



太 睿 國 際 控 股 有 限 公 司
PacRay International Holdings Limited

(formerly known as PacMOS Technologies Holdings Limited 弘茂科技控股有限公司*)
(Incorporated in Bermuda with limited liability)

(Stock Code: 1010)

Annual Report
2015

* For identification purpose only

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Cheng Chow-Chun (*Chairman*)
Mr. Lee Chao-Chun (*Chief Executive Officer*)
Mr. Sun Tao-Heng
Mr. Yuan Chun-Tang

Independent Non-executive Directors

Mr. Li Kwan In
Mr. Suen Sai Wah Simon
Mr. Wang Chiang-Ming

BOARD COMMITTEES

Audit Committee

Mr. Suen Sai Wah Simon (*Chairman*)
Mr. Li Kwan In
Mr. Wang Chiang-Ming

Remuneration Committee

Mr. Suen Sai Wah Simon (*Chairman*)
Mr. Wang Chiang-Ming

Nomination Committee

Mr. Suen Sai Wah Simon (*Chairman*)
Mr. Wang Chiang-Ming

COMPANY SECRETARY

Ms. Yuen Wing Yan, Winnie (FCIS, FSC)

STOCK CODE

1010

WEBSITE

<http://pacray.com.hk>

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants

LEGAL ADVISOR

King & Wood Mallesons

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong & Shanghai Banking Corporation Limited
Dah Sing Bank, Limited

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 408, 4/F., Nan Fung Tower
88 Connaught Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East, Hong Kong

Directors and Senior Management Biographies

EXECUTIVE DIRECTORS

Mr. Cheng Chow-Chun (“Mr. Cheng”), aged 57, has been appointed as an executive director and elected as Chairman of PacRay International Holdings Limited (formerly known as PacMOS Technologies Holdings Limited (the “Company”), since 27 November 2014. He is the vice chairman of Pacific Electric Wire & Cable Co., Ltd. (“PEWC”) and the chairman of Asia Pacific Wire & Cable Corporation Limited (“APWC”) (US NASDAQ listed company, stock code: APWC), which is under the PEWC group. He had been a director of Allis Electric Co., Ltd. (Taiwan listed company, stock code: 1514) since 1987. By 1996, his position was changed to supervisor, and he held the position until June 2009.

Mr. Cheng is a shareholder of PEWC, and is currently also a director of Full Global International Limited (“Full Global”), Developer Global Limited (“Developer Global”), Dragon Conqueror Limited (“Dragon Conqueror”) and PEWC, all being major shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”).

Mr. Cheng holds a bachelor’s degree in business administration from the University of Southern California, United States of America.

Mr. Lee Chao-Chun (“Mr. Lee”), aged 64, has been appointed as an executive director and elected as Chief Executive Officer of the Company since 27 November 2014. He is a member of the board of directors and the chief executive officer of PEWC, chairman of Pacific USA Holdings Inc., a subsidiary of PEWC, director of APWC and Charoong Thai Wire & Cable Public Company Limited (“CTW”) (Thailand listed company, stock code: CTW), which is under the PEWC group.

Mr. Lee is a shareholder of PEWC, and is currently also a director of Full Global, Developer Global, Dragon Conqueror and PEWC, all being major shareholders of the Company within the meaning of Part XV of the SFO.

Mr. Lee holds a bachelor’s degree in business administration from the Boston University, United States of America.

Mr. Sun Tao-Heng (“Mr. Sun”), aged 62, has been appointed as an executive director of the Company since 27 November 2014. He is the president of PEWC, and has held the position since December 2003. Mr. Sun had been a director of CTW since June 1993 and by November 1994, he has been promoted to the position of managing director, a position which he still holds at present. He is also a director of APWC.

Mr. Sun is a shareholder of PEWC, and is currently also a director of Full Global, Developer Global, Dragon Conqueror and PEWC, all being major shareholders of the Company within the meaning of Part XV of the SFO.

Mr. Sun holds a master’s degree in business administration from the University of Southern California, United States of America.

Mr. Yuan Chun-Tang (“Mr. Yuan”), aged 55, has been appointed as an executive director of the Company since 27 November 2014. He has been elected as chairman of PEWC since February 2004, and is also the chairman of Tai Ho Investment Co., Ltd. which is wholly-owned by the PEWC group, chairman of Yu Chi Investment Co., Ltd. which is owned by the PEWC group, and chairman of Yang-Yi Investment Co., Ltd. which is owned by the PEWC group. Mr. Yuan is a member of the board of directors of APWC, and is also the chief executive officer of APWC and he is a director of CTW.

Directors and Senior Management Biographies

Mr. Yuan is a shareholder of PEWC, and is currently also a director of Full Global, Developer Global, Dragon Conqueror and PEWC, all being major shareholders of the Company within the meaning of Part XV of the SFO.

Mr. Yuan holds a master's degree in electrical engineering from the University of Waterloo, Canada.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Suen Sai Wah Simon ("Mr. Suen"), aged 56, has been appointed as an independent non-executive director of the Company since 27 November 2014. Mr. Suen was appointed as chairman of the Company's audit committee, remuneration committee and nomination committee on 7 January 2015. He is an experienced and well proven chief executive officer in the financial as well as the travel industry in Thailand.

Mr. Suen has been the independent director of CTW, Bangna, Thailand since August 2009, and the director of Delta Holiday Company Limited, Bangkok, Thailand since June 1997.

Mr. Suen holds a master's degree in business administration from the Chaminade University of Honolulu, United States of America.

Mr. Li Kwan In ("Mr. Li"), aged 64, has been appointed as an independent non-executive director and member of audit committee of the Company since 27 November 2014. He is an associate member of the Institute of Chartered Accountants of British Columbia Canada and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Li has over 20 years of experience in accounting & auditing, finance and taxation in Hong Kong and Canada. Since March 2009, Mr. Li is a director of Chengdu Zhongtie Erju Yongjingtang Printing Company Limited in Sichuan Province, the People's Republic of China.

Mr. Li holds a bachelor of commerce degree from Concordia University in Montreal, Canada.

Mr. Wang Chiang-Ming ("Mr. Wang"), aged 56, has been appointed as an independent non-executive director of the Company since 7 January 2015. He was appointed as member of the Company's audit committee, remuneration committee and nomination committee at the same time. Between 1984 and 1987, Mr. Wang worked in the scope of deposit, foreign exchange, credit, etc., in City Bank of Taipei in Taipei City. Between 1988 and 2001, he was the finance department head, manager and assistant manager of Tuntex Distinct Corp., a Taiwan listed company (stock code: 1462). He was the managing director of China's Xianglu Petrochemicals Co., Ltd. from 2002 to 2007, the general manager of head office of Xiang Lu Dragon Group from 2007 to 2008, and the chairman of China's Xianglu Petrochemicals Co., Ltd. and its subsidiaries from 2008 to 2014.

Mr. Wang graduated from the Institute of National Chengchi University, Taiwan, in Finance and Taxation in 1982.

Financial Summary

RESULTS

	2015 HK\$'000	2014 HK\$'000	2013 HK\$'000	2012 HK\$'000	2011 HK\$'000
Continuing operations:					
Revenue	13,614	13,646	12,218	10,916	12,436
(Loss)/profit before income tax	(25,798)	17,268	46,015	38,588	(16,685)
Income tax credit/(expense)	545	–	–	28	(144)
(Loss)/profit for the year from continuing operations	(25,253)	17,268	46,015	38,616	(16,829)
Discontinued operations:					
Loss for the year from discontinued operations	–	–	–	(1,087)	(4,085)
Gain on disposal of a subsidiary	–	–	–	14,134	–
(Loss)/profit for the year	(25,253)	17,268	46,015	51,663	(20,914)
Attributable to:					
Owners of the Company	(25,253)	17,268	46,015	52,152	(19,075)
Non-controlling interests	–	–	–	(489)	(1,839)
	(25,253)	17,268	46,015	51,663	(20,914)

Financial Summary

COMBINED ASSETS AND LIABILITIES

	31 December 2015 HK\$'000	31 December 2014 HK\$'000	31 December 2013 HK\$'000	31 December 2012 HK\$'000	31 December 2011 HK\$'000
Non-current assets	3,618	3,294	3,454	2,084	3,291
Net current assets	163,824	190,240	173,208	128,566	94,574
Total assets less current liabilities	167,442	193,534	176,662	130,650	97,865
Non-current liabilities	-	(269)	(522)	(714)	(973)
Net assets	167,442	193,265	176,140	129,936	96,892
Shareholders' equity					
Share capital	134,922	134,922	134,922	134,922	134,922
Reserves	32,520	58,343	41,218	(4,986)	(52,699)
Non-controlling interest	-	-	-	-	14,669
	167,442	193,265	176,140	129,936	96,892
OTHER DATA (in HK cents)					
Basic & diluted (loss)/earnings per share					
– Continuing operations	(7.50 cents)	5.13 cents	13.67 cents	11.47 cents	(5.00 cents)
– Discontinued operations	-	-	-	4.02 cents	(0.67 cents)
Shareholders' equity per share (excluding non-controlling interest)	49.75 cents	57.42 cents	52.33 cents	38.60 cents	24.43 cents

Chairman's Statement

RESULTS

The board (the "Board") of directors (the "Directors") is pleased to report the results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015, together with the comparative figures for the year ended 31 December 2014.

For the year ended 31 December 2015, the Group achieved a revenue of approximately HK\$13.6 million, which remain the same as compared to that of last year. The loss attributable to owners of the Company amounted to approximately HK\$25.3 million, as compared to the profit of last year of approximately HK\$17.3 million.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2015 (2014: Nil).

BUSINESS REVIEW

Design and distribution of integrated circuit and semi-conductor parts

Our operation in Shanghai recorded a revenue of approximately HK\$13.6 million for the year ended 31 December 2015 which remain the same as compared to that of last year. The gross profit margin of our operation in Shanghai was of approximately 57% for the year ended 31 December 2015 as compared to 2014 of approximately 66%. In 2015, the operation in Shanghai recorded a net profit of approximately HK\$715,000 (2014: approximately HK\$1,542,000), representing a decrease of 54% as compared to that of last year. The decrease in net profit was mainly due to (i) increase in operating cost; and (ii) an increase in provision of inventories of approximately HK\$719,000.

Whilst economic development in China continue to slowdown, business growth has become increasingly challenging for our operation. Despite the difficult business climate, our management team in Shanghai maintained a steady revenue at approximately HK\$13.6 million in 2015 when compare to that in 2014. Nevertheless, the two main issues of our Shanghai operation are: scalability and diversification. We shall carry on our effort to improve the existing products over our competitors both in terms of performance as well as price. Meanwhile, we are diligently diversifying into other product lines in order to diversify our revenue source.

