

MOBI 摩比

MOBI Development Co., Ltd.
摩比發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：947



2017

ANNUAL REPORT
年報



Corporate Profile

公司簡介

MOBI Development Co., Ltd. (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 16 December 2002. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 December 2009 (Stock Code: 947).

We operate through our subsidiaries MOBI Antenna Technologies (Shenzhen) Co., Ltd. ("MOBI Shenzhen"), MOBI Telecommunications Technologies (Ji An) Co., Ltd. ("MOBI Jian"), MOBI Technologies (Xi An) Co., Ltd. ("MOBI Xian"), MOBI Technology (Hong Kong) Limited ("MOBI HK"), MOBI Technology (Shenzhen) Co., Ltd., Shenzhen MOBI Industry Development Co., Ltd., Xian Shengrong Communication Technology Co., Ltd. and Shenzhen Shengyuzhahui Network Technology Co., Ltd..

We are one of the few one-stop providers of wireless communication antennas and base station Radio Frequency ("RF") subsystems in China. Our business consists of the design, manufacture, marketing and sale of antennas, base station RF subsystem and solutions that are the required components of mobile communication coverage systems, including, wireless access systems (WiFi and PHS), 2G (GSM and CDMA), 3G (TD-SCDMA, CDMA 2000, W-CDMA and WiMax), 4G (TD-LTE and FDD-LTE), 5G, MIMO Antenna, satellite communication and microwave transmission networks. We sell our products to network operators in China and overseas directly for deployment into the networks they are constructing and operating. We also sell our products to some of the world's leading wireless network solution providers who incorporate our products into their wireless coverage solutions, such as their proprietary base stations, which they then sell to network operators worldwide.

We are committed to providing quality and sophisticated products and building long term relationships with our customers.

摩比發展有限公司(「本公司」)於2002年12月16日在開曼群島註冊成立為獲豁免有限責任公司。本公司股份於2009年12月17日在香港聯合交易所有限公司(「聯交所」)上市(股份代號：947)。

本公司透過子公司摩比天線技術(深圳)有限公司(「摩比深圳」)、摩比通訊技術(吉安)有限公司(「摩比吉安」)、摩比科技(西安)有限公司(「摩比西安」)、摩比科技(香港)有限公司(「摩比香港」)、摩比科技(深圳)有限公司、深圳市摩比實業發展有限公司、西安晟容通訊技術有限公司及深圳市晟煜智慧網絡科技有限公司經營業務。

本公司為中國少數的一站式無線通信天線及基站射頻(「射頻」)子系統供應商之一。本公司的業務包括設計、製造、營銷和銷售天線、基站射頻子系統與解決方案，該等產品是移動通信覆蓋系統的必需部件，包括無線接入系統(WiFi和PHS)、2G(GSM及CDMA)、3G(TD-SCDMA、CDMA 2000、W-CDMA和WiMax)、4G(TD-LTE和FDD-LTE)、5G、MIMO天線、衛星通信網絡及微波傳輸網絡。本公司直接向中國和海外的網絡運營商銷售產品，以供配置於其構建及經營的網絡。我們亦向若干全球領先的無線網絡方案供應商銷售產品，而後者將本公司產品整合於其無線覆蓋方案(如其專有基站)中，繼而銷售予世界各地的網絡運營商。

本公司致力提供高質量的先進產品並與客戶建立長期的關係。

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Corporate Information

公司資料

REGISTERED OFFICE

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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1902, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong

BOARD OF DIRECTORS

Executive Directors

Hu Xiang (*Chairman*)

Liao Dong

Chen Zhaojun

Non-executive Directors

Qu Deqian

Independent non-executive Directors

Li Tianshu

Zhang Han

Li Guinian

COMPANY SECRETARY

Lau Wing

AUTHORISED REPRESENTATIVES

Hu Xiang

Lau Wing

AUDIT COMMITTEE

Zhang Han (*Chairman*)

Li Tianshu

Li Guinian

註冊辦事處

P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands

中國總部及主要營業地址

中國廣東省深圳市南山區科技園朗山一路7號

香港主要營業地址

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廖東

陳兆軍

非執行董事

屈德乾

獨立非執行董事

李天舒

張涵

李桂年

公司秘書

劉榮

授權代表

胡翔

劉榮

審核委員會

張涵(*主席*)

李天舒

李桂年

REMUNERATION COMMITTEE

Li Tianshu (*Chairman*)

Zhang Han

Li Guinian

Qu Deqian

NOMINATION COMMITTEE

Hu Xiang (*Chairman*)

Li Tianshu

Zhang Han

Li Guinian

Qu Deqian

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

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PRINCIPAL BANKER

China Merchants Bank

1/F, Wenhua Building, Shennan Road East, Shenzhen, China

AUDITORS

Deloitte Touche Tohmatsu

Certified Public Accountants

WEBSITE ADDRESS

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Email: ir@mobi-antenna.com

STOCK CODE

The Stock Exchange of Hong Kong Limited: 947

薪酬委員會

李天舒(主席)

張涵

李桂年

屈德乾

提名委員會

胡翔(主席)

李天舒

張涵

李桂年

屈德乾

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至1716號舖

主要往來銀行

中國招商銀行

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核數師

德勤 • 關黃陳方會計師行

執業會計師

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吳倩及陳昭彤

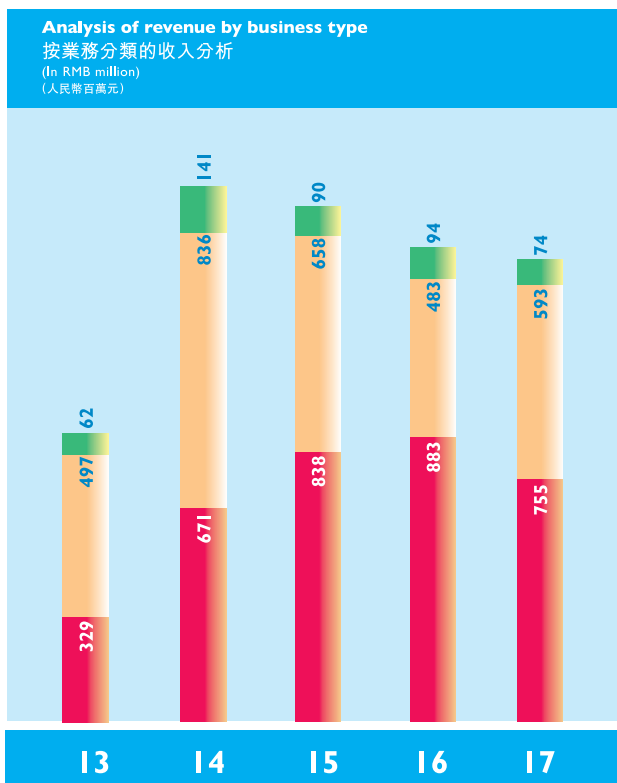
電郵：ir@mobi-antenna.com

股份代號

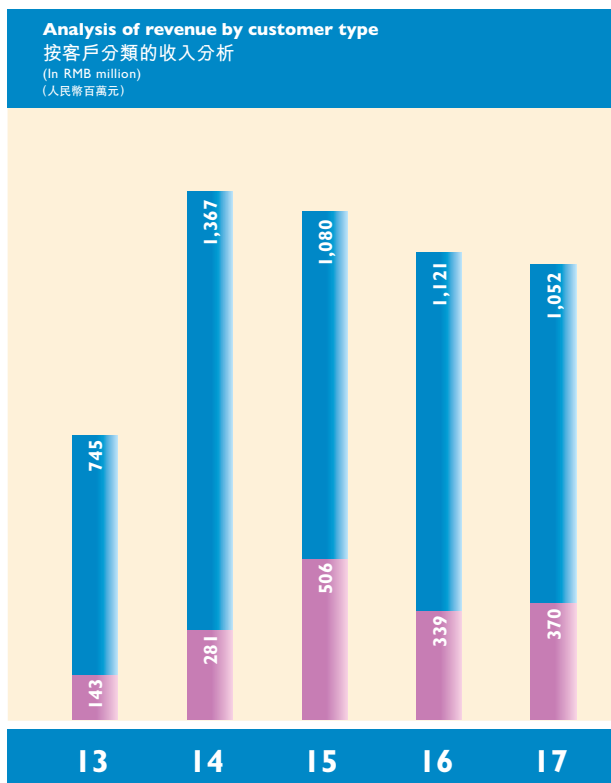
香港聯合交易所有限公司：947

Financial Highlights

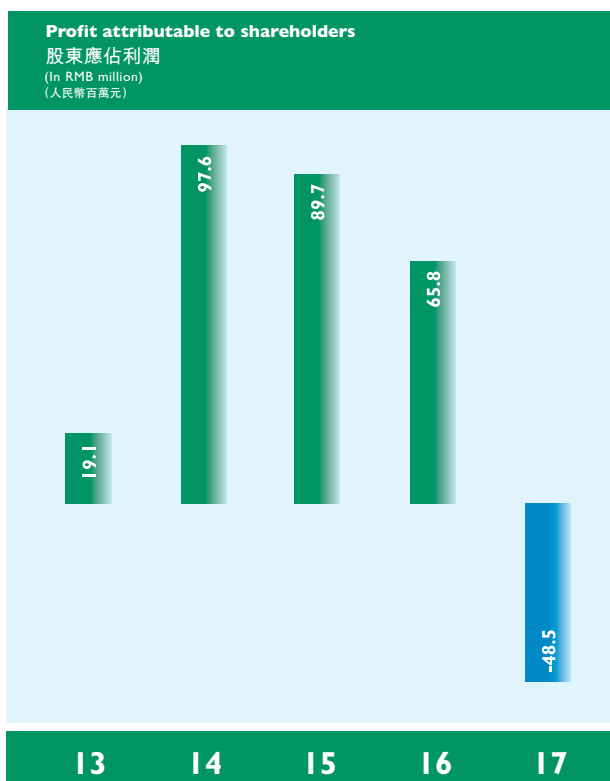
財務概要



- Antenna 天線
- Base station RF subsystem 基站射頻子系統
- Coverage extension solution 覆蓋延伸方案



- Network operators in the PRC and India 中國及印度的網絡運營商
- Network solution providers and other customers 網絡方案供應商及其他客戶



Financial Highlights

財務概要

KEY FINANCIAL FIGURES

(All amounts are expressed in RMB' million unless otherwise stated)

主要財務數據

(除另有說明外，所有金額均以人民幣百萬元呈列)

		2017 2017年	2016 2016年
Revenue	收入	1,422.4	1,459.7
Gross profit	毛利	246.1	353.5
(Loss) profit before taxation	稅前(虧損)利潤	(61.0)	72.0
Net (loss) profit attributable to shareholders	股東應佔淨(虧損)利潤	(48.5)	65.8
Total assets	總資產	2,348.0	2,191.0
Net current assets	流動資產淨額	649.3	843.0
Net assets attributable to shareholders	股東應佔資產淨額	1,177.2	1,249.4
Inventories turnover days	存貨週轉天數	117	116
A/R turnover days	應收賬款週轉天數	228	225
A/P turnover days	應付賬款週轉天數	195	192
Current ratio	流動比率	1.56	1.98
Gearing	資本負債比率	12.2%	11.7%
No. of issued shares, million shares	已發行股份數目(百萬股)	820.7	818.9
Net assets value per share, RMB	每股資產淨值(人民幣元)	1.43	1.53
Basic (loss) earnings per share, RMB cents	每股基本(虧損)盈利(人民幣分)	(5.92)	8.04
Return on average equity	平均股本回報	-4.00%	5.36%



Chairman's Statement 主席報告書

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of MOBI Development Co., Ltd., I am pleased to present to the shareholders the business development of the Group and its subsidiaries (the "Group") for the year ended 31 December 2017 (the "Year").

In the immediate past year of 2017, global political and economic turbulence as well as present domestic transition of 4G and 5G industry development challenged the Group's business development. However, it is pleased to note that, through product and technical innovation and continuous market expansion, the Group maintained a leading market share in the industry and stood out from most of its competitors in terms of 5G wireless communication technology.

OPERATING RESULTS

In 2017, the Group realized approximately RMB1,422.44 million of operating revenue, representing a year-on-year decrease of approximately 2.6%, while net loss amounted to approximately RMB48.51 million, representing a year-on-year decrease of 173.7%; basic loss per share was approximately RMB0.06.

尊敬的各位股東：

我謹代表摩比發展有限公司欣然向各位股東報告摩比發展有限公司及其子公司(「本集團」)截至2017年12月31日止年度(「本年度」)的業務發展狀況。

剛剛過去的2017年，全球政治與經濟仍然動盪，國內處於4G與5G產業發展的交替期，這都給本集團的業務發展帶來挑戰。但欣喜的看到，經過產品技術創新與市場持續拓展，本集團繼續穩固在行業中的領先份額，並在5G無線通訊技術上領先多數競爭對手。

經營業績

2017年，本集團實現營業收入約14.2244億元人民幣，同比略減2.6%；實現淨虧損約4,851萬元人民幣，同比減少173.7%；每股基本虧損約人民幣0.06元。

BUSINESS DEVELOPMENT

There are cyclical fluctuations in the network construction and equipment investment of China's domestic mobile communications. The last complete cycle covered the period from the issuance of the 3G license in January 2009 to the issuance of the 4G license in December 2013, and the current cycle is expected to lay in the period from the issuance of 4G license to commercial use of 5G in the future. Each cycle change means upgrading of technology, switching of market focuses and major adjustment of customer structure. As such, it is also the reshuffle process of every market competition.

In 2017, the market situation also underwent major changes. Firstly, after the start of TD-LTE Phase 5 network building, the total amount of demand reduced significantly followed by sharply dropped price, which resulted in a substantial reduction of approximately RMB296.09 million (or 86.3%) in the Group's TD/TD-LTE antenna sales, being equivalent to approximately 20% of sales revenue in 2016. Secondly, hot-spot opportunities for domestic low-band refarming and IoT antennas mainly concentrated on the refarming of 800-900M band and most of its direct sales were to China Telecom and China Mobile. We successfully took the advantage of this adjustment so that our sales revenue in low-band refarming and IoT accounted for approximately 31% of the Group's total revenue. Thirdly, golden opportunity window was open for us in the international market. Despite the increasingly fierce international competition and the booming demand for high quality product with an attractive pricing level, our products were recognized by customers in Europe, while it remained difficult for overseas counterparts to reduce costs. That's to say, it's European customers who opened the door to opportunities for us. In 2017, the scale of our international direct sales business increased by almost 60% compared with the same period of last year, and the revenue from sales to Nokia increased by more than 42.2%. In addition, we were brought into Ericsson's short list of suppliers and obtained antenna supply contracts with some European operators for major supply and even the exclusive supply in the entire network.

業務發展

中國國內移動通信的網路建設及設備投資存在週期波動。自2009年1月3G牌照頒發至2013年12月4G牌照頒發，這是上一次的完整週期。從4G牌照頒發至未來5G商用，預計是當前的週期期間。每一次的週期變化，都意味著技術的升級、市場熱點的切換和客戶結構的重大調整，因此也是每一次市場競爭的洗牌過程。

在2017年，市場形勢同樣出現了重大變化。首先是TD-LTE網路建設進入第五期之後，需求總量顯著減少，且價格大幅下降，使得本集團的TD/TD-LTE天線銷售額大幅減少約2.9609億(或減少約86.3%)，相當於2016年銷售收入的約20%。其次是國內低頻重耕與物聯網的熱點機會，這是集中於800-900M頻段的重耕機會，直接銷售的主要客戶是中國電信和中國移動。我們成功的抓住了這個調整，使得我們在低頻重耕及物聯網的銷售收入佔到本集團收入總額的約31%。第三是國際市場出現黃金機會窗。隨著國際競爭的日益激烈，對高性能價格比的產品需求在快速上升，而海外的同行在降成本上難度很大，與此同時我們的產品在歐洲的使用中得到了客戶的認可，因此眾多歐洲客戶對我們打開了機會的大門。2017年，我們國際直銷的業務規模較上年同期增長了接近60%，對諾基亞的銷售收入增長了超過42.2%，並且進入了愛立信的供應商短名單，拿到了歐洲一些運營商的主力供應、甚至是全網獨家天線供應合同。

Chairman's Statement

主席報告書

Certainly, these adjustments also led to phased cost mainly including the substantial increase in research and development investment and the decline in gross profit margin caused by fierce domestic competition, which altogether resulted in a decrease in profitability in 2017. But we believe these declines are phased. On the one hand, research and development investment is an investment that can bring returns which will continue to be reflected in the business growth in the coming years. On the other hand, the appropriate adjustment of product structure and customer structure has laid the foundation for the recovery and growth of future profitability.

To sum up the above analysis, the Group is one of the world's few RF technology providers with leading-edge technologies in both TD-LTE and FDD-LTE and is also one of the few providers that can provide the multi-frequency and multi-system antenna technology. The Group believes that the Group is a leader of 4G and 5G antenna and RF subsystem product technologies.

DIVIDEND DISTRIBUTION

In 2017, the Board of Directors of the Company recommended the payment of a final dividend of HK\$0.04 per ordinary share.

FUTURE PROSPECTS

Looking forward, the Group believes that the popularity of smart terminals has driven the application of mobile internet into a rapid development pace.

The Work Report of the Central Government in 2017 suggested "to fully implement the plan for developing strategic emerging industries, accelerate the development of new materials, artificial intelligence, integrated circuits, bio pharmaceuticals, fifth generation mobile communications technology research and development and transformation, and develop industrial clusters in these fields". It is expected that 5G standard-setting and trial commercial operation will be completed between 2018 and 2020, and will be officially on use since 2020. Certain upgrading opportunities will be provided by 5G, including the demand for the construction of new base station and reconstruction of the roof of existing base station. Due to the non-independent networking standard of 5G at the current stage which requires to share the core network with 4G, the roof of base station will be overlapped on a large scale, bringing a huge demand for reconstruction, which means that the existing antennas such as GSM, TD-LTE and NB-IoT will be replaced by multi-frequency and multi-system antennas with high technical sophistication. With the Group's leading position in customer channels and 5G technology, the Group is in place to capture early opportunities riding on the development waves of 5G.

當然，這些調整也會帶來階段性的代價，主要是研發投入的大幅增加，以及國內激烈競爭導致的毛利率下滑，綜合導致2017年的盈利結果下滑。我們相信這些下滑是階段性的。一方面，研發投入是能帶來回報的投資，這將連續體現在未來幾年的業務增長上。另一方面，產品結構與客戶結構調整到位對未來利潤率的恢復及增長奠定了基礎。

綜上所分析，本集團是全球少數在TD-LTE與FDD-LTE都具有領先技術的射頻技術供應商，也是少數能提供多頻多系統天線技術的供應商。本集團相信，本集團是中國4G及5G天線與射頻子系統產品技術的領導者。

股利分配

2017年，本公司董事會建議派息每股0.04港元。

未來展望

展望未來，本集團相信，智慧終端的普及使得移動互聯網應用已進入高速發展。

根據2017年中國中央政府工作報告：「全面實施戰略性新興產業發展規劃，加快新材料、人工智慧、積體電路、生物製藥、第五代移動通信等技術研發和轉化，做大做強產業集群。」，預計在2018年至2020年5G將會完成標準和試商用，從2020年開始正式商用。5G會帶來若干的機會升級機會，包括新建基站的需求，以及現存基站的天面改造需求。由於現階段的5G標準主要是非獨立組網標準，需要和4G共用核心網，因此基站天面將大規模重合，從而帶來大量的改造需求，即使用高技術難度的多頻多系統天線來取代現有的GSM、TD-LTE及NB-IoT等天線，而本集團在客戶管道和5G技術方面的領先地位，使得本集團將在5G的發展浪潮中佔得先機。

Chairman's Statement 主席報告書

In the global arena, the overseas 4G cycle will last much longer than that in China. Although 5G is coming soon, 4G technology will still be the mainstream in the global network construction for a long time in the future. With its leading product technology of overseas multi-frequency system, the Group achieved satisfying breakthroughs in European operators in 2017 particularly its significant improvement in various aspects such as product technology, quality standards and technical process experiences. In the future, the Group will further develop the markets of overseas network operators, continuously enter the short lists of multinational and major regional network operators and continue to increase the Group's share in the global market on a long-term basis. It is foreseeable that the global market share of the Group is still extremely small at present, as such, the continuous expansion in the global market will not only push the way up in periodic development for the next few years, but also achieve sustained growth in a longer period.

Meanwhile, the Group will also actively explore the development of new businesses, including exclusive network coverage for governmental enterprises and the application of wireless solutions, to expand new growth momentum for the business of the Group. The Group believes that 5G development will bring huge opportunities for mobile communication. Wireless will be widely applied no matter in man-to-man communication, man-to-object communication or object-to-object communication. The Group will grasp the opportunity to achieve a record high result in the next few years.

I would like to express my sincere gratitude to our shareholders and customers for their kind support and trust, and to our Directors and staff for their diligent work. The Group and the Board will continue to optimise the customer base and structure, adapt strategies of product differentiation based on technology and costs to enhance the integrated competitiveness and ensure the stable growth of the operating results of the Group. The Group strives to become a top class global provider of radio frequency technology for mobile communication in order to maximise the returns to its shareholders and the society.

Hu Xiang

Chairman and Chief Executive Officer

Shenzhen, the PRC

22 March 2018

就全球而言，4G週期長度將遠長於中國國內。儘管5G即將到來，但在未來很長一段時間內，4G技術仍將佔據全球網路建設的主流。本集團的海外多頻系統產品技術的領先，特別是2017年在歐洲運營商的可喜突破，產品技術、品質水準與工藝經驗等方面，都得到了顯著的提升。在未來，本集團將進一步拓展海外運營商市場，不斷進入各跨國與區域主要運營商的短名單，長期持續提升本集團在全球市場中的佔有率。可以看到，本集團當前在全球的市場份額仍非常小，持續拓展全球市場，不僅可以推動未來幾年向上週期發展，更可以在更長的時間內實現持續增長。

與此同時，本集團也將積極探索新業務拓展，包括政企的專網覆蓋以及無線解決方案運用，不斷拓展本集團業務的新增長動力。本集團相信，5G的發展，將帶來移動通信的巨大機遇，在傳統的人與人通信場景外，還有人與物、物與物的通信場景，無線應用極為廣闊。本集團將努力抓住這一機遇，在未來數年內將公司業績帶入新的高度。

本人衷心感謝廣大股東與客戶對本集團的信賴與支持，也感謝各位董事與員工的辛勤努力。本集團與董事會將繼續推行客戶規模與結構的優化以及技術領先、成本領先的差異化競爭策略，提升本集團的綜合競爭力，實現本集團業績的穩健發展，不斷向全球一流的移動通信射頻技術供應商的願景目標前進，創造價值回饋股東和社會。

胡翔

主席兼行政總裁

中國深圳

2018年3月22日

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BUSINESS AND FINANCIAL REVIEW

Revenue

When compared with last year, revenue decreased by approximately RMB37.26 million, or approximately 2.6%, to approximately RMB1,422.44 million in 2017 (2016: approximately RMB1,459.70 million).

Sales of antenna system decreased by approximately 14.5% to approximately RMB754.79 million (2016: approximately RMB882.65 million), while sales of base station RF subsystem increased by approximately 22.8% to approximately RMB592.81 million (2016: approximately RMB482.85 million). In addition, sales of products of coverage extension solution decreased by approximately 20.6% to approximately RMB74.84 million (2016: approximately RMB94.21 million).

業務及財務回顧

收入

2017年收入較去年減少約人民幣3,726萬元(約2.6%)至約人民幣14.2244億元(2016年:約人民幣14.5970億元)。

天線系統的銷售額減少約14.5%至約人民幣7.5479億元(2016年:約人民幣8.8265億元),而基站射頻子系統的銷售額增加約22.8%至約人民幣5.9281億元(2016年:約人民幣4.8285億元)。此外,覆蓋延伸方案產品的銷售額減少約20.6%至約人民幣7,484萬元(2016年:約人民幣9,421萬元)。

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There were periodic fluctuations in domestic mobile communication network building and equipment investment. The last complete cycle was from January 2009, the time of granting of 3G license, to December 2013, the time of granting of 4G license. The current cycle is expected to be from the time of granting of 4G license to the commercial use of 5G in the future. Every periodic change means technological upgrade, switch of market focuses and significant adjustment of client structure, thus a process for the restructuring of market competition.

In 2017, there were also significant changes in market conditions. The first was that since the entering of TD-LTE Phase 5 network building, the total demands had dropped sharply with a significant decrease in the prices, which led to a large decline of approximately RMB296.09 million (or approximately 86.3%, equivalent to approximately 20% of the sales revenue in 2016) in the sales of the Group's TD/TD-LTE antennas. The second was the hot spot of low-band refarming/IoT in China, which was a refarming opportunity centering on 800-900M band, and the major clients of direct sales were China Telecom and China Mobile. We successfully seized such adjustment so that our sales from low-band refarming/IoT accounted for approximately 31% of the Group's total revenue. The third was the golden opportunity in international market. With the increasingly intense international competition, the demands for products with high price-to-performance ratio are growing rapidly, whereas the overseas peers have great difficulties in cost reduction, and in the meantime, our products are well-received by European users. Therefore, many European clients offered opportunities to us. In 2017, our business scale of international direct sales increased almost 60% as compared with the corresponding period of last year, and sales to Nokia grew over 42.2%. Moreover, we entered the supplier short lists of Ericsson, and secured major supply contracts, or even the whole-network exclusive antenna supply contracts, with some European operators.

The Group also believes that as the Group is a leader in the antenna and RF subsystem product technology in the PRC and by leveraging its product technology and market advantages, it is positioned to generate greater benefits from network building in the future.

中國國內移動通信的網路建設及設備投資存在週期波動。自2009年1月3G牌照頒發至2013年12月4G牌照頒發，這是上一次的完整週期。從4G牌照頒發至未來5G商用，預計是當前的週期期間。每一次的週期變化，都意味著技術的升級、市場熱點的切換和客戶結構的重大調整，因此也是每一次市場競爭的洗牌過程。

在2017年，市場形勢同樣出現了重大變化。首先是TD-LTE網路建設進入第五期之後，需求總量顯著減少，且價格大幅下降，使得本集團的TD/TD-LTE天線銷售額大幅減少約人民幣2.9609億(或減少約86.3%)，相當於2016年銷售收入的約20%。其次是國內低頻重耕與物聯網的熱點機會，這是集中於800-900M頻段的重耕機會，直接銷售的主要客戶是中國電信和中國移動。我們成功的抓住了這個調整，使得我們在低頻重耕及物聯網的銷售收入佔到本集團收入總額的約31%。第三是國際市場出現黃金機會窗。隨著國際競爭的日益激烈，對高性能價格比的產品需求在快速上升，而海外的同行在降成本上難度很大，與此同時我們的產品在歐洲的使用中得到了客戶的認可，因此眾多歐洲客戶對我們打開了機會的大門。2017年，我們國際直銷的業務規模較上年同期增長了接近60%，對諾基亞的銷售收入增長了超過42.2%，並且進入了愛立信的供應商短名單，拿到了歐洲一些運營商的主力供應、甚至是全網獨家天線供應合同。

本集團亦相信，本集團是中國天線與射頻子系統產品技術的領導者，憑藉產品技術與市場優勢將在未來建設中獲得更大收益。

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Antenna system

In 2017, the Group's antenna products continued to maintain a leading position in the domestic market, and our continuously improving antenna product technologies and reliability were recognized by more and more international clients.

Revenue from antenna products is greatly affected by periodic adjustment and switch of focuses. In 2017, sales of the Group's TD/TD-LTE antennas decreased significantly by approximately 86.3% to approximately RMB47.20 million as compared with last year. Sales of low-band refarming/IoT antennas increased significantly by approximately 3,528.7% to approximately RMB235.94 million as compared with last year. Sales of Pre5G antennas increased significantly by approximately 121.6% to approximately RMB12.25 million as compared with last year. As promoted by both domestic technological upgrade and increasing demands of overseas operators, sales of multi-frequency multi-system antennas grew greatly by approximately 156.8% to approximately RMB202.84 million. Multi-frequency multi-system antennas are expected to be a major growth driver for antennas business in the coming period.

In addition, the Group continued to actively develop the overseas operator market in 2017 and won positive feedback from the customers. The Group's direct sales to overseas operators are primarily antenna products, which also recorded substantial increase in 2017. The Group believe that the upgrades in 5G technology and overseas growth will be the powerhouses for growth in antennas business of the Group in the years to come.

天線系統

2017年，本集團的天線產品繼續保持在國內的領先地位，同時天線產品技術與可靠性的不斷進步也得到更多國際客戶的認可。

天線產品收入變化受週期調整及熱點切換的影響最大。2017年，本集團TD/TD-LTE天線銷售額較上年大幅下降了約86.3%至約人民幣4,720萬元。低頻重耕／物聯網天線銷售額則較上年大幅增加了約3,528.7%至約人民幣2.3594億元。Pre5G天線的銷售也較上年大幅增長約121.6%至約人民幣1,225萬元。受國內技術升級和海外運營商需求增長雙重推動，多頻多系統天線大幅增長約156.8%至約人民幣2.0284億元。多頻多系統天線相信會是未來一段時期的天線業務主要增長點。

另外，2017年本集團在海外運營商市場上繼續積極拓展，並獲得客戶積極評價。本集團的海外運營商直銷是天線產品為主，2017年亦錄得強勁增長。本集團相信，5G升級和海外增長將為本集團未來若干年內的天線業務增長帶來強大動力。



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Base station RF subsystem

The competition of base station RF subsystem was more intense in 2017. The Group continued to maintain a leading supplier position among leading global telecommunication equipment manufacturers. The revenue from the Group's base station RF subsystem in 2017 increased by 22.8% to approximately RMB592.81 million and we maintained speedy growth in the sales to the clients of ZTE Corporation and Nokia. Meanwhile, in 2017, the Group was officially approved and certified by Ericsson and became a qualified supplier of its global RF subsystem.

In the first half of 2017, competition was particularly intense in the prices of RF subsystem products, thus the price and gross profit of the Group's RF subsystem business were affected in the second quarter of 2017. However, with the emergence of the Group's cost competitiveness and product structural adjustment since the second half year, our gross profit began to recover gradually, and sales revenue sped up growing, with more excellent quality performance than some competitors. The Group believes that, after the market baptism in 2017, our product competitiveness is better recognized by the clients, with further enhanced market share. In particular, the Group's securing of more overseas projects will bring about more opportunities for the Group's growth in 2018.

Coverage extension solution

In 2017, revenue from the Group's coverage extension solutions decreased by approximately 20.6% to approximately RMB74.84 million, mainly due to a decrease of approximately 75.8% in its revenue from other constructions to approximately RMB4.02 million. The aesthetic antenna is actually one of the achievements in business in 2017. The Group has secured major shares in China Mobile and China Telecom's national bidding exercise for aesthetic antennas. However, as it has not reached the large-scale delivery stage, the revenue is yet to be recognised. We believe that very encouraging performance will be recorded in 2018.

基站射頻子系統

基站射頻子系統的競爭在2017年更加激烈，本集團繼續保持在全球領先電信設備商中的主力供應商份額，2017年本集團的基站射頻子系統收入增加約22.8%至約人民幣5.9281億元，並且對中興通訊與諾基亞客戶的銷售都保持較快增長。與此同時，在2017年本集團正式獲愛立信認證通過，成為其在全球射頻子系統的合資格供應商。

射頻子系統產品的價格競爭在2017年上半年尤為激烈，因此本集團射頻子系統業務的價格與毛利率在2017年二季度也受到影響。但從下半年開始，隨著本集團的成本競爭力顯現，以及產品結構的調整，毛利率開始逐步回升，銷售額亦加快增長，品質表現亦優於部分競爭對手。本集團相信，經過了2017年的市場洗禮，本集團的產品競爭力更得到了客戶的認可，市場佔有率進一步增強，特別是得到了客戶的更多海外專案，在2018年會給本集團增長帶來更多的機會。

覆蓋延伸方案

2017年本集團覆蓋延伸方案的收入減少約20.6%至約人民幣7,484萬元。主要由於其他工程收入減少約75.8%至約人民幣402萬元。美化天線實際上是2017年的業務收穫之一，本集團在中國移動與中國電信的美化天線全國集採招標中皆斬獲主要份額，但由於尚於進入大規模交付階段，因此尚未能確認收入，相信在2018年會有非常積極的表現。

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Customers

In 2017, the Group noted that a change in market pattern resulted in a change in customer revenue structure, and the Group's in-depth cooperation with telecommunication equipment manufacturers and telecommunication operators allowed the Group to enjoy distinctive competitive strengths in changing market opportunities. In addition, the Group proactively made adjustment and took the initiative in the industry cycle and hotspot switching in 2017, and successfully realized the optimization of its revenue structure.

As affected by the subdivision of TD-LTE Phase 5 procurement and decline of demands in 2017, the Group's sales to the PRC equipment manufacturer customers decreased by approximately 21.9% to approximately RMB662.71 million, and its proportion in sales revenue also dropped by approximately 9 percentage points to approximately 46.6%, while the proportion in total revenue was approximately 46.6%. In addition, the Group's sales to other major client groups also recorded growths.

客戶

2017年本集團注意到，市場格局的變化亦帶來客戶收入結構的變化，而本集團在電信設備商與電信運營商均有深入的合作，令本集團在市場機會變化中擁有獨有的競爭優勢。並且，本集團積極調整，在2017年的行業週期和熱點切換中掌握了主動，順利實現了客戶收入結構的優化。

受TD-LTE五期採購拆包及需求下滑影響，2017年本集團對中國設備商客戶的銷售規模減少約21.9%，至約人民幣6.6271億元，佔銷售收入的比重也下降約9個百分點，佔總收入的比重約為46.6%。除此之外，本集團對其他主要客戶群的銷售收入皆錄得增長。

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In particular, sales to PRC operators increased by approximately 7.2% to approximately RMB369.97 million, and its proportion in total revenue increased by approximately 2 percentage points to approximately 26.0%. Moreover, the sales to PRC operators was still dominated by China Unicom clients in last year, but in this year, sales to China Telecom grew significantly by approximately 224.5%. In 2017, the Company's leading share in China Mobile NB-IoT antenna collective procurement bidding and aesthetic antenna bidding successfully realized the optimization of client structure, and laid a foundation for the continuing growth in 2018.

In addition, the Group's sales to international equipment manufactures in 2017 increased by approximately 38.7% to approximately RMB250.91 million, and its proportion in total revenue increased by approximately 5 percentage points to approximately 17.6%. Apart from the increase in sales, the Group's quality performance was also recognized by clients, thus secured many overseas projects with a more reasonable project structure, which could contribute to the sales and profit growth in 2018.

In 2017, the Group's direct sales to international operators and other international customers increased significantly by approximately 67.8% to approximately RMB112.25 million, and its proportion in total revenue increased by approximately 3 percentage points to approximately 7.9%. The Group believes that there is golden opportunity in international market. With the increasingly intense international competition, the demands for products with high price-to-performance ratio are growing rapidly, whereas the overseas peers have great difficulties in cost reduction, and in the meantime, our products are well-received by European users. Therefore, many European clients offered opportunities to us. In 2017, apart from the significant year-on-year increase in the business scale of international direct sales, we also secured major supply contracts, or even the whole-network exclusive antenna supply contracts, with some European operators.

The deployment of the Group's products in the network systems of our diversified international customers strengthened worldwide awareness of the brand name of MOBI.

其中，對中國運營商的銷售規模增長約7.2%至約人民幣3.6997億元，佔總收入的比重上升約2個百分點至約26.0%。並且從過去以中國聯通客戶為主，到2017年對中國電信的收入大幅上升約224.5%，以及在2017年的中國移動NB-IoT天線集採招標及美化天線招標中斬獲領先份額，成功實現了客戶結構的優化，並且為2018年的繼續增長打下了基礎。

另外，2017年本集團對國際設備商的銷售規模增長約38.7%至約人民幣2.5091億元，佔總收入的比重約上升5個百分點至約17.6%。除了銷售規模增長之外，本集團的品質表現亦得到客戶認可，因此獲得多個海外專案，專案結構亦更加合理，有利於2018年的銷售與盈利增長。

2017年本集團對國際運營商及其他國際客戶銷售大幅增長約67.8%至約人民幣1.1225億元，佔總收入的比重約上升3個百分點至約7.9%。本集團相信國際市場出現了黃金機會窗。隨著國際競爭的日益激烈，對高性能價格比的產品需求在快速上升，而海外的同行在降成本上難度很大，與此同時我們的產品在歐洲的使用中得到了客戶的認可，因此眾多歐洲客戶對我們打開了機會的大門。2017年，我們除了國際直銷的業務規模較上年同期大幅增長外，還拿到了歐洲一些運營商的主力供應、甚至是全網獨家天線供應合同。

本集團的多元化國際客戶將本公司產品配置於彼等的網絡系統，提升了摩比品牌的世界知名度。

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Gross profit

In 2017, gross profit of the Group declined by approximately 30.4% to approximately RMB246.09 million (2016: approximately RMB353.47 million), and gross profit margin decreased from approximately 24.2% in 2016 to approximately 17.3% in this year, which includes the effect of provision for inventory depreciation. If excluding the effect of provision for depreciation, the gross profit would decrease approximately 14.8% to approximately RMB301.32 million. The gross margin is approximately 21.2%. The Group will improve the overall gross profit margin through continuous upgrading of product mix and effective control of internal costs.

The dropped gross profit margin is the price paid in such stages for business adjustment and fierce competition in 2017. With the structure adjustment of product and customer in place for 2017, the Group was full of confidence both in the future recovery and growth of profit margins.

Other income and expenses

Other income and expenses increased to approximately RMB32.37million, which was mainly attributable to the increase in compensation income of the Group.

