



AKM Industrial Company Limited

安捷利實業有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(根據公司條例在香港註冊成立之有限公司)

Stock Code 股份代號 : 1639

A close-up, high-angle photograph of a dark, square microchip mounted on a complex printed circuit board (PCB). The board is filled with intricate copper traces and various electronic components. The lighting is dramatic, with bright beams of light radiating from behind the chip, creating a sense of depth and technological advancement. The overall color palette is dominated by blues and yellows.

2016
ANNUAL REPORT
年報



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive directors

XIONG Zheng Feng (*Chairman*)

CHAI Zhi Qiang

Non-executive directors

LI Ying Hong

GAO Xiaoguang

JIA Junan

Independent non-executive directors

HUNG Chi Yuen Andrew

ZHAO Xiao

BI Keyun (retired on 4 February 2016)

CUI Zheng (appointed on 3 May 2016)

COMPLIANCE OFFICER

LI Ying Hong

COMPANY SECRETARY

HUNG Ching Yuen

AUTHORISED REPRESENTATIVES

XIONG Zheng Feng

LI Ying Hong

AUDIT COMMITTEE

HUNG Chi Yuen Andrew (*Committee Chairman*)

ZHAO Xiao

BI Keyun (retired on 4 February 2016)

CUI Zheng (appointed on 3 May 2016)

REMUNERATION COMMITTEE

ZHAO Xiao (*Committee Chairman*)

LI Ying Hong

BI Keyun (retired on 4 February 2016)

CUI Zheng (appointed on 3 May 2016)

NOMINATION COMMITTEE

XIONG Zheng Feng (*Committee Chairman*)

HUNG Chi Yuen Andrew

ZHAO Xiao

董事會

執行董事

熊正峰 (主席)

柴志強

非執行董事

李映紅

高曉光

賈軍安

獨立非執行董事

洪志遠

趙曉

畢克允 (於二零一六年二月四日退任)

崔錚 (於二零一六年五月三日獲委任)

監察主任

李映紅

公司秘書

洪靜遠

授權代表

熊正峰

李映紅

審核委員會

洪志遠 (委員會主席)

趙曉

畢克允 (於二零一六年二月四日退任)

崔錚 (於二零一六年五月三日獲委任)

薪酬委員會

趙曉 (委員會主席)

李映紅

畢克允 (於二零一六年二月四日退任)

崔錚 (於二零一六年五月三日獲委任)

提名委員會

熊正峰 (委員會主席)

洪志遠

趙曉



Corporate Information 公司資料

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISOR

Tracy Ong & Co.

PRINCIPAL PLACE OF BUSINESS IN CHINA

63 Huan Shi Road South
Information Technology Park
Nansha District
Guangzhou City
The People's Republic of China

REGISTERED OFFICE

Rooms 2708-11, 27th Floor
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

HONG KONG SHARE REGISTRAR & TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

PRINCIPAL BANKERS

Chiyu Banking Corporation Ltd.
Bank of China (Nansha Branch)
China Construction Bank (Branch of Suzhou National New & Hitech Industrial Development Zone)
United Overseas Bank (Guangzhou Branch)

STOCK CODE

1639

COMPANY HOMEPAGE/WEBSITE

www.akmcompany.com

核數師

德勤·關黃陳方會計師行
香港執業會計師

法律顧問

王珮玲律師事務所

中國主要營業地點

中華人民共和國
廣州市
南沙區
資訊科技園
環市大道南63號

註冊辦事處

香港
干諾道中168-200號
信德中心西座
27樓2708-11室

香港股份過戶登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712-1716號舖

主要往來銀行

集友銀行有限公司
中國銀行(南沙分行)
中國建設銀行(蘇州高新區支行)

大華銀行(廣州分行)

股份代號

1639

公司主頁／網站

www.akmcompany.com

Chairman's Statement 主席報告書

For and on behalf of the board of Directors (the "Board"), I would like to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

RESULT ANALYSIS AND BUSINESS REVIEW

2016 witnessed the co-existence of opportunities and difficulties in the Group's operation. Despite the slow down of China's economy and intense competition in the consumer electronics industry, the flexible printed circuits ("FPC") industry in China and in the worldwide continued to grow. There were frequent capital injection, production expansion, merger and reorganization in the FPC industry in China. The market competition became more intense and technical difficulties in products continued to increase. In addition, more new application fields of FPC arose, such as the adoption of FPC designs in new fields including new energy vehicles and wireless charging.

The Group recorded sales turnover of approximately HK\$821,662,000 in the financial year of 2016, representing an increase of approximately 30.29% as compared to that of last year (2015: approximately HK\$630,631,000). Profit attributable to owners of the Company was approximately HK\$27,944,000, representing an increase of approximately 15,004.86% as compared to that of last year (2015: approximately HK\$185,000). In addition, as at 31 December 2016, basic earnings per share was approximately HK2.72 cents, 136 times increase as compared to that of last year (2015: approximately HK0.02 cents).

During the year under review, the Group recorded a significant increase in the turnover of its FPC business due to staggering growth in demand from domestic customers, and the gradual achievement of economies of scale in FPC business. However, as the development of flexible packaging substrates business did not progress as expected, economies of scale was not achieved and significant operation loss was still recorded for the flexible packaging substrates business. The increase of the overall results of the Group was hard-earned, which reflects recognition of the market and customers in the core capacity of the Group. The Group will bring better returns for the market and customers.

本人謹代表董事會（「董事會」）呈列本公司及其附屬公司（統稱「本集團」）截至二零一六年十二月三十一日止年度之年報。

業績分析及業務回顧

二零一六年度是本集團經營出現轉機及與困難並存的一年。雖然面臨中國經濟增速放緩和消費電子行業競爭激烈的不利局面，全球和中國柔性電路板（「柔性電路板」）行業仍然處於增長態勢。中國國內柔性電路板行業增資擴產和兼併重組頻頻發生，市場競爭更加激烈，產品技術難度不斷提升。同時，柔性電路板的新應用領域層出不窮，如新能源汽車、無線充電等新領域均開始採用柔性電路板設計。

本集團於二零一六年財政年度內錄得之銷售營業額約821,662,000港元，較去年（二零一五年：約630,631,000港元）增加約30.29%。本公司擁有人應佔溢利約為27,944,000港元，較去年（二零一五年：約185,000港元）增長約15,004.86%。此外，截至二零一六年十二月三十一日，每股基本溢利約為2.72港仙，較去年（二零一五年：約0.02港仙）增長136倍。

於回顧年度內，受益於國內客戶需求強勁增長，本集團之柔性電路板業務獲得較大增長，經濟規模效益逐漸體現；而柔性封裝基板業務由於業務進展未達預期，未達經濟規模，仍出現較大經營虧損。本集團整體業績增長這來之不易的經營成果，體現了市場及客戶對本集團核心能力的認可與肯定，本集團亦將更好地回報市場及客戶。

Chairman's Statement

主席報告書

During the year under review, the Group continued to increase investment in research and development. The research and development expenses increased to approximately HK\$92,122,000, representing an increase of approximately 31.00% as compared to that of last year. Due to the continuous increase of new application fields of FPC and flexible packaging substrates and the continuous uplift of requirements in product structure and complexity by downstream customers, the Group continued to increase investment in research and development to continuously uplift technology standard and technical capability, to conduct research and development in new materials, new products and new production techniques and automation transformation in equipment. During the year under review, the main development task undertaken by the Group for the "02" major project titled "Development and Industrialization of Tape High-Density and Ultra-Thin Flexible Packaging Substrates Technology" under National Science and Technology Major Project for year 2014 was completed and all technical indicators had been achieved on schedule.

During the year under review, the Group enhanced its cooperation with the substantial shareholder, GoerTek Inc. ("GoerTek"). During the year under review, the Group sold FPC and flexible packaging substrates of approximately HK\$90,822,000 (2015: approximately HK\$28,968,000) to GoerTek, representing a year-on-year growth of approximately 213.53%.

In 2017, it is expected that the global share of China's key mobile phone manufacturers will be sustained and increased. The Group is confident to maintain and increase supply to major customers and is expected to benefit from the growth of such customers. In addition, following the continuous increase of new application fields for FPC and flexible packaging substrates, the Group is expected to develop new customers, increase sales scale and improve the situation of operation loss which resulted from big investment and small output of the flexible packaging substrates business. The management of the Group will strive to seize the opportunities, overcome the difficulties and continuously increase the operation results, so as to present satisfactory results and provide favourable returns for its shareholders.

於回顧年度內，本集團之研發投入持續增加，研發開支較去年增長約31.00%至約92,122,000港元。因應柔性電路板和柔性封裝基板應用新領域的不斷出現及下遊客戶在產品結構及複雜性上的不斷提升，本集團持續投入研發支出用於不斷提升技術水準及工程工藝能力，進行新材料、新產品和新生產工藝研發及設備自動化改造。於回顧年度內，本集團承擔之國家科技重大2014年度"02"專項之項目（《卷帶式高密度超薄柔性封裝基板工藝開發與產業化》）已完成主要開發任務，技術指標亦按計劃全面完成。

於回顧年度內，本集團加強了與主要股東歌爾股份有限公司（前名「歌爾聲學股份有限公司」）（「歌爾股份」）的合作，回顧年度內共計向歌爾股份銷售柔性電路板及柔性封裝基板產品約90,822,000港元（二零一五年：約28,968,000港元），同比增長約213.53%。

二零一七年，預計主要中國行動電話生產商之全球佔比仍將得以維持和提升，本集團有信心保持和提升主要客戶之供應份額，並預期受益於該等客戶之增長。同時，隨著柔性電路板和柔性封裝基板之應用新領域不斷出現，本集團預期會開發新客戶，提升銷售規模，改善柔性封裝基板業務投入大、產出小導致的經營虧損狀況。本集團管理層將努力抓住機遇，克服困難，不斷提升經營業績，向股東交出滿意成績，為股東帶來理想回報。

Chairman's Statement 主席報告書

APPRECIATION

Mr. Bi Keyun did not seek for renewal of his appointment as an independent non-executive Director, a member of the audit committee and a member of the remuneration committee of the Company due to his retirement upon expiration of his term of office on 3 February 2016. On 3 May 2016, Mr. Cui Zheng was appointed as a non-executive director, a member of the audit committee and a member of the remuneration committee of the Company.

For and on behalf of the Board, I would like to take this opportunity to thank Mr. Bi for his valuable contribution to the Company and express our warm welcome to Mr. Cui for joining our company.

In addition, for and on behalf of the Board, I would like to take this opportunity to thank the management and all staff members of the Group for their dedication and invaluable contributions to the Group in the past year. I would also like to thank our customers, suppliers, business partners and shareholders for their continuous support to the Group. The Group will do its best to achieve good results and secure ideal returns for our shareholders.

AKM Industrial Company Limited
Xiong Zheng Feng
Chairman

Hong Kong, 24 March 2017

致謝

畢克允先生因榮休於二零一六年二月三日任期屆滿後不再續任本公司之獨立非執行董事、審核委員會委員及薪酬委員會委員。於二零一六年五月三日，崔錚先生獲委任為本公司之獨立非執行董事、審核委員會委員及薪酬委員會委員。

本人藉此機會代表董事會感謝畢先生對本公司作出之貢獻，並熱烈歡迎崔先生加入本公司。

此外，本人亦藉此機會代表董事會，對本集團之管理層及各員工過去一年付出之竭誠努力及寶貴貢獻致以謝意，同時謹此對本集團之客戶、供應商、業務合作夥伴及股東一直以來之鼎力支持深表感謝。本集團將盡力取得理想佳績，為股東帶來理想回報。

安捷利實業有限公司
熊正峰
主席

香港，二零一七年三月二十四日



Directors and Senior Management of the Group

本集團董事及高級管理層

Biographical details of the Directors and the senior management of the Group are set out below:

本集團董事及高級管理層之履歷詳情如下：

DIRECTORS

董事

Executive Directors

執行董事

Mr. Xiong Zheng Feng (熊正峰), aged 47, is the chairman of the Company and an executive Director. In July 1992, he graduated from the Department of Computer Science of Nankai University (南開大學) and obtained his bachelor degree in science. He then obtained his master degree in economics from Nankai University School of Economics (南開大學經濟學院) in July 1995. Mr. Xiong joined China North Industries Corporation (中國北方工業公司) in August 1995 and took up the post of deputy general manager of China North Industries Xiamen Corporation (中國北方工業廈門公司) from October 1999 to November 2000. From April 2003 to January 2011, he was an alternate director of Raymond Industrial Ltd, a company whose shares are listed on the Stock Exchange of Hong Kong, and is a non-executive director since January 2011. In November 2000, Mr. Xiong joined Silver City International (Holdings) Ltd. (銀華國際(集團)有限公司) ("Silver City"), a controlling shareholder of the Company, as assistant General Manager and was promoted to the position of Deputy General Manager of Silver City in March 2004. He is also a director of Alpha Luck Industrial Limited (安利實業有限公司), a controlling shareholder of the Company, since March 2001. Mr. Xiong is also a director of the subsidiaries of the Group, namely AKM Electronics Industrial (Panyu) Ltd. and AKM Electronic Technology (Suzhou) Company Limited. Mr. Xiong joined the Company in March 2001 and is responsible for the Group's corporate policy formulation, business strategies planning, business development and management of the Group. Save as disclosed above, Mr. Xiong does not hold any directorship in other listed companies in the past three years, and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

熊正峰先生，現年47歲，為本公司主席兼執行董事。一九九二年七月彼畢業於南開大學計算機系，取得理學學士學位。彼其後於一九九五年七月取得南開大學經濟學院經濟學碩士學位。熊先生於一九九五年八月加入中國北方工業公司，一九九九年十月至二零零零年十一月期間出任中國北方工業廈門公司之副總經理職位。熊先生自二零零三年四月至二零一一年一月出任利民實業有限公司（其股份於香港聯交所上市）之替任董事，並自二零一一年一月起為非執行董事。二零零零年十一月，熊先生加入銀華國際（集團）有限公司（「銀華」）（其為本公司的控股股東）出任助理總經理，並於二零零四年三月起晉升至銀華副總經理一職。彼亦自二零零一年三月起出任安利實業有限公司（其為本公司的控股股東）董事。熊先生亦為本集團附屬公司，即敏捷利（番禺）電子實業有限公司及敏捷利電子科技（蘇州）有限公司的董事。熊先生於二零零一年三月加入本公司，負責本集團之企業政策制訂、業務策略規劃、業務拓展及管理。除上文披露者外，熊先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東有任何其他關係。

Directors and Senior Management of the Group

本集團董事及高級管理層

Mr. Chai Zhi Qiang (柴志強), aged 56, is an executive Director and the chief executive officer of the Company. In January 1982, he graduated from the Faculty of Laser Technology (激光技術專業) of Changchun Institute of Optics and Fine Mechanics (長春光學精密機械學院) and obtained his bachelor degree in engineering. He then obtained his Certificate on continuing education (結業證書) from the Hong Kong Sino-Australia Management College (香港中澳管理學院) in June 2001. From February 1982 to September 1992, Mr. Chai was employed by the Shuguang Appliances Factory of Yangzhou City, Jiangsu Province (江蘇省揚州市曙光儀器廠) as engineer and branch-factory manager. He then joined Alpha Luck Electronic & Electric Appliance Industrial (Guangzhou) Ltd. (銀利(廣州)電子電器實業有限公司) in October 1992 as project manager. In January 1994, Mr. Chai joined the Company and is responsible for research and development and overall management of the Group. Mr. Chai has over 24 years of experience in the flexible printed circuit production industry. Mr. Chai is a director of the subsidiaries of the Group, namely, AKM Electronics Industrial (Panyu) Ltd., AKM Electronic Technology (Suzhou) Company Limited and New Career Guangzhou Electronics Company Limited. Save as disclosed above, Mr. Chai does not hold any directorship in other listed companies in the past three years, and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholder of the Company.

柴志強先生，現年56歲，為本公司之執行董事兼行政總裁。於一九八二年一月，彼畢業於長春光學精密機械學院激光技術專業，並獲授工程學學士學位。彼其後於二零零一年六月取得香港中澳管理學院之高級管理人員工商管理結業證書。於一九八二年二月至一九九二年九月期間，柴先生獲江蘇省揚州市曙光儀器廠聘請為工程師及總裝車間副主任。彼其後於一九九二年十月加入銀利(廣州)電子電器實業有限公司任項目經理。一九九四年一月，柴先生加入本公司，負責本集團之研發項目及整體管理。柴先生於柔性電路板生產行業擁有逾24年經驗。柴先生為本集團附屬公司，即安捷利(番禺)電子實業有限公司、安捷利電子科技(蘇州)有限公司及廣州市安旭特電子有限公司的董事。除上文披露者外，柴先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東有任何其他關係。



Directors and Senior Management of the Group

本集團董事及高級管理層

Non-executive Directors

Ms. Li Ying Hong (李映紅), aged 53, was appointed as an executive Director on 10 June 2003 and was re-designated as a non-executive Director since 5 September 2014. In July 1985, Ms. Li obtained her bachelor degree in corporate finance and accounting from Jiangxi College of Finance (江西財經學院). In May 2003, she obtained her master degree in international management from Australia National University. During the period from August 1985 to February 2003, she was employed as, amongst other roles, deputy chief accountant, deputy general manager and chief accountant of China Wanbao Engineering Corporation (中國萬寶工程公司). From March 2001 to April 2003, she was a director for Norinco International Cooperation Company Limited (北方國際合作股份有限公司), a company listed on the Shenzhen Stock Exchange in China. She is a non-executive director of Raymond Industrial Ltd. (a company whose shares are listed on the Stock Exchange of Hong Kong) since July 2008. In June 2003, Ms. Li joined Silver City, a controlling shareholder of the Company, as a director, deputy general manager and financial controller, and ceased to be the financial controller of Silver City since January 2016. At the same time, she joined the Company and is responsible for the Group's corporate policy formulation, business strategies planning, business development and management of the Group. Ms. Li is a director of the subsidiaries of the Group, namely, AKM Electronics Industrial (Panyu) Ltd. and AKM Electronic Technology (Suzhou) Company Limited. Save as disclosed above, Ms. Li does not hold any directorship in other listed companies in the past three years, and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

非執行董事

李映紅女士，現年53歲，於二零零三年六月十日獲委任為執行董事，並於二零一四年九月五日調任為非執行董事。一九八五年七月，李女士在江西財經學院取得企業財務與會計專業學士學位。二零零三年五月，彼取得澳大利亞國立大學國際商業管理碩士學位。一九八五年八月至二零零三年二月，彼受聘為中國萬寶工程公司的副總會計師、副總經理及總會計師等職。二零零一年三月至二零零三年四月，彼擔任中國深圳證券交易所上市之北方國際合作股份有限公司的董事。彼自二零零八年七月起出任利民實業有限公司（其股份於香港聯交所上市）之非執行董事。二零零三年六月，李女士加入本公司控股股東銀華，擔任董事、副總經理及財務總監，自二零一六年一月起不再擔任銀華的財務總監。同時，彼加入本公司，負責本集團的企業方針制定、業務策略規劃、業務發展與管理。李女士為本集團附屬公司安捷利（番禺）電子實業有限公司以及安捷利電子科技（蘇州）有限公司的董事。除上述披露者外，於過去三年，李女士並無在其他上市公司任職任何董事，且與本公司任何董事、高級管理層、主要股東或控股股東並無任何其他關係。

Directors and Senior Management of the Group

本集團董事及高級管理層

Mr. Gao Xiaoguang (高曉光), aged 41, is currently Deputy General Manager of GoerTek Inc. ("GoerTek"), a substantial shareholder of the Company. Mr. Gao graduated from Shandong Institute of Technology (山東工程學院) in July 1998 and obtained his master degree in business administration from Southern Cross University in Australia in 2006. Mr. Gao joined GoerTek in 2001. Mr. Gao was appointed as a non-executive Director of the Company on 12 March 2015. Save as disclosed above, Mr. Gao does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Mr. Jia Junan (賈軍安), aged 46, is currently vice general manager of and secretary to the board of directors of GoerTek. He graduated from Shandong Institute of Finance and Economics (山東財政學院) in July 1993 with a bachelor degree in economics and obtained his master degree in economics from Shandong University (山東大學) in 2003. Mr. Jia obtained a doctorate degree in economics in 2008 from Xiamen University (廈門大學). He is a member of the Association of Chartered Certified Accountants and a member of the Chinese Institute of Certified Public Accountants. Mr. Jia obtained a qualification certificate for secretary to board of directors (董事會秘書資格證書) issued by the Shenzhen Stock Exchange in 2013. Mr. Jia was previously manager of tax department of KPMG China, Tsingdao office, and he joined GoerTek in 2010. Mr. Jia was appointed as a non-executive Director of the Company on 17 November 2015. Save as disclosed above, Mr. Jia does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

高曉光先生，現年41歲，現時為本公司主要股東歌爾股份有限公司（「歌爾股份」）之副總經理。高先生於一九九八年七月畢業於山東工程學院，於二零零六年取得澳大利亞南十字星大學工商管理碩士學位。高先生於二零零一年加入歌爾股份。高先生於二零一五年三月十二日獲委任為本公司非執行董事。除上述披露者外，高先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

賈軍安先生，現年46歲，現時為本公司主要股東歌爾股份之副總經理兼董事會秘書。彼於一九九三年七月畢業於山東財政學院，獲得經濟學學士學位，並於二零零三年獲山東大學頒授經濟學碩士學位。賈先生於二零零八年獲廈門大學頒授經濟學博士學位。彼為英國特許公認會計師公會會員及中國註冊會計師協會會員。賈先生於二零一三年獲深圳證券交易所發出董事會秘書資格證書。賈先生之前擔任畢馬威中國青島辦事處稅務部經理，於二零一零年加盟歌爾股份。賈先生於二零一五年十一月十七日獲委任為本公司非執行董事。除上述披露者外，賈先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

Directors and Senior Management of the Group

本集團董事及高級管理層

Independent Non-executive Directors

Mr. Hung Chi Yuen Andrew (洪志遠), aged 48, is currently the director of Norton Rowland CPA Limited. He received his professional training in Deloitte Touche Tohmatsu and had worked for UBS Investment Bank as business unit controller for seven years. Mr. Hung was awarded the degree of Bachelor of Arts in Accountancy by The Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) and the degree of Master of Applied Finance by the University of Western Sydney. Mr. Hung is a practicing Certified Public Accountant, an associate member of the Hong Kong Institute of Certified Public Accountants, and a fellow member of the Chartered Association of Certified Accountants. Mr. Hung is also an independent non-executive director of FDG Kinetic Limited (formerly known as CIAM Group Limited) since 1 July 2008. Mr. Hung was appointed as an independent non-executive Director since 17 October 2011. Save as disclosed above, Mr. Hung does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

獨立非執行董事

洪志遠先生，現年48歲，現為Norton Rowland CPA Limited之董事。彼曾於德勤•關黃陳方會計師行接受專業培訓並曾於UBS Investment Bank出任商務總監達七年。洪先生獲授香港理工大學（前稱香港理工學院）會計學文學士學位及University of Western Sydney應用金融學碩士學位。洪先生為執業會計師、香港會計師公會會員以及英國特許公認會計師公會資深會員。洪先生亦自二零零八年七月一日起為五龍動力有限公司（前稱事安集團有限公司）之獨立非執行董事。洪先生自二零一一年十月十七日起獲委任為獨立非執行董事。除上述披露者外，洪先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

Directors and Senior Management of the Group

本集團董事及高級管理層

Mr. Zhao Xiao (趙曉), aged 50, is currently the chief economist of Cypress Leadership Institute (香柏領導力機構). He graduated from Shandong University (山東大學) in July 1989 with a bachelor degree in economics and obtained a master degree in economics in July 1995 from Institute of Economic Research of Nankai University (南開大學經濟研究所). Mr. Zhao obtained a doctorate degree in economics in 1999 from Guanghua School of Management of Beijing University (北京大學光華管理學院). Mr. Zhao is an expert committee member of 中國房地產協會產業與市場研究專業委員會 (transliteration "Committee of Industry and Market Research of the China Real Estate Association"). He is also a special research fellow of China Society of Economic Reform (中國經濟體制改革研究會). He was previously a professor and doctoral supervisor of University of Science and Technology Beijing (北京科技大學). Further, he had previously worked for the former State Economic and Trade Commission Research Centre (國家經貿委研究中心) and was head of Department of Macro Strategy, Research Centre of State-owned Assets Supervision and Administration Commission of the State Council (國務院國資委研究中心宏觀戰略部). Mr. Zhao is also an independent director of Wanda Cinema Line Co., Ltd (萬達電影院線股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code 2739), since 30 November 2012. Mr. Zhao was appointed as an independent non-executive Director on 16 February 2015. Save as disclosed above, Mr. Zhao does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

趙曉先生，現年50歲，現時為香柏領導力機構的首席經濟學家。彼於一九八九年七月畢業於山東大學，取得經濟學學士學位，並於一九九五年七月獲南開大學經濟研究所頒授經濟學碩士學位。趙先生於一九九九年獲北京大學光華管理學院頒授經濟學博士學位。趙先生為中國房地產協會產業與市場研究專業委員會專家委員。彼亦為中國經濟體制改革研究會特邀研究員。彼曾擔任北京科技大學教授及博士生導師。此外，彼曾於前國家經貿委研究中心任職及擔任國務院國資委研究中心宏觀戰略部部長。趙先生自二零一二年十一月三十日起亦出任萬達電影院線股份有限公司（一間於深圳證券交易所上市之公司，證券代碼2739）之獨立董事。趙先生於二零一五年二月十六日獲委任為獨立非執行董事。除上述披露者外，趙先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

Directors and Senior Management of the Group

本集團董事及高級管理層

Mr. Cui Zheng (崔錚), aged 62, is currently the supervisor of the academic committee of the Suzhou Institute of Nano-Tech and Nano-Bionics, Chinese Academy of Science (中國科學院蘇州納米技術與納米仿生研究所) and the supervisor of the Printable Electronics Research Center (印刷電子學研究部) at the Suzhou Institute of Nano-Tech and Nano-Bionics. Mr. Cui obtained his doctorate degree in engineering from Southeast University (東南大學) in 1988. He is a fellow of the Institution of Engineering and Technology (previously the Institution of Electrical Engineers) since 2004. He is also a State Specially Recruited Expert under the “1000 Talent Plan” of the Government of the People’s Republic of China since 2009. He is also the vice secretary-general of National Innovation Association of Printed Electronics Industrial Technology (全國印刷電子產業技術創新聯盟), and vice president of Touch Screen Advisor Committee of SEMI China (regional office of Semiconductor Equipment and Materials International). Mr. Cui was elected “Scientific Chinese” of Year 2010. Mr. Cui was previously a visiting fellow at the Cavendish Laboratory of the University of Cambridge. Further, he was also previously Principal Scientist at the Central Microstructure Facility of Rutherford Appleton Laboratory in the United Kingdom. Mr. Cui was appointed as an independent non-executive Director on 3 May 2016. Mr. Cui does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

崔錚先生，現年62歲，為中國科學院蘇州納米技術與納米仿生研究所學術委員會主任及印刷電子學研究部主任。崔先生於一九八八年獲得東南大學工程博士學位。彼自二零零四年起成為工程及科技學會（前稱英國電機工程師學會）會士。自二零零九年起，彼亦成為中華人民共和國政府「千人計劃」下的國家特聘專家。彼亦為全國印刷電子產業技術創新聯盟的副秘書長，以及SEMI中國（國際半導體設備與材料產業協會地區辦公室）觸摸屏顧問委員會副主席。崔先生獲選二零一零年度「科學中國人」。崔先生曾擔任劍橋大學卡文迪許實驗室訪問研究員。此外，彼亦曾於英國拉塞福－阿普爾頓實驗室微結構中心擔任首席科學家。崔先生於二零一六年五月三日獲委任為獨立非執行董事。崔先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

Directors and Senior Management of the Group

本集團董事及高級管理層

Mr. Bi Keyun (畢克允), aged 78, is a fellow of Chinese Institute of Electronics (中國電子學會) and president of Electronic Manufacturing & Packaging Technology Society of the Chinese Institute of Electronics (中國電子學會電子製造與封裝技術分會). He is also the vice president of China Semiconductor Industry Association (中國半導體行業協會). Mr. Bi graduated from University of Science and Technology of China (中國科學技術大學) in 1963 and obtained the qualification of senior engineer (researcher level) from the former Ministry of Electronic Industry (中華人民共和國電子工業部). Mr. Bi has accumulated substantial experience in the research and development of semiconductor technology and has been chairman of the International Conference on Electronic Packaging Technology & High Density Package since 1994. Mr. Bi was an independent director of Ningbo Kangqiang Electronics Co., Ltd. (寧波康強電子股份有限公司), a company listed on the Shenzhen Stock Exchange, during the period from October 2008 to December 2014. He was also an independent director of Tianshui Huatian Technology Co., Ltd. (天水華天科技股份有限公司) ("Tianshui Huatian"), another company listed on the Shenzhen Stock Exchange, during the period from 2003 to 2010, and was appointed as independent director of Tianshui Huatian again since 29 May 2013. Save as disclosed above, Mr. Bi does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company. Mr. Bi was appointed as an independent non-executive Director on 4 February 2013 and his term of office expired on 3 February 2016. Mr. Bi Keyun did not seek for renewal of his appointment as an independent non-executive Director due to his retirement upon expiration of his term of office. (Relevant disclosure in relation to Mr. Bi's retirement had been made in the announcement of the Company dated 3 February 2016).

COMPANY SECRETARY

Ms. Hung Ching Yuen (洪靜遠), aged 37, is the company secretary of the Company. Ms. Hung graduated from the University of Hong Kong and obtained her Bachelor of Laws degree and Postgraduate Certificate in Laws in 2001 and 2002 respectively. She obtained her Master of Laws degree from University College London in 2003. Ms Hung is a solicitor practicing in Hong Kong since 2006 and was appointed as the company secretary on 13 June 2011.

畢克允先生，現年78歲，為中國電子學會會士及中國電子學會電子製造與封裝技術分會理事長。彼亦為中國半導體行業協會副理事長。畢先生在一九六三年畢業於中國科學技術大學，並於中華人民共和國原電子工業部取得高級工程師資格（研究員級）。畢先生於半導體科技研究發展方面累積豐厚經驗，並自一九九四年至今擔任電子封裝技術與高密度封裝國際會議的主席。畢先生自二零零八年十月至二零一四年十二月期間擔任於深圳證券交易所上市的寧波康強電子股份有限公司的獨立董事。彼亦於二零零三年至二零一零年期間擔任於深圳證券交易所上市的天水華天科技股份有限公司（「天水華天」）的獨立董事，並自二零一三年五月二十九日起再度獲委任為天水華天的獨立董事。除上述披露者外，畢先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。畢先生自二零一三年二月四日起獲委任為獨立非執行董事，其任期已於二零一六年二月三日屆滿。畢先生因榮休於任期屆滿後不再續任本公司之獨立非執行董事（有關畢先生榮休事項已於二零一六年二月三日之本公司公佈予以披露）。

公司秘書

洪靜遠女士，現年37歲，為本公司公司秘書。洪女士畢業於香港大學，並於二零零一年及二零零二年分別獲法學學士學位及法學專業證書。彼於二零零三年獲倫敦大學學院之法學碩士學位。洪女士自二零零六年起為香港執業律師，並於二零一一年六月十三日獲委任為公司秘書。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW

For the year ended 31 December 2016, the turnover of the Group was approximately HK\$821,662,000, representing an increase of approximately 30.29% as compared to the turnover of last year. The increase in turnover was mainly due to the staggering growth in demand from the domestic mobile phone customers, which resulted in significant increase in the sales of FPC. As the gross profit margin for the sales of FPC increased significantly, the overall gross profit margin for the year increased to approximately 21.33% (2015: approximately 12.57%).

Profit attributable to owners of the Company in 2016 was approximately HK\$27,944,000, while profit attributable to owners of the Company in 2015 was approximately HK\$185,000, representing an increase of approximately 15,004.86%. The significant increase in profit was mainly due to the significant increase in the sales volume of FPC business. The cumulative revenue from FPC business of the Group for the year recorded a year-on-year growth of approximately 41.91%. The increase in sales revenue demonstrated the gradual achievement of economies of scale in FPC business, with the gross profit margin for FPC products increased from approximately 13.41% in last year to approximately 22.39% in 2016. The profit of FPC business not only covered operation losses of flexible packaging substrates business, but also contributed to significant increase in profit.