Investment holding

As at 31 December 2015, the Group held approximately 459,678 common shares of ChipMOS Technologies (Bermuda) Limited ("ChipMOS"), a company listed on the NASDAQ Stock Market (stock code: IMOS). ChipMOS is a leading provider of semi-conductor testing and assembly services to customers in Taiwan, Japan and the United States of America.

During the year, the Company disposed of 270,241 common shares of ChipMOS.

On 14 July 2015, ChipMOS had declared an annual cash dividend of US\$0.14 per common share payable on 30 October 2015 to all shareholders of record at the close of business on 16 October 2015. The Company received approximately US\$64,000 (approximately HK\$499,000) cash dividend in total.

As at 31 December 2015, the quoted market price of ChipMOS was approximately US\$19.80 per share, as compared to approximately US\$23.32 per share as at 31 December 2014. Consequently, an unrealized fair value loss of approximately HK\$12.7 million was recorded due to mark-to-market valuation of the shares held for the year under review.

Chairman's Statement

The quoted market price of ChipMOS as at 16 March 2016 was approximately US\$17.04.

FUTURE PLANS AND PROSPECTS

Facing economic uncertainties and cost inflation, the Group will continue with its prudent business approach. We will continue to enhance our existing business in the design and trading of integrated circuit products in China. In addition, we will continue to do our best to deploy our strengths and capabilities and to diversify and increase our top-line growth with the aim of improving the Group's value in order to benefit our shareholders.

APPRECIATION

I would like to take this opportunity to thank our employees for their efforts taken in the past year and our shareholders for the continued support to our Group.

On behalf of the Board

Cheng Chow-Chun

Chairman

Hong Kong, 17 March 2016

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, the Company had no fund raising activities.

As at 31 December 2015, the cash and cash equivalents of the Group amounted to approximately HK\$87.8 million as compared to approximately HK\$53.3 million as at 31 December 2014, which included short-term bank deposits of approximately HK\$83.0 million (2014: approximately HK\$1.5 million).

For the year ended 31 December 2015, the Group recorded a net cash inflow of approximately HK\$34.5 million (2014: net cash outflow of approximately HK\$6.2 million).

GEARING RATIO

The gearing ratio of the Group, defined as total liabilities expressed as a percentage of the total of equity and liabilities, was approximately 1.6% as at 31 December 2015 (2014: approximately 1.8%). The Group did not have any debt financing during the year, and no finance cost was incurred. As at 31 December 2015, the total liabilities of the Group were approximately HK\$2.7 million (2014: approximately HK\$3.5 million).

FOREIGN CURRENCY EXPOSURE

The Group's results were mainly exposed to exchange fluctuations of Renminbi as the Group had operations in the PRC.

In 2015, a net exchange loss of approximately HK\$76,000 (2014: approximately HK\$33,000) was recognised in the consolidated income statement. Exchange differences, arising upon translation of PRC operations, amounted to approximately HK\$570,000 was debited to the exchange reserve (2014: approximately HK\$143,000).

CAPITAL STRUCTURE

The loss attributable to owners of the Company for the year ended 31 December 2015 of approximately HK\$25.3 million was transferred to retained earnings of the Group. There was no change in the capital of the Company in 2015. As at 31 December 2015, the shareholders' fund amounted to approximately HK\$167.4 million (2014: approximately HK\$193.3 million).

INVESTMENTS AND CAPITAL ASSETS

The Group acquired property, plant and equipment of approximately HK\$0.9 million for the year ended 31 December 2015 (2014: approximately HK\$1.0 million).

As at 31 December 2015, the Company held approximately 459,678 shares of ChipMOS and its quoted market price was US\$19.80 per share. On 16 March 2016, the quoted market price of ChipMOS was US\$17.04 per share.

As at 31 December 2015, the Group also held shares of a Hong Kong listed company amounted to approximately HK\$0.7 million (2014: approximately HK\$0.9 million).

CHARGES ON ASSETS

As at 31 December 2015, there were no charges on the Group's assets.

Management Discussion and Analysis

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures of the Company in the course of 2015.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific future plans for material investments or capital assets of the Company as at 31 December 2015.

SEGMENT INFORMATION

In 2015, the Hong Kong and PRC segments contributed mainly to the Group's business operation.

EMPLOYEES, TRAINING AND BENEFITS

As at 31 December 2015, the Group had approximately 31 employees (2014: approximately 32 employees).

The remuneration packages of employees are reviewed annually with reference to market level and individual staff performance. The Group's remuneration packages include basic salaries, bonus, contributions to provident fund and medical benefits.

CONTINGENT LIABILITIES

No material contingent liabilities of the Group were noted as at 31 December 2015.

Report of the Directors

The Board of Directors of the Company submit their report together with the audited financial statements of the Group for the year ended 31 December 2015.

CHANGE OF COMPANY NAME

The special resolution regarding the change of the English name of the Company from “PacMos Technologies Holdings Limited” to “PacRay International Holdings Limited”, and the adoption of “太睿國際控股有限公司” as its secondary name in Chinese to replace the former Chinese name “弘茂科技控股有限公司” which was used for identification purpose only, was duly passed by the shareholders of the Company at the special general meeting (“SGM”) of the Company held on 15 December 2015 (the “Change of Company Name”). The Change of Company Name became effective on 18 December 2015.

Both the Certificate of Incorporation on Change of Name and the Certificate of Secondary Name were issued by the Registrar of Companies in Bermuda on 4 January 2016 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 26 January 2016.

The Directors consider the Change of Company Name better reflects the diversification of the Group’s business and facilitate its further development and expansion and the new company name provides the Company with a fresh new corporate identity and image and benefits the Group’s future business developments. As such, the Directors are of the view that the Change of Company Name is in the best interests of the Company and the shareholders as a whole.

PRINCIPAL ACTIVITIES, GEOGRAPHICAL ANALYSIS OF OPERATIONS AND BUSINESS REVIEW

The principal activity of the Company is investments holding. The activities of its subsidiaries are set out in note 30 to the Consolidated Financial Statements of this Annual Report.

An analysis of the Group’s performance for the year by operating segments is set out in note 5 to the Consolidated Financial Statements of this Annual Report.

The business review of the Group for the year ended 31 December 2015 is set out in the “Financial Summary”, “Chairman’s Statement” and “Management Discussion and Analysis” on pages 5 to 6, pages 7 to 8 and pages 9 to 10 respectively of this Annual Report.

RESULTS AND APPROPRIATIONS

Details of the Group’s results for the year ended 31 December 2015 are set out in the Consolidated Income Statement on page 32 of this Annual Report.

The Board does not recommend the payment of dividend for the year ended 31 December 2015.

RESERVES

Details of the movements in reserves of the Group and the Company during the year are set out in the Consolidated Statement of Changes in Equity on page 36 and note 29(a) to the Consolidated Financial Statements of this Annual Report.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and of the Company are set out in note 13 to the Consolidated Financial Statements of this Annual Report.

Report of the Directors

SHARE CAPITAL

Details of the share capital of the Company are set out in note 21 to the Consolidated Financial Statements of this Annual Report.

CHARITABLE DONATIONS

The Group did not make any charitable donations during the year.

DISTRIBUTABLE RESERVES

As at 31 December 2015, no reserves are available for distribution to shareholders by the Company as calculated in accordance with the Companies Act 1981 of Bermuda.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2015.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws (the "Bye-laws") or the laws of Bermuda which would obligate the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is set out on pages 5 and 6 of this Annual Report.

TAX RELIEF

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the Company's shares.

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2015, the Group has not entered into any equity-linked agreement.

DIRECTORS

The Directors who held office during the year and up to the date of this Annual Report are:

Executive Directors:

Mr. Cheng Chow-Chun
Mr. Lee Chao-Chun
Mr. Sun Tao-Heng
Mr. Yuan Chun-Tang

Independent non-executive Directors:

Mr. Li Kwan In
Mr. Suen Sai Wah Simon
Mr. Wang Chiang-Ming (appointed on 7 January 2015)
Mr. Maa Kwo-Juh (resigned on 7 January 2015)

In accordance with Bye-law 99, Mr. Cheng Chow-Chun, Mr. Yuan Chun-Tang and Mr. Li Kwan In will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

Report of the Directors

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Biographical details of the Directors and senior management of the Company are set out on pages 3 and 4 of this Annual Report.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received, from each independent non-executive Director, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

DIRECTORS’ SERVICE CONTRACTS

None of the Directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

DIRECTORS’ INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

None of the Director or an entity connected with any of them is or was materially interested, either directly or indirectly, in any transactions, arrangements and contract of significance subsisting during or at the year ended 31 December 2015.

DIRECTORS’ AND SENIOR MANAGEMENT’S EMOLUMENTS

Details of the emoluments of the Directors and senior management of the Company are set out in note 31 to the Consolidated Financial Statements of this Annual Report.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors of the Company is currently in force and was in force throughout the financial year. The Company has taken out and maintained Directors and officers liability insurance which provides appropriate cover for, among others, Directors of the Company.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its associated corporations a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors or their spouses or children under 18 years of age was granted any right to subscribe for any shares in, or debentures of, the Company or any of its associated corporations.

DIRECTORS’ AND CHIEF EXECUTIVE OFFICER’S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 31 December 2015, none of the Directors nor the Chief Executive of the Company had any interests or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2015, the interests and short positions in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) of the substantial shareholders (other than the directors and chief executive of the Company) as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange, were as set out below:

Name of shareholders	Capacity	Number of ordinary shares/ Percentage of total issued share capital as at 31 December 2015 (Note 1)						Note
		Long positions	%	Short positions	%	Lending pool	%	
Full Global International Limited	Beneficial owner	145,609,999	43.3%	-	-	-	-	(2)
Pacific Electric Wire & Cable Company Limited	Interest of controlled corporation	145,609,999	43.3%	-	-	-	-	(2)
Vision2000 Venture Ltd.	Beneficial owner	106,043,142	31.5%	-	-	-	-	(3)
Mosel Vitelic Inc.	Interest of controlled corporation	106,043,142	31.5%	-	-	-	-	(3)

Notes:

- (1) Based on 336,587,142 ordinary shares of the Company in issue as at 31 December 2015.
- (2) The 145,609,999 shares relate to the same batch of shares of the Company. According to the form of disclosure of interests submitted by Full Global International Limited on 31 May 2012, Full Global International Limited is the controlled corporation of Pacific Electric Wire & Cable Co., Ltd and accordingly, Pacific Electric Wire & Cable Co., Ltd is deemed to be interested in the 145,609,999 shares of the Company held by Full Global International Limited.
- (3) The 106,043,142 shares relate to the same batch of shares of the Company. According to the form of disclosure of interests submitted by Mosel Vitelic Inc. on 27 June 1997, Vision2000 Venture Ltd. is the controlled corporation of Mosel Vitelic Inc. and accordingly, Mosel Vitelic Inc. is deemed to be interested in the 106,043,142 shares of the Company held by Vision2000 Venture Ltd.