毛利

2017年，本集團毛利減少約30.4%至約人民幣2.4609億元(2016年：約人民幣3.5347億元)，而毛利率由2016年的約24.2%減少至本年度的約17.3%。這裡面包含存貨減值準備的影響因素，若剔除減值準備的影響，則毛利減少約14.8%至約人民幣3.0132億元，毛利率為約21.2%。本集團將透過產品結構的不斷升級以及有效的內部成本控制來提高整體毛利率。

毛利率下滑是2017年業務調整和激烈競爭的階段性代價，隨著2017年產品結構與客戶結構調整到位，本集團對未來利潤率的恢復及增長充滿了信心。

其他收入及開支

其他收入及開支增加至約人民幣3,237萬元，主要是由於本集團補償收入增加所致。

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Distribution and Selling Expenses

Distribution and selling expenses decreased by approximately 1.4% from approximately RMB92.99 million in 2016 to approximately RMB91.71 million in 2017, primarily due to the decrease in business expenditures and transportation costs resulted from the strengthened cost management and the reduced business activities.

Administrative expenses

Administrative expenses increased by approximately 11.4% from approximately RMB113.19 million in 2016 to approximately RMB126.04 million in 2017, mainly due to the increases in expenses on wages, depreciation charges, exchange loss, rents and social insurance.

Research and development costs

During the year, the Group recognized development costs of approximately RMB18.25 million as intangible assets. After the capitalization, development costs increased by approximately 19.0% from approximately RMB89.68 million in 2016 to approximately RMB106.75 million in 2017, which was mainly attributable to the increase in salaries for research and development activities, surcharge on wages, travelling expenses, social security contributions, testing fees and depreciation charges. Due to the significantly rise in the demand for development in 5G technologies and overseas projects, the Group's investment in research and development was in rapid growth for 2017, which is expected to provide business opportunities in the future.

分銷及銷售開支

分銷及銷售開支由2016年約人民幣9,299萬元減少約1.4%至2017年約人民幣9,171萬元。主要由於費用管控加強以及業務活動減少，使得業務支出與運輸費用減少。

行政開支

行政開支由2016年約人民幣1.1319億元增加約11.4%至2017年約人民幣1.2604億元，主要由於工資、折舊、滙兌損失、房租費及社會保險費增加所致。

研發成本

本年度，本集團確認約人民幣1,825萬元開發成本為無形資產。資本化後，開發成本由2016年約人民幣8,968萬元增加約19.0%至2017年約人民幣1.0675億元，主要是由於研發工資、工資附加費、差旅費、社會保險費、測試費及折舊費增加所致。由於5G技術的開發需求和海外專案的開發需求顯著上升，因此2017年本集團的研發投入上升較快，這些研發投入預計將在未來帶來業務機會。

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Finance Costs

Finance costs increased by approximately 11.2% from approximately RMB13.10 million in 2016 to approximately RMB14.57 million in 2017. In 2017, bank borrowings of the Group increased by approximately RMB31.20 million to approximately RMB287.46 million.

Profit Before Taxation

Profit before taxation significantly decreased by approximately 184.7% to a loss before taxation of approximately RMB60.98 million (2016: a profit before taxation of approximately RMB71.96 million). Net profit margin before taxation charges decreased from approximately 4.9% in 2016 to approximately -4.3% in 2017.

The decrease in profit before tax for the year was mainly attributable to the impact of the periodic adjustment, the decline in gross profit margin, the increase in research and development costs and the increased provision for asset impairment. In respect of sales to domestic operators, the Group adopted the business model of “purchase on credit first and recognize sales revenue when contract receives after” which is also a business practice for domestic operators to purchase communications equipment and components. The Group has some stocks of products dispatched to domestic operators for the past, of which are mainly 2G antenna spare parts. In view of the upcoming 5G, the Group expects that the use of 2G antennas will be reduced sharply, leading to the possible significantly decrease in the realisable value of the dispatched 2G products, as such, provision for impairment has been increased.

The Group believes that these adjustments will not have impact on the competitiveness in the industry and long-term profitability of the Group, being confident in the future business performance.

融資成本

融資成本由2016年約人民幣1,310萬元增加約11.2%至2017年約人民幣1,457萬元。2017年，本集團銀行借款增加約人民幣3,120萬元至約人民幣2.8746億元。

稅前利潤

稅前利潤大幅減少約184.7%至錄得稅前虧損約人民幣6,098萬元(2016年：稅前利潤約人民幣7,196萬元)。扣稅前的純利率由2016年約4.9%減少至2017年約-4.3%。

本年度稅前利潤的減少，主要是由於受週期的調整影響，主要是毛利率下滑、研發成本上升和資產減值準備增加。本集團對國內運營商的銷售是先借貨、然後後收到銷售合同同時確認銷售收入的商業模式，這亦是國內運營商採購通信設備及部件的商業慣例。本集團過去對國內運營商有一些發出商品的存貨，主要是2G天線的備件。由於5G即將來臨，本集團預計2G天線的使用會大幅減少，2G的發出商品可實現價值將有可能顯著降低，因此提取減值準備增加。

本集團相信這些調整不會影響本集團在行業中的競爭能力和長期盈利能力，並對未來的業績充滿信心。

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Taxation

Current income tax expenses decreased by approximately 96.6% from approximately RMB12.61 million in 2016 to approximately RMB0.426 million in 2017. Effective tax rates calculated from the tax charged to the profit before taxation of the Group were approximately 0.7% and 17.5% for 2017 and 2016, respectively.

Profit for the year

Profit for the year 2017 decreased by approximately 173.7% to a loss of approximately RMB48.51 million (2016: a profit for the year of approximately RMB65.85 million). The Group's net profit margin was approximately -3.4% in 2017, compared to approximately 4.5% in 2016. The decrease in our net profit margin was mainly due to the decrease in revenue and the increase in administrative expenses, research and development costs and provision for asset impairment.

Relationships with equipment manufacturers, operators and suppliers

The Group mainly sells antenna products and RF subsystem products to telecommunication equipment manufacturer customers (such as ZTE) who builds complete networks for delivery to telecommunication operators (such as China Mobile), thus enabling the Group to establish close and stable relations with equipment manufacturers.

The Group is also one of the few domestic technology providers offering RF solutions to both global and domestic telecommunication operators (such as China Mobile, China Unicom and China Telecom) and telecommunication equipment manufacturers (such as ZTE and Nokia), which enables the Company to maintain a leading edge in product technology and continuous expansion of customer channels, and thus to build close and solid relations with global and domestic telecommunication operators.

Suppliers of the Group include raw material suppliers and contract manufacturers. The Group has developed solid and steady relationships with many of its key suppliers. Given solid and steady relationships with the suppliers, the Group believes that its suppliers generally provide supplies to the Group with a priority and the Group has not experienced any material shortage or delays in receiving supplies or services from the suppliers during the track record period.

稅項

當期所得稅開支由2016年約人民幣1,261萬元減少約96.6%至2017年約人民幣42.6萬元。本集團於2017年及2016年就稅前利潤計算的實際稅率分別約為0.7%及17.5%。

年內利潤

2017年利潤減少約173.7%至錄得年內虧損約人民幣4,851萬元(2016年：年內利潤約人民幣6,585萬元)。本集團於2017年的純利率約為-3.4%，而2016年約為4.5%。純利率下降主要是由於銷售收入下降，行政開支、研發成本以及資產減值準備增加所致。

與設備商、運營商及供應商的關係

本集團主要出售天線產品、射頻子系統產品給電信設備商客戶(如中興通訊等)，其建設成完整的網路後交付給電信運營商(如中國移動等)，這使本集團與設備商建立了密切且穩定的關係。

本集團亦是國內少有的能同時為全球及國內電信運營商(如中國移動、中國聯通及中國電信)及電信設備商(如中興通訊、諾基亞等)提供射頻解決方案的技術供應商，這使得本公司始終能保持產品技術的領先和客戶管道的不斷拓展，從而與全球及國內電信運營商建立了密切且穩定的關係。

本集團的供應商包括原材料供貨商及外包生產商。本集團與其多家主要供應商建立了密切且穩定的關係。因與供應商有密切且穩定的關係，本集團相信，本集團供應商一般會優先向本集團供貨，而本集團於往績記錄期間向供貨商收取供應或服務並無經歷任何重大短缺或延誤。

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Principal Risks and Uncertainties

A number of factors may affect the results and business operations of the Group. Major risks and uncertainties are summarised below.

Brand/Reputation Risk

The Company has established and maintained its MOBI brand that aims to brand the products of the Group including antenna system, base station RF subsystem and coverage extension solution, primarily targeting leading system equipment manufacturers and telecommunication operators worldwide for provision of its RF solution. If the Group is unsuccessful in promoting its MOBI brand or fails to maintain its brand position and market perception, system equipment manufacturers and telecommunication operators' acceptance of its MOBI brand may erode, and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Any negative publicity or dispute relating to the Group's MOBI brand, products, sponsorship activities or management, the loss of any award or accreditation associated with the Group's MOBI brand or products or the use of the "MOBI" trademark or brand name by other businesses could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

Market Trend

The Group's success depends on the market perception and customer acceptance of MOBI brand and the Group's products, which in large part, rely on the Group's ability to anticipate and respond to different market demands in a timely manner.

If the Group is unable to utilise new technologies and processes, anticipate and respond to market and new technology trends and customer preferences in a timely manner, demand for MOBI products may decrease. The Group's business would also suffer if product creations or modifications do not respond to the needs of customers, are not appropriately timed with market opportunities or are not effectively brought to market. Any failure by the Group to offer products that respond to changing market and customer preferences, or any shift in market or new technologies and processes and customer preferences away from MOBI brand and the Group's products, could adversely affect customers' interest in the Group's products.

主要風險及不確定因素

本集團的業績及業務營運受不同因素的影響。主要風險及不確定因素概述如下。

品牌／聲譽風險

本公司已創立及持有其摩比品牌，作為旨在提供本集團產品包括天線系統、基站射頻子系統及覆蓋延申方案產品品牌，該品牌主要鎖定對全球各領先的系統設備商與電信運營商提供射頻技術解決方案。倘本集團未能成功推廣其摩比品牌或未能維持其品牌地位及市場觀感，則系統設備商與電信運營商對本集團摩比品牌的接受程度或會降低，本集團的業務、財務狀況、經營業績及前景可能受到重大不利影響。

有關本集團摩比品牌、產品、贊助活動或管理層的任何負面報導或糾紛、失去與本集團的摩比品牌或產品有關的任何獎項或認證或其他業務所使用的「摩比」商標或品牌，可能會對本集團的業務、財務狀況、經營業績及前景帶來重大不利影響。

市場趨勢

本集團的成功依賴市場對摩比品牌及本集團產品的觀感與客戶對摩比品牌及本集團產品的接受程度，這在很大程度上視乎本集團能否預測不同的市場需求並及時作出回應而定。

倘本集團未能及時利用新技術及工藝、預測市場、新技術的走勢以及客戶喜好並作出相應配合，則對摩比產品的需求可能會下降。倘本集團的產品創新或修改未能回應客戶所需、未能適時配合市場機會或未能有效推出市場，本集團的業務亦會蒙受損失。本集團未能提供配合不斷轉變的市場及客戶喜好的產品，或市場或新技術及工藝以及客戶喜好偏離摩比品牌及本集團產品，均可能令客戶對本集團產品的興趣造成不利影響。

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Competition

Currently, the Group's antenna system products, base station RF subsystem products and coverage extension solution products face different levels of competition in their respective market sectors. As competitors with similar brand positioning may emerge and intensify the current competition, there can be no assurance that the Group will be able to compete effectively against competitors who may have greater financial resources, greater scales of production, superior technology, better brand recognition and a wider and more diverse distribution network. To compete effectively and maintain the Group's market share, the Group may be forced to, among other actions, reduce prices and increase capital expenditures, which may in turn negatively affect the Group's profit margins, business and financial conditions and results of operations

Environmental Policies and Performance

The Group's production process is carried out with low emissions and low energy consumption, and it will not produce great amount of pollutants. The Group has been endeavouring to ensure that the production process is in compliance with relevant environmental rules and regulations.

競爭

目前，本集團的天線系統產品、基站射頻子系統產品及覆蓋延伸方案產品在其各自的市場分部面對不同程度的競爭。而具有相似品牌定位的競爭對手可能出現並加劇現有競爭，本集團不能保證可有效地與可能擁有較多財務資源、較大生產規模、較先進的技術、較高品牌知名度、較廣泛及較多元化的競爭對手競爭。為提高競爭效率及維持本集團市場份額，本集團可能被迫(其中包括)減價及增加資本開支，因而或會為本集團的利潤率、業務、財務狀況及經營業績帶來負面影響。

環境政策及表現

本集團的生產過程低排放、低耗能及不會產生大量污染物。本集團一直致力確保生產過程中遵守相關環保規則及法規。

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In the past, the Group has not been in breach of any relevant environmental rules and regulations and has not been imposed any relevant penalty. It is expected that the future operational activities of the Group would not be affected by the environmental policies. The Group strives for energy conservation and consumption reduction. In reducing the operating costs, the Group also puts efforts in environmental protection.

Compliance with Laws and Regulations

The Group's operations are mainly carried out by the Company's subsidiaries in mainland China while the Company itself is listed on the Stock Exchange. The Group's operations accordingly shall comply with relevant laws and regulations in mainland China and Hong Kong. During the year ended 31 December 2017 and up to the date of this report, to the best of our knowledge, the Group has complied with all the relevant laws and regulations in mainland China and Hong Kong, and there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

本集團過往並未違反任何相關環保規則及法規，亦未遭受任何相關的處罰，預計本集團未來的經營活動亦不會受到環境政策的影響。本集團致力節能降耗，在降低經營成本的同時，也為環境保護作出自己的努力。

遵守法律及法規

本集團的業務主要由本公司於中國內地的子公司進行，而本公司本身於聯交所上市。因此，本集團營運須遵守中國內地及香港的有關法律及法規。截至2017年12月31日止年度及直至本報告日期，盡我們所知，本集團已遵守中國內地及香港的所有有關法律及法規，並沒有出現嚴重違反或未有遵守適用法律及法規的情況。

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FUTURE PROSPECTS

Prospects

Looking forward, the Group will pay attention to both domestic and international markets simultaneously and will continue to focus on the area of RF technology for wireless communication, especially on base station RF technology and RF technology for other wireless communications.

The Group believes that the popularity of smart terminals has driven the application of mobile internet into a rapid development pace. Pursuant to the Work Report of the Central Government in 2017 suggested "to fully implement the plan for developing strategic emerging industries, accelerate the development of new materials, artificial intelligence, integrated circuits, bio pharmaceuticals, fifth generation mobile communications technology research and transformation, and develop industrial clusters in these fields". It is expected that 5G standard-setting and trial commercial operation will be completed between 2018 and 2020, and will be officially on use since 2020. Certain upgrading opportunities will be provided by 5G, including the demand for the construction of new base station and reconstruction of the roof of existing base station. Due to the non-independent networking standard of 5G at the current stage which requires to share the core network with 4G, the roof of base station will be overlapped on a large scale, bringing a huge demand for reconstruction, which means that the existing the antennas such as GSM, TD-LTE and NB-IoT will be replaced by multi-frequency and multi-system antennas with high technical sophistication. With the Group's leading position in customer channels and 5G technology, the Group is in place to capture early opportunities riding on the development waves of 5G.

In the global arena, the overseas 4G cycle will last much longer than that in China. Although 5G is coming soon, 4G technology will still be the mainstream in the global network construction for a long time in the future. With its leading product technology of overseas multi-frequency system, the Group achieved satisfying breakthroughs in European operators in 2017 particularly its significant improvement in various aspects such as product technology, quality standards and technical process experiences. In future, the Group will further develop the markets of overseas network operators, continuously enter the short lists of multinational and major regional network operators and continue to increase the Group's share in the global market on a long-term basis. It is foreseeable that the global market share of the Group is still extremely small at present, as such, the continuous expansion of the global market will not only push the way up in periodic development for the next few years, but also achieve sustained growth in a longer period.

未來展望

展望

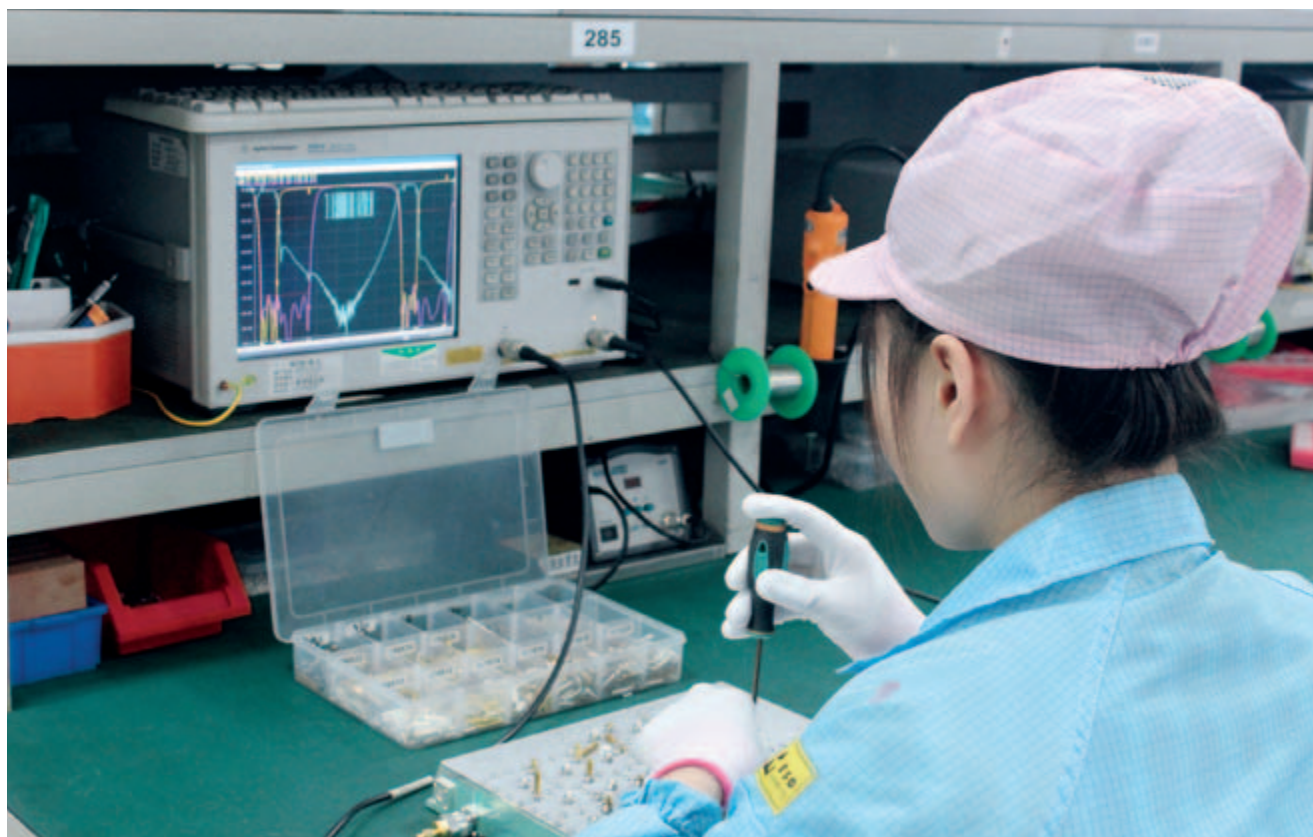
展望未來，本集團將同步關注國內市場與海外市場，繼續專注於無線通信的射頻技術領域，特別是基站射頻技術和其他無線通信的射頻技術。

本集團相信，智慧終端的普及使得移動互聯網應用已進入高速發展。根據2017年中國中央政府工作報告：「全面實施戰略性新興產業發展規劃，加快新材料、人工智慧、積體電路、生物製藥、第五代移動通信等技術研發和轉化，做大做強產業集群。」，預計在2018年至2020年5G將會完成標準和試商用，從2020年開始正式商用。5G會帶來若干的機會升級機會，包括新建基站的需求，以及現存基站的天面改造需求。由於現階段的5G標準主要是非獨立組網標準，需要和4G共用核心網，因此基站天面將大規模重合，從而帶來大量的改造需求，即使用高技術難度的多頻多系統天線來取代現有的GSM、TD-LTE及NB-IoT等天線，而本集團在客戶管道和5G技術方面的領先地位，使得本集團將在5G的發展浪潮中佔得先機。

就全球而言，4G週期長度將遠長於中國國內。儘管5G即將到來，但在未來很長一段時間內，4G技術仍將佔據全球網路建設的主流。本集團的海外多頻系統產品技術的領先，特別是2017年在歐洲運營商的可喜突破，產品技術、品質水準與工藝經驗等方面，都得到了顯著的提升。在未來，本集團將進一步拓展海外運營商市場，不斷進入各跨國與區域主要運營商的短名單，長期持續提升本集團在全球市場中的佔有率。可以看到，本集團當前在全球的市場份額仍非常之小，持續拓展全球市場，不僅可以推動未來幾年向上週期發展，更可以在更長的時間內實現持續增長。

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Customers

The Group adheres to the visionary target of “becoming a global leading provider of RF technology for mobile communications”, and strives to offer its RF solution to leading system equipment manufacturers and telecommunication operators around the world.

The Group is also one of the few domestic technology providers offering RF solutions to both global system equipment manufacturers and telecommunication operators, which enables the Group to maintain a leading edge in product technology and continuous expansion of customer channels.

In 2017, successfully completed structural adjustments in the domestic operator market, the Group experienced a substantial increase in sales to China Telecom and obtained a leading share in China Mobile's procurement tender while still maintaining powerful cooperation with China Unicom. As such, in 2018, the Group will maintain the dominant position in the implementation of projects by Chinese operators including low-band refarming and NB-IoT, as well as China Unicom's procurement of 900M antenna.

客戶方面

本集團堅持「成為全球一流的移動通信射頻技術供應商」的願景目標，致力於為全球各領先的系統設備商與電信運營商提供射頻技術解決方案。

本集團亦是國內少有的能同時為全球系統設備商與電信運營商提供射頻解決方案的技術供應商，這使得本集團始終能保持產品技術的領先和客戶管道的不斷拓展。

2017年，本集團在國內運營商市場中已經順利完成結構調整，對中國電信的銷售收入大幅上升，並且在中國移動的採購招標中獲得領先份額。與此同時，仍然保持與中國聯通的強力合作。因此，本集團在2018年中國運營商的低頻重耕、NB-IoT等專案的執行落地，以及中國聯通的900M天線採購中，都將保持優勢的位置。

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In terms of domestic equipment manufacturers, the Group still possess advantage as a leading supplier with its leading competitiveness in aspects such as product technologies and customer communications.

As for international equipment manufacturers, in 2017, the Group recorded an overall increase in sales of antenna and RF subsystem products to Nokia, representing over 40% in overall growth rate. Meanwhile, the Group also obtained the supplier qualification of Ericsson's global radio frequency subsystem products in 2017. It is believed that the Company will make a promising business performance regarding international equipment manufacturers in 2018.

After years of efforts, the Group believes it will embrace a window for golden opportunities in direct sales to international operators. In 2017, the Group's revenue of direct sales to international operators significantly increased by nearly 60% as compared to the previous year, which was recognized by many European customers. The Group believes that the direct sales growth in international operators will become another strong driving force for the business growth of the Group in the next few years.

Products

5G is approaching closer. Pursuant to the Work Report of the Central Government in 2017, it is expected that 5G standard-setting and trial commercial operation will be completed between 2018 and 2020, and will be officially on use since 2020. Certain upgrading opportunities will be provided by 5G, including the demand for the construction of new base station and reconstruction of the roof of existing base station. These will contribute to the increasing demand for high-end antennas, including TD-LTE multi-frequency and multi-system antennas. The Group believes that the technical threshold of advanced high-end antennas can be favourable for the Group's competition, while with the increasing complicated 5G radio frequency subsystems, the Group has received some demands from customers. In general, the Group believes that by virtue of the Group's leading position in technologies of 5G antennas and radio frequency subsystems, the Group is in place to capture early opportunities riding on the network construction of 5G.

在國內設備商方面，本集團仍然擁有主力供應商的優勢，在產品技術、客戶溝通等方面擁有領先競爭力。

在國際設備商方面，2017年本集團對諾基亞的天線及射頻子系統產品全面錄得增長，整體更是增長了超過40%。與此同時，2017年本集團還獲得愛立信的全球射頻子系統產品供應商資格。相信本公司在2018年對國際設備商的業務表現值得期待。

經過多年努力，本集團相信對國際運營商的直銷迎來黃金機會窗。在2017年，本集團對國際運營商直銷的收入較上年大幅上升了接近60%，得到了眾多歐洲客戶的認可。本集團相信國際運營商的直銷增長會成為未來幾年內本集團業務增長的又一強勁動力。

產品方面

5G已日益走近。根據2017年中國中央人民政府工作報告，預計在2018年至2020年5G將會完成標準和試商用，從2020年開始正式商用。5G會帶來若干的機會升級機會，包括新建基站的需求，以及現存基站的天面改造需求。這都將帶來對高端天線的需求增加，包括TD-LTE的多頻多系統天線。本集團相信，前沿高端天線的技術門檻對本集團的競爭有利。與此同時，5G的射頻子系統也將更複雜，本集團已經接到客戶的若干需求。綜合而言，本集團相信本集團在5G的天線與射頻子系統技術方面處於國內行業的領先位置，能夠在5G的網路建設中佔得先機。

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管理層討論及分析

Globally, the overseas 4G cycle will last much longer than that in China. Although 5G is coming soon, 4G technology will still be the mainstream in the global network construction for a long time in the future. Further technology upgrading of multi-frequency and multi-system antennas will be provided by overseas LTE network construction and multi-network stations, getting closer to limit design. The Group has been accumulating experience for many years in the technology of multi-frequency and multi-system antennas, the Group believes, which enables the Group to accomplish the upgrading of antenna development platform with its capability, catering for the ever-evolving demand for international operators.

For coverage extension products, the Group obtained leading shares in the centralized procurement tender of aesthetic antenna for China Mobile and China Telecom in 2017, while the Group will step up efforts in promoting the delivery under contract of aesthetic antenna and achieving a positive growth in business in 2018.

Conclusion

The Group is one of the few one-stop solution providers of RF technology for global network operators and system equipment manufacturers in the PRC, capitalizing on a wide range of well-known customers and diversified income sources positive for its healthy and stable growth.

The Group believes that the telecommunication equipment industry is expected to see another growth cycle as the 4G network continues to develop over the next few years. The Group and the Board will continue to optimise the size and mix of customer base and adopt differentiated competition strategies underpinned by technology and cost advantages to maximise the market opportunities in 3G, LTE and next generation wireless technologies, thus enhancing Group's overall competitiveness to ensure robust business performance and create more value for shareholders and the society.

全球而言，4G週期長度將遠長於中國國內。儘管5G即將到來，但在未來很長一段時間內，4G技術仍將佔據全球網路建設的主流。海外的LTE建網和多網共站，會帶來多頻多系統天線技術的進一步升級，更趨近極限化設計。本集團相信，本集團的多年多頻多系統天線技術積累，使得本集團有能力實現天線開發平台的升級以滿足國際運營商不斷演進的技術需要。

覆蓋延伸產品上，本集團在2017年中國移動與中國電信的多項美化天線集中採購招標中獲得領先份額，在2018年本集團將全力推動美化天線的合同交付並實現業務積極增長。

總結

本集團是國內少數能為全球運營商與系統設備商提供一站式解決方案的射頻技術供應商，擁有廣泛的知名客戶和多元化的收入來源，這有利於本公司保持積極而穩定的增長。

本集團相信，未來幾年隨著4G建設的不斷發展，電信設備行業有望迎來新的一輪增長週期。本集團與董事會將繼續推行客戶規模與結構的優化以及技術領先、成本領先的差異化競爭策略，最大化3G、LTE與下一代無線技術的市場機會，提升本集團的綜合競爭力，實現集團業績的穩健發展，創造價值回饋股東和社會。

Management Discussion and Analysis

管理層討論及分析



CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

We have funded our operations and capital requirements from cash generated from our operations, trade credit from our suppliers and short-term bank borrowings. Our primary uses of cash have been for our increased working capital needs, capital expenditures on purchases of production equipment and acquisition of land use rights for our real properties in Shenzhen, Ji'an and Xi'an in the PRC.

As at 31 December 2017, the Group had net current assets of approximately RMB649.26 million (2016: approximately RMB842.98 million) including inventories of approximately RMB413.38 million (2016: approximately RMB340.20 million), trade receivables and notes receivable of approximately RMB905.57 million (2016: approximately RMB872.33 million) and trade payables and notes payable of approximately RMB720.69 million (2016: approximately RMB538.12 million).

資本結構、流動資金及財務資源

本集團已從業務、供應商提供的貿易信貸及短期銀行借款所產生的現金支付本集團營運及資本需求。本集團的現金主要用作滿足本集團更大的營運資金需求、購買生產設備所需資本開支及收購本集團在中國深圳、吉安和西安的房地產的土地使用權。

於2017年12月31日，本集團有淨流動資產約人民幣6.4926億元(2016年：約人民幣8.4298億元)，包括存貨約人民幣4.1338億元(2016年：約人民幣3.4020億元)、應收貿易賬款及應收票據約人民幣9.0557億元(2016年：約人民幣8.7233億元)以及應付貿易賬款及應付票據約人民幣7.2069億元(2016年：約人民幣5.3812億元)。

Management Discussion and Analysis

管理層討論及分析

The Group maintained effective management of its working capital. For the year ended 31 December 2017, average inventories turnover, average receivables turnover and average payables turnover are approximately 117 days (2016: 116 days), 228 days (2016: 225 days) and 195 days (2016: 192 days) respectively. We offer credit terms generally accepted in the antenna and base station RF subsystem manufacturing industry to our trade customers. In general, the average credit period for local network operators is longer than global network operators and solution providers.

As at 31 December 2017, the Group recorded a pledged bank balance of approximately RMB166.66 million (2016: approximately RMB124.61 million), cash and bank balances of approximately RMB190.46 million (2016: approximately RMB291.48 million) and recorded bank borrowings of approximately RMB287.46 million (2016: approximately RMB256.27 million). The current ratio (current assets divided by current liabilities) decreased from approximately 1.98 times as at 31 December 2016 to approximately 1.56 times as at 31 December 2017. The gearing ratio (bank borrowings divided by total assets) was approximately 12.2% as at 31 December 2017 as compared with a gearing ratio of approximately 11.7% as at 31 December 2016. The interest rates on the Group's bank borrowings are designated as fixed rates or floating rates based on prevailing market rates.

The Board is of the opinion that the Group has a solid and stable financial position and adequate resources to satisfy necessary operating capital requirements and foreseeable capital expenditures.

本集團堅持有效管理營運資金。截至2017年12月31日止年度存貨平均周轉日數、應收賬款平均周轉日數及應付賬款平均周轉日數分別為約117日(2016年:116日)、228日(2016年:225日)及195日(2016年:192日)。我們向貿易客戶提供天線系統及基站射頻子系統製造行業普遍接受的信貸期。整體而言，地方網絡營運商的平均信貸期一般較全球網絡營運商及方案供應商的信貸期更長。

於2017年12月31日，本集團錄得已抵押銀行結餘約人民幣1.6666億元(2016年:約人民幣1.2461億元)、現金及銀行結餘約人民幣1.9046億元(2016年:約人民幣2.9148億元)，並錄得銀行借款約人民幣2.8746億元(2016年:約人民幣2.5627億元)。流動比率(流動資產除流動負債)由2016年12月31日的約1.98倍下降至2017年12月31日約1.56倍。2017年12月31日的槓桿比率(銀行貸款除以總資產)約為12.2%，而2016年12月31日的槓桿比率為約11.7%。本集團銀行借款指定按固定利率及因應當時市場水準浮動的利率計息。

董事會認為本集團財務狀況穩固，財務資源足以應付必要的經營資金需求及可預見的資本開支。

Management Discussion and Analysis

管理層討論及分析

FOREIGN EXCHANGE EXPOSURE

RMB is the functional currency of the Group. Currencies other than RMB expose the Group to foreign currency risk. We have foreign currency sales and purchases and certain trade receivables and bank balances are denominated in USD, Euro, CHF and HKD. We currently do not have a foreign currency hedging policy. However, the management monitors and will consider hedging of foreign currency exposure when the need arises.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group had approximately 3,901 staff. The total staff costs amounted to approximately RMB349.94 million for the year ended 2017. The remuneration of the Group's employees is determined on the basis of their responsibilities and industry practices. Regular training is provided to improve the skills and expertise of relevant staff. The Group also grants share options and discretionary bonuses to eligible staff based on their performance.

CHARGE ON ASSETS

As at 31 December 2017, bank balances of approximately RMB166.66 million and note receivables of approximately RMB70.66 million were mainly pledged to bank to secure the bills payables and bank loans of the Group.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any significant contingent liabilities.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During 2017, a total amount of 295,000 shares of the Company had been repurchased at prices ranging from HK\$1.15 per share to HK\$1.19 per share by the Company via Stock Exchange. The Company had subsequently cancelled all these shares repurchased during the year. Save as mentioned above, neither the Company nor the Company or any of its subsidiaries had purchased or sold any of the Company's listed securities during the current year.

外匯風險

本集團功能貨幣為人民幣，非人民幣的貨幣令本集團面對外幣風險。我們有外幣買賣活動，且若干應收貿易賬款及銀行結餘以美元、歐元、瑞士法郎及港元計值。我們現時並無外幣對沖政策。然而，管理層會監管情況，必要時會考慮對沖外幣風險。

僱員及薪酬政策

2017年12月31日，本集團有約3,901名員工。截至2017年止年度的員工成本總額約人民幣3.4994億元。本集團僱員的薪酬基於職責及行業慣例釐定。本集團提供定期培訓，提高相關僱員的技術及專門知識，亦會根據表現向合資格僱員授出購股權及酌情花紅。

抵押資產

於2017年12月31日，本集團有約人民幣1.6666億元銀行結餘及約7,066萬元應收票據的抵押予銀行以獲授應付票據及銀行借款。

或然負債

於2017年12月31日，本集團並無任何重大或然負債。

購買、贖回或出售本公司上市證券

於2017年內，本公司在聯交所以介乎每股1.15港元至1.19港元之價格，購回合共295,000股本公司股份，本公司隨後註銷該等於年內購回之所有股份。除此之外，本公司並無贖回，以及本公司或其任何子公司於本年內概無購買或出售本公司之任何上市證券。

Management Discussion and Analysis

管理層討論及分析

DIVIDEND

To share the fruitful results of the Group among all the shareholders, the Board recommends the payment of a final dividend of HK\$0.04 per share out of distributable reserve of the Company in respect of the year ended 31 December 2017. The date of closure of the register of members of the Company regarding the entitlement of final dividend will be published in due course. The proposed final dividend will be paid on 5 July 2018 following approval at the forthcoming annual general meeting (the "AGM").

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company to be held on 24 May 2018 ("2018 AGM"), the Register of Members of the Company will be closed from Friday, 18 May 2018 to Thursday, 24 May 2018, both days inclusive. In order to qualify for attending and voting at the 2018 AGM, all transfer documents should be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 17 May 2018.

For the purpose of determining shareholders who qualify for the final dividend, the Register of Members of the Company will be closed from Wednesday, 30 May 2018 to Thursday, 31 May 2018, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 29 May 2018.

股息

為了與各股東分享本集團的佳績，董事會建議自本公司可分派儲備向本公司的股東派付截至2017年12月31日止年度末期股息每股0.04港元。本公司暫停股份過戶登記的日期以釐定合資格獲派發末期股息之股東，將於適當時間公佈。建議末期股息獲應屆股東週年大會（「股東週年大會」）批准後，將於2018年7月5日派付。

暫停辦理股份過戶登記

為決定合資格出席於2018年5月24日舉行的股東週年大會（「2018年股東週年大會」）的股東身份，本公司將於2018年5月18日（星期五）至2018年5月24日（星期四）（包括首尾兩日）暫停辦理股份過戶登記。為確保享有出席2018年股東週年大會與投票之資格，所有股份過戶文件最遲須於2018年5月17日（星期四）下午4時30分前，送達香港灣仔皇后大道東183號合和中心17樓1712-1716號舖本公司之股份登記及過戶處中央證券登記有限公司（「本公司之股份登記及過戶處」）辦理過戶手續。

為釐定有權收取末期股息之股東資格，本公司將於2018年5月30日（星期三）至2018年5月31日（星期四）（包括首尾兩日）暫停辦理股份過戶登記。為符合資格獲派發末期股息，所有過戶文件最遲須於2018年5月29日（星期二）下午4時30分前送達本公司之股份過戶登記處中央證券登記有限公司辦理過戶登記手續，地址為香港皇后大道東183號合和中心17樓1712-1716號舖。



CORPORATE GOVERNANCE PRACTICES

The Board has been adamant in upholding high standards of corporate governance to maximize the operational efficiency, corporate values and shareholder returns of the Company. The Company adopted sound governance and disclosure practices and continued to upgrade internal control system, strengthen risk control management and reinforce the corporate governance structure.

Save for the deviation disclosed in this report, the Company has complied with the code provisions of the Corporate Governance Code (the “Code Provisions”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) during the year ended 31 December 2017.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules.

All Directors have confirmed, following specific enquiry by the Company, that they complied with the required standard set out in the Model Code during the year ended 31 December 2017.