For the year ended 31 December 2016, the other income of the Group amounted to approximately HK\$15,037,000, representing a decrease of approximately 58.60% as compared to that of last year. The decrease in other income was mainly attributed to (i) no supplementary grant/subsidy for "02" major project titled "Development and Industrialization of Tape High-Density and Ultra-Thin Flexible Packaging Substrates Technology" under National Science and Technology Major Project for year 2014 ("02 Major Project") was received by the Group in 2016 from Jiangsu provincial government and the local government of Gaoxin District in Suzhou City of Jiangsu Province, while supplementary grant/subsidy in the aggregate amount of RMB11,877,000 (equivalent to approximately HK\$14,719,000) for the 02 Major Project was received by the Group in 2015; and (ii) the decrease in other government subsidies as compared to that of last year.

財務回顧

截至二零一六年十二月三十一日止年度，本集團營業額約為821,662,000港元，較上年度之營業額增加約30.29%。營業額上升主要由於國內移動電話客戶需求強勁增長，導致柔性電路板之銷售較大幅度上升所致。由於柔性電路板銷售業務毛利率有較大幅度上升，故年內整體毛利率上升至約21.33%（二零一五年：約12.57%）。

本公司擁有人應佔二零一六年溢利約為27,944,000港元，二零一五年本公司擁有人應佔溢利約為185,000港元，上升約15,004.86%。溢利大幅上升主要由於柔性電路板業務銷售額實現了顯著增長。本集團全年累計之柔性電路板業務收入同比增長約41.91%。柔性電路板業務銷售收入之增長顯示了規模效益逐漸體現，柔性電路板產品的毛利率由去年的約13.41%增加至二零一六年的約22.39%。柔性電路板業務之盈利不但彌補了柔性封裝基板業務之經營虧損，並實現了溢利的大幅上升。

本集團截至二零一六年十二月三十一日止年度其他收入約為15,037,000港元，較去年降低約58.60%。其他收入減少主要由於：(i)本集團於二零一六年並無就國家科技重大2014年度「02」專項之項目（《卷帶式高密度超薄柔性封裝基板工藝開發與產業化》）（「02專項」）自江蘇省政府及江蘇省蘇州市高新區地方政府取得任何地方配套項目津貼／資助，而二零一五年本集團就02專項取得地方配套項目津貼／資助合共人民幣11,877,000元（相等於約14,719,000港元）；及(ii)其他政府津貼比去年下降。

Management Discussion and Analysis

管理層討論及分析

For the year ended 31 December 2016, the distribution costs of the Group amounted to approximately HK\$15,897,000, representing a decrease of approximately 2.83% as compared to that of last year. The decrease in distribution costs was mainly due to the decrease in export of products and trade business during the year under review, which resulted in decrease in transportation expense and express fee as compared to that of last year.

For the year ended 31 December 2016, the administrative expenses of the Group were approximately HK\$31,852,000, representing an increase of approximately 26.23% as compared to that of last year. The increase in administrative expenses was mainly due to increase in depreciation and loss of disposal of fixed asset during the year under review.

For the year ended 31 December 2016, the research and development expenses of the Group amounted to approximately HK\$92,122,000, representing an increase of approximately 31.00% as compared to that of last year. The increase in research and development expenses was mainly attributed to the significant increase in research and development expenses for development of new products, new production techniques and automation development for factories as well as the testing and trial production of the flexible packaging substrates production lines at Phase II of Suzhou Factory.

For the year ended 31 December 2016, the finance cost of the Group amounted to approximately HK\$5,198,000, representing an increase of approximately 44.47% as compared to that of last year. The increase in finance cost was mainly due to the increase in bank borrowings and the increase of interest rate of borrowings.

本集團截至二零一六年十二月三十一日止年度分銷成本約為15,897,000港元，較去年減少約2.83%。分銷成本減少主要由於回顧年度內產品外銷及貿易業務減少導致運費、快遞費比去年減少所致。

本集團截至二零一六年十二月三十一日止年度行政開支約為31,852,000港元，較去年增長約26.23%。行政開支增加主要是回顧年度內折舊及固定資產處置損失增加。

本集團截至二零一六年十二月三十一日止年度研發開支約為92,122,000港元，較去年上升約31.00%。研發開支上升乃由於用於新產品、新生產工藝開發、工廠自動化開發及蘇州工廠二期柔性封裝基板生產線調試及試產之研發費用大幅增加所致。

本集團截至二零一六年十二月三十一日止年度融資成本約為5,198,000港元，較去年增長約44.47%。融資成本上升乃由於銀行借貸增加及借貸利率上升所致。

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in the manufacturing and sale of FPC and flexible packaging substrates, which are mainly used for communication, LCD and consumer electronic products (such as mobile phone, liquid crystal display module, automobile electronics and camera) and high-end application of electronic products. The Group is also engaged in the sourcing and sale of electronic components, and other businesses.

For the year ended 31 December 2016, the turnover of the Group amounted to approximately HK\$821,662,000, representing an increase of approximately 30.29% as compared to that of 2015. The increase in turnover was mainly due to the staggering growth in demand from the domestic mobile phone customers, which resulted in significant increase in the sales of FPC. During the year under review, the turnover of the Group for the sales of FPC, the sourcing and sales of electronic components, and the sales of flexible packaging substrates were approximately HK\$779,019,000, HK\$23,036,000 and HK\$19,607,000 respectively, while the turnover for sales of FPC, the sourcing and sales of electronic components and the sales of flexible packaging substrates for the year ended 31 December 2015 were approximately HK\$548,959,000, HK\$55,403,000 and HK\$26,269,000 respectively. In 2016, the profit attributable to the owners of the Group amounted to approximately HK\$27,944,000, representing an increase of approximately 15,004.86% as compared to HK\$185,000 of 2015. The significant increase in profit was mainly due to significant increase in the sales volume of FPC business. The increase in sales revenue demonstrated the gradual achievement of economies of scale in FPC business, with the gross profit margin of FPC products increasing from approximately 13.41% in last year to approximately 22.39% in 2016.

業務回顧

本集團主要從事製造及銷售應用於通訊、液晶顯示器及消費電子產品（例如移動電話、液晶顯示模組、汽車電子及照相機等）之柔性電路板和電子產品高端應用之柔性封裝基板。本集團亦從事採購及銷售電子元器件等其他業務。

於截至二零一六年十二月三十一日止年度，本集團錄得營業額約為821,662,000港元，較二零一五年度增加約30.29%。營業額上升主要由於國內移動電話客戶需求強勁增長，導致柔性電路板之銷售較大幅度上升所致。於回顧年度內，本集團柔性電路板之銷售、電子元器件之採購及銷售及柔性封裝基板之銷售營業額分別約為779,019,000港元、23,036,000港元及19,607,000港元，而截至二零一五年十二月三十一日止年度，柔性電路板之銷售、電子元器件之採購及銷售及柔性封裝基板之銷售營業額分別約為548,959,000港元、55,403,000港元及26,269,000港元。二零一六年，本集團擁有人應佔溢利約為27,944,000港元，較二零一五年度的約185,000港元增長約15,004.86%。溢利大幅上升主要由於柔性電路板業務銷售額實現了顯著增長。柔性電路板業務銷售收入之增長顯示了規模效益逐漸體現，柔性電路板產品的毛利率由去年的約13.41%增加至二零一六年的約22.39%。

Management Discussion and Analysis 管理層討論及分析

During the year under review, the turnover for the sales of FPC business of the Group increased by approximately 41.91% as compared to that of last year and its gross sales profit margin increased to approximately 22.39% (2015: approximately 13.41%). The turnover for the sourcing of electronic components business decreased by approximately 58.42% as compared to that of last year, while its gross profit margin decreased to approximately 1.49% (2015: approximately 6.65%). The turnover for the flexible packaging substrates business decreased by approximately 25.36% as compared to that of last year, while its gross profit margin decreased to approximately 2.57% (2015: approximately 7.39%).

During the year under review, the Group recorded a significant increase in the turnover of its FPC business due to staggering growth in demand from domestic customers, and the gradual achievement of economies of scale in FPC business. However, as the development of flexible packaging substrates business did not progress as expected, economies of scale was not achieved and significant operation loss was still recorded for the flexible packaging substrates business.

The Group has proactively reduced and adjusted the trading business of electronic components since 2015 in order to minimize the risks of its trading business. During the year under review, the sales revenue from the business of electronic components of the Group further decreased, and no longer had a material impact on the Group's business development and business risks.

During the year under review, the Group continued to increase investment in research and development. The research and development expenses increased to approximately HK\$92,122,000, representing an increase of approximately 31.00% as compared to that of last year. Due to the continuous increase of new application fields of FPC and flexible packaging substrates and the continuous uplift of requirements in product structure and complexity by downstream customers, the Group continued to increase investment in research and development to continuously uplift technology standard and technical capability, to conduct research and development in new materials, new products and new production techniques and automation transformation in equipment. During the year under review, the main development task undertaken by the Group for the 02 Major Project had been completed and all technical indicators had been achieved on schedule.

於回顧年度內，本集團柔性電路板業務銷售之營業額較去年增加約41.91%，其銷售毛利率上升至約22.39%（二零一五年：約13.41%）。電子元器件採購業務之營業額較去年減少約58.42%，其毛利率減少至約1.49%（二零一五年：約6.65%）。柔性封裝基板業務之營業額較去年減少約25.36%，其毛利率減少至約2.57%（二零一五年：約7.39%）。

於回顧年度內，受益於國內客戶需求強勁增長，本集團之柔性電路板業務獲得較大增長，經濟規模效益逐漸體現；而柔性封裝基板業務由於業務進展未達預期，未達經濟規模，仍出現較大經營虧損。

本集團自二零一五年度起主動對電子元器件之貿易業務進行收縮調整，以減少貿易業務風險，於回顧年度內本集團之電子元器件業務之銷售收入進一步下降，對本集團之業務發展及業務風險均不再產生重要影響。

於回顧年度內，本集團之研發投入持續增加，研發開支較去年增長約31.00%至約92,122,000港元。因應柔性電路板和柔性封裝基板應用新領域的不斷出現及下游客戶在產品結構及複雜性上的不斷提升，本集團持續投入研發支出用於不斷提升技術水準及工程工藝能力，進行新材料、新產品和新生產工藝研發及設備自動化改造。於回顧年度內，本集團承擔之02專項已完成主要開發任務，技術指標亦按計劃全面完成。

Management Discussion and Analysis

管理層討論及分析

On 1 April 2014, the Company (for itself and on behalf of its subsidiaries) signed a framework purchase agreement (“Existing Purchase Agreement”) with GoerTek Inc (“GoerTek”, for itself and on behalf of its subsidiaries) in relation to the transactions for selling of parts, components and other products (including but not limited to FPC products) (“Subject Transactions”). As the term of the Existing Purchase Agreement expired on 31 December 2016, the Company (for itself and on behalf of its subsidiaries) and GoerTek (for itself and on behalf of its subsidiaries) renewed the Existing Purchase Agreement on 6 December 2016, by entering into the Renewed Purchase Agreement (“Renewed Purchase Agreement”) in relation to the Subject Transactions for a further term of three years commenced from 1 January 2017 and expiring on 31 December 2019. Such transactions constituted non-exempt continuing connected transactions of the Company under the Listing Rules. The Renewed Purchase Agreement and the transactions contemplated thereunder, as well as the annual caps for each of the year ending 31 December 2017, 31 December 2018 and 31 December 2019 were approved by the independent shareholders at the extraordinary general meeting of the Company held on 16 January 2017. Details about the terms of the Renewed Purchase Agreement, the continuing connected transactions and the annual caps had been disclosed in the Company’s announcement dated 6 December 2016 and the circular dated 29 December 2016. In 2016, the Group sold FPC and flexible packaging substrates products of approximately RMB77,735,000 (equivalent to approximately HK\$90,822,000) (2015: approximately RMB23,374,000 (equivalent to approximately HK\$28,968,000)) to GoerTek and its subsidiaries, representing an increase of approximately 213.53% as compared to that of last year.

由於本公司（代表自身及其附屬公司）與歌爾股份有限公司（前名「歌爾聲學股份有限公司」）（「歌爾股份」）（代表自身及其附屬公司）於二零一四年四月一日就本集團向歌爾股份銷售零件、元件及其他產品（包括但不限於柔性電路板產品）之交易（「主體交易」）訂立之框架採購合同（「現有採購合同」）於二零一六年十二月三十一日屆滿，於二零一六年十二月六日，本公司（代表自身及其附屬公司）與歌爾股份（代表自身及其附屬公司）就主體交易訂立經重續採購合同（「經重續採購合同」），以將現有採購合同之期限重續三年，自二零一七年一月一日起至二零一九年十二月三十一日止。有關交易構成本公司於上市規則下之非豁免持續關聯交易。本公司於二零一七年一月十六日舉行之股東特別大會上由獨立股東通過經重續採購合同及其項下之擬進行之交易以及截至二零一七年十二月三十一日、二零一八年十二月三十一日及二零一九年十二月三十一日止年度各年之年度上限。有關經重續採購合同之條款、持續關聯交易以及年度上限的詳情已於本公司二零一六年十二月六日的公佈及二零一六年十二月二十九日的通函中披露。二零一六年度，本集團向歌爾股份及其附屬公司銷售柔性電路板及柔性封裝基板產品約人民幣77,735,000元（相等於約90,822,000港元）（二零一五年：約人民幣23,374,000元（相等於約28,968,000港元）），較去年增長約213.53%。

Management Discussion and Analysis 管理層討論及分析

On 25 January 2017, the Company proposed to raise approximately HK\$133,600,000, net of expenses, by issuing 246,867,500 rights shares (“Rights Shares”) to the qualifying shareholders by way of rights (“Rights Issue”), at the subscription price of HK\$0.55 (“Subscription Price”) per Rights Share to (i) allow the Company to strengthen its financial position; (ii) increase the capital base of the Company for future development purposes; and (iii) provide funding to capture suitable development opportunities principally for the flexible packaging substrates products as and when they arise. The Rights Issue had been completed on 13 March 2017. Details about the Rights Issue were disclosed in the Company’s announcement dated 25 January 2017, 9 February 2017 and 13 March 2017 as well as the prospectus dated 20 February 2017.

OUTLOOK

The Group has become an authorised supplier for a number of world-renowned electronic manufacturers. In order to meet the requirements of the supply chain system of such customers, the Group has established two production bases: Southern China Guangzhou Factory and Eastern China Suzhou Factory. With the gradual uplift of production capability and scale, the Group’s capability to satisfy the “one-stop demand” of such customers is also largely improved. Following the stable enhancement in the Group’s capability to serve major international customers, the Group is confident to maintain a reasonable customer structure through market exploration and to improve the share of supply to its major customers. Following the continuous increase of new application fields of FPC and flexible packaging substrates and the foreseeable achievement in the research and development of the production technologies of FPC and flexible packaging substrates, the Group is confident to seize the market opportunities in the new application fields and to continuously improve the operation conditions of FPC and flexible packaging substrates.

於二零一七年一月二十五日，本公司建議以供股形式（「供股」）按認購價每股供股股份0.55港元（「認購價」）向合資格股東發行246,867,500股供股股份（「供股股份」），藉以籌集約133,600,000港元（扣除開支後）用於(i)讓本公司鞏固其財務狀況；(ii)提升本公司資本基礎供未來發展之用；及(iii)主要為柔性封裝基板產品提供資金以於出現合適發展機會時加以把握。是次供股已經於二零一七年三月十三日完成。有關供股的詳情已於本公司二零一七年一月二十五日、二零一七年二月九日及二零一七年三月十三日的公佈，以及二零一七年二月二十日的供股章程中披露。

展望

本集團已成為多家全球知名電子廠商之合資格供應商。為滿足該等客戶的供應鏈體系要求，本集團已設立華南廣州工廠和華東蘇州工廠兩個製造基地，產能和規模逐步提升，大大提高了本集團滿足其「一站式需求」之能力。隨著本集團服務重要國際性大客戶之能力得到穩定提升，本集團有信心通過市場開發保持合理的客戶結構和提升主要客戶之供應份額。隨著柔性電路板和柔性封裝基板新應用領域之不斷出現以及本集團在柔性電路板和柔性封裝基板生產技術研發方面取得之可預見的成果，本集團有信心抓住新應用領域出現之市場機遇，不斷改善柔性電路板和柔性封裝基板之經營狀況。



Management Discussion and Analysis 管理層討論及分析

The management of the Group is of the opinion that the FPC industry continues to grow despite the sluggish global economy and the slow down of China's economy. The main developing trend of the current FPC industry is "increasing technological complexity of products, more intense market competition and more new application fields". Looking ahead, the Group will strive to (i) intensify technology research and development in order to uplift key technology capabilities and increase product yield rate; (ii) develop new application fields of FPC and flexible packaging substrates and maintain and increase the supply for major customers; and (iii) uplift production and manufacturing capability with lean management. With more reasonable customer structure of FPC business and increase of application opportunities of flexible packaging substrates business, the Group is expected to seize the development opportunities for the industry, overcome the difficulties in the development of flexible packaging substrates business and continue to increase the operation results, so as to present satisfactory results and provide favorable returns for its shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations primarily with internally generated funds from operating activities and existing bank facilities. It is anticipated that the Group has sufficient working capital to meet its present funding requirements. As at 31 December 2016, the outstanding loan balance for the Group was approximately HK\$134,391,000.

本集團管理層認為，雖然面臨全球經濟不景氣及中國經濟增速放緩，柔性電路板行業仍然處於增長態勢。「產品技術複雜程度不斷提升、市場競爭更加激烈、應用新領域不斷出現」是目前柔性電路板行業的主要發展趨勢。展望明年，本集團將努力(i)加大技術研發以提升關鍵技術能力及提高產品良品率；(ii)開發柔性電路板及柔性封裝基板應用新領域，保持和提升主要客戶之供應份額；及(iii)以精益化管理為核心提高生產製造能力。預期隨著柔性電路板業務客戶結構更趨合理及柔性封裝基板業務新應用機會之增長，本集團有望抓住行業發展機遇、克服柔性封裝基板業務發展出現的困難，不斷提升經營業績，藉此向股東交出滿意成績，為股東帶來理想回報。

流動資金及財政資源

本集團主要以經營業務所得內部資金及現時可用之銀行融資應付其營運所需，預料本集團有足夠營運資金應付其目前資金需要。於二零一六年十二月三十一日，本集團尚未償還之貸款約為134,391,000港元。

Management Discussion and Analysis 管理層討論及分析

EMPLOYEE

As at 31 December 2016, the Group had a total of 2,175 full-time employees based in Hong Kong and China (2015: 2,023 employees). For the year ended 31 December 2016, the total labor costs (including Director's remuneration) for the Group amounted to approximately HK\$177,387,000 (2015: approximately HK\$171,925,000). The Group determines and reviews the remunerations of its Directors and employees based on their respective qualifications, experiences, performances and the market rates, so as to maintain the remuneration of the Directors and employees at a competitive level. The Group participates in various defined contribution retirement plans and insurance schemes in compliance with the statutory obligations under the laws and regulations of China and Hong Kong. The Directors believe that being one of the most important assets of the Group, employees are important contributors to the success of the Group. The Group appreciates the importance of staff training, therefore, regular trainings are provided to the employees to enhance their technical and product knowledge. The majority of the Group's employees are stationed in China.

MATERIAL INVESTMENT

Save as disclosed in this report, the Group did not have any material investments during the year ended 31 December 2016.

SUBSEQUENT EVENT

On 25 January 2017, the Company proposed to raise approximately HK\$133,600,000, net of expenses, by issuing 246,867,500 Rights Shares to the qualifying shareholders by way of rights, at the Subscription Price of HK\$0.55 per Rights Share. The Rights Issue had been completed on 13 March 2017. Details about the Rights Issue were disclosed in the Company's announcement dated 25 January 2017, 9 February 2017 and 13 March 2017 as well as the prospectus dated 20 February 2017.

Save as disclosed in this report, there were no other important events affecting the Group that have occurred since 31 December 2016 and up to the date of this report.

僱員

於二零一六年十二月三十一日，本集團在香港及中國僱用合共2,175名全職僱員（二零一五年：2,023名僱員）。截至二零一六年十二月三十一日止年度本集團之總員工成本（包括董事酬金）約為177,387,000港元（二零一五年：約171,925,000港元）。本集團根據董事及員工之資歷、經驗、表現及市場水準以制定及審核其薪酬，以維持董事及員工薪酬於一個具競爭之水準。本集團參加若干遵照中國及香港法例及條例之法律責任規定之定額供款退休及保險計劃。董事相信，僱員乃本集團最重要資產之一，對本集團之成功作出重要貢獻。本集團明白員工培訓之重要性，故定期向本集團員工提供培訓以提升其技術及產品知識。本集團大部份僱員均駐於中國。

重大投資

除本報告所披露者外，於截至二零一六年十二月三十一日止年度內，本集團並無任何重大投資。

結算日後事項

於二零一七年一月二十五日，本公司建議以供股形式按認購價每股供股股份0.55港元向合資格股東發行246,867,500股供股股份，藉以籌集約133,600,000港元（扣除開支後）。是次供股已經於二零一七年三月十三日完成。有關供股的詳情已於本公司二零一七年一月二十五日、二零一七年二月九日及二零一七年三月十三日的公佈，以及二零一七年二月二十日的供股章程中披露。

除本報告所披露者外，於二零一六年十二月三十一日後及直至本報告日期，概無發生對本集團有重大影響的事件。

Management Discussion and Analysis 管理層討論及分析

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this report, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2016.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR PURCHASE OF CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any future plans for material investment or purchase of capital asset as at 31 December 2016.

PLEDGE OF ASSETS OF THE GROUP

As at 31 December 2016, bank deposits of approximately HK\$2,356,000 (as at 31 December 2015: approximately HK\$2,356,000) of the Group were pledged as collateral to secure bank facilities granted to the Group. Trade receivables of approximately HK\$8,677,000 were pledged as collateral to secure bank facilities granted to the Group (as at 31 December 2015: nil).

As at 31 December 2016, land use rights and buildings with carrying amounts of approximately HK\$16,818,000 and HK\$51,171,000 respectively (as at 31 December 2015: approximately HK\$18,401,000 and HK\$56,176,000) were pledged to secure the general bank facilities granted to the Group.

As at 31 December 2015, machinery and equipment with carrying amount of HK\$24,139,000 (as at 31 December 2016: HK\$ nil) was pledged to secure the general bank facilities granted to the Group.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2016.

重大收購及出售

除本報告所披露者外，於截至二零一六年十二月三十一日止年度內，本集團並無有關附屬公司、聯營公司及合營企業的重大收購或出售。

有關重大投資或購入資本資產之未來計劃

除本報告所披露者外，於二零一六年十二月三十一日，本集團並無任何重大投資或購入資本資產的未來計劃。

集團資產質押

於二零一六年十二月三十一日，本集團約2,356,000港元（二零一五年十二月三十一日：約2,356,000港元）的銀行存款已為擔保銀行授予本集團之銀行信貸而質押為抵押品。應收賬款約8,677,000港元已抵押以擔保本集團之銀行信貸（二零一五年十二月三十一日：無）。

於二零一六年十二月三十一日，賬面值分別約16,818,000港元及51,171,000港元之土地使用權及樓宇（二零一五年十二月三十一日：約18,401,000港元及56,176,000港元）已抵押以擔保授予本集團之一般銀行信貸。

於二零一五年十二月三十一日，賬面值24,139,000港元之機器設備（二零一六年十二月三十一日：無）已抵押以擔保授予本集團之一般銀行信貸。

或然負債

於二零一六年十二月三十一日，本集團並無任何重大或然負債。

Management Discussion and Analysis

管理層討論及分析

GEARING RATIO

As at 31 December 2016, the net cash and cash equivalents of the Group amounted to approximately HK\$26,603,000. As at 31 December 2016, the gearing ratio of the Group was approximately 50.69% (as at 31 December 2015: approximately 40.45%), which was calculated based on the Group's total liabilities of approximately HK\$497,594,000 (as at 31 December 2015: HK\$336,353,000) and the Group's total assets of approximately HK\$981,651,000 (as at 31 December 2015: HK\$831,541,000).

As at 31 December 2016, AKM Electronics Technology (Suzhou) Ltd., a subsidiary of the Group, breached certain financial covenants as stipulated in the borrowing agreements entered into by it with carrying amount in aggregate of RMB28,000,000 (equivalent to HK\$31,302,000). The relevant borrowing has been fully repaid subsequent to 31 December 2016.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The income and expenditure of the Group are mainly denominated in US dollars and RMB, while the assets and liabilities of the Group are denominated in HK dollars and RMB. The Group is therefore exposed to foreign exchange risk arising from currency exposures, primarily with respect to US dollars and RMB. The operating results and the financial position of the Group may be affected by any changes in the exchange rates, the Group has not taken any hedging measures in this regard. Furthermore, the conversion of RMB denominated balances into foreign currencies is subject to the foreign exchange control rules and regulations promulgated by the Chinese government. However, taking into account the Group's current operation and capital requirements, the Directors do not consider the Group as a subject to any material foreign exchange risk.

資本負債比率

於二零一六年十二月三十一日，本集團之現金及現金等值項目淨額約為26,603,000港元。於二零一六年十二月三十一日，本集團之資本負債比率約為50.69%（二零一五年十二月三十一日：40.45%），資本負債比率乃按本集團總負債約497,594,000港元（二零一五年十二月三十一日：336,353,000港元）及本集團總資產約981,651,000港元（二零一五年十二月三十一日：831,541,000港元）計算。

於二零一六年十二月三十一日，本集團一間附屬公司，安捷利電子科技（蘇州）有限公司，訂立的借貸協議的若干財務契諾形成違約，賬面值合共人民幣28,000,000元（相等於31,302,000港元）。有關借貸已於二零一六年十二月三十一日後悉數償還。

匯率波動風險

本集團大部份收入及開銷以美元及人民幣計值，而本集團之資產及負債以港元及人民幣計值。因此，本集團須承擔主要因美元及人民幣等貨幣兌換而產生之外匯風險。本集團之經營業績及財政狀況會受任何匯率變動影響而本集團並無就此採取任何對沖措施。此外，人民幣計值結餘兌換為外幣時亦須受中國政府頒佈之外匯管制規例監管。然而，董事於考慮本集團現時經營及資本要求後，並不認為本集團承受任何重大外匯風險。

Management Discussion and Analysis 管理層討論及分析

DIVIDEND

The Directors do not recommend the payment of final dividend for the year ended 31 December 2016 (2015: nil).

CLOSURE OF SHARE REGISTER FOR ANNUAL GENERAL MEETING

Persons who hold shares of the Company and whose names appear on the Register of Members of the Company as at 23 May 2017 shall be entitled to attend and vote at the annual general meeting ("AGM"), which is to be held on 26 May 2017. To be qualified to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 22 May 2017. The Register of Members of the Company will be closed from 23 May 2017 to 26 May 2017 (both days inclusive) for the purposes of the AGM during which no transfer of shares will be effected.

股息

董事不建議派付截至二零一六年十二月三十一日止年度之末期股息(二零一五年:無)。

股東週年大會之暫停辦理股份過戶登記

凡持有本公司股份，並於二零一七年五月二十三日登記在冊股東，均有權出席本公司於二零一七年五月二十六日舉行的股東週年大會(「股東週年大會」)，並於會上擁有投票的權利。為符合資格出席股東週年大會，所有經填妥的股份過戶表格連同有關之股票最遲須於二零一七年五月二十二日下午四時三十分前送達本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。因股東週年大會關係，本公司將於二零一七年五月二十三日至二零一七年五月二十六日(包括首尾兩日)暫停辦理股份過戶登記手續。

Corporate Governance Report 公司管治報告

INTRODUCTION

Save for the deviation as disclosed in this report, the Company had complied with all the code provisions set out in the Corporate Governance Code (collectively “Code”) contained in Appendix 14 of the Listing Rules by establishing formal and transparent procedures to protect and maximize the interests of shareholders during the year under review.

As Mr. Bi Keyun did not seek for renewal of his appointment as an independent non-executive Director, a member of the audit committee and a member of the remuneration committee upon the expiry of his term on 3 February 2016, the number of independent non-executive Directors and the number of members of the audit committee of the Company fall below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules respectively since 4 February 2016. Further, the requirement that the remuneration committee should comprise a majority of independent non-executive Directors under Rule 3.25 of the Listing Rules could not be complied with since 4 February 2016. The Company appointed Mr. Cui Zheng as an independent non-executive Director, a member of the audit committee and a member of the remuneration committee of the Company with effect from 3 May 2016. Accordingly, Rules 3.10(1), 3.21 and 3.25 of the Listing Rules have been complied with since 3 May 2016.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less favorable than the standard of dealings as set out in Appendix 10 of the Model Code of the Listing Rules. Having made specific enquiry on all Directors, it is confirmed that the Directors have complied with such code of conduct and the standard of dealings regarding securities transactions throughout the year ended 31 December 2016.

緒言

除本報告披露之偏離情況外，本公司已遵守上市規則附錄十四所載之《企業管治守則》之守則（統稱「守則」）條文，於回顧年度內成立正式具透明度程序，以保障及盡量提高股東利益。

由於畢克允先生於二零一六年二月三日任期屆滿後不續任獨立非執行董事、審核委員會委員及薪酬委員會委員，本公司之獨立非執行董事及審核委員會成員人數自二零一六年二月四日起分別低於上市規則第3.10(1)條及第3.21條所規定之最低人數。此外，自二零一六年二月四日起亦未能符合上市規則第3.25條薪酬委員會大部分成員為獨立非執行董事之規定。本公司於二零一六年五月三日委任崔錚先生為本公司之獨立非執行董事、審核委員會委員及薪酬委員會委員，因此，自二零一六年五月三日起，上市規則第3.10(1)條、第3.21條及第3.25條之規定已獲遵守。

董事進行證券交易

本公司已就董事進行證券交易採納一套操守準則，其條款不較上市規則附錄十標準守則的交易準則寬鬆。向全體董事作出特定查詢後，確定董事於截至二零一六年十二月三十一日止年度一直遵守有關操守準則及有關進行證券交易之交易準則。

Corporate Governance Report 公司管治報告

BOARD OF DIRECTORS AND BOARD MEETING

During the year under review, the Board consisted of 2 executive Directors and 6 non-executive Directors of whom 3 were independent non-executive Directors:

Executive Directors:

Mr. Xiong Zheng Feng (*Chairman*)
Mr. Chai Zhi Qiang (*Chief Executive Officer*)

Non-executive Directors:

Ms. Li Ying Hong
Mr. Gao Xiaoguang
Mr. Jia Junan

Independent non-executive Directors:

Mr. Hung Chi Yuen Andrew
Mr. Zhao Xiao
Mr. Bi Keyun (retired on 4 February 2016)
Mr. Cui Zheng (appointed on 3 May 2016)

The Board is responsible for the Group's corporate policy formulation, business strategy planning, business development, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual and interim accounts for the Board's approval before reporting to the public, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal control and risk management procedures, and compliance with relevant statutory requirements, rules and regulations. During the year under review, the Board and its audit committee, remuneration committee and nomination committee have performed corporate governance duties in accordance with the functions set out in the Code Provision D.3.1.

董事會及董事會會議

於回顧年度內，董事會由兩名執行董事及六名非執行董事（其中三名為獨立非執行董事）組成：

執行董事：

熊正峰先生（主席）
柴志強先生（行政總裁）

非執行董事：

李映紅女士
高曉光先生
賈軍安先生

獨立非執行董事：

洪志遠先生
趙曉先生
畢克允先生（於二零一六年二月四日退任）
崔錚先生（於二零一六年五月三日獲委任）

董事會負責本集團之企業政策制訂、業務策略規劃、業務發展、風險管理、主要收購、出售及資本交易以及其他重大營運及財務事宜。董事會指派管理層負責之主要公司事宜包括：編製年度及中期賬目以供董事會於向公眾公佈前審批、實行業務策略及董事會採納之措施、推行充分之內部監控制度及風險管理程序以及遵守相關法定要求、規則及規例。於回顧年度內，董事會及其審核委員會、薪酬委員會、提名委員會根據守則條文第D.3.1條所載之職能履行了企業管治職責。

Corporate Governance Report 公司管治報告

Details of backgrounds and qualifications of the chairman and other Directors of the Company are set out on pages 7 to 14 of this annual report. All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively and efficiently. There is no relationship among the members of the Board.