Save for those disclosed above, as at 31 December 2015, no other persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

There is no advance, which is of non-trading nature, to any of the affiliated companies as at 31 December 2015 as defined under Chapter 13 of the Listing Rules.

MANAGEMENT CONTRACTS

No contracts, other than a contract of services with any Director or any person engaged in the full-time employment of the Company, 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.

Report of the Directors

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 31 December 2015 attributable to the Group's major suppliers and customers are as follows:

	Percentage of the total purchases/sales accounted for
Purchases	
— the largest supplier	48%
— five largest suppliers combined	90%
Sales	
— the largest customer	31%
— five largest customers combined	84%

None of the Directors, or any of their close associates, or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in any of the major customers and suppliers noted above.

CONTRACTS OF SIGNIFICANCE AND RELATED PARTY TRANSACTIONS

No contract of significance had been entered into between the Company or any of its subsidiaries, and the controlling shareholders of the Company (as defined in the Listing Rules) or any of its subsidiaries. No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholders of the Company (as defined in the Listing Rules) or any of its subsidiaries.

Details of the related party transactions undertaken in the usual course of business are set out in note 28 to the Consolidated Financial Statements of this Annual Report. None of these related party transactions constitutes discloseable connected transaction as defined under the Listing Rules and therefore there is no disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CORPORATE GOVERNANCE PRACTICES

The Board confirms that the Company has adopted and complied with all code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules during the year ended 31 December 2015 except for the deviation from Code Provision A.4.1. Details of such deviation are disclosed in the Corporate Governance Report on pages 19 to 29 in this Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate the directors' securities transactions. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code for the year ended 31 December 2015, and they have all confirmed their respective full compliance with the required standard set out in the Model Code.

Report of the Directors

EMOLUMENT POLICY OF THE GROUP

The emolument policy of the employees of the Group is reviewed regularly by the Board. Remuneration packages are structured to take into account the merit, qualifications and competence of individual employees as well as the general market conditions.

The emoluments of Directors are recommended by the remuneration committee and determined by taking into consideration of their duties and responsibilities with the Company, the market rate and their time, effort and expertise to be input into the Group's affairs and the Company's performance.

SUFFICIENCY OF PUBLIC FLOAT

On 19 May 2015, the Company published an announcement disclosing, inter alia, receipt by the Company an application (the "Application") from Texan Management Limited ("Texan") for the issue of 4 replacement share certificates for the share certificates numbered 91064, 91065, 90986 and 90987 in respect of the 36,024,000 shares (representing 10.7% of the entire issued shares) in the Company (the "Subject Shares"). The Board stated that if such information given by Texan under the Application is true and correct, and therefore the Subject Shares are owned by Texan, the Subject Shares would not be qualified as "public float" under the Listing Rules and thus less than 25% of the issued share capital of the Company would be held in public hands. On 20 May 2015, trading in the shares of the Company was suspended pending the release of an announcement clarifying the shareholding structure of the Company.

Details of public float status of the Company are disclosed in the Company's announcements dated 19 May 2015, 20 May 2015, 9 July 2015, 24 July 2015, 27 August 2015, 7 October 2015, 3 November 2015, 3 December 2015, 11 January 2016, 2 February 2016 and 17 March 2016. The Company will, as and when appropriate, make further announcement to inform its shareholders and potential investors for the development pursuant to the Listing Rules and/or the SFO.

COMPETING INTERESTS

None of the Directors is interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group emphasises on environmental conservation. Although the Group does not establish a formal environmental policy, various measures have been implemented to encourage compliance with environmental legislation and promote awareness towards environmental protection to the employees. It implements green office practices such as double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliances. To conserve the environment, the Group encourages staff to maintain electronic records in order to reduce paper consumption. The Group will review its environmental practices periodically and will consider implementing further eco-friendly measures and practices in the operation of the Group's businesses.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2015, the Group was not aware of any non-compliance with any relevant laws and regulations that exert a significant impact on it.

Report of the Directors

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Company is committed to maintaining, and has maintained good relationships with, its employees, customers and suppliers with a view to fostering better mutual understanding and/or a sense of belonging towards the Company. This is conducive to implementing the Group's strategies and business objectives, as well as the Group's business development and sustainability in the long run.

DISCLOSURE OF CHANGE OF INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

During the year, the changes in the information of the Directors and chief executives of the Company as required to be disclosed pursuant to the Rule 13.51B of the Listing Rules were as follows:

- (i) Mr. Maa Kwo-Juh resigned from his office as independent non-executive Director, chairman of the Remuneration Committee, Audit Committee and Nomination Committee of the Company on 7 January 2015;
- (ii) Mr. Wang Chiang-Ming was appointed as independent non-executive Director, member of the Remuneration Committee, Audit Committee and Nomination Committee of the Company on 7 January 2015;
- (iii) Mr. Suen Sai Wah Simon was appointed as chairman of the Remuneration Committee, Audit Committee and Nomination Committee of the Company on 7 January 2015;
- (iv) Ms. Wong Xavier Julia Maria resigned as company secretary and authorized representative under Part 16 of the Companies Ordinance of the Company on 11 March 2015; and
- (v) Ms. Yuen Wing Yan Winnie was appointed as company secretary and authorized representative under Part 16 of the Companies Ordinance of the Company on 11 March 2015.

Save as disclosed above, there is no change in information of the Directors and chief executives of the Company since the date of the 2014 annual report of the Company which is required to be disclosed pursuant to the Rule 13.51B of the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company comprises solely independent non-executive Directors, namely Mr. Suen Sai Wah Simon (Chairman), Mr. Li Kwan In and Mr. Wang Chiang-Ming. The Group's annual results for the year ended 31 December 2015 have been reviewed by the audit committee of the Company.

Report of the Directors

AUDITOR

Messrs. PricewaterhouseCoopers will retire and, being eligible, offer themselves for re-appointment as auditor of the Company at the conclusion of the forthcoming annual general meeting of the Company.

On behalf of the Board

Cheng Chow-Chun

Chairman

Hong Kong, 17 March 2016

Corporate Governance Report

The Group recognizes the value and importance to achieving high corporate governance standards to enhance corporate performance and accountability.

The Board of Directors of the Company is committed to maintain sound corporate governance standard and procedures to ensure integrity, transparency and quality of disclosure in order to enhance the shareholders' value.

CORPORATE GOVERNANCE PRACTICES

During the year 2015, the Company has applied the principles as set out in the CG Code contained in Appendix 14 to the Listing Rules on the Stock Exchange and complied with the code provisions contained therein except for the following deviation:

Code Provision A.4.1

This code provision stipulates that non-executive Directors should be appointed for a specific term and subject to re-election.

The independent non-executive Directors were not appointed for specific terms but are subject to retirement by rotation at least once every three years and re-election at the Company's annual general meeting in accordance with the Bye-laws. 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 nearest but no less than one-third shall retire from office by rotation. Every Director should be subject to retirement by rotation at least once every three years.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate the directors' securities transactions. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the year 2015, and they have all confirmed their respective full compliance with the required standards as set out in the Model Code.

THE BOARD

During the year 2015, there was a change of independent non-executive Director on 7 January 2015. As at 31 December 2015, the Board comprises 7 Directors, of which 4 are executive Directors and 3 are independent non-executive Directors. The number of independent non-executive Directors has met the minimum requirement of the Listing Rules and represented more than one-third of the total Board members. Further, one of the independent non-executive Directors possesses appropriate professional accounting qualifications and/or financial management expertise. As of the date of this Annual Report, the members of the Board are as follows:

Executive Directors

Mr. Cheng Chow-Chun

Mr. Lee Chao-Chun

Mr. Sun Tao-Heng

Mr. Yuan Chun-Tang

Corporate Governance Report

Independent Non-executive Directors

Mr. Li Kwan In

Mr. Suen Sai Wah Simon

Mr. Wang Chiang-Ming

The biographical details of the Directors are contained in the section headed “Directors and Senior Management Biographies”. Details on the change of the Directors for the year ended 31 December 2015 are contained in the Report of the Directors.

Each of the Directors has entered into an appointment agreement with the Company. There is no fixed term or proposed length of service for each of the Directors (including the independent non-executive Directors) except that the appointment is subject to the requirements under the Listing Rules, the Bye-laws and any other applicable laws and regulations, and the appointment can be terminated by either party by giving the other party three months’ written notice in advance.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent.

When the Board considers any material proposal or transaction in which a Director has a conflict of interest, the Director who has interests declares his interest and is required to abstain from voting and is not counted in the quorum.

Other than the regulatory and statutory responsibilities of the Board, the key functions of the Board are to formulate strategy and to monitor and control operating and financial performance in pursuit of the Group’s strategic objective. The Board, led by the Chairman, retains full responsibility for setting objective and business development plans. All Directors (including independent non-executive Directors) have been consulted on major and material matters of the Company and have made active contribution to the affairs of the Board. The Board is committed to make decisions in the best interest of the Group. The main responsibilities of the management of the Company is to manage, operate and co-ordinate the business of the Company, execute the strategies formulated by the Board and make decisions in respect of daily matters.

There is no relationship (including financial, business, family or other material/relevant relationship(s)) between Board members and in particular, between the Chairman and the Chief Executive Officer.

During the year 2015, thirteen Board meetings were convened by the Company.

Corporate Governance Report

The attendance of the Directors at the Board meetings and general meetings of the Company during the year 2015 is summarised below.

	Number of Meetings attended/held	
	Board meetings	General meetings
Executive Directors		
– Mr. Cheng Chow-Chun (<i>Chairman</i>)	13/13	2/2
– Mr. Lee Chao-Chun (<i>Chief Executive Officer</i>)	13/13	2/2
– Mr. Sun Tao-Heng	9/13	1/2
– Mr. Yuan Chun-Tang	10/13	2/2
Independent Non-executive Directors		
– Mr. Li Kwan In	10/13	2/2
– Mr. Suen Sai Wah Simon	10/13	1/2
– Mr. Wang Chiang-Ming (appointed on 7 January 2015)	10/13	1/2
– Mr. Maa Kwo-Juh (resigned on 7 January 2015)	1/1	–

Apart from regular Board meetings, the Chairman also held meetings with the independent non-executive Directors without presence of executive Directors during the year 2015.

Notice of at least 14 days has been given of regular Board meetings to give all Directors an opportunity to attend. For all other Board meetings, reasonable notice has been given.