企業管治常規

董事會已貫徹維持高水平的企業管治，以實現本公司最大經營效能、企業價值及股東回報。本公司運用健全管治及披露慣例，持續優化內部控制系統，增強風險控制管理及鞏固企業管治架構。

截至2017年12月31日止年度，除本報告所披露之偏差外，本公司已遵守載於聯交所證券上市規則（「上市規則」）附錄14的企業管治守則的守則條文（「守則條文」）。

董事的證券交易

本公司已應用上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）。

經本公司特定查詢後，所有董事均已確認於截至2017年12月31日止年度已遵守標準守則所載標準。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

Board Composition

The Board comprises seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The following sets out the composition of the Board, by category of Directors:

Executive Directors:

Hu Xiang (*Chairman*)

Liao Dong

Chen Zhaojun

Non-executive Directors:

Qu Deqian

Independent non-executive Directors:

Li Tianshu

Zhang Han

Li Guinian

The Board's composition demonstrates a balance of core competence with regard to the business of the Group so as to provide effective leadership and the required expertise to the Group. The executive Directors and senior management have extensive management experience in the wireless communication antennas and base station RF subsystems industry. The biographical details and experience of the Directors and senior management are set out on pages 79 to 86 of this report.

There are no financial, business, family or other material/relevant relationships among members of the Board.

Board Responsibilities

The Board is responsible for leadership and control of the Group and is entrusted with the responsibility to supervise the overall management of the business, including establishing and overseeing the Group's strategic development, business plans, financial objectives, capital investment proposals and assumes the responsibilities of corporate governance of the Group. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the executive Directors and members of senior management of the Group.

董事會

董事會組成

董事會由七名董事組成，其中三名為執行董事、一名為非執行董事及三名為獨立非執行董事。下文按董事類別載列董事會組成：

執行董事：

胡翔(主席)

廖東

陳兆軍

非執行董事：

屈德乾

獨立非執行董事：

李天舒

張涵

李桂年

董事會組成顯示本集團業務核心競爭力均衡，為本集團提供有效領導班底及所需專才。執行董事及高級管理層於無線通信天線及基站射頻子系統行業有豐富的管理經驗。董事及高級管理層履歷詳情及經驗載於本報告第79至86頁。

董事會成員之間概無財務、業務、家族或其他重大／相關關係。

董事會職責

董事會負責領導及控制本集團，並監控業務的整體管理，包括設立及監察本集團策略發展、業務規劃、財務目標、資本投資提案，亦負責本集團的企業管治。董事會授予執行董事及本集團高級管理層成員權力及職責實施業務策略及管理本集團業務的日常營運。

Board Meetings

The Board conducts meetings on a regular basis and on an ad hoc basis, as warranted by business needs. During the year ended 31 December 2017, four Board meetings, two audit committee (the “Audit Committee”) meetings, one remuneration committee (the “Remuneration Committee”) meeting and one nomination committee (the “Nomination Committee”) meeting were convened. Details of attendance of Board meetings of each of the members of the Board are set out in “Attendance of Individual Directors at Meetings” below.

Notices for regular Board meetings are given to each Director at least 14 days prior to the meeting, whereby the Directors can put forward his proposed items into the agenda. The agenda and the relevant Board papers are then circulated to the Directors not less than 3 days before a Board meeting in order to enable the Directors to make an informed decisions. For other Board meetings, reasonable notices are given.

Independent Non-Executive Directors

During the year ended 31 December 2017, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence from each of the independent non-executive Directors. The Company is of the view that all the independent non-executive Directors meet the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules and considers them to be independent.

Chairman and Chief Executive Officer

As at the date of this report, Hu Xiang is both the chairman of the Board and chief executive officer of the Company, responsible for the leadership and effective running of the Board to formulate overall strategies and business development directions for the Group and for the daily management of the business of the Group, implementation of the policies, business objectives and plans set by the Board and is accountable to the Board for the overall operation of the Group.

董事會會議

董事會根據業務需要定期及特別召開會議。截至2017年12月31日止年度，共召開四次董事會會議、二次審核委員會（「審核委員會」）會議、一次薪酬委員會（「薪酬委員會」）會議及一次提名委員會（「提名委員會」）會議。董事會各成員出席董事會會議之詳情載於下文「各董事會議出席情況」。

董事會定期會議的通告於會議日期至少14日前交予各董事，以便董事提出建議事項納入議程。會議議程及相關董事會文件會於董事會會議日期前不少於3日交予董事，以便彼等作出知情決定。有關董事會其他會議，會給出合理通告。

獨立非執行董事

截至2017年12月31日止年度，董事會一直遵守上市規則的規定，委任至少三名獨立非執行董事，其中一名具備適當專業資格或會計或相關財務管理知識。

本公司已收取各名獨立非執行董事發出的年度獨立確認函。本公司認為所有獨立非執行董事均符合上市規則第3.13條所載評估獨立的指引，因而屬獨立。

主席及行政總裁

於本報告日期，胡翔為董事會主席兼本公司行政總裁，負責領導及有效運作董事會以制定整體策略及業務發展方向並負責本集團日常業務管理，實施董事會制定的政策、業務目標及計劃並就本集團整體營運向董事會報告。

Corporate Governance Report

企業管治報告

Code Provision A.2.1

This code provision stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Currently, Mr. Hu Xiang is both the Chairman and chief executive officer of the Company. Mr. Hu is one of the founders of the Group and has extensive experience in the telecommunication industry. Given the current stage of development of our Group, the Board believes that vesting the two roles in the same person provides our Company with strong and consistent leadership and facilitates the implementation and execution of our Group's business strategies. We shall nevertheless review the structure from time to time in light of the prevailing circumstances.

Non-Executive Directors

The term of appointment of all the non-executive and independent non-executive Directors of the Company is three years. Under the Company's Articles of Association, one-third of all Directors (whether executive or non-executive) is subject to retirement by rotation and re-election at each annual general meeting provided that every Director shall be subject to retirement at least once every three years.

REMUNERATION OF DIRECTORS

The Board established the Remuneration Committee with specific written terms of reference which deal clearly with its authority and responsibilities. The Remuneration Committee comprises all the independent non-executive Director, namely Li Tianshu, Zhang Han and Li Guinian and one non-executive Director, namely Qu Deqian. The Remuneration Committee is chaired by Li Tianshu.

The Remuneration Committee is responsible for assisting the Board in achieving its objective of attracting and retaining Directors and senior management of the highest caliber and experience needed to develop the Group's business successfully. The Remuneration Committee is also responsible for the development of a fair and transparent procedure in determining the remuneration policies for the Directors and senior management of the Company and for determining their remuneration packages. The principal functions of the Remuneration Committee include:

- formulation of remuneration policy for approval by the Board;
- recommendation to the Board the policy and structure for the remuneration of Directors and senior management;

守則條文 A.2.1

該守則條文規定主席與行政總裁之角色必須分開，不得由同一人士擔任。目前，胡翔先生兼任本公司主席及行政總裁。胡先生為本集團創辦人之一，在電信業有豐富經驗。鑑於本集團現處於發展階段，董事會相信由同一人士擔任上述兩個職位為本公司提供穩健一致的領導，有助實施及執行本集團的業務策略。儘管如此，本公司仍會不時根據現行情況檢討該架構。

非執行董事

本公司所有非執行及獨立非執行董事之任期均為三年。根據本公司章程細則，全體董事（無論執行或非執行）的三分之一須於各屆股東週年大會輪流退任並重選，惟各董事須至少每三年退任一次。

董事薪酬

董事會已成立薪酬委員會，指定書面職權範圍列明其授權及責任。薪酬委員會包括所有獨立非執行董事李天舒、張涵、李桂年與一名非執行董事屈德乾組成。李天舒為薪酬委員會主席。

薪酬委員會負責協助董事會達致吸引及留任兼具成功發展本集團業務所需才幹及經驗的董事及高級管理層，亦負責完善釐定本公司董事及高級管理層薪酬政策的公平透明程序與釐定薪酬組合。薪酬委員會的主要職責包括：

- 制定待董事會批准的薪酬政策；
- 向董事會推薦董事及高級管理層的薪酬政策及架構；

- determination of the remuneration of executive Directors and senior management, including benefits in kind and compensation payments;
 - review and approval of the compensation arrangements in connection with any loss or termination of their office or appointment, or dismissal or removal for misconduct to executive Directors and senior management; and
 - determination of the criteria for assessing employee performance.
- 釐定執行董事及高級管理層的薪酬，包括實物利益及報酬；
 - 檢討並批准有關執行董事及高級管理層離職、終止聘任或因失職而遭辭退或罷免的補償安排；及
 - 釐定評估僱員表現的標準。

No Director is involved in deciding his own remuneration.

並無董事參與釐定自身薪酬。

During the year ended 31 December 2017, the Remuneration Committee held one meeting to review the Company's remuneration policies, the terms of the service contracts and the performance of all executive Directors and senior management. Details of attendance of Remuneration Committee meetings of each of the members of the Remuneration Committee are set out in "Attendance of Individual Directors at Meetings" below.

截至2017年12月31日止年度，薪酬委員會舉行一次會議檢討本公司薪酬政策、服務合約條款及全體執行董事及高級管理層的表現。各薪酬委員會成員出席薪酬委員會會議之詳情載於下文「各董事會議出席情況」。

Details of the emoluments of each Director, on a named basis, are set out in note 10 to the financial statements.

各董事薪酬詳情載於財務報表附註10。

NOMINATION COMMITTEE

The Board established the Nomination Committee with specific written terms of reference which deal clearly with its authority and responsibilities on 22 March 2012. The Nomination Committee comprises three independent non-executive Directors, namely Li Tianshu, Zhang Han and Li Guinian, one non-executive Director, namely Qu Deqian and one executive Director, namely, Hu Xiang. The Nomination Committee is chaired by Hu Xiang. Currently all new appointments to the Board will be considered by the Board whose deliberations are based on the following criteria:

提名委員會

董事會已於2012年3月22日成立提名委員會，指定書面職權範圍列明其授權及責任。提名委員會包括三名獨立非執行董事李天舒、張涵及李桂年，非執行董事屈德乾與執行董事胡翔。胡翔為提名委員會主席。董事會的所有新委任均會經董事會基於以下準則深思熟慮而成：

- possession of core competencies, including but not limited to financial literacy, that are appropriate to the Company's business and complement the skills and competencies of the existing Directors on the Board;
 - ability to commit time and effort to carry out duties and responsibilities effectively; and
 - possession of a good track record of experience at a senior level in corporations/ organizations.
- 才華卓越，包括但不限於擁有適用於本公司業務的適當財務知識，並與董事會之現有董事的技能互為補充；
 - 能身心投入，有效履行職責；及
 - 擁有企業／機構高級管理的豐富經驗。

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During the year ended 31 December 2017, the Nomination Committee held one meeting to review the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. Details of attendance of Nomination Committee meeting of each of the members of the Nomination Committee are meeting of each of the members of the Nomination Committee set out in "Attendance of Individual Directors at Meetings" below.

AUDIT COMMITTEE

The Board established the Audit Committee with specific written terms of reference which deal clearly with its authority and responsibilities. The Audit Committee comprises all the independent non-executive Directors. Zhang Han is the chairman of the Audit Committee.

The Audit Committee serves as a focal point for communication between the Directors, the external auditors and chief financial officer as regards their duties relating to, among other things, financial and other reporting, internal controls and external audits and to assist the Board in fulfilling its responsibilities by providing independent view and supervision of financial reporting.

The Board is of the opinion that the members of the Audit Committee have sufficient accounting and financial management expertise or experience to discharge their duties. The principal functions of the Audit Committee include:

- to make recommendations on the appointment, reappointment and removal of external auditor and to approve the remuneration and terms of such appointments;
- to review and monitor the external auditor's independence and objectivity;
- to develop and implement policies on the engagement of external auditor for non-audit services;
- to monitor the integrity of the financial statements, annual and interim reports and the auditor's report to ensure that the information presents a true and balanced assessment of the Group's financial position;

截至2017年12月31日止年度，提名委員會已舉行一次會議檢討董事會目前之架構、規模及構成，以保證各董事具有適合本公司業務要求的均衡知識、技能及經驗。各提名委員會成員出席提名委員會會議之詳情載於下文「各董事會議出席情況」。

審核委員會

董事會已成立審核委員會，指定書面職權範圍列明其授權及責任。審核委員會包括所有獨立非執行董事。張涵為審核委員會主席。

審核委員會為董事、外聘核數師及財務總監有關(其中包括)財務及其他申報、內部控制及外部審核職務的主要溝通橋樑，亦負責向董事會提供獨立意見及監督財務申報以協助董事會履行職責。

董事會認為審核委員會成員擁有足夠會計及財務管理知識或經驗以履行彼等職責。審核委員會的主要職責包括：

- 推薦委任、續聘或解僱外聘核數師，批准有關委任的薪酬及任期；
- 檢討及監控外聘核數師的獨立性與客觀性；
- 發展及實施聘用外聘核數師進行非審核服務的政策；
- 監控財務報表、年報、中期報告及核數師報告的一致性，確保資料真實公允評估本集團財務狀況；

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- to review the Group's financial and accounting policies and practices;
 - to oversee the Group's financial reporting system, risk management and internal control systems;
 - to ensure the management has fulfilled its duty to maintain an effective internal control system; and
 - to review the external auditor's management letter and any questions raised by the auditor to the management and the management's response.
- 檢討本集團的財務及會計政策與慣例；
 - 監督本集團的財務報告體系，風險管理及內部監控體系；
 - 確保管理層履行職責，維持有效內部控制體系；及
 - 審閱外聘核數師的管理函件與核數師向管理層提出的任何問題以及管理層的回覆。

Two meetings were held by the Audit Committee during the year ended 31 December 2017. The Audit Committee reviewed, together with the management and the external auditors, the consolidated financial statements for the year ended 31 December 2017, the accounting principles and practices adopted by the Group and statutory compliance. In addition to reviewing the Group's risk management and internal control systems and the effectiveness of the internal audit function, the Audit Committee also reviewed the independence of the external auditors and approved the remuneration and terms of engagement of the external auditors. Details of attendance of Audit Committee meetings of each of the members of the Audit Committee are set out in "Attendance of Individual Directors at Meetings" below.

截至2017年12月31日止年度，審核委員會共舉行二次會議。審核委員會與管理層及外聘核數師共同審閱截至2017年12月31日止年度之綜合財務報表，本集團採用的會計準則及慣例以及合規情況。審核委員會除檢討本集團風險管理及內部監控體系及內部審核功能的有效性外，亦檢討外聘核數師的獨立性並批准外聘核數師的薪酬及任期。各審核委員會成員出席審核委員會會議之詳情載於下文「各董事會議出席情況」。

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ATTENDANCE OF INDIVIDUAL DIRECTORS AT MEETINGS

The Code Provision stipulates that the board should meet regularly for at least 4 times a year at approximately quarterly intervals. The attendance of individual Directors at meetings of the Board, the Remuneration Committee, the Audit Committee, the Nomination Committee, the annual general meeting during the year ended 31 December 2017, respectively, is set forth in the table below:

各董事出席會議情況

企業管治守則的守則條文規定董事會須定期舉行會議，每年至少4次，約每季度一次。截至2017年12月31日止年度，各董事出席董事會、薪酬委員會、審核委員會、提名委員會及股東週年大會會議情況分別載於下表：

Name of Director	董事姓名	Meetings attended/Meetings held 出席會議情況／舉行的會議				
		Board 董事會	Remuneration Committee 薪酬委員會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
Hu Xiang	胡翔	4/4	N/A 不適用	N/A 不適用	1/1	1/1
Liao Dong	廖東	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Chen Zhaojun	陳兆軍	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Qu Deqian	屈德乾	4/4	1/1	N/A 不適用	1/1	1/1
Li Tianshu	李天舒	4/4	1/1	2/2	1/1	1/1
Zhang Han	張涵	4/4	1/1	2/2	1/1	1/1
Li Guinian	李桂年	4/4	1/1	2/2	1/1	1/1

DIRECTORS' TRAINING

Pursuant to A.6.5 of the Corporate Governance Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. From time to time, Directors are provided with written materials to develop and refresh their professional skills. The Directors had fulfilled the relevant requirements under A.6.5 of the Corporate Governance Code during the year ended 31 December 2017.

COMPANY SECRETARY'S TRAINING

Pursuant to rule 3.29 of the Listing Rules, the Company Secretary must take no less than 15 hours of relevant professional training in each financial year. The Company Secretary is Mr. Lau Wing and has taken more than 15 hours of relevant professional development during the year ended 31 December 2017.

SUPERVISORY COMMITTEE AND EXECUTIVE COMMITTEE

Pursuant to the Articles of Association of the Company ("Articles"), without prejudice to and in addition to complying with the applicable requirements set forth in the Listing Rules and other applicable laws and regulations, the Company has since 17 December 2009, the date on which its shares are listed on the Stock Exchange adopted a stringent system to avoid potential conflict of interests respecting transactions ("Relevant Transactions") in which any Directors are interested in, and transactions with any of our connected persons (as defined under the Listing Rules) or any company in which the controlling shareholder (as defined under the Listing Rules) of the Company or its shareholders, individually or collectively, owns a direct or indirect equity interest of 10% or above (including transactions with ZTE Corporation, Shenzhen Kang Cheng Shebei Co., Ltd., Shenzhen Zhongxingxindi Technologies Co., Ltd., and Shenzhen Shenglongfeng Industrial Co., Ltd.) ("Relevant Companies"), as follows:

- (1) Any Relevant Transactions be approved by way of a resolution passed by a majority of the non-executive Directors and independent non-executive Directors, provided that any non-executive Director or independent non-executive Director interested in the transactions in question will declare his or her interest and will abstain from voting on such matters;
- (2) Any Director has a conflict of interest will not participate or be involved in matters relating to the Relevant Transactions;

董事培訓

根據企業管治守則第A.6.5條，全體董事應參加持續職業發展計劃以拓展及更新知識及技能。本公司定期向董事介紹相關法律、規則及規例之修訂或更新。本公司不時向董事提供書面材料以拓展及更新專業技能。於截至2017年12月31日止年度，董事已履行企業管治守則第A.6.5條項下之相關規定。

公司秘書培訓

根據上市規則第3.29條，公司秘書每個財政年度應接受不少於15小時之有關專業培訓。公司秘書為劉榮先生，於截至2017年12月31日止年度已接受15小時以上之有關專業培訓。

監事委員會及執行委員會

根據本公司章程細則（「細則」），在不違反上市規則及其他相關法律及法規的有關規定且除遵守該等規定外，本公司自2009年12月17日（股份於聯交所上市日期）起採用如下嚴格制度避免董事擁有相關權益的交易與其他關連人士（定義見上市規則）或本公司控股股東（定義見上市規則）或其股東個別或共同擁有直接或間接權益10%或以上的公司之交易（「有關交易」）（包括與中興通訊、深圳市康誠機械設備有限公司、深圳市中興新地技術股份公司及深圳市盛隆豐實業有限公司（「有關公司」）的交易）的潛在利益衝突：

- (1) 任何有關交易由大多數非執行董事及獨立非執行董事通過決議案批准，惟任何於交易中擁有權益的非執行董事或獨立非執行董事會須公佈其權益並放棄就該等事項投票；
- (2) 任何有利益衝突的董事不會參與或干涉有關交易事宜；

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- (3) An executive committee (the “Executive Committee”) comprising the chief financial officer and the deputy financial officer of the Company has been established to monitor, review and manage all Relevant Transactions, and to prepare semi-annual report in relation to the execution of the Relevant Transactions (“Semi-annual Report”) for the supervisory committee’s (the “Supervisory Committee”) review;
- (4) The Supervisory Committee comprising three independent non-executive Directors (each of whom shall not have any interest in any transaction under consideration by the Supervisory Committee and shall not be in a position of conflict of interest when acting in such capacity) has been set up, among other things, to supervise the Executive Committee, review and approve the terms and conditions of continuing connected transactions and Relevant Transactions, devise and review rules and guidelines for the Executive Committee to follow, review Semi-annual Report from the Executive Committee, report its findings to the Board and give recommendations to the Board to ensure that the Relevant Transactions will be entered into in the interest of the Company and its shareholders as a whole; and
- (5) The Board will disclose the decisions, findings and recommendations on the transactions reviewed by the Executive Committee and the Supervisory Committee in the Company’s interim and annual reports.
- (3) 成立執行委員會(「執行委員會」)(包括本公司財務總監及財務副總監)監管、檢討及管理所有有關交易並編製訂立有關交易的半年度報告(「半年度報告」)供監事委員會(「監事委員會」)審閱；
- (4) 成立監事委員會(包括三名獨立非執行董事(均無持有監事委員會所考慮任何交易之權益且不會因其監事身份而存在利益衝突))監督執行委員會、檢討及批准持續關連交易及有關交易之條款及條件，修改及審閱執行委員會須遵從的規則及指引，檢討執行委員會的半年度報告，向董事會呈報結果並向董事會提供推薦意見，確保有關交易的訂立符合本公司及其股東整體利益等；及
- (5) 董事會於本公司中期及年度報告中披露執行委員會及監事委員會所審閱有關交易的決定、結果及推薦意見。

During the year ended 31 December 2017, two meetings were held by the Supervisory Committee to review the report on Relevant Transactions in respect of the sales and purchase entered into by the Group with the Relevant Companies prepared by the Executive Committee. As reported by the Supervisory Committee, (i) it had reviewed and approved the master agreements entered into by the Group and the Relevant Companies and considered the terms and conditions therein were fair and reasonable; (ii) it had reviewed the supplier procurement bidding documents and internal procurement procedures of the Group; (iii) it had devised and reviewed rules and guidelines for Executive Committee and the Executive Committee had followed accordingly; and (iv) it had reviewed the report submitted by the Executive Committee. The Supervisory Committee considered Relevant Transactions conducted during the review period were in line with the respective master agreements and the internal procedures of the Group, were on fair and normal commercial terms and there was no other matter that needs to be brought to the attention of the Board and shareholders of the Company.

截至2017年12月31日止年度，監事委員會已舉行兩次會議，審閱了執行委員會所編製本集團與有關公司就買賣而訂立的有關交易的報告。根據監事委員會的報告，監事委員會(i)已審閱及批准本集團與有關公司所訂立的總協議，且認為協議條款及條件公平合理；(ii)已審閱本集團的供應商採購標書及內部採購程序；(iii)已制訂及檢討執行委員會的規則及指引，而執行委員會亦已遵守有關規則及指引；(iv)已審閱執行委員會呈交的報告，認為回顧期間進行的有關交易符合相關總協議及本集團的內部程序，且按公平正常的商業條款進行及再無其他事項需要董事會及本公司股東垂注。

AUDITORS' REMUNERATION

Deloitte Touche Tohmatsu, Certified Public Accountants ("Deloitte"), the external auditors of the Company, were responsible for providing services in connection with the audit of the financial statements of the Group for the year ended 31 December 2017.

For the year ended 31 December 2017, the total remuneration in respect of audit services provided by Deloitte for the Group amounted to approximately RMB2.55 million.

The Audit Committee recommended to the Board (which endorsed the view) that, subject to shareholders' approval at the forthcoming AGM, Deloitte be re-appointed as the external auditors of the Company for 2018.

FINANCIAL REPORTING

The Board aims to present a comprehensive, balanced and understandable assessment of the Group's performance, position and prospects. The management provides such explanations and information to enable the Board to make an informed assessment of the matters put before the Board for approval.

The Directors acknowledge their responsibilities for preparing the financial statements of the Group and for ensuring that the financial statements are prepared in accordance with applicable statutory requirements and accounting standards.

The Group has announced its annual results in a timely manner within the limits of three months after the end of the financial period, as laid down in the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

The main objectives of the Group's risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group in managing risks across its business operations.

The Group has established a risk management framework, which consists of the Board of Directors, the Audit Committee and the Risk Management Taskforce. The Board of Directors determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has overall responsibility for monitoring the design, implementation and effectiveness of the Group's risk management and internal control systems.

核數師薪酬

本公司外聘核數師德勤•關黃陳方會計師行(「德勤」)(執業會計師)負責提供有關審核本集團截至2017年12月31日止年度財務報表之服務。

截至2017年12月31日止年度，德勤為本集團提供核數服務之薪酬總額約為人民幣255萬元。

審核委員會向董事會推薦而董事會同意待股東於應屆股東週年大會批准後，續聘德勤為本公司2018年的外聘核數師。

財務申報

董事會旨在以公允及易明的方式全面評估本集團的表現、狀況及前景。管理層提供詮釋及資料，使董事會對待批准之事宜作出知情評估。

董事會知悉彼等的職責為編製本集團財務報表，確保財務報表按有關法定規定及會計準則編製。

本集團根據上市規則的規定於財務期間結束後三個月內及時公佈年度業績。

風險管理及內部監控

本集團的風險管理程序及內部監控系統的目標是以清晰的治理架構、政策程序及匯報機制，促進本集團管理各業務範疇的風險。

本集團已建立風險管理組織架構，由董事會、審核委員會及風險管理小組組成。董事會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並確保本集團設立及維持合適及有效的風險管理及內部監控系統。董事會亦負責監督管理層對本集團風險管理及內部監控系統的設計、實施及監察。

Corporate Governance Report

企業管治報告

The Group has formulated and adopted a Risk Management Policy for providing direction in identifying, evaluating and managing significant risks on at least an annual basis, the Risk Management Taskforce identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans are established and risk owners are then assigned for the management of those risks considered to be significant.

In addition, the Group has established an internal audit function to assist the Board of Directors and the Audit Committee with ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for their remediation. Significant internal control deficiencies are reported to the Audit Committee and the Board of Directors on a timely basis to ensure that they are promptly addressed.

Risk management and internal control reports are submitted to the Audit Committee and the Board of Directors at least once a year. The Board of Directors performs an annual review of the effectiveness of the Group's risk management and internal control systems including, but not limited to, changes in the nature and extent of significant risks after the review in the prior year, the Group's ability to cope with its business transformation and changing external environment; the scope and quality of the management's ongoing monitoring of risks and internal control systems; results of internal audit work; the extent and frequency of communication of the results of monitoring of risk management and internal control systems to the Board of Directors; significant failures or weaknesses identified and their related implications; and the effectiveness of the Group's processes for financial reporting and Listing Rules compliance. Following its review for the year ended 31 December 2017, the Board of Directors considers the Group's risk management and internal control systems are effective.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

本集團亦已制定及採納企業風險管理制度，提供有效的辨認、評估及管理重大風險的政策程序。風險管理小組至少每年一次對影響集團實現業務目標的風險事項進行識別，並通過規範的機制進行評價及排序，對主要風險制定風險緩解計劃及指定風險負責人以管理該風險。

此外，本集團設有內部審計職能，以協助董事會及審計委員會持續監督本集團的風險管理及內部監控系統，識別內部控制設計及運行中的缺陷並提出適當的整改意見。如發現嚴重的內部監控缺失，會及時向審計委員會及董事會匯報，以確保有關缺失得以適時處理。

風險管理報告和內部審計報告均至少每年提交審核委員會覆核並最終提交董事會審批。董事會就本集團的風險管理及內部監控系統是否有效會進行年度檢討，包括但不限於以下事項：自上年檢討後重大風險的性質及嚴重程度的轉變、集團應付其業務轉變及外在環境轉變的能力、管理層持續監察風險及內部監控系統的工作範疇及素質、內部審計工作、向董事會傳達監控風險管理及內部監系統之結果的詳盡程度及次數、期內發生的重大監控失誤或發現的重大監控弱項以及有關影響、集團有關財務報告及遵守《上市規則》規定的程序是否有效等。根據董事會截至2017年12月31日止年度的檢討，董事會確認現有的風險管理及內部監控系統是有效的。

上述風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險。因此，該等系統只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Board has established an Inside Information Policy for the handling and dissemination of Inside Information. The Group complies with requirements of the Securities & Futures Ordinance (“SFO”) and the Listing Rules. It discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours, as provided in the SFO. Before information is fully disclosed to the public, the Group ensures it is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements is not false or misleading as to material fact, or omission of material fact, and to presenting information in a clear and balanced way, including through equal disclosure of both positive and negative information.

SHAREHOLDERS’ RIGHTS

As one of the measures to safeguard shareholders’ interests and rights, separate resolutions are proposed at general meetings on each substantial issue, including the election of individual Directors for shareholders’ consideration and voting.

Resolutions put forward at our shareholders’ meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of our Company and of the Stock Exchange after each shareholders’ meeting.

處理及發放內幕消息的程序和內部監控措施

董事會已制定有關處理及發佈內幕消息的內幕消息政策。本集團遵循《證券及期貨條例》和《上市規則》的規定，於知悉任何內幕消息後，在合理地切實可行的範圍內，會儘快向公眾披露該消息，除非有關消息屬於該條例下任何安全港條文的範圍。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會實時向公眾披露該消息。本集團亦致力確保公告中所載的資料不得在某事關重要的事實方面屬虛假或具誤導性，或因遺漏某事關重要的事實而屬虛假或具誤導性，使公眾能平等、適時及有效地取得所披露的內幕消息。

股東權利

作為保障股東權益及權利的一項措施，可於股東大會上就各重大事項(包括選舉個別董事)提呈個別決議案以供股東考慮及投票。

於本公司的股東大會上提出之決議案將根據上市規則以投票表決方式進行投票表決，投票結果將於個別股東大會後在本公司及聯交所的網站上公佈。

Corporate Governance Report

企業管治報告

(i) Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 79 of our Company's Articles of Association, an extraordinary general meeting shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. An extraordinary general meeting may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 30 Days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

(i) 股東召開股東特別大會

根據本公司章程細則第79條，本公司任何兩名或以上股東書面提請後亦可召開股東特別大會，有關提請須遞交本公司香港主要辦事處（倘本公司不再設置主要辦事處，則遞交註冊辦事處），並列明大會事項並由提請人簽署，惟該等提請人於遞交提請當日須持有本公司十分之一以上附有權利於本公司股東大會投票的繳足股本。本公司任何一名身為認可結算所（或其代名人）股東書面提請後亦可召開股東特別大會，有關提請須遞交本公司香港主要辦事處（倘本公司不再設置主要辦事處，則遞交註冊辦事處），並列明大會事項並由提請人簽署，惟該等提請人於遞交提請當日須持有本公司十分之一以上附有權利於本公司股東大會投票的繳足股本。倘正式提請要求後21日內董事會未有正式召開須於該30日內舉行之大會，則提請人自身或代表彼等持有全部投票權一半以上的任何提請人可按盡量接近董事會召開大會的相同方式召開股東特別大會，惟按上述方式召開的任何大會不得於遞交提請當日起計滿三個月後舉行，而提請人因董事會未召開大會而產生的所有合理開支由本公司補償。

Corporate Governance Report

企業管治報告

(ii) Putting Forward Proposals at General Meetings

Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an extraordinary general meeting following the procedures set out in paragraph (i) above.

As regards the procedures for shareholders to propose a person for election as a Director, they are available on our Company's website (www.mobi-antenna.com).

(iii) Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquires to our Company by addressing them to the Company Secretary by mail at Room 1902, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong.

(ii) 在股東大會上提出建議

希望在股東大會上提出建議的股東可通過載於上文第(i)段所述的程序召開股東特別大會。

關於股東提名董事候選人的程序，已載於本公司的網站(www.mobi-antenna.com)。

(iii) 向董事會提出的查詢

股東可以書面向董事會提出對本公司的任何查詢，地址為香港灣仔告士打道38號中國恆大中心1902室，收件人為公司秘書。

INVESTOR RELATIONS

During the year ended 31 December, 2017, there has not been any change in the Company's constitutional documents.

COMMUNICATION WITH SHAREHOLDERS

The Group establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports, information of the Stock Exchange, a corporate website, and general and investor meetings. The Group is going to report to its shareholders twice a year and maintains a regular dialogue with investors.

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of Directors.

投資者關係

於截至2017年12月31日止年度內，本公司的組織章程文件並無任何更改。

與股東的溝通

本集團已設立及維持與股東溝通的不同渠道，包括刊發年度及中期報告、聯交所資料、公司網頁以及股東大會與投資者會議。本集團將每年向股東匯報兩次，並定期與投資者交流。

股東週年大會是讓股東有效地與董事會交流意見的討論會。股東大會上，將就每項具體的獨立事宜提呈獨立決議案，包括董事選舉。

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INTRODUCTION

Corporate Profile of MOBI

MOBI Development Co., Ltd. (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on 16 December 2002. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 17 December 2009 (Stock Code: 947).

We are one of the few one-stop providers of wireless communication antennas and base station Radio Frequency ("RF") subsystems in China. Our business consists of the design, manufacture, marketing and sale of antennas, base station RF subsystem and solutions that are the required components of mobile communication coverage systems, including, wireless access systems (WiFi and PHS), 2G (GSM and CDMA), 3G (TD-SCDMA, CDMA 2000, W-CDMA and WiMax), 4G (TD-LTE and FDD-LTE), 5G, MIMO antennas, satellite communication and microwave transmission networks.

引言

摩比公司介紹

摩比發展有限公司(「本公司」)於2002年12月16日在開曼群島註冊成立為獲豁免有限責任公司。本公司股份於2009年12月17日在香港聯合交易所有限公司(「聯交所」)上市(股份代號：947)。

本公司為中國少數的一站式無線通信天線及基站射頻(「射頻」)子系統供應商之一。本公司的業務包括設計、製造、營銷和銷售天線、基站射頻子系統與解決方案，該等產品是移動通信覆蓋系統的必需部件，包括無線接入系統(WiFi和PHS)、2G(GSM及CDMA)、3G(TD-SCDMA、CDMA2000、W-CDMA和WiMax)、4G(TD-LTE和FDD-LTE)、5G、MIMO天線、衛星通信網絡及微波傳輸網絡。

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We sell our products to network operators in China and overseas directly for deployment into the networks they are constructing and operating. We also sell our products to some of the world's leading wireless network solution providers who incorporate our products into their wireless coverage solutions, such as their proprietary base stations, which they then sell to network operators worldwide.

The Company relies on scientific management and a people-oriented corporate culture in pursuing "dedication, devotion, pragmatism and pioneership". We deem it our responsibility to provide our employees with an ideal working environment and development opportunities so that they can exert their full potential. Through scientific management, we aim to create a good working atmosphere for employees while providing reasonable incentives to promote their healthy growth. It is our relentless pursuit to satisfy customers, employees, investors and the whole community.

The Company adheres to the principle of sustainable development and lays great emphasis on environmental protection throughout its entire product life cycle in the course of its business operations, from product design and development, procurement of parts and components, manufacturing to product delivery. Through systematic planning and operation, we ensure that the impact on the environment is minimized, and that the use of resources is efficient so as to reduce resource consumption and achieve energy conservation.

In the establishment of its management system, the Company passed the ISO 9001 Quality Management Systems Certification, TL 9000 Quality Management System Certification, ISO 14001 Environmental Management System Certification and OHSAS 18001 Occupational Health and Safety Management System Certification. It made efforts in Electronics Industry Citizenship Coalition (EICC), social responsibility management, risk management, carbon emission and corporate governance by setting up and strictly complying with corresponding policies and standards, thereby achieving substantial results.

We are committed to providing quality and sophisticated products and building long-term partnerships with our customers.

COMPANY VISION

"Becoming a global leading provider of RF technology for mobile communications."

本公司直接向中國和海外的網絡運營商銷售產品，以供配置於其構建及經營的網絡。本公司亦向若干全球領先的無線網絡方案供應商銷售產品，而後者將本公司產品整合於其無線覆蓋方案(如其專有基站)中，繼而銷售予世界各地的網絡運營商。

本公司依靠科學化的管理方式和以人為本的企業文化，奉行「敬業、奉獻、務實、開拓」的精神。公司以為員工提供理想之工作環境和發展機會為己任，鼓勵員工充分發揮個人的聰明才智。我們通過科學的管理，為員工創造良好的工作氛圍。使用合理的激勵手段，促使員工健康成長。讓客戶、員工、投資者以至整個社會滿意，是我們不懈的追求。

本公司堅持可持續發展之路，在公司經營活動過程中注重環保理念，從產品設計開發到零部件採購、生產製造、產品交付直至整個產品生命週期，通過系統化規劃和運作，確保對環境的影響減至最低，從源頭確保資源的有效利用，減少資源消耗，節約能源。

公司在管理體系建設上，通過了ISO9001品質管制體系認證，TL9000通訊品質體系認證，ISO14001環境管理體系認證，OHSAS18001職業健康安全體系認證，在EICC、社會責任管理、風險管理、碳排放和公司管治方面也進行了相關建設，制定了相應的制度和規範，並依照這些規範和制度嚴格履行，取得了一定的成績。

本公司致力於提供高質量的先進產品並與客戶建立長期的合作夥伴關係。

公司願景

「致力於成為全球一流的移動通信射頻產品技術供應商。」

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CORPORATE MISSION

“Explore and walk on the path to survival and development of the Company with collective intelligence from employees; continuously bring management and technology innovation into practice; and develop MOBI into a global leading provider of RF technology for mobile communications.”

CORE VALUES OF THE COMPANY

“Accountability, devotion, diligence and efficiency, team-spirit, care for people, mutual respect”

HUMAN RESOURCES DEVELOPMENT PHILOSOPHY OF THE COMPANY

“Human resources is the core to the sustainable rapid development of the Company, we pay close attention to the performance and remuneration of the employees, as well as their development.”

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Community Involvement

Visit and Guidance of Officials of the Government

公司使命

「以全體員工的智慧探索並實踐企業生存與發展之路；不斷進行管理和技術創新；把摩比發展成為全球一流的移動通信射頻產品技術供應商。」

公司核心價值觀

「對客戶負責任，對工作有激情；勤奮高效，團隊協作；以人為本，互相尊重。」

公司人才觀

「人才是公司持續快速發展的核心，關注員工的工作，關注員工的待遇，關注員工的培養。」

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環境、社會及管治報告

ABOUT THIS REPORT

Pursuant to the requirements set out in the ESG Reporting Guidelines, Appendix 27 of the Main Board Listing Rules of the Hong Kong Exchanges and Clearing Limited, the Company is pleased to publish this report on the environmental, social and governance aspects for the disclosure on the relevant information (this "Report"). This Report covers the period from 1 January 2017 to 31 December 2017 (the "Reporting Period"). This Report covers the performance of MOBI Development's subsidiaries in three places of operation (Shenzhen, Guangdong; Xi'an, Shaanxi, and Ji'an, Jiangxi) with respect to environmental, social and governance.