During the year under review, the Company appointed one independent non-executive Director. All appointed directors have appropriate and sufficient experience and qualification to carry out their duties to protect the interests of shareholders. Mr. Cui Zheng was appointed as an independent non-executive Director with effect from 3 May 2016 for a term of three years. Mr. Hung Chi Yuen Andrew, Mr. Zhao Xiao and Mr. Cui Zheng are independent non-executive directors. Mr. Hung Chi Yuen Andrew was appointed from 17 October 2011 and renewed his appointment for a term of three years commenced from 17 October 2014. Mr. Zhao Xiao was appointed as an independent non-executive Director for a term of three years commenced from 16 February 2015. Mr. Bi Keyun was appointed as an independent non-executive Director for a term of three years commenced from 4 February 2013. Mr. Bi Keyun did not seek for renewal of his term of office as an independent non-executive Director upon the expiry of his term on 3 February 2016 due to his retirement. All of them are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's articles of association.

Under the Code Provision A.4.2, every director shall be subject to retirement by rotation at least once every three years.

Pursuant to the requirements of the Listing Rules, the Company has received written confirmation from each independent non-executive Director confirming his independence to the Company. Based on such confirmations of independence, the Company considers all the independent non-executive Directors to be independent.

During the year under review, Mr. Xiong Zheng Feng was the chairman and Mr. Chai Zhi Qiang was the chief executive officer.

本公司主席及其他董事之背景及履歷詳情載於本年報第7至第14頁。全體董事已就本集團事務付出充足時間及心力。每名執行董事均具有其職位所需足夠經驗，以有效執行彼之職務。董事會成員之間並無關係。

於回顧年度內，本公司共委任一名獨立非執行董事，所有委任董事皆具備合適資格及充足經驗以執行彼等之職務，保障股東利益。崔錚先生自二零一六年五月三日起獲委任為獨立非執行董事，任期三年。洪志遠先生、趙曉先生及崔錚先生為獨立非執行董事。洪志遠先生自二零一一年十月十七日起獲委任，並自二零一四年十月十七日起續任，任期三年。趙曉先生自二零一五年二月十六日起獲委任為獨立非執行董事，任期三年。畢克允先生自二零一三年二月四日起獲委任為獨立非執行董事，任期三年。畢克允先生因榮休於二零一六年二月三日任期屆滿後不再續任獨立非執行董事。彼等均須按本公司之公司組織章程細則於股東週年大會輪值退任及膺選連任。

根據守則條文第A.4.2條，每位董事須每三年最少輪值告退一次。

根據上市規則之規定，本公司已收到各位獨立非執行董事就確認其獨立於本公司之書面確認。基於此等獨立性確認函，本公司認為所有獨立非執行董事均屬獨立人士。

於回顧年度內，熊正峰先生為主席，而柴志強先生為行政總裁。

Corporate Governance Report 公司管治報告

The roles of the chairman and the chief executive officer were segregated and were not exercised by the same individual during the year under review. The chairman's responsibility was to manage the Board while the chief executive officer's was to manage the business of the Company.

於回顧年度內，主席及行政總裁之職務有所劃分，並非由同一人擔任。主席之職責為管理董事會，而行政總裁之職責為管理本公司之業務。

The Board held a full board meeting each quarter.

董事會每季均會舉行全體成員列席會議。

Details of the attendance of the meetings of the members of the Board during the year under review are as follows:

董事會成員在回顧年度內出席董事會會議之記錄詳情如下：

Directors	董事	Attendance 出席次數
Mr. Xiong Zheng Feng	熊正峰先生	4/4
Mr. Chai Zhi Qiang	柴志強先生	4/4
Ms. Li Ying Hong	李映紅女士	4/4
Mr. Gao Xiaoguang	高曉光先生	4/4
Mr. Jia Junan	賈軍安先生	4/4
Mr. Hung Chi Yuen Andrew	洪志遠先生	4/4
Mr. Zhao Xiao	趙曉先生	4/4
Mr. Bi Keyun (retired on 4 February 2016)	畢克允先生 (於二零一六年二月四日退任)	0/4
Mr. Cui Zheng (appointed on 3 May 2016)	崔錚先生 (於二零一六年五月三日獲委任)	3/4

Apart from the above regular board meetings of the year, the members of the Board will meet on other occasions when a board-level decision on a particular matter is required. The Directors will receive agenda and details of items for decision in advance of each board meeting.

除上述年內定期董事會會議外，董事會成員將於特定事宜需要董事會決定時舉行會議。董事於每次董事會會議前均會事先獲發議程及有關詳情。

Corporate Governance Report 公司管治報告

CONTINUOUS TRAINING AND DEVELOPMENT OF DIRECTORS

During the year under review, the Company engaged a professional training institution to provide all directors with relevant training on corporate risk and financial risk management, latest amendments to risk management and internal controls and Environmental, Social and Governance Report. All Directors had complied with the requirements set out in the Code Provision A.6.5 by participating in the continuous professional development, developing and refreshing their knowledge and skills, in order to ensure that their contribution to the Board would remain informed and relevant.

AUDIT COMMITTEE

The Company established the audit committee with written terms of reference in accordance with Rules 3.21 to 3.23 of the Listing Rules. The primary duties of the audit committee are to review and monitor the financial reporting process, risk management and internal control system of the Group and provide advice and comments on the Company's draft of annual reports and accounts and half-year reports. During the year under review, the audit committee comprised of three members, namely Mr. Hung Chi Yuen Andrew, Mr. Zhao Xiao and Mr. Cui Zheng. All of them were independent non-executive directors. The chairman of the audit committee was Mr. Hung Chi Yuen Andrew. As the term of office of Mr. Bi Keyun expired on 3 February 2016 and he did not seek for renewal of his appointment as a member of the audit committee with effect from 4 February 2016, the number of members of the audit committee fell below the minimum number required under Rules 3.21 of the Listing Rules since 4 February 2016 until the Company appointed Mr. Cui Zheng as a member of the audit committee of the Company with effect from 3 May 2016. Accordingly, Rule 3.21 of the Listing Rules have been complied with since 3 May 2016.

董事之持續培訓及發展

於回顧年度內，本公司聘請了專業培訓機構為所有董事進行了公司風險和財務風險管理、風險管理及內部監控最新修訂以及環境、社會和管治報告等方面的培訓，全體董事均已遵守守則條文A.6.5之規定，參與了持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

審核委員會

本公司按照上市規則第3.21至3.23條成立審核委員會並制定其書面職權範圍。審核委員會之主要職責為審查及監控本集團之財務申報程序、風險管理及內部監控制度，並就本公司草擬年報及賬目及半年報告時向董事提供忠告及意見。於回顧年度內，審核委員會由三名成員組成，分別為洪志遠先生、趙曉先生及崔錚先生。全部均為獨立非執行董事。審核委員會主席為洪志遠先生。由於畢克允先生的任期於二零一六年二月三日屆滿，並自二零一六年二月四日起不再續任審核委員會委員，因此自二零一六年二月四日起未能達到上市規則第3.21條審核委員會最低人數之規定。本公司於二零一六年五月三日委任崔錚先生為本公司審核委員會委員，因此，自二零一六年五月三日起，上市規則第3.21條之規定已獲遵守。

Corporate Governance Report 公司管治報告

During the year under review, four meetings were held by the audit committee. Details of the attendance of the audit committee meetings are as follows:

審核委員會於回顧年度內舉行四次會議。審核委員會會議之出席記錄詳情如下：

Directors	董事	Attendance 出席次數
Mr. Hung Chi Yuen Andrew	洪志遠先生	4/4
Mr. Zhao Xiao	趙曉先生	4/4
Mr. Bi Keyun (retired on 4 February 2016)	畢克允先生 (於二零一六年二月四日退任)	0/4
Mr. Cui Zheng (appointed on 3 May 2016)	崔錚先生 (於二零一六年五月三日獲委任)	3/4

The Group's unaudited interim results for the six months ended 30 June 2016 and audited annual results for the year ended 31 December 2016 had been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure were made,

本集團截至二零一六年六月三十日止六個月之未經審核中期業績以及截至二零一六年十二月三十一日止年度經審核全年業績已由審核委員會審閱。審核委員會認為，該等業績乃按照適用會計準則及規定編製，已作出充分披露。

REMUNERATION COMMITTEE

The remuneration committee was established in August 2005 with written terms of reference. During the year under review, the remuneration committee comprised of three members. Mr. Zhao Xiao, an independent non-executive director, was the chairman of the committee. Other members of the remuneration committee included Ms. Li Ying Hong and Mr. Cui Zheng. Accordingly, the majority of the members were independent non-executive directors. As the term of office of Mr. Bi Keyun expired on 3 February 2016 and he did not seek for renewal of his appointment as a member of the remuneration committee with effect from 4 February 2016, the requirement that the remuneration committee should comprise a majority of independent non-executive Directors under Rule 3.25 of the Listing Rules could not be met since 4 February 2016. The Company appointed Mr. Cui Zheng as a member of the remuneration committee of the Company with effect from 3 May 2016. Accordingly, Rule 3.25 of the Listing Rules have been complied with since 3 May 2016.

薪酬委員會

薪酬委員會於二零零五年八月成立，並制定其書面職權範圍。於回顧年度內，薪酬委員會由三名成員組成，委員會主席為獨立非執行董事趙曉先生，其他委員為李映紅女士及崔錚先生。因此大部份成員為獨立非執行董事。由於畢克允先生的任期於二零一六年二月三日屆滿，並自二零一六年二月四日起不再續任薪酬委員會委員，因此自二零一六年二月四日起未能達到上市規則第3.25條薪酬委員會大部分成員為獨立非執行董事之規定。本公司於二零一六年五月三日委任崔錚先生為本公司審核委員會委員，因此，自二零一六年五月三日起，上市規則第3.25條之規定已獲遵守。

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The role and function of the remuneration committee included the determination of the specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, such as any compensation payable for loss or termination of their office or appointment, and the provision of recommendations to the Board on the remuneration of non-executive Directors. The remuneration committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and feasibility of performance-based remuneration.

During the year under review, two meetings were held by the remuneration committee. Details of the attendance of the remuneration committee meeting are as follows:

Directors	董事	Attendance 出席次數
Mr. Zhao Xiao	趙曉先生	2/2
Ms. Li Ying Hong	李映紅女士	2/2
Mr. Bi Keyun (retired on 4 February 2016)	畢克允先生(於二零一六年二月四日退任)	0/2
Mr. Cui Zheng (appointed on 3 May 2016)	崔錚先生(於二零一六年五月三日獲委任)	1/2

The remuneration committee of the Company has considered and reviewed the existing terms of employment contracts of the executive Directors and those of appointment letters of the independent non-executive Directors. The remuneration committee of the Company considers that the existing terms of employment contracts of the executive Directors and appointment letters of the independent non-executive Directors are fair and reasonable.

NOMINATION COMMITTEE

The nomination committee was established on 22 March 2012 with written terms of reference. During the year under review, the nomination committee comprised of three members. The chairman of the committee was Mr. Xiong Zheng Feng. Other members included Mr. Hung Chi Yuen Andrew and Mr. Zhao Xiao. Accordingly, the majority of the members were independent non-executive Directors.

薪酬委員會之職務包括釐定全體執行董事之特定薪酬組合，如實物利益、退休權利及補償、包括離職或入職補償，以及就非執行董事之薪酬向董事會提供建議。薪酬委員會應考慮之各種因素包括：可資比較公司所付薪金、董事所投注時間及職責、本集團內僱傭條件及按表現發放薪酬之可行性。

於回顧年度內，薪酬委員會共舉行兩次會議。董事出席薪酬委員會會議之記錄詳情如下：

本公司薪酬委員會已考慮及覆閱執行董事之僱傭合約及獨立非執行董事之委任函件之現有條款。本公司薪酬委員會認為執行董事之僱傭合約及獨立非執行董事之委任函件之現有條款為公平及合理。

提名委員會

提名委員會於二零一二年三月二十二日成立，並制定其書面職權範圍。於回顧年度內，提名委員會由三名成員組成，委員會主席為熊正峰先生，其他成員為洪志遠先生及趙曉先生。因此大部份成員為獨立非執行董事。

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The nomination committee shall review the structure, size and composition of the Board (including skills, knowledge, experience, past performance and qualification, etc.) and assess the independence of independent non-executive Directors and the adequacy of Corporate Governance Code. The committee is responsible for formulating nomination policy, identifying candidates for Directors and making recommendations to the Board in respect of the nomination, appointment or reappointment of Directors and succession plan of Directors.

The Company acknowledges that the diversification of the members of the Board has positive effects on enhancing the Group's performance. The Company sees the diversification of the members of the Board as an important supporting factor for the Group to achieve its strategic goal and maintain sustainable growth. In deciding the composition of the Board, the Company will consider the Board diversity from various perspectives, including but not limited to sex, age, cultural and academic background, race, professional experience, skills, knowledge and terms of services. All of our Directors are appointed according to the principle of meritocracy while all candidates are being selected objectively, and the benefit of Board diversity will also be taken into full consideration. The nomination committee will review the diversity of the composition of the Board on regular basis, and will monitor the implementation of this policy, so as to ensure this policy has been effectively implemented.

During the year under review, one meeting was held by the nomination committee. Details of the attendance of the nomination committee meeting are as follows:

Directors	董事	Attendance 出席次數
Mr. Xiong Zheng Feng	熊正峰先生	1/1
Mr. Hung Chi Yuen Andrew	洪志遠先生	1/1
Mr. Zhao Xiao	趙曉先生	1/1

The nomination committee considered and resolved that all the existing Directors should be recommended to be retained by the Company.

提名委員會需檢討董事會的架構、人數及組成（包括技能、知識、經驗、往績及資歷等方面）及評核獨立非執行董事之獨立性及有關企業管治守則之足夠性，並負責制訂提名政策及物色董事人選，就董事之提名、委任或重新委任以及董事繼任計畫向董事會作出推薦建議。

本公司明白董事會成員多元化對提升公司的表現素質裨益良多。本公司視董事會成員日益多元化為支持其達到戰略目標及維持可持續發展之要素。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則，並以客觀條件考慮人選，同時會充分顧及董事會成員多元化的裨益。提名委員會將定期檢討董事會在多元化層面之組成並監察本政策之執行，以確保本政策行之有效。

於回顧年度內，提名委員會共舉行一次會議。董事出席提名委員會會議之記錄詳情如下：

提名委員會考慮及議決推薦本公司留任全體現任董事。

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AUDITOR'S REMUNERATION

The audit committee of the Company was responsible for considering the appointment of the external auditor and reviewing any non-audit function performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year under review, the Group was required to pay an aggregate amount of approximately HK\$760,000 to the external auditor for their audit service.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for the preparation of accounts, and confirmed that the financial statements of the Company were prepared in accordance with statutory requirements and applicable accounting standards. The Directors confirm that, to the best of their knowledge, information and belief, and having made all reasonable enquiries, they are not aware of any undisclosed material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

COMPANY SECRETARY

Ms. Hung Ching Yuen was appointed as the company secretary on 13 June 2011. Ms. Hung Ching Yuen is an external service provider to the Company and a solicitor practicing in Hong Kong. She has taken no less than 15 hours of relevant professional training as required by the Listing Rules. The primary contact person between the Company and Ms. Hung Ching Yuen is Mr. Jiang Maoping, officer responsible for compliance and legal matters.

核數師酬金

本公司之審核委員會負責考慮外聘核數師之委任及審查外聘核數師進行之任何非核數工作，包括有關非核數工作會否對本公司構成任何潛在重大不利影響。於回顧年度內，本集團須向外聘核數師支付共約760,000港元，作為其提供核數服務之酬金。

董事對財務報表之責任

董事知悉彼等有編製帳目之責任，並確認本公司之財務報表乃根據法定規則及適用會計準則編製。董事確認，就彼等經作出一切合理查詢後所深知、得悉及確信，彼等並不知悉任何可能嚴重影響本公司持續經營能力之未披露重大不明朗事件或情況。

公司秘書

洪靜遠女士於二零一一年六月十三日獲委任為公司秘書。洪靜遠女士乃本公司之外聘服務人員，為香港執業律師。彼已遵照上市規則之規定參加了不少於15個小時的相關專業培訓。本公司內部與洪靜遠女士之主要聯絡人為負責合規及法律事務之主管蔣茂平先生。

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INTERNAL CONTROL AND RISK MANAGEMENT

The Company conducted regular review on its internal control system and risk management procedure to ensure its effectiveness and adequacy. The Company convened meetings periodically to discuss financial, operational, compliance and risk management control. The Group's internal risk management control and procedure is designed to provide reasonable assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems. Through the audit committee, the Board has reviewed the effectiveness of the Group's internal control and is of the opinion that the resources for and qualifications of staff of the Company's accounting and financial reporting function are adequate and sufficient. The Board is satisfied with present internal control.

AUDITOR

During the year under review, the performance of the external auditor of the Company was reviewed. It is proposed to reappoint the external auditor at the forthcoming AGM.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. The Company welcomes suggestions from investors, stakeholders and the public. The Company has disclosed all necessary information to the shareholders and investors in compliance with the Listing Rules and uses a number of formal communications channels to account to shareholders and investors for the Company. These include (1) the publication of announcements and notices, financial information and corporate governance information available on the websites of The Stock Exchange of Hong Kong Limited and the Company; (2) the annual general meeting or extraordinary general meeting provide a forum for shareholders of the Company to raise comments and exchange views with the Board; (3) information@akmcompany.com, an email specifically set up by the Company for communications with investors and provide timely replies to the enquires from investors; (4) the provision of services for shareholders through the Company's registered office and share registrar in Hong Kong.

內部監控及風險管理

本公司定期審查其內部監控制度及風險管理程序，以確保其成效及充分。本公司定期召開會議，討論財務、營運、合規及風險管理監控。本公司之內部風險管理監控和程序旨在合理保證無重大錯誤陳述或損失，並管理及消除有關營運系統故障之風險。董事會已透過審核委員會就內部監控之成效及本公司會計及財務申報職能之可用資源及人員資格充份足夠。董事會對目前的內部監控感到滿意。

核數師

於回顧年度內，已檢討本公司外聘核數師之表現，並建議在應屆股東週年大會重新委任為外聘核數師。

投資者關係及與股東之溝通

本公司不斷促進與投資者之關係，並加強與現有股東及意向投資者之溝通。本公司歡迎投資者、權益持有人及公眾人士提供意見。本公司已向股東及投資者披露上市規則規定之一切所需資料，並透過多種正式通訊管道向股東及投資者匯報本公司表現。該等管道包括：(1)於香港聯合交易所有限公司網站及本公司網站刊登之各項公告及通告、財務資料及企業管治資料等；(2)召開股東週年大會或股東特別大會以向本公司股東提供對董事會作出及交流意見之途徑；(3)專門設立與投資者溝通郵箱 information@akmcompany.com 即時回應投資者；(4)通過本公司香港註冊辦事處或香港股份過戶登記處為股東提供服務等。

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CONSTITUTIONAL DOCUMENTS

There was no significant change in the Memorandum and Articles of Association of the Company during the year ended 31 December 2016.

SHAREHOLDERS' RIGHTS

Pursuant to Articles 65 of the Company's Memorandum and Articles of Association, the Directors may, whenever they think fit, convene an extraordinary general meeting, and an extraordinary general meeting shall also be convened upon request by shareholders of the Company as provided by the Companies Ordinance (Cap. 622) of the Laws of Hong Kong ("Companies Ordinance"), or, in default, may be convened by the shareholders requesting the convening of an extraordinary general meeting.

According to Sections 566 to 568 of the Companies Ordinance, the Directors are required to call an extraordinary general meeting if the Company has received requests to do so from shareholders of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings. Shareholders of the Company may deposit at the registered office of the Company a written request, which shall state the general nature of the business to be dealt with at the meeting and include the text of the resolution to be proposed at the meeting, and shall be signed by the shareholders who made the demand. Where the Directors do not, within twenty one days from the date of depositing the demand, duly convene an extraordinary general meeting to be held on a day not later than 28 days after the date on which the notice convening the meeting is given, the shareholders who made the demand or shareholders representing more than half of the voting rights of such shareholders may convene an extraordinary general meeting themselves in the same manner, as nearly as possible, as that in which extraordinary general meetings may be convened by the Directors of the Company, and all reasonable expenses incurred by the shareholders who made the request as a result of the failure of the Directors to duly convene an extraordinary general meeting shall be reimbursed by the Company.

憲章文件

截至二零一六年十二月三十一日止年度內，本公司之組織章程大綱及細則概無任何重大變動。

股東權利

根據本公司組織章程大綱及細則第65條之規定，董事可於每當認為適合時召開股東特別大會，亦應按香港法例《公司條例》（第622章）（「公司條例」）所規定，應公司股東要求召開股東特別大會，或於沒有因應該要求召開股東特別大會的情況下，可由要求召開股東特別大會的股東自行召開股東特別大會。

根據公司條例第566至568條之規定，如公司收到佔全體有權在股東大會上表決的股東的總表決權最少5%的公司股東要求召開股東特別大會，則董事須召開特別大會。公司股東可向公司的註冊辦事處遞交召開特別大會之書面要求，當中須述明有待在有關股東特別大會上處理的事務的一般性質及擬在股東特別大會上動議的決議的文本，並由提出要求的股東簽署。倘董事並未於遞交要求日期起計二十一日內未有妥為安排一次在召開會議通知書發出日期後二十八天內召開的特別大會，則提出要求的股東或佔全體該等股東的總表決權過半數的股東，可自行以盡可能按接近董事召開大會之相同形式召開特別大會，而公司須向提出要求的股東償還因董事沒有妥為召開特別大會而招致提出要求的股東產生之一切合理費用。

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There is no provision allowing shareholders to move new resolutions at general meetings under the Articles of Association of the Company or the Companies Ordinance. Shareholders who wish to move a resolution may request the Company to convene an extraordinary general meeting by following the programme set out in the preceding paragraph.

In relation to proposing a person for election as a director, please refer to the programme available on the website of the Company.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's registered office in Hong Kong at Rooms 2708-11, 27th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. Shareholders may also send such enquiries and concerns to information@akmcompany.com, an email specifically set up by the Company for investor communications.

本公司之公司組織章程細則及公司條例並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案之股東可按上段所載程序要求本公司召開股東特別大會。

關於提名董事候選人之事宜，請參閱本公司網站所載之程序。

股東可隨時致函本公司之香港註冊辦事處（地址為香港干諾道中168-200號信德中心西座27樓2708-11室），向董事會提出查詢及表達意見。股東亦可將有關查詢及意見電郵至本公司專門設立與投資者溝通之郵箱 information@akmcompany.com。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group is pleased to present its first Environmental, Social and Governance Report which is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” contained in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This report mainly reports on the performance of corporate social responsibility of the Group during the period from 1 January 2016 to 31 December 2016. The Group is committed to improving its strategy and management of environment, society and governance through enhancement of infrastructure, internal participation and external partnership to achieve a balanced and win-win situation between interests of shareholders and the society.

STAKEHOLDERS’ PARTICIPATION

The Group has established a number of channels to allow related institutions and individuals in the society (the “stakeholders”), to participate in the Group’s operations so as to understand and oversee the Group’s operating performance. We are committed to creating a harmonious community with various co-existing interests, thus maximizing overall social benefits including the corporate benefits. Stakeholders can participate in the operation of the Company through the following means:

Stakeholders 權益持有人	Key targets and interests 主要目標及關注點	Channels and means of communication and participation 溝通參與方式和管道	Company measures 公司措施
Shareholders and investors	Protection of shareholders’ interest, truthfulness, accuracy and timeliness of information disclosure.	Shareholders’ meetings, investors conferences and site visits, disclosure of information (including financial statement) and contact information of the Company.	Publication of notifications and resolutions of the shareholders’ meetings and disclosure of information of the Company in accordance with rules; organization of various investor activities; publication of the Company’s contact information on the Company’s website and reports, and assuring all communication channels are smooth and unobstructed.
股東及投資者	股東權益保護，資訊披露真實、準確、及時。	股東大會，投資者諮詢和考察，資訊披露（含財務報表），公司聯繫方式。	按規定發佈股東大會通知和議案，披露公司資訊；開展多種形式的投資者活動；在公司網站和報告中公開公司聯繫方式，並確保各種溝通管道暢通。

本集團欣然提呈按照香港聯合交易所有限公司（「香港聯交所」）證券上市規則（「上市規則」）附錄二十七《環境、社會及管治報告指引》刊發之首份環境、社會及管治報告。本報告重點彙報本集團於二零一六年一月一日至二零一六年十二月三十一日期間在推行企業社會責任方面之表現。本集團務求通過加強基礎設施、內部參與及外部合夥關係，將本集團對環境、社會及管治的策略及管理提升至更高水準，以更好實現股東權益與社會利益間的平衡與共贏。

權益持有人的參與

本集團為社會上相關組織和個體（簡稱「權益持有人」）開放多種管道參與到公司運營中，瞭解和監督公司的運營狀況，意在營造一個和諧共榮的利益共同體，實現包括企業收益最大化在內的社會綜合效益最大化。權益持有人可從以下途徑參與本公司的運營：

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 權益持有人	Key targets and interests 主要目標及關注點	Channels and means of communication and participation 溝通參與方式和管道	Company measures 公司措施
Employees 員工	Protection of basic rights, compensation and benefits, work environment, development and promotion and occupational health and safety. 基本權益保障，福利薪酬待遇，工作環境，發展晉升，職業健康與安全。	Workers union, communication channels between employees and management, opinion boxes, staff activities, training and education. 工會，員工與管理層溝通管道，意見箱，員工活動，培訓與學習。	Establishment of workers union to provide workers with a platform to communicate; payment of salaries and benefits in full and on time; payment of social security insurance in accordance with law; provision of a healthy and safe work environment; establishment of a fair promotion mechanism; cared about our employees, organization of employee activities, trainings and learning activities. 成立工會組織，提供員工交流平臺；及時足額發放薪酬福利，依法繳納社會保險；提供健康、安全的工作環境；建立公平的晉升機制；關愛員工，組織員工活動，培訓與學習。
Customers 客戶	Guarantee of the product quality and quantity, long-term stable co-operation. 產品品質和數量保證，長期穩定合作。	Regular visits and maintain regular communication 定期拜訪，保持日常溝通。	Strengthening of quality control, assurance of steady production and smooth logistic process; provision of adequate products; entering into long term sales agreements with customers. 加強品質管制，保證生產穩定和運輸通暢；提供足量產品；簽訂長期協定。
Government 政府	Lawful operations, payment of tax in accordance with the law, production safety, fulfillment of social responsibility. 合法經營，依法納稅，安全生產，履行社會責任。	Site visits, inspections, work conference and discussion, work reports, submissions and approvals 現場視察、檢查，工作會議研討，工作報告、報送、審批。	Conduction of operation in accordance with the law; compliance management, payment of tax in accordance with the law; strengthening of the Company's safety management; acceptance of government supervision, inspection and examination in accordance with regulations, active assumption of social responsibilities. 合法經營，合規管理；依法納稅；加強公司安全管理；按規定接受政府監督、檢查及現場考察，積極承擔社會責任。

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 權益持有人	Key targets and interests 主要目標及關注點	Channels and means of communication and participation 溝通參與方式和管道	Company measures 公司措施
Suppliers and contractors 供應商、承包商	Fair bidding, long-term stable cooperation and timely payment. 公平招標，長期穩定合作，按時付款。	Public bidding meetings and business meetings, regular communications 招投標會議，洽談會，日常溝通。	Fair bidding, select by merit, performance of contractual obligations, strengthening of regular communications, maintenance of long-term cooperation with quality suppliers and contractors. 公平招標，擇優選擇，按約履行合同，加強日常交流，與優質供應商和承包商長期合作。
Community and the public 社區與公眾	Job opportunities, community development, ecological environment, compensation and assistance. 就業機會，社區發展，生態環境，補償與援助。	Co-hosting of community activities, charity, volunteer service and co-construction of the community 共辦社區活動，慈善援助，志願者服務，社區共建活動。	Promotion of community building and development, provision of volunteer service, establishment of communication channels for the community and community members; hosting of community activities, promotion of the building of harmonious community. 促進社區建設和發展，提供志願者服務，開放與社區和社區成員的溝通管道；共辦社區活動，促進建設和諧社區。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL PROTECTION

The Group has complied with international and national environmental standards and implemented green production policies to raise energy efficiency and minimise both energy consumption and pollutant discharge. The production factories of the Group has passed the certifications of ISO 9001 and TS16949 Quality Management System, and ISO14001 Environmental Management System, and the Guangzhou Factory has passed the certification of OHSAS18001 Occupational Health and Safety Management System. A three-level monitoring system has been implemented by the Group to ensure the full compliance with the relevant national standards for different types of pollutants. During the year under review, the various emission indexes of the Group has complied fully with the relative environmental protection standards. No fine was incurred in relation to the performance of environmental protection.

Emissions — The Group puts best efforts to control the amount of emissions which affects the environment, strengthens its competence in the supervision of environment and completes installment of online supervision device for waste water and waste gas, in order to realize real-time supervision and early warning of major pollution emission source. As such, the Group is pleased to report that it complied with national and local laws and regulations on emission control in relation to the control of waste gas and greenhouse gas emission, pollution in water and land as well as generation of harmful and harmless waste in 2016.

Use of resources — The Group insists on the full, reasonable and effective use of energy as the principle of energy use and makes every effort to eliminate inefficiencies and uses energy-saving equipment as well as applies innovative energy-saving technologies. The target of energy conservation management plans is to save energy, save resources, reduce consumption, reduce environmental pollution and improve economic efficiency. Multiple initiatives have been launched for energy and resources conservation, optimization of energy consumption, reduction of environmental pollution and reduction of power consumption.

環境保護

本集團根據國際和國家的環保標準，奉行環保生產，提高能源利用效率，降低能源耗用，減少污染物排放。本集團之生產工廠均通過ISO9001和TS16949品質管制體系及ISO14001環境管理體系，且廣州工廠通過OHSAS18001職業健康安全體系之認證。為確保各類污染物排放完全符合國家的相關標準，本集團實行三級監測管理。於回顧年度內，本集團各項排放指標均符合相關環境保護標準，無與環境表現相關之任何處罰。

排放物—本集團盡最大努力控制影響環境的排放量，加強環境監測能力建設，完成廢水和廢氣線上監測設備安裝和資料聯網，以實現重點污染源排放即時監控和預警，確保源頭治理和程序控制。就此，本集團欣然報告，本集團於二零一六年度在控制廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生方面已符合中國國家及地方有關排放控制的法例及法規。

資源使用—本集團堅持以充分、合理及有效地利用能源為能源使用原則，盡最大努力消除低效率，並儘量使用節能設備及應用創新節能技術。節能管理計劃以節約能源、節約資源、降低消耗、減少環境污染及提高經濟效益為目標，並針對節約能源及資源、優化能源消耗、減少環境污染及降低電力消耗實施多項程序。

Environmental, Social and Governance Report

環境、社會及管治報告

Environment and natural resources — The Group strives to promote environmental infrastructure, improves environmental management system to achieve energy conservation, reduction of emission and clean production, and strives to minimize the impact of production operations on the environment. The Group implements full environmental management on the whole process of specific construction project, introduces pre-EIA pilot and implements the system of “Three Simultaneities” for production, namely simultaneous design, construction and operation of environmental protection facilities and the main project. For the environmental risk factors such as the emission of “three wastes” (waste water, waste gas and solid waste) in the production process, we researched on the establishment of multi-level risk prevention and control mechanism, and established strict environmental protection measures, in order to prevent pollution and protect the ecological environment from the pollution sources.

SOCIAL RESPONSIBILITY

Employment and recruitment — The Group recruits talents based on the principle of openness, equality, competition and merits. It provides equal opportunities to employees, creating a fair and non-discriminatory work atmosphere. Approximately 99% of the employees of the Group are located in China and the Group strictly observes the requirements of labor laws and regulations of China without breaching any relative codes or regulations. The Company treated every employee in equal and their employment, benefits and promotion would not be affected by social identity including their ethnic group, race, nationality, gender, religion, age, sexual orientation, political camp and marital status.

