental, social and governance ("ESG") matters. The Committee members include the Company Secretary, the Human Resources Director, heads of various operational departments and Corporate Communication Manager. The Committee meets at least once annually and a separate ESG Report has been published on the same date as this Annual Report. During the year under review, the Directors and members of the ESG Task Force Committee had received a formal training on anti-corruption.

The main duties of the Committee are as follows:

- Formulate and review the Group's responsibilities, visions, strategies, frameworks, principles and policies of ESG related issues and implement relevant policies;
- Set, implement and oversee ESG relevant targets, key performance indicators and measures that align with the Group's business model and effectively monitor the progress;
- Identify ESG related issues arising from external factors;
- Organize and monitor staff trainings related to ESG matters;
- Assist in the preparation of the Group's annual ESG report and submit it to the Board for their review and approval for publication; and
- Report any new development of matters with its terms of reference to the Board when necessary.

審核委員會 (續)

由於審核委員會亦負責企業管治之職務，截至2023年12月31日止年度，該委員會履行如下的職務：

- 依據上市規則附錄C1公司管治守則中的守則條文不時進行修正，特別是關於風險管理範疇，檢討本集團的企業管治政策及常規符合要求
- 檢討及監察董事及高級管理層的培訓及持續專業發展
- 檢討及監察遵守法律及監管規定方面的政策及常規
- 檢討及監察員工及董事的行為守則
- 檢討遵守守則條文的情況及在企業管治報告內的披露

ESG工作委員會

根據香港聯交所上市規則附錄C2，董事會於2021年授權成立ESG工作委員會。ESG工作委員會會議由本公司執行董事主持，成立目的為推動及執行多項與環境、社會及管治事宜有關的活動及措施。委員會成員包括公司秘書、人力資源總監、不同營運部門主管及企業傳訊經理。委員會每年舉行至少一次會議，而於本年報日期之日已刊發單獨的ESG報告。於回顧年內，董事及ESG工作委員會成員已接受一個反貪污正式培訓。

委員會的主要職責為：

- 制定並審視本集團在ESG相關事務上的責任、願景、策略、框架、原則及政策，並實施相關政策；
- 配合本集團業務模式，設定、執行並監督ESG相關目標、關鍵績效指標及措施，並有效監察其進度；
- 識別基於外部因素而產生的ESG相關問題；
- 組織並監察關於ESG事宜的員工培訓；
- 協助擬備本集團的年度ESG報告，並提交董事會供其進一步審閱及批准刊發；及
- 於必要時向董事會匯報任何有關委員會職權範圍的新事態發展。

Accountability and Audit

Financial reporting

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

Auditor's Remuneration

The Group's independent auditor is Ernst & Young. Ernst & Young is responsible for auditing and forming an independent opinion on the Group's annual consolidated financial statements. Apart from the statutory audit of the annual consolidated financial statements, Ernst & Young was also engaged to perform a review on the condensed consolidated interim financial information of the Group for the six months ended 30 June 2023 as well as advise the Group on taxation and related matters.

The fees payable by the Group to the independent auditor in respect of audit and non-audit services (including tax advisory service) provided by them for the year ended 31 December 2023 are US\$155,000 (2022: US\$148,000) and US\$68,000 (2022: US\$96,000) respectively.

Company Secretary

The Company Secretary is responsible for advising the Board on governance matters and should also facilitate induction and continuous training of Directors. In 2023, the Company Secretary has undertaken more than 15 hours of relevant professional training which exceeded the requirement of Rule 3.29 of the Listing Rules. The Board has full access to the advices and services of the Company Secretary.

Diversity of workforce

As at 31 December 2023, the Group had a total workforce of 302 employees, of which 66% (198) are males, and 34% (104) are females. Among the senior management team of 5 members, 4 of them are males and the remaining one is female.

While we believe our future employee recruitment should predominantly be based on merit and do not consider it appropriate to set any target gender ratio for our workforce, we recognize and embrace the benefits of having a diverse workforce, and will continue to enhance the diversity of our workforce, subject to availability of suitable candidates.

問責性及審核

財務報告

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

核數師酬金

本集團之獨立核數師乃安永會計師事務所。安永負責審核及對年度綜合財務報表發出獨立意見。除對年度綜合財務報表作出法定審核外，安永亦獲聘為審閱本集團截至2023年6月30日止六個月簡明綜合中期財務資料，並就稅務法規及有關事宜提供意見。

截至2023年12月31日止年度，本集團付予獨立核數師有關審核及非審核服務（包括稅務顧問服務）之費用分別為155,000美元（2022年：148,000美元）及68,000美元（2022年：96,000美元）。

公司秘書

公司秘書負責就管治事宜向董事會提出意見，並協助初始及持續之董事培訓。在2023年，公司秘書已超過上市條例第3.29條的要求，接受多於15小時相關專業培訓。董事會充分獲得公司秘書提供的服務及建議。

員工多元化

於2023年12月31日，本集團共有302名員工，其中66%(198)為男性，34%(104)為女性。高級管理層團隊5人中，4人為男性，餘下1人為女性。

雖然我們認為我們未來的員工招聘應主要基於表現，而認為將我們的員工設定任何目標性別比例並不合適，但我們認可並接受擁有多元化員工隊伍的好處，並將繼續提高我們的員工隊伍的多元化，前提是有合適的人選。

Shareholders' Rights and Investor Relations

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

General meetings can be convened on the written requisition of any two or more members of the Company (or, in the case of a member being a recognized clearing house (or its nominee) any one member of the Company) holding not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

The requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office, specifying the objects of the meeting and signed by the requisitioner(s).

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

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

With regard to general enquiry, a shareholder may contact the Company's Share Registrar directly. Information on proceedings at general meetings, votes of members, proxies, dividends and reserves, transfer of shares and other information are detailed in the Company's Memorandum and Articles of Association, which is accessible for inspection at the Company's Share Registrar, through website of the Group or the website of the Stock Exchange. The contact details of the Share Registrar is on page 178 of this Annual Report. In the event that a shareholder wishes to put forward a proposal to the Board or at a shareholders' meeting, he may put forth his enquiry in writing to the Corporate Communications Section of the Group who will act on the subject matter accordingly.

股東權利及投資者關係

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

股東大會可應持有本公司已繳足股本不少於十分之一（附帶在本公司股東大會上表決的權利）的本公司任何兩名或兩名以上股東（或在股東為認可結算所（或其代名人）的情況下，本公司任何一名股東）的書面要求而召開。

請求書須遞交至本公司在香港的主要辦事處，或（倘本公司不再設有該主要辦事處）註冊辦事處，當中列明大會目的並由請求人簽署。

倘董事會未能於遞交要求之日起計21日內妥為召開將於其後21日內舉行的會議，則請求人本身或其中任何擁有全體請求人表決權總數超過二分之一的人士，可按盡可能與董事會召開大會相同的方式召開股東大會，但如此召開的任何大會不得在遞交要求之日起計三個月屆滿後舉行，而請求人因董事會未能履行職責而招致的一切合理費用，將由本公司向彼等賠償。

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

股東可直接聯絡本公司的股份過戶登記處，查詢一般資料。有關股東大會的程序、投票方法、委任代表、股息及儲備、股份轉讓及其他資料，已詳列於本公司的組織章程大綱及細則，組織章程大綱及細則可於本公司的股份過戶登記處、通過本集團的網站或聯交所網站查閱。股份過戶登記處的聯絡資料載於本年報第178頁。如股東欲向董事會或於股東大會提呈任何建議，可致函本集團的企業傳訊部，以妥善處理有關事宜。

Shareholders Communication

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

For the year under review, the Group has taken a proactive approach to communicate with the investment community, for example, institutional investors, analysts and retail investors. For the year ended 31 December 2023, the Group conducted meetings and conference calls with investors and analysts. To enhance the Group's profile among the general public in Hong Kong, interviews were conducted with local media, and group visits to its principal office were arranged with local universities and technology institutions.

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

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

股東通訊

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

於回顧年內，本集團一直採取積極態度與投資大眾（例如：機構投資者、分析員及散戶投資者）溝通。截至2023年12月31日止年度，本集團與投資者及分析員舉行了多個會議及電話會議。為提升香港公眾對本集團的認識，本集團多次接受本地傳媒訪問和安排多個本地大學及科技協會團體參觀本公司的總辦事處。

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

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

Shareholders Communication (continued)

The Board has reviewed the shareholder communication policy and considered that it is effective and properly implemented.

To the best of the Company's knowledge, as at 31 December 2023, Huada/CEC held about 28.29% of the Company's shares, the Board held roughly 0.68%, and the remaining approximately 71.03%, is believed to be in public hands.

The website of the Group (www.solomon-systech.com) is also updated constantly to inform investors and the general public of the latest information of the Group, for example, the important dates for shareholders in the coming year. Further information for shareholders can be found on pages 178 to 180 of this Annual Report.

Dividend Policy

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

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

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

股東通訊(續)

董事會已審閱股東通訊政策，並認為其屬有效且已妥善實施。

據本公司所知，截至2023年12月31日止，華大／中國電子持有本公司股份約28.29%，董事會的董事持有大約0.68%本公司的股份，餘下約71.03%的股份，則相信是由公眾人士所持有。

本集團的網站(www.solomon-systech.com)亦會定期更新資料，向投資者和公眾人士提供本集團的最新訊息，例如股東於來年需注意的重要日期。有關股東須知的其他資料可參閱本年報第178至180頁。

股息政策

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

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

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

Risk Management and Internal Control

The Board has responsibilities for maintaining and reviewing the effectiveness of the Group's risk management and internal control systems. The risk management and internal control systems within the Group are designed to help the Group achieve key initiatives, and represent the Group's efforts in protecting its physical assets, information and technology. As maintaining an effective control system is a shared responsibility of all in the Group, the Group is dedicated to educating all employees via trainings to ensure they understand the importance of internal control policies and adhere to them.

To facilitate effective internal control system, the Group adopted the Internal Control-Integrated Framework issued by COSO. The presence of risk management and internal control systems empowers the Group to implement best business practices in dynamic and challenging business environments.

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

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

風險管理及內部監控

董事會有責任維持及審閱本集團風險管理及內部監控體系之效能。本集團的風險管理及內部監控體系旨在協助本集團達致目標，致力保障其資產、資訊及科技。由於保持具效能的內部監控體系是每位集團成員共同的責任，固本集團致力從培訓以教育員工明白內部監控政策及對其堅持的重要性。

為促進有效的內部監控體系，本集團已採用由COSO發表的內部監控架構。現有的風險管理及內部監控體系能讓本集團在瞬息萬變及富挑戰的營商環境下實踐最佳的營商方法。

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

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

Risk Management and Internal Control (continued)

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

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

The Board reviewed and assessed twice a year the effectiveness of the risk management and internal control systems in audit committee meetings for the year ended 31 December 2023, including financial, operational and compliance controls, and risk management functions, by considering:

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

The Board also reviewed the Group's operating and financial performance against the financial budget on a quarterly basis while senior management closely monitored the financial performance on a monthly basis.

風險管理及內部監控(續)

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

董事會持續監督集團的風險管理和內部控制系統。

截至2023年12月31日止年度，董事會每年兩次在審核委員會會議評估風險管理及內部監控的成效，包括財務、運營和合規控制以及風險管理職能，考慮如下：

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

董事會亦會每季以財務預算為審核本集團運作及財務表現，同時高級管理層亦會緊密監察每月的實際財務表現。

Risk Management and Internal Control (continued)

The management is committed to improve the Group's overall risk management approach and strategy. They continuously monitors the global business environment, industry development, as well as internal processes, to ensure the existing risk management and internal control systems can identify and manage risks and opportunities effectively.

In 2023, the management reviewed the existing risk management and internal control systems and certain modification of the system have been implemented during the year under review. The Company has engaged a consultant to tick off the assessment on Cyber Security for vulnerability scanning and network infrastructure penetration test. The management continues to review the adequacy of its risk management and control framework and looks for opportunities to make improvements and add appropriate resources when necessary.

The Group has outsourced internal audit consultant, who will prepare regular report to the Audit Committee. The outsourced internal audit consultant provides an independent assessment of the effectiveness of the Group's risk management and internal control systems in accordance with the Code, and assists the Audit Committee to conduct regular reviews of the Group's risk management and internal control systems, which include the review of the effectiveness of financial, operational and compliance controls and risk management functions. Different audit areas are assigned with different risk ratings and an audit plan is formulated accordingly so that priority and appropriate audit frequency is given to areas with higher risks. The outsourced internal audit consultant conducts regular financial and operational reviews on the Group and reports directly to the Chairman of the Audit Committee regularly. The Group monitors the follow up actions agreed upon in response to its recommendations.

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

The Group has established and published a whistleblowing policy and a system on anti-fraud for employees and third parties to raise concerns in confidence, which complied with the recommended best practice in the Code. In 2023, no incident of fraud or misconduct was reported from employees or stakeholders that had material effect on the Group's financial statements and overall operations.

風險管理及內部監控(續)

管理層致力改善本集團的整體風險管理方針及策略。他們不斷監察環球商業環境、行業發展以及內部工作程序，以確保現有的風險管理及內部監控系統能有效地識別及管理風險和機會。

於2023年，管理層已檢討現有的風險管理及內部監控系統，若干進一步優化該系統的措施已於年內實施。本公司已委聘顧問就漏洞掃描及網絡基礎設施滲透測試展開網絡安全評估。管理層繼續檢討風險管理和監控架構的充足程度，時刻尋找改善機會，必要時並會增加適當資源。

本集團外聘內部審核顧問，定期編製報告提交予審核委員會。外聘內部審核顧問根據企業管治守則對本集團所有風險管理及內部監控系統作出獨立評估有系統是否有效，並協助審核委員會進行常規的審閱本集團之風險管理及內部監控體系，包括財務、營運及法規遵從性的監控和風險管理功能之成效。對不同的審核部分劃分不同的風險評級及製定權衡風險的審核方案，對較高風險的部分適當予以較優先及較頻密之審核。外聘內部審核顧問亦會定期為本集團的財務和營運作出審閱及定期向審核委員會主席提交報告。本集團亦會對落實執行之建議作出監督。

財務總監諮詢外聘內部審核顧問後，會定期向行政總裁更新內審工作進度。審核委員會至少每年兩次，外聘內部審核顧問的工作並就主要之查核結果及監控弱點(如有)作出檢討以確定內部審計職能、風險管理及內部控制系統的有效性。

本集團已制定及公開有關告密政策及反欺詐行為制度，讓員工及第三方可暗中舉報，此為符合建議最佳常規。於2023年，並無員工或持份者舉報任何足以對本集團財務報表及整體業務運作構成重大影響的欺詐或失當行為。

Risk Management and Internal Control (continued)

The Group also established policy on Protection of Proprietary Information of the Group to ensure that the confidential proprietary information, including business, technical, financial or personal information that has significant value to Group are properly protected.

The Board confirmed a review of the effectiveness of the risk management and internal control systems has been conducted and considered that the risk management and internal control systems of the Group in 2023 are effective and adequate and the Company had complied with the Code Provisions.

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

Constitutional Documents

On 8 May 2023, the Board announced its proposal to amend its Memorandum and Articles of Association and its adoption in order to bring the Articles in line with the latest legal and regulatory requirements, including the amendments made to Appendix A1 to the Listing Rules which took effect on 1 January 2022. At the AGM held on 23 June 2023, a special resolution was passed to adopt the amendments to the Articles. For further information in relation to the amendments to the Articles, please refer to the announcement of the Company dated 8 May 2023 and the circular for the 2023 AGM dated 9 May 2023.

風險管理及內部監控(續)

本集團亦制定保護本集團專有資料的政策，以確保對本集團具有重大價值的機密專有資料(包括業務、技術、財務或個人資料)得到妥善保護。

董事會確認已對風險管理和內部控制系統的有效性進行了審查並認為在2023年度本集團的風險管理及內部監控體系是有效及充足，而本公司亦已遵守守則條文。

董事會確認有責任檢討本集團的風險管理及內部監控制度的有效性。然而，投資者和股東必須注意該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

章程文件

於2023年5月8日，董事會宣佈建議修訂細則，使細則符合最新的法律及監管規定，包括對上市規則附錄A1作出的修訂(於2022年1月1日生效)。於2023年6月23日舉行的股東週年大會上，通過特別決議案採納對細則的修訂。有關細則修訂的進一步資料，請參閱本公司日期為2023年5月8日的公告及日期為2023年5月9日的2023年股東週年大會通函。

REPORT OF THE DIRECTORS

董事會報告

The Directors submit their report together with the audited financial statements of the Company and its subsidiaries for the year ended 31 December 2023.

Principal activities and geographical analysis of operations

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 19 to the consolidated financial statements.

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

Results and appropriations

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 83.

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

Donations

Charitable and other donations made by the Group during the year amounted to US\$14,000 (2022: US\$19,000).

Share capital

Details of the movements in the Company's share capital during the year are set out in note 25 to the consolidated financial statements.

Distributable reserves

Distributable reserves of the Company as at 31 December 2023, comprising share premium reserve of US\$103,706,000 that is subject to the regulation of Section 34 of the Cayman Islands Companies Law and the Articles of Association of the Company, the accumulated losses of US\$102,596,000, totalling US\$1,110,000 net are available for distribution to the Company's shareholders.

Equity linked agreements – Share options granted to directors and employees

Details of the share options granted in prior years and current year are set out in note 26 to the consolidated financial statements and "The Share Option Scheme" section contained in this Report of the Directors. All the share options granted during the year are with vesting conditions, there was no share issued for the year ended 31 December 2023 in respect of share options granted in 2023.

董事謹提呈本公司及其附屬公司截至2023年12月31日止年度的經審核綜合財務報表。

主要業務及按地區分析的營運

本公司的主要業務為投資控股。附屬公司的業務載於綜合財務報表附註19。

本集團本年度按業務分部的表現分析載於綜合財務報表附註5。

業績及分派

本集團本年度的業績載於綜合損益表第83頁。

董事會不建議派付末期股息。

捐獻

本集團於年內作出的慈善及其他捐獻為14,000美元(2022年:19,000美元)。

股本

本公司於本年度之股本變動詳情載於綜合財務報表附註25內。

可分派儲備

本公司於2023年12月31日的可分派儲備，包括股份溢價儲備103,706,000美元(受開曼群島公司法第34條及本公司的組織章程細則規限)，累計虧損102,596,000美元，合共1,110,000美元淨額可供分派予本公司股東。

權益掛鉤協議 – 授予董事及員工的購股權

過往年度及本年度授出的購股權詳情載於綜合財務報表附註26及本董事會報告「購股權計劃」一節內。所有本年度授出的購股權均具歸屬條款，對於在2023年年度授出的購股權，並無於截至2023年12月31日止就此發行任何普通股。

REPORT OF THE DIRECTORS

董事會報告

Pre-emptive rights

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

Five-year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years ended 31 December is set out on page 173.

Purchase, sale or redemption of Company's listed shares

Save in respect of the options granted and/or shares issued by the Company pursuant to its share option scheme (the details of which are disclosed below), there was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year ended 31 December 2023.

Permitted indemnity provisions

Pursuant to the Company's Articles, subject to the provisions of the statutes, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. The Company has taken appropriate insurance cover to indemnify the Directors against possible claims and liabilities arising out of the Group's business and activities. The relevant provisions in the Company's Articles and the aforesaid insurance were in force during the financial year ended 31 December 2023 and as of the date of this report.

The Share Option Scheme

The Company adopted a share option scheme (the "2013 Share Option Scheme") at the annual general meeting held on 28 May 2013. Details can be referred to in note 26(a) to the consolidated financial statements on pages 158 to 162 of this Annual Report.

Valuation of share options

The Company uses Binomial Valuation Model to value the share options granted. Details of the key parameters used in the Model and the corresponding fair values of the share options granted during the year should be referred to in note 26(a) to the consolidated financial statements. The details of the share options granted to the respective parties during 2023 and 2022 are as follows:

		2023		2022	
		Number (in thousand units) 數量 (以千位計)	Value 價值 千美元	Number (in thousand units) 數量 (以千位計)	Value 價值 千美元
Current directors	現任董事				
Wang Wah Chi, Raymond	王華志	3,000	63	3,000	83
Chan, Philip Ching Ho	陳正豪	800	17	800	22
Subtotal for Current directors	現任董事小計	3,800	80	3,800	105
Ex-directors	前董事				
Leung Heung Ying (i)	梁享英(i)	800	17	800	22
Sheu Wei Fu (i)	許維夫(i)	800	17	800	22
Subtotal for Ex-directors	前董事小計	1,600	34	1,600	44
Senior management	高級管理層	500	14	-	-
Employees	員工	-	-	500	14
Total	總計	5,900	128	5,900	163

(i) The share options were granted on 25 May 2023. As on the grant date, the grantees were directors of the Company. The directors were resigned with effect from 1 November 2023.

優先購買權

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

五年財務摘要

本集團截至12月31日止最近五個財政年度的業績和資產及負債摘要載於第173頁。

購買、出售或贖回本公司上市股份

除本公司根據其購股權計劃（詳情載於下文）授出的購股權及／或發行的股份外，截至2023年12月31日止年度內，本公司或其任何附屬公司並無購買、出售或贖回本公司上市股份。

獲准許的彌償條文

根據本公司章程，在法規條文的規限下，每名董事均有權就其作為董事為任何民事或刑事法律程序（其獲判勝訴或被宣告無罪）抗辯而招致或承受的一切損失或責任，從本公司的資產中獲得彌償。本公司已投保適當的保險，以彌償董事因本集團業務及活動而可能產生的索償及責任。本公司章程的相關條文及上述保險於截至2023年12月31日止財政年度及截至本報告日期有效。

購股權計劃

本公司於2013年5月28日舉行的股東週年大會已採納一購股權計劃（「2013購股權計劃」），詳情可參考本年報第158至162頁的綜合財務報表附註26(a)。

購股權價值

本公司採用二項訂價模式計算已授出購股權的價值。本年度應用此模式的主要參考數據及對應該等授出的購股權之公平值詳情參見綜合財務報表附註26(a)。於2023及2022年內授予相關人士的購股權詳情如下：

(i) 該項購股權於2023年5月25日授出。於授出日，承授人為本公司董事。該董事已提請辭任，自2023年11月1日起生效。

REPORT OF THE DIRECTORS

董事會報告

Details of the share options outstanding as at 31 December 2023 under the 2013 Share Option Scheme are as follows:

於2023年12月31日關於2013購股權計劃授出之購股權的詳情如下：

Name of Directors 董事名稱	Number of share options (in thousand units) 購股權數目 (以千位計)					Exercise price for the share options granted per share HK\$ 行使價 港元	*Share price of the Company immediately before the exercise/ grant date of share options (note) HK\$ *緊接購股權行使/ 授出日期之前 本公司股價(附註)	Grant date 授出日期	Vesting period 歸屬期	Exercise period 行使期
	Held on 1 January 2023 於2023年 1月1日持有	Grant during the year 年內已授出	Exercised during the year 年內已行使	Lapsed/forfeited during the year 年內 已註銷/放棄	Held on 31 December 2023 於2023年 12月31日持有					
Executive Directors 執行董事										
Wang Wah Chi, Raymond 王華志	3,000	-	-	-	3,000	0.840	NA/0.790	1 June 2021 2021年6月1日	1 June 2021 2021年6月1日	1 June 2022 to 31 May 2024 2022年6月1日至 2024年5月31日
	3,000	-	-	-	3,000	0.530	NA/0.520	22 June 2022 2022年6月22日	22 June 2022 2022年6月22日	From 23 June 2023 to 20 June 2025 由2023年6月23日至 2025年6月20日
	-	3,000	-	-	3,000	0.463	NA/0.455	25 May 2023 2023年5月25日	25 May 2023 2023年5月25日	25 May 2023 to 25 May 2025 由2023年5月25日至 2025年5月25日
Subtotal 小計	6,000	3,000	-	-	9,000					
Independent Non-executive Directors 獨立非執行董事										
Chan Philip Ching Ho 陳正豪	800	-	-	-	800	0.840	NA/0.790	1 June 2021 2021年6月1日	1 June 2021 to 31 May 2022 2021年6月1日至 2022年5月31日	1 June 2022 to 31 May 2024 2022年6月1日至 2024年5月31日
	800	-	-	-	800	0.530	NA/0.520	22 June 2022 2022年6月22日	22 June 2022 to 21 June 2023 由2022年6月22日至 2023年6月21日	From 23 June 2023 to 20 June 2025 由2023年6月23日至 2025年6月20日
	-	800	-	-	800	0.463	NA/0.455	25 May 2023 2023年5月25日	25 May 2023 2023年5月25日	25 May 2023 to 25 May 2025 由2023年5月25日至 2025年5月25日
Subtotal 小計	1,600	800	-	-	2,400					