The Board of Directors of the Company assumes full responsibility for the overall environmental, social and governance strategy and reporting of the Company. The Board is responsible for assessing and determining the Company's risks in relation to environment, society and governance and for ensuring that the Company establishes appropriate and effective environmental, social and governance risk management and internal control systems, while the management is responsible for monitoring and managing the risks associated with environment, society and governance and the effectiveness of the management system.

The Company conducts business activities in a responsible and sustainable manner to create value for employees, customers and shareholders, as well as to fulfill its commitment to the environment and society. We understand that air and greenhouse gas emissions, discharges into water and land and generation of waste can adversely affect the environment and we understand the scarcity of natural resources. Therefore, the Company will persist in adopting appropriate measures to achieve sustainable development during its business operation. We are convinced that sustainability in business is not just window dressing, but is essential to the development of the Company. By adopting sustainable practices, we will gain a competitive edge, increase our market share and bring value to our shareholders in the long run. On top of that, we will keep a focus on social responsibility and continue to take actions for the benefit of the community.

關於本報告

遵照香港交易及結算所有限公司《主板上市規則》之附錄二十七《環境、社會及管治報告指引》所載之要求，本公司欣然發表本次有關環境、社會和管治報告（「本報告」），對有關資訊予以披露，本報告的時間跨度為2017年1月1日至2017年12月31日（「呈報期」），本報告內容主要覆蓋摩比發展旗下位於廣東深圳、陝西西安和江西吉安三處營運地點的環境、社會及管治表現。

本公司董事局對公司的整體環境、社會及管治策略及匯報承擔全部責任。董事會負責評估及釐定發行人有關環境、社會及管治的風險，並確保本公司設立合適及有效的環境、社會及管治風險管理及內部監控系統。而管理層則負責監控和管理與環境、社會及管治有關的風險和管理體系的有效性。

本公司以負責任且可持續發展的模式開展各項業務活動，為員工、顧客以及股東創造價值，履行對環境、社會的承諾。我們明白廢氣及溫室氣體排放、向水及土地排污和廢棄物的產生會對環境產生不利影響，自然資源也是有限的。因此，本公司在發展業務的同時會堅持採取措施以實現可持續發展。我們深信業務可持續發展並非表面功夫，而是公司發展的必要條件。通過實踐可持續發展理念，我們將獲得競爭優勢，提高市場佔有率，並為股東帶來長遠利益。除此之外，我們也重視履行社會責任，對社區發展做出實際行動。

Environmental, Social and Governance Report

環境、社會及管治報告

The management of the Group regularly reviews the operation of its various departments, identifies relevant environmental, social and governance issues and assesses the significance of these issues to our business and our stakeholders. We will disclose in this Report the environmental, social and governance issues we deem to be most material. Based on the materiality assessment, this Report serves to provide an overview of our sustainable development principles, policies and actual practices under five topics, namely Devotion to Environmental Protection, Establishment of a Team of Excellence, Responsible Supply Chain and Product Liability Management, Compliance in Operations and Community Involvement and Visit and Guidance of Officials of the Government.

ENVIRONMENTAL/OCCUPATIONAL HEALTH AND SAFETY POLICY OF MOBI

We are committed to: conducting our business activities in a manner that take responsibility for the environment and the health and safety of our staff, fulfilling our responsibilities in protecting the environment and promoting the health and safety of our staff, in order to provide more competitive products and services to our customers.

To this end, we have developed a clear environmental/occupational health and safety management policy, requiring us to:

Maintain precautions for strengthening risk management,
Comply with environmental regulations, raise the awareness of all parties,
Promote green operations, step up emissions reduction,
Pay attention to employee health, ensure safe production,
Optimize environmental and safety performance, encourage continuous improvement,
Collaborate with all stakeholders, achieve synergies and progress.

本集團管理層定期檢討各部門運作情況及鑒別相關環境、社會及管治事宜，並評估相關事宜對我們的業務以及各持份者的重要性，將識別為重要的環境、社會及管治範疇披露於本報告中。根據重要性評估結果，本報告將透過推進環境保護、打造卓越團隊、負責任的供應鏈及產品責任管理、合規經營和社區參與及政府領導蒞臨指導五個主題來概述本公司的可持續發展方針、政策及具體實踐。

摩比公司環境／職業健康安全方針

我們承諾：本著對環境和人員健康安全負責的態度從事我們的商業活動，履行保護環境及保障人員健康安全的職責，進而向客戶提供更具競爭力的產品和服務。

為此，我們制定了明確的環境／職業健康安全管理方針：

堅持預防為主，強化風險管理；
遵守環安法規，提高全員意識；
宣導綠色經營，厲行減排降耗；
重視員工健康，確保安全生產；
優化環安績效，推動持續改善；
聯合相關各方，協同整體進步。

Environmental, Social and Governance Report

環境、社會及管治報告

Details of the environmental/occupational health and safety management policy are as follows:

- Adhere to the ideology of maintaining precautions in the first place, establish and maintain a documented management system, to achieve systematic and standardized management, and strengthen the identification, assessment and control of sources of danger and environmental risk factors, to prevent pollution and accidents;
- Comply with international conventions, laws and regulations and other requirements, continue to provide education and training on the environment and health and safety, enhance the awareness, knowledge and skills of employees in terms of the environment and health and safety, to enhance the initiatives of all employees in taking part;
- Promote the philosophy of green operations and adhere to the sustainable development strategy, taking into account the whole life cycle of product, and adopting concrete measures in all aspects to prevent harm to the environment, reduce energy and resource consumption, and strive for environmental affinity;
- Put the health and safety of our staff in the first place to ensure that all business activities strictly comply with respective working procedures and policies, so as to create a healthy and safe working environment for our employees and pursue zero injuries and zero accidents;
- Continuously optimize environmental and safety management performance, we persevere in developing new technologies, processes and products that are beneficial to the environment and the health and safety of our employees, and always search for better solutions;

We advocate the concept of environment, health and safety, and incorporate related requirements into our supply chain management activities, to improve performance from the perspective of the overall supply chain, with a pursuit of a harmonious balance between corporate development, social responsibility and the health and safety of our employees.

環境／職業健康安全管理方針內涵如下：

- 堅持預防為主的工作思路，建立並保持文件化的管理體系，實行系統化和規範化的管理，強化危險源及環境風險因素的識別、評估和控制，預防污染，杜絕事故；
- 遵守國際公約、法律法規及其它要求，持續導入環境與健康安全領域的教育及訓練，增進員工環境與健康安全方面的意識、知識和技能，提升全員參與的能動性；
- 宣導綠色經營理念，堅持可持續發展戰略，從產品整個生命週期角度考慮，在各個環節採取堅實措施，減少對環境的危害，降低能源和資源消耗，致力環境親和；
- 把人員的健康安全放在工作首位，確保在各項經營活動中均能嚴格執行各項工作程序和制度，創造一個對人員健康和安全的有保障的工作環境，追求零傷害零事故；
- 持續改進環境和健康安全管理績效，堅持不懈，不斷開發對環境及人員健康安全更有利的新技術、新工藝及新產品，始終要堅信任何改進「沒有最好，只有更好」；

我們倡行環安衛理念，並將各項要求融入供應鏈管理活動，從整體供應鏈的視野提升績效，追求企業發展、社會責任和人員健康安全的和諧統一，促進共同進步。

Environmental, Social and Governance Report

環境、社會及管治報告

Safe production is a core value of the Company. It is the Company's basic responsibility to prevent casualties and fatalities of our employees and to create a safe and healthy working environment. The Company strives to become an outstanding organization with continuous improvement and long-term development. In developing the Company's strategic objectives, and in conducting daily operations, the Company will consider such factors as economy, environment, health, safety and social responsibility.

All of our management personnel are the medium to promote our priorities in the environment, health and safety, and the exponent for putting such ideas into practice. All employees are required to comply with the Company's safety regulations and policies. Employees are the Company's most essential wealth and each employee's contribution to the Company is unique and value-adding. The Company encourages, recognizes and rewards employees for their active contribution to the Company's environmental, safety and health performance.

GENERAL RULES ON CORPORATE SOCIAL RESPONSIBILITY OF MOBI

The Company manages its social responsibility and commitment within the scope of its control and influence, and the management system and regulations formulated by the Company comply with national laws and regulations and internationally recognized SA8000 ethical standards.

This includes the principles of the following international agreements and the relevant national laws, regulations and policies: International Labor Organization Convention 29 and Convention 105 (forced labor and debt-bondage), International Labor Organization Convention 87 (freedom of association), International Labor Organization Convention 98 (right to organize and collective bargaining), International Labor Organization Convention 100 and Convention 111 (equal remuneration and anti-discrimination), International Labor Organization Convention 135 (workers' representatives), International Labor Organization Convention 138 and Recommendation 146 (minimum age and recommendations), International Labor Organization Convention 155 and Recommendation 164 (occupational safety and health), International Labor Organization Convention 159 (vocational rehabilitation and employment), International Labor Organization Convention 177 (home work), The United Nations Convention on the Rights of the Child under The Universal Declaration of Human Rights, Prohibition of Using Child Labor (Order No. 81 of the State Council) under The Labor Law of the People's Republic of China, Regulatory Standards for Penalties Against the Employment of Child Labor (Ministry of Labor, MOF Document, Laolizi(1992) 27), Regulations on the Special Protection of the Minority Workers and Anti-Unfair Competition Law of the People's Republic of China.

安全生產是公司的核心價值，預防全體員工發生意外傷亡，創建一個安全、健康的工作環境，是公司的基本責任。公司努力成為一個出類拔萃的具有持續改進和長遠發展的公司。在制定公司戰略目標、行動決策及開展日常活動的時候，公司會考慮經濟、環境、健康、安全和社會責任等因素。

本公司的所有管理人員均是環境、健康和安全第一理念的傳播人，並身體力行實現其理念，所有員工均需遵守公司的安全規範和制度。員工是公司的最重要財富，每個員工對公司作出的貢獻都具有獨特性和增值性。公司鼓勵、認可和獎勵員工對本公司的環境、安全、健康業績的積極貢獻。

摩比公司社會責任總則

本公司在可以控制和影響的範圍內管理有關社會責任和承諾，公司制定的各項管理制度和規定遵守國家法律法規和國際普遍認可的SA8000道德標準。

這包括下列國際協議之原則及相關國家法律、法規與制度：國際勞工組織公約第29及第105號(強迫性勞動及債務工)，國際勞工組織公約第87號(結社自由)，國際勞工組織公約第98號(集體談判權利)，國際勞工組織公約第100及第111號(男女工人同工同酬，歧視)，國際勞工組織公約第135號(工人代表公約)，國際勞工組織公約第138號及建議條款第146號(最低年齡及建議)，國際勞工組織公約第155號及建議條款第164號(職業安全與健康)，國際勞工組織公約第159號(職業康復與就業)，國際勞工組織公約第177號(家庭工作)，世界人權宣言聯合國兒童權利公約，《中華人民共和國勞動法》《禁止使用童工規定》(國務院令第81號)，《使用童工罰款標準的規定》(勞動部、財政部檔，勞力字(1992)27號)，《未成年工特殊保護規定》及《中華人民共和國反不正當競爭法》等。

Environmental, Social and Governance Report

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The Company hires, manages and assigns, employees in accordance with the provisions of the Labor Law to pay the salaries of employees at standards higher than local minimum wages and complies with the provisions of the Labor Law on working hours, overtime compensation and remuneration. We strictly prohibit the recruitment of child labor.

The Company undertakes not to use any form of forced or involuntary labor and does not require employees to pay a “deposit” or hand in identification documents at the beginning of their employment.

The Company has appointed a senior management representative to be responsible for the health and safety of all employees, and has formed the Safety Production Committee which is responsible for ensuring and achieving safe production on the part of the Company. The Company has established an occupational health and safety mechanism to effectively identify sources of danger and to reduce and prevent potential threats to employees’ health and safety through hazard assessment, preventive measures and emergency response mechanisms.

The Company is committed to providing a safe, clean, healthy and productive working environment for all employees by providing necessary drinking water, medical and sanitation facilities, fire safety and proper ventilation. The Company will also take necessary measures to minimize possible hazards in the workplace in order to avoid work-related accidents and health hazards.

The Company regularly reviews health and safety conditions in the workplace, canteens and dormitories, and makes constant improvements based on issues identified.

The Company provides training for all employees on health and safety, energy conservation, environmental protection and various management systems and standards. It also provides induction training for new staff, and retraining for transferring staff.

The Company has formed a trade union which helps its members to safeguard their legitimate rights and interests and assists with solving any special difficulties they have. The Company respects the freedom of all employees to participate in the trade union, and collective bargaining as well as their freedom of association.

本公司根據《勞動法》的規定招聘、管理和調派員工，以高於本地最低工資的標準支付員工的工資，並遵循勞動法中關於工時、加班及報酬之規定。公司嚴禁雇用童工。

本公司承諾不使用任何形式的強制勞動或非自願性勞動，不會要求員工在受僱起始時交納「押金」或寄存身份證件。

本公司任命了高級管理層代表為全體員工的健康與安全負責，組建了安全生產委員會，負責公司安全生產的保障和實現。公司建立了職業健康安全體系，以有效識別危險源，並通過危險源評估，制定預防措施及應急處置相應機制，減少和避免產生對員工健康與安全的潛在威脅。

本公司承諾為全體員工提供一個安全、清潔、健康和有生產力的工作環境，提供必要的飲用水、醫療和衛生設施、消防安全及適當的通風條件。本公司亦會採取必要的措施，在可能條件下最大限度地降低工作環境中的危害隱患，以避免在工作中發生與工作有關的事故對健康的危害。

本公司定期對工作場地、食堂和宿舍的健康及安全情況予以重點檢查，對發現的問題進行持續改進。

本公司對所有員工進行健康與安全培訓，節約能源保護環境的培訓以及各項管理制度和標準的培訓。此外，本公司亦對新晉員工進行入職培訓，對調換崗位員工重新進行培訓。

本公司組建了工會。工會幫助會員維護自身的合法權益，協助解決工會會員特殊困難。本公司尊重所有員工自由參加工會、集體談判和結社自由之權利。

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The Company is strictly prohibited from engaging in or supporting matters based on race, ethnicity, social hierarchy, nationality, religion, physical disability, gender, age, sexual orientation, trade union membership or political discrimination in matters relating to the appointment, remuneration, welfare, training opportunities, promotion, discipline, dismissal or retirement.

The Company fully respects the personal religious beliefs and ethnic customs of employees. We prohibit any personal discrimination and infringement of rights. The Company does not interfere with the rights of employees to observe their religious beliefs and customs.

The Company respects and treats every employee impartially. It prohibits compulsive, abusive or exploitative acts of intrusion in the form of gesture, language and physical contact. The Company does not engage in or support corporal punishment, mental or physical persecution and verbal humiliation.

The Company actively takes measures against extortion and bribery or any form of corruption.

The Company promotes fair and orderly competition and prohibits unfair competition.

In assessing and shortlisting suppliers, the Company considers the ability of suppliers to meet the requirements of this policy and prioritizes them on the basis of their ability to meet the requirements.

If necessary, the Company may provide information and communicate with stakeholders on, including but not limited to, the results of its management reviews and audits. The Company may provide stakeholders with reasonable information and access to information for them to determine whether the Company fulfills its social responsibility and ethical commitments. If there is any doubt as to whether the Company fulfills its obligation on social responsibility and ethical commitments, the Company will conduct timely investigations before handling and responding to related enquiries. If any employee presents a question as to whether the Company complies with the requirements of those provisions, the Company will not penalize, dismiss or discriminate against the employee for it. If any violation of corporate social responsibility and ethical commitments is found, the Company will take appropriate remedial measures and correctible actions against in accordance with the severity of its nature.

在涉及聘用、報酬、福利、培訓機會、升遷、紀律、解職或退休等事項上，本公司嚴禁從事或支援基於種族、民族、社會等級、國籍、宗教、身體殘疾、性別、年齡、性取向、工會會員或政治面貌上的歧視。

本公司充分尊重員工的個人宗教信仰和民族習慣，禁止任何人身歧視和權利侵害行為。公司不能干涉員工行使遵奉信仰和風俗的權利。

本公司承諾尊重並公正地對待每一位僱員，公司不允許強迫性、虐待性或剝削性的性騷擾行為，包括姿勢、語言和身體的接觸。公司禁止從事或支持體罰、精神或肉體脅迫以及言語侮辱。

本公司積極採取措施反對勒索和賄賂等任何形式的腐敗行為。

本公司宣導公平有序的競爭，禁止不正當競爭的行為。

本公司在評估及挑選供應商時，會考慮供應商滿足本政策要求的能力，優先選擇有能力達到要求的供應商。

如有需要，公司可向利益相關方提供資料並進行溝通，溝通包括但不限於管理審核和監查活動的結果。公司可向有關方面提供合理的資料和取得資料的渠道，以供利益相關方確定公司是否符合其社會責任和道德承諾。有關方面質疑公司是否符合其有關社會責任和道德承諾規定的事項時，公司會進行適時的調查、處理並回應。若員工提出對公司是否遵守本規定的要求的疑問時，公司不會對其採取懲處、解僱或歧視的行為。如果發現任何違反公司社會責任和道德承諾規定的事項，公司會根據其性質嚴重性，予以適當的補救和糾正。

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The Company engages third parties to conduct annual tracking and auditing of the relevant management system to ensure that it complies with relevant management system requirements and standards. In recent years, the Company has also received more surveys on the environment, safety and health, carbon emissions, conflict minerals from key customers, to which the Company has given positive feedback. The Company has not received any complaints and penalties from government, third parties and customers in these respects.

DEVOTION TO ENVIRONMENTAL PROTECTION

The Company persists in operating its business in an environmentally responsible manner and adheres to the concept of sustainable development by taking various measures to reduce the environmental impact arising from its production and business activities with an aim of achieving harmonious coexistence with society, the environment and its stakeholders. The concept of innovation and environmental consciousness have also been infiltrated into our entire product life cycle and all business processes from research and development, production, logistics to customer service. We spare no effort in reducing energy consumption, resource consumption and carbon dioxide emissions.

The Company has been monitoring and managing our emissions for many years. In recent years, we have also begun to monitor greenhouse gas emissions and energy consumption. We hope to strike a balance between business growth and environmental protection by improving our business operations and practice, and encouraging employees to work in an environmentally responsible manner in the workplace.

The Company complies with the EU RoHS and China RoHS-related Directive. We conduct comprehensive management of hazardous substances from product design, procurement, production to delivery, to avoid the use of prohibited substances, and to ensure that the volume of restricted substances is within relevant restricted ranges. The Company also provides declarations of hazardous substances and the content of substances for customers that require them. Where necessary, the Company may also provide inspection reports from third parties on the composition of substances to customers as required.

The Company complies with the EU WEEE Directive and adopts ecological product design with full consideration of recyclability of products, generalized design and the most economical design principle, to satisfy the recovery rate and the recycling rate of products and to minimize the environmental impact on the product life cycle from the source.

公司每年都會請第三方機構對相關管理體系進行年度跟蹤及稽核，以確認公司遵循相關管理體系要求和規範的符合性。近年來，公司也越來越多接到來自重點客戶就環安衛、碳排放、衝突礦方面的客戶調查，公司均進行了積極的回饋。本公司沒有接到過政府、第三方和客戶在這些方面的投訴和處罰。

推進環境保護

本公司堅持透過對環境負責的方式經營業務，堅持貫徹可持續發展理念，並採取各種措施以減少生產及業務活動對環境可能造成的影響，實現社會、環境及利益相關者的和諧共生。我們將創新和綠色理念貫穿到整個產品生命週期以及研發、生產、物流、客戶服務等全過程，為實現降低能耗、資源消耗和二氧化碳排放努力不懈。

本公司多年來持續對排放物進行監控和管理，近年來也嘗試開始監控溫室氣體排放量和能源消耗，我們希望通過改善營運實踐，取得業務增長和環境保護之間的平衡，鼓勵員工在工作場所中採取對環境負責的行為。

公司遵從歐盟RoHS及中國RoHS有關等指令，從產品設計、採購、生產、交付等環節進行全流程有害物質管理，避免使用禁用物質，並確保限用物質含量在規定範圍內。對於有需要的客戶，公司會向客戶提供有害物質保證聲明以及物質成分表資料。於必要時，公司亦可按照要求向客戶提供物質成分第三方機構檢測報告。

公司遵從歐盟WEEE指令，在產品設計階段採用生態化設計理念，充分考慮產品的可回收設計、通用化設計和最省化設計原則，滿足產品的可回收率和再利用率要求，從源頭上將產品全生命週期中對環境的影響降低到最低。

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In general, the Group's production process and business nature enable low-emission, low-energy consumption and low pollutant generation. We are committed to operating our entire business in compliance with relevant environmental laws and regulations. The Group has not violated any relevant environmental regulations and has yet to be subject to any related penalty.

EMISSIONS

The Company focuses on the waste management arising from its operating process.

The Company mainly adopts mechanical processing, assembly and testing for its production and does not discharge industrial wastewater.

The Company's domestic wastewater mainly comes from the drainage of office washrooms and water from its kitchen. There is no discharge of toxic, hazardous or special substances. For oily waste water produced from cleaning canteen kitchens, solid waste is first filtered through cleaning tank filters. Preliminary filtered kitchen wastewater will flow towards a three-stage grease trap, where major pollutants are removed during grease treatment before being discharged into the municipal sewage pipe network. Toilet sewage will go through septic tank treatment in the industrial area, and will be discharged through the local municipal sewage pipe network.

Industrial air emissions arising from the production process of the Company mainly come from residual lead-free solder exhaust, which is collected from exhaust gas collection devices installed in the workshops and led to the top floor of the workshops through pipelines to achieve high-altitude emissions. Meanwhile, we continue to improve the ventilation of our workshops. The emission of exhaust gases after treatment meet the "air pollutant emission limit" standards and produces little impact on the surrounding environment.

The noise sources of the Company include certain production equipment, such as the CNC punch press, stamping equipment, die-casting equipment, air conditioning units, air compressors, cooling towers, fans, pumps and other ancillary power equipment. With reasonable layout of the workshops and routine regular equipment maintenance, the noise generated in the production process meets the "Standard of Boundary Noise of Industrial Enterprise" and has limited impact on the surrounding environment.

總體而言，本集團的生產過程和業務性質屬於低排放、低耗能和低污染物產生。我們承諾整個業務運行遵循相關環保法律及法規。本集團未曾違反任何相關環保法規，也未遭受過任何相關的處罰。

排放物

本公司注重營運過程中產生的廢棄物的管理。

本公司生產以機加工、組裝和測試為主，生產過程中不產生工業廢水。

本公司生活廢水主要來源於辦公衛生間排水和廚房的生活用水，並無有毒、有害或特殊物質排放；對於食堂廚房清洗產生的含油廢水，首先需經過清洗池濾網過濾掉固體雜物，經初步過濾的廚房廢水集中流向三級隔油池，經過隔油處理去除主要污染物後再排入市政污水管網。衛生間生活污水經工業區化糞池處理後，通過當地市政污水管網排放處理。

本公司生產過程中的工業廢氣主要是極少量的無鉛焊錫廢氣，通過車間內部設置的廢氣收集裝置，收集後通過管道引致車間外頂樓實現高空排放，同時加強車間通排風，處理後外排的廢氣可達到《大氣污染無排放限值》標準，對周圍環境影響不大。

本公司噪音源包括一些生產設備，如數控衝床、衝壓設備、壓鑄設備以及空調機組、空壓機、冷卻塔、風機、水泵等輔助動力設備。生產過程中產生的噪音，基於車間的合理佈局和日常定期的設備維護保養，廠界噪音能夠滿足《工業企業廠界環境雜訊排放標準》，對周圍環境影響較小。

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The solid waste produced by the Company includes general industrial solid waste, domestic waste and hazardous waste. Among these, the general industrial solid waste mainly comprises of production packaging materials, metal scrap, lead-free slag and plastic scrap, which are sold to relevant external parties after collection by category, for recycling treatment. Household waste is handled by environmental and health departments after collection by category. Residual hazardous waste produced during the production process mainly comprises of oily rags, oily gloves and waste oil, the volume of which falls below the minimum requirements for transport, and so are regularly delivered to external parties with relevant qualifications in hazardous waste disposal for collective treatment.

In addition, through continuous improvement of our production process, including the gradual shift to semi-automatic or fully automated production methods, the Company strives to enhance production capacity and reduce labor input to increase production efficiency, while improving staff training and management to improve operating performance, consummating and standardizing the management system of the Company, vigorously promoting clean production, and actively pursuing energy-saving measures by using environmentally friendly materials and improving the utilization of raw materials. We always use recyclable packaging materials (consumed total of 2,678 tons in 2017) to reduce pollutant emissions and achieve advanced circular economic standard.

The Company's statistics on waste in 2017 are as follows:

1. Industrial wastewater: none
2. Domestic sewage: 215,752 tons discharged through the local municipal sewage pipe network
3. Lead-free solder exhaust: traces without significant environmental impact
4. Factory noise: in compliance with regional environmental standards

本公司產生的固體廢棄物包括一般工業固廢、生活垃圾和危險廢棄物。其中，一般工業固廢主要是一些生產包裝材料、金屬邊角料、無鉛錫渣及塑膠邊角料等。這些一般固廢經分類收集後，均出售給外部相關單位，由其回收處理利用；生活垃圾經分類收集後，交由環衛部門清運處理；生產過程中發生的少量危險廢棄物主要是含油廢抹布、含油廢手套、廢機油等，這些廢棄物低於拉運量的要求，定期交由具有危險廢棄物處理資質的外部機構統一進行處理。

除此之外，公司還會通過持續的生產工藝改進，包括逐步採用半自動化或全自動化生產方式等，提高產品產量，減少勞動力投入，增加生產效率，同時加強員工培訓和管理，提高員工操作水準，完善和規範公司管理制度，大力推行清潔生產，積極推行優化節能措施，選用環保材料及增加原料的利用率，儘量使用可回收利用的包裝材料(2017年度總消耗量2,678噸)，減少污染物排放，達成迴圈經濟先進水準。

本公司2017年度廢棄物統計資料如下：

1. 工業廢水：無
2. 生活污水：215,752噸，全數經市政污水管網排放
3. 無鉛焊錫廢氣：微量，且不會造成重大環境影響
4. 廠界噪音：符合地區環保標準

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5. General solid waste (recyclable): 141.34 tons, due to the expansion of production lines in Ji'an Plant (newly added RF assembly workshop) and the increase in the production of Computer Numerical Control (CNC) in Xi'an Plant, increased waste aluminum scrap and disposal of more idle equipment and scrap, representing an increase as compared with 2016.

6. Household waste: 521.2 tons, due to the increase of personnel in the three places, the amount of household waste increased compared with that in 2016.

7. Hazardous waste: 4.96 tons

The Company consumed total electricity of 12,724,338 KWh in 2017, which was equivalent to approximately 11,684.76 tons of indirect carbon emissions (carbon dioxide (CO₂) equivalent); 64,650 liters of liquefied gas, 54,376 liters of gasoline and 321,585 liters of diesel oil, which were equivalent to 458.88 tons of direct carbon emissions (carbon dioxide (CO₂) equivalent).

(Note: As the Company's products have different statistical units and processing procedures, the disclosure of density values is not yet applicable. The Company is improving internal statistics, indicators and calculation methods and plans to disclose more scientific and rational density information starting from next year.)

USE OF RESOURCES: ENERGY, WATER AND OTHER RAW MATERIALS

The main raw materials consumed in the Company's production are aluminum, copper, steel, plastic, PCB boards and others. At the product level, we focus on the efficient use of resources. In the product development stage, we conduct rigorous design and assessment to assure product features and performance while using a variety of materials in the most frugal manner by the use of environmentally friendly and recyclable or reusable materials. This not only ensures that costs can be controlled, but also reduces the consumption of resources. We promote clean production and strengthen equipment maintenance while improving energy efficiency.

In our daily office operations, we advocate the concept of energy-saving. Through regular self-examinations, inspection and reporting, we enhance the awareness and capability of our staff in energy-saving and reducing emissions. We advocate a paperless office to reduce the use of paper, and always reuse recyclable wastepaper such as paper for printing and copying.

5. 一般固體廢物(可回收): 141.34噸, 因吉安廠區產線規模擴大(新增射頻組裝車間)及西安廠區電腦數位控制機床(Computer Numerical Control "CNC")產量增加, 廢鋁屑增多, 且處置閒置設備和廢料較多, 比2016年度有增加。

6. 生活垃圾: 521.2噸, 因三地人員增多, 導致生活垃圾比2016年度增加。

7. 危險廢棄物: 4.96噸

本公司2017年總用電12,724,338千瓦時, 折合間接碳排放(二氧化碳CO₂當量)約合11,684.76噸; 消耗液化氣64,650升, 汽油54,376升, 柴油321,585升, 折合直接碳排放(二氧化碳CO₂當量)458.88噸。

(註: 因本公司產品具有不同的統計單位及加工過程, 密度值披露方面暫不適用, 本公司正改進內部統計、指標口徑及計算方法, 並計畫明年起披露比較科學合理之密度資料。)

資源使用: 能源、水及其它原材料

本公司生產所消耗的主要原材料為鋁材、銅材、鋼材、塑膠及PCB板材等。在產品層面, 我們注重資源的有效使用, 在產品開發階段, 我們通過嚴格的設計和評審, 確保在滿足產品功能和性能的同時最節儉地利用各種材料, 使用環保的可回收或再利用的材料, 既保證成本的受控, 亦同時減少了資源的消耗。我們宣導清潔生產, 加強設備維護保養, 提高能源使用效率。

日常辦公活動中, 宣傳節能降耗資訊, 通過定期自查自糾和檢查通報等方式, 提升員工節能減排意識和能力。推廣無紙化辦公, 以減少紙張的使用, 對於回收的廢棄紙張, 如列印和複印用紙, 進行回收利用。

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The Company attaches great importance to energy conservation, and puts great effort into the promotion of environmental protection and energy conservation policies and measures implemented. For example, we make full use of natural light when the weather is bright. We always choose energy-saving products when purchasing lamps and electrical appliances. We switch off idle lights, computers and electrical appliances. Our air conditioning is generally set at room temperature of above 26 degrees. We conduct timely maintenance of air conditioners to ensure their good operation. We use video conferencing systems to reduce business travel. We also post some energy-saving tips on our intranet to remind employees to practice energy-saving ideas.

Water in the Company comes from the city water supply system. It is mainly used as domestic water in our offices. Our production process does not involve industrial water and therefore does not have a serious adverse impact on rivers, lakes and underground water. We develop and refine water-saving management system with the use of a water saving faucet, to ensure that the concept of water-saving is implemented in practice.

Achieving the efficient use of resources not only requires a sound management system, and implementation of relevant policies, but also the cooperation and support of staff. The Company strives to create a corporate culture that treasures resources, enhances employee awareness of environmental issues, and encourages employees to participate in environmental protection and fulfill our environmental commitments.

The major energy and resources consumed by the Company are electricity, water, paper, natural gas, gasoline and diesel. The following table shows the use of energy resources for 2017 and 2016:

Aggregate Energy Consumption	能源消耗滙總	2017 2017年	2016 2016年
Electricity (KWh)	電(千瓦時)	12,724,338	9,554,254
Water (Tons)	水(噸)	224,366	208,948
Paper (Sheets)	紙(張)	4,295,101	5,676,984
Canteen liquefied gas (Litres)	食堂液化氣(升)	64,650	62,433
Motor gasoline and other (Litres)	車用汽油及其他(升)	54,376	48,223
Motor diesel and other (Litres)	車用柴油及其他(升)	321,584	62,319

本公司高度重視節約電能，並通過實施制度和措施推動環保節能，產生實質效果。比如天氣晴朗時，儘量利用自然光；採購燈具和電器時，儘量採用節能產品；閒暇時間，關閉燈具、電腦和電器；空調一般設定在室溫26度以上，及時維護空調確保運行良好；使用電話、視訊會議系統來減少商務旅行；於內聯網張貼一些節能方面的提示性標籤提醒僱員力行節能理念。

公司用水取自城市供水系統，主要用途為辦公生活用水，在生產過程中並不涉及工業用水環節，因此不會對陸上的河流、湖泊、地下水造成嚴重影響。我們制定和完善節水管理制度，使用節水型水龍頭等，確保節水理念確切實行。

有效使用資源，不僅需要完善的管理制度，相關政策的落實更有賴於員工的配合和支持。本公司努力營造珍惜資源的企業文化，提高員工的環保意識，鼓勵員工積極參與和實踐環保承諾。

本公司日常消耗的主要能源和資源為電力、水、紙張、天然氣和汽油柴油。下表列示2017年度和2016年度的能源資源使用情況：

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Among which the consumption of electricity, water, liquefied gas, motor gasoline and diesel in 2017 increased over that in 2016, mainly due to: 1) a 35.41% increase in personnel; 2) a 6.91% increase in shipments of various types of antennas/RF products, a 27.21% increase in shipments of cables and the increased difficulty in antenna processing; 3) newly built RF assembly plants in Ji'an, additional office area for research institute in Xi'an; 4) new purchase of a truck and a commercial vehicle; 5) dining frequency increased from three meals a day to four meals a day (an additional dining time at 20:30). As the Company's products have different statistical units and processing procedures, the disclosure of density values is not yet applicable. The Company is improving internal statistics, indicators and calculation methods and plans to disclose more scientific and rational density information starting from next year. Shipments of various products in 2017 and 2016 are as follows:

其中，電、水、天然氣和汽油柴油2017年度用量較2016年度有所增加，主要是因為：1) 人員增加35.41%；2) 天線/射頻各類產品出貨量增加6.91%，電纜出貨量增加27.21%，且天線加工難度增加；3) 吉安新增射頻組裝車間、西安新增研究院辦公區；4) 新購貨車和商務車各一部；5) 食堂由一日三餐增加為一日四餐(新增一次20:30用餐時間段)。因本公司產品具有不同的統計單位及加工過程，密度值披露方面暫不適用，本公司正改進內部統計、指標口徑及計算方法，並計畫明年起披露比較科學合理之密度資料。2017年度和2016年度各類產品出貨量如下：

Type	類別	出貨量	
		2017 2017年	2016 2016年
RF (PCS)	射頻 (件)	687,069	462,170
Antenna (PCS)	天線 (件)	342,125	498,717
Microcell antenna (PCS)	微基站天線 (件)	42,065	42,857
Omnidirectional antenna, indoor antenna and other antennas (PCS)	全向天線及室分等 其他天線 (件)	4,043	2,081
Cable (M)	電纜 (米)	7,393,673	5,811,989

ENVIRONMENT AND NATURAL RESOURCES

The nature of the Company's business determines that our business activities will not have a significant impact on the environment and natural resources. However, the Company will continue to enhance environmental protection to reduce any adverse effects on the environment brought about by our business operations.

According to the environmental laws, regulations and relevant policies of the PRC, when carrying out project construction, the Company will assess the potential pollution arising during the construction and production process, the feasibility of governance measures, whether production processes and products are in line with clean production requirements, and the impact of the actual discharge of pollutants on surrounding environment. An Environmental Impact Assessment Report (EIA report) will be submitted to the environmental protection department in accordance with the laws and regulations.

環境及天然資源

本公司的業務性質決定了我們的經營活動對於環境及天然資源不會產生重大的影響。但是本公司依然會不斷強化環境保護工作，減低營運對環境可能產生的不利影響。

根據我國的環保法律、法規和有關政策的規定，公司在進行有關建設專案時，會針對該專案建設和生產過程中可能出現的污染發生情況、治理措施是否可行、生產過程和產品是否符合清潔生產要求，以及最終排放的污染物對周圍環境的影響等情況進行評價，並會按照法律規定向環保部門遞交環境影響報告書(環評報告)。

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CONFLICT MINERALS

Since late 1990s, most of the minerals mining in the Democratic Republic of the Congo and its neighboring countries and territories has contributed to local armed conflicts, leading to long-term instability in the region and creating serious human rights and environmental problems. Since 2012, the US Securities and Exchange Commission has required all securities issuers whose production processes involve the use of four types of minerals, namely tantalum, tin, tungsten and gold, to disclose their mineral sources. These four types of conflict minerals are widely used in the information and communications technology products manufacturing industry. The Company takes the initiative to refrain from using minerals from conflict-affected and other high-risk areas and conducts surveys on conflict minerals every year in cooperation with clients. The Company has signed Conflict Minerals Agreements with a total of 236 related suppliers of which 45 were newly-added in 2017, and has undertaken not to procure and use metal minerals from conflict-affected or high-risk areas.

ESTABLISHMENT OF A TEAM OF EXCELLENCE

The Company is committed to creating a good working environment for its employees. We attach great importance to the value of fine caliber, carry out eclectic selection of high-quality talent and make good use of their talents. We mainly recruit through on-campus and general recruitment. Our recruitment procedure is open, fair and reasonable. The Company has established a series of standardized human resources recruitment and training programmes and systems, which has been strictly implemented. In 2016, the Company set up the MOBI Academy to provide educational training and training functions for all levels of the Company, providing valuable seminars to support and strengthen the knowledge and skills of employees for the benefit of their career development and promotion. The Company provides competitive remuneration and its working hours policy complies with relevant national policies and regulations. We also provide various types of paid leave, as required by the government, and do not allow any inequality or discrimination in respect of job opportunities and other aspects.