環境及天然資源—本集團著力推進環保建設，完善環境管理體系，實現節能減排、清潔生產，努力將生產運營對環境的影響降到最低。本集團實施建設專案全過程環境管理，推行前置環評試點，執行環境保護設施與主體工程同時設計、同時施工、同時投產使用的「三同時」制度。針對生產過程中的「三廢」（廢水、廢氣和固體廢棄物）排放等環境風險因素，研究建立多級風險防控機制，及制定嚴格的環境保護措施，從源頭防治污染和保護生態。

社會責任

僱傭與招聘—本集團以公開、平等、競爭、擇優的原則吸納人才，為員工提供平等機會，營造公平及無歧視之工作氛圍。本集團所聘用的僱員約99%位於中國，本集團嚴謹遵從中國勞動法及相關法規之規定，無違反相關準則及法規。公司平等對待每一位員工，不因員工的民族、種族、國籍、性別、宗教、年齡、性取向、政治派別、婚姻狀況等社會身份而影響其錄用、待遇、升遷等。

Environmental, Social and Governance Report

環境、社會及管治報告

Health and safety — The Group upholds the core principles of “safety first”, fosters a people-oriented culture and promotes healthy life and safe workplace. The Group has set safety objectives and targets in accordance with the standard set by International Standard OHSAS18001 Occupational Safety and Health Management System certification and regularly evaluates OHSAS to ensure compliance with the Group’s health and safety requirements. The Group’s Guangzhou Factory has passed the certification of OHSAS18001 Occupational Health and Safety Management System and Suzhou Factory plans to get the certification in 2017. In addition to OHSAS, the Group has also established a safety committee to monitor the Group’s health and safety matters. These internal policies provide the Group with a framework to ensure timely safety assessment and to assess the current manufacture process in accordance with the Government and the Group’s health and safety standards.

Development and training — The training of the Group focuses on important issues with all parts covered. In 2016, the Group conducted training in line with the training requirements for senior and middle management, professional and technical personnel, grass-roots management and production operation staff in accordance with the training requirements of each position, in order to enhance and improve their knowledge and working skills. A total of 293 key training programs have been completed throughout the year, and approximately 1,823 hours have been devoted to staff training for 12,248 employees.

Labor standard — The Group strictly complies with the provisions of labor laws and relevant laws and regulation of China and we employ employees who have reached the legal working age and hold valid identity documents. The Group recruits on the basis of fairness, openness and voluntariness, and does not force labor to sign an illegal labor contract. The Group employs employees in accordance with the requirements strictly, and there is no illegal employment. No child labor is allowed to work in any workplace of the Group. The Group also employs interns in accordance with the law.

健康與安全 — 本集團堅守「安全第一」的核心原則，樹立以人為本的文化，推崇健康生活及工作間安全。本集團已根據國際標準OHSAS18001職業安全衛生管理體系認證之標準制訂安全目標及指標，並定期評估OHSAS以確保滿足本集團的健康與安全要求。本集團之廣州工廠已通過OHSAS18001職業健康安全管理體系之認證，蘇州工廠計劃於2017年進行認證。除OHSAS外，本集團亦已設立安全委員會，負責監察本集團的健康與安全事宜。該等內部政策為本集團提供框架，確保適時進行安全評估，以及按照政府及本集團的健康與安全標準評估現時製造過程。

發展與培訓 — 本集團培訓突出重點，全面涵蓋。於二零一六年度，本集團按照培訓計畫對高中級管理人員、專業技術人員、基層管理人員及生產操作員工進行符合各自崗位任職需求之培訓，旨在增進及改善其知識面及崗位技能。全年共完成293項重點培訓項目，在員工培訓方面投入近1,823個小時，共培訓12,248人次。

勞工準則 — 本集團嚴謹遵從中國勞動法及相關法規之規定，僱用達到法定工作年齡，持有有效身份證件者為僱員。本集團本著公平、公開及自願的原則進行招聘，並無強制勞工簽訂非法勞動合同。本集團嚴格按照要求聘用員工，並無出現非法僱傭之情況。本集團不允許有童工在任何工作場所工作。本集團會聘用符合法例的實習崗位員工。

Environmental, Social and Governance Report

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Management of supply chain — The Group has established a relatively complete supplier management system. Requirements of integrity and product quality are made clearly to suppliers in the processes of introduction of supplier, supplier evaluation, material procurement, bargaining and supplier replacement to ensure product quality and supplier's integrity in management of supply chain. The Group requires all suppliers of raw material to provide test reports on hazardous substances issued by third-party testing institutions and carry out long-term quality supervision and regular review for all suppliers. In the event that there is a significant change in the suppliers and/or its qualification or serious quality problem in the goods, the Group will stop the supply from the supplier in issue at any time and, if necessary, revoke the supplier's qualification as a qualified supplier to ensure the reliability in the quality of our products.

Product responsibility — The Group has adopted the following measures to improve product safety and quality: in order to reduce the quality risk in the initial stage of mass production, a quality assurance team has been set up, frequency and grade for testing in the initial stage of mass production has been increased and product quality has been followed up in a timely manner; special testing equipment to conduct internal supervision of product quality has been used and stringent internal quality control procedures have been implemented; the Restriction of Hazardous Substances Directive ("RoHS") of the EU has been complied with and halogen-free standard has been adopted in the production process.

供應鏈管理 — 本集團已建立較為完善的供應商管理體系，在供應商導入、供應商評價、材料採購、議價及供應商汰換等環節，對供應商均明確提出了廉政及產品品質要求，保障供應鏈管理之產品品質要求及廉潔。本集團要求所有原料供應商提供第三方檢測機構出具的有害物質測試報告，並對所有供應商推行長期的品質監管及定期檢討。倘供應商及／或供應商的資格出現重大變動或貨品出現嚴重品質問題，本集團會隨時停止出現問題的供應商的供貨，如有需要，會取消供應商作為我們合資格供應商的資格，以確保我們產品之可靠品質。

產品責任 — 本集團已採納以下措施來提高產品安全性及品質：為降低產品量產初期的品質風險，專門成立品質保證小組，加大產品量產初期的檢測頻次及等級，即時跟進產品品質情況；採納專用檢測設備對產品進行內部品質監控；執行嚴格的內部品質控制程序；及在產品生產過程中遵循歐盟《關於限制在電子電器設備中使用某些有害成分的指令》（「RoHS」）及無鹵標準。

Environmental, Social and Governance Report

環境、社會及管治報告

Anti-corruption — We have formulated a Guideline for External Relations for staff and entered into Agreement on United Front of Integrity with suppliers in light of the actual situation of the Group, in order to strengthen the corporate governance and internal control, standardize the operation, safeguard the legitimate rights and interests of the shareholders and promote the healthy and stable development of the Company. The Group encourages employees to report behaviour which are suspected to be corrupted and establishes a special line and e-mail for complaint. The Group clearly stipulates that all employees who have committed corruptive behaviour shall be given corresponding economic and administrative sanctions and those who have violated the criminal law shall be sent to the judicial authorities according to law. During the year under review, such systems played a sound monitor and prevention role in the Group's risk control and anti-corruption management and no significant weaknesses was identified.

Participation in community — The Group attaches importance in contributing to the community, improving community through the devotion of time, energy and resources, offering assistance to poor people or disadvantaged groups, and improving the living conditions of the community. Looking ahead, the Group will continue to identify new opportunities for sustainable development through business operations, strengthen participation in community, and foster a culture of dedication within the community.

反貪污—為加強公司治理和內部控制，規範經營行為，維護股東合法權益，促進公司健康、穩定發展，結合本集團實際情況，制定了員工《對外交往規範》及與供應商簽署《廉政共建協議書》等。本集團鼓勵員工舉報涉嫌貪污舞弊的行為，設立了舉報專線電話及投訴的電子信箱等。本集團明確規定對所有犯有舞弊行為的員工，將給予相應的經濟和行政處罰，觸犯刑法的，依法送辦司法機關。於回顧年度內，該等制度和系統於本集團之風險控制及反舞弊管理擔當健全之監控及預防角色，並無識別任何重大弱點。

社區參與—本集團重視回饋社會，投放時間、精力及資源改善社區，協助貧困或弱勢社群，以及改善社區生活條件。展望未來，本集團將繼續物色透過業務營運推動可持續發展之新機會，加強社區參與，並在社區內灌輸奉獻的文化。

Directors' Report

董事會報告

The directors of the Company (the "Directors") present their annual report and the audited consolidated financial statements for the year ended 31 December 2016.

SEGMENT INFORMATION

The Group's principal activities are the manufacture and sale of flexible printed circuit, sourcing and sale of electronic components as well as the manufacture and sale of flexible packaging substrates. An analysis of the Group's turnover by geographical market of its customers and operating segments for the year ended 31 December 2016 are set out in note 5 to the consolidated financial statements.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and is engaged in sourcing of raw materials and equipment for its subsidiaries and trading of flexible printed circuit and flexible packaging substrates. The activities of its subsidiaries are set out in note 33 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year under review and a discussion on the Group's future development are set out in the Chairman's Statement on pages 4 to 6 of this report and the Management Discussion and Analysis on pages 15 to 25. These discussions form part of this director's report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the year under review, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year ended 31 December 2016, there was no material and significant dispute between the Group and its employees, customers and suppliers.

本公司董事（「董事」）謹此提呈截至二零一六年十二月三十一日止年度之年度報告及經審核綜合財務報表。

分類資料

本集團之主要業務為製造及銷售柔性電路板、採購及銷售電子元器件以及製造及銷售柔性封裝基板業務。截至二零一六年十二月三十一日止年度，本集團按客戶地區市場劃分及經營分部之營業額分析載於綜合財務報表附註5。

主要業務

本公司為一家投資控股公司，從事為其附屬公司之原材料和設備採購之業務，以及柔性電路板及柔性封裝基板貿易。其附屬公司之業務載於綜合財務報表附註33。

業務回顧

有關本集團對回顧年度內業務的審視與對未來業務發展的討論載於本報告第4頁至第6頁的主席報告書及第15頁至第25頁的管理層討論與分析段落中。該等討論為本董事會報告的一部分。

遵守相關法律及法規

於回顧年度內，據董事會及管理層所知，本集團並無重大違反或不遵守對本集團的業務及營運有重大影響的適用法律及法規。

與僱員、客戶及供應商之關係

本集團瞭解與其僱員、客戶及供應商保持良好關係對達到其短期及長期目標之重要性。於截至二零一六年十二月三十一日止年度，本集團與其僱員、客戶及供應商之間概無嚴重及重大糾紛。

Directors' Report 董事會報告

ENVIRONMENTAL POLICY AND PERFORMANCE

A discussion on the environmental policy and performance of the Group during the year under review is set out in the Environmental, Social and Governance Report on pages 38 to 45. The Environmental, Social and Governance Report form part of the director's report.

PRINCIPAL RISKS AND UNCERTAINTIES

The industry which the Group's businesses operate in and the performance of the Group are influenced by changes in market conditions, technology advancement, evolution in industry standards, customers' demands for the Group's products, and changes in preferences of the ultimate customers. The Group operates its businesses in accordance with various industry standards and government laws and regulations. In order to meet the market demands for ever-changing product functions and new products, the Group has made relatively substantial investments towards the R&D of new products and new production technologies, notwithstanding that the R&D expenses of certain projects are supplemented by government grants. Further, the majority of the Group's turnover is generated from a few major customers. Hence, the Group endeavors to respond to such operational shifts and market demands in a timely manner, to successfully research and develop new products and technologies, to maintain good co-operative relationships with our customers, so as to avoid and/or minimize the negative impact of such risks. In addition, the flexible packaging substrates production lines at Phase II of Suzhou Factory is still in the trial production stage and bulk orders from customers are small, which becomes one of the major risk factors of the Group's performance. The Group is striving to develop new customers and receive more orders.

Furthermore, the Group is affected by market risks (such as currency and interest rate fluctuations), credit risks and liquidity risks during its ordinary course of business. Details of the financial risks management of the Group is set out in note 24 of the consolidated financial statements.

環境政策及表現

有關本集團對回顧年度內環境政策及表現的討論載於本報告第38頁至第45頁的環境、社會及管治報告中。環境、社會及管治報告構成本董事會報告的一部分。

主要風險及不明朗因素

本集團營運業務所在行業及本集團之業績受市場狀況變化、技術改進情況、行業標準演變、客戶對本集團產品需求及終端客戶偏好變化影響。本集團之營運須遵循眾多行業標準及政府法規。為了配合市場對產品功能不斷變化及新產品的需求，本集團投放於研發新產品及新生產工藝的資金亦較高，儘管某些項目的研發經費得到政府的補貼。而且本集團大部分收入集中於少數大客戶。因此，本集團致力於迅速應對業務轉變及市場需要、成功研發新產品及新工藝、維護好客戶合作關係以避免及／或減低不利風險的影響。另外，本集團蘇州工廠二期柔性封裝基板生產線尚處於試產階段，客戶批量訂單較小，亦為影響本集團業績之主要風險，本集團正在努力開發新客戶及爭取更多訂單。

此外，本集團於日常業務過程中亦受市場風險（例如貨幣及利率波動）、信貸風險、流動資金風險所影響。本集團之財務風險管理詳情載於綜合財務報表附注24。

Directors' Report

董事會報告

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 70.

The Directors do not recommend the payment of final dividend for the year ended 31 December 2016 (2015: nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year under review in the property, plant and equipment of the Group and the Company are set out in note 12 to the consolidated financial statements.

SHARE CAPITAL

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

SUBSIDIARIES

Details of subsidiaries of the Group are set out in note 33 to the consolidated financial statements.

業績及股息

截至二零一六年十二月三十一日止年度之本集團業績載於第70頁綜合損益及其他全面收益表。

董事不建議派付截至二零一六年十二月三十一日止年度之末期股息(二零一五年:無)。

物業、廠房及設備

本集團及本公司於回顧年度內之物業、廠房及設備之變動詳情載於綜合財務報表附註12。

股本

本公司股本之詳情載於綜合財務報表附註23。

附屬公司

本集團各附屬公司之詳情載於綜合財務報表附註33。

Directors' Report 董事會報告

DIRECTORS

The Directors during the year under review and up to the date of this report are as follows:

Executive Directors:

Mr. Xiong Zheng Feng (*Chairman*)
Mr. Chai Zhi Qiang (*Chief Executive Officer*)

Non-executive Directors:

Ms. Li Ying Hong
Mr. Gao Xiaoguang
Mr. Jia Junan

Independent non-executive Directors:

Mr. Hung Chi Yuen Andrew
Mr. Zhao Xiao
Mr. Bi Keyun (retired on 4 February 2016)
Mr. Cui Zheng (appointed on 3 May 2016)

Pursuant to Article 101 of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election. Accordingly, Mr. Chai Zhi Qiang and Ms. Li Ying Hong shall retire by rotation at the AGM in accordance with the Articles of Association. Mr. Chai Zhi Qiang has informed the Company that he would not offer himself for re-election and accordingly will retire as executive Director (but shall remain as the chief executive officer of the Company) after the conclusion of the AGM, while Ms. Li Ying Hong, being eligible, will offer herself for re-election at the AGM.

Pursuant to Article 92 of the Company's Articles of Association, the Board shall have power from time to time, and at any time to appoint any person as a Director either to fill a vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Mr. Cui Zheng, an independent non-executive Director appointed by the Board on 3 May 2016 will also retire and being eligible, offer themselves for re-election at the annual general meeting.

董事

於回顧年度內及截至本報告日期為止董事為：

執行董事：

熊正峰先生（主席）
柴志強先生（行政總裁）

非執行董事：

李映紅女士
高曉光先生
賈軍安先生

獨立非執行董事：

洪志遠先生
趙曉先生
畢克允先生（於二零一六年二月四日退任）
崔錚先生（於二零一六年五月三日獲委任）

根據公司組織章程細則第101條規定，於每年的股東週年大會上，當其時的董事中的三分之一，或如董事人數並非三或三的倍數，則最接近三分之一（但不多於三分之一）人數的董事須退任，惟每位董事須最少每三年輪值退任一次。每年的退任董事須是其最近一次當選後任職最長的董事。因此，根據公司組織章程細則，柴志強先生及李映紅女士將於股東週年大會退任。柴志強先生已知會本公司彼將不會重選連任，因此彼將於股東週年大會完結時退任執行董事（但仍擔任本公司之行政總裁），而李映紅女士符合資格及願意重選連任。

根據公司組織章程細則第92條規定，董事會有權不時並隨時委任任何人士為董事，以填補某臨時空缺或增加董事會之名額。如此獲委任之董事，只應任職至本公司下屆週年大會，並應於屆時有資格於該會議上重選連任。崔錚先生，於二零一六年五月三日獲董事會委任為獨立非執行董事，亦將於股東週年大會退任，並合資格及願意重選連任。

Directors' Report

董事會報告

Mr. Bi Keyun did not seek for renewal of his appointment as an independent non-executive Director, a member of the audit committee and a member of the remuneration committee upon the expiry of his term on 3 February 2016 due to his retirement. During the year under review, no Director resigned from his office or refused to stand for re-election to his office due to reasons relating to the affairs of the Company.

Each of the executive Directors has entered into a service contract with the Company for a term of three years and thereafter will continue until being terminated by not less than three months' notice in writing served by either party on the other. Each of the non-executive Directors and independent non-executive Directors has been appointed by the Company under a letter of appointment for a term of three years which is terminable by not less than three months' prior notice in writing served by either party on the other.

Save as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Details of the Directors and chief executives' remuneration are set out in note 10 to the consolidated financial statements.

畢克允先生因榮休於二零一六年二月三日任期屆滿後不續任獨立非執行董事、審核委員會委員及薪酬委員會委員。於回顧年度內，概無董事因本公司事務相關的理由辭職或拒絕參選連任。

各執行董事已與本公司訂立服務合約，為期三年，其後，合約將繼續直至其中一方向對方作出不少於三個月書面通知終止合約為止。而就各非執行董事及獨立非執行董事，彼等經本公司以委任函件委任，任期三年，並可由訂約任何一方向另一方發出不少於三個月書面通知作出終止。

除上文所披露者外，概無董事與本公司或其附屬公司訂立任何本公司不可於一年內以支付賠償金（法定賠償除外）終止之服務合約。

董事及主要行政人員酬金詳情載於綜合財務報表附註10。

Directors' Report 董事會報告

DIRECTORS OF SUBSIDIARIES

附屬公司董事

For the year ended 31 December 2016, directors of the subsidiaries of the Company were as follows:

於截至二零一六年十二月三十一日止年度，本公司附屬公司之董事由以下人士出任：

Name of Subsidiaries

附屬公司名稱

Name of Directors

董事姓名

AKM Electronics Industrial (Panyu) Ltd.

安捷利(番禺)電子實業有限公司

Chai Zhi Qiang (*Chairman*), Xiong Zheng Feng, Li Ying Hong, Zhuang Zhijian

柴志強(主席)、熊正峰、李映紅、莊志堅

New Career Guangzhou Electronics Company Limited

廣州市安旭特電子有限公司

Chai Zhi Qiang (*Chairman*), Zhuang Zhijian, Jiang Maoping

柴志強(主席)、莊志堅、蔣茂平

AKM Electronic Technology (Suzhou) Company Limited

安捷利電子科技(蘇州)有限公司

Chai Zhi Qiang (*Chairman*), Xiong Zheng Feng, Li Ying Hong

柴志強(主席)、熊正峰、李映紅

Giant Rise Technology Limited

嘉升科技有限公司

Zhuang Zhijian

莊志堅

Shenzhen Giant Rise Electronics Company Limited

深圳嘉升宏力偉電子有限公司

Zhuang Zhijian (*Chairman*), Jiang Maoping, Mo Zhi Dong, Zheng Ai Hong (*Note*)

莊志堅(主席)、蔣茂平、莫志冬、鄭愛虹(註)

Note: Zheng Ai Hong resigned her directorship in Shenzhen Giant Rise Electronics Company Limited on 5 January 2016.

註：鄭愛虹於二零一六年一月五日辭任深圳嘉升宏力偉電子有限公司董事職務。

Directors' Report

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at 31 December 2016, none of the Directors and the chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")), as recorded in the register maintained by the Company pursuant to 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") contained in Appendix 10 to the Listing Rules:

(a) The Company

(i) Interest in shares of the Company

Name	Name of the Company in which interest is held	Class and number of securities of which interested (other than under equity derivatives)	Capacity	Long/short position	Approximate percentage of total number of issued shares in the Company as at 31 December 2016 於二零一六年十二月三十一日 佔本公司全部已發行 股份數目之概約百分比
姓名	於其中持有權益 之公司名稱	股份權益之 證券類別及數目 (股本衍生工具除外)	身份	好倉/ 淡倉	
Mr. Xiong Zheng Feng (Note 1) 熊正峰先生(附註1)	the Company 本公司	6,320,000 ordinary shares 6,320,000股普通股	Beneficial owner 實益擁有人	Long 好倉	0.64
Mr. Chai Zhi Qiang (Note 2) 柴志強先生(附註2)	the Company 本公司	5,580,000 ordinary shares 5,580,000股普通股	Beneficial owner 實益擁有人	Long 好倉	0.57
Ms. Li Ying Hong (Note 3) 李映紅女士(附註3)	the Company 本公司	5,300,000 ordinary shares 5,300,000股普通股	Beneficial owner 實益擁有人	Long 好倉	0.54

董事於股份、相關股份及債權證之權益及淡倉

除下文所披露者外，於二零一六年十二月三十一日，各董事及本公司最高行政人員及彼等各自之聯繫人於本公司或其相聯法團（定義見香港法例第571章《證券及期貨條例》（「證券及期貨條例」）第XV部）之股份、相關股份或債權證中，並無擁有或被視為擁有須記入本公司根據證券及期貨條例第352條保存之登記冊內，或須根據上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」）規定知會本公司及聯交所之權益或淡倉：

(a) 本公司

(i) 於本公司股份之權益

Directors' Report

董事會報告

Notes:

1. On 25 January 2017, the Company proposed to issue 246,867,500 Rights Shares to the qualifying shareholders by way of rights, at the Subscription Price of HK\$0.55 per Rights Share. The Rights Issue had been completed on 13 March 2017, and the relevant Right Shares had been allotted and issued to the qualifying shareholders on 13 March 2017. After the completion of the Rights Issue and as at the date of this report, Mr. Xiong Zheng Feng beneficially owns 7,900,000 ordinary shares of the Company, representing approximately 0.64% of the total number of issued shares of the Company as at the date of this report.
2. After the completion of the Rights Issue and as at the date of this report, Mr. Chai Zhi Qiang beneficially owns 6,975,000 ordinary shares of the Company, representing approximately 0.57% of the total number of issued shares of the Company as at the date of this report.
3. After the completion of the Rights Issue and as at the date of this report, Ms. Li Ying Hong beneficially owns 6,625,000 ordinary shares of the Company, representing approximately 0.54% of the total number of issued shares of the Company as at the date of this report.

(ii) Interest in the underlying shares of the Company through equity derivatives

As at 31 December 2016, to the best knowledge of directors, none of the Directors nor chief executive of the Company had or was deemed to have any interest in the underlying shares the Company.

(b) The associated corporation

As at 31 December 2016, to the best knowledge of the Directors, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in the shares or the underlying shares or debentures of any associated corporations of the Company (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

附註:

1. 於二零一七年一月二十五日，本公司建議以供股形式按認購價每股供股股份0.55港元向合資格股東發行246,867,500股供股股份。是次供股已經於二零一七年三月十三日完成，相關供股股份已於二零一七年三月十三日配發及發行予合資格股東。於供股完成後及於本報告日期，熊正峰先生實益擁有本公司7,900,000股普通股，佔本報告日期本公司全部已發行股份數目之約0.64%。
2. 於供股完成後及於本報告日期，柴志強先生實益擁有本公司6,975,000股普通股，佔本報告日期本公司全部已發行股份數目之約0.57%。
3. 於供股完成後及於本報告日期，李映紅女士實益擁有本公司6,625,000股普通股，佔本報告日期本公司全部已發行股份數目之約0.54%。

(ii) 以股本衍生工具持有之本公司相關股份之權益

截至二零一六年十二月三十一日，據董事所深知，概無本公司董事或最高行政人員於本公司相關股份中擁有或被視為擁有任何權益。

(b) 相聯法團

截至二零一六年十二月三十一日，據董事所深知，概無本公司董事或最高行政人員於本公司任何相聯法團（定義見證券及期貨條例第XV部）之股份或相關股份或債權證中擁有或視作擁有任何根據證券及期貨條例第352條之規定須予記錄或根據證券及期貨條例第XV部第7及8分部及標準守則須知會本公司及聯交所之權益或淡倉。

Directors' Report

董事會報告

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year under review was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company, its holding companies, fellow subsidiaries or subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at any time during the year under review or at the end of the year under review.

MANAGEMENT CONTRACTS

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

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the top five highest paid individuals of the Group are set out in note 10 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, to the best knowledge of the Directors and chief executive of the Company, shareholders (other than Directors) who had any interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of all issued shares to vote in all circumstances at general meetings of any members of the Group are set out as below:

購買股份或債券之安排

於回顧年度內任何時間，概無本公司董事藉收購本公司或任何其他法團之股份或債權證之任何安排獲授予任何權利以取得利益，而該等安排之其中一方為本公司、其控股公司或其任何附屬公司或同系附屬公司。

董事於交易、安排或重大合約之權益

本公司董事概無於本公司、其控股公司、同系附屬公司或附屬公司所訂立而於回顧年度內任何時間或回顧年度結束時仍然生效之交易、安排或重大合約中直接或間接地擁有重大權益。

管理合約

於回顧年度內並無訂立或存在有關本公司全部或任何重大部份業務之管理及行政之合約。

董事及五名最高薪酬人士之薪酬

本集團董事及五名最高薪酬人士之薪酬詳情載於綜合財務報表附註10。

主要股東

於二零一六年十二月三十一日，據本公司董事及最高行政人員所深知，於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可在任何情況下於本集團任何成員公司股東大會上投票之已發行股份總數10%或以上之權益之股東（董事除外）載列如下：

Directors' Report

董事會報告

Name of substantial shareholder	Capacity	Class and number of securities in which interested (other than under equity derivatives)	Long/short position	Approximate percentage of total number of issued shares in the Company as at 31 December 2016 於二零一六年十二月三十一日佔本公司全部已發行股份數目之概約百分比
主要股東名稱	身份	擁有之證券類別及數目 (股本衍生工具除外) (Note 5) (附註5)	好倉/淡倉	
Alpha Luck Industrial Ltd. ("Alpha Luck") (Note 1) 安利實業有限公司 (「安利實業」) (附註1)	Beneficial owner 實益擁有人	360,000,000 ordinary shares 360,000,000股普通股	Long 好倉	36.46
Silver City International (Holdings) Ltd. ("Silver City") (Note 2) 銀華國際(集團)有限公司 (「銀華國際」) (附註2)	Interest in controlled corporation 於受控制公司之權益	360,000,000 ordinary shares 360,000,000股普通股	Long 好倉	36.46
China North Industries Corporation ("CNIC") (Note 2) 中國北方工業公司 (「北方工業」) (附註2)	Interest in controlled corporation 於受控制公司之權益	360,000,000 ordinary shares 360,000,000股普通股	Long 好倉	36.46
Goertek (HongKong) Co., Limited ("HK Goertek") (Note 3) 香港歌爾泰克有限公司 (「香港歌爾泰克」) (附註3)	Beneficial owner 實益擁有人	290,920,000 ordinary shares 290,920,000股普通股	Long 好倉	29.46
Weifang Goertek Trading Co., Limited ("Weifang Goertek") (Note 4) 濰坊歌爾貿易有限公司 (「濰坊歌爾」) (附註4)	Interest in controlled corporation 於受控制公司之權益	290,920,000 ordinary shares 290,920,000股普通股	Long 好倉	29.46
GoerTek (Note 4) 歌爾股份 (附註4)	Interest in controlled corporation 於受控制公司之權益	290,920,000 ordinary shares 290,920,000股普通股	Long 好倉	29.46

Directors' Report

董事會報告

Notes:

1. After the completion of the Rights Issue and as at the date of this report, Alpha Luck beneficially owns 450,000,000 ordinary shares, representing approximately 36.46% of the total number of issued shares of the Company as at the date of this report.
2. As Alpha Luck is wholly and beneficially owned by Silver City, which in turn is wholly and beneficially owned by CNIC, both Silver City and CNIC are deemed to be interested in the same number of shares of the Company held by Alpha Luck under Part XV of the SFO.
3. After the completion of the Rights Issue and as at the date of this report, HK Goertek beneficially owns 363,650,000 ordinary shares, representing approximately 29.46% of the total number of issued shares of the Company as at the date of this report.
4. As HK Goertek is wholly and beneficially owned by Weifang Goertek, which in turn is wholly and beneficially owned by GoerTek, both Weifang Goertek and GoerTek are deemed to be interested in the same number of shares of the Company held by HK Goertek under Part XV of the SFO.
5. None of Alpha Luck, Silver City, CNIC, HK Goertek, Weifang Goertek nor GoerTek was interested in any securities of the Company under equity derivatives.

附註：

1. 於供股完成後及於本報告日期，安利實業實益擁有本公司450,000,000股普通股，佔本報告日期本公司全部已發行股份數目之約36.46%。
2. 由於安利實業由銀華國際全資實益擁有，而銀華國際則由北方工業全資實益擁有，根據證券及期貨條例第XV部，銀華國際及北方工業均被視為與安利實業持有之同一批本公司股份中擁有權益。
3. 於供股完成後及於本報告日期，香港歌爾泰克實益擁有本公司363,650,000股普通股，佔本報告日期本公司全部已發行股份數目之約29.46%。
4. 由於香港歌爾泰克由濰坊歌爾全資實益擁有，而濰坊歌爾則由歌爾股份全資實益擁有，根據證券及期貨條例第XV部，濰坊歌爾及歌爾股份均被視為與香港歌爾泰克持有之同一批本公司股份中擁有權益。
5. 安利實業、銀華國際、北方工業、香港歌爾泰克、濰坊歌爾及歌爾股份概無於本公司股本衍生工具項下之證券中擁有任何權益。

SHAREHOLDERS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions", no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a shareholder of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year under review or at any time during the year under review.

股東於交易安排或重大合約之權益

除「持續關連交易」一節所披露者外，本公司或其任何附屬公司概無訂立任何本公司股東直接或間接擁有重大權益，並且於回顧年度結束時或回顧年度內任何時間仍然生效之交易、安排或重大合約。

Directors' Report 董事會報告

ISSUE OF SHARES AND DEBENTURES

On 25 January 2017, the Company proposed to raise approximately HK\$133,600,000, net of expenses, by issuing 246,867,500 Rights Shares to the qualifying shareholders by way of rights, at the Subscription Price of HK\$0.55 per Rights Share. The Rights Issue had been completed on 13 March 2017 and the Rights Shares were allotted and issued to the Qualifying Shareholders on 13 March 2017. Each of the Rights Share, which was ordinary share, ranked pari passu in all respects with the Shares in issue on the date of their respective allotment and issue. Details about the Rights Issue were disclosed in the Company's announcement dated 25 January 2017, 9 February 2017 and 13 March 2017 as well as the prospectus dated 20 February 2017.

The company did not issue any debenture during the year ended 31 December 2016.

RESERVES

The Company's reserves available for distribution to shareholders as at 31 December 2016 comprised the retained profits of HK\$77,848,000.

Details of changes in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 73 and note 32 to the consolidated financial statements.

CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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. Based on such confirmation, the Company considers that all of its independent non-executive Directors are independent.

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes for the year ended 31 December 2016 are set out in note 29 to the consolidated financial statements.

發行股份及債權證

於二零一七年一月二十五日，本公司建議以供股形式按認購價每股供股股份0.55港元向合資格股東發行246,867,500股供股股份，藉以籌集約133,600,000港元（扣除開支後）。是次供股已經於二零一七年三月十三日完成，相關供股股份已於二零一七年三月十三日配發及發行予合資格股東。供股股份為普通股，並各自及與於配發及發行當日之已發行股份在各方面享有同等地位。有關供股的詳情已於本公司二零一七年一月二十五日、二零一七年二月九日及二零一七年三月十三日的公佈，以及二零一七年二月二十日的供股章程中披露。

本公司於截至二零一六年十二月三十一日止年度內並無發行任何債權證。

儲備

於二零一六年十二月三十一日，本公司可供分發予股東之儲備為保留溢利77,848,000港元。

年內本集團及本公司儲備變動詳情載於第73頁綜合權益變動報表及綜合財務報表附註32。

獨立非執行董事之確認函

本公司確認，已根據上市規則第3.13條，收到每名獨立非執行董事就其獨立性作出之年度確認函。基於此確認函，本公司認為其全體獨立非執行董事均為獨立。

退休福利計劃

截至二零一六年十二月三十一日止年度，本集團退休福利計劃詳情載於綜合財務報表附註29。

Directors' Report

董事會報告

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

PRE-EMPTIVE RIGHTS

There are no provisions of pre-emptive rights under the Company's Articles of Association which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2016, the aggregate amount of turnover attributable to the Group's five largest customers accounted for approximately 69% of the Group's turnover and the turnover attributable to the Group's largest customer accounted for approximately 29% of the Group's turnover.