REPORT OF THE DIRECTORS

董事會報告

Name of Directors 董事名稱	Number of share options (in thousand units) 購股權數目 (以千位計)				Held on 31 December 2023 於2023年 12月31日持有	Exercise price for the share options granted per share HK\$ 行使價 港元	*Share price of the Company immediately before the exercise/ grant date of share options (note) HK\$ *緊接購股權行使/ 授出日期之前 本公司股價(附註)	Grant date 授出日期	Vesting period 歸屬期	Exercise period 行使期
	Held on 1 January 2023 於2023年 1月1日持有	Grant during the year 年內已授出	Exercised during the year 年內已行使	Lapsed/ forfeited during the year 年內 已註銷/放棄						
Independent Non-executive Directors 獨立非執行董事										
Leung Heung Ying** (resigned with effect from 1 November 2023) 梁享英** (於2023年11月1日 辭任)	800	-	-	-	800	0.840	NA/0.790	1 June 2021 2021年6月1日	1 June 2021 to 31 May 2022 2021年6月1日至 2022年5月31日	1 June 2022 to 31 May 2024 2022年6月1日至 2024年5月31日
	800	-	-	-	800	0.530	NA/0.520	22 June 2022 2022年6月22日	22 June 2022 to 21 June 2023 由2022年6月22日至 2023年6月21日	From 23 June 2023 to 20 June 2025 由2023年6月23日至 2025年6月20日
	-	800	-	-	800	0.463	NA/0.455	25 May 2023 2023年5月25日	25 May 2023 2023年5月25日	25 May 2023 to 25 May 2025 由2023年5月25日至 2025年5月25日
	1,600	800	-	-	2,400					
Sheu Wei Fu** (resigned with effect from 1 November 2023) 許維夫** (已於2023年 11月1日辭任)	800	-	(800)	-	-	0.201	0.47/0.190	30 October 2020 2020年10月30日	30 October 2020 to 27 May 2021 2020年10月30日至 2021年5月27日	1 November 2021 to 31 October 2023 2021年11月1日至 2023年10月31日
	800	-	-	-	800	0.840	NA/0.790	1 June 2021 2021年6月1日	1 June 2021 to 31 May 2022 2021年6月1日至 2022年5月31日	1 June 2022 to 31 May 2024 2022年6月1日至 2024年5月31日
	800	-	-	-	800	0.530	NA/0.520	22 June 2022 2022年6月22日	22 June 2022 to 21 June 2023 由2022年6月22日至 2023年6月21日	From 23 June 2023 to 20 June 2025 由2023年6月23日至 2025年6月20日
	-	800	-	-	800	0.463	NA/0.455	25 May 2023 2023年5月25日	25 May 2023 2023年5月25日	25 May 2023 to 25 May 2025 由2023年5月25日至 2025年5月25日
	2,400	800	(800)	-	2,400					
Subtotal for Ex-director 前董事小計	4,000	1,600	(800)	-	4,800					

REPORT OF THE DIRECTORS

董事會報告

Number of share options (in thousand units)
購股權數目 (以千位計)

Name of Directors 董事名稱	Held on 1 January 2023 於2023年 1月1日持有	Grant during the year 年內已授出	Exercised during the year 年內已行使	Lapsed/ forfeited during the year 年內 已註銷/放棄	Held on 31 December 2023 於2023年 12月31日持有	Exercise price for the share options granted per share HK\$ 行使價 港元	*Share price of the Company immediately before the exercise/ grant date of share options (note) HK\$ 緊接購股權行使/ 授出日期之前 本公司股價(附註)	Grant date 授出日期	Vesting period 歸屬期	Exercise period 行使期
Senior management & others 高級管理層及其他	50	-	-	(50)	-	0.159	NA/0.159	30 December 2019 2019年12月30日	30 December 2019 to 29 December 2021 2019年12月30日至2021 年12月29日	2 January 2022 to 31 December 2023 2022年1月2日至 2023年12月31日
	1,000	-	(500)	(500)	-	0.2454	0.52/0.221	17 July 2020 2020年7月17日	17 July 2020 to 16 July 2022 2020年7月17日至 2022年7月16日	19 July 2022 to 18 July 2024 2022年7月19日至 2024年7月18日
	5,600	-	-	(640)	4,960	0.790	NA/0.770	8 December 2021 2021年12月8日	8 December 2021 to 7 June 2022 2021年12月8日至 2022年6月7日	8 June 2022 to 7 June 2024 2022年6月8日至 2024年6月7日
	8,400	-	-	(960)	7,440	0.790	NA/0.770	8 December 2021 2021年12月8日	8 December 2021 to 7 June 2023 2021年12月8日至 2023年6月7日	8 June 2023 to 6 June 2025 2023年6月8日至 2025年6月6日
	250	-	-	-	250	0.530	NA/0.520	22 June 2022 2022年6月22日	22 June 2022 to 21 June 2023 由2022年6月22日至 2023年6月21日	From 23 June 2023 to 20 June 2025 由2023年6月23日至 2025年6月20日
	250	-	-	-	250	0.530	NA/0.520	22 June 2022 2022年6月22日	22 June 2022 to 21 June 2024 由2022年6月22日至 2024年6月21日	From 24 June 2024 to 23 June 2026 由2024年6月24日至 2026年6月23日
	-	250	-	-	250	0.546	NA/0.500	24 March 2023 2023年3月24日	24 March 2023 to 24 March 2024 由2023年3月24日至 2024年3月24日	25 March 2024 to 24 March 2026 由2024年3月25日至 2026年3月24日
	-	250	-	-	250	0.546	NA/0.500	24 March 2023 2023年3月24日	24 March 2023 to 24 March 2025 由2023年3月24日至 2025年3月24日	25 March 2025 to 24 March 2027 由2025年3月25日至 2027年3月24日
	Subtotal 小計	15,550	500	(500)	(2,150)	13,400				
Total 總計	27,150	5,900	(1,300)	(2,150)	29,600					

* The weighted average share closing price of the shares immediately before the date on which the options were exercised or the closing price of the shares immediately before the dates on which the options were granted (as applicable).

** The share options were granted on 25 May 2023. As on the grant date, the grantees were directors of the Company. The directors were resigned with effect from 1 November 2023.

* 緊接購股權行使日之前的股份加權平均收市價或緊接購股權行使日之前的股份收市價(視情況而定)。

** 該項購股權於2023年5月25日授出。於授出日，承授人為本公司董事。該董事已提請辭任，自2023年11月1日起生效。

REPORT OF THE DIRECTORS

董事會報告

The grant of Options to Director or ex-directors during the year has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules (with each of the independent non-executive Directors having abstained from voting on the relevant resolution relating to the grant of Options to himself).

The Board is mindful of the recommended best practice E.1.9 of the corporate governance code set out in Appendix C1 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors. Since the Options granted are not performance-based, the Board is of the view that the grant of Options to the independent non-executive Directors does not fall within the circumstances as described under E.1.9 and would not affect the independence and impartiality of the independent non-executive Directors. In addition, under the respective service agreements entered into by the independent non-executive Directors with the Company, each of the independent non-executive Directors is an eligible participant in the 2013 Share Option Scheme, and therefore the Board considers that it is appropriate to grant the Options to the independent non-executive Directors which is in line with the past practice of the Company and believes the inclusion of independent non-executive Directors as Grantees will allow the Company to keep its remuneration package competitive in order to attract and retain talent.

Such grant of Options would not result in the Shares issued and to be issued in respect of all options and awards granted to any of the Grantees above in the 12-month period up to and including the date of such grant in aggregate to be over 0.1% of the Shares in issue. Such grant of Options is not subject to approval by the shareholders of the Company in general meeting.

The grant of the 500,000 Options was made to an employee of the Group who is responsible for financial reporting and financial management of the Group (the “Grantee”) in consideration of his contribution to the Group. Such grant of options is not subject to approval by the shareholders of the Company in general meeting.

To the best knowledge of the Directors, as of the date of this report, the Grantee is not (i) a director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (iii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company. Such grant of options would not result in the Shares issued and to be issued in respect of all options and awards granted to such grantee in the 12-month period up to and including the date of such grant in aggregate to be over 1% of the Shares in issue.

於年內向董事或前董事授出購股權一事已按照上市規則第17.04(1)條獲獨立非執行董事批准(而獨立非執行董事已就涉及自身獲授購股權的相關決議案放棄投票)。

董事會注意到上市規則附錄C1所載企業管治守則第E.1.9條的建議最佳常規乃建議發行人一般不應給予獨立非執行董事帶有績效表現相關元素的股本權益酬金。由於所授出的購股權並非基於績效表現而授出，董事會認為，向獨立非執行董事授出購股權不符合第E.1.9條所述的情況，且不會影響獨立非執行董事的獨立性及客觀性。此外，根據獨立非執行董事各自與本公司訂立的服務協議，每名獨立非執行董事均為2013年購股權計劃的合資格參與者，而董事會因此認為，向獨立非執行董事授出購股權實屬適當，因其符合本公司過往做法，並相信有關納入獨立非執行董事為承授人的做法將容許本公司保持其薪酬待遇的競爭力，有助吸引及挽留人才。

此次授出購股權不會導致就直至此次授出之日(包括該日)止12個月期間內授予任何承授人的所有認購權及獎勵而已發行及將予發行的股份合共超過已發行股份的0.1%。此次授出購股權毋須經本公司股東於股東大會上批准。

該500,000份購股權是向本集團一名負責本集團財務報告及財務管理事宜的僱員(「承授人」)作出，以回報彼為本集團作出的貢獻。此次授出購股權毋須經本公司股東於股東大會上批准。

據董事所深知，截至本公告日期，承授人並非(i)本公司董事、行政總裁或主要股東、或彼等任何一名的聯繫人(定義見上市規則)；(ii)已獲授予及將獲授予超逾上市規則項下所述1%個人限額的購股權及獎勵的參與人；或(iii)本公司的關連實體參與者或服務提供者(定義見上市規則)。此次授出購股權不會導致就於直至此次授出之日(包括該日)止12個月期間內授予該承授人的所有購股權及獎勵而發行及將予發行的股份合共超過已發行股份的1%。

Performance target and clawback mechanism

There is no performance target nor clawback mechanism attached to the Options.

Regarding the grant of Options to Mr. Wang Wah Chi, Raymond, the executive Director and the chief executive officer, the Remuneration Committee is of the view that performance targets are not necessary since the value of the Options is subject to the future market price of the Shares, which, in turn, depends on the business performance of the Group, to which he would directly contribute, which could ensure that he would be motivated to contribute to the Company's development. Regarding the grant of Options to the independent non-executive Directors, the Remuneration Committee considers that the non-performance based Options granted to each of the independent non-executive Directors are in line with the past practice of the Company and the remuneration package offered under their respective service agreements, which stipulated that, subject to the decision of the Board to grant any options, each of the independent non-executive Directors shall be an eligible participant in the 2013 Share Option Scheme.

In addition, the Remuneration Committee is of the view that a clawback mechanism is not necessary considering the lapse and cancellation of share options under various scenarios has already been provided for under the 2013 Share Option Scheme, which could adequately safeguard the Company's interests.

Financial Assistance

The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the 2013 Share Option Scheme.

表現目標及退扣機制

購股權並無附設表現目標或退扣機制。

關於向執行董事兼行政總裁王華志先生授出購股權，薪酬委員會認為，並無必要設定表現目標，原因是購股權的價值受股份的未來市價影響，而未來市價乃取決於本集團業務表現。由於彼對此將有直接貢獻，此舉已可確保彼將有動力為本公司發展作出貢獻。關於向獨立非執行董事授出購股權，薪酬委員會認為，向每名獨立非執行董事授出並非基於績效表現而授出的購股權之做法符合本公司過往做法及與彼等各自的服務協議所提供的薪酬待遇一致。該等服務協議訂明，視乎董事會對任何認購權的授予所作的決定，每名獨立非執行董事均將成為2013年購股權計劃的合資格參與者。

此外，考慮到2013年購股權計劃已訂明股份認購權在不同情境下將會失效及註銷，而此舉已足夠保障本公司利益，薪酬委員會認為，退扣機制並非必要。

財務資助

本集團並無向承授人提供任何財務資助，以協助購買2013年購股權計劃項下的股份。

REPORT OF THE DIRECTORS

董事會報告

The Group's environmental policies and performance

Other than financial performance, the Group believes that a high standard of corporate social responsibility is essential for building up a good corporate and social relationship and motivating staff and creating a sustainable return to the Group. We are committed to contributing to the sustainability of the environment and community in which we conduct business and where our stakeholders live. The Group's ESG Report for 2023 has been published on the same date of this Annual Report and has been published separately on the Company's website at www.solomon-systech.com and the website of the Stock Exchange at www.hkexnews.hk.

Relationships with employees

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

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

Directors

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

Executive Director

Mr. Wang Wah Chi, Raymond

Non-executive Directors

Mr. Ma Yuchuan

Mr. Wang Hui

Dr. Kang Jian

Independent Non-executive Directors

Mr. Chan Chi Kong (appointed on 1 November 2023)

Dr. Chan Philip Ching Ho

Dr. Kwok Hoi Sing (appointed on 1 November 2023)

Mr. Leung Heung Ying

(resigned with effect from 1 November 2023)

Mr. Sheu Wei Fu (resigned with effect from 1 November 2023)

本集團的環境政策及表現

除財務表現外，本集團相信高標準之企業社會責任對建立良好企業及社會關係及激勵員工及為本集團創造可持續之回報均至為重要。本公司致力於為本公司業務經營及本公司權益人所在地區的環境及社群之可持續發展作出貢獻。本集團2023年的環境、社會及管治報告已於本年報日期之同日另於本公司網站 www.solomon-systech.com 及聯交所網站 www.hkexnews.hk 公佈。

與僱員之關係

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

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

董事

本年度內及截至本報告日期止之董事如下：

執行董事

王華志先生

非執行董事

馬玉川先生

王輝先生

康劍博士

獨立非執行董事

陳志光先生（於2023年11月1日獲委任）

陳正豪博士

郭海成博士（於2023年11月1日獲委任）

梁享英先生

（已於2023年11月1日辭任）

許維夫先生（已於2023年11月1日辭任）

REPORT OF THE DIRECTORS

董事會報告

In accordance with Article 112 of the Company's Articles of Association, Mr. Ma Yuchuan, Mr. Wang Wah Chi, Raymond and Dr. Kang Jian will retire by rotation at the forthcoming annual general meeting, Mr. Ma Yuchuan, Mr. Wang Wah Chi, Raymond and Dr. Kang Jian being eligible, offer themselves for re-election.

Mr. Chan Chi Kong and Dr. Kwok Hoi Sing were appointed as Independent Non-executive Directors of the Company on 1 November 2023 and each has entered into a three years service contract with the Company with effect from 1 November 2023 until 31 October 2026. In accordance with Article 95 of the Company's Articles of Association, Mr. Chan Chi Kong and Dr. Kwok Hoi Sing were appointed as an addition to the Board effective from 1 November 2023, shall hold office until the forthcoming annual general meeting and being eligible, offer himself for re-election.

Dr. Chan Philip Ching Ho is the Independent Non-executive Director of the Company and his service contract was renewed in 2023 for a term expiring on 30 June 2024.

Directors' service contracts

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

Directors' interests in transactions, arrangements or contracts

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

Biographical details of Directors and senior management

Brief biographical details of Directors and senior management are set out on pages 24 to 32 of this Annual Report.

根據本公司的組織章程細則第112條，本公司之董事馬玉川先生、王華志先生及康劍博士即將舉行的股東週年大會上輪席退任，馬玉川先生、王華志先生及康劍博士符合資格及願意膺選連任。

陳志光先生及郭海成博士於2023年11月1日獲委任為本公司獨立非執行董事並與本公司訂立為期三年之服務合約，有效期由2023年11月1日至2026年10月31日，根據本公司的組織章程細則第95條，本公司董事會於2023年11月1日新委任之董事陳志光先生及郭海成博士任期至即將舉行的股東週年大會止，惟符合資格並願意膺選連任。

陳正豪博士為本公司獨立非執行董事，彼已於2023年續簽訂其服務合約，任期至2024年6月30日止。

董事的服務合約

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

董事於交易、安排或合約的權益

於本年底或年內任何時間，本公司或其任何附屬公司並沒有訂立本公司董事或與董事有關連的實體於當中直接或間接擁有重大權益且涉及本集團業務的重大交易、安排或合約。

董事及高級管理層的履歷詳情

董事及高級管理層的履歷載於本年報第24至32頁。

REPORT OF THE DIRECTORS

董事會報告

Directors' interests

As at 31 December 2023, the interests and short positions of each Director and chief executive in the shares and underlying shares of the Company or its associated corporations (within the meaning of the Securities and Futures Ordinance), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

	Position 權益狀況	Ordinary shares in the Company as at 31 December 2023 於2023年12月31日本公司普通股			% of the issued share capital of the Company 佔本公司已 發行股本百分比	
		Shares 股份	Share Options ⁽ⁱ⁾ 購股權 ⁽ⁱ⁾	Total 總計		
Executive Director	執行董事					
Mr. Wang Wah Chi, Raymond (CEO)	王華志先生(行政總裁)	Long 好倉	5,600,000	9,000,000 (iii)	14,600,000	0.58%
Non-executive Directors	非執行董事					
Mr. Ma Yuchuan (Chairman)	馬玉川先生(主席)	Long 好倉	-	-	-	-
Mr. Wang Hui	王輝先生	Long 好倉	-	-	-	-
Dr. Kang Jian	康劍博士	Long 好倉	-	-	-	-
Independent Non-executive Directors	獨立非執行董事					
Mr. Chan Chi Kong (appointed on 1 November 2023)	陳志光先生 (於2023年11月1日獲委任)	Long 好倉	-	-	-	-
Dr. Chan Philip Ching Ho	陳正豪博士	Long 好倉	-	2,400,000 (ii)	2,400,000	0.09%
Dr. Kwok Hoi Sing (appointed on 1 November 2023)	郭海成博士 (於2023年11月1日獲委任)	Long 好倉	-	-	-	-
Mr. Leung Heung Ying (resigned with effect from 1 November 2023)	梁享英先生 (已於2023年11月1日辭任)	Long 好倉	2,400,000	2,400,000 (ii)	4,800,000	0.19%
Mr. Sheu Wei Fu (resigned with effect from 1 November 2023)	許維夫先生 (已於2023年11月1日辭任)	Long 好倉	2,400,000	2,400,000 (ii)	4,800,000	0.19%

Notes:

- (i) Share options granted under the 2013 Share Option Scheme with more details on pages 60 to 65.
- (ii) The 800,000 share options of the Company granted to Dr. Chan Philip Ching Ho, Mr. Leung Heung Ying and Mr. Sheu Wei Fu on 1 June 2021 have been vested and are exercisable from 1 June 2022 to 31 May 2024, another 800,000 share options of the Company granted to Dr. Chan Philip Ching Ho, Mr. Leung Heung Ying and Mr. Sheu Wei Fu on 22 June 2022 have been vested and are exercisable from 23 June 2023 to 20 June 2025, and another 800,000 share options of the Company granted to Dr. Chan Philip Ching Ho, Mr. Leung Heung Ying and Mr. Sheu Wei Fu on 25 May 2023 have been vested and are exercisable from 25 May 2023 to 25 May 2025.
- (iii) The 3,000,000 share options of the Company granted to Mr. Wang Wah Chi Raymond on 1 June 2021 have been vested and are exercisable from 1 June 2022 to 31 May 2024, another 3,000,000 share options of the Company granted to Mr. Wang Wah Chi Raymond on 22 June 2022 have been vested and are exercisable from 23 June 2023 to 20 June 2025, and another 3,000,000 share options of the Company granted to Mr. Wang Wah Chi Raymond on 25 May 2023 have been vested and are exercisable from 25 May 2023 to 25 May 2025.

董事權益

於2023年12月31日，各董事及行政總裁於本公司或其相聯法團(定義見證券及期貨條例)的股份及相關股份中擁有登記於根據證券及期貨條例第XV部第352條規定本公司須存置的登記名冊上，或須根據上市發行人董事進行證券交易的標準守則知會本公司及聯交所的權益及淡倉如下：

	Position 權益狀況	Ordinary shares in the Company as at 31 December 2023 於2023年12月31日本公司普通股			% of the issued share capital of the Company 佔本公司已 發行股本百分比	
		Shares 股份	Share Options ⁽ⁱ⁾ 購股權 ⁽ⁱ⁾	Total 總計		
Executive Director	執行董事					
Mr. Wang Wah Chi, Raymond (CEO)	王華志先生(行政總裁)	Long 好倉	5,600,000	9,000,000 (iii)	14,600,000	0.58%
Non-executive Directors	非執行董事					
Mr. Ma Yuchuan (Chairman)	馬玉川先生(主席)	Long 好倉	-	-	-	-
Mr. Wang Hui	王輝先生	Long 好倉	-	-	-	-
Dr. Kang Jian	康劍博士	Long 好倉	-	-	-	-
Independent Non-executive Directors	獨立非執行董事					
Mr. Chan Chi Kong (appointed on 1 November 2023)	陳志光先生 (於2023年11月1日獲委任)	Long 好倉	-	-	-	-
Dr. Chan Philip Ching Ho	陳正豪博士	Long 好倉	-	2,400,000 (ii)	2,400,000	0.09%
Dr. Kwok Hoi Sing (appointed on 1 November 2023)	郭海成博士 (於2023年11月1日獲委任)	Long 好倉	-	-	-	-
Mr. Leung Heung Ying (resigned with effect from 1 November 2023)	梁享英先生 (已於2023年11月1日辭任)	Long 好倉	2,400,000	2,400,000 (ii)	4,800,000	0.19%
Mr. Sheu Wei Fu (resigned with effect from 1 November 2023)	許維夫先生 (已於2023年11月1日辭任)	Long 好倉	2,400,000	2,400,000 (ii)	4,800,000	0.19%

附註：

- (i) 該等購股權為根據2013購股權計劃(詳情見第60到65頁)授出之購股權。
- (ii) 本公司於2021年6月1日授予陳正豪博士、梁享英先生及許維夫先生的800,000份購股權已歸屬並可於2022年6月1日至2024年5月31日行使，而本公司於2022年6月22日授予陳正豪博士、梁享英先生及許維夫先生的另外800,000份購股權已於2023年6月21日歸屬，並將可於2023年6月23日至2025年6月20日行使，而本公司於2023年5月25日授予陳正豪博士、梁享英先生及許維夫先生的另外800,000份購股權已歸屬並可於2023年5月25日至2025年5月25日行使。
- (iii) 本公司於2021年6月1日授予王華志先生的3,000,000份購股權已歸屬並可於2022年6月1日至2024年5月31日止行使，而本公司於2022年6月22日授予王華志先生的另外3,000,000份購股權已歸屬，並可於2023年6月23日至2025年6月20日止行使，而本公司於2023年5月25日授予王華志先生的另外3,000,000份購股權已歸屬，並可於2023年5月25日至2025年5月25日止行使。

REPORT OF THE DIRECTORS

董事會報告

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

Saved as disclosed above, at no time during the year was the Company, its subsidiaries or its associated corporation a party to any arrangement to enable Directors and Chief Executive Officer of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

Substantial shareholders' interests

The register of substantial shareholders required to be kept by the Company under section 336 of Part XV of the SFO shows that as at 31 December 2023, the Company had been notified of the following substantial shareholders' interests and short positions in the shares or underlying shares of the Company, being interests of 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executive Officer of the Company.

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

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

主要股東權益

根據證券及期貨條例第XV部第336條須存置的主要股東登記名冊所示，於2023年12月31日，本公司已獲知會下列主要股東的權益及淡倉（即於本公司已發行股本擁有5%或以上權益）。該等權益為上文披露的本公司董事及行政總裁權益以外。

Ordinary shares in the Company as at 31 December 2023 於2023年12月31日本公司普通股

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 好倉	706,066,000	-	706,066,000	28.29%
*China Electronics Limited 中國電子有限公司	Interest of controlled corporation 所控制的法團的權益	Long 好倉	706,066,000	-	706,066,000	28.29%
China Electronics Corporation (i) 中國電子信息產業集團有限公司	Interest of controlled corporation 所控制的法團的權益	Long 好倉	706,066,000	-	706,066,000	28.29%

Note:

(i) To the best knowledge of the directors of the Company, Huada Semiconductor Co., Ltd is a subsidiary which 58.07% hold by China Electronics Limited, and China Electronics Limited is 81.66% owned by China Electronics Corporation ("CEC"). CEC is a stated-owned information technology conglomerate under the administration of the central government of the People's Republic of China.

* English name is for identification purpose only

附註：

(i) 據本公司之董事所悉，華大半導體有限公司為中國電子有限公司持有58.07%之附屬公司，而中國電子有限公司由中國電子信息產業集團有限公司（「中國電子」）擁有81.66%股權。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。

REPORT OF THE DIRECTORS

董事會報告

Saved as disclosed above, as at 31 December 2023, no other persons (other than the Directors) were recorded in the register of the Company required to be kept under Section 336 of the SFO as having interests or short positions in the shares and underlying shares of the Company.

Management contracts

No contracts, saved for service contracts of the Director and employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Major suppliers and customers

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

Purchases	採購	
– the largest supplier	– 最大供應商	33%
– five largest suppliers combined	– 五大供應商合計	81%
Sales	銷售	
– the largest customer	– 最大客戶	37%
– five largest customers combined	– 五大客戶合計	79%

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

Related parties and connected transactions

During the year ended 31 December 2023, the Group entered into certain transactions with related parties as defined under the applicable accounting standards, which include transactions that constitute connected/continuing connected transactions for which the disclosure requirements under the Listing Rules have been complied with. Details of the related parties transactions are disclosed in note 36 to the consolidated financial statements. The following transactions between certain connected persons (as defined in the Listing Rules) and the Group have been entered into and/or are ongoing for which relevant announcements, if necessary, had been made by the Company in accordance with Chapter 14A of the Listing Rules.