The agenda accompanying Board papers are sent to all Directors at least 3 days before the date of every Board meeting in order to allow sufficient time for the Directors to review the documents. All businesses transacted at the Board meetings were well-documented. Draft and final versions of Board minutes are sent to all Directors for their comments and records respectively.

Between Board meetings, the management provides to Directors from time to time updates and other information on the Group's business, operations and financial matters.

Directors are entitled to have access to Board papers and related materials and access to the advice and services of company secretary of the Company. Directors have the liberty to seek independent professional advice, if so required, at the Company's expenses as arranged by company secretary of the Company and they are at liberty to propose appropriate matters for inclusion in Board agendas.

For ensuring that Board procedures are followed and activities of the Board are efficient and effective, company secretary of the Company assists the Chairman to prepare agendas for regular board meetings and ensure the Board papers are disseminated to the Directors and Board Committees in a timely and comprehensive manner.

Corporate Governance Report

For the Group's compliance with the continuing obligations of the Listing Rules, The Codes on Takeovers and Mergers and Share Buy-backs, the SFO and the Companies Ordinance etc., including publication and dissemination of reports and financial statements and interim reports within the periods laid down in the Listing Rules, timely dissemination of announcements and information relating to the Group to the market and ensuring that proper notification is made of Director's dealings in securities of the Group, the Board engages the professional parties' input from time to time.

Directors are aware of their obligations for disclosure of interests in securities, connected transactions and inside information and ensure that the standards and disclosures required by the Listing Rules and the SFO are observed.

The Company has maintained liability insurance for Directors and senior management officers with appropriate coverage for certain legal liabilities which may arise in the course of performing their duties.

DIRECTORS' TRAINING

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide each newly appointed director a comprehensive induction package covering the summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Group's business and the Company's constitutional documents and guides on directors' duties to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements.

From time to time, relevant reading materials are provided to Directors with regard to regulatory and governance developments as well as organizes in-house training programme to refresh their knowledge and skills on the roles, functions and duties of a listed company's directors. The Company has devised a training record to assist the Directors to record the training they have undertaken.

During the year 2015, the Directors participated in the following trainings to develop and refresh their knowledge and skills:

	Types of training (Notes)
Executive Directors	
Mr. Cheng Chow-Chun (<i>Chairman</i>)	A/B
Mr. Lee Chao-Chun (<i>Chief Executive Officer</i>)	A/B
Mr. Sun Tao-Heng	A/B
Mr. Yuan Chun-Tang	A/B
Independent Non-executive Directors	
Mr. Li Kwan In	A/B
Mr. Suen Sai Wah Simon	A/B
Mr. Wang Chiang-Ming (appointed on 7 January 2015)	A/B
Mr. Maa Kwo-Juh (resigned on 7 January 2015)	A

Notes:

A: attending seminars and/or programmes and/or conferences

B: reading materials relating to the economy, general business or regulatory updates etc.

Corporate Governance Report

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge that they are primarily responsible for the preparation of the financial statements for the year ended 31 December 2015 which give a true and fair view and that appropriate accounting policies are selected and applied consistently.

To the best knowledge of the Directors, there is no uncertainty relating to events or conditions that may cast significant count upon the Company's ability to continue as a going concern.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer are Mr. Cheng Chow-Chun and Mr. Lee Chao-Chun respectively. The Chairman bears primary responsibility for the work of the Board, by ensuring its effective function, while the Chief Executive Officer bears executive responsibility for the Company's business and the management of the day-to-day operations of the Company.

BOARD COMMITTEES

The Board has established three Board Committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, to assist the Board in discharging its duties and to oversee particular aspects of the Group's affairs. All the Board Committees have clear written terms of reference and have to report on their decisions and recommendation to the Board. These written terms of reference are available for access at the principal place of business of the Company in Hong Kong and each of the committee members was furnished with a copy of the respective terms of reference.

The written terms of reference of the Board Committees are also available on the websites of the Company (<http://pacray.com.hk>) and the Stock Exchange.

All business dealt with by the Board Committees were well-documented. Draft and final versions of the Board Committees minutes are sent to all the respective Board Committees members for comments and records within reasonable time.

1. Audit Committee

The Audit Committee comprises solely independent non-executive Directors. As at 31 December 2015, the Audit Committee consists of three independent non-executive Directors, namely, Mr. Suen Sai Wah Simon (Chairman), Mr. Li Kwan In and Mr. Wang Chiang-Ming.

The Audit Committee is responsible for the following:

- reviewing and supervising the Company's financial reporting process and internal control systems;
- reviewing the accounting principles and practices adopted by the Group and other financial reporting matters and ensure the completeness, accuracy and fairness of the financial statements;
- making recommendations as to the effectiveness of internal control and risk management; and
- monitoring the compliance with statutory and listing requirements and to oversee the relationship with the external auditors.

Corporate Governance Report

The Audit Committee meets the external auditor and the senior management twice a year to discuss any areas of concern during the audits.

During the year 2015, the Audit Committee has reviewed (i) the annual report of the Group for the year ended 31 December 2014, (ii) the interim report of the Group for the 6 months ended 30 June 2015, and (iii) the external auditor's engagement letter with recommendation to the Board for approval.

During the year 2015, meetings were held with the management and/or the external auditor. Members of the Audit Committee and their respective attendance at committee meetings held during their term of office are listed below:

	Number of Audit Committee Meetings attended/held
Committee members	
— Mr. Suen Sai Wah Simon (appointed on 7 January 2015 as chairman)	6/6
— Mr. Li Kwan In	6/6
— Mr. Wang Chiang-Ming (appointed on 7 January 2015)	6/6
— Mr. Maa Kwo-Juh (resigned on 7 January 2015)	N/A

2. Remuneration Committee

The Remuneration Committee comprises solely independent non-executive Directors. As at 31 December 2015, the Remuneration Committee consists of two independent non-executive Directors, namely, Mr. Suen Sai Wah Simon (Chairman) and Mr. Wang Chiang-Ming. Its primary responsibilities include recommending, reviewing and determining the remuneration policy and packages of directors and senior management. Directors do not participate in the determination of their own remuneration.

During the year 2015, the Remuneration Committee has reviewed and recommended to the Board the Directors' remuneration. In making recommendations on the Directors' remuneration, the Remuneration Committee considered a number of factors including time commitment, responsibilities, qualification and the prevailing market rate. The remuneration of the Directors will be subject to approval by the Company at its separate general meeting.

Corporate Governance Report

During the year 2015, one meeting was held on 27 March 2015. Members of the Remuneration Committee and their respective attendance at the committee meeting during their term of office are listed below:

	Number of Remuneration Committee Meetings attended/held
Committee members	
— Mr. Suen Sai Wah Simon (appointed on 7 January 2015 as chairman)	1/1
— Mr. Wang Chiang-Ming (appointed on 7 January 2015)	1/1
— Mr. Maa Kwo-Juh (resigned on 7 January 2015)	N/A

3. Nomination Committee

The Nomination Committee comprises solely independent non-executive Directors. As at 31 December 2015, the Nomination Committee consists of two independent non-executive Directors, namely, Mr. Suen Sai Wah Simon (Chairman) and Mr. Wang Chiang-Ming.

The Company recognizes the benefits of a Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company. The Company has adopted a board diversity policy since November 2013. During the year 2015, the Nomination Committee has reviewed and recommended to the Board on the appointment of Director.

Diversity of Board members can be achieved through consideration of a number of factors including, but not limited to, gender, age, race, experience, cultural and educational background, skills and other qualities considered relevant and applicable. It will also take into account factors based on the Company's business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Its primary responsibilities are to assist the Board to review the structure of the Board and make recommendations to the Board on the appointment or re-appointment of directors to the Board. It also reviews the Company's adopted board diversity policy, as appropriate, to ensure its continued effectiveness and make recommendations to the Board for consideration and approval.

Corporate Governance Report

During the year 2015, one meeting was held with the management on 27 March 2015. Members of the Nomination Committee and their respective attendance at the committee meeting during their term of office are listed below:

	Number of Nomination Committee Meetings attended/held
Committee members	
— Mr. Suen Sai Wah Simon (appointed on 7 January 2015 as chairman)	1/1
— Mr. Wang Chiang-Ming (appointed on 7 January 2015)	1/1
— Mr. Maa Kwo-Juh (resigned on 7 January 2015)	N/A

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policy for the corporate governance of the Company. During the year 2015, the Board has discharged the following corporate governance duties:

- To develop and review the Company's policies and practices on corporate governance and make recommendations on changes and updating;
- To review and monitor the training and continuous professional development of directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors;
- To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report; and
- To implement such other corporate governance duties and functions set out in the CG Code (as amended from time to time) for which the Board are responsible.

Corporate Governance Report

AUDITORS' REMUNERATION

The statement of the external auditors of the Company about their reporting responsibility on the Company's financial statements for the year ended 31 December 2015 is set out in the section headed "Independent Auditor's Report" of this Annual Report.

As at 31 December 2015, fees payable for audit and audit-related services to PricewaterhouseCoopers and other auditors were approximately HK\$774,000 and Nil respectively.

COMPANY SECRETARY

During the year 2015, Ms. Wong Xavier Julia Maria has resigned as company secretary of the Company and Ms. Yuen Wing Yan Winnie of Tricor Services Limited, external service provider, has been engaged by the Company as its Company Secretary with effect from 11 March 2015. Its primary contact person at the Company is Mr. Cheng Chow-Chun, Chairman of the Company. Ms. Yuen has complied with Rule 3.29 of the Listing Rules of taking no less than 15 hours of relevant professional training.

INTERNAL CONTROL

The Board has overall responsibility for maintaining a sound and effective internal control system of the Group. The Company had adopted a set of internal control procedures and policies to safeguard the Group's assets against unauthorized use or disposition, to ensure proper maintenance of books and records for the provision of reliable financial information for internal use or publication, and to ensure compliance with relevant legislations and regulations.

The Audit Committee is responsible to review the overall effectiveness of the internal control system and report its findings and make recommendations to the Board. The Directors have conducted a review of the effectiveness of the Group's internal control system for the year 2015. The Board will continue to assess the effectiveness of internal control by considering reviews performed by the Audit Committee and management of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Company endeavours to maintain a high level transparency in communicating with its shareholders.

The Company welcomes the attendance of shareholders at general meetings to express their views. All the Directors are encouraged to attend the general meetings to have personal communication with shareholders. The Chairman of the Board as well as the chairmen of the Board Committees or other members of the respective committees are normally available to answer questions at general meetings. External auditor is also invited to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

The Company is committed to maximizing the use of its website as a channel to provide updated information in a timely manner and strengthen the communication with shareholders.