For the year ended 31 December 2016, the aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 35% of the Group's purchases and the purchases attributable to the Group's largest supplier accounted for approximately 12% of the Group's purchases.

Save as disclosed in this report, none of the Directors, their respective associates nor any shareholder (who or which to the best knowledge of the Directors owns more than 5% of the issued share capital of the Company) has any interest in the top five customers and top five suppliers of the Group during the year under review.

酬金政策

本集團僱員之酬金政策由薪酬委員會根據彼等之專長、資格及能力釐定。

本公司董事之酬金由薪酬委員會根據本公司之經營業績、個人表現及可資比較之市場統計數字釐定。

優先購買權

本公司之公司組織章程細則並無有關本公司須按比例向現有股東發售新股份之優先購買權之規定。

主要客戶及供應商

截至二零一六年十二月三十一日止年度，本集團五大客戶之營業額合共佔本集團營業額約69%，本集團最大客戶之營業額佔本集團營業額約29%。

截至二零一六年十二月三十一日止年度，本集團五大供應商之採購額合共佔本集團採購額約35%，本集團最大供應商之採購額佔本集團採購額約12%。

除本報告所披露者外，於回顧年度內，董事、彼等各自之聯繫人士或任何股東（就董事所知彼擁有本公司之已發行股本5%以上）概無擁有本集團五大客戶及五大供應商任何權益。

Directors' Report

董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2016.

COMPETING INTERESTS

None of the Directors or their respective associates (as defined under the Listing Rules) had any interest in a business which causes or may cause significant competition with the business of the Group.

CONTINUING CONNECTED TRANSACTIONS

On 1 April 2014, the Company (for itself and on behalf of its subsidiaries) had signed a framework purchase agreement ("Existing Purchase Agreement") with GoerTek (for itself and on behalf of its subsidiaries) in relation to the transactions for selling of parts, components and other products (including but not limited to FPC products) ("Subject Transactions"). As the term of the Existing Purchase Agreement expired on 31 December 2016, on 6 December 2016, the Company (for itself and on behalf of its Subsidiaries) and GoerTek (for itself and on behalf of its Subsidiaries) renewed the Existing Purchase Agreement by entering into the Renewed Purchase Agreement ("Renewed Purchase Agreement") in relation to the Subject Transactions for a further term of three years commencing from 1 January 2017 and expiring on 31 December 2019. Such transactions constituted non-exempt continuing connected transactions of the Company under the Listing Rules. The Renewed Purchase Agreement and the transactions contemplated thereunder, as well as the proposed annual caps for the three years from 2017 were approved by the independent shareholders at the extraordinary general meeting of the Company held on 16 January 2017. The annual caps set under the Renewed Purchase Agreement for each of the three years ended 31 December 2017, 2018 and 2019 are RMB210,000,000, RMB250,000,000 and RMB300,000,000 respectively. Details about the terms of the Renewed Purchase Agreement, the continuing connected transactions and the proposed annual caps had been disclosed in the Company's announcement dated 6 December 2016 and the circular dated 29 December 2016.

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至二零一六年十二月三十一日止年度內均無購買、出售或贖回本公司任何上市股份。

競爭性權益

本公司之董事或彼等各自之聯繫人士(定義見上市規則)概無擁有任何對本集團業務構成或可能構成重大競爭之任何業務權益。

持續關連交易

由於本公司(代表自身及附屬公司)與歌爾股份(代表自身及附屬公司)於二零一四年四月一日就本集團向歌爾股份銷售零件、元件及其他產品(包括但不限於柔性電路板產品)之交易(「主體交易」)訂立之框架採購合同(「現有採購合同」)於二零一六年十二月三十一日屆滿,於二零一六年十二月六日,本公司(代表自身及其附屬公司)與歌爾股份(代表自身及其附屬公司)就主體交易訂立經重續採購合同(「經重續採購合同」),以將現有採購合同之期限重續三年,自二零一七年一月一日起至二零一九年十二月三十一日止。有關交易構成本公司於上市規則下之非豁免持續關聯交易。本公司於二零一七年一月十六日舉行之股東特別大會上由獨立股東通過經重續採購合同及其項下之擬進行之交易以及自二零一七年起三個年度之建議年度上限。經重續採購合同下截至二零一七年、二零一八年和二零一九年十二月三十一日止三個年度各年的年度上限總額分別為人民幣210,000,000元、人民幣250,000,000元和人民幣300,000,000元。有關經重續採購合同之條款、持續關聯交易以及建議年度上限的詳情已於本公司二零一六年十二月六日的公佈及二零一六年十二月二十九日的通函中披露。

Directors' Report

董事會報告

According to the Existing Purchase Agreement, the annual caps of the Continuing Connected Transaction as at 31 December 2016 was RMB140,000,000.

During the period from 1 January 2016 to 31 December 2016, the aggregate amount of the Continuing Connected Transactions was approximately RMB77,735,000 (equivalent to approximately HK\$90,822,000).

The Directors (including all the independent non-executive Directors) had reviewed the Continuing Connected Transactions and had confirmed that the Continuing Connected Transactions were entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or on terms no less favourable to the Company than terms available to or from independent third parties; and
- (3) in accordance with the Purchase Agreement governing the transactions and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company has received an unqualified report from the independent auditor containing their finding and conclusions in respect of the Continuing Connected Transactions in accordance with Rule 14A.56 of the Listing Rules. A copy of the independent auditor's report has been provided by the Company to the Stock Exchange.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the Continuing Connected Transactions.

根據現有採購合同，截至二零一六年十二月三十一日止的持續關連交易年度上限為人民幣140,000,000元。

於二零一六年一月一日至二零一六年十二月三十一日期間，持續關連交易的總額約為人民幣77,735,000元（相等約90,822,000港元）。

董事（包括全部獨立非執行董事）已審核上述持續關連交易，並確認該等持續關連交易乃：

- (1) 於一般及日常業務過程中進行；
- (2) 按照一般商務條款或不遜於可向獨立第三方提供或取得之條款進行；及
- (3) 根據規管有關交易的採購合同進行，而交易條款屬公平合理，並符合本公司股東的整體利益。

本公司核數師已獲委聘，根據香港會計師公會所頒佈之香港核證工作準則第3000號「審核或審閱歷史財務資料以外之核證工作」，及參考實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，就持續關連交易作出匯報。本公司已收到獨立核數師按上市規則第14A.56條規定發出有關持續關連交易的無保留意見報告，當中載有其發現及結論。本公司已向聯交所提供獨立核數師報告副本。

本公司已就持續關連交易遵守上市規則第14A章之披露規定。

Directors' Report 董事會報告

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company, and so far as the Directors are aware of, the Company has maintained a sufficient public float throughout the year ended 31 December 2016 and up to the latest practicable date prior to the date of this report.

PERMITTED INDEMNITY PROVISIONS

The articles of association of the Company provides that every Director, manager, secretary or officer as well as every auditor of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

Save as disclosed above, the Company has not entered into permitted indemnity provisions with the Directors. During the year under review, the Company has taken out and maintained appropriate insurance to cover potential legal actions against its Directors.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group or existed during the year ended 31 December 2016.

DONATIONS

The Group had not made charitable or other donations of HK\$10,000 or above during the year under review (2015: Nil).

公眾持股量

根據本公司可從公眾管道獲得之資料及就董事所知，於截至二零一六年十二月三十一日止年度及直至本報告發佈之日前的最後實際可行日期，本公司維持足夠之公眾持股量。

獲准許的彌償條文

本公司之組織章程細則規定本公司每名董事、經理、秘書或其他高級人員及每名核數師，在執行其職務或在執行其職務方面或在其他方面與此有關之情況下可能蒙受或招致之所有損失或法律責任，有權獲得從本公司之資產中撥付彌償。

除本報告所披露者外，本公司未與董事訂立任何獲准許的彌償條文。於回顧年度內，本公司已就其董事可能會面對的法律行動辦理及投購適當的保險。

股票掛鈎協議

於截至二零一六年十二月三十一日止年度，本集團並無訂立或存在任何股票掛鈎協議。

捐款

本集團於回顧年度內並無作出一萬港元或以上之慈善或其他捐款（二零一五年：無）。

Directors' Report

董事會報告

AUDITOR

The consolidated financial statements for the year have been audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted to the forthcoming Annual General Meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board

AKM Industrial Company Limited

Xiong Zheng Feng

CHAIRMAN

Hong Kong, 24 March 2017

核數師

本年度綜合財務報表已由德勤·關黃陳方會計師行審閱。本公司將於應屆本公司股東週年大會上呈交一份決議案，以續聘德勤關黃陳方會計師行為本公司之核數師。

承董事會命

安捷利實業有限公司

熊正峰

主席

香港，二零一七年三月二十四日

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF AKM INDUSTRIAL COMPANY LIMITED
(incorporated in Hong Kong with limited liability)

致安捷利實業有限公司列位股東
(於香港註冊成立之有限公司)

OPINION

意見

We have audited the consolidated financial statements of AKM Industrial Company Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 70 to 155, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師行已審核載列於第70至155頁之安捷利實業有限公司(「貴公司」)及其附屬公司(合稱為「貴集團」)之綜合財務報表，此等財務報表包括於二零一六年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動報表及綜合現金流量表，以及合併財務報表附註，包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

我們認為，該等綜合財務報表已根據香港會計師公會頒布的香港財務報告準則真實而中肯地反映了貴公司於二零一六年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

BASIS FOR OPINION

意見的基礎

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

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

Independent Auditor's Report 獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

關鍵審計事項

Allowances for obsolete inventories

陳舊存貨撥備

We identified the allowances for obsolete inventories as a key audit matter because of the significant degree of management judgment and estimation to determine the amount of allowances based on the estimates of the net realisable values of the inventories.

由於根據可變現淨值釐定之撥備金額涉及重大程度的管理層判斷及評估，因此我們將陳舊存貨撥備認定為關鍵審計事項。

As disclosed in note 4 to the consolidated financial statements, carrying amount of the Group's inventories as at 31 December 2016 was HK\$79,771,000, net of allowance for obsolete inventories of HK\$8,072,000.

誠如綜合財務報表附註4所披露，於二零一六年十二月三十一日，貴集團之存貨賬面值為79,771,000港元（其中陳舊存貨撥備為8,072,000港元）。

Management of the Group reviewed the aged analysis of the inventories for production of flexible printed circuits and flexible packaging substrate at the end of the reporting period to identify obsolete and slow-moving inventory items that are no longer suitable for use in production and to make allowance to write down to their net realisable values based on the latest selling prices and current marketable conditions.

貴集團管理層審議了柔性電路板和柔性封裝基板於報告期末之存貨賬齡分析，以確定不再適用於生產和緩慢移動的存貨，以釐定是否需要撥備以撇減存貨至其可變現淨值。

關鍵審計事項

關鍵審計事項是根據我們的職業判斷，對本期綜合財務報表的審計最為重要的事項。該等事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

How our audit addressed the key audit matter

我們的審計工作如何處理關鍵審計事項

Our procedures in relation to the allowance for obsolete inventories included:

我們與陳舊存貨撥備相關的程序包括：

- Understanding the management's process of identifying obsolete and slow moving items and estimating the net realisable values of the inventories; 理解管理層對確認陳舊及緩慢移動存貨之流程及其撇減存貨至可變現淨值時所採取的政策。
- Evaluating the accuracy of the aged analysis of inventories used by the management, on a sample basis, by checking the ageing date to date of good receipt notes or manufacture; 通過抽樣方式，將賬齡日期與收貨單或生產日期比對，以測試管理層所使用的存貨賬齡報告的合適性。
- Assessing the reasonableness of the management's estimates of the net realisable values of the inventories by comparing the estimated selling prices of the inventories, on a sample basis, to the latest selling price on sales invoices; and 通過抽樣方式，比較存貨的最近期銷售價格，測試管理層對存貨的可變現淨值的估計的合理性；及
- Evaluating the historical accuracy of the allowance made by the management of the Group, on a sample basis, by comparing the allowance made in prior year to actual amount of obsolete inventories. 通過抽樣方式，比較往年作出的撥備與陳舊存貨的實際額，以評估 貴集團作出撥備的歷史準確性。

Independent Auditor's Report 獨立核數師報告

Key audit matter

關鍵審計事項

Allowance for doubtful debts

呆賬撥備

We identified the allowance for doubtful debts as a key audit matter due to significant degree of management judgement involved in assessing the recoverability of trade receivables.

由於評估貿易應收款項可回收性涉及重大程度的管理層判斷，因此我們將貿易應收款項可回收性認定為關鍵審計事項。

As disclosed in note 16 to the consolidated financial statements, the balance of allowance for doubtful debts as at 31 December 2016 amounted to HK\$41,000 and the impairment loss recognised on receivables for the year then ended amounted to HK\$1,096,000.

誠如綜合財務報表附註16所披露，於二零一六年十二月三十一日，貴集團之呆賬撥備結餘為41,000港元，其中於損益賬中確認呆賬撥備為1,096,000港元。

As set out in note 4 to the consolidated financial statements, the management regularly reviews the recoverability and aging of the trade receivables and allowances are applied to trade receivables where events or changes in circumstances indicated that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates.

誠如綜合財務報表附註4所披露，貴集團管理層定期審核可回收性以及貿易應收款項的賬齡分析，從而判斷發生呆賬的可能性。當中對壞賬及呆賬的評估需要管理層判斷。

How our audit addressed the key audit matter

我們的審計工作如何處理關鍵審計事項

Our procedures in relation to the allowance for doubtful debts included:

我們與呆賬撥備相關的程序包括：

- Assessing the reasonableness of management's assessment on the recoverability of the trade receivables, on a sample basis, by reference to the aged analysis of trade receivables and settlement received subsequent to the year end, with focus on debts which are past due but not impaired; 通過抽樣方式，針對性測試已過期貿易應收款項之回款，評估管理層以貿易應收款項的賬齡分析評估貿易應收款項可回收性的合理性；
- Evaluating the accuracy of the aged analysis of the trade receivables, on a sample basis, by checking the ageing date to the invoice dates; and 通過抽樣方式，檢查出具發票的日期，檢測貿易應收款項賬齡分析的準確性；及
- Evaluating the historical accuracy of the allowance made by the management, on a sample basis, by comparing the allowance made in prior year to actual amount of doubtful debts resulted. 通過抽樣方式，比較往年作出的撥備與呆賬實際額評估管理層作出撥備的歷史準確性。

Independent Auditor's Report 獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內的所有資料，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任乃閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，倘我們認為其他資料出現重大錯誤陳述，我們需要報告該事實。我們對此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

在編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。治理層須負責監督 貴集團的財務報告過程。

Independent Auditor's Report 獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

核數師就審計綜合財務報表須承擔的 責任

我們的目標乃對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告，並按照香港公司條例第405條僅向閣下（作為整體）報告，除此之外本報告別無其他目的。我們概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，倘合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據香港審計準則進行審計其中一環，我們運用專業判斷，保持專業懷疑態度，我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲得充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團的內部監控的有效性發表意見。

Independent Auditor's Report 獨立核數師報告

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

核數師就審計綜合財務報表須承擔的 責任 (續)

- 評價董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯地反映交易及事項。
- 就貴集團內各實體或業務活動的財務資料獲得充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

我們與治理層溝通審計的計劃範圍及時間以及重大審計發現等，包括我們在審計中識別出內部監控的任何重大缺陷。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Cont'd)*

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in the independent auditor's report is Li Kin Fai.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24 March 2017

核數師就審計綜合財務報表須承擔的 責任 (續)

我們亦向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

出具獨立核數師報告的審計項目合夥人是李建輝。

德勤•關黃陳方會計師行
執業會計師
香港
二零一七年三月二十四日

Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		Notes 附註		
Revenue	收入	5	821,662	630,631
Cost of sales	銷售成本		(646,373)	(551,392)
Gross profit	毛利		175,289	79,239
Other income	其他收入	6	15,037	36,321
Distribution costs	分銷成本		(15,897)	(16,360)
Administrative expenses	行政支出		(31,852)	(25,234)
Research and development expenses	研發費用		(92,122)	(70,324)
Finance costs	融資成本	7	(5,198)	(3,598)
Profit before taxation	除稅前溢利	8	45,257	44
Taxation	稅項	9	(17,567)	(366)
Profit (loss) for the year	本年度溢利(虧損)		27,690	(322)
Other comprehensive expense: Item that may be subsequently reclassified to profit or loss:	其他全面開支: 隨後可重新分類至損益 之項目:			
Exchange differences arising on translation of foreign operations	換算海外業務產生 之匯兌差額		(36,571)	(25,509)
Total comprehensive expense for the year	本年度全面開支總額		(8,881)	(25,831)
Profit (loss) for the year attributable to:	應佔本年度溢利(虧損):			
Owners of the Company	本公司擁有人		27,944	185
Non-controlling interests	非控股權益		(254)	(507)
			27,690	(322)
Total comprehensive expense attributable to:	應佔全面開支總額:			
Owners of the Company	本公司擁有人		(8,543)	(25,257)
Non-controlling interests	非控股權益		(338)	(574)
			(8,881)	(25,831)
			2016 二零一六年	2015 二零一五年 (Restated) (重列)
Earnings per share – basic	每股盈利 – 基本	11	HK2.72 cents 港仙	HK0.02 cents 港仙

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	474,339	462,072
Prepaid lease payments	預付租賃款項	13	47,147	51,600
Available-for-sale investment	可供出售之投資	14	16,769	17,904
Deposits for property, plant and equipment	物業、廠房及設備之按金	12	15,363	7,284
			553,618	538,860
Current assets	流動資產			
Inventories	存貨	15	79,771	63,772
Trade and other receivables	貿易及其他應收款項	16	318,121	192,440
Prepaid lease payments	預付租賃款項	13	1,182	1,262
Pledged bank deposits	已抵押銀行存款	17	2,356	2,356
Bank balances and cash	銀行結餘及現金	18	26,603	32,851
			428,033	292,681
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	19	321,807	176,855
Deferred income	遞延收入	20	2,395	822
Taxation payable	應付稅項		6,829	1,981
Bank borrowings	銀行借貸	21	134,391	119,410
			465,422	299,068
Net current liabilities	淨流動負債		(37,389)	(6,387)
Total assets less current liabilities	總資產減流動負債		516,229	532,473

Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		<i>Notes</i> 附註		
Capital and reserves	股本及儲備			
Share capital	股本	23	333,161	333,161
Reserves	儲備		<u>150,265</u>	<u>158,808</u>
Equity attributable to owners of the Company	本公司擁有人應佔權益		483,426	491,969
Non-controlling interests	非控股權益		<u>631</u>	<u>3,219</u>
Total equity	總權益		484,057	495,188
Non-current liabilities	非流動負債			
Deferred income	遞延收入	20	25,045	27,539
Bank borrowings	銀行借貸	21	-	6,856
Deferred taxation	遞延稅項	22	<u>7,127</u>	<u>2,890</u>
			32,172	37,285
			516,229	532,473

The consolidated financial statements on pages 70 to 155 were approved and authorised for issue by the Board of Directors on 24 March 2017 and are signed on its behalf by:

董事會於二零一七年三月二十四日批准並授權刊發第70至155頁之綜合財務報表，並由下列董事代表簽署：

LI YING HONG

DIRECTOR

李映紅

董事

XIONG ZHENG FENG

DIRECTOR

熊正峰

董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company				Non-controlling interests	Total
		本公司擁有人應佔					
		Share capital	Translation reserve	Retained profits	Total		
股本	換算儲備	保留溢利	總額	非控股權益	總額		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	333,161	58,245	125,820	517,226	3,793	521,019
Profit (loss) for the year	本年度溢利(虧損)	-	-	185	185	(507)	(322)
Other comprehensive expense	其他全面開支	-	(25,442)	-	(25,442)	(67)	(25,509)
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	-	(25,442)	185	(25,257)	(574)	(25,831)
At 31 December 2015	於二零一五年十二月三十一日	333,161	32,803	126,005	491,969	3,219	495,188
Profit (loss) for the year	本年度溢利(虧損)	-	-	27,944	27,944	(254)	27,690
Other comprehensive expense	其他全面開支	-	(36,487)	-	(36,487)	(84)	(36,571)
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	-	(36,487)	27,944	(8,543)	(338)	(8,881)
Dividend paid	已付股息	-	-	-	-	(2,250)	(2,250)
At 31 December 2016	於二零一六年十二月三十一日	333,161	(3,684)	153,949	483,426	631	484,057

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	45,257	44
Adjustments for:	就下列各項作出調整：		
Interest expense	利息支出	5,198	3,598
Interest income	利息收入	(88)	(65)
Allowance (reversal of allowance) for doubtful debts	呆賬撥備(撥備撥回)	1,096	(71)
Allowance for obsolete inventories	陳舊存貨撥備	1,546	3,346
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,236	1,311
Depreciation of property, plant and equipment	物業、廠房及設備 之折舊	46,224	38,141
Foreign exchange difference on inter-company balances	集團內公司間結餘 之匯兌差額	761	(4,806)
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	4,498	505
Deferred income recognised	已確認之遞延收入	(6,389)	(19,480)
Operating cash flows before movements in working capital	營運資金變動前經營 現金流量	99,339	22,523
Increase in inventories	存貨增加	(23,491)	(10,719)
(Increase) decrease in trade and other receivables	貿易及其他應收款項 (增加)減少	(144,881)	2,819
Increase in trade and other payables	貿易及其他應付款項增加	160,165	27,066
Government grant received	政府津貼收入	7,306	15,429
Cash generated from operations	經營所得現金	98,438	57,118
Hong Kong profits tax refund	退回香港利得稅	78	408
PRC Enterprise Income Tax paid	已付中國企業所得稅	(7,826)	(1,336)
NET CASH FROM OPERATING ACTIVITIES	經營業務所得現金淨額	90,690	56,190
INVESTING ACTIVITIES	投資業務		
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得 款項	1,050	4,963
Interest received	已收利息	88	65
Purchase of property, plant and equipment	購買物業、廠房及設備	(104,210)	(113,244)
NET CASH USED IN INVESTING ACTIVITIES	投資業務所耗現金淨額	(103,072)	(108,216)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
FINANCING ACTIVITIES	融資業務		
New borrowings raised	新增借貸	215,647	226,002
Repayment of bank borrowings	償還銀行借貸	(200,527)	(172,788)
Interest paid	已付利息	(5,198)	(3,598)
Dividend paid to non-controlling shareholders	支付非控股股東股息	(2,250)	-
NET CASH FROM FINANCING ACTIVITIES	融資業務所得現金淨額	<u>7,672</u>	<u>49,616</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目減少淨額	(4,710)	(2,410)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等值項目	32,851	33,836
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動之影響	(1,538)	1,425
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	年末現金及現金等值項目即銀行結餘及現金	<u>26,603</u>	<u>32,851</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

1. GENERAL

The Company is a public limited company incorporated in Hong Kong with limited liability on 9 December 1993.

The shares of the Company were listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from 18 August 2004. On 18 June 2014, the Company transferred the listing of its shares from GEM to the Main Board of the Stock Exchange. The registered office of the Company is situated at Rooms 2708-11, 27th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, and the principal place of business of the Company is situated at 63 Huan Shi Road South, Information Technology Park, Nansha District, Guangzhou City, the People's Republic of China (the "PRC").

The consolidated financial statements are presented in Hong Kong dollars ("HK\$") while the functional currency of the Company is HK\$. The reason for selecting Hong Kong dollars as its presentation currency is because the Company is a public limited company in Hong Kong.

The Company is an investment holding company and is engaged in sourcing of raw materials and equipment for its subsidiaries and trading of flexible printed circuits ("FPC"). Its subsidiaries are principally engaged in manufacture and sale of FPC, sourcing and sale of electronic components and manufacture and sale of flexible packaging substrates.

1. 一般資料

本公司乃於一九九三年十二月九日在香港註冊成立之公眾有限責任公司。

本公司股份自二零零四年八月十八日起在香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。於二零一四年六月十八日，本公司將其股份由創業板轉往聯交所主板上市。本公司之註冊辦事處位於香港干諾道中168-200號信德中心西座27樓2708-11室，而本公司之主要營業地點位於中華人民共和國（「中國」）廣州市南沙區資訊科技園環市大道南63號。

綜合財務報表乃以港元呈列，本公司之功能貨幣為港元。選取港元作為其呈列貨幣之原因，乃由於本公司為一間香港公眾有限公司。

本公司為投資控股公司，並從事為其附屬公司採購原材料及設備以及柔性電路板（「柔性電路板」）貿易業務。其附屬公司主要從事製造及銷售柔性電路板、採購及銷售電子元器件，以及製造及銷售柔性封裝基板。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則之修訂：

香港財務報告準則第11號之修訂	收購合營業務權益的會計法
香港會計準則第1號之修訂	披露計劃
香港會計準則第16號及香港會計準則第38號之修訂	澄清折舊及攤銷的可接受方法
香港會計準則第16號及香港會計準則第41號之修訂	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：應用綜合入賬的例外情況
香港財務報告準則之修訂	香港財務報告準則二零一二年至二零一四年週期之年度改進

於本年度應用香港財務報告準則之修訂本對本集團於本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載列之披露並無構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 7	Disclosure Initiative ⁴
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ⁴

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for annual periods beginning on or after 1 January 2017

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並未提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約的收益 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號之修訂	股份付款交易的分類及計量 ¹
香港財務報告準則第4號之修訂	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合同 ¹
香港財務報告準則第15號之修訂	香港財務報告準則第15號「客戶合約收入」澄清 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港會計準則第7號之修訂	披露計劃 ⁴
香港會計準則第12號之修訂	將遞延稅項資產確認為未變現虧損 ⁴

¹ 於二零一八年一月一日或之後開始之年度期間生效

² 於二零一九年一月一日或之後開始之年度期間生效

³ 於有待釐定之日期或之後開始之年度期間內生效

⁴ 於二零一七年一月一日或之後開始之年度期間生效

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融工具

香港財務報告準則第9號引進有關金融資產分類和計量、金融負債、一般對沖會計處理方法及金融資產減值的新規定。

與本集團相關的香港財務報告準則第9號的主要規定載述如下：

- 屬香港財務報告準則第9號範圍內所有已確認金融資產其後均須按攤銷成本或公平值計量。具體而言，於目的為收取合約現金流量的業務模式下持有以及附有純粹作本金及尚未償還本金利息付款的合約現金流量的債務投資，一般於其後會計期間結束時按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產的業務模式下持有的債務工具，以及合約條款令於特定日期產生的現金流量純粹為支付本金及未償還本金的利息的債務工具，以公平值計量且其變動計入其他全面收益。所有其他債務投資及股權投資均於其後會計期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇，於其他全面收益呈列並非持作買賣的股權投資公平值的其後變動，僅股息收入一般於損益確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 9 Financial Instruments (Cont’d)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group’s financial assets. The Group’s available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost.

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融工具（續）

- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

根據本集團截至二零一六年十二月三十一日止的金融工具及風險管理政策，未來應用香港財務報告準則第9號或會對本集團金融資產的分類及計量產生重大影響。本集團的可供出售投資（包括現時按成本減減值列賬的可供出售投資）將按公允值計入損益計量或指定為透過其他全面收益按公允值列賬（視乎指定標準履行與否而定）。此外，預期信貸虧損模式或會導致按攤銷成本計量的本集團金融資產尚未發生的信貸虧損的提早撥備。

香港財務報告準則第15號來自客戶合約的收益

香港財務報告準則第15號制定一項單一全面模式供實體用作將自客戶合約所產生收益入賬。於香港財務報告準則第15號生效後，將取代現時的收益確認指引，包括香港會計準則第18號*收益*、香港會計準則第11號*建築合約*及相關詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 15 Revenue from Contracts with Customers (Cont’d)

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios.

Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號來自客戶合約的收益（續）

香港財務報告準則第15號的核心原則為實體在確認收益時，應將承諾貨品或服務轉移至客戶的交易以金額形式描述，而該金額能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收益的五個步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於實體完成履約責任時（或就此）確認收益

根據香港財務報告準則第15號，實體於完成履約責任時（或就此）確認收益，即於特定履約責任相關的商品或服務的控制權轉讓予客戶時。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。

此外，香港財務報告準則第15號要求作出更詳盡披露。

於二零一六年，香港會計師公會頒佈了與識別履約責任、當事人與代理人的考慮及許可證應用指南相關的對香港財務報告準則第15號的澄清。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 15 Revenue from Contracts with Customers (Cont’d)

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號來自客戶合約的收益（續）

本公司董事預期，於日後應用香港財務報告準則第15號可能會對在本集團綜合財務報表中呈報的金額及披露的事項構成重大影響。然而，於本集團完成詳細審閱前，提供有關香港財務報告準則第15號所構成影響的合理估算為不可行。

香港財務報告準則第16號租賃

香港財務報告準則第16號為出租人及承租人租賃安排的識別及會計處理引入一個全面模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制以區分租賃及服務合約。關於承租人之會計處理方法，經營租賃及融資租賃之區別被移除，並以承租人的所有租賃（短期租賃及低價值資產租賃除外）須確認使用權資產及相應負債的模式替代。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 16 Leases (Cont’d)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

使用權資產初步按成本計量，其後以成本（惟若干情況除外）減累計折舊及減值虧損計量，並就任何租賃負債重新計量作出調整。租賃負債乃按當日未支付之租賃付款的現值初步計量。其後，租賃負債按利息及租賃付款，以及租賃修訂等的影響作調整。就現金流量分類而言，本集團現時將有關自用及被分類為投資物業之租賃土地的前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。根據香港財務報告準則第16號，有關租賃負債之租賃付款將分配為本金及利息部分，其將作為融資現金流量呈列。

根據香港會計準則第17號，本集團已確認租賃土地（其中本集團為承租人）之預付租賃付款。採用香港財務報告準則第16號可能導致該等資產之分類產生潛在變動，視乎本集團是否分開呈列使用權資產或按相應有關資產（倘為擁有相關資產）的相同項目內呈列。

與承租人會計處理方法相反，香港財務報告準則第16號大致保留香港會計準則第17號內出租人之會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 16 Leases (Cont’d)

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2016, the Group has non-cancellable operating lease commitments of HK\$411,000 as disclosed in note 27. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors complete a detailed review.

Amendments to HKAS 7 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specially, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

此外，香港財務報告準則第16號要求作出廣泛之披露。

於二零一六年十二月三十一日，誠如附註27披露，本集團有不可註銷之經營租賃承擔411,000港元。初步評估顯示，該等安排將符合香港財務報告準則第16號項下租賃之定義，因此本集團將就所有該等租賃確認使用權資產及相應負債，惟於應用香港財務報告準則第16號後有關租賃符合低價值或短期租賃則另當別論。此外，應用新規定可能令上文所述的計量、呈列及披露發生變動。然而，於本公司董事完成詳細檢討之前，提供有關財務影響之合理估計並不實際。

香港會計準則第7號披露計劃之修訂

該等修訂規定實體披露能讓財務報表用者評估融資活動引起的負債變動，包括現金流量引致之變動及非現金變動。尤其是，該等修訂規定披露以下來自融資活動的負債變動：(i)來自融資現金流量的變動；(ii)來自取得或失去附屬公司或其他業務的控制權的變動；(iii)外幣匯率變動的影響；(iv)公平值變動；及(v)其他變動。

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

Amendments to HKAS 7 Disclosure Initiative (Cont’d)

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group’s financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

The directors of the Company anticipate that the adoption of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance (“CO”).