衝突礦產

自90年代後期開始，剛果民主共和國及其毗鄰國家和地區境內的大部分礦產開採助長了當地的武裝衝突，導致該地區長期不穩定，造成了嚴重的人權與環境問題。2012年，美國證券交易委員會針對鈹、錫、鎢、金四類礦產要求所有在生產過程中用到這四種金屬的證券發行企業披露其礦產來源。這四種衝突礦產被廣泛應用於資訊和通訊技術產品製造行業。本公司積極宣導不使用來自衝突地區或高風險地區的礦產，每年都會配合客戶做衝突礦產調查。2017年本公司新增45家相關的供應商簽訂了衝突礦產協定，總數為236家，承諾不採購和使用來自衝突地區或高風險地區的金屬礦產。

打造卓越團隊

本公司致力為員工創造良好的工作環境。公司重視人才的價值，不拘一格選好人才、用好人才。招聘管道主要採用學校畢業生招聘和社會招聘，招聘過程公開、公正、合理，建立了一套規範化人力資源招募和培訓一系列流程和制度，並得到了嚴格執行。公司2016年成立了摩比學院，承擔全公司範圍內各級成員的教育訓練和培訓職能，提供有價值的培訓講座，為員工的職業生涯發展和晉升提供了知識儲備及能力提升支援。公司提供有競爭力的薪酬待遇，工作工時遵守國家相關政策規定，提供國家規定的各類帶薪休假，不允許有任何工作機會等方面的不平等或歧視現象。

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STAFF EMPLOYMENT

1. Employment Chart:

僱傭情況→Employment Situation
 總人數→Total Number of Employees
 男性人數→No. of Male
 女性人數→No. of Female

2. Age Distribution Chart:

員工年齡分佈→Age Distribution of Employees

- 30歲及以下→Age 30 and below
- 31-40歲→Age 31-40
- 41-50歲→Age 41-50
- 51-60歲→Age 51-60
- 61歲及以上→Age 61 and above

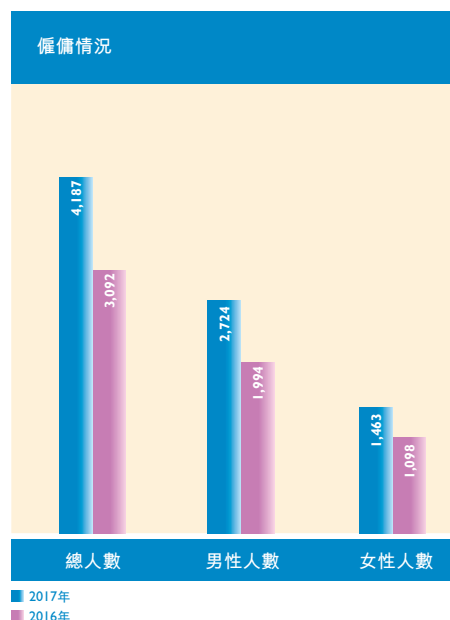
3. Education Structure Chart:

員工學歷分佈→Education Structure of Employees

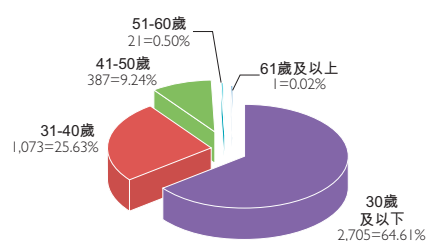
- 初中及以下→Junior high school and below
- 高中/中專→High school or technical secondary school
- 大專→College
- 本科→Bachelor's degree
- 研究生及以上→Master's degree and above

員工僱傭

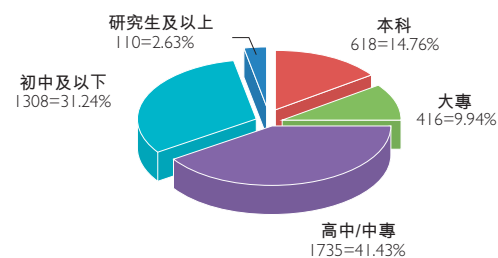
1. 僱傭情況圖表：



2. 年齡分佈圖表：



3. 學歷分佈圖表：



Environmental, Social and Governance Report

環境、社會及管治報告

HEALTH AND SAFETY

The Company established an occupational health and safety management system which was recognized by the OHSAS18001. The day-to-day operation of the Company follows national laws and regulations and its health and safety policy and regulations ensure a safe and healthy working environment to protect the physical and mental health and safety of our employees.

1. Staff health examination: the Company provides staff health examinations on an annual basis. Funded by the Company, all staff are entitled to physical health checks at medical institutions where medical reports as well as health advice will be provided.
2. Occupational Disease Inspections: The Company conducts occupational disease inspections on annual basis for employees identified with potential exposure to minimize the risks. In 2017, a total of 208 employees have been arranged for occupational disease inspections.
3. Work injury data: In 2017, zero work-related fatalities, one minor work-related injury with a loss of 987 working hours were recorded.
4. Health and safety manual: The Company has provided a health and safety pocket manual for every employee to enable employees systematically understand the Company's health and safety concepts, strategies, measures and safety guidelines. Through illustrations and descriptions, employees can have better understanding of the right and wrong for risk prevention, and can therefore reduce the occurrence of health and safety accidents.

健康與安全

公司建立了OHSAS18001職業健康安全管理体系，並獲得認證。公司的日常營運遵循國家法律法規以及健康安全體系制度和規範，確保創造一個安全健康的工作環境，保障員工的身心和健康安全。

1. 員工健康體檢：公司每年開展員工健康體檢活動，由公司出資，安排醫療機構到公司為全體員工進行身體健康體檢，並出具體檢報告和提供健康方面的建議。
2. 職業病檢查：公司每年為識別出來的有潛在職業病影響的崗位員工進行職業病檢查，以防範出現職業病的風險。2017年，合計為208名員工安排職業病檢查。
3. 工傷數據：2017年，全公司未出現任何因工傷致死的案例。輕傷事故1起，因工損失工時數987小時。
4. 健康安全手冊：給每一位員工提供健康安全口袋書手冊，以方面員工系統了解公司的健康安全理念、策略、措施和安全行為準則等，讓員工能圖文並茂了解什麼是對的，什麼是錯的，預防風險，減少健康安全危害。

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DEVELOPMENT AND TRAINING

The Company's MOBI Academy has a wealth of courses, including on corporate culture and rules and regulations, new employee induction training courses, staff basic skills training, on-the-job knowledge training, management skills and leadership, and other aspects. The course lecturers include the Company's in-house instructors and external lecturers from external schools and training institutions. In 2017, the Company completed a total of 105,120 hours of training, with a total of 13,772 attendants, representing an average of 7.63 training hours per person.

The Company also began to cooperate with a number of tertiary institutions. Through the provision of pre-courses to send students to the Company as interns, we hope to alleviate the disconnection between school learning and the actual needs of enterprises with common training of practical needs.

The Company has established an internal platform for career development and promotion in operations, technology and management. Through a well-functioning mechanism, employees are encouraged to exert their talents, expand their horizons and maintain their vitality, ensuring that the development of our employees synchronizes with the development of the Company.

發展及培訓

本公司下轄的摩比學院，設置了豐富的課程，包括公司文化和規章制度、新員工入職培訓課、員工基本工作技能培訓、崗位業務知識培訓、管理技能和領導力等方面的課程。課程的講師，既有公司的內訓講師，也有外部院校和資訊培訓機構的外聘講師。2017年，公司共完成105,120個學時的培訓，培訓人次累計13,772人次，人均受訓學時7.63小時。

本公司也開始與一些大專院校校企合作，通過設置前置課程輸送學員到公司進行實習，以減少學校學習與企業實際需求脫節的問題，共同培養實用型人才。

公司內部建立了經營、技術、管理三條線的員工職業發展晉升途徑，通過一套運作良好的機制，激勵員工發揮聰明才智，拓展視野，保持員工的活力，最終確保員工的發展能夠與公司的發展同步。

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I. A series of training activities

(1) Training on traffic safety by Guangming Traffic Police Bureau:



I. 培訓系列活動

(1) 光明交警局交通安全培訓：



(2) 6SIGMA reading activity:



(2) 6SIGMA 讀書活動：



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(3) Fire drills:



(3) 消防演練：



(4) “Success Through Diligence and Perseverance Cup” knowledge contest for employees of MOBI:



(4) 摩比員工「好學力行杯」知識競賽：



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(5) Healthcare education for staff of General Union:



(5) 總工會職工養生教育：



(6) "Read Together" activity in Nanshan Library:



(6) 南山圖書館全城共讀：



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(7) MOBI “Hawk” induction training program for 2017 graduates:



(7) 摩比2017應屆畢業生員工入職培訓計劃：



(8) First aid training in MOBI Xi'an:



8) 摩比西安公司急救培訓：



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LABOR STANDARDS

The Company strictly abides with national laws and regulations, and we do not employ child labor or use any forced labor in any of our businesses. In the recruitment of employees, we will verify the age of candidates through an identity card verification system to prevent non-compliance. During the Reporting Period, the Company did not receive any reports of non-compliance. For details, please see "General Rules on Corporate Social Responsibility of MOBI" above.

The Company provides five insurances (pension, medical, unemployment, work-related injury and maternity) and one fund (housing provident fund) and other statutory social welfare plans. In addition, the Company will also maintain corresponding commercial insurance for employees.

The Company strictly complies with national laws and regulations in providing various types of paid holidays.

STAFF ACTIVITIES: CULTURAL CAMPAIGNS AND RECREATIONAL SPORTS

We pay great attention to humanistic care and team building, to exploring new cultural and sports mechanisms for staff, and to striving to assist employees in achieving a work-life balance, improving the working and living conditions of staff and to enhancing their happiness and sense of belonging.

(I) Forum for 2017 graduates:



勞工準則

本公司嚴格遵守國家法律法規，所有業務均不會僱用童工或使用任何強制勞工。在進行員工招募時，會通過身份證驗證系統等確認應聘人員的年齡，以杜絕出現違規情況。呈報期內，公司沒有收到任何有關違規的報告。細節見前述之「摩比公司社會責任總則」。

本公司為每一位員工按照國家政策提供五險一金(養老、醫療、失業、工傷、生育、住房公積金)等法定社會保障。另外，根據需要，公司亦會為員工提供相應的商業保險。

公司嚴格遵循國家法律規定，提供各種類型的帶薪假期。

員工活動：文化宣傳、娛樂體育

我們注重人文關懷和員工凝聚力建設，多年來不斷探索員工文體工作新機制，努力幫助員工平衡工作與生活，提高員工工作和生活條件，提升員工幸福感和歸屬感。

(I) 2017應屆生座談會：



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(2) Event for the Teachers' Day on 10 September 2017:



(2) 2017年9月10日教師節活動：



(3) Celebration of 18th Anniversary of MOBI:



(3) 摩比 18 年周年慶活動：



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(4) Special event for celebrating Christmas & New Year's Day:



(4) 喜迎聖誕&元旦特別活動：



(5) Youyou Coffee Shop Opening:



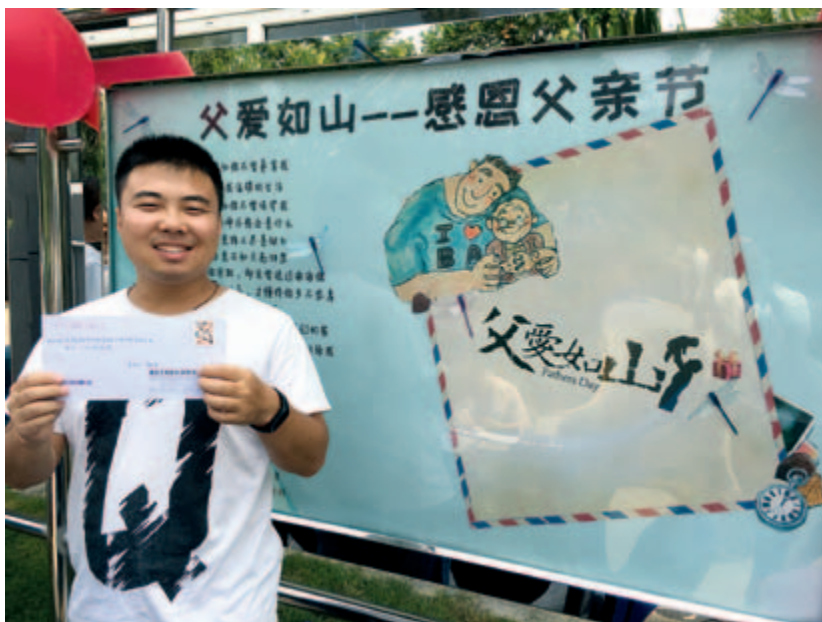
(5) 呦呦咖啡廳開業：



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(6) Event for Father's Day in MOBI Xi'an: The event was conducted to convey the gratitude to fathers for their deep and steady love from the bottom of heart by way of letters, in which employees were encouraged to voice the feelings on exclusive postcards affixed with stamps so as to deliver the love to their fathers:



(6) 摩比西安公司父親節活動：父愛如山，感恩父親。通過書信的方式，向父親訴說心裡話。並特別定制了專屬明信片，為大家貼好郵票，讓情誼送抵心間：



(7) Event for Mother's Day in MOBI Xi'an: The event was conducted to convey the gratitude and best wishes to mothers. Employees were encouraged to write down words of gratitude and blessings for their mothers on notes which were small but fully filled with love:



(7) 摩比西安公司母親節活動：祝語母親感恩母親。鼓勵大家說出對媽媽的愛，在小小卡片上寫下對母親的感謝與祝福，卡片雖小，但其中的愛卻無限：



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(8) “Listening to the Voices of Employees” Forum in MOBI Xi’an:



(8) 摩比西安公司「傾聽員工心聲」座談會：



RESPONSIBLE SUPPLY CHAIN AND PRODUCT LIABILITY MANAGEMENT

Supply Chain Management

The Company is committed to promoting the integrity of business practices and positive social responsibility, to guiding the suppliers' code of conduct, and stipulating requirements on corporate social responsibility of suppliers in relation to integrity, law-abiding, respect for human rights, employment of labor, health and safety, environmental protection and business ethics. We require each supplier to follow guidelines and the relevant laws and regulations of their place of operation, especially key suppliers with long-term cooperation. In 2017, we signed corporate social responsibility agreements with 236 suppliers with a view to exerting influence on their environmental, social and governance requirements. The types of agreements and undertakings signed are as follows:

“Agreement on Regulating Trading Environment and Behaviour”

“CSR (Corporate Social Responsibility) Agreement”

“Supplier's Green Product (GP) Declaration”

Not on the purchase of “Conflict Minerals Policy” and Statement on not purchasing Conflict Minerals

負責任的供應鏈及產品責任管理

供應鏈管理

本公司致力推行誠信的商業行為和積極的社會責任，宣導供應商行為準則，從誠信守法、尊重人權、僱用勞工、健康安全、保護環境和商業道德方面對供應商提出了企業社會責任要求。我們要求每一個供應商必須遵循該準則和運營所在地相關的法律法規，特別是長期合作的重點供應商。2017年，我們與236家供應商均簽訂了企業社會責任協定，以期對供應商在環境、社會、管治要求方面施加影響。簽署的協定和承諾書種類如下：

《關於規範買賣環境及行為的約定》

《CSR(企業社會責任)協議》

《供應商綠色環保承諾書》

《關於不採購「衝突礦產」的政策和申明》

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Product Liability

The Company emphasizes the management of product liability. During the product development stage, we carry out stringent implementation of product management, not only to identify product features and performance requirements, but also to identify the demand in environment, safety, reliability and other aspects for the products. We strictly adhere to the industry and international standards to meet customer and legal requirements in all respects. During production and delivery, in accordance with the processes and standards developed by the Company, we carry out product checks and tests at all stages from stocking, manufacturing to product delivery to ensure the safety of products delivered. In 2017, the Company did not receive any product returns due to product health and safety problems and customer satisfaction reached 89.44%. The Company has implemented an intellectual property policy, documenting procedures and systems over the years to regulate the management and operation of the Company's intellectual property rights. At the end of 2017, the Company had applied for 508 patents, with 424 patents being granted. No patent infringement incidents occurred in 2017. The Company also established a product recall system, and there were no product recalls due to product quality and safety issues in 2017. In accordance with customer requirements, the Company will sign business framework agreements on mutual cooperation with its customers to ensure that confidential information of both sides will not be disclosed. In 2017, the Company did not receive any complaints or litigation caused by leakage of customer information and confidential data. The Company has established a corresponding customer complaint and handling procedure to regulate the follow-up of customer complaints and product returns or exchange; In addition, the Company will maintain product liability insurance for customers' products in response to their individual requirements.

COMPLIANCE IN OPERATION

Compliance with laws and regulations

It is the basic principle of the Company to carry out operational compliance by abiding by business ethics and observing the laws and regulations of China and other countries where the Group operates. The Company is committed to ethical management and legal compliance in operations. We practice "zero tolerance" of any violation of laws and regulations, and any breaches of business ethics. We carry out compliance in operations in a proactive, effective and scientific manner, and are willing to work with global customers, suppliers and other business partners to achieve sustainable development.

The business of the Company is mainly carried out by its subsidiaries in Mainland China, and it is listed on the Hong Kong Stock Exchange. The operations of the Company strictly comply with relevant laws and regulations of Mainland China and Hong Kong. During the Reporting Period, to the best of our knowledge, there was no serious breach or non-compliance with relevant laws and regulations.

產品責任

本公司重視產品責任的管理，在產品研發階段，嚴格執行產品管理，不僅識別產品功能和性能方面的需求，而且會識別出產品在環境、安全、可靠性等方面的需求，遵循行業和國際標準，全方位滿足客戶及法律法規要求。在產品生產和交付階段，按照公司制定的流程和規範，在進料、製造過程、成品交付等各階段開展各項產品核對總和試驗活動，確保發出產品的安全性。2017年，公司未接受到因為產品健康和安全性問題導致的產品退貨，客戶滿意度達到89.44%；公司多年執行智慧財產權政策，有成文的流程和制度規範公司智慧財產權的管理和運作，截止2017年末，公司已申請專利508件，授權專利424件，2017年末發生任何專利侵權事件；公司也建立了產品召回制度，2017年未發生任何因為產品品質及安全事故導致的產品召回事件；公司會按照客戶要求，與客戶簽署雙方業務合作框架協定，確保雙方的資料不被洩露。2017年，公司未發生任何因洩露客戶資料及秘密導致的投訴和訴訟；公司建立了相應的客戶投訴與處理常式，規範客戶投訴和退換貨的處理；另外，公司應個別客戶的要求，會為其產品購買產品責任險。

合規經營

遵守法律及法規

恪守商業道德、遵守中國及業務開展所在國的法律法規是本公司開展合規經營的基本原則。公司宣導道德經營、合法合規經營，對任何違法違規及違反商業道德的行為持「零容忍」態度，積極、有效、科學地開展合規經營工作，願同全球客戶、供應商及其他業務合作夥伴一起實現可持續發展。

本公司的業務主要由本公司位於中國內地的公司進行，而本公司本身也於香港證券交易所上市。本公司營運嚴格遵守中國內地及香港的有關法律與法規。呈報期內，盡我們所知，並未出現任何嚴重違反或未有遵守相關法律法規的情況。

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Anti-corruption

The Company actively takes measures against extortion and bribery or any form of corruption. It has a zero-tolerance policy for corruption. The Company encourages all employees to report any case of corruption and has established a formalized management system as well as developed a formalized process for the daily business operations to prevent the occurrence of corruption. The Company has set up an independent audit department to strengthen the regular review of the operations of various centers and departments of the Company in order to detect any non-compliance. In addition, the Company engages independent auditors to conduct accounting and auditing of the financial management system on an annual basis to prevent financial risks. During the Reporting Period, the Company was not involved in any litigation in relation to corruption or bribery.

COMMUNITY INVOLVEMENT AND VISIT AND GUIDANCE OF OFFICIALS OF THE GOVERNMENT

Community Involvement

The Company has actively participated in various charity activities organized by Community Party Branch, such as Party Branch charity activities and basketball games.

I. MOBI Party Branch Charity Activity:



反貪污

本公司積極採取措施反對勒索和賄賂等任何形式的腐敗行為。本公司對於貪污腐敗行為實現零容忍政策。本公司鼓勵任何員工就出現的貪污腐敗予以舉報，並建立了規範化的管理體系，為日常經營行為制定了規範化的流程，有助於預防貪污腐敗的行為發生。公司設立了獨立的審計部門，加強對公司各中心和部門運作予以定期的審查，以發現任何不符合道德準則的情形。另外，公司每年都會邀請獨立審計師對財務管理體系進行年度會計及稽核，預防財務風險。呈報期內，本公司沒有出現任何貪污腐敗訴訟案件。

社區參與及政府領導蒞臨指導

社區參與

本公司積極參加社區黨支部組織的各類公益活動，如黨支部公益活動、籃球賽等。

I. 摩比黨支部公益活動：



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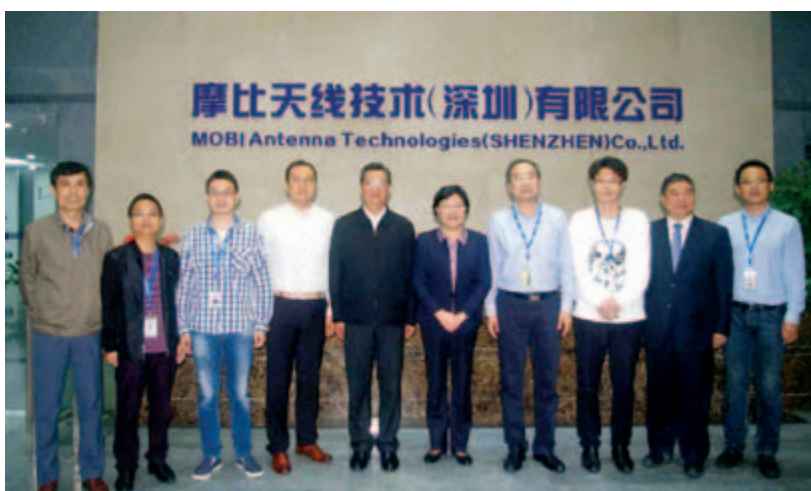
2. MOBI Party Branch Basketball Game:



Visit and Guidance of Officials of the Government

The Company gave its warmest welcome to the officials of the Government for their visit, research and guidance on the work of MOBI.

1. The visit in MOBI Shenzhen conducted by a delegation led by Academician Zheng Xiaojing, vice-chairman of China Association for Science and Technology:



2. 摩比黨支部籃球賽活動：



政府領導蒞臨指導

本公司熱烈歡迎政府各位領導蒞臨考察、調研，指導摩比工作。

1. 中國科協副主席鄭曉靜院士一行蒞臨摩比深圳考察：



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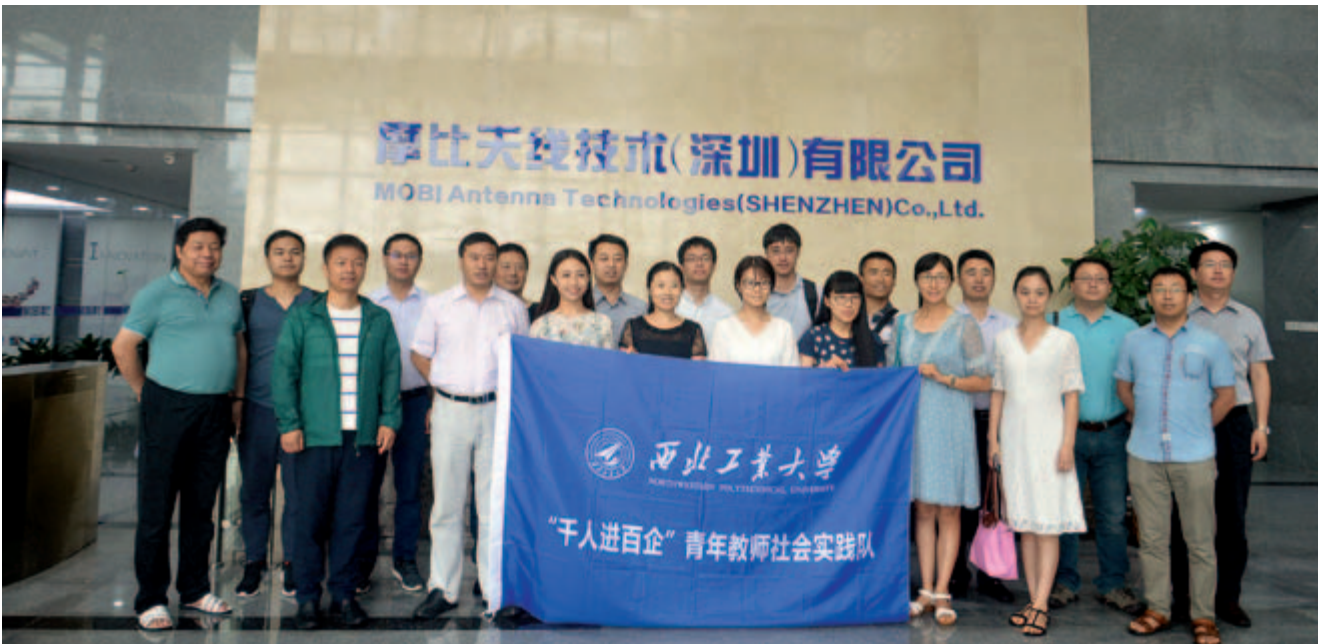
2. The research in MOBI Shenzhen conducted by a delegation led by You Tiancheng, a Secretary of Tianjin Municipal Tianjin Port Free Trade Zone Work Committee:



2. 天津市委天津港保稅區工作委員會書記尤天成一行蒞臨摩比深圳調研：



3. The research of “Thousands of Students Practicing in Hundreds of Enterprises” in MOBI Shenzhen conducted by Teachers Social Practice Team of Northwestern Polytechnical University:



3. 西北工業大學「千人進百企」教師社會實踐隊調研：

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4. The research in MOBI conducted by a delegation led by Kuang Bing, the deputy secretary of the Shenzhen Guangming New District's Party Working Committee and the director of the Administration Commission:



4. 深圳市光明新區黨工委副書記、管委會主任鄭兵一行蒞臨調研：



5. The research in MOBI Shenzhen conducted by a delegation led by Chen Xiexin, a Secretary of Wuhan Linkong Port Economic Development Zone:



5. 武漢臨空港經開區陳遜馨書記一行蒞臨摩比深圳調研：



Directors and Senior Management

董事及高級管理層

DIRECTORS

Executive Directors

Hu Xiang, aged 64, is an executive Director, the chairman of the board of Directors and the chief executive officer of our Company. He is also a director, the chief executive officer and legal representative of MOBI Shenzhen and MOBI Jian and a director of MOBI Xian and MOBI HK. Mr. Hu was appointed a Director on 19 December 2002. Mr. Hu was an engineer. Mr. Hu graduated from the Xian Infrastructure University (now Xian University of Finance and Economics) majoring in radio communication in August 1981. During the period from 1972 to September 1981, Mr. Hu worked in the hydraulic transmission and control department of the Northwest Industrial University. Mr. Hu then served as chief of the planning and supply department at Shenzhen Zhongxingxin Tongxun Shebei Co., Ltd. for the period from 1992 to 1999. Mr. Hu joined our Group in August 1999. Mr. Hu was a director of Shenzhen Kang Cheng Jixie Shebei Co., Ltd. from June 2002 to June 2007 and the general manager of Shenzhen Zhongxing Weixiantong Shebei Co., Ltd. from March 2000 to September 2007. He is a shareholder of Fangyi Collaboration Holdings Limited, a substantial shareholder of the Company.

Liao Dong, aged 47, Mr. Liao was appointed as an executive Director and chief operating officer of the Company with effect from 26 March 2015, Mr. Liao graduated from Chongqing University with a doctoral degree in mechanical manufacturing and its automation in 1999. Mr. Liao had worked at ZTE Kangxun Telecom Co., Ltd. during the period from July 1999 to February 2001 and at ZTE Corporation president's office during the period from February 2001 to March 2003. Mr. Liao joined the Group in March 2003.

董事

執行董事

胡翔，64歲，為本公司的執行董事、董事會主席兼行政總裁。彼亦為摩比深圳及摩比吉安的董事、行政總裁兼法定代表以及摩比西安及摩比香港的董事。胡先生於2002年12月19日獲委任為董事，並曾為工程師。胡先生於1981年8月畢業於西安基礎大學(現為西安財經學院)，主修無線電通訊。於1972年至1981年9月期間，胡先生於西北工業大學液壓傳動及監控部門工作。胡先生隨後於1992年至1999年出任深圳中興新通訊設備有限公司的規劃及供應部門主管。胡先生於1999年8月加入本集團。胡先生於2002年6月至2007年6月出任深圳市康誠機械設備有限公司的董事，並於2000年3月至2007年9月出任深圳市中興維先通設備有限公司的總經理。彼為本公司主要股東方誼控股有限公司的股東。

廖東，47歲，廖先生自2015年3月26日起獲委任為本公司執行董事及執行總裁，廖先生於1999年畢業於重慶大學，獲頒機械製造及自動化博士學位。廖先生於1999年7月至2001年2月期間任職深圳市中興康訊電子有限公司，並於2001年2月至2003年3月期間任職於中興通訊總裁辦公室。廖先生於2003年3月加入本集團。

Directors and Senior Management

董事及高級管理層

Chen Zhaojun, aged 41, Mr. Chen was appointed as an executive Director of the Company with effect from 26 July, 2016. Mr. Chen is the executive vice-president and chief financial officer of the Company, and is responsible for the financial management of MOBI Jian and MOBI Xian. Mr. Chen obtained a bachelor's degree in economics from Xiamen University in July 1999, and later obtained a master's degree in economics from Xiamen University in July 2002. And later obtained a master's degree in business administration from Hong Kong University of Science and Technology in 2014. Mr. Chen became a member of the Association of Chartered Certified Accountants in 2015. Mr. Chen worked as Senior Project Manager in the Investment Department of ZTE Corporation from 2003 to 2004. Mr. Chen has been a Certified Public Accountant in the PRC since 2006. Mr. Chen joined the Group in July 2004.

Non-executive Directors

Qu Deqian, aged 55, is a non-executive Director, and a director of MOBI Shenzhen, MOBI Jian and MOBI Xian. Mr. Qu was appointed a Director on 19 December 2002. Mr. Qu graduated from Shaanxi Institute of Finance and Economics (now School of Economics and Finance of Xian Jiaotong University) in June 1992 and he further obtained the qualification as an accountant in the PRC in October 1994. From June 1993 to April 2003, Mr. Qu was the chief of ZTE Corporation's accounting and auditing centre and the deputy chief of its financial centre. In April 2003, Mr. Qu was appointed as the deputy general manager of Shenzhen Zhongxing Weixiantong Shebei Co., Ltd. and since September 2007, has been the general manager of Shenzhen Zhongxing Weixiantong Shebei Co., Ltd. Mr. Qu joined our Group in December 2002. He is a shareholder of Fangyi Collaboration Holdings Limited, a substantial shareholder of the Company.

陳兆軍，41歲，陳先生自2016年7月26日起獲委任為本公司執行董事。陳先生為本公司的執行副總裁及財務總監，並負責摩比吉安及摩比西安的財務管理。陳先生於1999年7月獲廈門大學頒發經濟學士學位，其後於2002年7月獲廈門大學頒發經濟碩士學位。其後於2014年獲香港科技大學頒發工商管理碩士學位。陳先生於2015年成為英國特許公認會計師公會會員。陳先生於2003年至2004年期間曾在中興通訊投資部擔任高級項目經理。陳先生於2006年成為中國註冊會計師。陳先生於2004年7月加入本集團。

非執行董事

屈德乾，55歲，為非執行董事，並為摩比深圳、摩比吉安及摩比西安的董事。屈先生於2002年12月19日獲委任為董事。屈先生於1992年6月畢業於陝西財經學院(現為西安交通大學經濟與金融學院)，並再於1994年10月成為中國的合資格會計師。於1993年6月至2003年4月，屈先生出任中興通訊的會計及審核中心主管及其財務中心的副主管。屈先生於2003年4月獲委任為深圳市中興維先通設備有限公司的副總經理，並於2007年9月起出任深圳市中興維先通設備有限公司的總經理。屈先生於2002年12月加入本集團。彼為本公司主要股東方誼控股有限公司的股東。

Directors and Senior Management

董事及高級管理層

Independent Non-executive Directors

Li Tianshu, aged 64, is an independent non-executive Director. Mr. Li was appointed a Director on 1 July 2007. Mr. Li graduated from Xi'an Jiaotong University in 1976 majoring in computational Mathematics. From 1985 to 1988, Mr. Li studied business economics at Universitat Mannheim in Germany and pursued a doctoral degree at Universitat Mannheim in 1988. From 1988 to 1995, Mr. Li worked as a research assistant in the business economics department of Universitat Mannheim. During the period from March 1995 to September 1995, Mr. Li worked in Germany for Friatec Aktiengesellschaft, an international manufacturing enterprise, and was designated to become the future managing director for China. From 1995 to 1998, Mr. Li first worked for KSB Aktiengesellschaft, an international machinery manufacturing enterprise, as the assistant to the chairman of the management board of KSB and then became the chief representative of its Beijing Representative Office. During the period from 1998 to 2002, Mr. Li took the position of regional director of Messer, an international chemical manufacturing enterprise, responsible for its business development in Northern China as well as the operation, sales and profits of its joint ventures and wholly owned companies in the Northern China region. During that period, Mr. Li also served as the general manager of Messer North China Industrial Gas Co., Ltd. and the chairman to the board of Tianjin Messer Gas System Co., Ltd. Since 2002, Mr. Li has been the general manager of Beijing Delintech Technology Co., Ltd., a technical promotion service provider and sales service provider. Since 27 March 2011, Mr. Li has been the general manager of Beijing Zhong Biao Fang Yuan Anti-counterfeiting Technology Co. Ltd. Mr. Li has valuable experience in international corporate management and enterprise resources planning (ERP). Mr. Li joined our Group in July 2007.

獨立非執行董事

李天舒，64歲，為獨立非執行董事。李先生於2007年7月1日獲委任為董事。李先生於1976年畢業於西安交通大學，主修計算數學。於1985年至1988年，李先生在德國Universitat Mannheim研習商業經濟，於1988年在Universitat Mannheim攻讀博士學位。於1988年至1995年，李先生在Universitat Mannheim商業經濟學系任職研究助理。於1995年3月至1995年9月期間，李先生任職於德國的一家國際製造企業Friatec Aktiengesellschaft，並獲指派為候任中國區董事總經理。於1995年至1998年期間，李先生最初任職一家國際機械製造企業KSB Aktiengesellschaft，擔任KSB管理委員會董事長的助理，其後成為該企業北京代表處的首席代表。於1998年至2002年期間，李先生出任一家國際化工生產企業梅塞爾的地區總監，負責該企業在華北地區的業務發展，並主管其華北地區的合營公司及全資公司的運營、銷售和盈利狀況。於該段期間，李先生亦出任梅塞爾北方工業氣體有限公司的總經理，並為天津梅塞爾凱德氣體系統有限公司的董事長。自2002年起，李先生一直出任一家技術提升服務供應商兼銷售服務供應商Beijing Delintech Technology Co., Ltd.的總經理。自2011年3月27日起，李先生出任北京中標方圓仿偽技術有限公司總經理。李先生在國際公司管理及企業資源規劃(ERP)方面有寶貴的經驗。李先生於2007年7月加入本集團。

Directors and Senior Management

董事及高級管理層

Zhang Han, aged 54, is an independent non-executive Director appointed on 25 November 2009 and the chairman of the audit committee. Mr. Zhang is currently an independent director of Perfect World Co., Ltd. (stock code: PWRD), a Nasdaq listed company, where Mr. Zhang has also served as a member of its audit committee since July 2008. The responsibilities of such role include overseeing the accounting and financial reporting processes as well as external and internal audit of the Company. Mr. Zhang received his bachelor's degree in chemistry from the Peking University in 1985. He later obtained an EMBA degree from the China Europe International Business School in 2004. From 1985 to 1988, Mr. Zhang worked at Beijing Fiber Reinforced Plastic Research & Design Institute. Mr. Zhang was the Manager in the securities department of Shenzhen Shekou China Merchants Co., Ltd. from 1989 to 1994. Mr. Zhang was the deputy manager at the finance department of China National Technical Import & Export Corporation, and also the general manager of Shanghai CNTIC Investment Advisory Co., Ltd. from 1994 to 1998. From 1999 to 2000, Mr. Zhang served as assistant to the general manager, investment director and fund manager at Penghua Fund Management Co., Ltd., a fund management company in China. Mr. Zhang served as the deputy general manager of Rongtong Fund Management Co., Ltd., a fund management company in China, from 2001 to 2003. Mr. Zhang also served as the general manager of Great Wall Fund Management Co., Ltd., a fund management company in China, from 2004 to 2005. Mr. Zhang is currently a partner of Share Capital Partners Ltd., a Chinese venture capital firm. Mr. Zhang has built up his experience in conducting due diligence work in respect of the financial performance, management and corporate government quality of various companies and conducting financial analysis of listed companies throughout his various tenures in the investment industry. Mr. Zhang joined our Group on 25 November 2009.