Corporate Governance Report

Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. The notice of general meeting is distributed to all shareholders and accompanying circular with details of each proposed resolution and other relevant information as required under the Listing Rules.

Resolutions put to vote at the general meetings (other than on procedural and administrative matters) are taken by poll. Procedures regarding the conduct of the poll are explained to the shareholders at the commencement of each general meeting. Poll results of the general meetings are published on the websites of the Company (<http://pacray.com.hk>) and the Stock Exchange.

The Company held an annual general meeting on 23 June 2015 ("2015 AGM"). All resolutions proposed at the 2015 AGM were passed.

On 15 December 2015, a SGM was held for the purposes of approving the change of Company name, increase of authorised share capital and amendments of bye-laws. All the resolutions proposed at the SGM were passed. As a result of the change of Company name and authorised share capital, the Bye-laws have been amended accordingly. Details of the resolutions proposed at the SGM, the poll results and changes on the Bye-laws were set out in the Company's circular and announcement dated 17 November 2015 and 15 December 2015 respectively.

SHAREHOLDERS' ENQUIRIES

Shareholders of the Company may direct their enquiries about their shareholdings to the Company's branch share registrar through the online holding enquiry service at www.tricoris.com or by email to is-enquiries@hk.tricorglobal.com or hotline at (852) 2980 1333 or in person at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Shareholders may also send written enquiries in respect of corporate governance or other matters of the Company to the Board to the following:

Address: Unit 408, 4/F., Nan Fung Tower, 88 Connaught Road Central, Hong Kong
For the attention of Chairman of the Board/Chief Executive Officer

Telephone: (852) 2534 7888

Fax: (852) 2851 3055

Corporate Governance Report

SHAREHOLDERS' RIGHTS

1. Convening of special general meeting by shareholders

The Directors shall, on the requisition of shareholders of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company which as at the date of the deposit carries the right of voting at general meetings of the Company, convene a special general meeting. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the principal office of the Company at Unit 408, 4/F., Nan Fung Tower, 88 Connaught Road Central, Hong Kong (the "Principal Office"), and may consist of several documents in like form each signed by one or more requisitionists.

If the Directors do not within twenty-one days from the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

The special general meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

2. Putting forward proposed resolution(s) to be considered at general meetings

Shareholders of the Company can submit a requisition in writing to the Company to requisition the Company (i) to give notice to the shareholders entitled to receive notice of the next annual general meeting in respect of any resolution which may properly be moved and is intended to be moved at an annual general meeting of the Company and/or (ii) to circulate a statement to shareholders entitled to have notice of any general meeting of the Company in respect of the matter referred to in any proposed resolution or business to be considered at any general meeting of the Company. These will be done at the expense of the requisitionist unless the Company resolves otherwise. The number of shareholders necessary for such requisition shall be (i) either any number of shareholders representing not less than one-twentieth of the total voting rights of all shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or (ii) not less than one hundred shareholders.

In the case of a requisition to circulate a statement to shareholders, please note that the statement shall contain no more than one thousand words. All requisition must be signed by all of the requisitionist(s) and be deposited at the Principal Office not less than six weeks before the general meeting in case of a requisition requiring notice of a resolution; and not less than one week before the general meeting in case of any other requisition.

The requisitionist(s) must deposit or tender with the requisition a sum of money reasonably sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement (as applicable) in giving effect to the requisition.

CONSTITUTIONAL DOCUMENTS

During the year 2015, the Company has amended its bye-laws. Details of the amendments are set out in the circular dated 17 November 2015 to the shareholders. An up-to-date version of the Company's memorandum of association and Bye-laws are available on the websites of the Company and the Stock Exchange.

Independent Auditor's Report



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PACRAY INTERNATIONAL HOLDINGS LIMITED
(FORMERLY KNOWN AS PACMOS TECHNOLOGIES HOLDINGS LIMITED)**

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of PacRay International Holdings Limited (formerly known as PacMOS Technologies Holdings Limited) (the "Company") and its subsidiaries set out on pages 32 to 80, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, 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 a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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T: +852 2289 8888, F: +852 2810 9888*

Independent Auditor's Report

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 17 March 2016

Consolidated Income Statement

For the year ended 31 December 2015

	Note	2015 HK\$'000	2014 HK\$'000
Revenue	5	13,614	13,646
Cost of sales	8	(5,790)	(4,685)
Gross profit		7,824	8,961
Distribution costs	8	(71)	(61)
General and administrative expenses	8	(21,312)	(16,239)
Other income	6	1,166	1,644
Other (losses)/gains, net	7	(13,405)	22,963
(Loss)/profit before income tax		(25,798)	17,268
Income tax credit	10	545	–
(Loss)/profit for the year attributable to owners of the Company		(25,253)	17,268
		HK cents	HK cents
(Loss)/earnings per share for (loss)/profit attributable to owners of the Company			
– Basic and diluted	12	(7.50)	5.13

The notes on pages 38 to 80 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

	2015 HK\$'000	2014 HK\$'000
(Loss)/profit for the year	(25,253)	17,268
Other comprehensive loss		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	(570)	(143)
Total comprehensive (loss)/income for the year attributable to owners of the Company	(25,823)	17,125

The notes on pages 38 to 80 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2015

	Note	2015 HK\$'000	2014 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	2,560	3,112
Intangible assets	14	–	–
Long-term deposits	17	516	182
Deferred income tax assets	25	542	–
		3,618	3,294
Current assets			
Inventories	15	3,365	4,489
Trade and bills receivables	16	2,977	1,306
Deposits, prepayments and other receivables	17	1,100	1,472
Amount due from a related party	28(b)	3	3
Financial assets at fair value through profit or loss	19	71,256	132,847
Current income tax assets		58	–
Cash and cash equivalents	20	87,791	53,326
		166,550	193,443
Total assets		170,168	196,737
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	21	134,922	134,922
Other reserves	22	545	1,115
Retained earnings		31,975	57,228
Total equity		167,442	193,265

Consolidated Statement of Financial Position

As at 31 December 2015

	Note	2015 HK\$'000	2014 HK\$'000
LIABILITIES			
Non-current liabilities			
Other payables	24	–	269
Current liabilities			
Trade payables	23	91	252
Other payables and accruals	24	2,635	1,930
Amount due to a fellow subsidiary	28(b)	–	1,021
		2,726	3,203
Total liabilities		2,726	3,472
Total equity and liabilities		170,168	196,737

The consolidated financial statements on pages 32 to 80 were approved by the Board of Directors on 17 March 2016 and were signed on its behalf by

CHENG Chow-Chun
Director

LEE Chao-Chun
Director

The notes on pages 38 to 80 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Attributable to owners of the Company			
	Share capital HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
Balance at 1 January 2014	134,922	1,258	39,960	176,140
Comprehensive income				
Profit for the year	–	–	17,268	17,268
Other comprehensive loss				
Currency translation differences	–	(143)	–	(143)
Total comprehensive income for the year	–	(143)	17,268	17,125
Balance at 31 December 2014	134,922	1,115	57,228	193,265
Balance at 1 January 2015	134,922	1,115	57,228	193,265
Comprehensive loss				
Loss for the year	–	–	(25,253)	(25,253)
Other comprehensive loss				
Currency translation differences	–	(570)	–	(570)
Total comprehensive loss for the year	–	(570)	(25,253)	(25,823)
Balance at 31 December 2015	134,922	545	31,975	167,442

The notes on pages 38 to 80 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	Note	2015 HK\$'000	2014 HK\$'000
Cash flows from operating activities			
Cash used in operations	26	(14,160)	(6,439)
Income tax paid		(58)	–
Net cash used in operating activities		(14,218)	(6,439)
Cash flows from investing activities			
Purchases of property, plant and equipment	13	(851)	(1,011)
Proceeds from disposal of financial assets at fair value through profit or loss		48,831	–
Interest received		282	459
Dividend received		543	836
Net cash generated from investing activities		48,805	284
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		53,326	59,508
Exchange losses on cash and cash equivalents		(122)	(27)
Cash and cash equivalents at the end of the year		87,791	53,326

The notes on pages 38 to 80 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

PacRay International Holdings Limited (formerly known as PacMOS Technologies Holdings Limited) (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the design and distribution of integrated circuits and semi-conductor parts in the People’s Republic of China (the “PRC”) and investments holding.

The Company is a limited liability company incorporated in Bermuda. The address of its principal place of business is Unit 408, 4/F, Nan Fung Tower, 88 Connaught Road Central, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

These consolidated financial statements are presented in thousands of units of Hong Kong Dollars (HK\$’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 17 March 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss, which are carried at fair value.

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures

(a) *Amended standards adopted by the Group*

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015.

Amendments from annual improvements to HKFRSs — 2010–2012 Cycle, on HKFRS 8, ‘Operating segments’, HKAS 16, ‘Property, plant and equipment’ and HKAS 38, ‘Intangible assets’ and HKAS 24, ‘Related party disclosures’. The amendments do not have significant impact on the Group’s consolidated financial statements.

Amendments from annual improvements to HKFRSs — 2011–2013 Cycle, on HKFRS 3, ‘Business combinations’, HKFRS 13, ‘Fair value measurement’ and HKAS 40, ‘Investment property’. The amendments do not have significant impact on the Group’s consolidated financial statements.

The adoption of the improvements made in the 2010–2012 Cycle has required additional disclosures in the segment note. No other amended standards have any impact on the Group’s financial statements since they are not relevant to the Group’s operations.

(b) *New Hong Kong Companies Ordinance (Cap. 622)*

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.1 Basis of preparation *(Continued)*

2.1.1 Changes in accounting policy and disclosures *(Continued)*

- (c) *New and amended standards that have been issued but are not yet effective for annual periods beginning after 1 January 2015 and have not been early adopted by the Group*

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except as set out below:

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKFRS 9's full impact.

HKFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of goods or service and thus has the ability to direct the use and obtain the benefits from the goods or service. The standard replaces HKAS 18 'Revenue' and HKAS 11 'Construction contracts' and related interpretations. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

There are no other HKFRSs that are not yet effective that would be expected to have a material impact on the Group.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries

2.2.1 Consolidation

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

(a) *Business combinations*

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

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

Acquisition-related costs are expensed as incurred.

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

Intra-Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.2 Subsidiaries *(Continued)*

2.2.1 Consolidation *(Continued)*

(b) *Changes in ownership interests in subsidiaries without change of control*

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

(c) *Disposal of subsidiaries*

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

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

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

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman of the Board.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Foreign exchange gains and losses are presented in the consolidated income statement within 'Other (losses)/gains, net'.