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第7號披露計劃之修訂（續）

該等修訂可推測應用於二零一七年一月一日或之後開始的年度期間，並許可提早應用。應用該等修訂可能導致有關本集團融資活動的額外披露，尤其是融資活動產生的負債的綜合財務狀況表的期初及期末結餘的對賬，將於應用該等修訂時提供。

本公司董事預期應用其他新訂及經修訂香港財務報告準則將不會對綜合財務報表產生重大影響。

3. 主要會計政策

本綜合財務報表乃按香港會計師公會頒佈之香港財務報告準則編製。此外，本綜合財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露。

誠如下文會計政策所闡釋，於各報告期末，綜合財務報表乃按歷史成本為基礎編製。

歷史成本一般根據貨物及服務交換所付出代價之公平值而釐定。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

公平值為市場參與者之間於計量日期按有秩序交易出售資產將收取的價格或轉讓負債將支付的價格，而不論該價格是否直接可觀察或使用另一項估值方法作出估計。估計一項資產或負債的公平值時，本集團會考慮市場參與者於計量日期對資產或負債定價時所考慮資產或負債特性。該等綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟香港財務報告準則第2號以股份為基準付款範圍內以股份為基準的付款交易、香港會計準則第17號租賃範圍內租賃交易及與公平值類似但並非公平值的計量（如香港會計準則第2號存貨的可變現淨值或香港會計準則第36號資產減值的使用價值）除外。

非金融資產的公平值計量計及市場參與者透過最大限度使用該資產達致最佳用途、或透過將資產售予將最大限度使用該資產達致最佳用途的另一名市場參與者而產生經濟利益的能力。

此外，就財務呈報而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體重要性分類為第一、第二或第三級，詳情如下：

- 第一級輸入數據為實體有能力於計量日評估的完全相同的資產或負債於活躍市場的報價（未調整）；
- 第二級輸入數據為不包括第一級報價的資產或負債的可直接或間接觀察的輸入數據；及

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. 主要會計政策 (續)

- 第三級輸入數據為資產或負債的不可觀察輸入數據。

主要會計政策載於下文。

綜合基準

綜合財務報表包括本公司及本公司及其附屬公司控制之實體之財務報表。控制是指本公司：

- 可對被投資對象行使之權力；
- 須承擔或享有參與被投資對象可變回報之風險及權力；及
- 可運用其權力以影響其回報。

倘有事實及情況顯示上述三項因素其中一項或以上出現變動，則本集團重新評估其是否對被投資對象存有控制權。

附屬公司乃於本集團取得附屬公司控制權起綜合入賬，並於本集團失去該附屬公司控制權時終止入賬。特別是，年內所收購或出售之附屬公司之收入及開支由本集團取得控制權當日起至本集團不再控制該附屬公司之日止計入綜合損益及其他全面收益表。

損益及其他全面收益表內各個項目歸屬於本公司之擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司之擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Basis of consolidation (Cont'd)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold by the Group to outside customers in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

綜合基準 (續)

如需要，將會對附屬公司財務報表作出調整，以使其會計政策與本集團之會計政策貫徹一致。

本集團成員之間交易之所有集團內公司間資產與負債、權益、收入、開支及現金流量已於綜合時抵銷。

收入確認

收入以已收或應收代價之公平值計算，指本集團於日常業務過程中向外間客戶銷售貨品的應收款項。收入扣除估計客戶回報、回扣及其他類似撥備。

當收入金額能可靠地衡量、未來經濟利益可能流入本集團、以及符合下文所述本集團的各業務的特定條件時，將確認收入。

銷售貨品之收入在交付貨品及擁有權轉移時確認。

金融資產之利息收入於經濟利益有可能流入本集團且收入金額能可靠計量時確認。金融資產產生之利息收入乃按時間基準，並參照尚未償還本金額及按適用之實際利率計算，而該實際利率乃於初步確認時按金融資產之預期可使用年期將估計未來現金收入實際折算至該資產之賬面淨值之比率。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments including cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

租賃

倘租賃條款訂明擁有權之絕大部份風險及回報轉歸承租人所有，有關租賃列作融資租賃。所有其他租約列作經營租賃。

本集團作為承租人

經營租賃款項（包括透過經營租賃持有的收購土地成本）乃按租期以直線法確認為支出。

倘訂立經營租賃時收到租金獎勵，則該等獎勵確認為負債。優惠獎勵總額按直線法確認為租金開支之抵減。

租賃土地及樓宇

當租賃包括土地及樓宇時，本集團會根據各元素之幾乎全部風險與報酬是否轉移至本集團之評估，考慮將每項元素單獨劃分為融資租賃或經營租賃，除非該等元素明確屬經營租賃，於此情況下，整項租賃分類為經營租賃。尤其是，最低租金（包括任何一次性預付款）在租賃期開始時，按於租賃土地部分及樓宇部分之租賃權益之公平值比例在土地及樓宇部分之間分派。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Leasehold land and building (Cont'd)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rationale basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

租賃土地及樓宇 (續)

租賃款項能夠可靠分配時，經營租賃之租賃土地權益於綜合財務狀況表列為「預付租賃款項」，按直線法於租期內攤銷。當租金未能於土地及樓宇部分間可靠分配時，整項租賃一般分類為融資租賃，並作為物業、廠房及設備列賬。

政府津貼

政府津貼於可合理確定本集團將遵守其所附條件並接到津貼時確認入賬。

政府津貼乃於本集團將擬補償津貼之相關成本確認為開支期間有系統地於損益中確認。尤其是，以要求本集團購買、建造或收購非流動資產為主要條件之政府津貼乃於綜合財務狀況表確認為遞延收入，並於相關資產之可用年期內有系統有理論地轉撥至損益。

用作補償本集團已產生開支或虧損或旨在為本集團提供即時資助（而無未來相關成本）之應收政府津貼，乃於應收期間於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

外幣

編製個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易乃按交易當日之匯率以相關功能貨幣（即該實體經營所在主要經濟環境之貨幣）記錄。於報告期末，以外幣列值之貨幣項目按當日之匯率重新換算。以外幣過往成本計算之非貨幣項目不予重新換算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額會於產生期間之損益確認。

就呈報綜合財務報表而言，本集團海外業務之資產及負債均按報告期末之現行匯率換算為本集團之呈列貨幣（即港元）。收入及開支項目按年內平均匯率換算，除非期內匯率出現大幅波動，於此情況下，則採用交易日期之現行匯率。所產生匯兌差額（如有）均列入其他全面收益及累計權益內之匯兌儲備（應佔非控股權益（如適用））項下確認。

出售海外業務（例如出售本集團於海外業務之全部權益，或出售涉及失去對一間附屬公司（包括海外業務）之控制權）時，本公司擁有人應佔該業務之於權益中累計之所有匯兌差額將重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those asset until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

借貸成本

收購、建設及生產合資格資產(為必要花費大部份時間準備就緒以供擬定用途或銷售之資產)直接應佔之借貸成本加入該等資產之成本,直至該等資產大部份已準備就緒以供擬定用途或銷售時。

特定借貸有待用作合資格資產之開支前用作暫時投資所賺得之投資收入會自合資格資本化之借貸成本中扣除。

所有其他借貸成本均於產生期間在損益中確認。

稅項

所得稅開支表示當前應付稅項及遞延稅項之和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利不包括已撥往其他年度應課稅或應扣減之收入及開支項目,亦不包括可作免稅或不可作稅項扣減之項目,故與綜合損益及其他全面收益表所列「除稅前溢利」不同。本集團現時稅項負債乃按報告期末實行或實質上實行之稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Taxation (Cont'd)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

稅項 (續)

遞延稅項指就綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之暫時性差額確認之稅項。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產乃就所有可扣稅暫時差額確認，惟以可能出現可運用應課稅溢利抵銷之可扣減暫時差額時予以確認為限。如暫時差額由初次確認一項不影響應課稅溢利或會計溢利之交易之其他資產及負債(業務合併除外)所產生，有關資產及負債不予確認。

遞延稅項負債乃按與於附屬公司之投資相關之應課稅臨時差額而確認，惟若本集團可控制撥回臨時差額及臨時差額有可能未必於可見將來撥回之情況除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產，僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時確認。

遞延稅項資產之賬面值乃於報告期末進行檢討，並予以相應扣減，直至並無足夠應課稅溢利可收回全部或部份資產為止。

遞延稅項資產及負債根據報告期末實行或實質上實行之稅率(及稅法)按於負債清償或資產變現期間預期適用之稅率計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Taxation (Cont'd)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Retirement benefits contributions

Payments to defined contribution retirement benefits schemes and state-managed retirement benefit schemes are recognised as an expenses when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

稅項 (續)

遞延稅項負債與資產之計量，反映按照本集團於報告期末預期收回或清償資產及負債賬面值之方式所產生稅務結果。

即期及遞延稅項於損益內確認，惟倘即期及遞延稅項涉及於其他全面收益或直接於股本權益內確認之項目，則即期及遞延稅項亦分別會於其他全面收益或直接於股本權益內確認。

退休福利供款

對定額供款退休福利計劃及由國家管理之退休福利計劃之供款於僱員已提供服務而有權收取供款時列作支出。

短期及其他長期僱員福利

短期僱員福利按預計將支付的福利的未折現金額及僱員提供服務時確認。所有短期僱員福利確認為開支，惟香港財務財務報告準則要求或允許於資產成本中納入福利除外。

經扣除已支付的任何金額，就僱員應計福利（例如薪資及薪金、年假及病假）確認負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Short-term and other long-term employee benefits (Cont'd)

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Property, plant and equipment

Property, plant and equipment including building held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

短期及其他長期僱員福利 (續)

就其他長期僱員福利確認的負債按本集團預期將就僱員直至報告期間所提供服務做出的估計未來現金流量現值計算。由服務成本、利息及重新計量造成的負債賬面值變動於損益中確認，惟香港財務報告準則要求或允許於資產成本中將其納入者除外。

物業、廠房及設備

物業、廠房及設備（包括持有用於生產、貨品或服務供應、或持作行政用途之樓宇）（下述在建物業除外）於綜合財務狀況表內按成本減隨後累計折舊及累計減值虧損（如有）列賬。

物業、廠房及設備（在建物業除外）確認折舊時旨在按其估計可使用年期並減去其剩餘價值，以直線法撇銷其成本。估計可使用年期、剩餘價值及折舊方法會於各報告期完結時審閱；若估計數字有任何變動，有關影響會按預期基準入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Property, plant and equipment (Cont'd)

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets or buildings borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment loss on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

物業、廠房及設備 (續)

正在興建以作生產、供應或行政用途之物業按成本減任何已確認減值虧損列賬。成本包括為資產或樓宇合法擁有時發生之專業費及根據本集團會計政策可資本化之借貸成本。該等物業於竣工及可作擬定用途時乃按物業、廠房及設備之適當類別分類。當該等資產可供用作擬定用途時，乃按其他物業資產之相同基準折舊。

物業、廠房及設備項目於出售或預期繼續使用該資產不會產生任何日後經濟利益時取消確認。出售或棄用物業、廠房及設備項目時產生之損益按該資產之出售所得款項及賬面值間之差額計算，並於損益確認。

有形資產減值虧損

於報告期末，本集團會審核其有形資產之賬面值，以確定是否有任何跡象表明該等資產出現減值虧損。倘出現任何該等跡象，將估計該等資產之可收回金額，以釐定減值虧損（如有）。倘不大可能估計個別資產的可收回金額，則本集團會估計有關資產所屬的現金產生單位的可收回金額。倘可確定合理及一致的分配基準，企業資產可分配至個別現金產生單位，否則，則將企業資產分配至能確定合理及一致的分配基準的最小組別現金產生單位。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Impairment loss on tangible assets (Cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated to assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;

有形資產減值虧損 (續)

可收回金額為公平值減銷售成本與使用價值之間的較高者。於評估使用價值時，估計未來現金流量會採用反映現時市場對貨幣時間價值及資產特殊風險的評值的稅前折現率，折現至其現有價值，及並無就此對未來現金流量的估計予以調整。

倘估計資產（或現金產生單位）之可收回金額低於其賬面值，則資產（或現金產生單位）之賬面值將調低至其可收回金額。分配減值虧損時，減值虧損基於單位中各項資產的賬面值按比例分配至資產。資產的賬面值不得減少至低於公平值減出售成本（如可計算）、使用價值（如可釐定）及零（以最高者為準）。分配至資產的減值虧損數額按單位的其他資產比例分配。減值虧損即時於損益確認。

研發費用

研究費用於產生期間確認為支出。

當且僅當所有下列事項已獲證實，則由發展活動（或內部項目之發展階段）產生之內部產生無形資產將予以確認：

- 在技術可行性上能完成無形資產以供使用或出售；
- 有意完成無形資產及使用或出售資產；

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Research and development expenditure (Cont'd)

- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value is determined as the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

研發費用 (續)

- 使用或出售無形資產之能力；
- 無形資產日後產生經濟利益之方式；
- 可動用充足的科技、財務及其他資源完成發展及使用或出售無形資產；及
- 可於發展期間可靠計算無形資產應佔之開支時。

就內部產生之無形資產而初步確認之金額指從無形資產首次符合上文所列之確認條件日期起所產生之總開支。倘不能確認內部產生無形資產，則發展開支會於產生期間內於損益中支銷。

初步確認之後，內部產生無形資產乃按成本減累計攤銷及累計減值虧損（如有），並按與所收購無形資產相同之基準單獨計量。

存貨

存貨以成本及可變現淨值之較低者列賬。成本按加權平均法予以計算。可變現淨值按存貨之估計銷售價格減去所有估計完工成本及成功出售所需之成本釐定。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified into available-for-sale financial asset and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that requires delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

金融工具

金融資產及金融負債於集團實體成為該項工具訂約條文之訂約方後，於綜合財務狀況表中確認。

金融資產及金融負債初步以公平值計算。收購或發行金融資產及金融負債直接應佔之交易成本乃於初步確認時加入金融資產或金融負債之公平值或自其中扣除（如適用）。

金融資產

本集團之金融資產分類為可供出售之金融資產和貸款及應收款項。分類視乎金融資產之性質及目的而定，並於初步確認時釐定。所有以正常方式買賣之金融資產以交易日期為基準確認及取消確認。正常方式買賣即需要於規例或市場慣例所設定的時限內交付資產的金融資產買賣。

實際利率法

實際利率法乃計算金融資產之攤銷成本及按有關期間分配利息收入之方法。實際利率乃將估計日後現金收入（包括所有已支付或收取構成整體實際利率之費用、交易成本及其他所有溢價或折價）按金融資產之預期使用年期，或較短期間（倘合適）實際折現至資產於首次確認時之賬面淨值之利率。

就債務工具而言，利息收入乃按實際利率基準確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables including trade and other receivables, pledged bank deposits and bank balances and cash are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial asset

Available-for-sale financial asset is a non-derivative that is either designated or not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Dividends on available-for-sale equity instrument are recognised in profit or loss when the Group's right to receive the dividends is established.

Available-for-sale equity investment that does not have a quoted market price in an active market and whose fair value cannot be reliably measured. Such unquoted equity investment is measured at cost less any identified impairment losses at the end of each reporting period.

Financial instruments (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項為有定額或可釐定付款金額，但並無活躍市場報價的非衍生金融資產。於初步確認後，貸款及應收款項（包括貿易及其他應收款項、已抵押銀行存款及銀行結餘及現金）乃使用實際利息法按攤銷成本減任何已識別減值虧損列值。

可供出售金融資產

可供出售金融資產為指定為或並無被分類為貸款及應收款項、持至到期投資或按公平值計入損益之金融資產之非衍生工具。

可供出售權益工具之股息在本集團收取股息之權利獲確立時於損益中確認。

並無活躍市場報價且不能可靠計量其公平值之可供出售權益投資。有關並無報價之權益投資會於各報告期末按成本減任何已識別之減值虧損計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Financial instruments (Cont'd)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 30 to 120 days, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

金融工具 (續)

金融資產之減值

金融資產會於報告期末評定是否有減值跡象。當有客觀證據顯示金融資產之預期未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響時，即金融資產被視為已減值。

減值之客觀證據可包括：

- 發行人或交易對手出現重大財政困難；或
- 違約，如未能繳付或延遲償還利息或本金；或
- 借貸人有可能面臨破產或財務重組。

就若干類別金融資產（例如貿易應收款項）而言，不會單獨作出減值之資產會於其後彙集一併評估減值。應收款項組合出現減值之客觀證據包括本集團過往收款記錄、組合內超出信貸期30至120日之延遲付款數量有所增加、國家或地區經濟狀況出現明顯變動（與應收賬款未能償還之情況相關）。

就按攤銷成本列值之金融資產而言，確認的減值虧損金額乃按資產賬面值及按原實際利率折現估計未來現金流量現值間之差額。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Financial instruments (Cont'd)

Impairment of financial assets (Cont'd)

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

金融工具 (續)

金融資產之減值 (續)

就按成本列值之金融資產而言，減值虧損金額乃按資產賬面值及按類似金融資產之現行市場回報率折現之估計未來現金流量現值間之差額計量。有關減值虧損將不會於往後期間撥回。

所有金融資產之減值虧損會直接於金融資產之賬面值中作出扣減，惟貿易應收款項除外，貿易應收款項之賬面值會透過使用撥備賬作出扣減。撥備賬內之賬面值變動會於損益中確認。當貿易應收款項被視為不可收回時，其將於撥備賬內撇銷。之前已撇銷之款項如其後收回，將撥回損益內。

就按攤銷成本計量之金融資產而言，倘減值虧損額於隨後期間有所減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值被撥回當日之賬面值不得超過未確認減值時之已攤銷成本。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Financial instruments (Cont'd)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

金融工具 (續)

金融負債及股本工具

債務及集團實體發行之股本工具乃根據所訂立合約安排內容及金融負債與股本工具之釋義分類為金融負債或股本。

股本工具

股本工具乃證明本集團於扣減所有負債後的資產中擁有剩餘權益的任何合約。本集團所發行的股本工具按已收所得款項減直接發行成本列賬。

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間分攤利息支出之方法。實際利率乃將估計日後現金付款（包括所有支付或收取之其整體可構成實際利率、交易成本及其他溢價或折讓之費用及利息）按金融負債之預期年限，或較短期間（倘合適）折現至初步確認時之賬面淨值之利率。

利息開支以實際利率基礎確認。

按攤銷成本列值之金融負債

金融負債（包括貿易及其他應付款項及銀行借貸）其後以實際利率法按攤銷成本計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd) 3. 主要會計政策 (續)

Financial instruments (Cont'd)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

金融工具 (續)

取消確認

僅當收取資產現金流量之合約權利屆滿時，或將其金融資產或該等資產所有權之絕大部份風險及回報轉移予另一實體時，本集團方會取消確認金融資產。倘本集團並未轉移亦未保留所有權之絕大部份風險及回報，並繼續控制已轉移資產，則本集團繼續確認該資產，惟以其持續參與及確認為相關負債為限。若本集團保留其已轉移金融資產擁有權之絕大部份風險及回報，則本集團持續確認該金融資產，亦將已收所得款項確認為一項有抵押的借貸。

於取消確認全部金融資產時，資產賬面值與已收及應收代價及已於權益內累計之其他全面收益確認之累計損益之總和之差額，將於損益中確認。

除全面取消確認外，於取消確認金融資產時，本集團將金融資產之過往賬面值在其仍確認為繼續參與之部分及取消確認之部分之間，按照該兩者於轉讓當日之相對公平值作出分配。取消確認部分獲分配之賬面值與該部分已收代價及其已於其他綜合收益確認獲分配之任何累計收益或虧損之總和間的差額，乃於損益內確認。已於其他綜合收益確認之累計收益或虧損繼續按確認部分及取消確認部分之相對公平值在該兩者間作出分配。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Derecognition (Cont'd)

The Group derecognises a financial liability when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 3, directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Estimation of useful lives and residual values of property, plant and equipment

Management estimates the useful lives and residual values of property, plant and equipment. The estimated useful lives and residual values are based on the expected lifespan and original cost of those property, plant and equipment respectively. The useful lives and residual values of property, plant and equipment could change significantly as a result of technical obsolescence. When the actual useful lives and residual values of property, plant and equipment are different from their estimated useful lives and residual values due to the change of commercial and technological environment, such differences will cause an impact on the depreciation charges and the amounts of assets written down for future periods.

3. 主要會計政策 (續)

金融工具 (續)

取消確認 (續)

當且僅當本集團之責任獲解除、取消或到期時，本集團取消確認金融負債。取消確認之金融負債賬面值與已付或應付代價之差額乃於損益中確認。

4. 估計不明朗因素之主要來源

於採用本集團之會計政策（如附註3所述）時，董事須就尚無法從其他渠道得知之資產及負債之賬面值作出判斷、估計及假設。於報告期末估計不明朗因素之主要來源（彼等均有導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險）亦於下文討論。

物業、廠房及設備之可用年期及剩餘價值估計

管理層估計物業、廠房及設備之可用年期及剩餘價值。估計可用年期及剩餘價值分別以該等物業、廠房及設備之預計可用年限及原值為基準。物業、廠房及設備之可用年期及剩餘價值可能因技術上過時而出現重大變動。倘物業、廠房及設備之實際可用年期及剩餘價值因商業及技術環境變動而有別於估計可用年期及剩餘價值，有關差異則會影響未來期間之折舊費用及所撇減之資產數額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Estimation of useful lives and residual values of property, plant and equipment (Cont'd)

The carrying amount of property, plant and equipment for the Group as at 31 December 2016 are HK\$474,339,000 (2015: HK\$462,072,000).

Allowance for obsolete inventories

The management reviews an aged analysis of the inventories for production of flexible printed circuits and flexible packaging substrate at the end of the reporting period, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods and work in progress based on the latest selling prices and current marketable conditions. If the net realisable value of inventories is estimated to be less than its carrying amount, the carrying amount of the inventories is reduced to its net realisable value.

The carrying amount of inventories for the Group as at 31 December 2016 is HK\$79,771,000 (2015: HK\$63,772,000), net of allowance for obsolete inventories of HK\$8,072,000 (2015: HK\$7,040,000).

4. 估計不明朗因素之主要來源 (續)

物業、廠房及設備之可用年期及剩餘價值 估計 (續)

本集團於二零一六年十二月三十一日之物業、廠房及設備賬面值為474,339,000港元 (二零一五年: 462,072,000港元)。

陳舊存貨撥備

管理層於報告期末審核生產柔性電路板及柔性封裝基板的存貨賬齡分析，並對確認為不再適宜用於生產之陳舊及滯銷存貨項目作出撥備。管理層根據最近期之發票價格及現行市況估計該等製成品及半成品之可變現淨值。倘存貨之可變現淨值估計已少於其賬面值，則會將該存貨之賬面值撇減至其可變現淨值。

本集團於二零一六年十二月三十一日之存貨賬面值為79,771,000港元 (二零一五年: 63,772,000港元) (經扣除陳舊存貨撥備8,072,000港元 (二零一五年: 7,040,000港元))。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Allowance for doubtful debts

The management regularly reviews the recoverability and aging of the trade and bills receivables. Allowances are applied to trade and bills receivables where events or changes in circumstances indicated that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Allowance for doubtful debts is made based on the estimation of the future cash flow discounted at the financial assets original effective interest rate to calculate the present value. Where the actual future cash flows and expectation is different from the original estimate, such difference will cause an impact on carrying amounts of trade and bills receivables and doubtful debts expenses in the year in which such estimate is changed.

The carrying amount of trade and bills receivables at 31 December 2016 for the Group are HK\$297,313,000 (2015: HK\$161,765,000), net of allowance for doubtful debts of HK\$41,000 (2015: HK\$6,666,000).

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for the sales of FPC, electronic components, manufacture and sale of flexible packaging substrates to external customers, net of discounts and sales related taxes.

Segment information

Information reported to the Executive Directors of the Company, being the chief operating decision makers ("CODM"), for the purpose of resource allocation and assessment of segment performance focuses on type of goods delivered.

4. 估計不明朗因素之主要來源 (續)

呆賬撥備

管理層定期評估貿易應收款項及應收票據之可收回性及賬齡。倘有事項或情況轉變顯示未必能收回餘款時，則對貿易應收款項及應收票據進行撥備。識別呆壞賬須運用判斷及估計。呆賬撥備乃根據以金融資產原有實際利率折現之估計未來現金流量作出。倘實際之未來現金流量及其預算金額有別於原訂估計，有關差額將影響該估計出現變動之年度內貿易應收款項、應收票據及呆賬開支之賬面值。

集團於二零一六年十二月三十一日之貿易應收款項及應收票據賬面值為297,313,000港元(二零一五年: 161,765,000港元)(經扣除呆賬撥備41,000港元(二零一五年: 6,666,000港元))。

5. 收入及分部資料

收入指向外部客戶銷售柔性電路板、電子元器件、製造及銷售柔性封裝基板扣除折扣及有關銷售稅後之實收及應收款淨額。

分部資料

就分配資源及評估分部表現向主要經營決策者本公司執行董事報告之資料集中於所交付貨品之種類。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

For management purposes, the Group is currently organised into three operating divisions, namely the manufacture and sale of FPC, sourcing and sale of electronic components and manufacture and sale of flexible packaging substrates. These divisions are the basis on which the Group reports its segment information to the CODM.

Principal activities are as follows:

- | | | |
|---|---|---|
| FPC business | – | the manufacture and sale of FPC |
| Sourcing and sale of electronic components business | – | the sourcing and sale of electronic components |
| Flexible packaging substrates business | – | the manufacture and sale of flexible packaging substrates |

5. 收入及分部資料 (續)

分部資料 (續)

為利於管理，本集團現由三個業務分部組成，即製造及銷售柔性電路板、採購及銷售電子元器件以及製造及銷售柔性封裝基板業務。該等分部乃本集團向主要經營決策者報告其分部資料之基礎。

主要業務如下：

- | | | |
|--------------|---|-------------|
| 柔性電路板業務 | – | 製造及銷售柔性電路板 |
| 採購及銷售電子元器件業務 | – | 採購及銷售電子元器件 |
| 柔性封裝基板業務 | – | 製造及銷售柔性封裝基板 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

5. 收入及分部資料 (續)

Segment revenue and results

分部收入及業績

The following is an analysis of the Group's revenue and results by reportable segment.

本集團按可申報分部劃分之收入及業績分析如下。

		Segment revenue		Inter-segment sales		Eliminations		Segment results	
		- external sales							
		分部收入							
		- 外部銷售		分部間銷售		撤銷		分部業績	
		2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
FPC business	柔性电路板業務	779,019	548,959	2,120	78,110	(2,120)	(78,110)	115,893	36,141
Sourcing and sale of electronic components business	採購及銷售電子元器件	23,036	55,403	-	38,014	-	(38,014)	33	1,372
Flexible packaging substrates business	柔性封裝基板業務	19,607	26,269	4,562	824	(4,562)	(824)	(42,826)	(12,965)
Total	合計	<u>821,662</u>	<u>630,631</u>	<u>6,682</u>	<u>116,948</u>	<u>(6,682)</u>	<u>(116,948)</u>	<u>73,100</u>	<u>24,548</u>
Interest income	利息收入							88	65
Central administration costs	中央行政成本							(22,733)	(20,971)
Finance costs	融資成本							(5,198)	(3,598)
Profit before taxation	除稅前溢利							<u>45,257</u>	<u>44</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs, interest income and finance costs. This is the measure reported to the Executive Directors, the Group's CODM, for the purposes of resource allocation and performance assessment.

可申報分部之會計政策乃與附註3所述之本集團會計政策相同。分部溢利指各分部所賺取之溢利，但並未就中央行政成本、利息收入及融資成本作出分配。此乃呈報予執行董事（本集團之主要經營決策者）用作資源分配及評估表現之方式。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

5. 收入及分部資料 (續)

Segment assets and liabilities

分部資產與負債

Segment assets

分部資產

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
FPC business	柔性電路板業務	754,595	596,833
Sourcing and sale of electronic components business	採購及銷售電子元器件業務	8,870	12,084
Flexible packaging substrates business	柔性封裝基板業務	172,458	169,513
Total segment assets	總分部資產	935,923	778,430
Unallocated assets	未分配資產	45,728	53,111
Consolidated assets	綜合資產	981,651	831,541

Segment liabilities

分部負債

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
FPC business	柔性電路板業務	341,652	202,858
Sourcing and sale of electronic components business	採購及銷售電子元器件業務	107	963
Flexible packaging substrates business	柔性封裝基板業務	7,488	1,395
Total segment liabilities	總分部負債	349,247	205,216
Unallocated liabilities	未分配負債	148,347	131,137
Consolidated liabilities	綜合負債	497,594	336,353

Notes to the Consolidated Financial Statements

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities (Cont'd)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than available-for-sale investment, pledged bank deposits and bank balances and cash.
- all liabilities are allocated to reportable segments other than bank borrowings, taxation payable and deferred taxation.

Other segment information

2016

Amounts included in the measure of segment profit or loss or segment assets:

5. 收入及分部資料 (續)

分部資產與負債 (續)

為監察分部表現及在各分部之間分配資源：

- 所有資產均已分配至可申報分部，惟不包括可供出售之投資、已抵押銀行存款以及銀行結餘及現金。
- 所有負債均已分配至可申報分部，惟不包括銀行借貸、應付稅項及遞延稅項。

其他分部資料

二零一六年

計算分部損益或分部資產時包括之款項：

	FPC business	Sourcing and sale of electronic components business	Flexible packaging subtracts business	Segment total	
	柔性電路板 業務	採購及銷售 電子元器件 業務	柔性封裝基板 業務	分部合計	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Allowance for doubtful debts	呆賬撥備	784	312	-	1,096
Allowance for obsolete inventories	陳舊存貨撥備	679	-	867	1,546
Addition to non-current assets (note)	添置非流動資產 (附註)	51,224	-	44,061	95,285
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,236	-	-	1,236
Depreciation of property, plant and equipment	物業、廠房及設備折舊	33,010	-	13,214	46,224
Release of government grant for construction of factory on existing land and research and development projects	發放於現有土地興建廠房及 研發項目之政府津貼	(4,286)	-	(2,103)	(6,389)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	4,498	-	-	4,498
Research and development expenses	研發費用	47,736	-	44,386	92,122

Note: Non-current assets represent property, plant and equipment.

附註：非流動資產指物業、廠房及設備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Other segment information (Cont'd)

2016 (Cont'd)

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:

5. 收入及分部資料 (續)

其他分部資料 (續)

二零一六年 (續)

定期向主要經營決策者提供之款項但不包括於計算分部損益或分部資產之款項：

		FPC business	Sourcing and sale of electronic components business 採購及銷售 電子元器件 業務	Flexible packaging subtracts business 柔性封裝基板 業務	Segment total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Interest income	利息收入	(79)	(2)	(7)	(88)
Interest expenses	利息開支	5,198	-	-	5,198
Income tax expense (credit)	所得稅開支 (抵免)	17,613	(46)	-	17,567

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

5. 收入及分部資料 (續)

Other segment information (Cont'd)

其他分部資料 (續)

2015

二零一五年

Amounts included in the measure of segment profit or loss or segment assets:

計算分部損益或分部資產時包括之款項：

	FPC business	Sourcing and sale of electronic components business 採購及銷售 電子元器件 業務	Flexible packaging subtracts business 柔性封裝基板 業務	Segment total	
	柔性電路板 業務	電子元器件 業務	柔性封裝基板 業務	分部合計	
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Reversal of doubtful debts	呆賬撥回	(35)	(36)	–	(71)
Allowance for (reversal of) obsolete inventories	陳舊存貨撥備 (撥備撥回)	3,573	(277)	50	3,346
Addition to non-current assets (note)	添置非流動資產 (附註)	87,146	–	35,439	122,585
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,311	–	–	1,311
Depreciation of property, plant and equipment	物業、廠房及設備折舊	27,115	61	10,965	38,141
Release of government grant for construction of factory on existing land and research and development projects	發放於現有土地興建廠房及研發項目之政府津貼	(1,676)	–	(17,804)	(19,480)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	505	–	–	505
Research and development expenses	研發費用	38,611	–	31,713	70,324

Note: Non-current assets represent property, plant and equipment.

附註：非流動資產指物業、廠房及設備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Other segment information (Cont'd)

2015 (Cont'd)

Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:

5. 收入及分部資料 (續)

其他分部資料 (續)

二零一五年 (續)

定期向主要經營決策者提供之款項但不包括於計算分部損益或分部資產之款項：

		FPC business	Sourcing and sale of electronic components business 採購及銷售 電子元器件 業務	Flexible packaging subtracts business 柔性封裝基板 業務	Segment total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Interest income	利息收入	(57)	(6)	(2)	(65)
Interest expenses	利息開支	3,598	-	-	3,598
Income tax expense	所得稅開支	145	221	-	366

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Geographical information

The Group operates in two principal geographical areas – the PRC (excluding Hong Kong) and Hong Kong (country of domicile). The following table provides an analysis of the Group's revenue from external customers by the geographical location of the customer:

PRC other than Hong Kong	中國（不包括香港）
Hong Kong	香港
Others	其他

Substantially all of the Group's non-current assets, including property, plant and equipment, prepaid lease payments, are located in the PRC.