除上文所披露者外，於2023年12月31日，根據證券及期貨條例第336條本公司須予備存的登記冊所記錄，概無其他人士（董事除外）擁有本公司股份及相關股份的權益或淡倉。

管理合約

除董事的服務合約及僱傭合約外，年內概無簽訂或現存有關本公司全部或任何主要部分業務的管理及行政的合約。

主要供應商及客戶

本集團主要供應商及客戶應佔本年度的採購及銷售百分比如下：

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

關聯方及關連交易

截至2023年12月31日止年度內，本集團曾與適用會計準則界定為關聯方進行若干交易，當中包括構成關連／持續關連交易並已遵守上市規則披露規定的交易。關聯方交易摘要載於綜合財務報表附註36。按照上市規則第14A章的披露規定，若干關連方（按上市規則定義）與本集團進行的下列交易經已訂立及／或持續進行，而本公司已根據上市規則的規定作出相關公佈（如需要）。

Connected transactions

HES, an indirect subsidiary of CEC, entered into a licence agreement with each of Solomon Systech (China) Limited and Solomon Systech (Shenzhen) Limited (wholly-owned subsidiaries of the Company) respectively on 29 October 2021 in connection with the grant of licenses to the Group on the installation and execution of certain Electronic Design Automation (EDA) tools for internal use and development of the Group's own products for a two years' term from 30 October 2021 to 29 October 2023. The consideration payable by the Group to HES amounted to CNY4,000,200, among which, CNY2,000,100 was paid by 30 November 2021 and CNY2,000,100 was paid by 30 November 2022. For further details, please refer to the announcement of the Company dated 29 October 2021. On 30 October 2023, HES entered into a licence agreement with each of Solomon Systech (China) Limited and Solomon Systech (Shenzhen) Limited (wholly-owned subsidiaries of the Company) respectively with the same nature as the previous agreement for a three years' term from 30 October 2023 to 29 October 2026. The consideration payable by the Group to HES amounted to CNY6,250,000, among which, CNY2,050,000 was paid by 30 November 2023, CNY2,100,000 shall be payable by 30 November 2024 and CNY2,100,000 shall be payable by 30 November 2025. For further details, please refer to the announcement of the Company dated 30 October 2023.

Continuing connected transactions

On 22 October 2020, the Group entered into an agreement ("2021 Products Sales and Distribution Agreement") with CEACI, an indirect subsidiary of CEC, under which CEACI would act as a non-exclusive authorized distributor of the Group in Mainland China and Hong Kong, and purchase IC and driver products from the Group for the years 2021 to 2023 ("Sales to CEACI"). The prices for the products under the Sales to CEACI shall be determined fairly in accordance with the costs, resources and technology requirements with reference to market practices and prices and having taken into account the technology and quality of the relevant products. Such agreement was approved by the independent shareholders at the Extraordinary General Meeting held on 4 December 2020.

On 6 May 2022, the Company and CEACI entered into a supplemental agreement to revise the annual caps in respect of the Sales to CEACI as set out in the abovementioned agreement. The supplemental agreement was approved by the independent shareholders at the Extraordinary General Meeting held on 22 June 2022.

For further details of the continuing connected transaction on the Sales to CEACI, please refer to the circulars of the Company dated 12 November 2020, 21 April 2021 and 7 June 2022, respectively.

關連交易

華大九天，乃CEC的間接附屬公司，於2021年10月29日分別與本公司全資附屬公司晶門科技（中國）有限公司及晶門科技（深圳）有限公司訂立軟件使用權協議，內容有關授予本集團軟件使用權，以安裝和執行一些電子設計自動化（EDA）工具，作內部使用及本集團自家產品開發之用，由2021年10月30日至2023年10月29日為期兩年。本集團應付華大九天之代價為人民幣4,000,200元，其中人民幣2,000,100元須於2021年11月30日前支付，另人民幣2,000,100元須於2022年11月30日前支付。更多詳情請參閱本公司日期為2021年10月29日之公佈。於2023年10月30日華大九天分別與本公司全資附屬公司晶門科技（中國）有限公司及晶門科技（深圳）有限公司訂立與之前相同性質之軟件使用權協議，由2023年10月30日至2026年10月29日為期三年。本集團應付華大九天之代價為人民幣6,250,000元，其中人民幣2,050,000元已於2023年11月30日前支付，另人民幣2,100,000元須於2024年11月30日前支付，以及人民幣2,100,000元須於2025年11月30日前支付。更多詳情請參閱本公司日期為2023年10月30日之公佈。

持續關連交易

於2020年10月22日，本集團與CEC的間接附屬公司CEACI訂立協議（「2021年產品銷售及分銷協議」），據此，CEACI將成為本集團於中國內地及香港的非獨家授權分銷商，並於2021年至2023年從本集團採購IC及驅動器產品（「向CEACI銷售」）。向CEACI銷售之產品的價格應根據成本、資源及技術要求，參照市場慣例及價格，並考慮相關產品的技術及品質而公平釐定。有關協議已於2020年12月4日舉行之股東特別大會上獲獨立股東批准。

於2022年5月6日，本公司與CEACI訂立補充協議以修訂上述協議所載有關向CEACI銷售之年度上限。補充協議已於2022年6月22日舉行之股東特別大會上獲獨立股東批准。

有關向CEACI銷售之更多持續關連交易之詳情請參閱本公司日期為2020年11月12日、2021年4月21日及2022年6月7日之通函。

REPORT OF THE DIRECTORS

董事會報告

As the 2021 Products Sales and Distribution Agreement expired on 31 December 2023, and the Company intends to continue carrying out the existing arrangements with CEACI under the 2021 Products Sales and Distribution Agreement on sales and distribution of the Products within the Territory as part of the Group's usual and ordinary course of business, the Company entered into the 2024 Products Sales and Distribution Agreement with CEACI on 14 November 2023 to renew the arrangements under the 2021 Products Sales and Distribution Agreement for a term of three years. Such agreement was approved by independent shareholders at the Extraordinary General Meeting held on 20 December 2023. Details of which have been set out in the announcement of the Company on 14 November 2023 and circular of the Company on 4 December 2023.

The actual transaction amount for the year ended 31 December 2023 in respect of the above continuing connected transactions on the Sales to CEACI was set out:

由於2021年產品銷售及分銷協議於2023年12月31日屆滿，而本公司擬於本集團日常及一般業務過程中，繼續根據2021年產品銷售及分銷協議與CEACI進行有關於區域內銷售及分銷產品的現有安排，故本公司與CEACI於2023年11月14日訂立2024年產品銷售及分銷協議，以將2021年產品銷售及分銷協議項下的安排重續三年。有關協議已於2023年12月20日舉行之股東特別大會上獲獨立股東批准。其進一步詳情載於本公司於2023年11月14日之公告及2023年12月4日之通函。

上述銷售予CEACI之持續關連交易於截至2023年12月31日止年度的實際交易金額如下：

Nature of Transactions	交易性質	Annual Cap	Actual
		for the year ended 31 December 2023	transaction amount for the year ended 31 December 2023
		截至2023年12月31日止年度的年度上限金額	截至2023年12月31日止年度的實際交易金額
		US\$'000	US\$'000
		千美元	千美元
Sales to CEACI	銷售予CEACI	150,000	56,534

The aforesaid connected transactions and continuing connected transaction have been reviewed by independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid continuing connected transaction was entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole, and (d) the relevant transactions conducted in the year ended 31 December 2023 were within the annual cap.

The Independent Non-executive Directors of the Company, together with the Group's outsourced internal audit consultant and Audit Committee, have conducted regular review of the continuing connected transaction of the Group. The Audit Committee were satisfied that the Group's continuing connected transaction during the year ended 31 December 2023 have complied with the Listing Rules requirement in all respects.

上述關連交易及持續關連交易已由本公司獨立非執行董事審閱。獨立非執行董事確認上述關連交易是(a)在本集團的一般及通常業務過程中訂立的；(b)以正常商業條款或以不遜於本集團從獨立第三方可得或獲取的條款訂立；(c)根據管制有關協議且為公平和合理並符合本公司股東整體利益的條款訂立；(d)以及相關截至2023年12月31日止年內交易於年度上限之下。

本公司獨立非執行董事已經聯同集團的外聘內部審核顧問和審核委員會對本集團的持續關連交易作定期審閱。審核委員會滿意本集團在2023年12月31日止年度的持續關連交易於各方面均符合上市規則的要求。

The Company's independent auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unmodified letter containing findings and conclusions in respect of the continuing connected transaction disclosed for the year ended 31 December 2023 in accordance with paragraph 14A.56 of the Listing Rules, and confirm that nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (i) have not been approved by the Company's board of directors;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (iv) have exceeded the annual cap as set by the Company.

A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares as at 20 March 2024.

Compliance with the Corporate Governance Code

For the year ended 31 December 2023, the Company has complied with all the applicable Code Provisions in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules effective for the year ended 31 December 2023 ("Appendix C1"). To maintain high standards of corporate governance, the Company has adopted the recommended best practices in Appendix C1 where appropriate.

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

The Company has its own written guidelines on securities transactions by Directors and relevant employees on no less exacting terms than the required standard set out in the Model Code contained in Appendix C3 of the Listing Rules. Specific enquiry has been made to all Directors, and all Directors have confirmed that they have been in compliance with such guidelines during the year ended 31 December 2023.

根據香港會計師公會發佈的香港鑒證業務準則3000號(經修訂)「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號(經修訂)「香港上市規則規定的持續關連交易的核數師函件」,本公司之獨立核數師已受聘對本集團持續關連交易作出報告。根據上市規則第14A.56條,核數師已就截至2023年12月31日止年度的持續關連交易,發出無保留意見的函件,並載有其發現和結論,並確認並無發現任何事實致使其相信持續關連交易:

- (i) 未獲董事會批准;
- (ii) 倘涉及本集團提供貨品或服務,有關交易並無在所有重大方面按照本集團定價政策進行;
- (iii) 並無在所有重大方面按照規管該等持續關連交易之相關協議訂立;及
- (iv) 已超出相關年度上限。

本公司已將核數師函件副本向聯交所提供。

充足的公眾持股量

根據本公司可循公開途徑獲得的資料及據董事所知,已確認於2024年3月20日,本公司超過25%的已發行股份由公眾人士持有,故公眾持股量充足。

遵守企業管治守則

截至2023年12月31日止年度內,本公司一直遵守上市規則附錄14所載之企業管治守則(「附錄C1」)中於截至2023年12月31日止年度生效所有適用的守則條文。為維持高水平的企業管治標準,公司已採納附錄C1中適當的建議最佳常規守則。

遵守上市公司董事進行證券交易之標準守則

本公司就董事及有關員工進行的證券交易制訂其本身的書面指引,條款與上市規則附錄C3所載之上市發行人董事進行證券交易的標準守則規定之標準同樣嚴格。本公司已向全體董事作出具體查詢,截至2023年12月31日止年度內,彼等確定均一直遵守該等指引。

REPORT OF THE DIRECTORS

董事會報告

Compliance with laws and regulations

To the best knowledge of the Directors, for the year ended 31 December 2023, the Group has complied, in all material respects, with the relevant laws and regulations that have significant impact on the operations of the Group.

Business review and outlook

The business review and outlook disclosure of the Group for the year as required by Schedule 5 to the Companies Ordinance (Cap. 622 of Hong Kong) are set out on pages 13 to 16 of this Annual Report. The business review forms part of this Report of the Directors.

Independent auditor

The consolidated financial statements for the year ended 31 December 2023 have been audited by Ernst & Young who retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Ma Yuchuan
Chairman
Hong Kong, 20 March 2024

遵守法律及法規

據董事所知悉，截至2023年12月31日止年度，本集團已在所有重大方面遵守對本集團營運構成重大影響之法律及法規。

業務回顧及展望

香港法例第622章《公司條例》附表5規定的本集團本年度的之業務回顧及展望披露載於本年報第13至第16頁。該業務回顧為本董事會報告的組成部分。

獨立核數師

截至2023年12月31日止年度的綜合財務報表已由安永會計師事務所審核。安永會計師事務所須於即將舉行之股東週年大會中退任，並符合資格及願意應聘連任。

代表董事會

馬玉川
主席
香港，2024年3月20日



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

OPINION

We have audited the consolidated financial statements of Solomon Systech (International) Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 83 to 172, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



致晶門半導體有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計列載於第83頁至172頁的晶門半導體有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於2023年12月31日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括重大會計政策資料。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於2023年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現和綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

關鍵審計事項

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

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

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Write-down of inventories to net realisable value	
<p>The Group had inventories with carrying amount of US\$27.9 million as at 31 December 2023. The Group performs regular review of the carrying amounts of inventories to determine if any write-down of inventories to net realisable value is required after considering the aged analyses of inventories, relevant historical sales, usage reports and obsolescence.</p> <p>The determination of net realisable value requires management to make significant judgements and estimates based on expectation about future market conditions.</p> <p>The related disclosures of estimation uncertainty and balance of inventory provision are included in notes 4 and 22 to the consolidated financial statements, respectively.</p>	<p>We evaluated management's assessment of whether the estimated net realisable values of inventories declined below their carrying amounts. Our procedures included understanding and assessing the Group's processes over identifying and valuing obsolete, damaged, slow-moving, excessive and other potentially impaired inventory items for which their net realisable values might decline below their carrying amounts; evaluating the methodologies, inputs and assumptions used by the Group in determining the net realisable values of inventories; and assessing the write-down of inventories required by testing the aged analyses of inventories, sales made and materials used subsequent to the end of the reporting period and historical sales and usage reports.</p>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

關鍵審計事項 (續)

關鍵審計事項	我們的審計如何處理關鍵審計事項
<p>撇銷存貨至可變現淨值</p> <p>截至2023年12月31日，貴集團擁有存貨賬面值總額約為27.9百萬美元。貴集團對存貨的賬面值進行定期審查，並在顧及存貨的賬齡分析、相關歷史銷售及使用報告後，判斷是否有任何存貨須撇銷至可變現淨值。</p> <p>釐定可變現淨值時，管理層須作出將影響所報告存貨金額及相關披露的關鍵判斷及估計。</p> <p>該等關鍵判斷及估計和存貨撥備的結餘分別載於財務報表附註4和22。</p>	<p>我們已測評管理層估計存貨的可變現淨值是否跌至低於其賬面值的評估。我們的程序包括了解、評估及測試本集團的過程及關鍵控制，其涉及確定及估算陳舊、損壞、滯銷、過量及其他潛在減值的存貨項目，因其可變現淨值可能跌至低於其賬面值；測評貴集團用以釐定存貨可變現淨值的方法、參數及假設；及透過測試存貨截至報告期末其後的賬齡分析、銷量及所用材料及歷史銷量及使用報告評估所須存貨的撇銷。</p>

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

其他信息

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

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

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

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助貴公司董事履行職責、監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Ernst & Young
Certified Public Accountants
27th Floor, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

20 March 2024

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

核數師就審計綜合財務報表承擔的責任(續)

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

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

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

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

出具本獨立核數師報告的審計項目合夥人是王一建。

安永會計師事務所
執業會計師
香港鰂魚涌
英皇道979號
太古坊一座27樓

2024年3月20日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2023
截至2023年12月31日止年度

		Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
Revenue	銷售額	5	153,151	190,843
Cost of sales	銷售成本		(106,813)	(125,370)
Gross profit	毛利		46,338	65,473
Research and development costs	研究及開發成本		(17,801)	(27,071)
Selling and distribution expenses	銷售及分銷開支		(3,288)	(4,221)
Administrative expenses	行政開支		(9,119)	(8,254)
Other expenses	其他開支	8	-	(154)
Other income and gains – net	其他收入及收益 – 淨額	7	902	2,002
Finance income – net	投資收入 – 淨額	9	17,032 2,470	27,775 246
Share of losses of associates	應佔聯營公司損失	18	19,502 (14)	28,021 (114)
Profit before tax	除稅前溢利	6	19,488	27,907
Income tax expense	所得稅開支	12	(45)	(83)
Profit for the year	本年度溢利		19,443	27,824
Attributable to:	應佔：			
– Owners of the parent	– 本公司擁有人		19,443	27,833
– Non-controlling interests	– 非控股權益		-	(9)
			19,443	27,824
Earnings per share attributable to ordinary equity holders of the parent: (expressed in US cent(s) per share)	本公司普通權益持有人應佔的每股盈利：(以美仙，每股呈列)	13		
– Basic	– 基本		0.8	1.1
– Diluted	– 攤薄		0.8	1.1

The notes on pages 90 to 172 form an integral part of these consolidated financial statements.
第90至172頁的附註為該等綜合財務報表的組成部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入報表

For the year ended 31 December 2023
截至2023年12月31日止年度

		2023 US\$'000 千美元	2022 US\$'000 千美元
Profit for the year	本年度溢利	19,443	27,824
Other comprehensive income/(loss)	其他全面收入／(損失)		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:	於往後期間，其他全面損失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	(2,007)	(2,772)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:	於往後期間，其他全面收入將不會重新分類至損益表：		
– Equity investment designated at fair value through other comprehensive income: Changes in fair value	– 按公平價值計入其他全面收益的股權投資公平價值變動	–	96
Other comprehensive loss for the year	年內其他全面損失	(2,007)	(2,676)
Total comprehensive income for the year	本年度全面收入總額	17,436	25,148
Attributable to:	應佔：		
– Owners of the parent	– 本公司擁有人	17,436	25,157
– Non-controlling interests	– 非控股權益	–	(9)
		17,436	25,148

The notes on pages 90 to 172 form an integral part of these consolidated financial statements.
第90至172頁的附註為該等綜合財務報表的組成部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2023
於2023年12月31日

		Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
NON-CURRENT ASSETS	非流動資產			
Intangible assets	無形資產	15	-	-
Property, plant and equipment	物業、廠房及設備	16	4,836	5,089
Right-of-use assets	使用權資產	17(a)	1,391	1,802
Investments in associates	於聯營公司的投資	18	761	968
Equity investment designated at fair value through other comprehensive income	按公平價值計入其他全面收益的股權投資	20	1,161	1,161
Other receivables, prepayments and deposits	其他應收款，預付款及訂金	23	679	3,117
Total non-current assets	非流動資產總計		8,828	12,137
CURRENT ASSETS	流動資產			
Inventories	存貨	22	27,920	48,221
Trade and other receivables, prepayments and deposits	應收款及其他應收款，預付款及訂金	23	31,817	46,308
Pledged bank deposits	已抵押的銀行存款	21	6,000	6,041
Cash and cash equivalents	現金及現金等價物	21	80,339	45,556
Financial asset at fair value through profit or loss	按公平值計入損益之金融資產	24	2,522	-
Total current assets	流動資產總計		148,598	146,126
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付款及其他應付款	29	26,908	45,347
Interest-bearing bank borrowings	銀行計息貸款	30	1,657	1,421
Lease liabilities	租賃負債	17(b)	985	1,304
Tax payable	應付稅款		424	315
Total current liabilities	流動負債總計		29,974	48,387
NET CURRENT ASSETS	流動資產淨值		118,624	97,739
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		127,452	109,876
NON-CURRENT LIABILITIES	非流動負債			
Lease liabilities	租賃負債	17(b)	521	692
Net assets	資產淨值		126,931	109,184

continued/...
續/...

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

綜合財務狀況表(續)

As at 31 December 2023
於2023年12月31日

		Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
EQUITY	權益			
Equity attributable to owners of the parent	本公司擁有人應佔權益			
Issued capital	已發行股本	25	32,166	32,149
Reserves	儲備	27	94,830	77,100
Non-controlling interests	非控股權益		126,996 (65)	109,249 (65)
Total equity	總權益		126,931	109,184

The notes on pages 90 to 172 form an integral part of these consolidated financial statements.
第90至172頁的附註為該等綜合財務報表的組成部份。

On behalf of the Board
代表董事會

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2023
截至2023年12月31日止年度

		Attributable to owners of the parent 本公司擁有人應佔										
		Equity compensation								Total	Non-controlling interests	Total equity
Notes		Issued capital	Share premium	Merger reserve	Exchange reserve	reserve	Fair value reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
附註		股本	股份溢價	合併儲備	匯兌儲備	股本權益	公平值儲備	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	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	千美元
At 1 January 2022	於2022年1月1日	32,123	81,245	2,082	1,838	17,897	923	230	(49,575)	86,763	(56)	86,707
Profit for the year	年內溢利	-	-	-	-	-	-	-	27,833	27,833	(9)	27,824
Other comprehensive income/(loss) for the year:	年內其他全面(虧損)/收入:											
- Changes in fair value of equity investment at fair value through other comprehensive income	- 按公平價值計入其他全面收益股權投資公平值變動	-	-	-	-	-	96	-	-	96	-	96
- Exchange differences arising on translation of foreign operations	- 換算海外業務時產生之匯兌差額	-	-	-	(2,772)	-	-	-	-	(2,772)	-	(2,772)
Total comprehensive income/(loss)	全面收入/(虧損)總計	-	-	-	(2,772)	-	96	-	27,833	25,157	(9)	25,148
2021 final dividend paid	2021年末期股息	-	(3,219)	-	-	-	-	-	-	(3,219)	-	(3,219)
Equity-settled share option arrangements	股本權益報酬	26	-	-	-	496	-	-	-	496	-	496
Issue of shares upon exercise of share options	行使股權後發行股份	25	26	36	-	(10)	-	-	-	52	-	52
At 31 December 2022 and at 1 January 2023	於2022年12月31日及2023年1月1日	32,149	78,062*	2,082*	(934)*	18,383*	1,019*	230*	(21,742)*	109,249	(65)	109,184
Profit for the year	年內溢利	-	-	-	-	-	-	-	19,443	19,443	-	19,443
Other comprehensive income/(loss) for the year:	年內其他全面收入/(虧損):											
- Exchange differences arising on translation of foreign operations	- 換算海外業務時產生之匯兌差額	-	-	-	(2,007)	-	-	-	-	(2,007)	-	(2,007)
Total comprehensive income/(loss)	全面收入/(虧損)總計	-	-	-	(2,007)	-	-	-	19,443	17,436	-	17,436
Equity-settled share option arrangements	股本權益報酬	26	-	-	-	274	-	-	-	274	-	274
Issue of shares upon exercise of share options	行使股權後發行股份	25	17	30	-	(10)	-	-	-	37	-	37
At 31 December 2023	於2023年12月31日	32,166	78,092*	2,082*	(2,941)*	18,647*	1,019*	230*	(2,299)*	126,996	(65)	126,931

The notes on pages 90 to 172 form an integral part of these consolidated financial statements.

第90至172頁的附註為該等綜合財務報表的組成部份。

* These reserve accounts comprise the consolidated reserves of US\$94,830,000 (2023: US\$77,100,000) in the consolidated statement of financial position.

* 該等儲備包括綜合儲備94,830,000美元(2023年: 77,100,000美元)載於綜合財務狀況表。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2023
截至2023年12月31日止年度

	Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
Cash flows from operating activities	經營活動之現金流量		
Profit before tax	除稅前溢利	19,488	27,907
Adjustments for:	調整：		
Finance costs	理財成本	9	117
Share of losses of associates	應佔聯營公司損失	18	114
Interest income	利息收入	9	(363)
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備的收益	7	(3)
Provision for obsolete or slow moving inventories, net	過時或滯銷存貨撥備淨值	6	12,013
Depreciation of property, plant and equipment	物業、機器及設備折舊	6	1,293
Depreciation of right-of-use assets	使用權資產折舊	6	1,355
Amortisation of intangible assets	無形資產攤銷	6	504
Equity-settled share option expense	股本權益報酬	6	496
COVID-19-related rent concession from lessors	2019冠狀病毒病相關租賃減免	17b	(76)
Loss on termination of lease	終止租賃損失	17c	-
		21,303	43,357
Decrease/(increase) in inventories	存貨減少／(增加)	17,995	(19,368)
Decrease/(increase) in trade and other receivables, prepayments and deposits	應收款及其他應收款，預付款及訂金減少／(增加)	16,783	(1,371)
Decrease in trade and other payables	應付款及其他應付款減少	(18,273)	(4,832)
Cash generated from operations	經營產生的現金	37,808	17,786
Hong Kong profits tax refunded/(paid)	退回／(繳付)香港利得稅	75	(56)
Overseas income tax paid	繳付海外所得稅	-	(27)
Interest paid	繳付利息	(77)	(117)
Net cash from operating activities	經營活動產生的現金淨額	37,806	17,586
Cash flows from investing activities	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	16	(2,532)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備		4
Proceeds from reduction in investment in associates	於聯營公司的投資減少所得		193
Increase in financial asset at fair value through profit or loss	按公平值計入損益之金融資產增加		(2,522)
Interest received	已收利息		2,547
Net cash used in investing activities	投資活動使用的現金淨額	(865)	(2,166)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

綜合現金流量表(續)

For the year ended 31 December 2023
截至2023年12月31日止年度

		Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
Cash flows from financing activities	融資活動之現金流量			
Release of pledged bank deposits	贖回已抵押的銀行存款		41	10,959
Dividend paid	股息派發		-	(3,219)
Proceeds from issue of shares upon exercise of share options	購股權獲行使所得款	25	37	52
Principal portion of lease payments	租賃付款的本金部份	33(b)	(1,425)	(1,231)
Drawdowns of bank borrowings	支取銀行貸款	33(b)	1,657	1,421
Repayments of bank borrowings	償還銀行貸款	33(b)	(1,421)	(181)
Net cash (used in)/from financing activities	融資活動(使用)/產生的現金淨額		(1,111)	7,801
Net increase in cash and cash equivalents	現金及現金等價物淨增加		35,830	23,221
Cash and cash equivalents at beginning of year	年初現金及現金等價物		45,556	24,757
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額		(1,047)	(2,422)
Cash and cash equivalents at end of year	年末現金及現金等價物		80,339	45,556
Analysis of balance of cash and cash equivalents	現金及現金等價物的結餘分析：			
- Bank balances and cash	- 銀行結餘及現金		80,339	45,556

The notes on pages 90 to 172 form an integral part of these consolidated financial statements.

第90至172頁的附註為該等綜合財務報表的組成部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1. General information

Solomon Systech (International) Limited and its subsidiaries are fabless semiconductor companies specializing in the design, development and sales of integrated circuits (“IC”) products and system solutions that enable a wide range of display applications for smartphones, tablets, smart TVs/monitors, notebooks and other smart devices, including electronic shelf-labels (ESLs), 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 Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands (with effect from 1 October 2022) and the address of its principal office in Hong Kong is Unit 607-613, 6/F Wireless Centre, 3 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong.