張涵，54歲，於2009年11月25日獲委任為獨立非執行董事兼審核委員會主席。張先生現為納斯達克上市公司Perfect World Co., Ltd.(股票代碼：PWRD)的獨立董事，並自2008年7月起一直出任其審核委員會成員，負責監督該公司的會計及財務申報程序及外部與內部審核。張先生於1985年獲北京大學頒發化學學士學位，其後於2004年獲中歐國際工商學院頒發行政人員工商管理碩士學位。於1985年至1988年，張先生就職於北京玻璃鋼研究設計院。張先生由1989年至1994年擔任Shenzhen Shekou China Merchants Co., Ltd.證券部經理。張先生曾任中國技術進出口總公司財務部副經理，亦曾於1994年至1998年擔任Shanghai CNTIC Investment Advisory Co., Ltd.總經理。於1999年至2000年，張先生在中國一家基金管理公司鵬華基金管理有限公司擔任總經理助理、投資總監及基金經理。張先生於2001年至2003年在中國一家基金管理公司融通基金管理有限公司擔任副總經理。張先生亦於2004年至2005年在中國一家基金管理公司長城基金管理有限公司擔任總經理。張先生現為中國一家創業基金公司Share Capital Partners Ltd.的合夥人。張先生曾投身投資行業，在各類公司財務表現、管理及企業管治水平的盡職審查及上市公司的財務分析方面積有豐富經驗。張先生於2009年11月25日加入本集團。

Directors and Senior Management

董事及高級管理層

Li Guinian, aged 64, is an independent non-executive Director appointed on 10 September 2013. Mr. Li graduated from the School of Chemistry Engineering of Hefei University of Technology with a degree in Polymer Chemistry. In 2002, Mr Li obtained a master degree in Business and Administration from Honolulu University of USA. He received “Technological Progress Award in 1994” from Planning Commission of Anhui Province for his study findings “Conditions for Economic Equilibrium of Nation and Investment Strategies”(國民經濟均衡的條件及投資對策). He received Fourth Prize in “Anhui Technological Innovation” in 1998 and Second Prize in “Bengbu Technological Innovation” for his “Research Report About Industrial Structure Adjustment of Bengbu” (蚌埠市產業結構調整研究報告). He received an “Award of Outstanding Article” by Advanced Study Course for Entrepreneur of Peking University for his article “Discourse on Harmony between Taoism and Management of Modern Enterprises” (試論道家思想與現代企業管理的契合) composed in October 2012. Mr Li was awarded “Labour Model” at municipal level in 2000-2003 by the municipal government of Bengbu and “Luban Award for Construction of China” in respect of his leadership in the construction of Bengbu Convention & Exhibition Centre (蚌埠會展中心) in 2005. Mr. Li has served as the managing director and a general manager of Bengbu Investment Group Co., Ltd (蚌埠投資集團有限公司). Currently, he is the managing director of SPP Investment Funds Co., Ltd. (上海浦江正宜投資管理有限公司), he is also a director of Capital Finance Institute and College of Business of China University of Political Science and Law (中國政法大學資本金融研究院，商學院). Mr. Li has been an independent director of Creative Distribution Automation Co., Ltd. (北京科銳配電自動化股份有限公司) (Shenzhen Stock Exchange Stock Code: 002350) since May 2014, an independent non-executive director of Dalian Wanda Commercial Properties Co., Ltd. (大連萬達商業地產股份有限公司) (a Company previously listed on HKSE) since 29 January 2016, and a non-executive director of CCTV Yuntou Cultural Tourism Investment Co., Ltd. (中視雲投文化旅遊產業投資有限公司) since July 2017. Mr. Li joined our Group on 10 September 2013.

李桂年，64歲，於2013年9月10日獲委任為獨立非執行董事。李先生畢業於合肥工業大學化工系高分子專業。李先生並於2002年取得美國檀香山大學工商管理專業碩士學位。李先生研究成果《國民經濟均衡的條件及投資對策》獲安徽省計委1994年科技進步鼓勵獎，《蚌埠市產業結構調整研究報告》獲安徽省1998年科技進步四等獎、蚌埠市科技進步二等獎，2012年10月撰寫的論文《試論道家思想與現代企業管理的契合》獲北京大學企業家高級研修班優秀論文獎等。李先生於2000-2003年獲蚌埠市政府授予市級《勞動模範》及於2005年主持建設的蚌埠會展中心獲中國建築工程《魯班獎》。李先生原任蚌埠投資集團有限公司董事長及總經理，現任上海浦江正宜投資管理有限公司總經理，兼任中國政法大學資本金融研究院、商學院理事。李先生自2014年5月起擔任北京科銳配電自動化股份有限公司(一家在深圳證券交易所上市的公司，股票代碼002350)獨立董事，自2016年1月29日起擔任大連萬達商業地產股份有限公司(一家曾在香港聯交所上市的公司)獨立非執行董事，自2017年7月起擔任中視雲投文化旅遊產業投資有限公司非執行董事。李先生於2013年9月10日加入本集團。

Directors and Senior Management

董事及高級管理層

SENIOR MANAGEMENT

Shao Zhiguo, aged 54, was an executive Director of the Company from 1 April 2012 to 25 March 2015 and is the executive vice-president in research and development and quality of the Company, MOBI Shenzhen, MOBI Xian and MOBI Jian respectively. Mr. Shao graduated from the Northwest Telecommunications Engineering College (now Xidian University) with a bachelor degree in wireless equipment structure design in 1984. In 1998, Mr. Shao obtained a master degree in systematic engineering from Xi'an Electronic Technology University. During the period of 1984 to 1999, Mr. Shao has held such positions as engineer and senior engineer at the Shijiazhuang Communications Survey and Control Technology Institute. Mr. Shao has over 15 years experience of research and development in the area of telecommunication measurement and control technology and has received a second class award in Scientific Technology Advancement of the Ministry of Machine Building and Electronics Industry. Mr. Shao is a senior member of the Chinese Institute of Electronics. Mr. Shao was a director of Kang Cheng from June 2002 to June 2007. Mr. Shao joined our Group in August 1999.

Kong Weitong, aged 54, is the executive vice-president of the Company, which responsible for operation, manufacturing and supply chain. Mr. Kong obtained a bachelor's degree in economics from Shaanxi Institute of Finance and Economics (now School of Economics and Finance of Xian Jiaotong University) in August 1998. Mr. Kong worked at the China Aerospace Corporation from 1982 to 2002 in the areas of accounting and audit, where he was appointed as an accountant in 1992 and as a senior accountant in 1999. Mr. Kong became a non-practicing member of the Chinese Institute of Certified Public Accountants in 2006. Mr. Kong joined the Group in May 2002.

Chen Zhilong, aged 39, is the vice-president of the Company responsible for leading the business of the research and development of antenna products. Mr. Chen Zhilong graduated from School of Electronic Information, Wuhan University in 2003 with a bachelor of science degree in wireless physics. He joined the Group in 2003 and successively held the posts of electrical engineer, research and development project manager, division head and the general manager of the antenna product business division.

高級管理層

邵志國，54歲，曾於2012年4月1日至2015年3月25日為本公司執行董事。為本公司、摩比深圳、摩比西安及摩比吉安的研發及質量執行副總裁。邵先生於1984年畢業於西北電訊工程學院(現為西安電子科技大學)無線設備結構設計學系，獲授學士學位。於1998年，邵先生取得西安電子科技大學系統工程學系的碩士學位。於1984年至1999年期間，邵先生曾出任Shijiazhuang Communications Survey and Control Technology Institute的工程師及高級工程師等多個職位。邵先生於電訊測量與控制技術方面擁有超過15年的研發經驗，並曾獲頒發機械電子工業部的科技進步二等獎。邵先生為中國電子學會的高級會員。邵先生於2002年6月至2007年6月出任康誠的董事。邵先生於1999年8月加入本集團。

孔唯同，54歲，為本公司執行副總裁，主管運營、製造與供應鏈。孔先生於1998年8月獲陝西財經學院(現為西安交通大學經濟與金融學院)頒發經濟學士學位。孔先生於1982年至2002年期間任職於中國航天科技集團公司會計及審計部門，並分別獲該公司於1992年及1999年委任為會計師及高級會計師。孔先生於2006年成為中國註冊會計師協會非執業會員。孔先生於2002年5月加入本集團。

陳志龍，39歲，為本公司副總裁，負責領導天線產品研究與開發業務。陳志龍先生於2003年畢業於武漢大學電信學院無線電物理專業，獲理學碩士學位。2003年加入本集團，歷任電氣工程師、研發項目經理、部長及天線產品事業部總經理。

Directors and Senior Management

董事及高級管理層

Ye Rong, aged 38, is the vice-president of the Company responsible for leading the business of the research and development of RF products. Mr. Ye Rong graduated from Xidian University in 2005 with a master of science degree in electromagnetic field and microwave technology. He joined the Group in 2005 and successively held the posts of electrical engineer, research and development project manager, division head and the general manager of the radio-frequency product business division.

Han Jianrong, aged 57, is the executive vice-president of the Company, which responsible for die casting, sheet metal fabrication and antennas production. Mr. Han graduated from Northwestern Polytechnical University with a bachelor degree in foundry engineering in 1982. Mr. Han has over 20 years of experience in production. Mr. Han was appointed as an engineer at Xi'an Aerospace Engine Corporation and Xi'an Microelectronics Technology Research Institute in 1989 and 1993 respectively, and was awarded his professional qualification as senior engineer by China Aerospace Corporation in 1997. Mr. Han joined the Group in February 2000.

Zhou Lingbo, aged 37, is the vice-president of the Company responsible for leading the business of administration and personnel. Ms. Zhou Lingbo graduated from the department of law of Nanjing University in 2004 with a LLB degree. She joined the Group in 2004 and successively held the posts of director of the infrastructure office and director of the president's office.

An Liang, aged 38, is the vice-president of the Company responsible for leading the business of the domestic operator market. Mr. An Liang graduated from Northwestern Polytechnical University in 2002 with a bachelor's degree in international finance. He joined the Group in 2002 and successively held the posts of sales manager for various provinces in China and the general manager of the northern marketing region in China.

葉榮，38歲，為本公司副總裁，負責領導射頻產品研究與開發業務。葉榮先生於2005年畢業於西安電子科技大學電磁場與微波技術專業，獲理學碩士學位。2005年加入本集團，歷任電氣工程師、研發項目經理、部長及射頻產品事業部總經理。

韓建榮，57歲，為本公司副總裁，主管鑄造、鈹金與天線製造。韓先生於1982年畢業於西北工業大學，獲頒鑄造工程學士學位。韓先生於生產方面擁有逾20年經驗。韓先生於1989年及1993年分別獲委任Xi'an Aerospace Engine Corporation及西安微電子技術研究所的工程師，並於1997年獲中國航天科技集團公司頒發高級工程師的專業資格。韓先生於2000年2月加入本集團。

周凌波，37歲，為本公司副總裁，負責領導行政與人事業務。周凌波女士於2004年畢業於南京大學法學專業，獲法學學士學位。2004年加入本集團，歷任基建辦主任，總裁辦主任等。

安良，38歲，為本公司副總裁，負責領導國內運營商市場業務。安良先生於2002年畢業於西北工業大學國際金融專業，獲授學士學位。2002年加入本集團，歷任國內多省銷售經理及國內北方行銷大區總經理。

Directors and Senior Management

董事及高級管理層

COMPANY SECRETARY AND SENIOR MANAGEMENT

Lau Wing, aged 45, is our deputy financial officer, authorized representative and company secretary. He is also the deputy financial officer of financial centre of MOBI Shenzhen. He is responsible for our company secretarial, financial and accounting management and internal audit affairs. Mr. Lau obtained a bachelor's degree in accountancy from the Hong Kong Polytechnic University in 1996, and later obtained a master's degree in business administration (financial service) in 2005. He is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Lau has over 18 years of experience in finance, accounting, auditing and company secretarial matters. Mr. Lau had held senior financial positions in several listed companies. Mr. Lau joined our Group in May 2011.

公司秘書及高級管理層

劉榮，45歲，為本公司的副財務總監、授權代表兼公司秘書，彼亦為摩比深圳財務中心副財務總監，負責本公司的公司秘書、財務、會計管理及內務審核事務等工作。劉先生於1996年獲香港理工大學頒發會計學士學位，其後於2005年獲香港理工大學頒發工商管理碩士學位(金融服務)。彼為香港會計師公會之會計師及英國特許公認會計師公會之資深會員。劉先生擁有超過18年的財務、會計、審計及公司秘書經驗。劉先生曾經從事數家上市公司高級財務職位。劉先生於2011年5月加入本集團。



Report of the Directors
董事會報告

Report of the Directors

董事會報告

The Directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2017.

CORPORATE REORGANISATION

The Company was incorporated with limited liability in the Cayman Islands on 16 December 2002.

The shares of the Company were listed on the Stock Exchange on 17 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries comprise the research, development, manufacture and sale of antenna system, base station radio frequency subsystem and products of coverage extension solution. There were no significant changes in the nature of the Group's principal activities during the year.

BUSINESS REVIEW

A business review as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 10 to 30 of this annual report. This discussion forms part of this report of the directors.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 and the state of affairs of the Group at that date are set out in the financial statements on pages 112 to 212.

The Directors recommend the payment of a final dividend of HK\$0.04 per ordinary share to the shareholders whose names appear on the register of members of the Company on 31 May 2018.

董事會欣然提呈本集團截至2017年12月31日止年度的年報及經審核綜合財務報表。

企業重組

本公司於2002年12月16日在開曼群島註冊成立為有限公司。

本公司股份自2009年12月17日起在聯交所上市。

主要業務

本公司的主要業務為投資控股。子公司的主要業務包括研究、開發、生產及銷售天線系統、基站射頻子系統及覆蓋延伸方案產品。年內，本集團主要業務的性質並無重大變動。

業務審視

根據香港公司條例附表5所規定，有關該業務審視的進一步討論與分析(包括本集團所面臨主要風險及不確定因素之討論，以及本集團業務未來可能發展之指引)，可在本年報第10至30頁所載的管理層討論與分析中查閱。此討論構成本董事會報告的一部分。

業績及分派

本集團截至2017年12月31日止年度的業績及本集團於該日之財政狀況載於第112至212頁的財務報表。

董事建議向於2018年5月31日名列本公司股東名冊的股東所持之現有普通股派付末期股息每股0.04港元。

Report of the Directors

董事會報告

SUMMARY FINANCIAL INFORMATION

The following is a 5 years summary of the results and assets and liabilities of the Group for the last five financial years, as extracted from the Prospectus and the audited financial statements.

財務資料概要

下表概述本集團過往五個財政年度的業績與資產及負債，摘自招股章程及經審核財務報表。

		Year ended 31 December 截至12月31日止年度				
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元	2014 2014年 RMB'000 人民幣千元	2013 2013年 RMB'000 人民幣千元
RESULTS	業績					
Revenue	收入	1,422,441	1,459,704	1,585,788	1,648,466	888,226
Profit(loss) before taxation	稅前利潤(虧損)	(60,980)	71,956	98,560	107,497	23,761
Taxation	稅項	12,471	(6,107)	(8,904)	(9,921)	(4,700)
Profit(loss) for the year	年內利潤(虧損)	(48,509)	65,849	89,656	97,576	19,061
Profit(loss) and the total comprehensive income (expenses) for the year attributable to owners of the Company	本公司擁有人應佔的年度利潤(虧損)及全面收入(開支)總額	(48,509)	65,849	89,656	97,576	19,061
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	540,782	488,249	476,873	481,154	370,467
Current assets	流動資產	1,807,204	1,702,773	1,769,030	1,904,525	1,514,800
Current liabilities	流動負債	(1,157,942)	(859,794)	(956,909)	(1,253,374)	(844,690)
Non-current liabilities	非流動負債	(12,797)	(81,849)	(84,493)	(7,384)	(8,346)
Net assets	資產淨額	1,177,247	1,249,379	1,204,501	1,124,921	1,032,231

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

物業、廠房及設備

年內，本集團物業、廠房及設備的變動詳情載於財務報表附註13。

Report of the Directors

董事會報告

SHARE CAPITAL AND SHARE OPTIONS

On 13 January 2010, 18,443,000 over-allotment shares of USD0.000001 each of the Company at price of HKD3.38 per share were issued pursuant to the underwriting agreement of the IPO of the Company. Pursuant to a shareholder resolution passed on 1 June 2010, a bonus issue of 72,446,099 shares of USD0.000001 each of the Company is issued to the persons whose names appear on the register of members of the Company at the close of business on 1 June 2010 on the basis of one share for every ten shares held on 1 June 2010. These new shares rank pari passu with the existing shares in all aspect.

Details of movements in the Company's share capital and share options during the year are set out in notes 24 and 25 to the financial statements, respectively.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company as set out on pages 93 to 96, no equity-linked agreements were entered into by the Group, or existed during the year.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to RMB514.3 million. This amount includes the Company's share premium account of RMB462.7 million at 31 December 2017, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, revenue attributed to the Group's five largest customers accounted for 89.5% of the total revenue for the year and revenue attributed to the largest customer accounted for 46.1%.

Purchases from the Group's five largest suppliers for the year is less than 22.4%.

The Directors' Interests in a major customer and suppliers are set out in the paragraph headed "Directors' Material Interests in Transactions, Arrangements or Contracts" on page 99 of this report.

股本及購股權

2010年1月13日，本公司根據首次公開發行的包銷協議按每股股份3.38港元的價格發行本公司18,443,000股每股面值0.000001美元的超額配發股份。根據2010年6月1日通過的股東決議案，本公司向2010年6月1日營業時間結束時名列本公司股東名冊的股東於2010年6月1日每持有十股股份換取一股股份的比例發行本公司72,446,099股每股面值0.000001美元的紅股。該等新股份在所有方面與現有股份享有同等權益。

年內，本公司股本及購股權的變動詳情分別載於財務報表附註24及25。

權益掛鈎協議

除第93至第96頁載列的本公司購股權計劃外，本集於年內概無訂立或存在任何權益掛鈎協議。

本公司可供分派儲備

於2017年12月31日，本公司根據開曼群島公司法規定計算的可供分派儲備為人民幣5.143億元。該金額包括本公司於2017年12月31日的股份溢價賬人民幣4.627億元，該等股份溢價可供分派，惟本公司須於緊隨建議分派股息之日後仍有能力清償日常業務中的到期債務。

主要客戶及供應商

回顧年內，來自本集團五大客戶的收入佔年內總收入的89.5%，而來自最大客戶的收入佔46.1%。

年內向本集團五大供應商的採購額少於22.4%。

董事於主要客戶及供應商的權益載於本報告第99頁「董事於交易、安排或合約之重大權益」一段。

Report of the Directors

董事會報告

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors

Hu Xiang (*Chairman and Chief Executive Officer*)

Liao Dong

Chen Zhaojun

Non-executive Directors

Qu Deqian

Independent non-executive Directors

Li Tianshu

Zhang Han

Li Guinian

Under the provisions of the Articles, all of the Directors are subject to retirement by rotation and re-election.

In accordance with Article 130 of the Articles, Mr. Li Tianshu and Zhang Han, and Mr. Li Guinian, independent non-executive Directors, will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

The Company has received from each of the independent non-executive Directors an annual confirmation pursuant to Rule 3.13 of the Listing Rules and the Board still considers each of the independent non-executive Directors to be independent from the Company.

董事

年內及截至本報告日期，董事為：

執行董事

胡翔(*主席兼行政總裁*)

廖東

陳兆軍

非執行董事

屈德乾

獨立非執行董事

李天舒

張涵

李桂年

根據公司章程的規定，全體董事須輪值退任並膺選連任。

根據公司章程第130條，獨立非執行董事李天舒先生及張涵先生及李桂年先生，將於本公司應屆股東週年大會上輪值退任，該等董事均合資格並願意膺選連任。

根據上市規則第3.13條，本公司已收到各獨立非執行董事之年度獨立性確認函，董事會仍認為各獨立非執行董事均獨立於本公司。

Report of the Directors

董事會報告

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 79 to 86 of the annual report.

DIRECTORS' SERVICE CONTRACT

Except for Mr. Liao Dong, an executive Director, has entered into a service agreement with our Company commencing from 26 March 2015 for a term of three years, and Mr. Chen Zhaojun, an executive Director has entered into a service agreement with our Company commencing from 26 July 2016 for a term of three years, each of the executive Director and non-executive Director has entered into a service agreement with our Company commencing from 17 December 2015 for a term of three years, respectively.

Each of the independent non-executive Directors, Mr. Zhang Han and Mr. Li Guinian has entered into a letter of appointment with our Company for a term of three years commencing from 17 December 2015 and 10 September 2016 respectively (except for Mr. Li Tianshu whose engagement with us commenced on 1 July 2007) and renewable by mutual agreement on annual basis.

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

PERMITTED INDEMNITY PROVISION

Pursuant to the articles of association of the Company, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group throughout the year.

DIRECTORS' REMUNERATION

Directors' emoluments are reviewed by Remuneration Committee with reference to Directors' duties, responsibilities and performance and the results of the Group.

董事及高級管理層履歷

本公司董事及本集團高級管理層之履歷詳情載於本年報第79至86頁。

董事的服務合約

除了執行董事廖東先生與本公司訂有服務合約自2015年3月26日起計為期三年及執行董事陳兆軍先生與本公司訂有服務合約自2016年7月26日起計為期三年外，各執行董事及非執行董事均與本公司訂有服務合約，分別自2015年12月17日起計為期三年。

各獨立非執行董事均與本公司訂有委任函，分別為張涵先生自2015年12月17日及李桂年先生自2016年9月10日起計均為期三年（李天舒先生除外，其自2007年7月1日起受聘於本公司），並每年經雙方協定而續期。

概無董事與本公司訂立本公司不可於一年內免付賠償（法定賠償除外）而終止之服務合約。

獲准許彌償條文

根據本公司組織章程細則，每名董事就其執行職務或與此有關或在其他有關方面可能蒙受或招致之一切損失或責任，均有權從本公司資產中獲得彌償。

年內，本公司已為董事及本集團行政人員安排適當之董事及行政人員責任險。

董事薪酬

董事酬金由薪酬委員會參考董事職責、責任及表現以及本集團業績後檢討。

SHARE OPTION SCHEME

Particulars of the Company's share option scheme are set out in note 25 to the financial statements.

The following table discloses movements in the Company's share option scheme during the year:

購股權計劃

本公司購股權計劃詳情載於財務報表附註25。

下表披露本公司購股權計劃年內的變動：

Name 姓名	Option type 購股權類別	Date of grant 授出日期	Exercise price per share (RMB) 每股行使價 (人民幣)	Exercisable period 可行使期間	Outstanding as at beginning of the year 年初尚未行使	Granted during the year 年內授出	Cancelled during the year 年內註銷	Exercised during the year 年內已行使	Outstanding as at end of the year 年末尚未行使
Directors:									
董事：									
Hu Xiang 胡翔	2015 Option A 2015年購股權A	26.3.2015	1.47	1.4.2016 - 25.3.2025	450,000	—	—	—	450,000
	2015 Option B 2015年購股權B	26.3.2015	1.47	1.4.2017 - 25.3.2025	450,000	—	—	—	450,000
	2015 Option C 2015年購股權C	26.3.2015	1.47	1.4.2018 - 25.3.2025	600,000	—	—	—	600,000
Liao Dong 廖東	2013 Option A 2013年購股權A	23.12.2013	1.09	1.6.2015 - 23.12.2023	300,000	—	—	—	300,000
	2013 Option B 2013年購股權B	23.12.2013	1.09	1.4.2016 - 23.12.2023	300,000	—	—	—	300,000
	2013 Option C 2013年購股權C	23.12.2013	1.09	1.4.2017 - 23.12.2023	400,000	—	—	—	400,000
	2015 Option A 2015年購股權A	26.3.2015	1.47	1.4.2016 - 25.3.2025	510,000	—	—	—	510,000
	2015 Option B 2015年購股權B	26.3.2015	1.47	1.4.2017 - 25.3.2025	510,000	—	—	—	510,000
	2015 Option C 2015年購股權C	26.3.2015	1.47	1.4.2018 - 25.3.2025	680,000	—	—	—	680,000

Report of the Directors

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Name 姓名	Option type 購股權類別	Date of grant 授出日期	Exercise price per share (RMB) 每股行使價 (人民幣)	Exercisable period 可行使期間	Outstanding as at beginning of the year 年初尚未行使	Granted during the year 年內授出	Cancelled during the year 年內註銷	Exercised during the year 年內已行使	Outstanding as at end of the year 年末尚未行使
Chen Zhao Jun 陳兆軍	2013 Option A 2013年購股權A	23.12.2013	1.09	1.6.2015 - 22.12.2023	300,000	—	—	—	300,000
	2013 Option B 2013年購股權B	23.12.2013	1.09	1.4.2016 - 22.12.2023	300,000	—	—	—	300,000
	2013 Option C 2013年購股權C	23.12.2013	1.09	1.4.2017 - 22.12.2023	400,000	—	—	—	400,000
	2015 Option A 2015年購股權A	26.3.2015	1.47	1.4.2016 - 25.3.2025	330,000	—	—	—	330,000
	2015 Option B 2015年購股權B	26.3.2015	1.47	1.4.2017 - 25.3.2025	330,000	—	—	—	330,000
	2015 Option C 2015年購股權C	26.3.2015	1.47	1.4.2018 - 25.3.2025	440,000	—	—	—	440,000
Qu Deqian 屈德乾	2013 Option A 2013年購股權A	23.12.2013	1.09	1.6.2015 - 22.12.2023	150,000	—	—	—	150,000
	2013 Option B 2013年購股權B	23.12.2013	1.09	1.4.2016 - 22.12.2023	150,000	—	—	—	150,000
	2013 Option C 2013年購股權C	23.12.2013	1.09	1.4.2017 - 22.12.2023	200,000	—	—	—	200,000
	2015 Option A 2015年購股權A	26.3.2015	1.47	1.4.2016 - 25.3.2025	150,000	—	—	—	150,000
	2015 Option B 2015年購股權B	26.3.2015	1.47	1.4.2017 - 25.3.2025	150,000	—	—	—	150,000
	2015 Option C 2015年購股權C	26.3.2015	1.47	1.4.2018 - 25.3.2025	200,000	—	—	—	200,000
Sub-total 小計：					7,300,000	—	—	—	7,300,000

Report of the Directors

董事會報告

Name	Option type	Date of grant	Exercise price per share (RMB)	Exercisable period	Outstanding as at beginning of the year	Granted during the year	Cancelled during the year	Exercised during the year	Outstanding as at end of the year
姓名	購股權類別	授出日期	每股行使價 (人民幣)	可行使期間	年初尚未行使	年內授出	年內註銷	年內已行使	年末尚未行使
Other participants:									
其他參與者：									
Participants	2005 Option	31.8.2005	0.6655	31.8.2006 - 30.8.2015	—	—	—	—	—
參與者	2005年購股權								
Participants	2013 Option A	23.12.2013	1.09	1.6.2015 - 22.12.2023	—	—	—	—	—
參與者	2013年購股權A								
	2013 Option B	23.12.2013	1.09	1.4.2016 - 22.12.2023	—	—	—	—	—
	2013年購股權B								
	2013 Option C	23.12.2013	1.09	1.4.2017 - 22.12.2023	—	—	—	—	—
	2013年購股權C								
Participants	2015 Option A	26.3.2015	1.47	1.4.2016 - 25.3.2025	—	—	—	—	—
參與者	2015年購股權A								
	2015 Option B	26.3.2015	1.47	1.4.2017 - 25.3.2025	—	—	—	—	—
	2015年購股權B								
	2015 Option C	26.3.2015	1.47	1.4.2018 - 25.3.2025	—	—	—	—	—
	2015年購股權C								
Sub-total:					—	—	—	—	—
小計：									

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Name 姓名	Option type 購股權類別	Date of grant 授出日期	Exercise price per share (RMB) 每股行使價 (人民幣)	Exercisable period 可行使期間	Outstanding as at beginning of the year 年初尚未行使	Granted during the year 年內授出	Cancelled during the year 年內註銷	Exercised during the year 年內已行使	Outstanding as at end of the year 年末尚未行使
Other employees: 其他僱員：									
Employees 僱員	2013 Option A 2013年購股權A	23.12.2013	1.09	1.6.2015 - 22.12.2023	9,356,000	—	(546,000)	(675,000)	8,135,000
	2013 Option B 2013年購股權B	23.12.2013	1.09	1.4.2016 - 22.12.2023	9,942,000	—	(546,000)	(697,000)	8,699,000
	2013 Option C 2013年購股權C	23.12.2013	1.09	1.4.2017 - 22.12.2023	13,256,000	—	(464,000)	(720,000)	12,072,000
Employees 僱員	2015 Option A 2015年購股權A	26.3.2015	1.47	1.4.2016 - 25.3.2025	7,560,000	—	(423,000)	—	7,137,000
	2015 Option B 2015年購股權B	26.3.2015	1.47	1.4.2017 - 25.3.2025	7,560,000	—	(423,000)	—	7,137,000
	2015 Option C 2015年購股權C	26.3.2015	1.47	1.4.2018 - 25.3.2025	10,080,000	—	(564,000)	—	9,516,000
Sub-total: 小計：					57,754,000	—	(2,966,000)	(2,092,000)	52,696,000
Total: 總計：					65,054,000	—	(2,966,000)	(2,092,000)	59,996,000

The weighted average closing share price immediately before the dates on which the options were exercised was HK\$1.53.

截至購股權獲行使日期前，股份的加權平均收市價為1.53港元。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2017, the interests and short positions of the Directors, the chief executive or their associates in the share capital, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO), or which, as recorded in the register required to be kept 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"), were as follows:

Ordinary shares of the Company:

Name of Director 董事姓名	Nature of Interest 權益性質	Number of shares 股份數目	Number of underlying shares 相關股份數目	Number of underlying shares 股份及 相關股份數目	Approximate percentage of the Company's issued capital 約佔本公司 已發行 股本的百分比
Hu Xiang 胡翔	Personal 個人	25,540,500 Long Position 長倉	1,500,000 Long Position 長倉	27,040,500 Long Position 長倉	3.29%
Liao Dong 廖東	Personal 個人	12,000,000 Long Position 長倉	2,700,000 Long Position 長倉	14,700,000 Long Position 長倉	1.79%
Chen Zhaojun 陳兆軍	Personal 個人	1,019,000 Long Position 長倉	2,100,000 Long Position 長倉	3,119,000 Long Position 長倉	0.38%
Qu Deqian 屈德乾	Personal 個人	—	1,000,000 Long Position 長倉	1,000,000 Long Position 長倉	0.12%

董事與高級行政人員於股份、相關股份及債券的權益及淡倉

於2017年12月31日，董事、高級行政人員或彼等的聯繫人於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股本、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須知存於本公司存置的登記冊內的權益及淡倉，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉如下：

本公司普通股：

Report of the Directors

董事會報告

Share options of the Company:

Details of the Directors' interests in share options of the Company are set out in the Section headed "Share Options" in this report.

Save as disclosed above, as at 31 December 2017, none of the Directors or the chief executive of the Company had registered any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO), or which as recorded in the register required to be kept 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

So far as is known to the Directors or Chief Executive of the Company as at 31 December 2017, shareholders (other than Directors or Chief Executives of the Company who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO) were as follows:

本公司購股權：

董事於本公司購股權擁有的權益詳情載於本報告「購股權」一節。

除上文所披露者外，2017年12月31日，本公司董事或高級行政人員概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中登記持有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須記存於本公司存置之登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

主要股東於股份、相關股份或債券中擁有的權益及淡倉

據本公司董事及高級行政人員所知，於2017年12月31日，股東(本公司董事及高級行政人員除外)於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露的權益或淡倉，或記存於本公司根據證券及期貨條例第336條存置之登記冊的權益及淡倉如下：

Report of the Directors

董事會報告

Ordinary shares of the Company:

本公司普通股：

Name of Substantial Shareholder 主要股東名稱	Nature of Interest 權益性質	Number of shares 股份數目	Number of underlying shares 相關股份數目	Number of underlying shares 股份及 相關股份數目	Approximate percentage of the Company's issued capital 約佔本公司已發行股本的百分比
Fangyi Collaboration Holdings Limited 方誼控股有限公司	Beneficial owner 實益擁有人	230,607,300 Long Position 長倉	—	230,607,300 Long Position 長倉	28.10%
Morning Star Resources Limited	Beneficial owner 實益擁有人	88,280,994 Long Position 長倉	—	88,280,994 Long Position 長倉	10.76%
Li Xiaoyong 李小勇	Beneficial owner 實益擁有人	48,155,000 Long Position 長倉	—	48,155,000 Long Position 長倉	5.87%

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

As at 31 December 2017, Directors' interests in a major customer were as follows:

ZTE Corporation ("ZTE")

- Hu Xiang and Qu Deqian, Directors of the Company, are members of the 39 shareholders ("Beneficial Owners") of Fangyi Collaboration Holdings Ltd. ("Fangyi"), a substantial shareholder of the Company.
- The Beneficial Owners had an indirect equity interest of approximately 16.6% in ZTE, the largest customer of the Group for the year ended 31 December 2017, through their shareholdings in Shenzhen Zhongxing Weixiantong Shebei Co., Ltd. ("Shenzhen Weixiantong"). Shenzhen Weixiantong owns 49% shareholding interest in Shenzhen Zhongxingxin Tongxun Shebei Co., Ltd. ("Zhongxingxin"), which in turn had approximately 33.87% shareholding interest in ZTE.
- Hu Xiang and Qu Deqian together held approximately 4.1% shareholding interests in Shenzhen Weixiantong. Therefore, they have indirect shareholding interests in ZTE through their shareholding interests in Shenzhen Weixiantong.

董事於交易、安排或合約之重大權益

截至2017年12月31日，在主要客戶中的董事會約中的權益如下：

中興通訊股份有限公司(「中興通訊」)

- 本公司董事胡翔和屈德乾為本公司主要股東方誼控股有限公司(「方誼」)的39名股東(實益擁有人)之成員。
- 截至2017年12月31日止年度，實益擁有人透過於深圳市中興維先通設備有限公司(「深圳維先通」)的持股，間接擁有本集團最大客戶中興通訊約16.6%的股權。深圳維先通擁有深圳市中興新通訊設備有限公司(「中興新」)49%的股權，中興新則擁有中興通訊約33.87%的股權。
- 胡翔和屈德乾合共持有深圳維先通約4.1%的股權。因此，胡翔和屈德乾透過其於深圳維先通的股權，間接擁有中興通訊的股權。

Report of the Directors

董事會報告

As at 31 December 2017, Directors' interests in major suppliers were as follows:

Shenzhen Kang Cheng Shebei Co., Ltd. ("Kang Cheng")

- Kang Cheng is a supplier accounted for 6.5% purchases of the Group for the year ended 31 December 2017.
- The Beneficial Owners have an indirect equity interest in Kang Cheng through their shareholdings in Shenzhen Weixiantong. Shenzhen Weixiantong was a 15% shareholder of Kang Cheng.
- Hu Xiang and Qu Deqian as members of the Beneficial Owners, therefore, have indirect shareholding interests in Kang Cheng through their shareholding interests in Shenzhen Weixiantong.

Shenzhen Shenglongfeng Industrial Co., Ltd. ("Shenglongfeng")

- Hu Xiang, Director of the Company, has directly maintained approximately 2.0% equity interest in Shenglongfeng, a supplier accounted for 0.05% purchases of the Group for the year ended 31 December 2017.
- The Beneficial Owners have an indirect equity interest in Shenglongfeng through their shareholdings in Shenzhen Weixiantong. Shenzhen Weixiantong was a 20% shareholder of Shenglongfeng.
- Hu Xiang and Qu Deqian as members of the Beneficial Owners, therefore, have indirect shareholding interests in Shenglongfeng through their shareholding interests in Shenzhen Weixiantong.

截至2017年12月31日，在主要供應商中董事於合約中的權益如下：

深圳市康誠機械設備有限公司(「康誠」)

- 康誠乃一家佔本集團截至2017年12月31日止年度總採購額6.5%的供應商。
- 實益擁有人透過其於深圳維先通的持股，間接擁有康誠的股權。深圳維先通為康誠的股東，擁有15%權益。
- 胡翔和屈德乾為實益擁有人的成員，透過其於深圳維先通的股權，間接擁有康誠的股權。

深圳市盛隆豐實業有限公司(「盛隆豐」)

- 本公司董事胡翔繼續直接擁有盛隆豐約2.0%的股權。其乃一家佔本集團截至2017年12月31日止年度總採購額0.05%的供應商。
- 實益擁有人透過其於深圳維先通的持股，間接擁有盛隆豐的股權。深圳維先通為盛隆豐的股東，擁有20%權益。
- 胡翔和屈德乾為實益擁有人的成員，透過其於深圳維先通的股權，間接擁有盛隆豐的股權。

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Shenzhen Zhongxingxindi Technology Co., Ltd. (“Zhongxingxindi”) which former name as Shenzhen Zhongxingxindi Tongxin Qicai Co., Ltd.

深圳市中興新地技術股份有限公司(「中興新地」)其前名為深圳市中興新地通信器材有限公司

- The Beneficial Owners have an indirect equity interest in Zhongxingxindi, a supplier accounted for 1.6% purchases of the Group for the year ended 31 December 2017, through their shareholdings in Shenzhen Weixiantong. Shenzhen Weixiantong was a 34.3% shareholder of Zhongxingxindi. Shenzhen Weixiantong owned 49% shareholding interest in Zhongxingxin, which in turn had a 70% shareholding interest in Zhongxingxindi.
 - Hu Xiang and Qu Deqian as members of the Beneficial Owners, therefore, have indirect shareholding interests in Zhongxingxindi through their shareholding interests in Shenzhen Weixiantong.
- 實益擁有人透過其於深圳維先通的持股，間接擁有中興新地，其乃一家佔本集團截至2017年12月31日止年度總採購額1.6%的供應商。深圳維先通為中興新地的股東，擁有34.3%權益。深圳維先通擁有深圳中興新49%的股權，中興新則擁有中興新地70%的股權。
 - 胡翔和屈德乾為實益擁有人的成員，透過其於深圳維先通的股權，間接擁有中興新地的股權。

Save as disclosed above, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company's or any of its subsidiaries was a party, and in which a Director or its connected entities had a material interest (whether directly or indirectly) subsisting at the end of the year or at any time during the year.