5. 收入及分部資料（續）

地區資料

本集團於兩個主要地區運營—中國（不包括香港）及香港（註冊成立地點）。下表列示本集團按客戶所處地理位置劃分來自外部客戶之收入之分析：

		Revenue from external customers 來自外部客戶之收入	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		450,841	277,657
		279,598	248,254
		91,223	104,720
		821,662	630,631

本集團之絕大部份非流動資產（包括物業、廠房及設備以及預付租賃款項）均位於中國境內。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

Customer A ¹	客戶甲 ¹
Customer B ¹	客戶乙 ¹
Customer C ²	客戶丙 ²
Customer D ¹	客戶丁 ¹

¹ Revenue from manufacture and sale of FPC.

² Revenue from manufacture and sale of FPC and flexible packaging substrates.

³ The corresponding amount is less than 10% of the total sales.

5. 收入及分部資料 (續)

有關主要客戶之資料

來自於相應年度為本集團銷售總額帶來逾10%貢獻之客戶之收入如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Customer A ¹	客戶甲 ¹	239,360	N/A ³ 不適用 ³
Customer B ¹	客戶乙 ¹	141,524	87,671
Customer C ²	客戶丙 ²	90,822	N/A ³ 不適用 ³
Customer D ¹	客戶丁 ¹	N/A ³ 不適用 ³	72,296

¹ 來自製造及銷售柔性電路板之收入。

² 來自製造及銷售柔性電路板及柔性封裝基板之收入。

³ 相關款項低於總銷售額之10%。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. OTHER INCOME

6. 其他收入

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Release of government grant for construction of factory on existing land (note 20)	發放於現有土地興建廠房而發放之政府津貼 (附註20)	781	829
Release of government grant for research and development projects (note 20)	發放研發項目之政府津貼 (附註20)	5,608	18,651
Government subsidies (note)	政府資助 (附註)	2,657	15,806
Interest income	利息收入	88	65
Rental income	租金收入	172	21
Scrap income	廢料收入	1,166	536
Net exchange gain	匯兌收益淨額	4,362	-
Others	其他	203	413
		15,037	36,321

Note: The amounts represent subsidies from various government authorities in supporting the high technology research and development activities for the year ended 31 December 2016 and 2015.

附註：款項為截至二零一六年及二零一五年十二月三十一日止年度不同政府部門支持高新研發活動的津貼。

7. FINANCE COSTS

7. 融資成本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interests on bank borrowings	銀行借貸利息	5,198	3,598

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

8. PROFIT BEFORE TAXATION

8. 除稅前溢利

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入)以下項目:		
Research and development expenses	研發費用		
Staff costs	員工成本	17,540	19,176
Other research and development expenses	其他研發費用	74,582	51,148
		92,122	70,324
Directors' and chief executive's remuneration (note 10)	董事及主要行政人員酬金(附註10)	1,014	945
Other staff costs	其他員工成本	96,203	103,525
Subcontracted worker costs	分包工人成本	71,345	56,285
Other staff's retirement benefits costs	其他員工之退休福利成本	8,825	11,170
Total staff costs	員工成本總額	177,387	171,925
Less: Other staff costs included in research and development expenses shown above	減:計入上文所示研發費用之其他員工成本	(17,540)	(19,176)
		159,847	152,749
Allowance (reversal of allowance) for doubtful debts	呆賬撥備(撥備撥回)	1,096	(71)
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,236	1,311
Auditor's remuneration	核數師酬金	760	1,004
Cost of inventories recognised as an expense (note)	已確認為開支之存貨成本(附註)	646,373	551,392
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	46,224	38,141
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	4,498	505
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃項下之最低租金	640	362
Net foreign exchange gain	外匯收益淨額	(4,362)	(1,225)
Rental income from properties	來自物業之租金收入	(172)	(21)

Note: The amount includes allowance for obsolete inventories of HK\$1,546,000 (2015: HK\$3,346,000).

附註: 金額包括陳舊存貨撥備1,546,000港元(二零一五年: 3,346,000港元)。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

9. TAXATION

9. 稅項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	314	—
PRC Enterprise Income Tax	中國企業所得稅	15,332	3,300
		<u>15,646</u>	<u>3,300</u>
Under(over)provision in prior years:	以往年度撥備不足 (超額撥備)：		
Hong Kong Profits Tax	香港利得稅	63	53
PRC Enterprise Income Tax	中國企業所得稅	(2,761)	(3,979)
		<u>(2,698)</u>	<u>(3,926)</u>
		<u>12,948</u>	<u>(626)</u>
Deferred tax:	遞延稅項：		
Current year (note 22)	本年度(附註22)	4,619	992
		<u>17,567</u>	<u>366</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. The income of the PRC subsidiaries neither arises in, nor is derived from, Hong Kong.

The provision for PRC Enterprise Income Tax is based on the estimated taxable income for each PRC subsidiary and at its applicable tax rate. Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

AKM Electronics Industrial (Panyu) Ltd. ("AKM Panyu") and AKM Electronics Technology (Suzhou) Ltd. ("AKM Suzhou") were awarded the Foreign Invested Advanced-Technology Enterprise Certificate in prior years. AKM Panyu and AKM Suzhou are entitled to tax rate reduction from 25% to 15% for three years commenced from 1 January 2015 and 1 January 2016 respectively.

香港利得稅乃根據兩個年度之估計應課稅溢利按稅率16.5%計算。中國附屬公司之收入並非在香港產生及亦非源自香港。

中國企業所得稅乃按各中國附屬公司之適用稅率就其估計應課稅收入作出撥備。根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司之稅率自二零零八年一月一日起為25%。

於過往年度，安捷利(番禺)電子實業有限公司(「番禺安捷利」)及安捷利電子科技(蘇州)有限公司(「蘇州安捷利」)獲頒高新技術企業認證。番禺安捷利及蘇州安捷利分別自二零一五年一月一日及二零一六年一月一日起三年享有稅率由25%下調至15%之稅項寬減。

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9. TAXATION (Cont'd)

The taxation for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 稅項 (續)

年內之稅項可與綜合損益及其他全面收益表之除稅前溢利調節如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit before taxation	除稅前溢利	45,257	44
Tax at the applicable income tax rate (note a)	按適用所得稅稅率計算之稅項 (附註a)	6,789	7
Tax effect of income that are not taxable in determining taxable profit	於釐定應課稅溢利時不可 課稅之收入之稅務影響	(3)	(133)
Tax effect of expenses that are not deductible in determining taxable profit	於釐定應課稅溢利時不可 扣減之開支之稅務影響	2,798	1,337
Tax effect of deductible temporary differences not recognised	未確認可扣減臨時差額之 稅務影響	(499)	(149)
Tax effect on further deduction of research and development expenses (note b)	研發成本進一步扣除之 稅務影響 (附註b)	(5,957)	(1,812)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	12,684	4,178
Overprovision in prior years	以往年度之超額撥備	(2,698)	(3,926)
Effect of different tax rates of subsidiaries operating in other jurisdictions	附屬公司於其他司法權區經營 之不同稅率之影響	125	209
Utilisation of tax losses previously not recognised	動用之前未確認之稅務虧損	(291)	(337)
Deferred taxation arising from withholding tax on undistributed profits	未分配溢利被徵收預扣稅 所產生之遞延稅項	4,619	992
Taxation for the year	本年度稅項	17,567	366

Notes:

- AKM Panyu is the Group's major operating subsidiary. Therefore, the Group's applicable income tax rate is 15% (2015: 15%).
- Pursuant to the relevant tax rules and regulations, PRC subsidiaries can claim PRC income tax credits on additional 50% of the qualified research and development expenses in the PRC. Such PRC income tax credits are allowed, and are accounted for, as deduction from current income tax expenses when relevant conditions are fulfilled and tax approval is obtained from the tax bureau.

附註：

- 番禺安捷利為本集團之主要營運附屬公司。因此，本集團之適用所得稅稅率為15%（二零一五年：15%）。
- 根據有關稅務條例及規例，中國附屬公司可就中國之合資格研發開支申請額外50%中國所得稅抵免。在達成有關條例及取得稅局之稅務批文後，有關中國所得稅抵免已獲准並已入賬列作即期所得稅開支扣減。

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(i) Details of directors' and chief executive's remuneration are as follows:

2016

	Fees	Other emoluments			Total emoluments
		Salaries and other benefits	Retirement benefit scheme contributions	Performance related incentive payments	
	袍金 HK\$'000 千港元	薪金及其他福利 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	與表現掛鈎之獎金 HK\$'000 千港元 (note g) (附註g)	酬金總額 HK\$'000 千港元
Executive Directors:					
Xiong Zheng Feng	-	-	-	-	-
Chai Zhi qiang	-	634	73	92	799
Non-executive Directors:					
Li Ying Hong	-	-	-	-	-
Gao Xiaoguang	-	-	-	-	-
Jia Junan	-	-	-	-	-
Independent non-executive Directors:					
Hung Chi Yuen Andrew	60	-	-	-	60
Zhao Xiao	96	-	-	-	96
Bi Keyun (note e)	11	-	-	-	11
Cui Zheng (note f)	48	-	-	-	48
Total	215	634	73	92	1,014

10. 董事及主要行政人員之酬金及五名最高薪酬人士

(i) 董事及主要行政人員之酬金詳情載列如下：

二零一六年

	Fees	Other emoluments			Total emoluments
		Salaries and other benefits	Retirement benefit scheme contributions	Performance related incentive payments	
	袍金 HK\$'000 千港元	薪金及其他福利 HK\$'000 千港元	退休福利計劃供款 HK\$'000 千港元	與表現掛鈎之獎金 HK\$'000 千港元 (note g) (附註g)	酬金總額 HK\$'000 千港元
Executive Directors:					
Xiong Zheng Feng	-	-	-	-	-
Chai Zhi qiang	-	634	73	92	799
Non-executive Directors:					
Li Ying Hong	-	-	-	-	-
Gao Xiaoguang	-	-	-	-	-
Jia Junan	-	-	-	-	-
Independent non-executive Directors:					
Hung Chi Yuen Andrew	60	-	-	-	60
Zhao Xiao	96	-	-	-	96
Bi Keyun (note e)	11	-	-	-	11
Cui Zheng (note f)	48	-	-	-	48
Total	215	634	73	92	1,014

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Cont'd)

(i) Details of directors' and chief executive's remuneration are as follows: (Cont'd)

2015

	Fees	Other emoluments			Total emoluments
		Salaries and other benefits	Retirement benefit scheme contributions	Performance related incentive payments	
	袍金	薪金及其他福利	退休福利計劃供款	與表現掛鉤之獎金	酬金總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (note g) (附註g)	HK\$'000 千港元
Executive Directors:					
Xiong Zheng Feng	-	-	-	-	-
Chai Zhi Qiang	-	528	66	87	681
Non-executive Directors:					
Li Ying Hong	-	-	-	-	-
Gao Xiaoguang (note a)	-	-	-	-	-
Jia Junan (note d)	-	-	-	-	-
Gong Jian Tang (note b)	-	-	-	-	-
Independent non-executive Directors:					
Hung Chi Yuen Andrew	60	-	-	-	60
Zhao Xiao (note c)	84	-	-	-	84
Bi Ke yun	120	-	-	-	120
Total	264	528	66	87	945

Notes:

- (a) Appointed on 12 March 2015.
- (b) Resigned on 17 November 2015.
- (c) Appointed on 16 February 2015.
- (d) Appointed on 17 November 2015.
- (e) Retired on 4 February 2016.
- (f) Appointed on 3 May 2016.
- (g) The performance related incentive payments are determined with reference to the Group's operating results and individual performances.

10. 董事及主要行政人員之酬金及五名最高薪酬人士 (續)

(i) 董事及主要行政人員之酬金詳情載列如下: (續)

二零一五年

Other emoluments
其他酬金

	Fees	Other emoluments			Total emoluments
		Salaries and other benefits	Retirement benefit scheme contributions	Performance related incentive payments	
	袍金	薪金及其他福利	退休福利計劃供款	與表現掛鉤之獎金	酬金總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (note g) (附註g)	HK\$'000 千港元
Executive Directors:					
Xiong Zheng Feng	-	-	-	-	-
Chai Zhi Qiang	-	528	66	87	681
Non-executive Directors:					
Li Ying Hong	-	-	-	-	-
Gao Xiaoguang (note a)	-	-	-	-	-
Jia Junan (note d)	-	-	-	-	-
Gong Jian Tang (note b)	-	-	-	-	-
Independent non-executive Directors:					
Hung Chi Yuen Andrew	60	-	-	-	60
Zhao Xiao (note c)	84	-	-	-	84
Bi Ke yun	120	-	-	-	120
Total	264	528	66	87	945

附註:

- (a) 於二零一五年三月十二日獲委任。
- (b) 於二零一五年十一月十七日辭任。
- (c) 於二零一五年二月十六日獲委任。
- (d) 於二零一五年十一月十七日獲委任。
- (e) 於二零一六年二月四日退任。
- (f) 於二零一六年五月三日獲委任。
- (g) 與表現掛鉤之獎金乃按本集團經營業績及個人表現而釐定。

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Cont'd)

(i) Details of directors' and chief executive's remuneration are as follows: (Cont'd)

Mr. Chai Zhi Qiang is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The emoluments of the non-executive directors and independent non-executive directors shown above were mainly for their services as directors of the Company.

(ii) Employees' remuneration:

Of the five individuals with the highest emoluments in the Group, one (2015: one) was director of the Company whose emoluments are included in the disclosures in note 10(i) above. The emoluments of remaining four (2015: four) individuals were as follows:

10. 董事及主要行政人員之酬金及五名最高薪酬人士 (續)

(i) 董事及主要行政人員之酬金詳情載列如下：(續)

柴志強先生亦為本公司行政總裁，其酬金（如上文所披露）包括彼以行政總裁身份提供服務應收取之酬金。

上文所示執行董事之酬金主要與彼等管理本公司及本集團事務所提供之服務相關。

上文所示非執行董事及獨立非執行董事之酬金主要與彼等作為本公司董事所提供之服務相關。

(ii) 僱員酬金：

本集團五名最高薪酬人士中，一名（二零一五年：一名）為本公司董事，其薪酬載於上述之附註10(i)之披露中。餘下四名（二零一五年：四名）人士之薪酬載列如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,703	3,292
Performance related incentive payments	與表現掛鈎之獎金	240	693
Retirement benefit scheme contributions costs	退休福利計劃供款成本	171	167
		<u>4,114</u>	<u>4,152</u>

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Cont'd)

(ii) Employees' remuneration: (Cont'd)

Their emoluments were within the following bands:

HK\$nil to HK\$1,000,000	零港元至1,000,000港元
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至 2,000,000港元

During the year ended 31 December 2016 and 2015, no remuneration was paid by the Group to the directors and the Chief Executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

10. 董事及主要行政人員之酬金及五名最高薪酬人士 (續)

(ii) 僱員酬金：(續)

彼等之酬金介乎以下範圍：

2016 二零一六年 Number of individuals 人數	2015 二零一五年 Number of individuals 人數
2	2
<u>2</u>	<u>2</u>

截至二零一六年及二零一五年十二月三十一日止年度，本集團並無向董事及行政總裁或五名最高薪酬人士支付任何酬金，以作為鼓勵加入或加入本集團時之獎金或離職補償。

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11. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

11. 每股盈利

本公司擁有人應佔每股基本盈利之計算乃根據以下數據：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Earnings	盈利		
Profit for the year attributable to owners of the Company for the purpose of basic earnings	用作計算基本盈利之本公司擁有人應佔本年度溢利	<u>27,944</u>	<u>185</u>
		Number of shares 股數	
		2016 二零一六年	2015 二零一五年
			(Restated) (經重列)
Number of shares	股數		
Weighted average number of ordinary shares for the purpose of basic earnings per share	用作計算每股基本盈利之普通股加權平均數	<u>1,026,727,217</u>	<u>1,026,727,217</u>

The weighted average number of ordinary shares in issue during the year and the comparative period were adjusted to affect the effect of bonus element of the rights issue which was completed on 13 March 2017.

本年度及同期已發行普通股加權平均數就於二零一七年三月十三日完成的供股之紅股因素影響作出調整。

There were no potential ordinary share in existence for the two years ended 31 December 2016. Accordingly, no diluted earnings per share has been presented.

由於截至二零一六年十二月三十一日止兩個年度並無具潛在攤薄之普通股，因此並無呈報每股攤薄盈利。

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12. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS FOR PROPERTY, PLANT AND EQUIPMENT

12. 物業、廠房及設備／物業、廠房及 設備之按金

		Buildings 樓宇 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本							
At 1 January 2015	二零一五年一月一日	92,184	307,935	24,848	19,287	3,341	145,404	592,999
Additions	添置	3,089	32,144	2,478	996	538	83,340	122,585
Disposals	出售	-	(21,308)	-	(129)	(144)	-	(21,581)
Transfer	轉撥	74,943	89,849	25,338	8,086	-	(198,216)	-
Currency realignment	貨幣調整	(6,088)	(20,461)	(3,863)	(2,581)	(402)	(2,358)	(35,753)
At 31 December 2015	二零一五年十二月三十一日	164,128	388,159	48,801	25,659	3,333	28,170	658,250
Additions	添置	-	28,607	9,590	2,647	58	54,383	95,285
Disposals	出售	-	(23,685)	-	(291)	(333)	-	(24,309)
Transfer	轉撥	-	7,060	794	533	-	(8,387)	-
Currency realignment	貨幣調整	(10,404)	(24,951)	(3,534)	(1,756)	(142)	(3,771)	(44,558)
At 31 December 2016	二零一六年十二月三十一日	153,724	375,190	55,651	26,792	2,916	70,395	684,668
DEPRECIATION	折舊							
At 1 January 2015	二零一五年一月一日	11,059	148,664	17,536	14,598	1,927	-	193,784
Provided for the year	年度撥備	10,367	22,516	4,544	156	558	-	38,141
Eliminated on disposals	出售時抵銷	-	(15,858)	-	(118)	(137)	-	(16,113)
Currency realignment	貨幣調整	(849)	(14,521)	(1,932)	(1,958)	(374)	-	(19,634)
At 31 December 2015	二零一五年十二月三十一日	20,577	140,801	20,148	12,678	1,974	-	196,178
Provided for the year	年度撥備	4,956	31,315	7,540	1,927	486	-	46,224
Eliminated on disposals	出售時抵銷	-	(18,188)	-	(273)	(300)	-	(18,761)
Currency realignment	貨幣調整	(1,517)	(9,224)	(1,604)	(875)	(92)	-	(13,312)
At 31 December 2016	二零一六年十二月三十一日	24,016	144,704	26,084	13,457	2,068	-	210,329
CARRYING VALUES	賬面值							
At 31 December 2016	二零一六年十二月三十一日	129,708	230,486	29,567	13,335	848	70,395	474,339
At 31 December 2015	二零一五年十二月三十一日	143,551	247,358	28,653	12,981	1,359	28,170	462,072

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12. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS FOR PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The above items of property, plant and equipment are depreciated on a straight-line basis after taking into account of the estimated residual values at the following rates per annum:

Buildings	Over the shorter of the term of the lease of relevant land, or 40 – 50 years
Plant and machinery	5 – 15 years
Leasehold improvements	Over the remaining term of the lease or 4 years, whichever is shorter
Office equipment	5 years
Motor vehicles	4 – 5 years

As at 31 December 2016, the Group has pledged buildings and plant and machinery with carrying amounts of HK\$51,171,000 (2015: HK\$56,176,000) and HK\$nil (2015: HK\$24,139,000), respectively to secure general banking facilities granted to the Group.

The buildings are located on leasehold land in the PRC.

Deposits for property, plant and equipment represents deposits paid to suppliers and subcontractors for acquisition of property, plant and equipment and construction in progress.

12. 物業、廠房及設備／物業、廠房及 設備之按金 (續)

上述物業、廠房及設備項目在參照估計剩餘價值後使用直線法按以下年率折舊：

樓宇	按相關土地之租期或40至50年(以較短者為準)
廠房及機器	5至15年
租賃物業裝修	於餘下租期或4年(以較短者為準)
辦公室設備	5年
車輛	4至5年

於二零一六年十二月三十一日，本集團已抵押賬面值分別為約51,171,000港元(二零一五年：56,176,000港元)及零港元(二零一五年：24,139,000港元)之樓宇以及廠房及機器，作為本集團所獲授一般銀行信貸之擔保。

該等樓宇均位於中國租賃之土地上。

物業、廠房及設備之按金指就購買物業、廠房及設備及在建工程已付予供應商及分承建商之按金。

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13. PREPAID LEASE PAYMENTS

13. 預付租賃款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團之預付租賃款項包括：		
Leasehold land in PRC	於中國之租賃土地	<u>48,329</u>	<u>52,862</u>
Analysed for reporting purposes as:	就呈報用途之分析：		
Current assets	流動資產	<u>1,182</u>	1,262
Non-current assets	非流動資產	<u>47,147</u>	<u>51,600</u>
		<u>48,329</u>	<u>52,862</u>

The prepayment for land use rights is under leasehold and is amortised over 50 years on a straight-line basis.

土地使用權之預付款為租賃並按直線法分50年攤銷。

As at 31 December 2016, the Group has pledged land use rights in PRC with carrying amount of HK\$16,818,000 (2015: HK\$18,401,000) to secure general banking facilities granted to the Group.

於二零一六年十二月三十一日，本集團已抵押賬面值16,818,000港元（二零一五年：18,401,000港元）之中國土地使用權，作為本集團所獲授一般銀行信貸之擔保。

14. AVAILABLE-FOR-SALE INVESTMENT

14. 可供出售之投資

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Unlisted equity investment	非上市股權投資	<u>16,769</u>	<u>17,904</u>

The amount represented the Group's 7.11% unlisted equity interests in a company incorporated in the PRC. The investee is engaged in research and development of semi-conductor packaging substrates. The unlisted equity investment is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

該款項佔於中國註冊成立的公司的非上市股本權益的7.11%。被投資對象從事半導體封裝先導技術的研發。由於非上市股權投資的公平值合理估算範圍過大，本公司董事認為無法可靠地計量公平值，故該等非上市股權投資於本報告期末按成本扣除減值之方式計量。

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15. INVENTORIES

15. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Raw materials	原材料	24,750	20,964
Work in progress	半成品	36,628	25,346
Finished goods	製成品	18,393	17,462
		<u>79,771</u>	<u>63,772</u>

16. TRADE AND OTHER RECEIVABLES

16. 貿易及其他應收款項

Trade and other receivables include the following balances of trade and bills receivables:

貿易及其他應收款項包括下列貿易應收款項及應收票據結餘：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade and bills receivables	貿易應收款項及應收票據	297,354	168,431
Less: Allowance for doubtful debts	減：呆賬撥備	(41)	(6,666)
		297,313	161,765
Other tax recoverable	其他可收回稅項	6,854	14,259
Other receivables and prepayments (note)	其他應收款項及預付款 (附註)	13,954	16,416
		<u>318,121</u>	<u>192,440</u>

Note: The amount mainly represents the prepayments which in the opinion of the directors, the amount is expected to be utilised within the next 12 months.

附註：該款項主要指董事認為預期於未來十二個月內動用之預付款。

The Group allows a credit period normally ranging from 30 to 90 days to its trade customers. At the discretion of the directors, after assessing credit quality of particular customers, several major customers were allowed to settle their balances beyond the credit terms up to 120 days.

本集團給予貿易客戶之信貸期一般為30日至90日不等。經董事酌情准許，在評估特定客戶之信貸質素後，若干主要客戶可在信貸期過後結付賬款餘額，最高可達120日。

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16. TRADE AND OTHER RECEIVABLES (Cont'd)

Before accepting any new customer, the management assesses the potential customer's credit quality and defines credit limits by customer. Approximately 90% (2015: 73%) of the Group's trade receivables are neither past due nor impaired.

The following is an aged analysis of trade and bills receivables presented based on the invoice dates (other than bills receivables which are presented based on the issuance date of relevant bills) at the end of the reporting period, which approximated the respective revenue recognition dates:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 30 days	30日內	160,575	75,023
31-60 days	31至60日	87,311	35,736
61-90 days	61至90日	24,621	17,759
91-120 days	91至120日	17,184	19,878
121 days-1 year	121日至1年	7,622	12,566
Over 1 year	1年以上	-	803
		297,313	161,765

Included in the Group's trade receivable balance is (i) amount due from a shareholder and its subsidiaries amounting to HK\$55,992,000 (2015: HK\$16,462,000) and (ii) amount of HK\$8,677,000 (2015: HK\$nil) is pledged to secure short-term banking facilities granted to the Group.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$28,646,000 (2015: HK\$36,748,000) which are past due at the reporting date for which the Group has not provided for impairment loss in view of the satisfactory subsequent settlement. The Group does not hold any collateral over these balances. The average age of these receivables is 126 days (2015: 136 days).

16. 貿易及其他應收款項 (續)

在接納新客戶之前，管理層會評估潛在客戶之信貸質素及釐定客戶之信貸上限。本集團約90%（二零一五年：73%）概無逾期或減值之貿易應收款項。

以下為於報告期末按發票日期（與各自的收入確認日期相近）呈列之貿易應收款項及應收票據之賬齡分析（應收票據除外，其按相關票據之發出日期呈列）：

(i) 應收一名股東及其附屬公司的款項55,992,000港元（二零一五年：16,462,000港元）已計入本集團之貿易應收款項結餘，及(ii)已抵押8,677,000港元（二零一五年：零港元），作為本集團所獲授短期銀行信貸之擔保。

本集團之貿易應收款項結餘包括總賬面值為28,646,000港元（二零一五年：36,748,000港元）之應收賬款，有關款項於報告日期已過期，由於相信有關應收賬款將於隨後清償，本集團並無作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收款項之平均賬齡為126日（二零一五年：136日）。

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16. TRADE AND OTHER RECEIVABLES (Cont'd)

16. 貿易及其他應收款項 (續)

Ageing of trade and bills receivables presented based on the invoice date which are past due but not impaired

按發票日期呈列已過期但未減值之貿易應收款項及應收票據之賬齡

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-30 days	0至30日	123	3,467
31-60 days	31至60日	5,911	3,937
61-90 days	61至90日	2,762	1,130
91-120 days	91至120日	12,228	15,851
121 days-1 year	121日至1年	7,622	12,348
Over 1 year	1年以上	-	15
		<u>28,646</u>	<u>36,748</u>

Movement in the allowance for doubtful debts

呆賬撥備之變動

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	6,666	7,707
Impairment loss (reversal of impairment loss) recognised on receivables	就應收款項確認之減值虧損 (減值虧損撥回)	1,096	(71)
Amount written off as uncollectible	撇銷不可收回之款項	(7,578)	(687)
Currency realignment	貨幣調整	(143)	(283)
Balance at end of the year	年末結餘	<u>41</u>	<u>6,666</u>

Included in the Group's allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$41,000 (2015: HK\$6,666,000) by reference to subsequent settlement and, where applicable, credit quality of individual customers. The Group does not hold any collateral over these balances.

本集團之呆賬撥備分別包括結餘總額為數41,000港元(二零一五年: 6,666,000港元)之個別已減值貿易應收款項, 乃參考個別客戶之後續結算及信貸質素(如適用)釐定。本集團並無就該等結餘持有任何抵押品。

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16. TRADE AND OTHER RECEIVABLES (Cont'd)

The Group's trade and other receivables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

United States dollar ("US\$")	美元(「美元」)
South Korean Won ("KRW")	韓國圓(「韓國圓」)

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
76,150	79,206
<u>263</u>	<u>82</u>

16. 貿易及其他應收款項 (續)

以相關集團實體功能貨幣以外之貨幣列值之本集團貿易及其他應收款項載列如下：

17. PLEDGED BANK DEPOSITS

The amounts represent deposits pledged to banks to secure short-term banking facilities granted to the Group and are therefore classified as current assets.

The pledged bank deposits of the Group carried at interest rate of 0.02% per annum (2015: 0.02% per annum). The pledged bank deposits will be released upon settlement of the relevant bank borrowings. The pledged bank deposits are denominated in HK\$.

18. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits with original maturity less than three months which carry interest at rates ranging from 0.01% to 1.15% (2015: 0.01% to 1.15%) per annum.

Included in the Group's bank balances are short-term deposits of HK\$21,698,000 (2015: HK\$26,442,000) kept in banks located in the PRC.

17. 已抵押銀行存款

該款項為抵押予銀行之存款，用作擔保授予本集團之短期銀行信貸，因此分類為流動資產。

本集團之已抵押銀行存款按年利率0.02% (二零一五年：年利率0.02%) 計息。已抵押銀行存款將於有關銀行借貸清還後解除。已抵押銀行存款乃以港元計值。

18. 銀行結餘及現金

銀行結餘包括以介乎0.01%至1.15%之年利率 (二零一五年：0.01%至1.15%) 計息且原到期日少於三個月之短期銀行存款。

本集團銀行結餘包括存於在中國之銀行之短期存款21,698,000港元 (二零一五年：26,442,000港元)。

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18. BANK BALANCES AND CASH (Cont'd)

In addition, included in the bank balances and cash are the following amounts denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
US\$	美元	4,350	6,906
KRW	韓國圓	<u>264</u>	<u>370</u>

19. TRADE AND OTHER PAYABLES

Trade and other payables include the following balances:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade and bills payables	貿易應付款項及應付票據	249,365	139,834
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備之應付款項	22,431	6,278
Accrued staff costs	應計員工成本	30,897	13,020
Construction payables	應付工程款項	8,893	12,809
Other taxation payables	應付其他稅項	915	674
Other payables and accruals	其他應付款項及應計費用	<u>9,306</u>	<u>4,240</u>
		<u>321,807</u>	<u>176,855</u>

18. 銀行結餘及現金 (續)

此外，銀行結餘及現金包括下列以有關集團實體之功能貨幣以外之貨幣列值之款項：

19. 貿易及其他應付款項

貿易及其他應付款項包括下列結餘：

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19. TRADE AND OTHER PAYABLES (Cont'd)

The following is an aged analysis by invoice date/bills issued date of trade and bills payables at the end of the reporting period:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 30 days	30日內	87,320	50,635
31-60 days	31至60日	63,935	38,106
61-90 days	61至90日	48,831	26,457
91-120 days	91至120日	27,648	11,463
121 days-1 year	121日至1年	19,679	12,601
Over 1 year	1年以上	1,952	572
		249,365	139,834

The Group's trade and other payables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Euro ("EUR")	歐元(「歐元」)	1,441	1,347
US\$	美元	38,684	28,288

19. 貿易及其他應付款項 (續)

以下為於報告期末按發票日期／票據出具日期呈列之貿易應付款項及應付票據之賬齡分析：

以相關集團實體功能貨幣以外之貨幣列值之本集團貿易及其他應付款項載列如下：

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20. DEFERRED INCOME

20. 遞延收入

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Government grants received in respect of:	就下列各項所收取之 政府津貼：		
Development of new products (note a)	開發新產品 (附註a)	1,647	24
Construction of factory on existing lands (note b)	於現有土地興建廠房 (附註b)	<u>25,793</u>	<u>28,337</u>
		27,440	28,361
Less: Amounts to be recognised in profit or loss in the following year	減：來年於損益內確認 之款項	<u>(2,395)</u>	<u>(822)</u>
Amount shown under non-current liabilities	非流動負債項下所示 之金額	<u>25,045</u>	<u>27,539</u>

Notes:

- (a) The amounts represent government subsidies received in advance in relation to research and development expenses incurred on the development of certain new products. The amounts would be recognised in the same period as the related research and development expenses were incurred resulting in release of HK\$5,608,000 (2015: HK\$18,651,000) to profit or loss.
- (b) The amount of Renminbi ("RMB") 26,750,000 was received in respect of a development support fund for the construction of factory on the lands owned by the Group located at Suzhou pursuant to "Implementation Measures for Development Support Policies for Advanced Manufacturing Industries in Suzhou Gaoxin District". The amount would be released over the estimated useful lives of the constructed factory upon the commencement of operation of the new factory. The construction of the factory was completed and was in use since 2011. During the year, HK\$781,000 (2015: HK\$829,000) was released to profit or loss. Details in relation to the grant of the fund had been disclosed in the announcement of the Company dated 25 September 2008.