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

Information about subsidiaries

Please refer to note 19 to the financial statements for the particulars of the Company’s principal subsidiaries.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for a financial asset at fair value through other comprehensive income and a financial asset at fair value through profit or loss which have been measured at fair value.

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

1. 一般資料

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

本公司於2003年11月21日根據開曼群島公司法（1961年法律3，經綜合及修訂）第22章在開曼群島註冊成立為一間獲豁免有限公司。本公司註冊辦事處的地址為Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103，開曼群島（於2022年10月1日生效），而其香港總辦事處的地址為香港新界沙田香港科學園科技大道東3號無線電中心6樓607-613室。

本公司自2004年4月8日起，在香港聯合交易所有限公司主板上市。

附屬公司之資料

本公司主要附屬公司之詳情載於財務報表附註19。

2. 會計政策

2.1 編製基準

本財務報表乃根據香港會計師公會頒佈的香港財務報告準則(包括所有香港財務報告準則、香港會計準則及詮釋)及香港公司條例的披露規定編製。除金融資產按公平價值計入其他全面收益及按公平價值計入損益之金融資產按公平價值計量外，它們均按歷史成本法編製。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

2. 會計政策(續)

2.1 編製基準(續)

綜合基準

綜合財務報表包括本集團於截至2023年12月31日止年度的財務報表。附屬公司是由本公司直接或間接控制的實體(包括結構化實體)。倘本集團在參與被投資方業務中承擔或享有可變回報，並有能力通過對被投資方的權力影響該等回報(即賦予本集團現有有能力主導被投資方相關活動的現有權利)時，即取得控制權。

於一般情況下均存在多數投票權形成控制權之推定。當本公司擁有少於被投資方的過半數投票權或類似權利時，本集團於評估其是否對被投資方擁有權力時，考慮所有相關事實及情況，包括：

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation (continued)

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

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

2.2 Changes in Accounting Policies and Disclosures

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

HKFRS 17 香港財務報告準則第17號	<i>Insurance Contracts</i> 保險合約
Amendments to HKAS 1 and HKFRS Practice Statement 2 香港會計準則第1號及香港財務報告 準則實務說明第2號之修訂	<i>Disclosure of Accounting Policies</i> 會計政策的披露
Amendments to HKAS 8 香港會計準則第8號之修訂	<i>Definition of Accounting Estimates</i> 對會計估計的定義
Amendments to HKAS 12 香港會計準則第12號之修訂	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> 單一交易所產生的資產及負債相關遞延稅項
Amendments to HKAS 12 香港會計準則第12號之修訂	<i>International Tax Reform – Pillar Two Model Rules</i> 國際稅收改革 – 支柱二示範規則

2. 會計政策 (續)

2.1 編製基準 (續)

綜合基準 (續)

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

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

2.2 會計政策及披露之變動

本集團已於本年度之財務報表首次採納以下新訂及經修訂之香港財務報告準則：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.2 Changes in Accounting Policies and Disclosures (continued)

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 2 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any significant impact on the financial position or performance of the Group upon initial application.

2. 會計政策(續)

2.2 會計政策及披露之變動(續)

適用於本集團的新訂及經修訂香港財務報告準則的性質及影響載於下文：

- (a) 香港會計準則第1號之修訂要求實體披露重要會計政策信息(而非重大會計政策)。倘將有關之會計政策信息與實體財務報表中包含之其他信息一併考慮後,可以合理預計此舉會對一般目的財務報表之主要使用者根據該等財務報表所作之決策產生影響,則有關之會計政策信息屬重要。香港財務報告準則實務說明第2號作出重要性判斷之修訂為如何應用會計政策披露之重要性概念提供非強制性指引。本集團已於財務報表附註2中披露重要會計政策資料。該等修訂並無對本集團財務報表任何項目之計量、確認或呈列產生任何影響。
- (b) 香港會計準則第8號之修訂澄清有關會計估計變更與會計政策變更之區分。會計估計乃界定為財務報表中具有計量不確定性之貨幣金額。該等修訂亦澄清實體如何利用計量技巧及輸入值以得出會計估計。由於本集團之方針及政策與該等修訂一致,該等修訂並無對本集團財務報表產生任何影響。
- (c) 香港會計準則第12號單一交易所產生之資產及負債相關遞延稅項之修訂縮小香港會計準則第12號初步確認豁免之適用範圍,規定該豁免不得適用於會令應課稅暫時差額與可扣稅暫時差額之金額相同之交易,例如租賃及棄置義務之類的交易。因此,實體須就該等交易產生之暫時差額確認一項遞延稅項資產(前提是有足夠的應課稅溢利)及一項遞延稅項負債。於首次應用該等修訂時,該等修訂並無對本集團財務狀況及表現產生任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.2 Changes in Accounting Policies and Disclosures (continued)

- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

2. 會計政策 (續)

2.2 會計政策及披露之變動 (續)

- (d) 香港會計準則第12號*國際稅收改革 – 支柱二示範規則*之修訂引入一項強制暫時豁免，從而毋須確認及披露因實施經濟合作暨發展組織頒佈之支柱二示範規則所產生之遞延稅項。該等修訂亦對受影響實體引入披露要求，以幫助財務報表使用者更了解實體所面臨之支柱二所得稅風險，包括單獨披露於支柱二立法生效之期間與支柱二所得稅相關之即期稅項以及披露於支柱二法例已制定或實質制定但尚未生效之期間與實體所面臨之支柱二所得稅風險有關之已知或可合理估計之信息。本集團已追溯應用該等修訂。由於本集團並無落入支柱二示範規則之範圍內，該等修訂並無對本集團產生任何影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號之修訂	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³ 投資者與其聯營或合營企業之間的資產出售或注資 ³
Amendments to HKFRS 16 香港財務報告準則第16號之修訂	<i>Lease Liability in a Sale and Leaseback</i> ¹ 售後租回的租賃負債 ¹
Amendments to HKAS 1 香港會計準則第1號之修訂	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i> ^{1, 4} 負債的分類－流動或非流動(「2020年修訂」) ^{1, 4}
Amendments to HKAS 1 香港會計準則第1號之修訂	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i> ^{1, 4} 附帶契諾的非流動負債(「2022年修訂」) ^{1, 4}
Amendments to HKAS 7 and HKFRS 7 香港會計準則第7號及香港財務報告準則第7號之修訂	<i>Supplier Finance Arrangements</i> ¹ 供應商融資安排 ¹
Amendments to HKAS 21 香港會計準則第21號之修訂	<i>Lack of Exchangeability</i> ² 缺乏可兌換性 ²

- ¹ Effective for annual periods beginning on or after 1 January 2024
- ² Effective for annual periods beginning on or after 1 January 2025
- ³ No mandatory effective date yet determined but available for adoption
- ⁴ As a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

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

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor’s profit or loss only to the extent of the unrelated investor’s interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

2. 會計政策(續)

2.3 已頒佈但尚未生效的香港財務報告準則

本集團並無在財務報表中應用下列已頒佈但尚未生效的經修訂香港財務報告準則。本集團擬於該等經修訂香港財務報告準則生效後應用該等修訂香港財務報告準則(如適用)。

- ¹ 自2024年1月1日或之後開始之年度期間生效
- ² 自2025年1月1日或之後開始之年度期間生效
- ³ 尚未釐定強制性生效日期，惟已可供採納
- ⁴ 因應2020年修訂及2022年修訂，香港詮釋第5號財務報表的呈報－借款人對包含按要求償還條文的定期貸款分類已修訂，以使相應措辭保持一致而結論不變

下文載述有關預期將適用於本集團之該等香港財務報告準則之進一步資料。

香港財務報告準則第10號及香港會計準則第28號之修訂解決香港財務報告準則第10號與香港會計準則第28號之間對於處理投資者與其聯營公司或合營企業之間資產出售或投入的規定之不一致性。該等修訂要求當資產出售或投入構成一項業務時，確認全部收益或虧損。對於不構成業務之資產交易，交易所產生之收益或虧損將於投資者之損益中確認，並僅以於該聯營公司或合營企業之不相關投資者權益為限。該等修訂將於未來應用。香港會計師公會已剔除以往香港財務報告準則第10號及香港會計準則第28號之修訂之強制生效日期。然而，該等修訂目前已可供採用。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

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

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of HKFRS 16 (i.e., 1 January 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments and whether existing loan agreements may require revision. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

2. 會計政策 (續)

2.3 已頒佈但尚未生效的香港財務報告準則 (續)

香港財務報告準則第16號之修訂訂明計量售後租回交易產生的租賃負債所用的賣方－承租人之規定，以確保賣方－承租人不確認與所保留使用權有關的任何收益或虧損金額。該等修訂自2024年1月1日或之後開始之年度期間生效，並將追溯應用於香港財務報告準則第16號首次應用日期(即2019年1月1日)之後訂立的售後租回交易，並允許提前應用。預期該等修訂不會對本集團財務報表產生任何重大影響。

2020年修訂澄清有關劃分負債為流動或非流動之規定，包括推遲清償權的含義，以及推遲清償權必須在報告期末存在。實體會否行使其推遲清償權將不會影響負債之劃分。該等修訂亦澄清，負債可以用其自身的權益工具清償，以及只有當可轉換負債中的轉換選擇權本身作為權益工具入賬時，負債的條款才不會影響其劃分。2022年修訂進一步澄清，在貸款安排產生的負債契諾中，只有實體在報告日期或之前必須遵守的契諾才會影響該負債分類為流動或非流動。對於實體於報告期後十二個月內必須遵守未來契約的非流動負債，須進行額外披露。該等修訂應追溯應用及允許提早應用。提前應用2020年修訂的實體須同時應用2022年修訂，反之亦然。本集團目前正評估該等修訂之影響以及現有的貸款協議是否需要修訂。根據初步評估，預期該等修訂不會對本集團財務報表產生任何重大影響。

香港會計準則第7號及香港財務報告準則第7號之修訂澄清供應商融資安排的特點，並規定須就該等安排作出額外披露。該等修訂的披露規定旨在協助財務報表使用者了解供應商融資安排對實體的負債、現金流量及流動資金風險的影響。允許提早應用該等修訂。該等修訂就於年度報告期及中期披露期初的比較資料及定量資料提供若干過渡性減免。預期該等修訂不會對本集團財務報表產生任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

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

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 Material Accounting Policies

Investments in associates

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

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

2. 會計政策(續)

2.3 已頒佈但尚未生效的香港財務報告準則(續)

香港會計準則第21號之修訂訂明實體應如何評估某種貨幣是否可兌換為另一種貨幣，以及在缺乏可兌換性的情況下，實體應如何估計於計量日期的即期匯率。該等修訂要求披露讓財務報表使用者能夠了解貨幣不可兌換的影響的資料，允許提早應用。於應用該等修訂時，實體不能重列比較資料。初始應用該等修訂的任何累積影響乃於初始應用當日確認為對保留溢利之期初結餘或權益單獨組成部分中累積的匯兌差額累計金額之調整(如適用)。預期該等修訂不會對本集團財務報表產生任何重大影響。

2.4 重大會計政策

於聯營公司的投資

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Investments in associates (continued)

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

Business combinations and goodwill

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

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

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

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

於聯營公司的投資 (續)

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

業務合併及商譽

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Business combinations and goodwill (continued)

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

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

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

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

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

2. 會計政策(續)

2.4 重大會計政策(續)

業務合併及商譽(續)

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Fair value measurement

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

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

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

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

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

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

公平值計量

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Impairment of non-financial assets

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

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

2. 會計政策(續)

2.4 重大會計政策(續)

非金融資產減值

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

在測試現金產生單位的減值情況時，在能夠合理及貫徹一致的分配基準分配企業資產(如總部大樓)的部分賬面值的情況下，該部分賬面值會分配至獨立的現金產生單位，否則會分配至最小的現金產生單位組別。

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Related parties

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

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

or

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

2. 會計政策(續)

2.4 重大會計政策(續)

關聯方

於下列情況下，以下人士被視為與本集團有關聯：

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

或

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Property, plant and equipment and depreciation

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

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

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

Freehold land	永久業權土地	Not depreciated 不予折舊
Building	樓宇	2%
Leasehold improvements	租賃物業裝修	20% or over the lease period, whichever is shorter 20%或按租期(以較短者為準)
Furniture, fixtures, licenses and equipment	傢具、固定裝置、 特許證及設備	33.33%
Machinery and laboratory equipment	機器及實驗室設備	12.50% to 33.33%
Motor vehicles	汽車	33.33%

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

2. 會計政策(續)

2.4 重大會計政策(續)

物業、廠房及設備以及折舊

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Property, plant and equipment and depreciation (continued)

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

Intangible assets (other than goodwill)

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

Patents and intellectual property

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

Research and development costs

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

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

物業、廠房及設備以及折舊 (續)

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

無形資產(商譽除外)

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

專利及知識產權

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

研究及開發成本

研發開支於產生時支銷。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Leased properties	2 to 3 years
Motor vehicles	4 years

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

租賃

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

本集團作為承租人

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

(a) 使用權資產

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

租賃物業	2至3年
汽車	4年

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

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

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

(c) Short-term leases

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

(b) 租賃負債

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

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

(c) 短期租賃

本集團對機器及設備的短期租賃(即自開始日期起租賃期為12個月或以下且不含購買權的租賃)應用短期租賃確認豁免。短期租賃的租賃付款在租賃期內按直線法確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Investments and other financial assets

Initial recognition and measurement

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

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

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

2. 會計政策(續)

2.4 重大會計政策(續)

投資及其他金融資產

初步確認及計量

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

投資及其他金融資產 (續)

初步確認及計量 (續)

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

金融資產買賣需要於一般由法規或市場慣例確定的期間交付資產。有關買賣於交易日期確認，即本集團承諾買賣資產當日。

其後計量

金融資產的其後計量取決於其分類如下：

按攤銷成本計量的金融資產 (債務工具)

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

指定為按公平價值計入其他全面收益之金融資產 (股權投資)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

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

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as finance income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

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

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income and debt instruments which are held for trading. Dividends on the equity investments are also recognised as finance income in the statement of profit or loss when the right of payment has been established.

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

投資及其他金融資產 (續)

其後計量 (續)

指定為按公平值計入其他全面收益之金融資產(股權投資)(續)

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

按公平值計入損益之金融資產

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

此類別包括本集團並無不可撤回地選擇之衍生工具及持作買賣之債務工具。倘股息付款權已確立，按公平值計入損益之金融資產的股權投資股息亦於綜合損益表中確認為投資收入。

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

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

Derecognition of financial assets

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

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

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

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

投資及其他金融資產 (續)

其後計量 (續)

按公平值計入損益之金融資產 (續)

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

終止確認金融資產

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Impairment of financial assets

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

General approach

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

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

The Group considers a financial asset in default when contractual payments are 360 days past due. The Group has rebutted the 90 days past due presumption of default based on reasonable and supportable information, including the Group’s credit risk control practices and the historical recovery rate of financial assets over 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. 會計政策 (續)

2.4 重大會計政策 (續)

金融資產減值

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

一般方法

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

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

倘若合約付款逾期360天，則本集團認為金融資產違約。本集團已根據合理及有依據的資料推翻逾期90天之違約推定，有關資料包括本集團的信貨風險管理常規及逾期超過90天的金融資產的歷史收回率。然而，在計及本集團持有的任何增信措施前，本集團亦可於內部或外部資料顯示本集團不大可能悉數收取尚未償還合約金額時將金融資產視作違約。於並無合理預期能收回合約現金流量時撇銷金融資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Impairment of financial assets (continued)

General approach (continued)

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

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

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

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

Simplified approach

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

金融資產減值 (續)

一般方法 (續)

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

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

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

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

簡化方法

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables, and borrowings)

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

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

Financial guarantee contracts

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

金融負債

初步確認及計量

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

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

本集團的金融負債包括應付款及其他應付款項及銀行計息貸款。

其後計量

金融負債按其分類的其後計量如下:

按攤銷成本計量的金融負債(應付款及其他應付款及借款)

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

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

財務擔保合約

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as structured products, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivative is taken directly to the statement of profit or loss.

Inventories

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

終止確認金融負債

當負債項下責任已解除或取消或屆滿時，即終止確認金融負債。

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

抵銷金融工具

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

衍生金融工具

初步確認及其後計量

本集團使用衍生金融工具(例如結構性產品)以分別對沖其外匯風險及利率風險。該等衍生金融工具初步在訂立衍生合約日期按公平價值確認，隨後以公平價值重新計量。衍生工具在公平價值為正數時列為資產，在公平價值為負數時則列為負債。

衍生工具公平價值變動所產生的任何收益或損失，直接列入損益表內。

存貨

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

Income tax

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

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

現金及現金等價物

財務狀況表內的現金及現金等價物包括庫存現金及銀行現金，以及流動性強、一般於三個月內到期且易轉換成已知金額現金的短期存款。有關存款的價值變動風險不大，為滿足短期現金承諾而持有。

就綜合現金流量表而言，現金及現金等價物包括庫存現金及銀行現金以及上文界定的短期存款，減須按要求償還且屬本集團現金管理部分之銀行透支。

撥備

倘因過往事件引致現時債務（法定或推定）且未來可能需要資源流出以清償債務，則確認撥備，惟有關債務金額須能可靠估計。倘本集團預計所作的部分或全部撥備將可收回，並且相當肯定能夠收回，則將收回金額確認為一項單獨的資產。與撥備相關的開支乃於損益扣減任何收回金額後呈列。

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

所得稅

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Income tax (continued)

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

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

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

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

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

所得稅 (續)

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

遞延稅項負債根據所有應課稅的暫時差額確認，惟下列情況除外：

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Income tax (continued)

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

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

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

Government grants

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

所得稅 (續)

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

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

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

政府補貼

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Revenue recognition

Revenue from contracts with customers

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

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

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

收益確認

客戶合約收益

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) Sale of proprietary integrated circuits products

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

(i) Volume rebates

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

Other income

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

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

2. 會計政策 (續)

2.4 重大會計政策 (續)

收益確認 (續)

客戶合約收益 (續)

(a) 專有集成電路產品銷售

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

(i) 批量回扣

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

其他收入

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Contract liabilities

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

Refund liabilities

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

Share-based payments

The Company operates share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 26 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2. 會計政策 (續)

2.4 重大會計政策 (續)

合約負債

合約負債指本集團因已向客戶收取代價 (或代價款項已到期)，而須向客戶轉讓貨品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付代價，則於作出付款或付款到期時 (以較早者為準) 確認合約負債。合約負債於本集團履行合約時確認為收入 (即相關貨品或服務的控制權轉至客戶)。

退款負債

退款負債是退還部分或全部從客戶收到 (或應收) 的代價的責任，按照集團預期最終須要退還顧客的數額計量。本集團於每個報告期末更新其退款負債估計 (及交易價格的相應變化)。

股票付款

本公司實行購股權計劃。本集團的僱員 (包括董事) 以股票付款方式收取酬金，據此僱員提供服務以換取權益工具 (「權益結算交易」)。與僱員進行的權益結算交易的成本參照其授出當日之公允價值計算。公允價值由外部估值師以二項模式釐定，進一步詳情載於財務報表附註26中。

權益結算交易的成本連同權益相應增加部分，在滿足業績或服務條件期間於僱員福利開支內確認。於各報告期末直至歸屬日期內確認為權益結算交易的累計開支反映歸屬日期屆滿時的水平及本集團對最終歸屬的權益工具數目的最佳估計。於某期間內損益的扣除或入賬反映於該期間開始及結束時確認的累計開支變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Share-based payments (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification, that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at the grant date and at each reporting date up to and including the settlement date (note 26). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognised for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest.

2. 會計政策(續)

2.4 重大會計政策(續)

股票付款(續)

決定獎勵於授出日期之公允價值時不會考慮服務及非市場表現條件，但該等條件的可能性會作為本集團對最終歸屬的權益工具數目的最佳估計的一部分而予以評估。授出日期之公允價值反映市場表現條件。任何其他附帶於獎勵的條件，若無相關服務需求，將被視為非歸屬條件。非歸屬條件反映在獎勵的公允價值且除非亦有服務及／或表現條件，否則其將導致獎勵立即耗減。

因未滿足非市場表現及／或服務條件而最終不會歸屬的獎勵不予確認開支。倘獎勵包括一項市場或非歸屬條件，且所有其他表現及／或服務條件已達成，不論市場或非歸屬條件是否達成，該等交易亦將被視作歸屬交易。

當修訂股票付款獎勵的條款時，倘已滿足獎勵的原始條款，則至少要按無修訂條款的情況確認開支。此外，當任何修訂於修訂當日導致股票付款的公允總值有所增加，或為僱員帶來利益，均應確認開支。當股票付款獎勵被取消，則會視作於取消時歸屬，且任何未就獎勵確認的開支將立即確認。

計算每股盈利時，未行使購股權的攤薄影響將列作額外股份攤薄效應。

現金結算交易的成本在授予日按初始公允價值計量，並考慮到授予的條款和條件(附註26)。公允價值在歸屬日期之前的期間支銷並確認相應的負債。以現金結算的交易的累計費用於每個報告期末確認直至歸屬日期反映歸屬期限已到期以及本集團對最終歸屬的獎勵數量的最佳估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group’s employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China and overseas are required to participate in a central retirement benefit scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central retirement benefit scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central retirement benefit scheme.

Under the MPF Scheme, the employers’ existing level of contributions can be reduced by contributions forfeited by the employers on behalf of those employees who leave the scheme prior to vesting fully in the contributions. Forfeited contributions totalling US\$9,600 (2022: US\$32,000) were utilized during the year ended 31 December 2023 to reduce contributions and of US\$4,200 forfeited contribution was available as at 31 December 2023 (2022: US\$5,000) to reduce future years’ contributions.

Under the central retirement benefit scheme to which the Group’s subsidiaries operating in Mainland China and overseas are required to make contribution, no forfeited contributions will be used by the employers to reduce the existing level of contributions.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

2. 會計政策 (續)

2.4 重大會計政策 (續)

僱員福利

退休金計劃

本集團根據香港強制性公積金計劃為所有合資格參與強積金計劃的僱員實行一項有既定供款的強制性公積金退休福利計劃(「強積金計劃」)。供款按照僱員底薪的若干百分比釐定，且根據強積金計劃規定應付時在損益中扣除。強積金計劃的資產與本集團其他資產分開管理，由獨立管理的基金持有。向強積金計劃作出供款時，本集團的僱主供款將全數歸屬僱員擁有，本集團僱主的自願供款則除外，根據強積金計劃的規則，當僱員在供款全數歸屬彼等前離職，則僱主的自願供款將退還予本集團。

本集團在中國和海外經營的附屬公司的僱員都需要參加由當地市政府運營的中央退休福利計劃。這些附屬公司需要繳納一定比例的工資成本到中央退休福利計劃。按照中央退休福利計劃的規定的應付供款計入損益表。

根據強積金計劃，僱主代該等於供款全數歸屬前離開計劃的僱員所沒收的供款可用作減少僱主現有供款水平。截至2023年12月31日止年度內，用作減少供款水平而被沒收的供款合共為9,600美元(2022年：32,000美元)，而於2022年12月31日，為減少未來年度的供款水平而可供沒收的供款為4,200美元(2022年：5,000美元)。

根據中央退休福利計劃，本集團在中國和海外經營的附屬公司必須作出供款，被沒收的供款不會被僱主用作減少現有供款水平。

終止福利

當本集團不可撤回該等福利要約或當本集團確認重組成本涉及終止福利支付時予以確認終止福利，以較早者為準。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Foreign currencies

These financial statements are presented in US\$, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

2. 會計政策(續)

2.4 重大會計政策(續)

外幣

本財務報表以本公司功能貨幣美元呈列。本集團旗下各實體自行釐定其功能貨幣，而各實體財務報表內的項目均以該功能貨幣計量。由本集團實體錄得的外幣交易初步按交易當日彼等各自功能貨幣的現行匯率入賬。以外幣計值的貨幣資產及負債按報告期末的功能貨幣匯率換算。貨幣項目結算或換算產生的差額均於損益內確認。

結算或換算貨幣項目產生的差額於損益表確認，惟指定為本集團對外業務淨對沖投資的一部分的貨幣項目除外。這些外幣項目在其他全面收益中確認，直至淨投資被處置，此時累計金額重新分類至損益表。這些貨幣項目的匯兌差額產生的稅費和信貸也記入其他全面收益。

以歷史成本計量的非貨幣外幣項目使用初始交易日期的匯率換算。以公允價值計量的非貨幣性外幣項目，採用公允價值計量日期的匯率折算。換算以公允價值計量的非貨幣項目產生的收益或損失，按照該項目的公允價值變動收益或損失確認(即該項目的公允價值收益或損失於其他全面收益或損益中確認，則相關換算差額亦分別於其他全面收益或損益中確認)。

就終止確認與預付代價有關的非貨幣資產或非貨幣負債的相關資產、開支或收入而言，於釐定初次確認的匯率時，初次交易的日期為本集團初次確認預付代價所產生的非貨幣資產或非貨幣負債的日期。倘有多筆預付付款或收款，本集團就每筆預付代價的付款或收款分別釐定交易日期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2. Accounting policies (continued)

2.4 Material Accounting Policies (continued)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries are currencies other than US\$. As at the end of the reporting period, the assets and liabilities of these entities are translated into US\$ at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into US\$ at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into US\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into US\$ at the weighted average exchange rates for the year.