除上文所披露外，於年終及年內任何期間，本公司或其任何子公司並無訂立與本集團業務有重大關係且董事或其關連實體直接或間接擁有重大權益之其他交易、安排或合約。

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions entered into by the Group are set out in note 32 to the financial statements which did not fall under the definition of “connected transaction” or “continuing connected transaction” under Chapter 14A of the Listing Rules.

關連人士交易

本集團所訂立重大關連人士交易詳情載於財務報表附註32，該等交易並非上市規則第14A章所界定的「關連交易」或「持續關連交易」。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders of the Company.

優先購股權

本公司的組織章程細則或開曼群島法律並無優先購股權之條文，故本公司須按持股比例向本公司現有股東發售新股。

Report of the Directors

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the percentage of shares of the Company in public hands is in compliance with the prescribed level of the minimum public float as set out in Rule 8.08 of the Listing Rules.

AUDIT COMMITTEE

The Company has set up an audit committee with written terms of reference. The audit committee comprises three independent non-executive Directors and reports to the Board of Directors.

The Group's consolidated financial statements for the year ended 31 December 2017 have been reviewed by the audit committee of the Company, who are of the opinion that such statements comply with the applicable accounting standards and legal requirements, and that adequate disclosures have been made.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Deloitte as auditor of the Company.

On behalf of the Board
MOBI Development Co., Ltd.

Hu Xiang
Chairman
22 March 2018

充足的公眾持股量

根據本公司可公開獲得的資料以及就董事所知，於本報告日期，本公司的公眾持股比例符合上市規則第8.08條規定的最低公眾持股量。

審核委員會

本公司已設立審核委員會，制訂書面職責範圍。審核委員會包括三名獨立非執行董事，向董事會報告。

審核委員會已審閱本集團截至2017年12月31日止年度的綜合財務報表，認為該等報表符合相關會計準則及法律規定並已作出充足披露。

核數師

將於股東週年大會上提呈決議案，重新委任德勤•關黃陳方會計師行為本公司核數師。

代表董事會
摩比發展有限公司

主席
胡翔
2018年3月22日

Independent Auditor's Report 獨立核數師報告



Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF MOBI DEVELOPMENT CO., LTD.

(incorporated in the Cayman Islands with limited liability)

致摩比發展有限公司股東

(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of MOBI Development Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 112 to 212, which comprise the consolidated statement of financial position as at 31 December 2017, 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.

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 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

我們已審核第112頁至第212頁所載摩比發展有限公司(「貴公司」)及其子公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2017年12月31日的綜合財務狀況表及於截至該日止年度的綜合損益及其他全面收益報表、綜合權益變動表及綜合現金流量表，以及包括主要會計政策概要在內的綜合財務報表附註。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映 貴集團於2017年12月31日的綜合財務狀況及截至該日止年度 貴集團的綜合財務表現及其綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

意見基礎

我們已根據香港會計師公會頒佈的《香港審核準則》(「香港審核準則」)進行審核。根據該等準則，我們的責任於本報告「核數師就審核綜合財務報表的責任」一節中詳述。根據香港會計師公會的《專業會計師道德守則》(「守則」)，我們獨立於 貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證足夠及能適當地為我們的意見提供基礎。

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.

關鍵審核事項

關鍵審核事項為我們的專業判斷中，審核本期綜合財務報表中最重要的事項。我們於審核整體綜合財務報表處理此等事項及就此形成意見，而不會就此等事項單獨發表意見。

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

我們於審核時如何處理關鍵審核事項

Valuation of inventories

存貨估值

We identified the valuation of inventories as a key audit matter due to the use of judgment and estimates by the management in estimating the allowance for inventories.

In determining the allowance of inventories, the management considers the aging analysis, technology development of the industry, net realisable value for obsolete and slow-moving inventories that are no longer suitable for use in operation and subsequent sales or usage.

我們將存貨估值識別出為關鍵審核事項，原因是管理層估計存貨撥備時使用判斷及估計。

在釐定存貨撥備時，管理層考慮行業的存貨賬齡分析和技術開發、不再適合營運和後續銷售或使用的陳舊和滯銷存貨的可變現淨值。

Our procedures in relation to valuation of inventories included:

- Understanding how the management estimates the allowance of obsolete and slow-moving inventories items;
- Obtaining the inventory aging analysis and checking its classification by age, on a sample basis, to related documents;
- Evaluating the reasonableness of the allowance of obsolete and/or slow-moving inventories identified by the management with reference to the aging analysis of inventories, market information, subsequent sales and usage of inventories;

我們有關存貨估值採取的程序包括：

- 了解管理層如何估計陳舊和滯銷存貨的撥備；
- 取得存貨賬齡分析，抽樣檢查賬齡分類到相關文件中；
- 評估管理層參照存貨的賬齡分析、市場資料、存貨的後續銷售和使用而計提的陳舊和滯銷存貨撥備的合理性；

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

我們於審核時如何處理關鍵審核事項

Valuation of inventories

存貨估值

As disclosed in note 18 to the consolidated financial statements, as at 31 December 2017, the carrying amount of inventory was RMB413,384,000, net of the write down of inventories of RMB69,005,000.

如綜合財務報表附註18所披露，於2017年12月31日，存貨賬面值為人民幣413,384,000元，扣除存貨撇減人民幣69,005,000元。

- Checking on correctness of the inventory aging analysis and subsequent sales or usage of inventories on a sample basis to related documents;
 - Checking on the net realisable value of inventories to the subsequent selling prices on sample basis;
 - Evaluating the historical accuracy of the allowance estimation by the management by comparing historical allowance made to the actual selling prices and actual loss incurred; and
 - Assessing the reasonableness of reversal of allowance for inventories previously recognised by testing the receipts from sales of respective inventories, on a sample basis.
- 以抽樣基準檢查存貨的賬齡分析的正確性和後續銷售或使用到相關文件中；
 - 以抽樣基準檢查存貨可變現淨值及後續售價；
 - 通過比較實際銷售價格的歷史撥備及實際發生的損失，評估管理層對撥備估計的歷史準確性；及
 - 以抽樣本為基準，對先前通過測試出售存貨所得款項確認的存貨撥備撥回的合理性進行評估。

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審核事項

How our audit addressed the key audit matter

我們於審核時如何處理關鍵審核事項

Allowance for doubtful debts

呆賬撥備

We identified the recoverability of trade receivables as a key audit matter due to the significance of trade receivable balance to the consolidated financial statements as a whole and the judgment involved in the determining the allowance for doubtful debts.

In determining the allowance for doubtful debts, the management considers the credit history including default or delay in settlements, subsequent settlements, aging analysis of the trade receivables and financial position of debtors.

As disclosed in note 19 to the consolidated financial statements, as at 31 December 2017, the carrying amount of trade receivables is RMB485,929,000, net of the allowance for doubtful debts of RMB11,660,000.

我們識別出貿易應收款項的可收回性為關鍵審核事項，原因是其對整體綜合財務報表的重要性，以及釐定呆賬撥備時涉及判斷。

在釐定呆賬撥備時，管理層考慮到信用記錄，包括結算的違約或延遲、後續結算、貿易應收款項的賬齡分析和債務人的財務狀況。

如綜合財務報表附註19所披露，於2017年12月31日，貿易應收款項的賬面值為人民幣485,929,000元，扣除呆賬撥備人民幣11,660,000元。

Our procedures in relation to evaluating the appropriateness of the management's assessment of recoverability of trade receivables included:

- Understanding how the allowance for doubtful debts being estimated by the Group's management;
- Assessing the reasonableness of allowance for doubtful debts assessed by the management with reference to the credit history including default or delay in payments, subsequent settlements, aging analysis of the trade receivables and publicly available financial information of debtors;
- Testing the accuracy of the aging analysis and subsequent settlements of the trade receivables, on a sample basis, to the supporting documents; and
- Evaluating the historical accuracy of the allowance estimation by the management by comparing historical allowance made to the actual settlements and actual loss incurred and tracing the actual settlements, on a sample basis, to the supporting documents.

我們有關評估管理層對貿易應收款項的可收回性評估是否合適採取的程序包括：

- 了解 貴集團管理層如何估計呆賬撥備金額；
- 評估管理層評估的呆賬撥備的合理性，包括違約或延遲付款、後續結算、貿易應收款項的賬齡分析和債務人公開的財務資料；
- 以抽樣基準測試貿易應收款項的賬齡分析及後續結算的準確性；及
- 通過將實際結算的歷史補貼與實際發生的損失進行比較，並以抽樣基準將實際結算追蹤到支持文件，評估管理層對撥備估計的歷史準確性。

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 disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors 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

貴公司董事負責其他資料。其他資料包括年報所載資料，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，我們亦不對其他資料發表任何形式的鑒證結論。

當我們審核綜合財務報表時，我們的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或我們於審核過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料有重大錯誤陳述，我們須報告該事實。於此方面，我們沒有任何報告。

董事及負責管治的人員對綜合財務報表的責任

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》的披露規定編製並真實兼公允地呈列的綜合財務報表，並為其認為必須為使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述的內部控制負責。

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。

負責管治的人員負責履行監督 貴集團財務報告過程的責任。

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 our agreed terms of engagement, and for no other purpose. We do not assume responsibility forwards 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表的責任

我們的目標為合理鑒證整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述，並發出載有我們意見的核數師報告。我們僅向閣下(作為整體)按照我們協定的委任條款報告，除此之外本報告別無其他目的。我們不會就本報告之內容向任何其他人士負上或承擔任何責任。合理鑒證屬高層次鑒證，但不能擔保根據香港核數準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體於合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

根據香港核數準則進行審核時，我們運用專業判斷，於整個審核過程中抱持專業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為我們的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。

Independent Auditor's Report

獨立核數師報告

- 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.
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘我們總結認為存在重大不確定因素，我們需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂我們的意見。我們的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致 貴集團不再具有持續經營的能力。
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

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.

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.

我們與負責管治的人員就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括我們於審核期間識別出內部控制的任何重大缺陷溝通。

我們亦向負責管治的人員提交聲明，說明我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們的獨立性的關係及其他事宜及相關防範措施(如適用)與負責管治的人員溝通。

Independent Auditor's Report

獨立核數師報告

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 Wu Ka Ming.

我們從與負責管治的人員溝通的事項中，決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

出具本獨立核數師報告的審核項目合夥人是胡家明。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22 March 2018

德勤 • 關黃陳方會計師行
執業會計師
香港
2018年3月22日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益報表

For the year ended 31 December 2017

截至2017年12月31日止年度

		Notes	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
		附註		
Revenue	收入	5	1,422,441	1,459,704
Cost of sales	銷售成本		(1,176,352)	(1,106,232)
Gross profit	毛利		246,089	353,472
Other income and expenses	其他收入及開支	6	32,374	27,742
Research and development costs	研發成本		(106,747)	(89,684)
Distribution and selling expenses	分銷及銷售開支		(91,707)	(92,989)
Administrative expenses	行政開支		(126,038)	(113,194)
Finance costs	財務成本	7	(14,568)	(13,099)
Share of results of associates	應佔聯營公司業績		(383)	(292)
(Loss)profit before taxation	稅前(虧損)利潤		(60,980)	71,956
Taxation	稅項	8	12,471	(6,107)
(Loss)profit and the total comprehensive (expense) income for the year attributable to owners of the Company	本公司擁有人應佔的年度(虧損)利潤及全面(開支)收入總額	9	(48,509)	65,849
(Loss)earnings per share	每股(虧損)盈利			
– basic (RMB cents)	– 基本(人民幣分)	12	(5.92)	8.04
– diluted (RMB cents)	– 攤薄(人民幣分)	12	(5.92)	8.03

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2017

於2017年12月31日

			2017	2016
			2017年	2016年
		Notes	RMB' 000	RMB' 000
		附註	人民幣千元	人民幣千元
Non-current Assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	412,760	387,448
Deposits for purchase of plant and equipment	購買廠房及設備項目按金		10,029	8,830
Prepaid lease payments	預付租賃款項	14	26,758	27,426
Deferred tax assets	遞延稅項資產	15	42,858	29,961
Intangible assets	無形資產	16	46,352	34,376
Interests in associates	於聯營公司的權益	17	2,025	208
			540,782	488,249
Current Assets	流動資產			
Inventories	存貨	18	413,384	340,202
Trade and other receivables	貿易及其他應收賬款	19	1,030,477	943,918
Income tax recoverable	預付所得稅		5,553	1,896
Prepaid lease payments	預付租賃款項	14	668	668
Pledged bank balances	已抵押銀行結餘	20	166,658	124,612
Bank balances and cash	銀行結餘及現金	20	190,464	291,477
			1,807,204	1,702,773
Current Liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	21	868,300	663,897
Dividend payable	應付股息		726	770
Tax payable	應付稅項		—	4,240
Bank borrowings	銀行借款	22	287,464	186,267
Deferred income	遞延收入	23	1,452	4,620
			1,157,942	859,794
Net Current Assets	流動資產淨額		649,262	842,979
Total Assets less Current Liabilities	總資產減流動負債		1,190,044	1,331,228

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2017

於2017年12月31日

		Notes	2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
		附註		
Non-current Liabilities	非流動負債			
Bank borrowings	銀行借款	22	—	70,000
Deferred income	遞延收入	23	12,797	11,849
			12,797	81,849
Net Assets	資產淨額		1,177,247	1,249,379
Capital and Reserves	股本及儲備			
Share capital	股本	24	6	6
Reserves	儲備		1,177,241	1,249,373
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,177,247	1,249,379

The consolidated financial statements on pages 112 to 212 were approved and authorised for issue by the board of directors on 22 March 2018 and are signed on its behalf by:

第112至212頁的綜合財務報表已經董事會於2018年3月22日批准和授權刊發，並由以下董事代表簽署：

Hu Xiang
胡翔
DIRECTOR
董事

Liao Dong
廖東
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2017

截至2017年12月31日止年度

		Share capital	Share premium	Enterprise expansion fund	Statutory surplus reserve	Special reserve	Share option reserve	Retained earnings	Total
		股本	股份溢價	企業發展基金	法定盈餘公積金	特別儲備	購股權儲備	保留盈利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於2016年1月1日	6	516,232	3,034	56,611	2,999	18,660	606,959	1,204,501
Transfer	轉讓	—	—	—	7,133	—	—	(7,133)	—
Recognition of equity-settled share based payment	確認以權益結算以股份為基礎的付款	—	—	—	—	—	7,101	—	7,101
Profit and the total comprehensive income for the year	年度利潤及全面收入總額	—	—	—	—	—	—	65,849	65,849
Dividend paid (note 11)	已付股息(附註11)	—	(28,072)	—	—	—	—	—	(28,072)
At 31 December 2016	於2016年12月31日	6	488,160	3,034	63,744	2,999	25,761	665,675	1,249,379
Exercise of share options	行使購股權	—	3,266	—	—	—	(808)	—	2,458
Recognition of equity-settled share based payment	確認以權益結算以股份為基礎的付款	—	—	—	—	—	2,649	—	2,649
Loss and the total comprehensive expense for the year	年度虧損及全面開支總額	—	—	—	—	—	—	(48,509)	(48,509)
Dividend paid (note 11)	已付股息(附註11)	—	(28,442)	—	—	—	—	—	(28,442)
Shares repurchased (note 24)	購回股份(附註24)	—	(288)	—	—	—	—	—	(288)
At 31 December 2017	於2017年12月31日	6	462,696	3,034	63,744	2,999	27,602	617,166	1,177,247

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2017

截至2017年12月31日止年度

As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain two statutory reserves, being an enterprise expansion fund and a statutory surplus reserve fund which are non-distributable. Appropriations to such reserves are made out of net profit after taxation reported in the statutory financial statements of the PRC subsidiaries while the amounts and allocation basis are decided by their respective boards of directors annually. The statutory surplus reserve fund can be used to make up their prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund is used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

Under the Companies Law of the Cayman Islands (2009 Revision), the share premium of the Company may be applied for redemption or purchase of any shares of the Company, payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, payment of its debts as they fall due in the ordinary course of business. During the year ended 31 December 2017 and 2016, dividends were funded out of its share premium.

Special reserve represents the difference between the paid-in capital of 摩比天線技術(深圳)有限公司 MOBI Antenna Technologies (Shenzhen) Co., Ltd. ("MOBI Shenzhen"), a subsidiary of the Company, and the nominal value of the Company's shares issued in connection with the acquisition of MOBI Shenzhen. MOBI Shenzhen was acquired pursuant to the group restructuring completed on 19 December 2002, at which time the Company entered into an equity transfer agreement for the acquisition of the entire equity interest in MOBI Shenzhen.

根據中華人民共和國(「中國」)外資企業的相關法律及法規規定，本公司的中國子公司須作出兩項不可分派的法定儲備金，即企業發展基金及法定盈餘公積金。該等儲備金的撥款乃由中國子公司法定財務報表內呈報的稅後淨溢利撥出，金額及分配基準每年由其董事會決定。法定盈餘公積金可用作彌補去年的虧損(如有)以及可通過資本化發行轉換成股本。企業發展基金則通過資本化發行用作擴充中國子公司的資本基礎。

根據開曼群島公司法(2009年修訂本)，本公司的股本溢價可用於贖回或購買本公司任何股份、向股東支付或分派股息，但緊隨擬作出支付或分派之日期後，須能夠於日常業務過程中支付到期的債務。於截至2017年及2016年12月31日止年內，股息自股份溢價撥付。

特別儲備金指本公司子公司摩比天線技術(深圳)有限公司(「摩比深圳」)的已繳股本與本公司就收購摩比深圳發行股份的面值的差額。摩比深圳乃根據2002年12月19日完成的集團重組收購，而本公司於同日已就收購摩比深圳的全部股本權益訂立一項股權轉讓協議。

Consolidated Statement of Cash Flows

綜合現金流量報表

For the year ended 31 December 2017

截至2017年12月31日止年度

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
OPERATING ACTIVITIES	經營活動		
(Loss) profit before taxation	稅前(虧損)利潤	(60,980)	71,956
Adjustments for:	就以下項目作出調整：		
Recognition of equity-settled share based payment	確認以權益結算以股份為基礎的 付款	2,649	7,101
Depreciation and amortisation	折舊及攤銷	45,235	47,421
Allowance for inventories	存貨撥備	55,228	5,700
Government grants related to assets	與資產相關的政府補助金	(4,620)	(4,622)
Interest income from bank deposits	銀行存款利息收入	(4,539)	(4,360)
Release of prepaid lease payments	解除預付租賃款項	668	668
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	1,138	1,584
Allowance for (reversal of allowance for) doubtful debts	呆賬撥備計提(撥回)	7,927	(106)
Finance costs	財務成本	14,568	13,099
Share of results of associates	應佔聯營公司業績	383	292
Operating cash flows before movements in working capital	未計營運資金變動前的 經營現金流量	57,657	138,733
(Increase) decrease in inventories	存貨(增加)減少	(128,410)	17,319
(Increase) decrease in trade and other receivables	貿易及其他應收賬款(增加)減少	(94,486)	35,313
Increase (decrease) in trade and other payables	貿易及其他應付賬款增加(減少)	189,935	(111,877)
Cash generated from operations	經營所得現金	24,696	79,488
Taxation paid	已付稅項	(8,323)	(18,736)
NET CASH FROM OPERATING ACTIVITIES	經營活動產生現金淨額	16,373	60,752

Consolidated Statement of Cash Flows

綜合現金流量報表

For the year ended 31 December 2017

截至2017年12月31日止年度

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
INVESTING ACTIVITIES	投資活動		
Interest income from bank deposits	銀行存款利息收入	4,539	4,360
Government grant related to assets	與資產相關的政府補助金	2,400	2,000
Development costs paid	已付發展成本	(18,248)	(13,657)
Placement of pledged bank balances	存置已抵押銀行結餘	(369,985)	(327,939)
Withdrawal on pledged bank balances	撤銷已抵押銀行結餘	327,939	370,163
Purchase of property, plant and equipment	購買物業、廠房及設備	(55,990)	(26,275)
Deposits paid for purchase of plant and equipment	就購買廠房及設備支付的按金	(5,553)	(16,484)
Proceeds on disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	9,399	2,459
Capital contribution to associates	向聯營公司出資	(2,200)	(500)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(107,699)	(5,873)
FINANCING ACTIVITIES	融資活動		
Proceeds from issue of shares upon exercise of share options	行使購股權發行股份所得款項	2,458	—
Repurchase of shares	股份購回	(288)	
Dividends paid	已付股息	(28,486)	(27,985)
New bank borrowings raised	新增銀行借款	285,172	211,428
Repayment of bank borrowings	償還銀行借款	(253,975)	(192,900)
Interest paid	已付利息	(14,568)	(13,099)
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用現金淨額	(9,687)	(22,556)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物淨值(減少)增加	(101,013)	32,323
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於1月1日的現金及現金等價物	291,477	259,154
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	於12月31日的現金及現金等價物 (即銀行結餘及現金)	190,464	291,477

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

I. GENERAL

MOBI Development Co., Ltd. (the "Company") is a public limited company incorporated in the Cayman Island and its shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 17 December 2009. The address of its registered office is Maples Corporate Services Limited P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and its principal place of business is 7 Langshan First Road Science and Technology Park, Nanshan District, Shenzhen, Guangdong Province, the PRC.

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company and its principal subsidiaries.

The principal activities of the Company and its subsidiaries (the "Group") are production and sale of antennas and radio frequency subsystems.

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

Amendments to HKFRSs that are mandatorily effective for the current year

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 HKAS 7

香港會計準則第7號(修訂本)

Amendments to HKAS 12

香港會計準則第12號(修訂本)

Amendments to HKFRS 12

香港財務報告準則第12號(修訂本)

Disclosure Initiative

披露主動性

Recognition of Deferred Tax Assets for Unrealised Losses

就未實現虧損確認遞延稅項資產

As part of the Annual Improvements to HKFRSs 2014-2016 Cycle

香港財務報告準則2014年至2016年週期年度改進的部分

Except as described below, the application of the amendments to the 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.

I. 一般資料

摩比發展有限公司(「本公司」)為在開曼群島註冊成立的公眾有限公司，其股份於2009年12月17日在香港聯合交易所有限公司(「聯交所」)上市，其註冊辦事處的地址為Maples Corporate Services Limited P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands，其主要營業地點為中國廣東省深圳市南山區科技園朗山一路7號。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦是本公司及主要子公司的功能貨幣。

本公司及其子公司(「本集團」)的主要業務為生產及銷售天線及無線電射頻子系統。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

本年度強制生效之香港財務報告準則修訂本

於本年度，本集團首次採用由香港會計師公會「香港會計師公會」頒佈的下列香港財務報告準則修訂本：

除下述者外，於本年度採用香港財務報告準則修訂本，對本集團本年度及過往年度之財務表現及狀況及／或此等綜合財務報表所載之披露並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

(Cont’d)

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. 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 cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following 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.

A reconciliation between the opening and closing balances of these items is provided in note 33. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 33, the application of these amendments has had no impact on the Group’s consolidated financial statements.

2. 應用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(修訂本)披露主動性

本集團已於本年度首次應用該等修訂本。修訂本規定實體提供披露資料，讓財務報表使用者可評估融資活動產生的負債變動，包括現金變動及非現金變動。此外，修訂本亦規定，倘該等財務資產所產生的現金流量或未來現金流量計入融資活動所得現金流量，則亦須提供財務資產變動的披露資料。

具體而言，修訂本規定披露以下資料：(i) 融資現金流量產生的變動；(ii) 取得或失去子公司或其他業務控制權產生的變動；(iii) 外匯匯率變動的影響；(iv) 公平值變動；及(v) 其他變動。

該等項目的期初及期末結餘之間的對賬載於附註33。根據修訂本的過渡性條文，本集團並無披露與上年度的比對資料。除附註33所額外披露者外，應用該等修訂本並不會對本集團綜合財務報表造成影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

(Cont’d)

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9
香港財務報告準則第9號

HKFRS 15
香港財務報告準則第15號

HKFRS 16
香港財務報告準則第16號

HKFRS 17
香港財務報告準則第17號

HK(IFRIC)-Int 22
香港(國際財務報告詮釋委員會) – 詮釋第22號

HK(IFRIC)-Int 23
香港(國際財務報告詮釋委員會) – 詮釋第23號

Amendments to HKFRS 2
香港財務報告準則第2號(修訂本)

Amendments to HKFRS 4
香港財務報告準則第4號(修訂本)

Amendments to HKFRS 9
香港財務報告準則第9號(修訂本)

Amendments to HKFRS 10 and HKAS 28
香港財務報告準則第10號及香港會計準則第28號(修訂本)

Amendments to HKAS 28
香港會計準則第28號(修訂本)

Amendments to HKAS 28
香港會計準則第28號(修訂本)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則

本集團並無提早採納下列已頒佈但尚未生效之新訂及經修訂之香港財務報告準則：

Financial Instruments¹
金融工具¹

Revenue from Contracts with Customers and the related Amendments¹
來自客戶合同的收入以及相關修訂¹

Leases²
租賃²

Insurance Contracts⁴
保險合約⁴

Foreign Currency Transactions and Advance Consideration¹
外幣交易及預付代價¹

Uncertainty over Income Tax Treatments²
所得稅處理的不確定性²

Classification and Measurement of Share-based Payment Transactions¹
以股份為基礎的付款交易的分類及計量¹

Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts¹
與香港財務報告準則第4號保險合約一併應用的香港財務報告準則第9號金融工具¹

Prepayment Features with Negative Compensation²
具有負補償的提前還款特性²

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³
投資者與其聯營或合營企業之間的資產出售或注資³

Long-term Interests in Associates and Joint Ventures²
於聯營公司及合營企業的長期權益²

As part of the Annual Improvements to HKFRSs 2014-2016 Cycle¹
香港財務報告準則2014年至2016年週期年度改進的部分¹

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

(Cont'd)

New and revised HKFRSs in issue but not yet effective (Cont'd)

Amendments to HKAS 40

香港會計準則第40號(修訂本)

Amendments to HKFRSs

香港財務報告準則(修訂本)

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 2021

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.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

Transfers of Investment Property¹

投資物業轉讓¹

Annual Improvements to HKFRSs 2015-2017 Cycle²

香港財務報告準則2015年至2017年週期的年度改進²

¹ 於2018年1月1日或之後開始的年度期間生效

² 於2019年1月1日或之後開始的年度期間生效

³ 於待確定日期或之後開始的年度期間生效

⁴ 於2021年1月1日或之後開始的年度期間生效

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號引入對金融資產、金融負債、一般對沖會計法之分類及計量之新規定及金融資產的減值要求。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

(Cont’d)

New and revised HKFRSs in issue but not yet effective (Cont’d)

HKFRS 9 Financial Instruments (Cont’d)

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 fair value through other comprehensive income (“FVTOCI”). All other financial assets 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. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

與本集團有關的香港財務報告準則第9號之主要規定載述如下：

- 所有屬香港財務報告準則第9號範圍內之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，目的是收取合約現金流量之業務模式內持有之債務投資，及合約現金流量僅為償還本金及尚未償還本金利息之債務投資，一般於其後會計期間結算日按攤銷成本計量。目的皆以收集合同現金流量及銷售金融資產而達成且按其業務模式內持有的債務工具，及其合同條款中於指定日期而產生的現金流僅為支付尚未償還欠款的本金和利息，其計量乃一般按公平值計量且其變動計入其他全面收益中(「透過其他全面收入按公平值列賬的方式」)。所有其他財務資產均於其後呈報期末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回之選擇，以於其他全面收益呈列權益投資(並非持作買賣者)公平值之其後變動，只有股息收入一般於損益賬確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

(Cont’d)

New and revised HKFRSs in issue but not yet effective (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 *Financial Instruments: Recognition and Measurement*. 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 2017, the directors of the Company anticipate the following potential impact on the initial application of HKFRS 9.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第9號金融工具(續)

- 就財務資產之減值而言，與香港會計準則第39號金融工具：確認與計量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。

根據本集團於2017年12月31日之金融工具及風險管理政策，本公司董事預期首次應用香港財務報告準則第9號將產生下述潛在影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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

(Cont'd)

New and revised HKFRSs in issue but not yet effective (Cont'd)

HKFRS 9 Financial Instruments (Cont'd)

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group's financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would be increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on trade and other receivables. Such further impairment recognised under expected credit loss model would reduce the opening retained earnings and increase the deferred tax assets at 1 January 2018.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第9號金融工具(續) 減值

整體而言，本公司董事預期應用香港財務報告準則第9號的預期信貸損失模型將導致本集團於應用香港財務報告準則第9號後，就本集團按攤銷成本計量之金融資產以及其他須作出減值撥備的項目之尚未產生的信貸虧損提前撥備。

根據本公司董事的評估，倘若本集團須應用預期信貸虧損模式，則本集團於2018年1月1日將予確認的累計減值虧損金額將較根據香港會計準則第39號確認的累計金額增加，主要是由於貿易及其他應收款項的預期信貸虧損撥備。按預期信貸虧損模式確認的進一步減值將減少於2018年1月1日的期初保留盈利及增加於2018年1月1日的遞延稅項資產。

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

(Cont'd)

New and revised HKFRSs in issue but not yet effective (Cont'd)

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.

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.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第15號來自客戶合同的收入

香港財務報告準則第15號經已頒佈，為實體對客戶合約收益之會計處理確立單一綜合模式。香港財務報告準則第15號於生效後將取代現時收益確認指引，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」以及相關詮釋。

香港財務報告準則第15號的核心原則是實體確認收益，以說明實體按交換商品或服務應得代價相同之金額向客戶轉讓所承諾商品或服務。特別地，該準則引入五步法確認收益：

- 步驟一：識別與客戶之間的合約。
- 步驟二：識別合約中之履行義務。
- 步驟三：釐定交易價格。
- 步驟四：分配交易金額至合約中需履行之義務。
- 步驟五：當(或按)實體滿足履行義務確認收入。

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

(Cont'd)

New and revised HKFRSs in issue but not yet effective (Cont'd)

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

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.

The directors of the Company anticipate that the application of HKFRS 15 may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第15號來自客戶合同的收入 (續)

根據香港財務報告準則第15號，實體當(或按)滿足履行義務確認收益，即有關特定履行義務之商品或服務「控制權」轉讓至客戶時確認收益。香港財務報告準則第15號已增添更多說明性指引以處理特定情況。此外，香港財務報告準則第15號要求廣泛披露。

於2016年，香港會計師公會頒佈有關香港財務報告準則第15號識別履約責任、委託人與代理的考量及許可證申請指引之澄清。

本公司董事預期，應用香港財務報告準則第15號可能導致更多披露，然而，本公司董事預期應用香港財務報告準則第15號將不會對相應呈報期內收益確認時間及金額有重大影響。

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

(Cont'd)

New and revised HKFRSs in issue but not yet effective (Cont'd)

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.

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 while other operating lease payments are presented as operating cash flows. Upon application of 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 by the Group.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。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號租賃及相關的詮釋。

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來區分租賃及服務合約。除短期租賃及低值資產租賃外，經營及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初步按租賃款項(非當日支付)之現值計量。隨後，租賃負債會就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將預付租賃款項呈列為與自用租賃土地有關的投資現金流量，其他經營租賃款項則呈列為經營現金流量。於應用香港財務報告準則第16號後，有關租賃負債的租賃款項將由本集團分配至本金及利息部分，並分別以融資經營現金流量呈列。

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綜合財務報表附註

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

(Cont'd)

New and revised HKFRSs in issue but not yet effective (Cont'd)

HKFRS 16 Leases (Cont'd)

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and 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.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of RMB7,639,000 as disclosed in note 26. A preliminary assessment indicates that these arrangements will meet the definition of a lease upon application of HKFRS 16, 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.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

根據香港會計準則第17號，本集團作為承租人就融資租賃安排及租賃土地之預繳租賃款項，本集團已就此確認為資產及相關融資租賃負債。應用香港財務報告準則第16號將視乎本集團單獨或於倘擁有資產時將呈列之相應有關資產之同一項目內呈列使用權資產而可能導致該等資產之分類發生潛在變動。

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號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於2017年12月31日，本集團有不可撤銷的經營租賃承擔為數人民幣7,639,000元(誠如附註26所披露)。初步評估顯示該等安排將符合應用香港財務報告準則第16號後租賃的定義，本集團將會就所有該等租賃確認使用權資產及對應負債，除非該等租賃符合低值或短期租賃。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

(Cont’d)

New and revised HKFRSs in issue but not yet effective (Cont’d)

HKFRS 16 Leases (Cont’d)

In addition, the Group currently considers received refundable rental deposits paid of RMB450,000 and refundable rental deposits received of RMB434,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

Except as described above, the directors of the Company consider that the application of the other new and revised HKFRSs is unlikely to have a material impact on the Group’s consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

(續)

已頒佈但尚未生效之新訂及經修訂之香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

此外，本集團目前將已支付的可退還租賃按金人民幣450,000元及已收取的可退還租賃按金人民幣434,000元視為香港會計準則第17號適用的租賃項下的權利及義務。根據香港財務報告準則第16號項下租賃款項的定義，有關按金並非與相關資產使用權有關的款項，因此，該等按金的賬面值可能會調整為攤銷成本，有關調整被視為額外租賃款項。對已支付的可退還租賃按金作出的調整將計入使用權利資產的賬面值中，而對已收取的可退還租賃按金作出的調整則被視為預付租賃款項。

此外，採用新規定或會導致上述計量、呈列及披露的變動。

除上文所披露者外，本公司董事認為，應用其他香港財務報告準則修訂不大可能會對本集團的綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

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 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.

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*.

3. 主要會計政策

綜合財務報表根據香港會計師公會頒佈的香港財務報告準則編製。此外，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」)規定的適用披露。

綜合財務報表乃於呈報期末按歷史成本編製(如下文所載會計政策所闡明)。

歷史成本一般按交換貨品所付代價的公平值計算。

公平值為市場參與者於計量日期進行的有序交易中出售資產所收取或轉讓負債所支付的價格，不論該價格為直接可觀察或使用另一種估值技巧估計得出。在估計資產或負債的公平值時，本集團考慮市場參與者於計量日期對該資產或負債進行定價時將會考慮的資產或負債的特點。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，惟屬香港財務報告準則第2號以股份為基礎的付款範圍內以股份支付的交易、香港會計準則第17號租賃範圍內的租賃交易以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號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值)則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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
- 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 when 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.

3. 主要會計政策(續)

此外，就財務申報而言，公平值計量根據公平值計量輸入數據的可觀察程度及公平值計量輸入數據對其整體的重要性分類為第一、第二或第三級，詳情如下：

- 第一級輸入數據為實體可於計量日期取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據為資產或負債的可直接或間接觀察的輸入數據(第一級所包括的報價除外)；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表載有本公司及本公司所控制實體及其子公司的財務報表。倘本公司符合以下情況，即取得控制權：

- 可對被投資方行使權力；
- 因參與被投資方業務而面對浮動回報的風險或享有其權利；及
- 有能力使用權力影響其回報。

倘有事實及情況顯示上文所列三項控制權要素中有一項或多項出現變動，則本集團重新評估其是否控制被投資方。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of consolidation (Cont'd)

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.

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

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

3. 主要會計政策(續)

綜合基準(續)

綜合子公司賬目於本集團取得子公司控制權時開始，並於本集團失去子公司控制權時終止。具體而言，於年內收購或出售子公司的收入及開支，會自本集團取得控制權之日期起直至本集團失去子公司控制權之日止計入綜合損益報表及其他全面收益。

利潤或虧損及其他全面收入的各項目會分配予本公司擁有人及非控股權益。子公司的全面收入總額會分配予本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘。

如有需要，子公司的財務報表會作出調整，使其會計政策與本集團的會計政策保持一致。

與本集團成員公司間交易有關的所有集團內資產及負債、權益、收入、開支及現金流量悉數於綜合賬目時對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associates other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

3. 主要會計政策(續)

於聯營公司之投資

聯營公司為本集團對其具有重大影響力之實體。重大影響力乃指可參與投資對象之財務及營運政策之權力，惟對該等政策並無控制權或共同控制權。

聯營公司之業績、資產及負債乃以會計權益法納入該等綜合財務報表。以權益會計法處理之聯營公司財務報表乃按與本集團就於類似情況下之交易及事件所採用者相同之會計政策編製。根據權益法，於聯營公司之投資乃初步按成本於綜合財務狀況表中確認，並作出調整以確認本集團分佔聯營公司之損益及其他全面收益。於該聯營公司的資產淨值(損益及其他全面收入除外)變動不入賬，除非該等變動導致本集團持有的所有權權益變動。當本集團分佔某聯營公司之虧損超出本集團於該聯營公司之權益(包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司之投資淨額之一部分)，則本集團不再繼續確認其分佔之進一步虧損。額外虧損乃以本集團已產生法定或推定責任或代表該聯營公司作出付款者為限而確認。

於投資對象成為一間聯營公司當日，於一間聯營公司之投資採用權益法入賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments in associates (Cont'd)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customers returns, rebates, and other similar allowance.

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, including sale of antenna system, base station RF subsystem and coverage extensive solution, is recognised when the goods are delivered and titles have passed.