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

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

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.4 Foreign currency translation *(Continued)*

(c) Group companies

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. On consolidation, currency translation differences arising from the translation of net investment in foreign operations are recognised in other comprehensive income.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Leasehold improvements	4–6 years or shorter of the lease term
Furniture, fixtures and equipment	4–8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.6 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of two to five years. Cost associated with maintaining computer software programmes are recognised as expenses as incurred.

2.7 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.8 Financial assets *(Continued)*

2.8.1 Classification *(Continued)*

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and bills receivables", "deposits, prepayments and other receivables", "amount due from a related party" and 'cash and cash equivalents' in the statement of financial position.

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.8.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated income statement within 'Other (losses)/ gains — net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.10 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.10 Impairment of financial assets *(Continued)*

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other indirect costs and related production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling and distribution costs.

2.12 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposit held at call with banks with original maturities of three months or less.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.16 Current and deferred income tax *(Continued)*

(b) **Deferred income tax** *(Continued)*

Outside basis differences

Deferred income tax liability is provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) **Offsetting**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

(a) **Employee leave entitlements**

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(b) **Bonus plans**

Provision for bonus plans is recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.17 Employee benefits *(Continued)*

(c) Retirement benefits schemes

The Group contributes to various employee retirement benefit plans organised by municipal and provincial governments in Mainland China for its PRC based employees. Under these plans, the municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees of the Group. Contributions to these plans are expensed as incurred. The Group has no further payment obligations once the contributions have been paid.

The Group's contributions to the Mandatory Provident Fund Scheme established under the Hong Kong Mandatory Provident Fund Schemes Ordinance are expensed as incurred. Both the Group and its employees in Hong Kong are required to contribute 5% of each individual's relevant income with a maximum amount of HK\$1,500 per month as a mandatory contribution. Employees may also elect to contribute more than the minimum as a voluntary contribution. The assets of the scheme are held separately from those of the Group and managed by independent professional fund managers. The Group has no further payment obligations once the contributions have been paid.

2.18 Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognised when the title to the goods has been passed to the customer, which is at the date when the customer receives and accepts the goods, and the collectability of the related receivables is reasonably assured.

(b) Interest income

Interest income from bank deposits is recognised on a time-proportion basis using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

2.19 Leases (as the lessee for operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or Directors, where appropriate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management. Management identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar ("US\$") and Renminbi ("RMB"). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. In addition, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. Management is responsible for managing the net position in each foreign currency.

The Group currently does not have a foreign currency hedging policy.

For companies with RMB as their functional currency

As the assets and liabilities of the companies with RMB as their functional currency are mainly denominated in RMB, the Directors are of the opinion that their volatility of their profits against changes in exchange rates of foreign currencies would not be significant.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(ii) Interest rate risk

The Group does not have bank borrowings during the year (2014: same). The Group's exposures to changes in interest rates are mainly attributable to its interest bearing bank deposits.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

The impact on post-tax loss of 10 basis-point shift would be a maximum decrease/increase of HK\$71,000 for the year ended 31 December 2015 (2014: post-tax profit increase/decrease of HK\$56,000), mainly as a result of its interest bearing bank deposits.

(iii) Price risk

The Group is exposed to equity securities price risk because investments in listed equities held by the Group are classified in the consolidated statement of financial position as financial assets at fair value through profit or loss. No specific hedging of price risk has been carried out.

The Group's investments in equity of other entities are publicly traded on NASDAQ in the United States of America and the Stock Exchange.

For the year ended 31 December 2015, assuming the prices of the investments as at year end had increased/decreased by 10% (2014: 10%), the impact on post-tax loss would be approximately HK\$7,126,000 lower or higher (2014: the impact on post-tax profit would be approximately HK\$13,285,000 higher or lower).

(b) Credit risk

Credit risk is managed on a group basis. The Group's credit risk arises from cash and cash equivalents, short-term bank deposits, as well as credit exposures to trade receivables. Management has policies in place to monitor the exposures to these credit risks on an on-going basis.

The Group's exposure to bad debts is not significant since the Group primarily trades with reputable and creditworthy customers. In addition, the Group has credit policies in place to ensure that sales of products are made on cash basis or to customers with appropriate credit history.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.1 Financial risk factors *(Continued)*

(b) Credit risk *(Continued)*

Top five customers accounted for approximately 96% (2014: 84%) of the Group's trade receivables as at 31 December 2015. The Group mitigates its concentration risk from its major customers by doing businesses with a number of customers for the same or similar products and the Group actively monitors the credit quality of its customers and adjusts the credit limits granted to the customers should their credit quality deteriorate or when there are signs of slow payment of outstanding receivables.

Exposure to credit risk arising from bank deposits is managed by placing the deposits at reputable banks attaining a minimum credit rating of "A" and through regular monitoring of the credit rating.

(c) Liquidity risk

The Group did not have any bank borrowings during the year (2014: same). Prudent liquidity risk management implies maintaining sufficient cash from operating activities. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining an adequate amount of operating cash.

Surplus cash held by the operating entities over and above balance required for working capital management are invested in time deposits and marketable securities, choosing instruments with appropriate maturities. As at 31 December 2015, the Group held cash and cash equivalents of HK\$87,791,000 (2014: HK\$53,326,000) that are expected to readily generate cash inflows for managing liquidity risk.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to their respective contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Total HK\$'000
At 31 December 2015			
Trade payables	91	–	91
Other payables and accruals	2,588	–	2,588
At 31 December 2014			
Trade payables	252	–	252
Other payables and accruals	1,914	269	2,183
Amount due to a fellow subsidiary	1,021	–	1,021

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities expressed as a percentage of the total equity and liabilities. As at 31 December 2015, the gearing ratio was approximately 2% (2014: approximately 2%). Management considers a ratio of not more than 30% as optimal.

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2015 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

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

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2015.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Assets				
Financial assets at fair value through profit or loss	71,256	–	–	71,256

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT *(Continued)*

3.3 Fair value estimation *(Continued)*

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2014.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
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Assets

Financial assets at fair value

through profit or loss	132,847	–	–	132,847
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The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

3.4 Offsetting financial assets and financial liabilities

No financial assets or liabilities are subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2015 (2014: same).

3.5 Major customers and suppliers

The five largest customers of the Group accounted for approximately 84% (2014: 73%) of the Group's total revenue while the largest customer of the Group accounted for approximately 31% (2014: 39%) of the Group's total revenue. In addition, for the year ended 31 December 2015, the five largest suppliers of the Group accounted for approximately 90% (2014: 99%) of the Group's total purchases while the largest supplier of the Group accounted for approximately 48% (2014: 52%) of the Group's total purchases.

The Group mitigates its concentration risk from its major customers by doing businesses with a number of customers for the same or similar products. The Group also maintains relationships with a number of accredited suppliers so as to reduce its reliance of any of them.

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is written down to net realisable value when there is an objective evidence that the cost of inventories may not be recoverable. The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs to be incurred to make the sales have increased.

The amount written off to the consolidated income statement is the difference between the carrying value and net realisable value of the inventories. In determining whether the inventories can be recoverable, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent by all means to which the amount will be recovered.

5 SEGMENT INFORMATION

The Group is principally engaged in the design, distribution and trading of integrated circuits and semiconductor parts in the PRC, and investments holding.

For management purpose, the Group is organised into two main operations:

- (i) corporate administration and investment functions performed by the Hong Kong headquarter; and
- (ii) design and sales of integrated circuits used in industrial and household measuring tools conducted through the Group's subsidiary in the PRC, namely Shanghai SyncMOS Semiconductor Company Limited ("Shanghai SyncMOS").

These operating segments are the basis on which the Group reports its primary segment information to the chief operating decision maker who is the Chairman of the Board.

The chief operating decision maker assesses the performance of the operating segments based on a measure of revenue, operating profit and net profit.

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION *(Continued)*

	Hong Kong HK\$'000	PRC HK\$'000	Total HK\$'000
For the year ended 31 December 2015			
Revenues from external customers	–	13,614	13,614
Operating (loss)/profit	(26,235)	155	(26,080)
Interest income	267	15	282
Profit before income tax	(25,968)	170	(25,798)
Income tax credit	–	545	545
(Loss)/profit for the year	(25,968)	715	(25,253)
Other losses — net, included in results for the year	(13,385)	(20)	(13,405)
Depreciation and amortisation, included in results for the year	268	406	674
Capital expenditures	90	761	851
As at 31 December 2015			
Segment assets	158,139	12,029	170,168
Segment liabilities	1,316	1,410	2,726

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION *(Continued)*

	Hong Kong HK\$'000	PRC HK\$'000	Total HK\$'000
For the year ended 31 December 2014			
Revenues from external customers	–	13,646	13,646
Operating profit	15,318	1,491	16,809
Interest income	408	51	459
Profit before income tax	15,726	1,542	17,268
Income tax	–	–	–
Profit for the year	15,726	1,542	17,268
Other gains/(losses) – net, included in results for the year	22,980	(17)	22,963
Depreciation and amortisation, included in results for the year	307	321	628
Capital expenditures	50	961	1,011
As at 31 December 2014			
Segment assets	184,972	11,765	196,737
Segment liabilities	2,182	1,290	3,472

Details of individual customers accounting for 10% or more of total revenue are as follows:

	2015 HK\$'000	2014 HK\$'000
Customer A	4,268	5,294
Customer B	2,642	1,781
Customer C	1,909	–
Customer D	1,495	–

Notes to the Consolidated Financial Statements

6 OTHER INCOME

	2015 HK\$'000	2014 HK\$'000
Interest income	282	459
Dividend income	543	836
Sundry income	341	349
	1,166	1,644

7 OTHER (LOSSES)/GAINS, NET

Other (losses)/gains recognised during the year are as follows:

	2015 HK\$'000	2014 HK\$'000
Financial assets at fair value through profit or loss:		
– unrealised fair value (losses)/gains	(12,683)	22,996
– realised losses	(38)	–
Exchange losses, net	(76)	(33)
Loss on disposal of property, plant and equipment	(608)	–
Other (losses)/gains, net	(13,405)	22,963

Notes to the Consolidated Financial Statements

8 EXPENSES BY NATURE

	2015 HK\$'000	2014 HK\$'000
Auditors' remuneration		
– Audit services	774	1,133
– Non-audit services	–	–
	774	1,133
Cost of inventories sold	5,050	4,664
Depreciation of property, plant and equipment	674	628
Employee benefit expenses (including Directors' emoluments) (Note 9)	7,825	7,966
Legal and professional fee	5,875	1,451
Marketing costs	71	61
Operating lease rentals in respect of properties	2,400	2,243
Provision for inventories	740	21
Research and development costs	71	58
Other expenses	3,693	2,760
Total cost of sales, distribution costs and general and administrative expenses	27,173	20,985

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTOR'S EMOLUMENTS)

	2015 HK\$'000	2014 HK\$'000
Salaries, wages and other benefits	6,671	6,857
Bonuses and welfare fund	1,117	1,024
Pension costs – defined contribution plan	37	85
Total employee benefit expenses	7,825	7,966

Notes to the Consolidated Financial Statements

9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTOR'S EMOLUMENTS) *(Continued)*

(a) Five highest paid individuals

One of the five highest paid individuals is a Director (2014: two) whose emoluments are reflected in Note 31(a). The emoluments payable to the remaining four highest paid individuals (2014: three) during the year are as follows:

	2015 HK\$'000	2014 HK\$'000
Basic salaries and allowances	2,522	2,334
Bonuses	228	–
Pension costs – defined contribution plan	309	70
	3,059	2,404

The emoluments of these four (2014: three) highest paid individuals fell within the following bands:

	Number of individuals	
	2015	2014
Nil – HK\$1,000,000	3	2
HK\$1,000,001 – HK\$1,500,000	1	1
	4	3

During the year, no emolument was paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

Notes to the Consolidated Financial Statements

10 INCOME TAX

The Company is exempted from taxation in Bermuda. Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year for its subsidiaries in Hong Kong. According to the relevant PRC tax regulations, Shanghai SyncMOS, being qualified as a New and High Technology Enterprise during the year ended 31 December 2015, is entitled to a preferential Corporate Income Tax ("CIT") rate of 15% (2014: standard tax rate of 25%). Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates prevailing in the countries in which the Group operates.