2. 會計政策 (續)

2.4 重大會計政策 (續)

外幣 (續)

海外附屬公司的功能貨幣為美元以外的貨幣。於報告期末，該等實體的資產及負債按報告期末的即期匯率換算成美元，而該等損益表按與交易當日的即期匯率相若的匯率換算成美元。所產生的匯兌差額會在其他全面收益確認，並在匯兌波動儲備中累積。當出售海外業務時，除非差額可歸因於非控制權益外，與該海外業務有關的儲備中的累計金額於損益內確認。

因收購海外實體而產生的商譽及資產和負債的賬面值的公平值調整，均視作該海外實體的資產及負債，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司的現金流按現金流產生當日的匯率換算成美元。海外附屬公司於本年經常產生的現金流按該年度的加權平均匯率換算成美元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. Financial risk management and fair value and fair value hierarchy of financial instruments

3.1 Financial risk factors

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

As at 31 December 2023, the Group is exposed to fair value or cash flow interest rate risk in relation to the interest-bearing bank borrowing of the Group with fixed interest rate. The Group currently does not have any interest rate hedging policy. However, management will consider hedging significant interest rate exposure should the need arise.

Foreign currency risk

The Group has transactional currency exposures. Such exposures primarily arise from revenue and other income generated, and cost and expenses incurred by operating units in currencies other than the Group's operating units' functional currencies. For the Group's operating units that have the Hong Kong dollar ("HK\$") as their functional currency, their foreign currency transactions during the years ended 31 December 2023 and 2022, and the units' monetary assets and liabilities denominated in foreign currencies as at the end of the reporting period were mainly denominated in US\$. As HK\$ is pegged to the US\$ within a narrow band, the Group does not expect any significant movements in the US\$/HK\$ exchange rate. Accordingly, management considers that the Group's foreign currency risk exposure for HK\$ is not significant.

3. 財務風險管理，公平值及公平價值級別

3.1 財務風險因素

本集團金融工具產生的主要風險為利率風險、外匯風險、信貸風險及流動性風險。董事會審閱並同意管理各項該等風險的政策並概述如下。

利率風險

於2023年12月31日，本集團面臨本集團計息銀行借貸的固定利率的公平值或現金流量利率風險。本集團目前並無任何利率對沖政策。然而，管理層將考慮在需要時對沖重大利率風險。

外匯風險

本集團有交易性貨幣風險。該等風險主要來自收入及產生的其他收入，以及營運單位以本集團營運單位功能貨幣以外的貨幣產生的成本及開支。本集團的經營單位以其港元（「港元」）為功能貨幣，截至2023年及2022年12月31日止年度的外幣交易，以及以外幣計值的單位貨幣資產及負債於報告期末，主要以美元計值。由於港元與美元掛鉤，因此本集團預期美元／港元匯率不會出現任何重大變動。因此，管理層認為本集團的港元外匯風險並不重大。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

3.1 Financial risk factors (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

		12-month ECLs 12個月 預期信貸虧損		Lifetime ECLs 年限內預期信貸虧損		
		Stage 1 第1階段 US\$'000 千美元	Stage 2 第2階段 US\$'000 千美元	Stage 3 第3階段 US\$'000 千美元	Simplified approach 簡化計算法 US\$'000 千美元	Total 總計 US\$'000 千美元
Trade receivables*	應收款*	-	-	-	17,415	17,415
Financial assets included in deposits and other receivables	訂金及其他應收款內的金融資產					
- Normal**	- 正常**	9,550	-	-	-	9,550
Pledged bank deposits	已抵押的銀行存款					
- Not yet past due	- 未過期	6,000	-	-	-	6,000
Cash and cash equivalents	現金及現金等價物					
- Not yet past due	- 未過期	80,339	-	-	-	80,339
		95,889	-	-	17,415	113,304

3. 財務風險管理，公平值及公平價值級別（續）

3.1 財務風險因素（續）

信貸風險

本集團僅與獲認可兼信譽可靠的第三方進行交易。按照本集團的政策，所有擬按信貸條款進行交易的客戶必須通過信貸核實程序後，方可作實。此外，本集團會持續監察應收款項結餘的情況，其所面對的壞賬風險並不重大。

最高風險及年終分期

下表顯示了基於本集團信貸政策的信用質量和最大信用風險敞口，該信貸政策主要基於過去的到期信息（除非其他信息無需不必要的成本或努力），以及截至12月31日的年終分期分類。所列金額為金融資產的賬面總額。

於2023年12月31日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

3.1 Financial risk factors (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2022

	12-month ECLs 12個月 預期信貸虧損	Lifetime ECLs 年限內預期信貸虧損			Simplified approach 簡化計算法 US\$'000 千美元	Total 總計 US\$'000 千美元
		Stage 1 第1階段 US\$'000 千美元	Stage 2 第2階段 US\$'000 千美元	Stage 3 第3階段 US\$'000 千美元		
Trade receivables*	應收款*	-	-	-	23,761	23,761
Financial assets included in deposits and other receivables	訂金及其他應收款內 的金融資產					
- Normal**	- 正常**	16,899	-	-	-	16,899
Pledged bank deposits	已抵押的銀行存款					
- Not yet past due	- 未過期	6,041	-	-	-	6,041
Cash and cash equivalents	現金及現金等價物					
- Not yet past due	- 未過期	45,556	-	-	-	45,556
		68,496	-	-	23,761	92,257

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 to the financial statements.

** The credit quality of the financial assets included in deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. At the end of the reporting period, the Group had certain concentrations of credit risk as 28% (2022: 21%) and 70% (2022: 67%) of the Group's trade receivables were due from the Group's largest debtor and the five largest debtors, respectively. Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 23 to the financial statements.

3. 財務風險管理，公平值及公平價值級別（續）

3.1 財務風險因素（續）

信貸風險（續）

最高風險及年終分期（續）

於2022年12月31日

* 有關本集團應收款減值採用簡化計算法下撥備矩陣的資料，於財務報表附註23披露。

** 訂金和其他應收款中包含的金融資產的信用質量在未到時被視為「正常」，並且沒有信息表明自初始確認後金融資產的信用風險顯著增加。否則，金融資產的信用質量被認為是「可疑的」。

本集團其他金融資產（包括現金及現金等價物及其他應收款）的信貸風險因交易對方違約而產生，最高風險相等於該等工具的賬面值。

由於本集團僅與獲認可兼信譽可靠的第三方進行交易，沒有抵押品需求。於報告期末，本集團承擔若干信貸集中風險，因本集團的貿易應收款項中，分別有28%（2022年：21%）及70%（2022年：67%）為應收本集團最大債務人及五大債務人的款項。本集團產生自貿易應收款項的信貸風險敞口的進一步量化數據披露於財務報表附註23。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

3. 財務風險管理，公平值及公平價值級別（續）

3.1 Financial risk factors (continued)

3.1 財務風險因素（續）

Liquidity risk

流動性風險

The Group monitors and maintains a sufficient level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors the Group's working capital requirements regularly.

本集團監控及維持管理層認為足夠的現金及現金等價物，以便為本集團的營運提供資金並緩解現金流量波動的影響。管理層定期審視及監控本集團的營運資金需求。

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

於報告期末，本集團按合約未貼現付款釐定的金融負債到期情況載列如下：

		2023				
		No fixed term of repayment/ on demand 沒有固定的還款期限/ 按要求償還 US\$'000 千美元	Less than 3 months 少於3個月 US\$'000 千美元	3 to less than 12 months 3個月至少於12個月 US\$'000 千美元	1 to 5 years 1至5年 US\$'000 千美元	Total 總計 US\$'000 千美元
Financial liabilities included in trade and other payables	應付款及其他應付款內的金融負債	6,766	8,610	-	-	15,376
Interest-bearing bank borrowings	銀行計息貸款	-	1,663	-	-	1,663
Lease liabilities	租賃負債	-	271	708	573	1,552
		6,766	10,544	708	573	18,591
		2022				
		No fixed term of repayment/ on demand 沒有固定的還款期限/ 按要求償還 US\$'000 千美元	Less than 3 months 少於3個月 US\$'000 千美元	3 to less than 12 months 3個月至少於12個月 US\$'000 千美元	1 to 5 years 1至5年 US\$'000 千美元	Total 總計 US\$'000 千美元
Financial liabilities included in trade and other payables	應付款及其他應付款內的金融負債	9,285	15,807	-	-	25,092
Interest-bearing bank borrowings	銀行計息貸款	-	1,423	-	-	1,423
Lease liabilities	租賃負債	-	220	1,127	699	2,046
		9,285	17,450	1,127	699	28,561

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

3.1 Financial risk factors (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

The capital of the Group represents equity attributable to owners of the Group.

3.2 Fair value

The carrying amount and fair value of the Group's financial instruments, other than those with carrying amount that reasonably approximate to fair values, are as follows:

Financial assets	金融資產	Carrying amounts 賬面值		Fair values 公平值	
		2023 US\$'000 千美元	2022 US\$'000 千美元	2023 US\$'000 千美元	2022 US\$'000 千美元
Equity investment designated at fair value through other comprehensive income	按公平價值計入其他全面收入的投資	1,161	1,161	1,161	1,161
Financial asset at fair value through profit or loss	按公平價值計入損益之金融資產	2,522	-	2,522	-
		3,683	1,161	3,683	1,161

3. 財務風險管理，公平值及公平價值級別（續）

3.1 財務風險因素（續）

資本管理

本集團資本管理的首要目標為保障本集團持續經營的能力並維持穩健的資本比率，以支持其業務及為股東創造最大價值。

本集團根據經濟環境變化及相關資產的風險特徵管理及調整其資本架構。為維持或調整資本架構，本集團或會返還資本予股東或發行新股份。於截至2023年12月31日及2022年12月31日止年度，資本管理目標、政策或程序並未發生變動。

本集團的資本即為本公司擁有人應佔權益。

3.2 公平值

除賬面值合理地接近公平值的金融工具外，本集團金融工具的賬面值和公平值如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

3.2 Fair value (continued)

Management has assessed that the fair values of cash and cash equivalents, pledged bank deposits, trade receivables, trade payables, financial assets included in deposits and other receivables, financial liabilities included in other payables and accruals, the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair value of an unlisted equity investment designated at fair value through other comprehensive income has been estimated by observable prices or rates of sale of similar assets. The fair value of other unlisted investment has been estimated based on the surrender values, which are calculated and quoted by the issuer. The directors believe that the estimated fair value which is recorded in the consolidated statement of financial position, and the related changes in fair values, which is recorded in other comprehensive income, are reasonable, and that it was the most appropriate values at the end of the reporting period.

3. 財務風險管理，公平值及公平價值級別（續）

3.2 公平值（續）

管理層已評估現金及現金等價物、已抵押銀行存款、應收款、應付款、包括在存款及其他應收款中的金融資產、包括在其他應付款及應計項目中的金融負債、計息銀行貸款的流動部分的公平價值與其賬面金額相近，主要是由於這些工具於短時間內到期。

金融資產及負債的公平價值按自願交易方（而非強迫或清盤銷售）於當前交易中交換該工具的金額入賬。

以下方法和假設用於估計公平價值：

以按公允價值計入其他全面收入的非上市股權投資的公允價值，按可觀察價格或類似資產的銷售率估算。其他非上市投資的公允價值是根據發行人計算並報價的退保價值所估算的。董事認為，綜合財務狀況表中記錄的估計公允價值以及公允價值的相關變動（記入其他綜合收益）是合理的，並且它是報告期末最合適的價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3. Financial risk management and fair value and fair value hierarchy of financial instruments (continued)

3.2 Fair value (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

		Fair value measurement using 公平值計量利用			
		Quoted prices in active markets (Level 1) 於活躍市場報價 (第1層級) US\$'000 千美元	Significant observable inputs (Level 2) 可觀察輸入數據 (第2層級) US\$'000 千美元	Significant unobservable inputs (Level 3) 不可觀察輸入數據 (第3層級) US\$'000 千美元	Total 總計 US\$'000 千美元
Equity investment designated at fair value through other comprehensive income	按公平價值計入其他全面收入的投資	-	1,161	-	1,161
Financial asset at fair value through profit or loss	按公平價值計入損益之金融資產	-	2,522	-	2,522
		-	3,683	-	3,683

As at 31 December 2022

於2022年12月31日

		Fair value measurement using 公平值計量利用			
		Quoted prices in active markets (Level 1) 於活躍市場報價 (第1層級) US\$'000 千美元	Significant observable inputs (Level 2) 可觀察輸入數據 (第2層級) US\$'000 千美元	Significant unobservable inputs (Level 3) 不可觀察輸入數據 (第3層級) US\$'000 千美元	Total 總計 US\$'000 千美元
Equity investment designated at fair value through other comprehensive income	按公平價值計入其他全面收入的投資	-	1,161	-	1,161

3. 財務風險管理，公平值及公平價值級別（續）

3.2 公平值（續）

公平價值級別

下表說明了本集團金融工具的公允價值計量級別

資產按公平值計量

於2023年12月31日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Income taxes

The Group has exposure to income taxes in different jurisdictions. Significant judgement is involved in determining the provision for income taxes. Determining income tax provisions involves judgement on the future tax treatment of certain transactions and interpretation of tax rules. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation, interpretations and practices in respect thereof.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Revenue from contracts with customers

Determining the method to estimate variable consideration and assessing the constraint for the sale of products.

Certain contracts for the sale of products include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

4. 關鍵會計估算及判斷

編製本集團財務報表時，管理層須作出會影響所呈報收入、開支、資產及負債之報告金額及其相關披露及或然負債披露之判斷、估計及假設。有關該等假設及估計之不確定性或會導致日後須就受影響之資產或負債賬面值作出重大調整。

判斷

於採納本集團會計政策過程中，除涉及估計的會計政策外，管理層已作出對財務報表中已確認金額構成最重大影響之判斷如下：

所得稅

本集團須在多個司法權區繳納所得稅。釐定所得稅撥備涉及重大判斷。釐定所得稅撥備時涉及對若干交易之未來稅項待遇及稅項規則詮釋的判斷。本集團審慎評估交易的稅務影響，並相應設立稅項撥備。定期重新考慮該等交易的稅項待遇以反映相關稅法、詮釋及慣例的全部變化。

估計不確定因素

於報告期末有關未來之主要假設及其他估計不確定性之主要來源，會使下一個財政年度內的資產及負債賬面值有重大調整的風險，詳見下文論述。

與客戶簽訂合同的收入

確定估算可變代價和評估產品銷售約束的方法。

某些產品銷售合同包括產生可變代價的批量折扣。在估計可變代價時，本集團需要使用預期價值法或最可能金額法方法去更好地預測其有權獲得的代價金額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. Significant accounting estimates and judgements (continued)

Estimation uncertainty (continued)

Revenue from contracts with customers (continued)

In estimating the variable consideration for the sale of products with volume rebates, the Group determined that using the most likely amount method is appropriate. The selected method that better predicts the amount of variable consideration related to volume rebates is primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit using key assumptions such as budgeted revenue growth rate and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of property, plant and equipment at 31 December 2023 was US\$4,836,000 (2022: US\$5,089,000).

4. 關鍵會計估算及判斷 (續)

估計不確定因素 (續)

與客戶簽訂合同的收入 (續)

在估計銷售具有批量回扣的產品的可變代價時，本集團確定使用最可能金額方法是最合適的。其能更好預測與批量回扣相關的可變對價金額，主要由於合同中包含的數量閾值。採納最可能金額方法用於單個閾值的銷售合約。

在將任何數額的可變代價納入交易價格之前，本集團會考慮可變對價的金額是否受到限制。本集團根據其歷史經驗，業務預測及當前經濟狀況確定可變對價的估計不受限制。此外，可變代價的不確定性將在短時間內得到解決。

非金融資產 (商譽除外) 減值

本集團於各報告期末為所有非金融資產評估是否存在減值跡象。非金融資產於存在賬面值可能無法收回的跡象時進行減值測試。當某一資產或現金產生單位的賬面值超出其可收回金額 (即其公允價值減出售成本與其使用價值之較高者) 時，即存在減值。於計算公允價值減出售成本時，須依據類似資產具約束力的公平銷售交易提供的數據或可觀察的市場價格扣減處置該資產所增加的成本。若需計算使用價值，則管理層須估計資產或現金產生單位的預期未來現金流量，以及須選擇合適的折現率，以計算該等現金流量的現值。於2023年12月31日，物業、廠房及設備的賬面值分別為4,836,000美元 (2022年：5,089,000美元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. Significant accounting estimates and judgements (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The information about the ECLs on the Group's trade receivables is disclosed in note 23 to the financial statements.

Provision for expected credit losses on deposits and other receivables

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings. As at 31 December 2023, the probability of default applied ranged from 0.4% to 0.9% (2022: 0.4% to 0.9%) and the loss given default was estimated to be 100% (2022: 100%). In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied where there were no comparable companies as at 31 December 2023 was 100% (2022: 100%).

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2023 and 2022, the loss allowance was assessed to be minimal.

Net realisable value of inventories

The Group performs regular review of the carrying amounts of inventories with reference to aged analyses of the Group's inventories, projections of expected future saleability of goods and management experience and judgement. Based on this review, write-down of inventories will be made when the estimated net realisable value of inventories declines below their carrying amount. Due to changes in technological, market and economic environment and customers' preference, actual saleability of goods may be different from estimation and profit or loss could be affected by differences in this estimation. As at 31 December 2023, the carrying amount of inventories was US\$27,920,000 (2022: US\$48,221,000).

4. 關鍵會計估算及判斷(續)

估計不確定因素(續)

應收款的預期信貸損失撥備

本集團使用撥備矩陣計算應收款的預期信用損失。撥備率基於具有類似損失模式(即,按地理位置)的各個客戶群的分組的過期天數。

撥備矩陣最初基於集團歷史觀察到的違約率。本集團將校準矩陣以使用前瞻性信息調整歷史信用損失經驗。例如,如果預計經濟狀況(即國內生產總值)預計在明年惡化,這可能導致製造業違約數量增加,則調整歷史違約率。在每個報告日期,更新歷史觀察到的違約率並分析前瞻性估計值的變化。有關本集團應收款的預期信用損失的信息披露於財務報表附註23。

訂金及其他應收款的預期信貸損失撥備

訂金及其他應收款主要指租金訂金及與供應商的訂金。本集團於各報告日期通過考慮已公佈信貸評級的可資比較公司的違約可能性進行減值分析(倘適用)。於2023年12月31日,違約可能性介乎0.4%至0.9%(2022年:0.4%至0.9%),而既定違約虧損估計為100%(2022年:100%)。倘並無具有信貸評級的可資比較公司供識別,則參照本集團歷史虧損記錄應用虧損率法估計預期信貸虧損。虧損率經調整以反映當前情況並預測未來經濟狀況(如適用)。於2023年12月31日,就無可資比較公司情況應用的虧損率為100%(2022年:100%)。

計入以上結餘的金融資產與並無近期違約記錄及逾期金額的應收款有關。於2023年及2022年12月31日,虧損撥備經評估屬微乎其微。

存貨的可變現淨值

本集團參考本集團存貨的賬齡分析,預期未來貨物銷售能力預測及管理經驗及判斷,定期檢討存貨賬面值。根據該檢討,當存貨的估計可變現淨值低於其賬面值時,將減記存貨。由於技術,市場和經濟環境以及客戶偏好的變化,商品的實際可銷售性可能與估計不同,並且此估計的差異可能會影響損益。截至2023年12月31日,存貨賬面值為27,920,000美元(2022年:48,221,000美元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4. Significant accounting estimates and judgements (continued)

Estimation uncertainty (continued)

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as market interest rates when available.

5. Segment information and disaggregation of revenue

During the year, the Group was principally engaged in the design, development and sales of proprietary IC products and system solutions that enable a wide range of display applications for smartphones, tablets, smart TVs/monitors, notebooks and other smart devices, including electronic shelf-labels (ESLs), wearables, healthcare devices, smart home devices, as well as industrial appliances etc.

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

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

Sales amounted to US\$153,151,000 and US\$190,843,000 for the years ended 31 December 2023 and 2022, respectively.

The Company is domiciled in Hong Kong. The Group mainly operates in Hong Kong. During 2023, the Group’s products were mainly sold to customers located in Hong Kong, Mainland China, Taiwan, USA, Japan and Europe.

4. 關鍵會計估算及判斷(續)

估計不確定因素(續)

租賃 – 估算遞增借貸利率

本集團無法輕易釐定租賃內所隱含的利率，因此，使用遞增借貸利率(「遞增借貸利率」)計量租賃負債。遞增借貸利率為本集團於類似經濟環境中為取得與使用權資產價值相近之資產，而以類似抵押品與類似期間借入所需資金應支付之利率。因此，遞增借貸利率反映了本集團「應支付」的利率，當無可觀察的利率或當須對利率進行調整以反映租賃之條款及條件時，則須作出利率估計。當可觀察輸入數據可用時，本集團使用可觀察輸入數據(如市場利率)估算遞增借貸利率。

5. 分部資料及銷售額分類

於年內，本集團主要從事設計、開發及銷售專有集成電路晶片產品及系統解決方案，能於各類智能手機、平板電腦、智能電視／顯示器、筆記本電腦及其他智能產品，包括電子貨架標籤、可穿戴式產品、醫療保健產品、智能家居產品及工業用設備等提供廣泛的顯示應用。

本集團一直以單一營運分部經營，即設計、開發及銷售專有IC產品及系統解決方案。

本集團最高營運決策層為執行董事及行政總裁領導下的高級管理層。執行董事和高級管理層檢討本集團內部報告以評估業績及分配資源。管理方法已用於經營分部報告。

截至2023及2022年12月31日止年度，銷售額分別為153,151,000美元及190,843,000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2023年內，本集團之產品主要銷售予位於香港、中國大陸、台灣、美國、日本及歐洲的客戶。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. Segment information and disaggregation of revenue (continued)

(a) Revenue from contracts with customers disaggregated by geographical markets

		2023 US\$'000 千美元	2022 US\$'000 千美元
Hong Kong	香港	83,465	107,126
Mainland China	中國大陸	2,224	8,702
Taiwan	台灣	16,812	32,973
Europe	歐洲	24,662	19,124
Japan	日本	22,410	17,763
Korea	韓國	188	418
South East Asia	東南亞	154	650
USA	美國	3,139	3,376
Others	其他	97	711
		153,151	190,843

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

銷售額按客戶所在地區／國家分類。

(b) Revenue from contracts with customers disaggregated by product types

		2023 US\$'000 千美元	2022 US\$'000 千美元
New Display ICs	新型顯示ICs	72,167	87,827
OLED Display ICs	OLED顯示ICs	15,887	24,778
Mobile Display and Mobile Touch ICs	移動顯示及移動觸控ICs	59,125	66,953
Large Display ICs	大型顯示ICs	5,972	11,285
		153,151	190,843

(c) Revenue from contracts with customers that was included in the contract liabilities at the beginning of the reporting period

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period:

(b) 按產品種類分類的客戶合約收益

(c) 在合約負債中確認為本報告期初的客戶合約收益

下表顯示於報告期初包含在合約負債中確認為本報告期內的收益金額：

		2023 US\$'000 千美元	2022 US\$'000 千美元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初包含在合約負債中並已確認的收益金額：		
Sales of ICs	銷售ICs	6,832	1,480

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5. Segment information and disaggregation of revenue (continued)

(d) Non-current assets

		2023 US\$'000 千美元	2022 US\$'000 千美元
Hong Kong	香港	1,403	3,865
Mainland China	中國大陸	3,953	3,983
Taiwan	台灣	1,632	1,511
		6,988	9,359

Non-current assets are listed based on the locations of assets which exclude financial assets.

(d) 非流動資產

非流動資產(不包含金融資產)乃根據資產的所在地予以列載。

(e) Capital expenditures

		2023 US\$'000 千美元	2022 US\$'000 千美元
Property, plant and equipment	物業、廠房及設備		
Mainland China	中國大陸	759	1,907
Hong Kong	香港	328	561
Taiwan	台灣	-	64
		1,087	2,532

Capital expenditures are listed based on the locations of assets.

(e) 資本開支

資本開支乃根據資產的所在地予以列載。

(f) Major customers

For the year ended 31 December 2023, the largest customer was located in Hong Kong, the second largest customer was located in Europe and the third largest customer was located in Japan. Sales to them were US\$56,534,000, US\$22,565,000 and US\$22,410,000 respectively which were all over 10% of the Group's total revenue. For the year ended 31 December 2022, the largest customers was located in Hong Kong. Sales to that customer was US\$71,151,000 and over 10% of the Group's total revenue. No other customer contributes more than 10% of total revenue in 2022.