附註：

- (a) 該款項為政府就開發若干新產品所產生之研發費用預先發放之津貼。該款項將於相關研發開支產生之同期確認為有關研發費用，其導致損益進賬5,608,000港元（二零一五年：18,651,000港元）。
- (b) 該為數人民幣（「人民幣」）26,750,000元之款項為本集團根據「蘇州高新區關於促進先進製造業發展扶持政策之實施辦法」就其於蘇州擁有的土地上興建廠房而收取之發展扶持資金。該款項將於新廠房開始營運後於所建造廠房之估計可使用年期撥回。該廠房已經竣工，並自二零一一年起開始使用。年內已將781,000港元（二零一五年：829,000港元）撥回損益。有關所獲投資金的詳情已於本公司日期為二零零八年九月二十五日的公佈中披露。

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21. BANK BORROWINGS

21. 銀行借貸

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank loans	銀行貸款	134,391	111,751
Export invoice discounting loans	出口發票折現貸款	-	13,129
Trust receipts loans	信託收據貸款	-	1,386
		<u>134,391</u>	<u>126,266</u>
Secured	有抵押	<u>80,730</u>	<u>104,818</u>
Carrying amount repayable:	應償還賬面值：		
Within one year	一年內	107,651	119,410
More than one year, but not exceeding two years	多於一年但不超過兩年	10,543	4,068
More than two years, but not exceeding five years	多於兩年但不超過五年	16,197	2,788
		<u>134,391</u>	<u>126,266</u>
Analysis of carrying amount:	賬面值分析：		
Amounts due within one year shown under current liabilities	流動負債項下所示之 一年內到期之款項	107,651	119,410
Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayable on demand clause (shown under current liabilities)	非於報告期末起計一年內 償還但載有應要求還款 條款的銀行貸款賬面值 (於流動負債項下顯示)	26,740	-
Amounts shown under non-current liabilities	非流動負債項下所示之金額	-	6,856
		<u>134,391</u>	<u>126,266</u>

Bank loans amounting of HK\$80,730,000 (2015: HK\$104,818,000) are secured by charges over land use rights, buildings, machinery, trade receivables and bank deposits of the Group while the trust receipts loans in prior year was secured by charges over the Group's bank deposits (note 26).

銀行貸款金額為80,730,000港元(二零一五年: 104,818,000港元), 以本集團之土地使用權、樓宇、機器、貿易應收款項及銀行存款作擔保, 而過往年度信託收據貸款以本集團之銀行存款作擔保(附註26)。

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21. BANK BORROWINGS (Cont'd)

At 31 December 2016, included in the bank borrowings of the Group are bank loans amounting of HK\$132,053,000 (2015: HK\$111,751,000) which bear interest at fixed rates. The export invoice discounting loans and trust receipts loans carry interest at prevailing market rates.

The ranges of effective interest rates (which also equal to contracted interest rates) on the Group's borrowings are as follows:

		2016 二零一六年	2015 二零一五年
Effective interest rates:	實際利率：		
Fixed-rate borrowings	定息借貸	3.01% to 4.57% 3.01%至4.57%	2.48% to 4.83% 2.48%至4.83%
Variable-rate borrowings	浮息借貸	3.12%	3.12% to 3.50% <u>3.12%至3.50%</u>

The Group's bank borrowings that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
US\$	美元	40,234	103,600
Japanese Yen ("JPY")	日圓(「日圓」)	2,338	<u>772</u>

As at 31 December 2016, a subsidiary of the Group breached certain financial covenants as stipulated in the borrowing agreements entered into by the subsidiary with carrying amount in aggregate of RMB28,000,000 (equivalent to HK\$31,302,000). The respective borrowings have been classified as current liabilities. Subsequent to 31 December 2016, the Group has fully repaid the respective borrowings.

21. 銀行借貸(續)

於二零一六年十二月三十一日，本集團銀行借貸計入銀行貸款之總額為132,053,000港元(二零一五年：111,751,000港元)乃按固定利率計息。出口發票折現貸款及信託收據貸款乃按現行市場利率計息。

本集團借貸之實際利率(亦相等於訂約利率)範圍如下：

		2016 二零一六年	2015 二零一五年
Effective interest rates:	實際利率：		
Fixed-rate borrowings	定息借貸	3.01% to 4.57% 3.01%至4.57%	2.48% to 4.83% 2.48%至4.83%
Variable-rate borrowings	浮息借貸	3.12%	3.12% to 3.50% <u>3.12%至3.50%</u>

以相關集團實體功能貨幣以外之貨幣列值之本集團銀行借貸載列如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
US\$	美元	40,234	103,600
Japanese Yen ("JPY")	日圓(「日圓」)	2,338	<u>772</u>

於二零一六年十二月三十一日，本集團一間附屬公司訂立的借貸協議的若干財務契諾形成違約，涉及賬面值合共人民幣28,000,000元(相等於31,302,000港元)。各相關借貸已分類為流動負債。於二零一六年十二月三十一日後，本集團已悉數償還各相關借貸。

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22. DEFERRED TAXATION

The following deferred tax liability mainly arises from withholding tax on the undistributed profits of the PRC subsidiaries and movement thereon during current and prior year:

		HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	2,021
Charged to profit or loss (note 9)	自損益賬扣除 (附註9)	992
Currency realignment	貨幣調整	(123)
At 31 December 2015	於二零一五年十二月三十一日	2,890
Charged to profit or loss (note 9)	自損益賬扣除 (附註9)	4,619
Currency realignment	貨幣調整	(382)
At 31 December 2016	於二零一六年十二月三十一日	7,127

At the end of the reporting period, the Group has the deductible temporary differences in respect of accumulated allowance for doubtful debts and accumulated allowance for obsolete inventories of approximately HK\$41,000 (2015: HK\$4,426,000) and HK\$8,072,000 (2015: HK\$7,040,000) respectively. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that the deductible temporary differences can be utilised in the foreseeable future.

At the end of the reporting period, the Group has unused tax losses of approximately HK\$105,781,000 (2015: HK\$29,229,000) available for offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future taxable profit streams. The tax losses in Hong Kong may be carried forward indefinitely. The unrecognised tax losses arising from subsidiaries operated in the PRC of approximately HK\$104,768,000 (2015: HK\$27,961,000) will expire from 2017 to 2021.

22. 遞延稅項

以下為主要因中國附屬公司之未分配溢利須繳預扣稅而產生之遞延稅項負債，及其於本年度及過往年度之相關變動：

於報告期末，本集團擁有與呆壞賬之累計撥備及陳舊存貨之累計撥備相關之可扣減臨時差額分別約41,000港元（二零一五年：4,426,000港元）及8,072,000港元（二零一五年：7,040,000港元）。由於不可能在可預見將來動用可扣減臨時差額，因此並無就該等可扣減臨時差額確認遞延稅項資產。

於報告期末，本集團擁有可抵銷未來應課稅溢利之未動用稅項虧損約105,781,000港元（二零一五年：29,229,000港元）。由於未來應課稅溢利來源不可預測，因此並無確認遞延稅項資產。於香港稅項虧損可無限期結轉。於中國運營之附屬公司產生未確認稅項虧損約104,768,000港元（二零一五年：27,961,000港元）將於二零一七年至二零二一年到期。

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23. SHARE CAPITAL

23. 股本

		Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Issued and fully paid:	已發行及繳足：		
At 1 January 2015,	於二零一五年一月一日、		
31 December 2015 and 2016	二零一五年及二零一六年 十二月三十一日	987,470,000	333,161

On 13 March 2017, the Company issued 246,867,500 ordinary shares, on the basis of one rights share for every four existing ordinary shares at the subscription price of HK\$0.55 per share. The net proceeds of approximately HK\$133.6 million were raised by the Company. The Company's issued number of ordinary share increased to 1,234,337,500 shares. The new shares issued rank pari passu in all respects with the existing shares in issue.

於二零一七年三月十三日，本公司發行246,867,500股普通股，按每持有四股現有普通股可以認購價每股0.55港元認購一股供股股份之基準進行供股。本公司籌集所得款項淨額約133,600,000港元。本公司之已發行普通股數目增加至1,234,337,500股股份。已發行新股份在各方面與已發行之現有股份享有同等地位。

24. FINANCIAL INSTRUMENTS

24. 金融工具

Categories of financial instruments

金融工具類別

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項（包括現金 及現金等值項目）	338,830	208,466
Available-for-sale investment	可供出售之投資	16,769	17,904
Financial liabilities	金融負債		
Amortised cost	攤銷成本	420,721	286,862

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24. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives

The financial instruments are fundamental to the Group's daily operations. The Group's major financial instruments include available-for-sale investment, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables and bank borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with the financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk management

Certain trade and other receivables, trade and other payables, bank borrowings, bank overdraft and bank balances and cash of the Group are denominated in US\$ and HK\$, other than the functional currencies of the relevant group entities, which expose the Group to foreign currency risk. The Group has not used any financial instruments to hedge against currency risk. However, the management monitors foreign currency risk exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

		Liabilities 負債		Assets 資產	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
US\$	美元	78,917	131,888	80,500	86,113
HK\$	港元	331	10,884	379	11

24. 金融工具 (續)

財務風險管理目標

金融工具對本集團之日常營運極為重要。本集團之主要金融工具包括可出售投資、貿易及其他應收款項、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項及銀行借貸。該等金融工具之詳情於有關附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時有效地採取適當之措施。

市場風險

外幣風險管理

本集團之若干貿易及其他應收款項、貿易及其他應付款項、銀行借貸、銀行透支以及銀行結餘及現金乃以美元及港元（不同於有關集團實體之功能貨幣）計值，使本集團承受外幣風險。本集團並未利用任何金融工具對沖貨幣風險。然而，管理層監控外幣風險，並會在需要時考慮對沖重大外幣風險。

於報告日期，本集團以外幣計值之貨幣資產及貨幣負債之賬面值如下：

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24. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Market risk (Cont'd)

Foreign currency risk management (Cont'd)

Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against US\$ and HK\$. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis represents the trade and other receivables, trade and other payables, bank borrowings, bank overdraft and bank balances and cash where the denomination are in US\$ and HK\$, the major foreign currency risks. A positive number indicates an increase in post-tax profit for the year where RMB strengthens against US\$ and HK\$. For a 5% weakening of RMB against US\$ and HK\$, there would be an equal and opposite impact on the post-tax profit for the year, and the balances below would be negative.

24. 金融工具 (續)

財務風險管理目標 (續)

市場風險 (續)

外幣風險管理 (續)

外幣敏感度

下表詳述本集團對人民幣相對美元及港元升值及貶值5%之敏感度。5%反映管理層對外幣匯率之可能合理變動之評估。敏感度分析僅包括尚未清償之外幣計值之貨幣項目，並於年末換算時就外幣匯率之5%變動作出調整。倘以美元及港元（主要外幣風險）計值，敏感度分析代表貿易及其他應收款項、貿易及其他應付款項、銀行借貸、銀行透支以及銀行結餘及現金。倘人民幣對美元及港元強勁，正數則表示年度除稅後溢利增加。對於人民幣對美元及港元貶值5%，將對年內除稅後溢利有一個對等之相反影響，而下列結餘將會為負數。

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Increase in post-tax profit for the year: 本年度除稅後溢利增加:		
US\$ 美元	67	1,945
HK\$ 港元	2	462

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24. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Market risk (Cont'd)

Interest rate risk management

The Group's cash flow interest rate risk relates primarily to variable-rate bank balances and cash. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The management considers the cash flow interest rate risk is insignificant.

The Group is also exposed to fair value interest rate risk in relation to the fixed-rate bank borrowings and bank overdraft. However, the management considers the fair value interest rate risk on the fixed-rate bank borrowings is insignificant as the bank borrowings are relatively short-term. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

24. 金融工具 (續)

財務風險管理目標 (續)

市場風險 (續)

利率風險管理

本集團之現金流量利率風險主要與浮息銀行結餘及現金有關。本集團現時並無任何利率對沖政策。然而，管理層會監控利率變動風險，並於有需要時考慮對沖重大利率變動風險。管理層認為現金流量利率風險為不重大。

本集團亦面對定息銀行借貸及銀行透支之公平值利率風險。然而，由於銀行借貸相對屬短期，管理層認為定息銀行借貸之公平值利率風險微不足道。管理層監控利率風險，並將在有需要時考慮對沖重大利率風險。

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24. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2016 and 2015 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management consider that the Group's credit risk is significantly reduced.

The Group has concentrations of credit risk on trade receivables as 43% (2015: 17%) and 79% (2015: 50%) of the total trade receivables was due from the Group's largest customer and the five largest customers (including the largest customer) respectively within the "FPC business" operating segment in the PRC. The management considers, based on the strong financial background and good credibility of those debtors, there are no significant credit risk.

The credit risk in relation to pledged bank deposits and bank balances and cash is limited because the majority of the counterparties are state-owned banks with good reputation in the PRC.

24. 金融工具 (續)

財務風險管理目標 (續)

信貸風險

倘交易對手於二零一六年及二零一五年十二月三十一日未能履行彼等之責任，則本集團就各類已確認金融資產而須承受之最大信貸風險為綜合財務狀況表內所列資產之賬面值。為降低信貸風險，管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期未付之債項。此外，本集團定期評估個別貿易應收款項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，管理層認為本集團之信貸風險已大幅降低。

本集團對貿易應收款項之信貸風險集中度為貿易應收款項總額之43% (二零一五年：17%) 及79% (二零一五年：50%)，分別為應收本集團於中國「柔性電路板業務」營運分部內之最大客戶及五大客戶 (包括最大客戶) 之款項。鑑於該等債務人之強大財務背景及良好信用，管理層認為並無重大信貸風險。

由於交易對手主要為中國聲譽良好之國有銀行，因此有關已抵押銀行存款以及銀行結餘及現金之信貸風險有限。

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24. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group's strategy to manage liquidity risk is to ensure that the Group has sufficient funds to meet all its potential liabilities as they fall due.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management also monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that its current liabilities exceeded its current assets by HK\$37,389,000 (2015: HK\$6,387,000) as at 31 December 2016.

The directors of the Company are of the opinion that, taking into account the present available banking facilities of approximately HK\$275.7 million as at 31 December 2016 and the net proceeds from rights issues of approximately HK\$133.6 million by the Company completed on 13 March 2017, together with internal financial resources of the Group, the Group has sufficient working capital to meet in full its financial obligations as they fall due in the foreseeable future. Hence, the consolidated financial statements have been prepared on a going concern basis.

24. 金融工具 (續)

財務風險管理目標 (續)

流動資金風險

流動資金風險指本集團將無充足資源償付其到期金融負債之風險。本集團管理流動資金風險之策略旨在確保本集團有充足資金於到期時償付所有潛在負債。

在流動資金風險管理方面，本集團會監控及維持管理層認為充足之現金及現金等值項目水平，從而為本集團營運提供資金及減輕現金流量波動之影響。管理層亦監控銀行借貸之動用及確保遵守貸款契約。

鑑於於二零一六年十二月三十一日，本集團之流動負債超過其流動資產37,389,000港元（二零一五年：6,387,000港元），於編製綜合財務報表時，本公司董事已經就本集團之未來流動資金作出審慎考慮。

經計及於二零一六年十二月三十一日現有可動用的銀行信貸約275,700,000港元及本公司於二零一七年三月十三日完成的供股所得款項淨額約133,600,000港元，以及本集團的內部財務資源，本公司董事認為，本集團在並無不可預見情況下具備充裕營運資金以便其在到期時全面履行財務責任。因此，綜合財務報表已按持續經營之基準編製。

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24. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Liquidity risk (Cont'd)

Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

24. 金融工具 (續)

財務風險管理目標 (續)

流動資金風險 (續)

流動資金表

下表詳述本集團非衍生金融負債根據議定還款期之餘下合同到期情況。該表根據本集團須付款之最早日期之金融負債之未折現現金流量編製。

下表包括利息與本金之現金流量。在利息流量為浮動利率之前提下，未折現款項乃以報告期末之利率曲線得出。

		Weighted average interest rate	On demand and less than 1 month 於要求時償還及少於1個月	1 – 3 months	4 – 6 months	7 – 12 months	1 – 5 years	Total undiscounted cash flows	Total carrying amount
		加權平均利率	未折現現金流量總額	未折現現金流量總額	未折現現金流量總額	未折現現金流量總額	未折現現金流量總額	未折現現金流量總額	賬面總值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 31 December 2016	於二零一六年十二月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade and other payables	貿易及其他應付款項	-	185,592	86,629	7,018	7,091	-	286,330	286,330
Borrowings:	借貸:								
- fixed-rate bank borrowings	- 定息銀行借貸	4.01	132,053	-	-	-	-	132,053	132,053
- variable-rate bank borrowings	- 浮息銀行借貸	3.13	2,338	-	-	-	-	2,338	2,338
			<u>319,983</u>	<u>86,629</u>	<u>7,018</u>	<u>7,091</u>	<u>-</u>	<u>420,721</u>	<u>420,721</u>
At 31 December 2015	於二零一五年十二月三十一日								
Non-derivative financial liabilities	非衍生金融負債								
Trade and other payables	貿易及其他應付款項	-	103,292	36,118	11,367	9,819	-	160,596	160,596
Borrowings:	借貸:								
- fixed-rate bank borrowings	- 定息銀行借貸	2.81	27,016	41,069	36,563	2,115	7,052	113,815	111,751
- variable-rate bank borrowings	- 浮息銀行借貸	3.24	8,090	6,462	-	-	-	14,552	14,515
			<u>138,398</u>	<u>83,649</u>	<u>47,930</u>	<u>11,934</u>	<u>7,052</u>	<u>288,963</u>	<u>286,862</u>

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24. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Liquidity risk (Cont'd)

Liquidity tables (Cont'd)

Bank loans with a repayment on demand clause are included in the "Repayable on demand or within 1 month" time band in the above maturity analysis. As at 31 December 2016, the aggregate undiscounted principal amounts of these bank loans amounted to approximately HK\$134.4 million (2015: HK\$11.1 million). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans as at 31 December 2016 will be repaid within three years of the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK\$137.9 million (2015: HK\$11.4 million).

Fair value of financial instruments

The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at cost and amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

24. 金融工具 (續)

財務風險管理目標 (續)

流動資金風險 (續)

流動資金表 (續)

載有應要求還款條款之銀行貸款計入以上到期分析中「應要求或少於一個月之應支付款項」之時段內。於二零一六年十二月三十一日，該等銀行貸款之未折現本金總額約為134,400,000港元（二零一五年：11,100,000港元）。經計及本集團之財務狀況，本公司董事相信銀行將不可能行使其酌情權要求即時還款。本公司董事相信，於二零一六年十二月三十一日之該等銀行貸款將根據貸款協議所載之預定還款日期於報告日期後三年內償還。屆時，本金及利息現金流出總額將為約137,900,000港元（二零一五年：11,400,000港元）。

金融工具之公平值

其他金融資產及金融負債之公平值乃按公認定價模式以折現現金流量分析釐定。

本公司董事認為，於綜合財務報表內成本及按攤銷成本列賬之金融資產及金融負債之賬面值與其於報告期末之公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

25. CAPITAL RISK MANAGEMENT

The Group manages the capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remain unchanged from prior year.

The capital structure of the Group consists of bank borrowings disclosed in note 21, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings.

The management of the Group reviews the capital structure on a continuous basis. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the raising of bank borrowings and the redemption of existing debt.

26. PLEDGE OF ASSETS

At the end of the reporting period, certain bank deposits, buildings, plant and machinery, land use rights and trade receivables were pledged to secure the banking facilities granted to the Group as follows:

25. 資本風險管理

本集團之資本管理旨在確保本集團內之實體均可持續經營，同時透過優化債務及股本結構為權益持有人謀求最大回報。本集團之整體策略維持與過往年度不變。

本集團之資本架構包括附註21披露之銀行借貸，扣除現金及現金等值項目以及本公司擁有人應佔權益（包括已發行股本、儲備及保留盈利）。

本集團管理層持續審閱資本架構。本集團考慮到資本成本及各類資本相關之風險，並將透過增加銀行借貸及贖回現有債務以平衡其整體資本架構。

26. 資產抵押

於報告期末，下列若干銀行存款、樓宇、廠房及機器、土地使用權及貿易應收款項已予抵押，作為本集團獲授銀行信貸之擔保如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank deposits	銀行存款	2,356	2,356
Buildings	樓宇	51,171	56,176
Plant and machinery	廠房及機器	-	24,139
Prepaid lease payments	預付租賃款項	16,818	18,401
Trade receivables	貿易應收款項	8,677	-
		79,022	101,072

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

27. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	271	256
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	140	-
		<u>411</u>	<u>256</u>

Operating lease payments represent rentals payable by the Group for certain of the office properties and staff quarters. Leases are negotiated for terms within one year to three years.

28. CAPITAL COMMITMENTS

Capital expenditure in respect of acquisition of property, plant and equipment which is contracted for but not provided in the consolidated financial statements

購置物業、廠房及設備之資本開支，已訂約但未於綜合財務報表內撥備

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	<u>50,597</u>	<u>19,810</u>

27. 經營租賃承擔

本集團作為承租人

於報告期末，本集團根據土地及樓宇不可撤銷經營租賃而於下列期間到期之未來最低租賃款項之未履行承擔如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	271	256
In the second to fifth years inclusive	140	-
	<u>411</u>	<u>256</u>

經營租賃付款指本集團就若干辦公室物業及職工宿舍須支付之租金。認定租賃年期為一年至三年。

28. 資本承擔

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	<u>50,597</u>	<u>19,810</u>

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

29. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund (the "MPF") for all qualifying employees in Hong Kong. The retirement benefits scheme contributions charged to consolidated statement of profit or loss and other comprehensive income of HK\$73,000 (2015: HK\$102,000) represent contributions payable to the MPF scheme by the Group, which contribution is matched by employees.

The employees employed in the Group's PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The state-managed retirement benefits scheme contributions charged to the consolidated statement of profit or loss and other comprehensive income amounted to HK\$8,825,000 (2015: HK\$11,134,000). The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

No forfeited contributions are available to reduce the contribution payable in future years.

29. 退休福利計劃

本集團為所有在香港之合資格僱員設立強制性公積金（「強積金」）。於綜合損益及其他全面收益表內列支之退休福利計劃供款為73,000港元（二零一五年：102,000港元），乃由本集團支付予強積金計劃之供款，而僱員會作出相同供款。

本集團中國附屬公司聘用之僱員為中國政府運作之國營退休福利計劃之成員。本集團須向退休福利計劃支付薪金之若干百分比作為福利金。於綜合損益及其他全面收益表內列支之國營退休福利計劃供款為8,825,000港元（二零一五年：11,134,000港元）。本集團於退休福利計劃之唯一責任為根據該計劃作出規定之供款。

本公司並無沒收供款可用於扣減來年應付之供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

30. RELATED PARTY TRANSACTIONS

- (i) In addition to the balances set out in note 16, the Group entered into the following transactions with related parties during the year:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Rentals for office paid to fellow subsidiaries	向同系附屬公司支付之辦公室租金	120	120
Sales of goods to a shareholder and its subsidiaries	向一名股東及其附屬公司銷售貨品	<u>90,822</u>	<u>28,968</u>

(ii) Transactions/balances with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("state-controlled entities"). In addition, the Group is significantly influenced indirectly by China North Industries Corporation ("CNIC"), a state-owned enterprise established in the PRC.

The Group also conducts business with other state-controlled entities. The directors consider those state-controlled entities to be third parties so far as the Group's business with them are concerned.

30. 關連方交易

- (i) 除載於附註16之結餘外，於本年度內，本集團亦曾與關連方訂立下列交易：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Rentals for office paid to fellow subsidiaries	向同系附屬公司支付之辦公室租金	120	120
Sales of goods to a shareholder and its subsidiaries	向一名股東及其附屬公司銷售貨品	<u>90,822</u>	<u>28,968</u>

(ii) 與中國其他國家控制企業產生之交易／結餘

本集團經營所在之經濟環境目前由中國政府直接或間接擁有或控制之企業（「國家控制企業」）主導。此外，本集團間接受於中國成立之國有企業中國北方工業集團（「中國北方工業集團」）重大影響。

本集團亦與其他國家控制企業進行業務。董事認為，就本集團與彼等之業務而言，該等國家控制企業為第三方。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

30. RELATED PARTY TRANSACTIONS (Cont'd)

(ii) Transactions/balances with other state-controlled entities in the PRC (Cont'd)

In addition, the Group has entered into various transactions, including deposits placements, borrowings and other general banking facilities, with certain banks which are state-controlled entities in its ordinary course of business.

The directors are of the opinion that the transactions with other state-controlled entities are not significant to the Group's operations.

(iii) Compensation of key management personnel

The remuneration of key management during the year represented remuneration paid to directors as disclosed in note 10 to the consolidated financial statements.

The remuneration of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

31. EVENT AFTER REPORTING PERIOD

On 13 March 2017, the Company issued 246,867,500 ordinary shares, on the basis of one rights share for every four existing ordinary shares at the issue price of HK\$0.55 per share. The net proceeds of approximately HK\$133.60 million were raised by the Company. The Company's issued number of ordinary share increased to 1,234,337,500 shares. The new shares issued rank pari passu in all respects with the existing share in issue.

31. 關連方交易 (續)

(ii) 與中國其他國家控制企業產生之交易／結餘 (續)

此外，本集團已於其正常業務過程中與為國家控制企業之若干銀行訂立各種交易，包括存款、借貸及其他一般銀行信貸。

董事認為與其他國家控制企業之交易對本集團之營運並非重要。

(iii) 主要管理人員之補償

年內主要管理人員之酬金指綜合財務報表附註10所披露支付各董事之酬金。

主要管理人員之酬金由薪酬委員會根據個人表現及市場趨勢釐定。

31. 報告期後事項

於二零一七年三月十三日，本公司發行246,867,500股普通股，按每持有四股現有普通股可以發行價每股0.55港元認購一股供股股份之基準進行供股。本公司籌集所得款項淨額約133,600,000港元。本公司之已發行普通股數目增加至1,234,337,500股股份。已發行新股份在各方面與已發行之現有股份享有同等地位。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

32. 本公司財務狀況表及儲備

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	253	450
Interests in subsidiaries	附屬公司之權益	<u>468,852</u>	<u>468,852</u>
		<u>469,105</u>	<u>469,302</u>
Current assets	流動資產		
Trade and other receivables	貿易及其他應收款項	71,635	57,696
Amount due from a subsidiary	應收一間附屬公司款項	13,880	16,971
Taxation receivable	應收稅項	-	30
Pledged bank deposits	已抵押銀行存款	2,356	2,356
Bank balances and cash	銀行結餘及現金	<u>4,506</u>	<u>6,252</u>
		<u>92,377</u>	<u>83,305</u>
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	29,724	17,256
Amounts due to subsidiaries	應付附屬公司款項	93,986	105,067
Taxation payable	應付稅項	120	-
Bank borrowings	銀行借貸	<u>26,643</u>	<u>18,452</u>
		<u>150,473</u>	<u>140,775</u>
Net current liabilities	淨流動負債	<u>(58,096)</u>	<u>(57,470)</u>
Total assets less current liabilities	總資產減流動負債	<u>411,009</u>	<u>411,832</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Cont'd)

32. 本公司財務狀況表及儲備 (續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Capital and reserves	股本及儲備		
Share capital	股本	333,161	333,161
Retained profits	保留溢利	77,848	71,815
Total equity	總權益	411,009	404,976
Non-current liability	非流動負債		
Bank borrowings	銀行借貸	-	6,856
		411,009	411,832

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 24 March 2017 and are signed on its behalf by:

本公司之財務狀況表已獲董事會於二零一七年三月二十四日批准並授權刊發，並由下列董事代表簽署：

LI YING HONG

DIRECTOR

李映紅

董事

XIONG ZHENG FENG

DIRECTOR

熊正峰

董事

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

32. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Cont'd)

32. 本公司財務狀況表及儲備 (續)

Movement in the Company's retained profits

本公司保留溢利之變動

		HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	71,567
Profit for the year and total comprehensive income for the year	年內溢利及年內全面收益總額	248
At 31 December 2015	於二零一五年十二月三十一日	71,815
Profit for the year and total comprehensive income for the year	年內溢利及年內全面收益總額	6,033
At 31 December 2016	於二零一六年十二月三十一日	77,848

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綜合財務報表附註

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33. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Group's subsidiaries as at 31 December 2016 and 2015 are as follows:

Name of subsidiary 附屬公司名稱	Place of establishment and operation 成立及經營地點	Form of business structure 企業組成模式	Paid-up capital 繳足資本	Attributable equity interest held by the Company 由本公司持有之應佔股本權益		Principal activities 主要業務
				Directly 直接	Indirectly 間接	
AKM Panyu	The PRC	Wholly owned-foreign enterprise	US\$21,700,000	100%	-	Manufacture and sale of FPC, manufacture and sale of flexible packaging substrates
番禺安捷利	中國	外商獨資企業	21,700,000美元	100%	-	製造及銷售柔性電路板、製造及銷售柔性封裝基板
New Career Guongzhou Electronics Company Limited	The PRC	Wholly owned-foreign enterprise	US\$2,229,000	100%	-	Manufacture and sale of flexible packaging substrates
廣州市安旭特電子有限公司	中國	外商獨資企業	2,229,000美元	100%	-	製造及銷售柔性封裝基板
AKM Suzhou	The PRC	Wholly owned-foreign enterprise	US\$37,642,460	100%	-	Manufacture and sale of FPC, manufacture and sale of flexible packaging substrates
蘇州安捷利	中國	外商獨資企業	37,642,460美元	100%	-	製造及銷售柔性電路板、製造及銷售柔性封裝基板
Giant Rise Technology Limited	Hong Kong	Limited company	HK\$1,000,000	75%	-	Investment holding
嘉升科技有限公司	香港	有限公司	1,000,000港元	75%	-	投資控股
Shenzhen Giant Rise Electronics Company Limited	The PRC	Wholly owned-foreign enterprise	RMB1,800,000	-	75%	Trading of raw materials and FPC, sourcing and sale of electronic components
深圳嘉升宏力偉電子有限公司	中國	外商獨資企業	人民幣1,800,000元	-	75%	買賣原材料及柔性電路板、採購及銷售電子元器件

None of the subsidiaries had issued any debt securities at the end of both years.

33. 本公司附屬公司之詳情

於二零一六年及二零一五年十二月三十一日之本集團附屬公司之詳情如下：

附屬公司於兩個年度末均無發行任何債務證券。

Financial Summary

財務概要

		Year ended 31 December				
		截至十二月三十一日止年度				
RESULTS		2016	2015	2014	2013	2012
業績		二零一六年	二零一五年	二零一四年	二零一三年	二零一二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	收入	821,662	630,631	622,057	641,159	600,686
Cost of sales	銷售成本	(646,373)	(551,392)	(515,433)	(552,804)	(507,521)
Gross profit	毛利	175,289	79,239	106,624	88,355	93,165
Other income	其他收入	15,037	36,321	28,492	10,326	3,838
Distribution costs	分銷成本	(15,897)	(16,360)	(17,189)	(12,048)	(12,270)
Administrative expenses	行政支出	(31,852)	(25,234)	(31,225)	(25,130)	(27,643)
Research and development expenses	研發費用	(92,122)	(70,324)	(51,261)	(22,589)	(12,648)
Share of result of a joint venture	應佔一間合營公司之業績	-	-	-	-	(3,301)
Finance costs	融資成本	(5,198)	(3,598)	(3,206)	(5,406)	(6,458)
Profit before taxation	除稅前溢利	45,257	44	32,235	33,508	34,683
Taxation	稅項	(17,567)	(366)	(2,272)	(2,041)	(2,146)
Profit (loss) for the year	本年度溢利(虧損)	27,690	(322)	29,963	31,467	32,537
ASSETS AND LIABILITIES		At 31 December				
		於十二月三十一日				
資產及負債		2016	2015	2014	2013	2012
		二零一六年	二零一五年	二零一四年	二零一三年	二零一二年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	981,651	831,541	807,150	655,027	563,943
Total liabilities	總負債	(497,594)	(336,353)	(286,131)	(372,184)	(320,216)
		484,057	495,188	521,019	282,843	243,727
Equity attributable to owners of the Company	本公司擁有人應佔權益	483,426	491,969	517,226	279,420	241,502
Non-controlling interests	非控股權益	631	3,219	3,793	3,423	2,225
Total equity	總權益	484,057	495,188	521,019	282,843	243,727



AKM Industrial Company Limited
安捷利實業有限公司

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