	2015 HK\$'000	2014 HK\$'000
Current income tax	–	–
Deferred income tax (Note 25)	(545)	–
Income tax credit	(545)	–

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using domestic tax rates applicable to (loss)/profit in the respective countries as follows:

	2015 HK\$'000	2014 HK\$'000
(Loss)/profit before income tax	(25,798)	17,268
Tax calculated at domestic tax rates applicable to profit in the respective countries	43	208
Income not subject to tax	(78)	(262)
Expenses not deductible for tax purpose	35	45
Tax incentives for research and development expenses (Note a)	(238)	–
Recognition of previously unrecognized tax losses and temporary differences	(310)	–
Tax losses for which no deferred tax asset was recognised	3	9
Income tax credit	(545)	–

Note a:

According to relevant laws and regulations promulgated by the State Administration of Tax of the PRC effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 150% of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year ("Super Deduction"). The additional deduction of 50% of qualified research and development expenses is subject to the approval from the relevant tax authorities in the annual CIT filling. The Group has made its best estimate for the Super Deduction to be claimed in ascertaining the assessable profits for the year ended 31 December 2015.

Notes to the Consolidated Financial Statements

11 DIVIDENDS

No dividends have been paid or proposed during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: Nil).

12 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the consolidated (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2015 HK\$'000	2014 HK\$'000
(Loss)/profit attributable to owners of the Company	(25,253)	17,268
Weighted average number of ordinary shares in issue (thousands)	336,587	336,587
	HK cents	HK cents
Basic (loss)/earnings per share	(7.50)	5.13

(b) Diluted

The Company does not have any potential dilutive ordinary shares.

Notes to the Consolidated Financial Statements

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Total HK\$'000
At 1 January 2014			
Cost	1,200	7,439	8,639
Accumulated depreciation	(103)	(5,781)	(5,884)
Net book amount	1,097	1,658	2,755
Year ended 31 December 2014			
Opening net book amount	1,097	1,658	2,755
Additions	50	961	1,011
Depreciation	(302)	(326)	(628)
Exchange differences	–	(26)	(26)
Closing book amount	845	2,267	3,112
At 31 December 2014			
Cost	1,250	8,293	9,543
Accumulated depreciation	(405)	(6,026)	(6,431)
Net book amount	845	2,267	3,112
Year ended 31 December 2015			
Opening net book amount	845	2,267	3,112
Additions	35	816	851
Depreciation	(250)	(424)	(674)
Disposal	(604)	(4)	(608)
Exchange differences	–	(121)	(121)
Closing book amount	26	2,534	2,560
At 31 December 2015			
Cost	124	8,452	8,576
Accumulated depreciation	(98)	(5,918)	(6,016)
Net book amount	26	2,534	2,560

Depreciation expenses of HK\$674,000 (2014: HK\$628,000) has been charged in 'general and administrative expenses'.

Notes to the Consolidated Financial Statements

14 INTANGIBLE ASSETS

	Computer software HK\$'000
At 1 January 2014, 31 December 2014 and 31 December 2015	
Cost	5,005
Accumulated amortisation	(5,005)
Net book amount	–

There were no changes of the Group's intangible assets during the years ended 31 December 2015 and 2014.

15 INVENTORIES

	2015 HK\$'000	2014 HK\$'000
Raw materials	811	730
Work in progress	1,353	1,535
Finished goods	3,023	3,372
Less: provision for inventories	5,187 (1,822)	5,637 (1,148)
Inventories, net	3,365	4,489

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$5,052,000 (2014: HK\$4,664,000). A provision for inventories of HK\$740,000 was made and included in cost of sales during the year ended 31 December 2015 (2014: HK\$21,000).

Notes to the Consolidated Financial Statements

16 TRADE AND BILLS RECEIVABLES

	2015 HK\$'000	2014 HK\$'000
Trade receivables	737	487
Bills receivables	2,240	819
Less: allowance for impairment of receivables	–	–
Trade and bills receivables, net	2,977	1,306

As at 31 December 2015, trade receivables of HK\$393,000 (2014: HK\$287,000) were past due but not impaired. The ageing analysis of trade receivables based on invoice date were as follows:

	2015 HK\$'000	2014 HK\$'000
1–30 days	344	200
31–90 days	268	179
Over 90 days	125	108
	737	487

The carrying values of trade receivables approximate their fair values as at 31 December 2015 (2014: same). The Group's credit terms to trade debtors range from 30 to 60 days.

As at 31 December 2015, bills receivables of HK\$2,240,000 (2014: HK\$819,000) will mature as follows:

	2015 HK\$'000	2014 HK\$'000
0–30 days	615	126
31–90 days	753	378
91–180 days	860	315
over 180 days	12	–
	2,240	819

The maximum exposure to credit risk at the reporting date is the carrying value of the trade and bills receivables disclosed above. The Group's trade and bills receivables are denominated in RMB.

Notes to the Consolidated Financial Statements

17 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2015 HK\$'000	2014 HK\$'000
Deposits	748	757
Prepayments	851	897
Other receivables	17	–
	1,616	1,654
Less: non-current portion — long-term deposits	(516)	(182)
Current portion	1,100	1,472

The carrying values of deposits and other receivables approximate their fair values as at 31 December 2015 (2014: same).

18 FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables HK\$'000	Financial assets at fair value through profit or loss HK\$'000	Total HK\$'000
At 31 December 2015			
Trade and bills receivables (Note 16)	2,977	–	2,977
Deposits and other receivables (Note 17)	765	–	765
Amount due from a related party (Note 28(b))	3	–	3
Financial assets at fair value through profit or loss (Note 19)	–	71,256	71,256
Cash and cash equivalents (Note 20)	87,791	–	87,791
Total	91,536	71,256	162,792
At 31 December 2014			
Trade and bills receivables (Note 16)	1,306	–	1,306
Deposits and other receivables (Note 17)	757	–	757
Amount due from a related party (Note 28(b))	3	–	3
Financial assets at fair value through profit or loss (Note 19)	–	132,847	132,847
Cash and cash equivalents (Note 20)	53,326	–	53,326
Total	55,392	132,847	188,239

Notes to the Consolidated Financial Statements

18 FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

	Other financial liabilities at amortised cost HK\$'000
At 31 December 2015	
Trade payables (Note 23)	91
Other payables and accruals (Note 24)	2,588
Total	2,679
At 31 December 2014	
Trade payables (Note 23)	252
Other payables and accruals (Note 24)	2,183
Amount due to a fellow subsidiary (Note 28(b))	1,021
Total	3,456

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 HK\$'000	2014 HK\$'000
Listed securities — held-for-trading		
— The United States of America	70,541	131,993
— Hong Kong	715	854
Total	71,256	132,847

Changes in fair value of the financial assets at fair value through profit or loss are recorded in “Other (losses)/ gains, net” in Note 7 of the consolidated income statement.

The fair value of all equity securities is based on their current bid prices in active markets.

Notes to the Consolidated Financial Statements

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

As at 31 December 2015, the carrying amount of the Group's interests in the shares of ChipMOS Technologies (Bermuda) Ltd. ("ChipMOS") represented 41% (2014: 67%) of the total assets of the Group.

Name	Place of incorporation	Principal activities	Particulars of issued shares held	Interest held
ChipMOS	Bermuda	Provision of semi-conductor testing and packaging solutions to fabless companies, integrated device manufacturers and foundries	Issued capital of US\$1.2 million par value of US\$0.04 per share	459,678 common shares, representing 1.7% of issued share capital of ChipMOS

The quoted market price of ChipMOS as at 16 March 2016 was approximately US\$17.04.

20 CASH AND CASH EQUIVALENTS

	2015 HK\$'000	2014 HK\$'000
Cash at bank	4,758	51,852
Term deposits with original maturities of three months or less (Note a)	83,029	1,468
Cash on hand	4	6
Cash and cash equivalents	87,791	53,326
Denominated in:		
– HK\$	36,369	49,780
– US\$	49,551	389
– RMB (Note b)	1,871	3,157
	87,791	53,326

Notes:

- (a) As at 31 December 2015, the effective interest rate on term deposits was 0.67% (2014: 2.45%).
- (b) As at 31 December 2015, funds of the Group denominated in RMB, amounting to HK\$1,868,000 (2014: HK\$3,150,000), were kept in bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange controls.

Notes to the Consolidated Financial Statements

21 SHARE CAPITAL

	Number of shares (thousands)	Ordinary shares HK\$'000	Share premium HK\$'000	Total share capital HK\$'000
At 1 January 2014, 31 December 2014 and 31 December 2015	336,587	33,659	101,263	134,922

The total authorised number of ordinary shares is 1,000 million shares (2014: 500 million shares) with a par value of HK\$0.1 per share (2014: HK\$0.1 per share). All issued shares are fully paid.

22 OTHER RESERVES

	Exchange reserve HK\$'000
At 1 January 2014	1,258
Currency translation differences	(143)
At 31 December 2014	1,115
Currency translation differences	(570)
At 31 December 2015	545

23 TRADE PAYABLES

At 31 December 2015, the ageing analysis of trade payables based on invoice date is as follows:

	2015 HK\$'000	2014 HK\$'000
0–30 days	91	252

The carrying amounts of trade payables approximate their fair values as at 31 December 2015 (2014: same).