(f) 主要客戶

截至2023年12月31日止年度，最大客戶位於香港，第二大客戶位於歐洲，而第三大客戶位於日本。其銷售額分別為56,534,000美元、22,565,000美元及22,410,000美元，並各佔本集團總銷售額超過10%。截至2022年12月31日止年度，最大客戶位於香港。其銷售額為71,151,000美元並佔本集團總銷售額超過10%。於2022年並無其他客戶銷售額佔比超過本集團總銷售額10%。

(g) Performance obligation

Sale of integrated circuits products

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days from date of delivery. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

(g) 履約責任

銷售集成電路產品

在交付集成電路產品時履行履約責任，付款通常在交付日後30至90天內到期。一些合同為客戶提供了批量回扣，這導致了受限制的可變對價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6. Profit before tax

The Group's profit before tax is arrived at after charging/ (crediting):

6. 除稅前溢利

本集團的除稅前溢利乃經扣除／(計入)下列各項後得出：

	Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
Cost of goods sold	銷貨成本	104,982	112,718
Product engineering costs	產品工程成本	2,642	9,182
Provision for obsolete or slow moving inventories, net	過時或滯銷存貨的撥備，淨值	22	12,013
Amortisation of intangible assets	無形資產攤銷	15	504
Depreciation of property, plant and equipment	物業、機器及設備折舊	16	1,293
Depreciation of right-of-use assets	使用權資產折舊	17	1,355
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	7	(3)
Loss on termination of lease	終止租賃損失	17(c)	–
Lease payments not included in the measurement of lease liabilities	租賃支出不包括在租賃負債之計量	17(c)	64
(Reversal of impairment loss)/ impairment loss of other receivables and deposits*	其他應收款及訂金減值(回撥)／虧損*	23	92
Reversal of impairment loss of trade receivables*	應收款減值虧損回撥*	23	(6)
Gain from dissolution of subsidiaries*	子公司結業所得*	–	(86)
COVID-19-related rent concession from lessor	2019冠狀病毒病相關租賃減免	17(b)	(76)
Foreign exchange differences, net	外匯差額淨額	(1,380)	(1,366)
Auditor's remuneration	核數師酬金	155	148
Employee benefit expenses (including directors' emoluments (Note 11)):	僱員福利開支(包括董事酬金(附註11)):		
– Salaries, allowances, bonuses and other benefits	– 薪金、津貼、花紅及其他福利	21,440	23,997
– Equity-settled share option expense	– 以權益結算的購股權開支	274	496
– Pension scheme contributions (defined contribution schemes)**	– 退休金計劃供款(界定供款計劃)**	375	337
– Termination benefits	– 終止福利	46	78
		22,135	24,908

* The balances are included in "other income and gains – net" for gains and "other expense" for losses in the consolidated statement of profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

* 有關結餘就利得及虧損而言分別計入綜合損益表內「其他收入及收益 – 淨額」及「其他開支」。

** 彼沒收的供款不會被集團作為僱主所用作減少現有供款水平。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7. Other income and gains – net

7. 其他收入及收益 – 淨額

		2023 US\$'000 千美元	2022 US\$'000 千美元
Government grants*	政府補貼*	677	1,898
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	3	3
Gain from dissolution of a subsidiary	子公司結業所得	–	86
Reversal of impairment loss of trade receivables	應收款減值虧損回撥	91	6
Reversal of impairment loss of other receivables and deposits	其他應收款及訂金減值虧損回撥	120	–
Others	其他	11	9
		902	2,002

* Various government grants have been received for the Group's research and development projects during the year. There are no unfulfilled conditions relating to these grants.

* 年內，本集團的研發項目已獲得各種政府補助，並沒有與這些撥款有關的未履行條件。

8. Other expenses

8. 其他開支

		2023 US\$'000 千美元	2022 US\$'000 千美元
Impairment loss of other receivables and deposits	其他應收款及訂金減值虧損	–	92
Others	其他	–	62
		–	154

9. Finance income – net

9. 投資收入 – 淨額

		2023 US\$'000 千美元	2022 US\$'000 千美元
Interest income	利息收入	2,547	363
Interest on bank loans	銀行貸款的利息支出	(14)	(36)
Interest on lease liabilities	租賃負債的利息支出	(63)	(81)
		2,470	246

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10. Five highest paid employees

One (2022: one) of the five highest-paid employees of the Group is a director, details of the Company whose emolument is set out in note 11 to the financial statements.

Details of the emoluments for the year of the other four (2022: four) highest-paid employees who are neither a director nor chief executive officer of the Company are as follows:

		2023 US\$'000 千美元	2022 US\$'000 千美元
Salaries, allowances, bonuses and other benefits	薪金及津貼、花紅和其他福利	610	596
Discretionary bonuses	酌情花紅	425	454
Contribution to pension scheme	向退休計劃供款	29	26
		1,064	1,076

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

Emolument bands (HK\$) 酬金金額範圍(港元)	Number of individuals 人數	
	2023	2022
1,500,001 – 2,000,000	2	1
2,000,001 – 2,500,000	2	3

10. 五名最高薪酬僱員

本集團五名最高薪人士包括一名(2022年：一名)本公司董事，其酬金已於財務報表附註11反映。

餘下之四名非董事及非行政總裁(2022年：四名)最高薪人士的酬金如下：

非董事及行政總裁最高薪僱員的薪酬範圍如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11. Directors' and chief executive's remuneration

Directors' and chief executive officer's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Hong Kong Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

11. 董事及行政總裁酬金

根據上市規則及香港公司條例第383(1) (a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部所披露本年度之董事及行政總裁酬金如下：

Directors' emoluments for the year ended 31 December 2023
截至2023年12月31日止年度董事之酬金

		Fees	Salaries and benefits in kind ⁽ⁱ⁾	Pension scheme contributions	Share-based payment ⁽ⁱⁱ⁾	Total
		袍金	薪金及其他福利 ⁽ⁱ⁾	退休金計劃供款	股權開支 ⁽ⁱⁱ⁾	總計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Independent Non-executive Directors	獨立非執行董事					
Chan Chi Kong (a)	陳志光(a)	8	-	-	-	8
Kwok Hoi Sing (a)	郭海成(a)	7	-	-	-	7
Leung Heung Ying (b)	梁享英(b)	27	-	-	32	59
Sheu Wei Fu (b)	許維夫(b)	25	-	-	32	57
Chan Philip Ching Ho	陳正豪	34	-	-	32	66
		101	-	-	96	197
Non-Executive Directors	非執行董事					
Ma Yuchuan	馬玉川	-	-	-	-	-
Wang Hui	王輝	-	-	-	-	-
Kang Jian	康劍	-	-	-	-	-
		-	-	-	-	-
Executive Director	執行董事					
Wang Wah Chi, Raymond	王華志	-	680	14	78	772
		-	680	14	78	772
		101	680	14	174	969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11. Directors' and chief executive's remuneration (continued)

11. 董事及行政總裁酬金(續)

Directors' emoluments for the year ended 31 December 2022
截至2022年12月31日止年度董事之酬金

		Fees	Salaries and benefits in kind ^(a) 薪金及其他福利 ^(a)	Pension scheme contributions 退休金計劃供款	Share-based payment ^(a) 股權開支 ^(a)	Total 總計
		US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
Independent Non-executive Directors	獨立非執行董事					
Leung Heung Ying	梁享英	33	-	-	22	55
Sheu Wei Fu	許維夫	30	-	-	22	52
Chan Philip Ching Ho	陳正豪	31	-	-	22	53
		94	-	-	66	160
Non-Executive Directors	非執行董事					
Ma Yuchuan	馬玉川	-	-	-	-	-
Wang Hui	王輝	-	-	-	-	-
Kang Jian	康劍	-	-	-	-	-
		-	-	-	-	-
Executive Director	執行董事					
Wang Wah Chi, Raymond	王華志	-	659	14	83	756
		-	659	14	83	756
		94	659	14	149	916

Notes:

- (a) Appointed on 1 November 2023.
(b) Resigned on 1 November 2023.

附註：

- (a) 於2023年11月1日獲委任。
(b) 於2023年11月1日辭任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11. Directors' and chief executive's remuneration (continued)

During the year, no remuneration was paid or payable by the Group to the directors as an inducement to join or upon joining the Group (2022: Nil). During the year, there was no compensation for loss of office was paid by the Group to the directors (2022: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2022: Nil).

- (i) Benefits in kind include leave pay, insurance premium, termination benefits and other allowances.
- (ii) This represents the amount charged to the consolidated statement of profit or loss under the requirements of HKFRS 2 Share-based payments. During the current and prior years, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 26 to the financial statements. The fair value of such options, which has been recognised in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

11. 董事及行政總裁酬金 (續)

年內，本集團概無已付或應付董事酬金作為加入本集團或加入本集團後的獎勵(2022年：無)。年內，本集團並無支付董事離職補償(2022年：無)。

年內概無董事放棄或同意放棄任何酬金的安排(2022年：無)。

- (i) 其他福利包括假期工資、保險費，終止福利及其他津貼。
- (ii) 此乃根據香港財務報告準則第2號「股份」付款的規定而計入綜合損益表的金額。於本年度及過往年度，若干董事根據本公司的購股權計劃就其對本集團的服務獲授購股權，其進一步詳情載於財務報表附註26。該等期權的公允價值已於歸屬期內於綜合損益表確認，於授出日確定，而本年度財務報表所包括的金額已計入上述董事的賬面和行政總裁的薪酬披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

12. Income tax

No provision for Hong Kong profits tax has been made in the current period as the Group has available tax losses brought forward from prior periods to offset the assessable profits generated during the current period. Hong Kong profits tax had been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the prior years. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

12. 所得稅

本集團因有承前自以往年度之可動用稅務虧損可用以抵銷期內產生之應課稅溢利，因此並無作本年度香港利得稅撥備。香港利得稅已就往年於香港產生的估計應課稅溢利按16.5%計提。海外所得稅則根據本集團的營運所在司法權區之適用稅率計算。

		2023 US\$'000 千美元	2022 US\$'000 千美元
Current – Hong Kong and Elsewhere:	即期 – 香港及海外		
Charge for the year	年內支出	45	83
Total income tax expense	所得稅開支總額	45	83

A reconciliation of the tax expense applicable to profit before tax using the Hong Kong statutory tax rate (the statutory tax rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled) to the tax expense at the Group's effective tax rate is as follows:

適用於採用香港法定稅率(本公司及其大部分附屬公司所在司法管轄區的法定稅率)計算的除稅前溢利的稅項開支與按本集團實際稅率計算的稅項開支對賬如下:

		2023 US\$'000 千美元	2022 US\$'000 千美元
Profit before tax	除稅前溢利	19,488	27,907
Income tax calculated at a tax rate of 16.5% (2022: 16.5%)	所得稅按16.5% (2022年: 16.5%) 計算	3,216	4,604
Difference in tax rates for other jurisdictions	其他司法管轄區的稅率差異	(242)	964
Losses attributable to associates	聯營公司的損失	2	19
Income not subject to tax	毋須課稅收益	(1,907)	(1,777)
Expenses not deductible for tax	不可扣稅開支	1,924	3,637
Tax losses utilised from previous periods	使用以往期間稅項虧損	(3,656)	(2,863)
Tax losses not recognised	未確認稅項虧損	2,260	-
Effect of additional tax deduction enacted by tax authority	稅務機關實施額外稅務扣減之影響	(1,504)	(4,574)
Others	其他	(48)	73
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項開支	45	83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13. Earnings per share

(a) Basic earnings per share

The basic earnings per share for the year is calculated based on the Group's profit in 2023 attributable to owners of the parent of US\$19,443,000 (2022: US\$27,833,000) and the weighted average number of 2,495,151,529 (2022: 2,493,903,036) ordinary shares in issue during the year.

(b) Diluted earnings per share

The diluted earnings per share is calculated based on the Group's profit for the year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the year after adjusting for the effects of all dilutive potential ordinary shares.

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

		Number of shares 股份數目	
		2023	2022
Weighted average number of ordinary shares in issue	已發行普通股加權平均數	2,495,151,529	2,493,903,036
Effect of dilution – weighted average number of ordinary shares: share options	攤薄之影響 – 普通股加權平均數：購股權	–	1,373,259
Adjusted weighted average number of ordinary shares for diluted earnings per share calculation	用作計算每股攤薄盈利的調整後普通股加權平均股數	2,495,151,529	2,495,276,295

14. Dividend

No dividend for the years ended 31 December 2023 and 2022 was declared or paid by the Company. In addition, the Board resolved not to propose final dividend for the year ended 31 December 2023.

13. 每股盈利

(a) 每股基本盈利

每股基本盈利是根據本公司的擁有人應佔本集團於2023年之溢利19,443,000美元（2022年：27,833,000美元）及本年內已發行普通股加權平均數2,495,151,529股（2022年：2,493,903,036股）計算。

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司本年度的擁有人應佔本集團溢利及已就年內所有具潛在攤薄影響的已發行普通股作出調整後之加權平均普通股數計算。

普通股加權平均數的有關資料列載如下：

14. 股息

公司並沒有宣派或派付截至2023及2022年12月31日止年度之股息。再者，董事會決議不建議宣派截至2023年12月31日止年度之末期股息。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15. Intangible assets

15. 無形資產

		Goodwill	Patents and intellectual property	Total
		商譽	專利及 知識產權	總計
		US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元
31 December 2022	2022年12月31日			
Cost at 1 January 2022, net of accumulated amortisation	2022年1月1日成本減除 累計攤銷	–	505	505
Amortisation provided during the year	年內攤銷	–	(504)	(504)
Exchange realignment	匯兌調整	–	(1)	(1)
At 31 December 2022	於2022年12月31日	–	–	–
At 31 December 2022	於2022年12月31日			
Cost	成本	2,317	21,517	23,834
Accumulated amortisation	累計攤銷	–	(13,529)	(13,529)
Accumulated impairment	累計減值	(2,317)	(7,988)	(10,305)
Net carrying amount	賬面淨值	–	–	–
31 December 2023	2023年12月31日			
At 1 January 2023 and 31 December 2023	於2023年1月1日及 2023年12月31日			
Cost	成本	2,317	21,517	23,834
Accumulated amortisation	累計攤銷	–	(13,529)	(13,529)
Accumulated impairment	累計減值	(2,317)	(7,988)	(10,305)
Net carrying amount	賬面淨值	–	–	–

Amortisation expense of nil (2022: US\$504,000) has been charged in research and development costs.

攤銷開支零元(2022年: 504,000美元)已於研究及開發成本中支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16. Property, plant and equipment

16. 物業、機器及設備

		Land and building	Leasehold improvements	Furniture, fixtures, licenses and equipment	Machinery and laboratory equipment	Motor vehicles	Total
		土地及樓宇 US\$'000 千美元	租賃物業裝修 US\$'000 千美元	傢具、固定裝置、許可證及設備 US\$'000 千美元	機器及實驗室設備 US\$'000 千美元	汽車 US\$'000 千美元	總計 US\$'000 千美元
31 December 2023	2023年12月31日						
At 1 January 2023	於2023年1月1日						
Cost	成本	1,682	2,742	6,757	14,897	156	26,234
Accumulated depreciation	累計折舊	(277)	(2,446)	(5,893)	(12,417)	(100)	(21,133)
Accumulated impairment	累計減值	-	-	(11)	(1)	-	(12)
Net carrying amount	賬面淨值	1,405	296	853	2,479	56	5,089
At 1 January 2023, net of accumulated depreciation and impairment	於2023年1月1日減除累計折舊及減值	1,405	296	853	2,479	56	5,089
Additions	添置	-	176	568	343	-	1,087
Disposals	註銷	-	-	(1)	-	-	(1)
Depreciation provided during the year	年內折舊	(20)	(172)	(486)	(681)	(28)	(1,387)
Exchange realignment	匯兌調整	41	(4)	81	(70)	-	48
At 31 December 2023, net of accumulated depreciation and impairment	於2023年12月31日減除累計折舊及減值	1,426	296	1,015	2,071	28	4,836
At 31 December 2023	於2023年12月31日						
Cost	成本	1,731	2,705	7,094	14,834	156	26,520
Accumulated depreciation	累計折舊	(305)	(2,409)	(6,068)	(12,762)	(128)	(21,672)
Accumulated impairment	累計減值	-	-	(11)	(1)	-	(12)
Net carrying amount	賬面淨值	1,426	296	1,015	2,071	28	4,836

Depreciation expense of US\$620,000 (2022: US\$640,000) has been included in cost of sales, US\$95,000 (2022: US\$68,000) in research and development costs and US\$672,000 (2022: US\$585,000) in administrative expenses.

折舊費用620,000美元(2022年: 640,000美元)已計入銷售成本,計入研發及開發費用為95,000美元(2022年: 68,000美元),計入行政開支為672,000美元(2022年: 585,000美元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16. Property, plant and equipment (continued)

16. 物業、機器及設備 (續)

		Land and building	Leasehold improvements	Furniture, fixtures, licenses and equipment 傢具、 固定裝置、 許可證及設備	Machinery and laboratory equipment 機器及 實驗室設備	Motor vehicles 汽車	Total 總計
		US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
31 December 2022	2022年12月31日						
At 1 January 2022	於2022年1月1日						
Cost	成本	1,910	2,763	6,293	14,536	156	25,658
Accumulated depreciation	累計折舊	(292)	(2,392)	(5,750)	(12,887)	(56)	(21,377)
Accumulated impairment	累計減值	-	-	(11)	(1)	-	(12)
Net carrying amount	賬面淨值	1,618	371	532	1,648	100	4,269
At 1 January 2022, net of accumulated depreciation and impairment	於2022年1月1日減除 累計折舊及減值	1,618	371	532	1,648	100	4,269
Additions	添置	-	92	797	1,643	-	2,532
Depreciation provided during the year	年內折舊	(21)	(159)	(396)	(673)	(44)	(1,293)
Exchange realignment	匯兌調整	(192)	(8)	(80)	(139)	-	(419)
At 31 December 2022, net of accumulated depreciation and impairment	於2022年12月31日減 除累計折舊及減值	1,405	296	853	2,479	56	5,089
At 31 December 2022	於2022年12月31日						
Cost	成本	1,682	2,742	6,757	14,897	156	26,234
Accumulated depreciation	累計折舊	(277)	(2,446)	(5,893)	(12,417)	(100)	(21,133)
Accumulated impairment	累計減值	-	-	(11)	(1)	-	(12)
Net carrying amount	賬面淨值	1,405	296	853	2,479	56	5,089

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17. Leases

The Group as a lessee

The Group has leases contracts for various office properties and motor vehicles used in its operations. Leases of leased properties generally have lease terms between 1 and 3 years, while motor vehicles generally have leases between 1 and 4 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

		Leased properties 租賃物業 US\$'000 千美元	Motor vehicles 汽車 US\$'000 千美元	Total 總計 US\$'000 千美元
At 1 January 2022	於2022年1月1日	2,308	7	2,315
Additions	添置	699	-	699
Lease modification on extending lease term	延長租期之租賃修訂	143	-	143
Depreciation charge	折舊	(1,348)	(7)	(1,355)
At 31 December 2022 and 1 January 2023	於2022年12月31日及 2023年1月1日	1,802	-	1,802
Additions	添置	740	-	740
Lease modification on extending lease term	延長租期之租賃修訂	497	-	497
Early termination of lease arrangement	提早終止租賃修訂	(257)	-	(257)
Depreciation charge	折舊	(1,391)	-	(1,391)
At 31 December 2023	於2023年12月31日	1,391	-	1,391

17. 租賃

本集團作為承租人

本集團各租賃合同用於辦公室及汽車用於其業務營運。租賃物業租期通常為1至3年，而汽車的租期通常為1至4年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。

(a) 使用權資產

本集團的使用權資產賬面值及本年度變動如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17. Leases (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		2023 US\$'000 千美元	2022 US\$'000 千美元
Carrying amount at 1 January	於1月1日賬面值	1,996	2,531
New leases	新租賃	740	699
Lease modification on extending lease term	延長租期之租賃修訂	497	143
Early termination of lease arrangement	提早終止租賃修訂	(246)	-
Accretion of interest recognised during the year	本年度利息增加 確定	63	81
COVID-19-related rent concession from lessor	2019冠狀病毒病相關 租賃減免	-	(76)
Exchange realignment	匯兌調整	(56)	(70)
Payments	付款	(1,488)	(1,312)
Carrying amount at 31 December	於12月31日賬面值	1,506	1,996
Analysed into:	分析如下：		
Within one year	一年內	985	1,304
After one year but within two years	一年以上但兩年以內	339	692
After two years but within three years	兩年以上但三年以內	182	-

The maturity analysis of lease liabilities is disclosed in note 3 to the financial statements.

租賃負債的到期狀況分析於財務報表附註3披露。

The Group applied the practical expedient to all eligible COVID-19-related rent concessions granted by the lessors during the year ended 31 December 2022.

於2022年12月31日年度，本集團已採用可行權宜方法處理所有合資格2019冠狀病毒病相關租金減免。

(c) The amounts recognised in profit or loss in relation to leases are as follows:

(c) 於損益表確認的租賃支出如下：

		2023 US\$'000 千美元	2022 US\$'000 千美元
Depreciation of right-of-use assets	使用權資產折舊	1,391	1,355
Expenses relating to short-term leases	短期租賃之相關費用	46	64
Interest on lease liabilities	租賃負債的利息支出	63	81
Loss on termination of lease	終止租賃損失	11	-
COVID-19-related rent concession from lessors	2019冠狀病毒病相關 租賃減免	-	(76)
Total amount recognised in profit or loss	於損益表確認的總支出	1,511	1,424

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18. Investments in associates

18. 於聯營公司的投資

		2023 US\$'000 千美元	2022 US\$'000 千美元
Share of net assets	應佔淨資產	761	968

Particulars of the associates are as follows:

聯營公司的詳細情況如下：

Associated companies 聯營公司	Place of registration/ incorporation and operation 註冊成立及 營運地點	Principal activities 主要業務	Particulars of registered capital/ issued shares 註冊資本／已發行 股份的詳情	Percentage of equity attributable to the Company 本公司持有權益百分比	
				2023	2022
Beijing LED Energy Management Technology Co. Ltd. 北京愛爾益地節能科技股份有限公司	PRC 中國	LED system design and contract installation LED系統設計及工程安裝	RMB20,000,000 20,000,000人民幣	23.5%	23.5%
Kitronix Limited 奇創力有限公司	Hong Kong 香港	Design, development, manufacturing & distribution of LCD modules 設計、開發、製造及分銷液晶顯示屏模組	HK\$38,000,000 38,000,000港元	25.0%	25.0%

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

下表說明本集團的聯營公司的總體財務信息，個別並非重大：

		2023 US\$'000 千美元	2022 US\$'000 千美元
Share of the associates' losses and total comprehensive loss for the year	應佔聯營公司本年損失及全面虧損	(14)	(114)
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司投資的賬面總額	761	968

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

19. Subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of registration/ incorporation and kind of legal entity 註冊成立地點及法定地位	Principal activities and place of operation 主要業務及營運地點	Particulars of capital 股本詳情	Interest held 持有權益
Solomon Systech Limited 晶門科技有限公司	HK, LLC 香港，有限公司	Design, development, sales of IC and system solutions, HK 設計、開發、銷售集成電路晶片與系統解決方案，香港	500,000,000 ordinary shares of HK\$1 each 500,000,000股每股面值1港元的普通股	100%
Jing Guang Semiconductors (Dongguan) Limited 東莞晶廣半導體有限公司	PRC, LLC 中國，有限公司	Manufacturing of IC, Mainland China 製造集成電路晶片，中國	US\$7,500,000 registered and paid up capital 7,500,000美元已註冊及繳足資本	100%
Solomon Systech (Shenzhen) Limited 晶門科技（深圳）有限公司	PRC, LLC 中國，有限公司	Design and distribution of IC, Mainland China 設計及分銷集成電路晶片，中國	HK\$16,000,000 registered and paid up capital 16,000,000港元已註冊及已繳足資本	100%
Solomon Systech Taiwan Limited 晶門科技股份有限公司	Taiwan, LLC 台灣，有限公司	Design and development of IC, Taiwan 設計及開發集成電路晶片，台灣	5,000,000 ordinary shares of NTD10 each 5,000,000股每股面值10新台幣的普通股	100%
Solomon Systech (China) Limited 晶門科技（中國）有限公司	PRC, LLC 中國，有限公司	Design and distribution of IC, Mainland China 設計及分銷集成電路晶片，中國	US\$34,000,000 registered and paid up capital 34,000,000美元已註冊及繳足資本	100%
Sentron, Inc.	Korea, LLC 韓國，有限公司	Application R&D, Korea 應用開發，韓國	80,000 ordinary shares of KRW5,000 each 80,000股每股面值5,000韓元的普通股	52%

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

19. 附屬公司

本公司主要附屬公司詳細情況如下：

董事認為，上表所列本公司之附屬公司乃主要影響本集團年內業績或組成資產淨值之重要部分者。董事認為載列其他附屬公司之詳情會使資料過於冗長。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20. Equity investment designated at fair value through other comprehensive income

20. 按公平價值計入其他全面收益的股權投資

		2023 US\$'000 千美元	2022 US\$'000 千美元
Equity investment designated at fair value through other comprehensive income	按公平價值計入其他全面收益的股權投資		
Club debenture	會所債券	1,161	1,161

The above equity investment was irrevocably designated at fair value through other comprehensive income as the Group considers this investment to be strategic in nature.

本集團認為投資為策略性性質，股權投資不可撤回地選擇按公平價值計入其他全面收益。

21. Cash and cash equivalents and pledged deposits

21. 現金及現金等價物及已抵押存款

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to US\$2,938,000 (2022: US\$6,412,000). The pledged deposits denominated in US dollars amounted to US\$6,000,000 (2022: US\$6,041,000) were pledged to banks to secure banking facilities. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於報告期末，本集團以人民幣（「人民幣」）計值的現金及銀行結餘為2,938,000美元（2022年：6,412,000美元）。以美元計值之已抵押存款金額為6,000,000美元（2022年：6,041,000美元），屬抵押銀行存款作銀行融資用途。人民幣不可自由兌換為其他貨幣，但根據中國大陸的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准通過獲授權進行外匯業務的銀行兌換人民幣兌換其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

銀行存款根據每日銀行存款利率按浮動利率賺取利息。短期定期存款的期限為1天至3個月不等，視乎本集團的即時現金需求而定，並按各自的短期定期存款利率賺取利息。銀行結餘及已抵押銀行存款存放於信譽良好的銀行，近期無違約記錄。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22. Inventories

22. 存貨

		2023 US\$'000 千美元	2022 US\$'000 千美元
Finished goods	成品	2,537	5,635
Raw materials and work in progress	原材料及在製品	40,599	57,586
		43,136	63,221
Provision for obsolete or slow moving inventories	過時或滯銷存貨的撥備	(15,216)	(15,000)
		27,920	48,221

The cost of inventories recognised as an expense and included in cost of sales amounted to US\$104,982,000 (2022: US\$112,718,000).

確認為開支並計入銷售成本的存貨成本達104,982,000美元(2022年:112,718,000美元)。

Movements on the provision for obsolete or slow moving inventories are as follows:

過時或滯銷存貨的撥備的變動分析如下:

		2023 US\$'000 千美元	2022 US\$'000 千美元
At 1 January	於1月1日	15,000	3,725
Scrap of inventories against provision	存貨報廢扣減撥備	(995)	(738)
Provision for obsolete or slow moving inventories, net	過時或滯銷存貨的撥備淨值	1,211	12,013
At 31 December	於12月31日	15,216	15,000

23. Trade and other receivables, prepayments and deposits

23. 應收款及其他應收款，預付款及訂金

		Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
Trade receivables	應收款		12,477	19,227
Trade receivables from related parties	關聯方應收款	36	4,938	4,534
Impairment	減值撥備		(123)	(214)
Trade receivables – net	應收款 – 淨額		17,292	23,547
Other receivables, prepayments and deposits	其他應收款、預付款及訂金		14,344	22,700
Prepayments to related parties	關聯方預付款	36	221	221
Impairment	減值撥備		(40)	(160)
Trade and other receivables, prepayments and deposits – current portion	應收款及其他應收款、預付款及訂金 – 流動		31,817	46,308
Other receivables, prepayments and deposits – non-current portion	其他應收款、預付款及訂金 – 非流動		679	3,117
			32,496	49,425

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綜合財務報表附註

23. Trade and other receivables, prepayments and deposits (continued)

As at 31 December 2023, the Group's trade receivables from corporate customers were mainly on credit terms of 30 to 90 days. As at 31 December 2023, the ageing analysis of trade receivables based on invoice dates and net of loss allowance, is as follows:

		2023 US\$'000 千美元	2022 US\$'000 千美元
1-30 days	1-30日	12,102	11,658
31-60 days	31-60日	2,430	3,728
61-90 days	61-90日	1,257	2,785
91-180 days	91-180日	1,197	4,431
181-360 days	181-360日	-	945
over 360 days	超過360日	306	-
		17,292	23,547

The movements in the loss allowance for impairment of trade receivables are as follows:

		2023 US\$'000 千美元	2022 US\$'000 千美元
At beginning of year	於年初	214	220
Reversal of impairment losses	減值回撥	(91)	(6)
At end of year	於年末	123	214

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

23. 應收款及其他應收款，預付款及訂金(續)

於2023年12月31日，本集團對企業客戶之應收款信貸期主要為30至90日。於2023年12月31日，應收款以發票日期及扣除減值撥備的賬齡分析如下：

	2023 US\$'000 千美元	2022 US\$'000 千美元
1-30日	12,102	11,658
31-60日	2,430	3,728
61-90日	1,257	2,785
91-180日	1,197	4,431
181-360日	-	945
超過360日	306	-
	17,292	23,547

應收款減值撥備變動如下：

	2023 US\$'000 千美元	2022 US\$'000 千美元
於年初	214	220
減值回撥	(91)	(6)
於年末	123	214

每個報告日期使用撥備矩陣進行減值分析，以計量預期信用虧損。撥備率基於具有類似損失模式的各個客戶群的分組的過期天數(即按地理區域)。該計算反映了概率加權結果，貨幣時間價值以及報告日期可獲得的關於過去事件，當前狀況和未來經濟狀況預測的合理和可支持信息。一般而言，應收款如逾期超過一年並且不受執法活動影響則予以註銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23. Trade and other receivables, prepayments and deposits (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2023

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 帳面值 US\$'000 千美元	Expected credit losses 預期信貸虧損 US\$'000 千美元
Past due	逾期			
Current	未逾期	*	14,533	--**
1 to 30 days	1-30日	*	2,310	--**
31 to 60 days	31-60日	*	143	--**
61 to 90 days	61-90日	*	-	--**
Over 90 days	超過90日	28.67	429	123
			17,415	123

As at 31 December 2022

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 帳面值 US\$'000 千美元	Expected credit losses 預期信貸虧損 US\$'000 千美元
Past due	逾期			
Current	未逾期	0.42	18,141	76
1 to 30 days	1-30日	0.38	3,341	12
31 to 60 days	31-60日	0.66	905	6
61 to 90 days	61-90日	1.80	267	5
Over 90 days	超過90日	10.39	1,107	115
			23,761	214

* The expected credit loss rates were less than 0.1%.

** Based on management's assessment, the expected credit losses were minimal.

For financial assets included in other receivables and deposits, an impairment analysis is performed at each reporting date by applying a loss rate approach with reference to the historical loss record of the Group. As at 31 December 2023, the probability of default applied ranged from 0.40% to 0.90% (2022 ranged from 0.40% to 0.90%) and the loss given default was estimated to be 100%. As at 31 December 2023 and 2022, the loss allowance was assessed to be minimal.

23. 應收款及其他應收款，預付款及訂金（續）

以下載列本集團採用撥備矩陣的應收款信貸風險：

於2023年12月31日

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 帳面值 US\$'000 千美元	Expected credit losses 預期信貸虧損 US\$'000 千美元
Past due	逾期			
Current	未逾期	*	14,533	--**
1 to 30 days	1-30日	*	2,310	--**
31 to 60 days	31-60日	*	143	--**
61 to 90 days	61-90日	*	-	--**
Over 90 days	超過90日	28.67	429	123
			17,415	123

於2022年12月31日

		Expected credit loss rate 預期信貸虧損率 %	Gross carrying amount 帳面值 US\$'000 千美元	Expected credit losses 預期信貸虧損 US\$'000 千美元
Past due	逾期			
Current	未逾期	0.42	18,141	76
1 to 30 days	1-30日	0.38	3,341	12
31 to 60 days	31-60日	0.66	905	6
61 to 90 days	61-90日	1.80	267	5
Over 90 days	超過90日	10.39	1,107	115
			23,761	214

* 預期信貸虧損率低於0.1%。

** 根據管理層的評估，預期信貸虧損微乎其微。

就計入其他應收款及訂金的金融資產而言，於每個報告日期會採用虧損率計算法並參考本集團過往虧損記錄進行減值分析。於2023年12月31日，所應用的違約概率介乎0.40%至0.90%（2022年：介乎0.40%至0.90%），而所估計的違約虧損率為100%。於2023年及2022年12月31日，虧損撥備被評定為輕微。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23. Trade and other receivables, prepayments and deposits (continued)

The movement in the loss allowance for impairment of other receivables and deposits are as follows:

		2023 US\$'000 千美元	2022 US\$'000 千美元
At the beginning of year	於年初	160	68
(Reversal of impairment losses)/losses	減值(回撥)/虧損	(120)	92
At end of year	於年末	40	160

23. 應收款及其他應收款，預付款及訂金(續)

其他應收款及訂金減值虧損撥備變動如下：

24. Financial asset at fair value through profit or loss

		2023 US\$'000 千美元	2022 US\$'000 千美元
Other unlisted investment, at fair value:	其他非上市投資，以公允值計算	2,522	-

The above unlisted investment was structured product issued by a bank in Mainland China. It was mandatorily classified as financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

24. 按公平值計入損益之金融資產

上述非上市投資為於中國大陸之銀行結構性存款。該項結構性存款強制地分類為按公允值計入損益之金融資產，其合約現金流量並非僅為支付本金及尚未償還本金的利息。

25. Issued capital

		2023		2022	
		Number of shares 股份數目	US\$'000 千美元	Number of shares 股份數目	US\$'000 千美元
Authorised:	法定：				
- Ordinary shares of HK\$0.10 each	- 每股面值0.10港元的普通股	5,000,000,000	64,433	5,000,000,000	64,433
Issued and fully paid:	已發行及繳足：				
At 1 January	於1月1日	2,494,352,351	32,149	2,492,352,351	32,123
Exercise of share options (i)	行使購股權(i)	1,300,000	17	2,000,000	26
At 31 December	於12月31日	2,495,652,351	32,166	2,494,352,351	32,149

25. 已發行股本

(i) The subscription rights attaching to 1,300,000 (2022: 2,000,000) share options were exercised at the weighted average subscription price of HK\$0.2181 (2022: HK\$0.201) per share (note 26), resulting in the issue of 1,300,000 (2022: 2,000,000) ordinary shares for a total cash consideration, before expenses, of approximately US\$37,000 (2022: US\$52,000). An amount of approximately US\$10,000 (2022: US\$10,000) was transferred from the equity compensation reserve to share premium account upon the exercise of the share options.

(i) 1,300,000份(2022年：2,000,000份)購股權附帶的認購權以加權平均認購價每股0.2181港元(2022年：0.201港元)(附註26)的認購價行使，導致發行1,300,000股(2022年：2,000,000股)股份，扣除費用前總現金代價共約37,000美元(2022年：52,000美元)。於購股權行使後，一筆約10,000美元(2022年：10,000美元)的金額由購股權儲備撥入股份溢價帳。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. Equity compensation scheme

(a) The Share Option Scheme

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

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

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

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

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

26. 股本權益報酬計劃

(a) 購股權計劃

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. Equity compensation scheme (continued) 26. 股本權益報酬計劃(續)

(a) The Share Option Scheme (continued)

The subscription price of share option shall be determined by the Board at its absolute discretion in accordance with the terms of the 2013 Share Option Scheme. The subscription price in respect of any particular option shall be no less than the higher of (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; and (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant. The 2013 Share Option Scheme expired in May 2023.

The number of share options outstanding as at 31 December 2023 was 29,600,000.

The following share options under the 2013 Share Option Scheme were outstanding during the year:

		2023		2022	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均行使價	購股權數目	加權平均行使價	購股權數目
		HK\$		HK\$	
		港元		港元	
At beginning of year	於年初	0.705	27,150,000	0.717	27,300,000
Granted during the year	年內已授出	0.470	5,900,000	0.530	5,900,000
Exercised during the year	年內已行使	0.218	(1,300,000)	0.201	(2,000,000)
Lapsed/forfeited during the year	年內已註銷/放棄	0.649	(2,150,000)	0.782	(4,050,000)
At end of year	於年末	0.684	29,600,000	0.705	27,150,000

The weighted average share closing price of the Company's ordinary shares immediately before the dates on which the share options were exercised during the year ended 31 December 2023 was HK\$0.489 (31 December 2022: HK\$0.720) per ordinary share.

During the year, movements in the number of share options outstanding under the 2013 share option scheme and the related exercise prices are as follows:

(a) 購股權計劃(續)

在2013購股權計劃條文規定下，董事會具有絕對權力訂立購股權的認購價。任何個別購股權的認購價須為以下的較高者：(a)股份於授出日期在聯交所每日報價表所列收市價；及(b)股份在緊接授出日期前5個營業日在聯交所每日報價表所列平均收市價。2013購股權計劃已於2023年5月到期。

於2023年12月31日，合共29,600,000股有效購股權未經行使。

年內，2013購股權計劃尚未行使購股權數目如下：

截至2023年12月31日止年度，在緊接購股權行使日之前的本公司普通股加權平均收市價為每股普通股0.489港元（2022年12月31日：0.720港元）。

年內，關於2013購股權計劃尚未行使購股權數目的變動及其有關行使價列載如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. Equity compensation scheme (continued) 26. 股本權益報酬計劃(續)

(a) The Share Option Scheme (continued)

(a) 購股權計劃(續)

Grant date 授出日期	Exercise price per share HK\$ 每股行使價 港元	Number of share options (in thousand units) 購股權數目 (以千位計)					Held on 31 December 2023 於2023年 12月31日 持有	Vesting period 歸屬期	Exercise period 行使期
		Held on 1 January 2023 於2023年 1月1日 持有	Granted during the period 期內已授出	Exercised during the period 期內已行使	Lapsed/ Forfeited during the period 期內已 註銷/放棄				
30 December 2019 2019年12月30日	0.159	50	-	-	(50)	-	30 December 2019 to 29 December 2021 2019年12月30日至 2021年12月29日	2 January 2022 to 31 December 2023 2022年1月2日至 2023年12月31日	
17 July 2020 2020年7月17日	0.2454	1,000	-	(500)	(500)	-	17 July 2020 to 16 July 2022 2020年7月17日至 2022年7月16日	19 July 2022 to 18 July 2024 2022年7月19日至 2024年7月18日	
30 October 2020 2020年10月30日	0.201	800	-	(800)	-	-	30 October 2020 to 27 May 2021 2020年10月30日至 2021年5月27日	1 November 2021 to 31 October 2023 2021年11月1日至 2023年10月31日	
1 June 2021 2021年6月1日	0.840	3,000	-	-	-	3,000	1 June 2021 2021年6月1日	1 June 2022 to 31 May 2024 2022年6月1日至 2024年5月31日	
	0.840	2,400	-	-	-	2,400	1 June 2021 to 31 May 2022 2021年6月1日至 2022年5月31日	1 June 2022 to 31 May 2024 2022年6月1日至 2024年5月31日	
8 December 2021 2021年12月8日	0.790	5,600	-	-	(640)	4,960	8 December 2021 to 7 June 2022 2021年12月8日至 2022年6月7日	8 June 2022 to 7 June 2024 2022年6月8日至 2024年6月7日	
	0.790	8,400	-	-	(960)	7,440	8 December 2021 to 7 June 2023 2021年12月8日至 2023年6月7日	8 June 2023 to 6 June 2025 2023年6月8日至 2025年6月6日	
22 June 2022 2022年6月22日	0.530	3,000	-	-	-	3,000	22 June 2022 2022年6月22日	From 23 June 2023 to 20 June 2025 由2023年6月23日至 2025年6月20日	
	0.530	2,400	-	-	-	2,400	22 June 2022 to 21 June 2023 由2022年6月22日至 2023年6月21日	From 23 June 2023 to 20 June 2025 由2023年6月23日至 2025年6月20日	
	0.530	250	-	-	-	250	22 June 2022 to 21 June 2023 由2022年6月22日至 2023年6月21日	From 23 June 2023 to 20 June 2025 由2023年6月23日至 2025年6月20日止	
	0.530	250	-	-	-	250	22 June 2022 to 21 June 2024 由2022年6月22日至 2024年6月21日	From 24 June 2024 to 23 June 2026 由2024年6月24日至 2026年6月23日止	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. Equity compensation scheme (continued) 26. 股本權益報酬計劃(續)

(a) The Share Option Scheme (continued)

(a) 購股權計劃(續)

Grant date 授出日期	Exercise price per share HK\$ 每股行使價 港元	Number of share options (in thousand units) 購股權數目 (以千位計)					Held on 31 December 2023 於2023年 12月31日 持有	Vesting period 歸屬期	Exercise period 行使期
		Held on 1 January 2023 於2023年 1月1日 持有	Granted during the period 期內已授出	Exercised during the period 期內已行使	Lapsed/ Forfeited during the period 期內已 註銷/放棄				
24 March 2023 2023年3月24日	0.546	-	250	-	-	250	24 March 2023 to 24 March 2024 由2023年3月24日至 2024年3月24日	25 March 2024 to 24 March 2026 由2024年3月25日至 2026年3月24日	
	0.546	-	250	-	-	250	24 March 2023 to 24 March 2025 由2023年3月24日至 2025年3月24日	25 March 2025 to 24 March 2027 由2025年3月25日 至2027年3月24日	
25 May 2023 2025年5月25日	0.463	-	3,000	-	-	3,000	25 May 2023 2023年5月25日	25 May 2023 to 25 May 2025 由2023年5月25日至 2025年5月25日	
	0.463	-	2,400	-	-	2,400	25 May 2023 2023年5月25日	25 May 2023 to 25 May 2025 由2023年5月25日至 2025年5月25日	
Total 總計		27,150	5,900	(1,300)	(2,150)	29,600			

At the end of the reporting period, the total number of share options which are exercisable under the 2013 Share Option Scheme is 28,850,000 (2022: 12,850,000).

於報告期末，根據2013購股權計劃可行使的購股權總數為28,850,000 (2022年：12,850,000)。

At the end of the reporting period, the Company had 29,600,000 share options outstanding under the 2013 Share Option Scheme during the year. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 29,600,000 additional ordinary shares of the Company and additional share capital of approximately US\$2,611,000 (before issue expenses).

於報告期末，本公司根據該2013購股權計劃尚未行使29,600,000份購股權。根據本公司現有資本架構，全數行使未行使購股權將導致發行29,600,000本公司普通股及額外股本約2,611,000美元(扣除發行費用前)。

The fair value of the share options granted during the year was HK\$997,000 (HK\$0.17 each) (2022: HK\$1,267,000, HK\$0.21 each), of which the Group recognised a share option expense of US\$274,000 (2022: US\$496,000) during the year ended 31 December 2023.

年內已授出購股權的公平值為997,000港元(每份0.17港元)(2022年：1,267,000港元，每份0.21港元)，其中本集團於截至2023年12月31日止年度確認購股權開支274,000美元(2022年：496,000美元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26. Equity compensation scheme (continued)

(a) The Share Option Scheme (continued)

The Company uses the Binomial Valuation Model (the "Model") to value the share options granted. The key parameters used in the Model and the corresponding fair values of the share options granted during 2023 and 2022 are listed below:

Date of grant	授出日期	2023 25 May 5月25日	2023 24 March 3月24日	2022 22 June 6月22日
Number of share options granted (in thousand units)	已授出購股權數目 (以千位計)	5,400	500	5,900
Total share option value	購股權總值			
– HK\$'000	– 千港元	887	110	1,267
– US\$'000 equivalent	– 千美元等值	114	14	163
Share price at date of grant (HK\$)	授出日期的股價 (港元)	0.455	0.500	0.510
Closing price immediately before the date of grant (HK\$)	緊接授出日前之收市價 (港元)	0.455	0.580	0.520
Exercise price (HK\$)	行使價 (港元)	0.463	0.546	0.530
Expected life of options (years)	購股權的預定期限 (年)	2	3-4	3-4
Annualised volatility	年度波幅	76.9%	77.2%-83.6%	71.6%-79.3%
Risk-free interest rate	無風險利率	3.64%	2.79%-2.84%	3.46%-3.47%
Dividend payout rate	派息率	2.33%	2.33%	2.97%

The Binomial Valuation Model is used to estimate the fair values of European share options. The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the Model used. The value of a share option varies with different variables of certain subjective assumptions. Any change in variables so adopted may materially affect the estimation of the fair value of a share option.

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily closing share prices over the last few years.

(b) The Share Grant

There was no share award granted during the years ended 31 December 2023 and 2022.

26. 股本權益報酬計劃 (續)

(a) 購股權計劃 (續)

本公司使用二項訂價模式 (「模式」) 計算已授出的購股權。於2023及2022年內已授出購股權的公平值及應用此模式的主要參考數據如下：

二項訂價模式是用來估算歐式購股權的公平值。計算出的公平值受給定假設和模式自身限制而具有固有的主觀性及不確定。購股權的價值會隨著某些主觀假設的不同變數而改變。所採用的變數的任何改變可能會對購股權公平值的估算造成重大影響。

波幅乃基於過去波幅乃基於過去數年每日股份收市價的統計分析之股份複合回報之標準差計算出來。

(b) 股份頒授

截至2023年及2022年12月31日止年度，並無授出股份頒授。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 87 of the financial statements.

28. Deferred tax

At 31 December 2023, the Group had unrecognised tax losses arising in Hong Kong of US\$51,849,000 (2022: US\$72,051,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also had unrecognised tax losses arising in Mainland China of US\$10,637,000 (2022: US\$1,664,000), subject to the agreement by the relevant taxation authority, that will expire in five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses due to unpredictability of future taxable profit streams.

At 31 December 2023 and 31 December 2022, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subjected to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

29. Trade and other payables

		Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
Trade payables	應付款	(a)	8,610	15,807
Accrued expenses and other payables	應計開支及其他應付款		13,140	17,825
Contract liabilities	合約負債	(b)	3,282	6,346
Contract liabilities from a related party	關聯方合約負債	36(a)	456	4,224
Refund liabilities	退款負債		1,420	1,145
			26,908	45,347

27. 儲備

本集團本年及以前年度之儲備及變動詳情載於財務報表第87頁綜合權益變動表內。

28. 遞延所得稅

於2023年12月31日，本集團在香港產生的未確認稅項虧損為51,849,000美元（2022年：72,051,000美元）（有待香港稅務局同意），該等稅項虧損可無限期用作抵銷產生虧損的公司的未來應課稅利潤。本集團亦有在中國大陸產生的未確認稅項虧損10,637,000美元（2022年：1,664,000美元）（有待相關稅務機關同意），該等稅項虧損將於五年內屆滿，可用作抵銷產生虧損的公司的未來應課稅利潤。由於無法預測未來應課稅利潤來源，因此並無就該等虧損確認遞延稅項資產。

於2023年12月31日及2022年12月31日，概無就本集團於中國大陸成立的附屬公司須繳納預扣稅的未匯出盈利的應繳預扣稅確認遞延稅項。董事認為，該等附屬公司不大可能於可預見未來分派有關盈利。

29. 應付款及其他應付款

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29. Trade and other payables (continued)

Notes:

- (a) At 31 December 2023, the ageing analysis of the trade payables based on invoice dates is as follows:

		2023 US\$'000 千美元	2022 US\$'000 千美元
1 - 30 days	1 - 30日	3,891	7,939
31 - 60 days	31 - 60日	3,529	3,422
61 - 90 days	61 - 90日	765	4,096
Over 90 days	超過90日	425	350
		8,610	15,807

The trade payables are non-interest-bearing and have an average term of three months.

- (b) Details of contract liabilities are as follows:

		31 December 2023 12月31日 US\$'000 千美元	31 December 2022 12月31日 US\$'000 千美元	1 January 2022 1月1日 US\$'000 千美元
Advances received from customers Sales of ICs	收取客戶之預收款項 銷售ICs	3,282	6,346	6,350
Advances received from a related party Sales of ICs	收取關聯方之預收款項 銷售ICs	456	4,224	-
		3,738	10,570	6,350

Contract liabilities include advances received to deliver semiconductor products. The decrease in contract liabilities in 2023 was mainly due to the decrease in advances received. The increase in contract liability in 2022 was mainly due to the increase in advances received.

應付款為免息且一般於3個月內結算。

附註：

- (a) 於2023年12月31日，應付款以發票日期的賬齡分析如下：

- (b) 合約負債的詳情如下：

合約負債包括為交付半導體產品而收取之預付款項。2023年合約負債減少主要是由於收取之預付款項減少所致。2022年合約負債增加主要是由於收取之預付款項增加所致。

30. Interest-bearing bank borrowings

At 31 December 2023, the Group had bank loans of US\$1,657,000 (2022: US\$1,421,000) in connection with a PRC subsidiary. The amount is denominated in RMB which has been settled before the date of this report bearing interest at a rate of 2.5% per annum (2022:1.4% per annum).

31. Banking facilities

At 31 December 2023, the Group had banking facilities amounted to US\$27.3 million (2022: US\$26.3 million) and US\$13.6 million (2022: US\$12.9 million) was unutilised.

30. 銀行計息貸款

於2023年12月31日，本集團有銀行貸款1,657,000美元（2022年：1,421,000美元）歸屬於中國大陸子公司。銀行貸款已於本年報日期前償還，貸款年利率為2.5%（2022年：1.4%），並以人民幣列值。

31. 銀行信貸

於2023年12月31日，本集團擁有銀行信貸額27.3百萬美元（2022年：26.3百萬美元），當中未用13.6百萬美元（2022年：12.9百萬美元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32. Contingent liabilities

The Company has provided corporate guarantees amounted to US\$14.0 million (2022: US\$12.9 million) to banks in connection with facilities granted to a subsidiary, of which US\$8.0 million (2022: US\$8.0 million) was utilised as at 31 December 2023.

33. Notes to consolidated statement of cash flows

(a) Major non-cash transactions

During the year, the Group had non-cash additions and modification to right-of-use assets and lease liabilities of US\$1,237,000 (2022: US\$842,000) and US\$1,237,000 (2022: US\$842,000), respectively, in respect of lease arrangements for leased properties.

During the year, the Group had non-cash termination of an existing lease of office property, resulting in a derecognition of right-of-use assets and lease liabilities of US\$257,000 and US\$246,000, respectively, and corresponding recognition of a loss on lease termination of US\$11,000.