Notes to the Consolidated Financial Statements

24 OTHER PAYABLES AND ACCRUALS

	2015 HK\$'000	2014 HK\$'000
Accrued staff benefits	857	835
Accrued professional fees	1,125	825
Advances from customers	47	16
Others	606	523
	2,635	2,199
Less: non-current portion — other payables	-	(269)
Current portion	2,635	1,930

25 DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2015 HK\$'000	2014 HK\$'000
Deferred income tax assets to be recovered after more than 12 months	542	-

The gross movement on the deferred income tax account is as follows:

	2015 HK\$'000	2014 HK\$'000
At 1 January	-	-
Credited to the consolidated income statement	545	-
Currency translation differences	(3)	-
At 31 December	542	-

Notes to the Consolidated Financial Statements

25 DEFERRED INCOME TAX (Continued)

Deferred income tax assets:

	Provisions HK\$'000	Tax losses HK\$'000	Other HK\$'000	Total HK\$'000
At 1 January 2014 and 31 December 2014	–	–	–	–
Charged to the consolidated income statement	170	140	235	545
Currency translation differences	(1)	–	(2)	(3)
At 31 December 2015	169	140	233	542

Unrecognised tax losses of approximately HK\$80 million (2014: HK\$81 million) is subject to the approval of the relevant tax authorities and have of no expiry date.

26 CASH USED IN OPERATIONS

	2015 HK\$'000	2014 HK\$'000
(Loss)/profit before income tax	(25,798)	17,268
Adjustments for:		
– Interest income	(282)	(459)
– Dividend income	(543)	(836)
– Depreciation of property, plant and equipment	674	628
– Loss on disposal of property, plant and equipment	608	–
– Unrealised fair value losses/(gains) from financial assets at fair value through profit or loss	12,683	(22,996)
– Realised losses on disposal of financial assets at fair value through profit or loss	38	–
– Provision for inventories	740	21
	(11,880)	(6,374)
Changes in working capital:		
– Inventories	151	(666)
– Trade and bills receivables	(1,751)	48
– Deposits, prepayments and other receivables	6	1,208
– Amount due to a fellow subsidiary	(1,021)	1,021
– Trade payables, other payables and accruals	335	(1,676)
Cash used in operations	(14,160)	(6,439)

Notes to the Consolidated Financial Statements

27 OPERATING LEASE COMMITMENTS

The Group leases various offices under non-cancellable operating lease agreements. The lease terms are between one to three years.

The future aggregate minimum lease payments for office premises under non-cancellable operating leases are as follows:

	2015 HK\$'000	2014 HK\$'000
— Not later than one year	1,612	2,090
— Later than one year and not later than five years	1,915	57
	3,527	2,147

28 RELATED PARTY TRANSACTIONS

The Directors regard Pacific Electric Wire and Cable Company ("PEWC"), a public company incorporated in Taiwan, as the ultimate holding company of the Company.

(a) Key management compensation

Key management includes Directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown below:

	2015 HK\$'000	2014 HK\$'000
Basic salaries and allowances	2,153	1,744
Bonuses	96	—
	2,249	1,744

Notes to the Consolidated Financial Statements

28 RELATED PARTY TRANSACTIONS *(Continued)*

(b) Year end balances arising from expenses paid on behalf

	2015 HK\$'000	2014 HK\$'000
Amount due from Mosel Vitelic Inc. ("MVI"), a related company	3	3
Amount due to PEWC Overseas Investment Management Limited ("POIM"), a fellow subsidiary	–	(1,021)

The amounts due from MVI, a related company and the amount due to POIM, a fellow subsidiary are unsecured, interest-free and repayable on demand. The carrying amounts of the balances approximate their fair values and are denominated in Hong Kong Dollars.

29 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

Statement of financial position of the Company

As at 31 December 2015

Note	2015 HK\$'000	2014 HK\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	87	871
Long-term deposits	516	–
Investments in subsidiaries	55,020	68,487
	55,623	69,358
Current assets		
Deposits, prepayments and other receivables	297	1,025
Amount due from a related party	3	3
Financial assets at fair value through profit or loss	70,541	131,993
Cash and cash equivalents	50,624	1,622
	121,465	134,643
Total assets	177,088	204,001

Notes to the Consolidated Financial Statements

29 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

Statement of financial position of the Company *(Continued)*

As at 31 December 2015

	Note	2015 HK\$'000	2014 HK\$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		134,922	134,922
Other reserves	(a)	158,366	158,366
Accumulated losses	(a)	(127,846)	(101,803)
Total equity		165,442	191,485
LIABILITIES			
Current liabilities			
Other payables and accruals		1,317	1,161
Amounts due to subsidiaries		10,329	10,334
Amount due to a fellow subsidiary		–	1,021
Total liabilities		11,646	12,516
Total equity and liabilities		177,088	204,001

The statement of financial position of the Company was approved by the Board of Directors on 17 March 2016 and was signed on its behalf by

CHENG Chow-Chun
Director

LEE Chao-Chun
Director

Notes to the Consolidated Financial Statements

29 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY *(Continued)*

(a) Reserve movement of the Company

	Accumulated losses HK\$'000	Other reserves		Total HK\$'000
		Contributed surplus HK\$'000	Capital reserve HK\$'000	
At 1 January 2014	(118,611)	137,800	20,566	158,366
Profit for the year	16,808	–	–	–
At 31 December 2014	(101,803)	137,800	20,566	158,366
At 1 January 2015	(101,803)	137,800	20,566	158,366
Loss for the year	(26,043)	–	–	–
At 31 December 2015	(127,846)	137,800	20,566	158,366

Notes to the Consolidated Financial Statements

30 SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 December 2015:

Name	Place of incorporation/ establishment and form of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered capital	Percentage of equity interest attributable to the Group	
				Directly held	Indirectly held
Harvest Century Enterprises Limited	Hong Kong, limited liability company	Inactive	10,000 ordinary shares of 1 HK dollar each	100%	-
Rockey Company Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	2 ordinary shares of 1 HK dollar each	100%	-
Shanghai SyncMOS Semiconductor Company Limited	The PRC, wholly foreign owned enterprise	Design, distribution and trading of integrated circuit products and provision of related agency services in the PRC	Registered capital of US\$7,000,000	-	100%
SyncMOS Technologies, Inc. (BVI)	The British Virgin Islands, limited liability company	Investment holding in Hong Kong	1 ordinary share of 1 US dollar	100%	-
Top Return Investments Limited	Hong Kong, limited liability company	Investment holding in Hong Kong	1 ordinary share of 1 HK dollar	100%	-
Wellba Investment Limited	Hong Kong, limited liability company	Inactive	2 ordinary shares of 1 HK dollar each and 2,000,001 non-voting deferred shares of 1 HK dollar each	-	100%
Win Win Property Investments Limited	The British Virgin Islands, limited liability company	Inactive	1 ordinary share of 1 US dollar	100%	-

Notes to the Consolidated Financial Statements

31 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and chief executive's emoluments

The remuneration of each of the Directors and the chief executive officer of the Company for the year ended 31 December 2015 is set out as follows:

Name of Director	Fees HK\$'000	Salaries HK\$'000	Discretionary bonus HK\$'000	Housing Allowance HK\$'000	Estimated money value of other benefits HK\$'000	Employer's contribution to retirement benefit contributions HK\$'000	Total HK\$'000
Executive Director							
Mr. Cheng Chow-Chun (Note (ii))	160	-	-	-	-	-	160
Mr. Lee Chao-Chun (Note (i), (ii))	160	-	-	-	-	-	160
Mr. Sun Tao-Heng (Note (ii))	160	-	-	-	-	-	160
Mr. Yuan Chun-Tang (Note (ii))	160	-	-	-	-	-	160
Independent non-executive Director							
Mr. Suen Sai Wah Simon (Note (iii))	120	-	-	-	-	-	120
Mr. Li Kwan In (Note (ii))	120	-	-	-	-	-	120
Mr. Wang Chiang-Ming (Note (iv))	118	-	-	-	-	-	118
Mr. Maa Kwo-Juh (Note (ii), (v))	2	-	-	-	-	-	2
	1,000	-	-	-	-	-	1,000

The remuneration of each of the Directors and the chief executive officer of the Company for the year ended 31 December 2014 is set out as follows:

Name of Director	Fees HK\$'000	Salaries HK\$'000	Discretionary bonus HK\$'000	Housing Allowance HK\$'000	Estimated money value of other benefits HK\$'000	Employer's contribution to retirement benefit contributions HK\$'000	Total HK\$'000
Executive Director							
Mr. Cheng Chow-Chun (Note (ii))	-	-	-	-	-	-	-
Mr. Lee Chao-Chun (Note (i), (ii))	-	-	-	-	-	-	-
Mr. Sun Tao-Heng (Note (ii))	-	-	-	-	-	-	-
Mr. Yuan Chun-Tang (Note (ii))	-	-	-	-	-	-	-
Mr. Yip Chi Hung (Note (iii))	380	-	-	-	-	-	380
Mr. Chen Che Yuan (Note (i), (iii))	151	-	-	-	-	-	151
Independent non-executive Director							
Mr. Suen Sai Wah Simon (Note (iii))	-	-	-	-	-	-	-
Mr. Li Kwan In (Note (ii))	-	-	-	-	-	-	-
Mr. Maa Kwo-Juh (Note (ii), (v))	-	-	-	-	-	-	-
Mr. Cheng Hok Ming, Albert (Note (iii))	114	-	-	-	-	-	114
Dr. Ma Kwai Yuen (Note (iii))	114	-	-	-	-	-	114
Mr. Wong Chi Keung (Note (vi))	63	-	-	-	-	-	63
	822	-	-	-	-	-	822

Notes to the Consolidated Financial Statements

31 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' and chief executive's emoluments *(Continued)*

Notes:

- (i) Took the role of chief executive officer of the Company
- (ii) Appointed on 27 November 2014
- (iii) Resigned on 27 November 2014
- (iv) Appointed on 7 January 2015
- (v) Resigned on 7 January 2015
- (vi) Not re-elected at the annual general meeting held on 30 June 2014
- (vii) No remuneration paid to or receivables by the Directors of the Company in respect of accepting office as director or director's other service in connection with the management of the affairs of the Company or its subsidiary undertakings.

(b) Directors' retirement benefits and termination benefits

None of the Directors received or will receive any retirement benefits or termination benefits during the financial year (2014: Nil).

(c) Consideration provided to third parties for making available directors' services

During the financial year ended 31 December 2015, the Company does not pay consideration to any third parties for making available directors' services (2014: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled body corporates by and connected entities with such directors

As at 31 December 2015, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled body corporates by and controlled entities with such directors (2014: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

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