(b) Change in assets/liabilities arising from financing activities

2023

At 1 January 2023	於2023年1月1日
Changes from financing cash flows	籌資現金流量的變化
New leases	新租賃
Lease modification on extending lease term	延長租期之租賃修訂
Early termination of lease arrangement	提早終止租賃修訂
Foreign exchange movement	匯率變動
Release of pledged deposits	贖回已抵押銀行貸款
Interest expense	利息支出
Interest paid classified as operating cash flows	已付利息分類為經營現金流量
Drawdowns of bank borrowings	支取銀行貸款
Repayments of bank borrowings	償還銀行貸款

At 31 December 2023 於2023年12月31日

32. 或然負債

本公司已就授予附屬公司的融資向銀行提供企業擔保14.0百萬美元（2022年：12.9百萬美元），該融資於2023年12月31日已動用其中8.0百萬美元（2022年：8.0百萬美元）。

33. 綜合現金流量表附註

(a) 主要非現金交易

年內，本集團就安排租賃物業的使用權資產和租賃負債的非現金添置及修訂分別為1,237,000美元（2022年：842,000美元）和1,237,000美元（2022年：842,000美元）。

年內，本集團就租賃物業的使用權資產和租賃負債的非現金終止租賃分別為257,000美元和246,000美元，並確認終止租賃損失11,000美元。

(b) 融資活動導致之資產／負債變化

2023

Pledged bank deposits 已抵押的 銀行存款 US\$'000 千美元	Borrowings 貸款 US\$'000 千美元	Lease liabilities 租賃負債 US\$'000 千美元
6,041	1,421	1,996
-	-	(1,425)
-	-	740
-	-	497
-	-	(246)
(41)	-	(56)
-	-	63
-	-	(63)
-	1,657	-
-	(1,421)	-
6,000	1,657	1,506

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33. Notes to consolidated statement of cash flows (continued)

(b) Change in assets/liabilities arising from financing activities (continued)

2022		2022		
		Pledged bank deposits 已抵押的銀行存款 US\$'000 千美元	Borrowings 貸款 US\$'000 千美元	Lease liabilities 租賃負債 US\$'000 千美元
At 1 January 2022	於2022年1月1日	17,000	181	2,531
Changes from financing cash flows	籌資現金流量的變化	-	-	(1,231)
Release of pledged bank deposits	贖回已抵押的銀行存款	(10,959)	-	-
New leases	新租賃	-	-	699
Lease modification on extending lease term	延長租期之租賃修訂	-	-	143
Foreign exchange movement	匯率變動	-	-	(70)
Interest expense	利息支出	-	-	81
Interest paid classified as operating cash flows	已付利息分類為經營現金流量	-	-	(81)
COVID-19-related rent concession from lessor	2019冠狀病毒病相關租賃減免	-	-	(76)
Drawdowns of bank borrowings	支取銀行貸款	-	1,421	-
Repayments of bank borrowings	償還銀行貸款	-	(181)	-
At 31 December 2022	於2022年12月31日	6,041	1,421	1,996

(c) Total cash outflows for leases

The total cash outflows for leases included in the statement of cash flows is as follows:

		2023 US\$'000 千美元	2022 US\$'000 千美元
Within operating activities	在經營活動中	109	145
Within financing activities	在融資活動中	1,425	1,231
		1,534	1,376

34. Commitments

Capital commitments

Capital expenditure contracted for but not yet provided for at the end of the reporting period is as follows:

		2023 US\$'000 千美元	2022 US\$'000 千美元
Property, plant and equipment	物業、廠房及設備	2,297	680

33. 綜合現金流量表附註(續)

(b) 融資活動導致之資產/負債變化(續)

(c) 租賃現金流出總額

現金流量表中包括的租賃現金流出總額如下：

34. 承擔

資本承擔

於報告期末，已商定合約但尚未動用的資本開支列載如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35. Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2023

Financial assets

	Financial asset at fair value through profit or loss 按公平價值計入損益之金融資產	Financial asset at fair value through other comprehensive income 按公平價值計入其他全面收益的金融資產	Equity investment 股權投資	Financial assets at amortised cost 按攤銷成本計算的金融資產	Total 總計
	Mandatorily designated as such 強制如此指定 US\$'000 千美元		US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
Equity investment at fair value through other comprehensive income			1,161	-	1,161
Financial assets included in trade and other receivables			-	26,802	26,802
Financial asset at fair value through profit or loss	2,522		-	-	2,522
Pledged bank deposits	-		-	6,000	6,000
Cash and cash equivalents	-		-	80,339	80,339
	2,522		1,161	113,141	116,824

Financial liabilities	金融負債	Financial liabilities at amortised cost 按攤銷成本計算的金融負債 US\$'000 千美元
Financial liabilities included in trade and other payables	應付款及其他應付款內的金融負債	15,376
Interest-bearing bank borrowing	銀行計息貸款	1,657
		17,033

35. 金融工具按類別

各類別的金融工具於報告日帳面值如下：

2023

金融資產

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35. Financial instruments by category (continued)

35. 金融工具按類別 (續)

2022

Financial assets

2022

金融資產

	Financial asset at fair value through other comprehensive income 按公平價值計入 其他全面收益的 金融資產	Equity investment 股權投資 US\$'000 千美元	Financial assets at amortised cost 按攤銷成本計 算的金融資產 US\$'000 千美元	Total 總計 US\$'000 千美元
Equity investment at fair value through other comprehensive income	按公平價值計入 其他全面收益的 股權投資	1,161	-	1,161
Financial assets included in trade and other receivables	應收款及其他應收款內的 金融資產	-	40,286	40,286
Pledged bank deposits	已抵押的銀行存款	-	6,041	6,041
Cash and cash equivalents	現金及現金等價物	-	45,556	45,556
		1,161	91,883	93,044
Financial liabilities	金融負債			
Financial liabilities included in trade and other payables	應付款及其他應付款內 的金融負債			25,092
Interest-bearing bank borrowing	銀行計息貸款			1,421
				26,513

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36. Related parties transactions

- (a) China Electronics Corporation (“CEC”), a state-owned information technology conglomerate under the administration of the central government of the PRC, through one of its wholly-owned subsidiaries, Huada Semiconductor Co. Ltd., owns approximately 28.3% 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.

CEC is a state-owned entity which is subject to the control of the State Council of the PRC Government. The Group had the following individually significant or collectively significant transactions with the PRC government-related entity during the year:

- (i) The Group enters into extensive sale transactions with the state-controlled entity, which are controlled by the State Council of the PRC Government through its government authorities, in the normal course of business on commercial terms. Approximately 37% of the Group’s sales for the year were came from this state-controlled entity.

The following transactions were carried out with related parties:

		Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
Sales:	銷售額：			
Subsidiary of CEC	中國電子的附屬公司	(i)	56,534	71,151
Associate of CEC	中國電子的聯繫人	(ii)	844	3,121
Rental service charges:	租賃服務費：			
Subsidiary of CEC	中國電子的附屬公司	(iii)	30	15
Software and IT services charges:	軟件及信息技術服務費：			
Subsidiaries of CEC	中國電子的附屬公司	(iv)	293	286

Notes:

- (i) This represented the transaction amount for the supply of IC and driver products (“**IC Products**”) from the Group to CEACI during the year ended 31 December 2023, based on the agreement dated 22 October 2020 (the “**IC Products Supply Agreement**”), as subsequently amended on 23 March 2021 and 6 May 2022 entered into between the Company and CEACI. The IC Products Supply Agreement has a term of three years from 1 January 2021 to 31 December 2023. The IC Products supply transactions contemplated under the IC Products Supply Agreement constituted non-exempt continuing connected transactions for the Company under the Listing Rules and the Company has complied with the relevant requirements under the Listing Rules in respect of the non-exempt continuing connected transactions.

36. 關聯方交易

- (a) 中國電子信息產業集團有限公司（「中國電子」）是直接隸屬於中國中央政府管理的國有電子資訊技術企業集團，通過其全資附屬公司華大半導體有限公司擁有約28.3%本公司之發行股份，乃本公司之主要股東。本集團與CEC附屬公司或其聯繫人的交易構成關聯方交易。

中國電子為國有實體，受中國政府國務院控制。年內，本集團與中國政府相關實體有以下個別重大或集體重大的交易：

- (i) 本集團於正常業務過程中按商業條款與國家控制實體訂立廣泛的銷售交易，該等實體乃由中國政府國務院透過其政府機關控制。本集團年內約37%的銷售額來自該國家控制實體。

以下交易為關聯方之交易：

附註：

- (i) 這代表根據本公司與CEACI所訂立日期為2020年10月22日的協議（「**IC產品供應協議**」）及其後於2021年3月23日及2022年5月6日修訂，本集團於截至2023年12月31日止年度向CEACI供應IC及驅動器產品（「**IC產品**」）的交易金額。IC產品供應協議的期限為三年，由2021年1月1日至2023年12月31日。IC產品供應協議項下擬進行的IC產品供應交易構成上市規則項下本公司的非豁免持續關連交易，而本公司已就該等非豁免持續關連交易遵守上市規則的相關規定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

36. Related parties transactions (continued)

(a) (continued)

Notes: (continued)

- (ii) This represented the transaction amount for the supply of IC and driver products from the Group to an associated company of CEC which constituted a related party transaction and not a continuing connected party transaction under the Listing Rules.
- (iii) This represented the rental service charges from a subsidiary of CEC to the Group which constituted a fully exempt continuing connected transactions under the Listing Rules.
- (iv) This represented the software and IT services charges from subsidiaries of CEC to the Group which constituted a fully exempt continuing connected transactions under the Listing Rules.

The following were balances arising from such sales/purchases:

		Notes 附註	2023 US\$'000 千美元	2022 US\$'000 千美元
Trade receivables:	應收款：	23		
Subsidiary of CEC	中國電子的附屬公司		4,856	4,267
Associate of CEC	中國電子的聯繫人		82	267
Prepayments:	預付款：	23		
Subsidiaries of CEC	中國電子的附屬公司		221	221
Contract liabilities:	合約負債：	29		
Subsidiary of CEC	中國電子的附屬公司		456	4,224

(b) Compensation of key management personnel of the Group:

			2023 US\$'000 千美元	2022 US\$'000 千美元
Director fee	董事袍金		-	-
Salaries, allowance, bonuses and other benefits	薪金、津貼、花紅及其他福利		1,662	1,960
Pension scheme contributions	退休金計劃供款		44	49
Share-based payment expense	股權開支		99	146
Total compensation paid to key management personnel	已付主要管理人員之報酬總額		1,805	2,155

Details of compensation of the Company's directors are disclosed in note 11 to the financial statements.

The transactions in respect of the above compensation of key management personnel of the Group were exempted from continuing connected transactions under the Listing Rules.

36. 關聯方交易 (續)

(a) (續)

附註：(續)

- (ii) 這代表本集團向CEC的一家聯營公司供應IC及驅動器產品的交易金額，有關交易構成關聯方交易而非上市規則項下的持續關連人士交易。
- (iii) 這代表CEC的一家附屬公司向本集團收取的租賃服務費，有關交易構成上市規則項下的全面豁免持續關連交易。
- (iv) 這代表中國電子的附屬公司向本集團收取的軟件及信息技術服務費，有關交易構成上市規則項下的全面豁免持續關連交易。

由銷售／採購構成的賬目：

(b) 本集團主要管理人員的報酬：

			2023 US\$'000 千美元	2022 US\$'000 千美元
Director fee	董事袍金		-	-
Salaries, allowance, bonuses and other benefits	薪金、津貼、花紅及其他福利		1,662	1,960
Pension scheme contributions	退休金計劃供款		44	49
Share-based payment expense	股權開支		99	146
Total compensation paid to key management personnel	已付主要管理人員之報酬總額		1,805	2,155

本公司董事之報酬於財務報表附註11披露。

有關以上本集團主要管理人員報酬的交易是上市規則項下的獲豁免之持續關連交易。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37. Statement of financial position and reserves of the Company

37. 本公司財務狀況表及儲備

(a) Statement of financial position

(a) 財務狀況表

		2023 US\$'000 千美元	2022 US\$'000 千美元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	55,209	55,209
CURRENT ASSETS	流動資產		
Trade and other receivables	應收款及其他應收款	52	50
Amounts due from subsidiaries	應收附屬公司款	3,244	2,647
Cash and cash equivalents	現金及現金等價物	236	171
Total current assets	流動資產總計	3,532	2,868
CURRENT LIABILITIES	流動負債		
Amounts due to subsidiaries	應付附屬公司款	6,629	6,357
Accrued expenses and other payables	撥備及其他應付款	189	259
Total current liabilities	流動負債總計	6,818	6,616
NET CURRENT LIABILITIES	淨流動負債	(3,286)	(3,748)
NET ASSETS	資產淨值	51,923	51,461
EQUITY	權益		
Equity attributable to owners of the Company	本公司權益持有人應佔權益		
Issued capital	已發行股本	32,166	32,149
Reserves	儲備	19,757	19,312
Total equity	總權益	51,923	51,461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37. Statement of financial position and reserves of the Company (continued)

(b) Reserves

		Share premium	Equity compensation reserve	Accumulated losses	Total
		US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元
At 1 January 2022	於2022年1月1日	106,859	17,897	(102,563)	22,193
Loss for the year	年內虧損	-	-	(184)	(184)
Total comprehensive loss	全面虧損總計	-	-	(184)	(184)
2021 final dividend paid	2021年末期股息	(3,219)	-	-	(3,219)
Equity-settled share option arrangements	股本權益報酬	-	496	-	496
Exercise of share options	行使購股權	36	(10)	-	26
At 31 December 2022	於2022年12月31日	103,676	18,383	(102,747)	19,312
At 1 January 2023	於2023年1月1日	103,676	18,383	(102,747)	19,312
Profit for the year	年內溢利	-	-	151	151
Total comprehensive income	全面收益總計	-	-	151	151
Equity-settled share option arrangements	股本權益報酬	-	274	-	274
Exercise of share options	行使購股權	30	(10)	-	20
At 31 December 2023	於2023年12月31日	103,706	18,647	(102,596)	19,757

37. 本公司財務狀況表及儲備 (續)

(b) 儲備

38. Approval of consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 20 March 2024.

38. 綜合財務報表審批

本綜合財務報表已於2024年3月20日經董事會審批。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

		2023	2022	2021	2020	2019
		US\$ million 百萬美元				
Sales	銷售	153.2	190.8	168.1	121.3	108.3
Gross profit	毛利	46.3	65.5	67.3	35.8	21.3
Net profit/(loss)	淨溢利／(虧損)	19.4	27.8	23.7	11.7	(27.8)
		US cents 美仙				
Assets and liabilities	資產及負債					
- Total assets	- 總資產	157.4	158.3	139.9	94.2	76.9
- Total liabilities	- 總負債	30.5	49.1	53.2	30.8	25.6
- Shareholders' funds	- 股東權益	126.9	109.2	86.7	63.4	51.3
Earnings/(loss) per share	每股盈利／(虧損)					
- Basic (i)	- 基本(i)	0.8	1.1	1.0	0.5	(1.1)
- Diluted (ii)	- 攤薄(ii)	0.8	1.1	1.0	0.5	(1.1)
Dividends per share	每股股息	-	-	0.1	0.1	-
Net assets per share (i)	每股資產淨值(i)	5.09	4.38	3.48	2.56	2.07

- (i) The basic earnings/(loss) and net assets per share are based on the weighted average of 2,480,252,351, 2,480,302,624, 2,488,069,886, 2,493,903,036 and 2,495,151,529 ordinary shares in issue during each of the years ended 31 December 2019, 2020, 2021, 2022 and 2023, respectively.

每股基本盈利／(虧損)及每股資產淨值是分別根據截至2019年、2020年、2021年、2022年及2023年12月31日止年度各年的已發行普通股加權平均數2,480,252,351股、2,480,302,624股、2,488,069,886股及2,493,903,036股及2,495,151,529股計算。

- (ii) For 2019, 2020, 2021, 2022 and 2023, the diluted earnings/(loss) per share information is based on 2,480,252,351, 2,480,516,010, 2,490,824,465, 2,495,276,295 and 2,495,151,529 ordinary shares, respectively, which are the adjusted weighted average number of ordinary shares outstanding assuming conversion of all dilutive/potential share options outstanding during the year.

於2019年、2020年、2021年、2022年及2023年，每股攤薄盈利／(虧損)的資料分別按2,480,252,351股、2,480,516,010股、2,490,824,465股、2,495,276,295股及2,495,151,529股普通股計算，而每股攤薄盈利／(虧損)乃根據假設年內所有尚未行使購股權已作轉換的調整後已發行加權平均普通股計算。

DEFINITIONS AND GLOSSARY

釋義及詞彙

2013 Share Option Scheme 2013購股權計劃	The share option scheme approved by shareholders for adoption at the annual general meeting held on 28 May 2013	於2013年5月28日舉行之股東週年大會上取得股東批准採納的購股權計劃
AMEPD	Active Matrix Electrophoretic Display	主動矩陣電泳顯示
Augmented Reality (AR)	Augmented reality is an enhanced version of the real physical world that is achieved through the use of digital visual elements, sound, or other sensory stimuli delivered via technology.	擴增實境是真實物理世界的增強版本，通過數字視覺元素、聲音或其他通過技術傳遞的感官刺激來實現。
Board 董事會	Board of Directors	董事會
Cayman Islands Companies Law 開曼群島公司法	Companies Act (Revised), Cap. 22 of the Cayman Islands, as amended or re-enacted from time to time	不時修訂或重新制定的開曼群島法例第22章公司法(經修改)
CEACI	CEAC International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CECI, and a connected person of the Company	中國電子器材國際有限公司，於香港註冊成立之有限公司，為CECI的全資附屬公司
CEC 中國電子	China Electronics Corporation, a state-owned information technology conglomerate under the administration of the central government of the PRC, is a substantial shareholder of the Company through its interests in Huada	中國電子信息產業集團有限公司，一家直接隸屬於中國中央政府管理的國有電子信息技術企業集團，通過控制華大的權益為本公司之主要股東
CECI	深圳中電國際信息科技有限公司 (CECI Technology Co., Ltd.**), a company established in the PRC and an indirect subsidiary of the CEC, and a connected person of the Company	深圳中電國際信息科技有限公司，於中國註冊成立之有限責任公司，為中國電子集團之間接附屬公司
Code Provision(s) 守則條文	Code provision(s) in the Corporate Governance Code contained in Appendix C1 to the Listing Rules	上市規則附錄C1所載之企業管治守則中的守則條文
COSO	Committee of Sponsoring Organization of the Treadway Commission is a private sector initiative that has issued internationally recognized internal control frameworks	Committee of Sponsoring Organization of the Treadway Commission是一項私營計劃，曾發表獲國際認可的內部監管架構
CNY 人民幣	Chinese Yuan, Renminbi	中國元、人民幣

DEFINITIONS AND GLOSSARY

釋義及詞彙

Company 本公司	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	晶門半導體有限公司，一家成立於開曼群島的有限公司，其股票於聯交所主板上市
Current ratio 流動比率	Total current assets divided by total current liabilities	流動資產總額除以流動負債總額
Director(s) 董事	The director(s) of the Company	本公司之董事
Debt to equity ratio 債務權益比率	Interest-bearing bank borrowing divided by total equity	銀行計息貸款除以總權益
ESL 電子貨架標籤	Electronic Shelf Label	電子貨架標籤
Gearing ratio 資產負債比率	Interest-bearing bank borrowing divided by total equity	銀行計息貸款除以總權益
Group 本集團	The Company and its subsidiaries	本公司及其附屬公司
HES 華大九天	北京華大九天軟件有限公司 (Beijing Huada Empryan Technology Co., Ltd.**), a company established in the PRC, and a connected person of the Company	北京華大九天軟件有限公司，一家於中國成立的公司，為本公司的關連人士
HK\$/HKD 港元	Hong Kong dollars	香港元
Hong Kong/HK/HKSAR 香港	Hong Kong Special Administrative Region of the PRC	中國香港特別行政區
HKAS 香港會計準則	Hong Kong Accounting Standards	香港會計準則
HKFRS 香港財務報告準則	Hong Kong Financial Reporting Standards, or collectively for HKAS and Hong Kong Financial Reporting Standards	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
Huada 華大	Huada Semiconductor Co. Ltd., a PRC company with limited liability to consolidate all IC businesses under CEC group. It is a substantial shareholder of the Company	華大半導體有限公司，一家CEC為整合旗下IC企業而組建於中國的有限公司，乃本公司之主要股東
IC	Integrated Circuit	集成電路晶片
IP 知識產權	Intellectual Property	知識產權

DEFINITIONS AND GLOSSARY

釋義及詞彙

JPY 日元	Japanese Yen	日本元
KRW 韓元	Korean Won	韓元
LCD	Liquid Crystal Display	液晶顯示器
Listing Rules 上市規則	The Rules Governing the Listing of Securities on the Stock Exchange	聯交所證券上市規則
LTPS	Low Temperature Polysilicon, a technology for the manufacturing of TFT-LCD	低溫多晶矽，一種製造薄膜電晶體液晶顯示器的技術
LLC 有限公司	Limited liabilities company	有限公司
Metaverse 元宇宙	Metaverse is a digital reality that combines aspects of social media, online gaming, augmented reality (AR), virtual reality (VR), and cryptocurrencies to allow users to interact virtually.	元宇宙是一種虛擬現實，它結合了社交媒體、在線遊戲、擴增實境(AR)、虛擬現實(VR) 和加密貨幣各個方面，允許用戶進行虛擬交流。
MIPI	Mobile Industry Processor Interface	移動行業處理器界面
Model Code 標準守則	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules	上市規則附錄C3所載之上市發行人董事進行證券交易的標準守則
NTD 新台幣	New Taiwan dollars	新台幣
OLED	Organic Light Emitting Diode	有機發光二極體
PMOLED	Passive Matrix Organic Light Emitting Diode	被動矩陣有機發光二極體
PRC/Mainland China 中國／中國大陸	The People's Republic of China, for the purpose of this report, excluded Hong Kong and Macau Special Administration Regions and Taiwan	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
R&D	Product design, development and engineering	產品設計、開發及工程
S&D 銷售及分銷	Selling and Distribution	銷售及分銷
SFO	Securities and Futures Ordinance	證券及期貨條例

DEFINITIONS AND GLOSSARY

釋義及詞彙

the Stock Exchange 聯交所	The Stock Exchange of Hong Kong Limited	香港聯合交易所有限公司
TDDI	Touch and Display Driver Integration	觸控與顯示驅動器集成
TFT	Thin Film Transistor	薄膜電晶體
UK 英國	United Kingdom	大英聯合王國
USA 美國	United States of America	美利堅合眾國
US\$/USD 美元	US dollars	美國元
Virtual Reality (VR)	Virtual Reality is the use of computer technology to create a simulated environment.	虛擬現實是利用電腦技術創建模擬環境

** for identification purposes only

CORPORATE AND SHAREHOLDER INFORMATION

公司及股東資料

Financial Calendar

Financial Year End

31 December

Announcement of Annual Results

20 March 2024

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

2,495,652,351 (as at 31 December 2023)

Principal Share Registrar and Transfer Agent

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard, Cricket Square,
P.O. Box 902,
Grand Cayman, KY1-1103,
Cayman Islands

Hong Kong Branch Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185
Website: www.tricoris.com

Independent Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Hong Kong Legal Advisor

Loeb & Loeb LLP

財務日誌

財政年度結算日

12月31日

公佈全年業績

2024年3月20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

2,495,652,351 (於2023年12月31日)

股份過戶登記總處

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard, Cricket Square,
P.O. Box 902,
Grand Cayman, KY1-1103,
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
夏慤道16號
遠東金融中心17樓
電話：(852) 2980 1333
傳真：(852) 2810 8185
網址：www.tricoris.com

獨立核數師

安永會計師事務所
執業會計師
註冊公眾利益實體核數師
香港
鰂魚涌
英皇道979號
太古坊一座27樓

香港法律顧問

樂博律師事務所 有限法律責任合夥

CORPORATE AND SHAREHOLDER INFORMATION

公司及股東資料

Board Members

Executive Director

Mr. Wang Wah Chi, Raymond (Chief Executive Officer)

Non-executive Directors

Mr. Ma Yuchuan (Chairman)

Mr. Wang Hui

Dr. Kang Jian

Independent Non-executive Directors

Mr. Chan Chi Kong (appointed on 1 November 2023)

Dr. Chan Philip Ching Ho

Dr. Kwok Hoi Sing (appointed on 1 November 2023)

Mr. Leung Heung Ying (resigned with effect from 1 November 2023)

Mr. Sheu Wei Fu (resigned with effect from 1 November 2023)

Authorized Representatives

Mr. Wang Wah Chi, Raymond

Mr. Yu Chon Man

Company Secretary & Qualified Accountant

Mr. Yu Chon Man

CPA, FCCA

Corporate Communications/Investor Relations

Email: ir@solomon-systech.com

Principal Office

Unit 607–613, 6/F Wireless Centre

3 Science Park East Avenue

Hong Kong Science Park

Shatin, New Territories

Hong Kong

Tel: (852) 2207 1111

Fax: (852) 2267 0800

Website

www.solomon-systech.com

董事成員

執行董事

王華志先生 (行政總裁)

非執行董事

馬玉川先生 (主席)

王輝先生

康劍博士

獨立非執行董事

陳志光先生 (於2023年11月1日獲委任)

陳正豪博士

郭海成博士 (於2023年11月1日獲委任)

梁享英先生 (於2023年11月1日辭任)

許維夫先生 (於2023年11月1日辭任)

授權代表

王華志先生

余俊敏先生

公司秘書及合資格會計師

余俊敏先生

CPA, FCCA

企業傳訊／投資者關係

電郵: ir@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

無線電中心6樓607–613室

電話: (852) 2207 1111

傳真: (852) 2267 0800

網址

www.solomon-systech.com

CORPORATE AND SHAREHOLDER INFORMATION

公司及股東資料

This 2023 Annual Report (bilingual version in English and Chinese) has been posted on the Company's website at www.solomon-systech.com.

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

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

Shareholders may request for printed copy of the Annual Report or change their choice of means of receipt of the Corporate Communications by sending reasonable notice in writing to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by sending an email to solomon2878-ecom@hk.tricorglobal.com.

本2023年報的中英文雙語合併本已登載於本公司網站www.solomon-systech.com。

選擇透過本公司網站收取本公司的公司通訊（其中包括但不限於年報、財務摘要報告（如適用）、中期報告、中期摘要報告（如適用）、會議通告、上市文件、通函及代表委任表格），及因任何理由以致在接收載於本公司網站的年報上出現困難的股東，可即時要求以郵寄方式獲免費發送年報的印刷本。

股東可隨時更改收取本公司的公司通訊方式。

股東可在給予本公司合理時間的書面通知，要求索取年報的印刷本或更改收取本公司之公司通訊的方式，該書面通知應交予本公司之香港股份過戶登記分處－卓佳證券登記有限公司，地址為香港夏慤道16號遠東金融中心17樓，或將該通知電郵至solomon2878-ecom@hk.tricorglobal.com。



www.solomon-systech.com

Solomon Systech (International) Limited

晶門半導體有限公司

Unit 607-613, 6/F Wireless Centre,
3 Science Park East Avenue,
Hong Kong Science Park,
Shatin, New Territories, Hong Kong
Tel: (852) 2207 1111 Fax: (852) 2267 0800
www.solomon-systech.com

香港新界沙田
香港科學園
科技大道東3號
無線電中心6樓607-613室
電話：(852) 2207 1111 傳真：(852) 2267 0800
www.solomon-systech.com