3. 主要會計政策(續)

於聯營公司之投資(續)

香港會計準則第39號獲應用以釐定是否需要確認有關本集團投資於一間聯營公司之任何減值虧損。於有需要時，投資之全部賬面值(包括商譽)將會根據香港會計準則第36號作為單一資產進行減值測試，方法為比較其可收回金額(使用價值及公平值減銷售成本之較高者)與其賬面值。被確認之任何減值虧損均形成投資賬面值之一部分。該減值虧損之任何撥回根據香港會計準則第36號確認，惟受隨後增加之可收回投資金額規限。

當集團實體與本集團之一間聯營公司進行交易時，則與該聯營公司交易所產生損益僅於該聯營公司之權益與本集團無關時，方於本集團之簡明綜合財務報表確認。

收入確認

收入按已收或應收代價的公平值計算。收益已就估計客戶退貨、回扣及其他類似津貼作出扣減。

當未來經濟利益可能流入本集團及當已達成下文所述本集團各項活動的特定標準，而收入金額能可靠地計量，則確認收入。

銷售貨品所得收益，包括天線系統、基站射頻子系統及覆蓋延伸方案的銷售收入於貨品交付及所有權轉移時方確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue recognition (Cont'd)

Interest income is accrued on a time apportionment 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.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Property, plant and equipment

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

Construction in progress for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such construction in progress 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.

Depreciation is recognised so as to write off the cost of assets 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 method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 主要會計政策(續)

收入確認(續)

利息收入通過參照未償還本金額及實際適用利率按時間比例基準累算，實際適用利率即將金融資產於整個預計年期內的估計日後收取現金確切地折現至該資產初次確認時賬面淨值的利率。

本集團確認來自經營租賃的收益的會計政策載於下文有關租賃會計政策。

物業、廠房及設備

物業、廠房及設備包括持有以用於生產或供應貨物及服務或行政用途的樓宇(不包括下述在建物業)乃按成本減累計折舊及累計減值虧損(如有)於綜合財務狀況報表列賬。

作為生產、供應或行政用途的在建物業按成本減任何已確認減值虧損入賬。成本包括專業費用，對於合資格資產而言，借貸成本根據本集團會計政策資本化。有關物業於完成及可作擬定用途時歸入適當的物業、廠房及設備類別。該等資產於可作擬定用途時開始按與其他物業資產相同的基準折舊。

於在建物業以外資產估計可使用年期，以直線法確認折舊，以撇銷其成本。估計可使用年期、餘下價值及折舊方法於各呈報期末檢討，估計變動的影響按預期基準入賬。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment (Cont'd)

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.

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element 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 property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant 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 payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

3. 主要會計政策(續)

物業、廠房及設備(續)

物業、廠房及設備項目乃於出售時或當預期持續使用有關資產將不會產生未來經濟利益時取消確認。物業、廠房及設備項目出售或報廢產生的任何損益按銷售所得款項與資產賬面值的差額計算，於損益確認。

租賃土地及樓宇

當本集團就一項包括租賃土地及樓宇元素的物業權益付款時，本集團根據對於各元素所有權附帶的絕大部分風險及回報是否已轉移至本集團之評估而將各元素分別作出分類，除非明確顯示兩項元素均屬經營租賃則除外，其時整項物業入賬列作經營租賃。具體而言，整項代價(包括任何一次性預付款項)按租賃土地及樓宇元素於初步確認時之租賃權益相對公平值之比例在租賃土地與樓宇元素之間分配。

倘能夠可靠地分配有關付款，則入賬列作經營租賃的租賃土地權益於綜合財務狀況表內呈列為「預付租賃款項」，並於租期內按直線法攤銷。倘若無法在租賃土地與樓宇元素之間可靠地分配付款，則整項物業一般會按租賃土地屬融資租賃之方式分類。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible assets

Internally-generated intangible assets - 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;
- 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.

3. 主要會計政策(續)

無形資產

內部產生無形資產－研發開支

研究活動的開支於產生期間確認為開支。

由開發活動(或自內部項目開發階段)而引起的內部產生無形資產，僅在證明下列各項後方會確認：

- 無形資產技術上可行，將可供使用或出售；
- 完成、使用或出售無形資產的意向；
- 使用或出售無形資產的能力；
- 無形資產將產生潛在未來經濟利益的方式；
- 充分取得完成無形資產開發及使用或出售無形資產所需的技術、財務及其他資源；及
- 可靠計量無形資產於開發時應佔開支的能力。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible assets (Cont'd)

Internally-generated intangible assets-research and development expenditure (Cont'd)

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 recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any).

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives 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 relevant 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 asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When 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.

3. 主要會計政策(續)

無形資產(續)

內部產生無形資產－研發開支(續)

內部產生的無形資產按無形資產首度符合上述確認準則當日起所累計的開支總額而首次確認。倘無內部產生的無形資產可予確認，則開發費用於產生期間在損益確認。

於首次確認後，內部產生的無形資產按與分開收購的無形資產所採用的相同基準，以成本減累計攤銷及累計減值虧損(如有)呈報。

有形資產及無形資產減值虧損

於呈報期末，本集團審閱其具有限使用期的有形及無形資產的賬面值，以判斷該等資產是否出現減值虧損跡象。倘存在任何減值跡象，則會估計資產可收回金額以釐定減值虧損(如有)。具有無限可使用年期的無形資產及尚不可供使用的無形資產會至少每年進行一次減值測試，並在有跡象顯示其可能減值時隨時測試。

如無法估計某項個別資產的可收回金額，本集團將估計該項資產所屬的現金產生單位的可收回金額。倘能識別一個合理和貫徹的分配基準，亦會將企業資產分配至個別的現金產生單位，或分配至可以識別合理和貫徹的分配基準的現金產生單位最小組合。

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For year ended 31 December 2017

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible assets (Cont'd)

Impairment losses on tangible and intangible assets (Cont'd)

Recoverable amount is the higher of fair value less costs of disposal 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 (or a cash-generating unit) 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 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

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

3. 主要會計政策(續)

無形資產(續)

有形資產及無形資產減值虧損(續)

可收回金額乃指公平值減處置成本及在用價值兩者之較高者。於評定在用價值時，估計日後現金流量以稅前折現率折現至現值，稅前折現率反映貨幣時間價值的現時市場評估及與資產(或現金產生單位)相關的風險，而對未來現金流量的估計並無因此調整。

倘資產(或現金產生單位)的可收回款額估計少於賬面值，則資產(或現金產生單位)的賬面值調低至可收回款額。分配減值虧損時，減值虧損根據單位內各資產賬面值按比例分配。資產的賬面值不減至低於其公平值減去處置費用(如可計量)，其使用價值(如可確定)和零。將另行分配至資產的減值虧損金額按比例分配至該單位的其他資產。減值虧損於損益內即時確認。

凡減值虧損於其後撥回，則資產賬面值(或現金產生單位)增至可收回金額的經修訂估算值，惟增加後的賬面值不得高於在過往年度並未確認資產(或現金產生單位)減值虧損時應有的賬面值。減值虧損的撥回即時於損益確認。

存貨

存貨以成本或可變現淨值兩者中的較低者列賬。存貨成本乃按加權平均法釐定。可變現淨值乃指存貨的估計售價減去估計完成成本及完成銷售所需的估計成本後所得的數額。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments

Financial assets and financial liabilities are recognised 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 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 settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require 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 debt instrument 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 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 debt instrument, 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.

3. 主要會計政策(續)

金融工具

金融資產及金融負債在集團實體成為有關工具合同的訂約方時確認。

金融資產及金融負債初步按公平值計算。應直接計入收購或發行金融資產及金融負債的交易成本，於初次確認時計入或從金融資產或金融負債(如適用)的公平值扣減。

金融資產

本集團的金融資產為貸款及應收賬款。分類乃基於金融資產的性質及目的作出，於初步確認時釐定。金融資產的所有日常買賣於結算日確認及終止確認。日常買賣為須於根據市場規則或慣例訂立的時間框架內交收資產的金融資產買賣。

實際利率法

實際利率法是計算一項債務工具的已攤銷成本及將利息收入分攤予相關期間的方法。實際利率指將債務工具於整個預計年期或較短期間內(如適用)的估計未來可收取現金(包括所有已付或已收的費用及積分，該等費用為實際利率、交易成本及其他溢價或折讓的組成部分)準確折現至首次確認時的賬面淨值的利率。

債務工具的利息收入按實際利率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 balances and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on loan and receivables below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of loan and receivables

Loan and receivables are assessed for indicators of impairment at the end of each reporting period. Loan and receivables are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the loans and receivables, the estimated future cash flows of the loans and receivables have been affected.

Objective evidence of impairment could include:

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收賬款

貸款及應收賬款為有固定或可釐定付款且並無活躍市場報價的非衍生金融資產。於首次確認後，貸款及應收賬款(包括貿易及其他應收賬款、已抵押銀行結餘以及銀行結餘及現金)以實際利率法按攤銷成本減任何減值計量。(見下文關於貸款及應收賬款減值虧損的會計政策)。

利息收入按實際利率計算確認，惟短期應收賬項(其利息確認並不重大)除外。

貸款及應收賬款減值

於各呈報期末評估貸款及應收賬款是否出現減值跡象。當有客觀證據表明首次確認貸款及應收賬款後發生一項或多項事件，導致貸款及應收賬款的估計未來現金流量受到影響時，貸款及應收賬款視為減值。

減值的客觀證據可以包括：

- 發行人或對手方出現重大財務困難；或
- 違約，如拖欠或無法如期支付利息及本金；或
- 借款人有可能申請破產或財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of loan and receivables (Cont'd)

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 average credit period of 30-240 days (2016: 30-240 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 financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other 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 and other 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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收賬款減值(續)

貸款及應收賬款減值(續)對於若干貸款及應收賬款(如貿易應收賬款及應收票據),按共同基準評估改進,即使其不被評估為個別減值。應收賬款組合的客觀減值證據可以包括本集團過往的收款經驗、組合內延遲付款多於30至240日(2016年:30至240日)的平均信貸期的數字增加、國家或地方經濟狀況出現與應收賬款被拖欠有關的可察覺轉變。

對於按攤銷成本列賬的金融資產,確認減值虧損金額以資產值面值與按金融資產的原來實際利率折現的估計未來現金流量現值之間的差額計量。

金融資產的賬面值須直接扣除所有金融資產的減值虧損,惟貿易及其他應收賬款的賬面值在撥備賬戶扣減。撥備賬戶的賬面值變動於損益確認。被視為無法收回的貿易及其他應收賬款會在撥備賬戶中撇銷。隨後收回先前已撇銷的金額會計入損益賬。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of loan and receivables (Cont'd)

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 was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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 and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收賬款減值(續)

對於按攤銷成本計量的金融資產，倘減值虧損金額於日後期間減少，而有關減少客觀上與減值虧損確認後發生的事件有關，則先前已確認的減值將於損益撥回，惟減值撥回當日的投資賬面值不得超過未有確認減值而應有的攤銷成本。

金融負債及權益工具

集團實體發行的債務及權益工具乃根據合同安排的性質與金融負債及權益工具的定義而分類為金融負債或權益。

權益工具

權益工具為證明實體扣除所有負債後的資產中所剩餘權益的任何合同。本公司發行的權益工具按已收所得款項扣除直接發行成本確認。

購回本公司本身股本工具已直接於權益確認及扣除。概無就購買、出售、發行或註銷本公司本身股本工具之溢利或虧損確認收益或虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

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

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

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.

On derecognition of a financial asset, the difference between the asset's carrying amount and the consideration received and receivable is recognised in profit or loss.

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

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

實際利率法

實際利率法是計算金融負債的攤銷成本以及將利息開支分配至相關期間的方法。實際利率指將金融負債於整個預計有效或(如適用)較短期間內的估計未來現金付款(包括構成實際利率不可或缺部分的一切即場已付或已收費用、交易成本及其他溢價或折現)準確折現至初次確認的賬面淨值的利率。利息開支按實際利率基準確認。

利息開支按實際利率基準確認。

金融負債

金融負債(包括貿易及其他應付賬款、應付股息及銀行借款)隨後採用實際利率按攤銷成本計量。

取消確認

本集團僅於資產現金流量的合約權利屆滿或其轉讓金融資產並轉移絕大部分資產所有權風險及回報予另一實體時，才會取消確認金融資產。

於取消確認金融資產時，資產的賬面值與已收及應收代價的差額，將於損益中確認。

本集團僅會於集團責任遭解除、取消或屆滿時取消確認金融負債。取消確認的金融負債賬面值與實際支付或應付價款的差額，計入損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share-based payment transactions

Equity-settled share-based payment transactions

Share option scheme

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

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 tax as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and 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.

3. 主要會計政策(續)

以股份支付的交易

以權益結算以股份支付的交易

購股權計劃

股權結算以股份為基礎之付款予僱員及提供同類服務的其他人士按本工具於授出日期的公平值計量。

以授出當日(並無考慮所有非市場性質的歸屬條件)之公平值來釐定的以權益結算股份支付款項，按本集團估計權益工具將會最終歸屬的歸屬期間以直線法支銷，並於權益中(購股權儲備)作相應增加。

於各呈報期末，本集團重新估計預期將按所有相關非市場性質的歸屬條件的評估歸屬的權益工具數目。修訂原有估計的影響(如有)在損益中確認，以便累計開支反映經修訂估計，購股權儲備亦會作出相應調整。

行使購股權時，先前於購股權儲備中確認的金額將撥入股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未行使，先前於購股權儲備中確認的金額將撥入保留盈利。

稅項

所得稅開支乃指即期應付稅項及遞延稅項的總和。

即期應付稅項基於年度應課稅溢利計算。應課稅利潤與綜合損益及其他全面收益報表內呈報的稅前利潤不同，是由於其他年度應課稅或可扣稅的收益或開支及不曾課稅或扣減的項目所致。本集團的即期稅項負債按呈報期末已頒佈或實質上已頒佈的稅率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation (Cont'd)

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of 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 and associates 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 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 each 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.

3. 主要會計政策(續)

稅項(續)

遞延稅項按綜合財務報表中資產與負債的賬面值與計算應課稅溢利時採用的相應稅基的暫時差額確認。遞延稅項負債一般就一切應課稅暫時差額而確認，而遞延稅項資產一般在可能產生應課稅溢利以抵銷可扣稅暫時差額的情況下，就所有可扣稅暫時差額確認。倘暫時差額源自因首次確認交易中的資產或負債(業務合併除外)且對應課稅溢利或會計溢利概無影響，則該等遞延稅項資產及負債不予確認。

遞延稅項負債就於子公司及聯營公司的投資相關的應課稅暫時差額作出確認，惟本集團能控制暫時差額的撥回及暫時差額於可見未來不會撥回的情況除外。與該等投資相關的可扣稅暫時差額產生的遞延稅項資產，僅在可能有足夠應課稅溢利用於抵銷暫時差額利益，並預期於可見未來撥回的情況下方會確認。

遞延稅項資產的賬面值於各呈報期末審閱，並於不再可能有足夠應課稅溢利可收回全部或部分資產時作出扣減。

遞延稅項資產及負債按預期適用於清償負債或變現資產期間的稅率計算，有關稅率(及稅法)乃於呈報期末已頒佈或實質已頒佈者。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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 recognised at the rates of exchanges 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.

3. 主要會計政策(續)

稅項(續)

遞延稅項負債及資產的計量反映本集團預期於呈報期末收回或清償資產及負債的賬面值時出現的稅務後果。

即期與遞延稅項於損益確認，惟與其他全面收益報表或直接於權益中確認的項目相關者除外，在該等情況下，即期與遞延稅項亦於其他全面收益報表或直接於權益中確認。

外幣

編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)進行的交易按交易日期的匯率確認。於呈報期末，以外幣計值的貨幣項目按當日的匯率重新換算。以外幣按過往成本計量的非貨幣項目毋須重新換算。

於結算及重新換算貨幣項目時產生的匯兌差額乃於其產生的期間於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 assets until such time as the assets are substantially ready for their intended use or sale.

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

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 rational 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.

Retirement benefits costs

Payments to state-managed retirement benefit schemes which are classified as defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

借貸成本

收購、建造或生產未完成資產(需相當長一段時間方可作擬定用途或出售者)直接應佔借貸成本計入該等資產的成本，直至該等資產大致可作擬定用途或可供銷售。

所有其他借貸成本均於產生期間在損益確認。

政府補助金

直至合理確保本集團將達成相關所附條件並將獲得有關補助金時方會確認政府補助金。

於補助金擬用於補償的相關成本確認為開支期間，政府補助金有系統地於損益確認。具體而言，主要條件為本集團須採購、建設或以其他方式購買非流動資產的政府補助金於綜合財務狀況報表內確認為遞延收入，並於有關資產的可用年期內按系統及合理的基準轉撥至損益。

用於補貼已產生的開支或虧損或用作向本集團提供即時財務資助且日後不會產生相關成本的應收政府補助金，於應收取的期間在損益確認為收入。

退休福利成本

國家管理退休福利計劃(被分類為界定供款計劃)的供款，於僱員提供服務而享有供款時作為開支確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

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 are recognised as an expense on a straight-line basis over the lease term.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

3. 主要會計政策(續)

短期及其他長期僱員福利

短期僱員福利按僱員提供服務時預計將予支付的未折現福利金額予以確認。所有短期僱員福利將確認為開支，惟其他香港財務報告準則另有規定或允許將福利計入資產成本則除外。

負債乃按應給予僱員的福利(如工資及薪金、年假及病假)扣除任何已支付的金額後進行確認。

就其他長期僱員福利所確認的負債按本集團所預測的僱員截至報告日期所提供服務相關的估計未來現金流出的現值計量。因服務成本、利息及重新計量而產生的負債賬面值的任何變化均在損益中確認，惟其他香港財務報告準則另有規定或允許將其計入資產成本則除外。

租賃

凡租約條款規定將擁有權的絕大部分風險及回報撥歸承租人的租約均列作融資租賃。所有其他租約則列作經營租賃。

本集團作為承租人

經營租賃付款以直線法在租期內確認為開支。

本集團作為出租人

經營租賃之租金收入於損益內按有關租約年期內以直線法確認。磋商及安排經營租賃時產生之初步直接成本會加入租賃資產之賬面值。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTIES

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Write down of inventories

The Group writes down inventories based on an assessment of the net realisable value of inventories. Allowance is applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The identification of obsolete inventories requires the use of judgment and estimates on the conditions and usefulness of the inventories. The management may consider the aging analysis, technology development of the industry, net realisable value for obsolete and slow-moving inventories that are no longer suitable for use in operation and subsequent sales or usage. Where the actual outcome or expectation of the net realisable value of inventories is different from the original estimate, such difference will impact the carrying value of inventories and write-down for inventories in the period in which such estimate has changed. The carrying amount of inventories at 31 December 2017 was RMB413,384,000, net of write down of RMB69,005,000 (2016: RMB340,202,000 (net of write down of RMB19,768,000)).

4. 估計不明朗因素的主要來源

於應用本集團的會計政策(於附註3闡述)時，本公司董事須作出有關未能從其他來源輕易獲得的資產及負債賬面值的判斷、估計及假設。估計及相關假設乃基於過往經驗及認為與其有關的其他因素。實際業績可能與該等估計不同。

估計及相關假設會持續檢討。倘會計估計的修訂僅影響估計修訂的期間，則會計估計的修訂於該期間確認，倘會計估計的修訂影響現時及未來期間，則會計估計的修訂於修訂期間及未來期間確認。

以下為於呈報期末，可能構成重大風險以致須對下一個財政年度資產及負債的賬面值作出重大調整的有關日後的主要假設及估計不明朗因素的其他主要來源。

存貨撇減

本集團以存貨可變現淨值的評估為基準撇減存貨。倘有事件或環境變化顯示存貨的可變現淨值低於成本，則須對存貨計提撥備。陳舊存貨的識別須對存貨的狀況及是否可用作出判斷及估計。管理層可能考慮賬齡分析及行業技術發展以及不適合作經營及後續銷售或使用的陳舊及滯銷存貨的可變現淨值。倘存貨可變現淨值的實際結果或預期與原先估計不同，有關差額將影響有關估計出現變動的期間內的存貨及存貨撇減賬面值。於2017年12月31日，存貨的賬面值為人民幣413,384,000元(扣除撇減人民幣69,005,000元)(2016年：人民幣340,202,000元(扣除撇減人民幣19,768,000元))。

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

Estimated allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of trade receivables. Allowance is applied to trade receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the management's judgment and estimation of future cash flows. The management may consider the credit history including default or delay in settlement, subsequent settlements, ageing analysis of the trade receivables and financial position of debtors. Where the actual outcome or expectation of the recoverability of trade receivables is different from the original estimate, such difference will impact the carrying value of trade receivables and allowance for doubtful debts in the period in which such estimate has changed. As at 31 December 2017, the carrying amount of trade receivables was RMB485,929,000 (net of allowance of RMB11,660,000) (2016: carrying amount of RMB454,648,000 (net of allowance of RMB5,628,000)).

Income taxes

As at 31 December 2017, a deferred tax asset of RMB17,994,000 (2016: RMB6,622,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of RMB10,323,000 (2016: RMB4,270,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

4. 估計不明朗因素的主要來源(續)

估計呆賬撥備

本集團依據對貿易應收款項可收回性的評估計提呆賬撥備。倘有事件或環境變化顯示結餘可能無法收回時，則須對貿易應收款項計提撥備。呆賬的識別須有管理層對未來現金流量的判斷及估計。管理層可能考慮信貸記錄包括拖欠或延遲償付、後續結算、貿易應收款項的賬齡分析及債務人的財務狀況。倘貿易應收款項可收回性的實際結果或預期與原先估計不同，有關差額將影響有關估計出現變動的期間內貿易應收款項及呆賬撥備的賬面值。於2017年12月31日，貿易應收款項的賬面值為人民幣485,929,000元(扣除撥備人民幣11,660,000元)(2016年：賬面值人民幣454,648,000元(扣除撥備人民幣5,628,000元))。

所得稅

於2017年12月31日，有關未動用稅項虧損的遞延稅項資產為人民幣17,994,000元(2016年：人民幣6,622,000元)已於本集團綜合財務狀況表中確認。由於無法預知未來溢利來源，故並無就稅項虧損人民幣10,323,000元(2016年：人民幣4,270,000元)確認遞延稅項資產。遞延稅項資產的變現主要有賴於是否有足夠未來溢利或應課稅暫時差額將來可供利用而定。倘若產生之實際未來應課稅溢利少或多於預期，或事實及情況的變動造成未來應課稅溢利之估計修訂，則可能產生遞延稅項資產的重大撥回或進一步確認，而有關數額將於有關撥回或進一步確認產生期間在損益內確認。

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5. REVENUE AND SEGMENT INFORMATION

Information reported to the chief executive officer of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable and operating segments under HKFRS 8 are as follows:

Antenna system - manufacture and sale of antenna system and related products

Base station RF subsystem - manufacture and sale of base station RF subsystem and related products

Coverage extension solution - manufacture and sale of a wide array of coverage products.

5. 收入及分部資料

就分配資源及評估分部表現而向本公司行政總裁，即最高營運決策人呈報的資料主要為所交付或提供的產品或服務類別。在設定本集團的報告分部時，主要營運決策人並無將所識別的營運分部彙合。

本集團根據香港財務報告準則第8號的可呈報及經營分部如下：

天線系統－製造及銷售天線系統及相關產品

基站射頻子系統－製造及銷售基站射頻子系統及相關產品

覆蓋延伸方案－製造及銷售各種覆蓋產品

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information of segment revenues and segment results

5. 收入及分部資料(續)

有關分部收入及分部業績的資料

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Segment revenues	分部收入		
Antenna system	天線系統	754,791	882,650
Base station RF subsystem	基站射頻子系統	592,806	482,847
Coverage extension solution	覆蓋延伸方案	74,844	94,207
		1,422,441	1,459,704
Segment results	分部業績		
Antenna system	天線系統	154,147	239,847
Base station RF subsystem	基站射頻子系統	(41,997)	15,943
Coverage extension solution	覆蓋延伸方案	27,192	7,998
Reconciliation of segment results to (loss) profit before taxation:	分部業績與稅前 (虧損)利潤對賬:		
Other income and expenses	其他收入及開支	139,342	263,788
Unallocated corporate expenses	未分配企業開支	32,374	27,742
Finance costs	財務成本	(217,745)	(206,183)
Share of results of associates	應佔聯營公司業績	(14,568)	(13,099)
		(383)	(292)
(Loss) profit before taxation	稅前(虧損)利潤	(60,980)	71,956

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information of segment revenues and segment results (Cont'd)

5. 收入及分部資料(續)

有關分部收入及分部業績的資料(續)

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other segment information	其他分部資料		
Depreciation:	折舊：		
Antenna system	天線系統	12,061	13,760
Base station RF subsystem	基站射頻子系統	9,452	7,527
Coverage extension solution	覆蓋延伸方案	1,193	1,469
Segment total (Note)	分部總計(附註)	22,706	22,756
Unallocated amount	未分配金額	16,257	14,941
Group total	集團總計	38,963	37,697
Research and development costs:	研發成本：		
Antenna system	天線系統	55,406	48,598
Base station RF subsystem	基站射頻子系統	47,698	38,812
Coverage extension solution	覆蓋延伸方案	3,643	2,274
Group total (Note)	集團總計(附註)	106,747	89,684
Amortisation	攤銷		
Antenna system	天線系統	3,517	6,286
Base station RF subsystem	基站射頻子系統	2,755	3,438
Group total (Note)	集團總計(附註)	6,272	9,724
Allowance for inventories	存貨撥備		
Base station RF subsystem	基站射頻子系統	55,228	5,700
Group total (Note)	集團總計(附註)	55,228	5,700

Note: Amounts included in the measure of segment results.

附註：已包括計量分部業績的金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information of segment revenues and segment results (Cont'd)

Revenues reported above represent revenues generated from external customers.

There are no inter-segment sales for the year ended 31 December 2017 and 2016.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. The Group does not allocate other income and expenses, unallocated corporate expenses, finance costs and share of results of associates to individual reportable segments when making decisions about resources to be allocated to the segments and assessing their performance. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

No segment information on assets and liabilities is presented as such information is not reported to the CODM for the purposes of resource allocation and performance assessment.

5. 收入及分部資料(續)

有關分部收入及分部業績的資料(續)

上文呈報的收入為來自外部客戶的收入。截至2017年及2016年12月31日止年度並無分部間銷售。

經營分部的會計政策與附註3所述本集團的會計政策相同。本集團於決定分配資源予各分部及評估其表現時，不會將其他收入及開支、未分配企業開支、財務成本及應佔聯營公司業績分配予個別呈報分部。此乃向最高營運決策人呈報以用作分配資源及評估表現的方式。

由於資產及負債分部資料並無向最高營運決策人呈報以用作分配資源及評估表現，故並無呈列該等資料。

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Entity-wide disclosures:

Information about products

Revenues from each group of similar products within the operating segments are as follows:

5. 收入及分部資料(續)

實體全面披露資料：

有關產品的資料

經營分部內各類似產品組別的收入如下：

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
<i>Antenna system</i>	<i>天線系統</i>		
Low-band refarming/ IoT antennas	低頻重耕／物聯網天線	235,936	6,502
Multi-band/Multi-system antennas	多頻／多系統天線	202,841	78,974
W-CDMA/FDD-LTE single-band/multi-band antennas	W-CDMA/FDD-LTE 窄頻／ 多頻天線	118,094	259,437
TD-LTE/SCDMA antennas	TD-LTE/SCDMA 天線	47,202	343,296
CDMA/GSM antennas	CDMA/GSM 天線	34,270	76,990
Microwave antennas	微波天線	21,374	22,934
AAU antennas	AAU 多頻天線	16,708	31,707
Other antennas	其他天線	78,366	62,810
		754,791	882,650
<i>Base station RF subsystem</i>	<i>基站射頻子系統</i>		
Low-band refarming/ IoT RF devices	低頻重耕／物聯網射頻器件	203,404	33,430
W-CDMA/LTE RF devices	W-CDMA/LTE 射頻器件	184,736	304,358
GSM RF devices	GSM 射頻器件	93,055	89,872
TD-SCDMA RF devices	TD-SCDMA 射頻器件	79,951	20,682
Other devices	其他器件	31,660	34,505
		592,806	482,847
<i>Coverage extension solution</i>	<i>覆蓋延伸方案</i>		
Aesthetic antennas	美化天線	70,821	77,556
Other products	其他產品	4,023	16,651
		74,844	94,207
		1,422,441	1,459,704

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information about major customers

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

		2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
Customer A ¹	客戶 A ¹	655,577	809,556
Customer B ²	客戶 B ²	236,795	72,969
Customer C ¹	客戶 C ¹	230,497	162,112

¹ Revenue from antenna system and base station RF subsystem.

² Revenue from antenna system

Geographical information

Information about the Group's revenue from external customers is presented based on the location where the goods are delivered to:

		2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
The PRC	中國	1,143,301	1,280,882
Overseas	海外		
Russia	俄羅斯	56,869	10,837
Mexico	墨西哥	50,665	44,520
Netherlands	荷蘭	46,377	31,847
India	印度	39,060	2,866
Japan	日本	20,629	19,047
Taiwan, PRC	中國台灣	19,021	5,983
Canada	加拿大	18,468	17,221
Others	其他	28,051	46,501
Subtotal	小計	279,140	178,822
		1,422,441	1,459,704

All non-current assets (other than deferred tax assets) of the Group are located in the PRC.

5. 收入及分部資料(續)

有關主要客戶的資料

來自於有關年度對本集團收入總額貢獻超過10%的客戶的收入如下：

	2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
Customer A ¹	655,577	809,556
Customer B ²	236,795	72,969
Customer C ¹	230,497	162,112

¹ 主要來自天線系統及基站射頻子系統的收入。

² 主要來自天線系統的收入

地區資料

有關本集團來自外部客戶收入的資料乃根據交付貨物的位置呈列：

	2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
The PRC	1,143,301	1,280,882
Overseas		
Russia	56,869	10,837
Mexico	50,665	44,520
Netherlands	46,377	31,847
India	39,060	2,866
Japan	20,629	19,047
Taiwan, PRC	19,021	5,983
Canada	18,468	17,221
Others	28,051	46,501
Subtotal	279,140	178,822
	1,422,441	1,459,704

本集團所有非流動資產(遞延稅項資產除外)均位於中國。

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6. OTHER INCOME AND EXPENSES

6. 其他收入及開支

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Government grants	政府補助金		
– related to expense items (Note)	– 與開支項目相關(附註)	9,157	12,977
– related to assets (note 23)	– 與資產相關(附註23)	4,620	4,622
Rental income	租金收入	8,859	7,593
Interest income from bank deposits	銀行存款利息收入	4,539	4,360
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	(1,138)	(1,584)
Compensation income (expense)	補償收入(開支)	4,425	(193)
Others	其他	1,912	(33)
		32,374	27,742

Note: The amounts represent incentives from various PRC government authorities in connection with the enterprise expansion support, technology advancement support and product development support during the year, which had no conditions imposed by the respective PRC government authorities.

附註：該等款項指年內中國各政府機關就支持企業擴展、技術進步及產品開發所給予的獎勵。該等相關中國政府機關授予的獎勵並無附帶條件。

7. FINANCE COSTS

7. 財務成本

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on bank borrowings	銀行借款利息	14,568	13,099

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8. TAXATION

8. 稅項

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current Tax:	即期稅項：		
PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)	371	11,517
Hong Kong Profits Tax	香港利得稅	55	1,089
		426	12,606
Under provision in prior year	上年度撥備不足	—	359
Deferred tax (note 15)	遞延稅項(附註15)	(12,897)	(6,858)
		(12,471)	6,107

The Company was incorporated in the Cayman Islands and is exempted from income tax. It is not subject to tax in other jurisdictions.

本公司於開曼群島註冊成立，故毋須繳納所得稅。本公司毋須繳交其他司法權區的稅項。

Hong Kong

The applicable tax rate of MOBI Technology (Hong Kong) Limited ("MOBI HK") is 16.5% of the estimated assessable profit for both years.

香港

摩比科技(香港)有限公司(「摩比香港」)兩年度的估計應課稅溢利的適用稅率為16.5%。

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綜合財務報表附註

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8. TAXATION (Cont'd)

The PRC

In September 2014, MOBI Shenzhen was defined by Shenzhen Finance Bureau, Administrator of Local Taxation of Shenzhen Municipality and Shenzhen Municipal office of the State Administration of Taxation (the "Authorities") as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from EIT for three years starting from the year ended 31 December 2014, according to the New PRC Enterprise Income Tax Law. On 31 October 2017, the Authorities have further extended the preferential tax rate for another three years starting from the year ended 31 December 2017. Accordingly, the tax rate for MOBI Shenzhen is 15% for the year ended 31 December 2017 and 2016.

In December 2016, MOBI Technologies (Xi An) Co., Ltd. ("MOBI Xian") was defined by Province Finance Bureau and Administrator of Local Taxation of Municipality and Municipal office of the State Administration of Taxation in Shaan Xi, as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from EIT for three years starting from the year ended 31 December 2016, according to the New PRC Enterprise Income Tax Law. Accordingly, the tax rate of MOBI Xian is 15% for the year ended 31 December 2017 and 2016.

In November 2016, MOBI Telecommunications Technologies (Ji An) Co., Ltd. ("MOBI Jian") was defined by Province Finance Bureau and Administrator of Local Taxation of Municipality and Municipal office of the State Administration of Taxation in Jiang Xi, as a High and New Technology Enterprise and therefore was entitled to 15% preferential tax rate from EIT for three years starting from the year ended 31 December 2016, according to the New PRC Enterprise Income Tax Law. Accordingly, the tax rate of MOBI Jian is 15% for the year ended 31 December 2017 and 2016.

The applicable tax rate of other PRC subsidiaries are 25% (2016: 25%) for the year ended 31 December 2017.

8. 稅項(續)

中國

於2014年9月，摩比天線技術(深圳)有限公司(「摩比深圳」)獲深圳財政局、深圳市地方稅務局及深圳市國家稅務局(「當局」)認定為高新技術企業，因此可根據新中國企業所得稅法由截至2014年12月31日止年度起三年以15%的優惠稅率繳納企業所得稅。於2017年10月31日，當局已進一步將優惠稅率由截至2017年12月31日止年度起再延長三年。因此，摩比深圳的稅率於截至2017年及2016年12月31日止兩個年度為15%。

於2016年12月，摩比科技(西安)有限公司(「摩比西安」)獲陝西省財政廳、陝西省地方稅務局及陝西省國家稅務局認定為高新技術企業，因此可根據新中國企業所得稅法自截至2016年12月31日止年度起三年以15%的優惠稅率繳納企業所得稅。因此，摩比西安於截至2017年及2016年12月31日止年度的稅率為15%。

於2016年11月，摩比通訊技術(吉安)有限公司(「摩比吉安」)獲江西省財政廳、江西省地方稅務局及江西省國家稅務局認定為高新技術企業，因此可根據新中國企業所得稅法自截至2016年12月31日止年度起三年以15%的優惠稅率繳納企業所得稅。因此，摩比吉安於截至2017年及2016年12月31日止兩個年度的稅率為15%。

截至2017年12月31日止年度，其他中國子公司的適用稅率為25%(2016年：25%)。

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綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

8. TAXATION (Cont'd)

The PRC (Cont'd)

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

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
(Loss) profit before taxation	稅前(虧損)利潤	(60,980)	71,956
Tax at PRC EIT at 15% (Note a)	按中國企業所得稅稅率15% 計算的稅項(附註a)	(9,147)	10,793
Tax effect of expenses not deductible for tax purpose	不獲稅項減免開支的稅務影響	2,438	1,370
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(329)	(390)
Tax benefit (Note b)	稅務利益(附註b)	(6,177)	(5,338)
Tax effect of tax losses not recognised	未確認稅務虧損的稅務影響	1,513	—
Tax effect of deductible temporary differences not recognised	未確認可抵扣暫時差額的 稅務影響	—	(378)
Effect of different tax rates of group entities	集團實體的不同稅率的影響	(769)	(309)
Under provision in prior year	上年度撥備不足	—	359
		(12,471)	6,107

Notes:

- (a) Applicable income tax rate of 15% represents the relevant income tax rate of MOBI Shenzhen, MOBI Jian and MOBI Xian, the major subsidiaries of the Company.
- (b) Tax benefit represents an incentive scheme that, in addition to the research and development cost incurred which is deductible for tax purpose, a further 50% of certain of the research and development cost incurred is deductible.

8. 稅項(續)

中國(續)

年內稅項可與綜合損益及其他全面收益表的除稅前(虧損)溢利對賬如下：

	2017	2016
	2017年	2016年
	RMB' 000	RMB' 000
	人民幣千元	人民幣千元
(Loss) profit before taxation	(60,980)	71,956
Tax at PRC EIT at 15% (Note a)	(9,147)	10,793
Tax effect of expenses not deductible for tax purpose	2,438	1,370
Tax effect of income not taxable for tax purpose	(329)	(390)
Tax benefit (Note b)	(6,177)	(5,338)
Tax effect of tax losses not recognised	1,513	—
Tax effect of deductible temporary differences not recognised	—	(378)
Effect of different tax rates of group entities	(769)	(309)
Under provision in prior year	—	359
	(12,471)	6,107

附註：

- (a) 15%的適用所得稅稅率指產生本集團大部分應課稅溢利的本公司主要子公司摩比深圳、摩比吉安及摩比西安的相關所得稅稅率。
- (b) 稅務利益指獎勵計劃，即除研發成本獲減免稅項外，另外50%的若干已產生研發成本亦可扣稅。

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9. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at after charging (crediting) the following items:

9. 年度(虧損)利潤

年度(虧損)利潤已扣除(計入)以下項目：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Directors' remuneration (note 10)	董事酬金(附註10)	5,807	7,064
Retirement benefits scheme contributions	退休福利計劃供款	29,993	24,216
Equity-settled share based payment	以權益結算以股份為基礎的付款	2,272	6,100
Staff costs included in research and development costs	研發員工成本	71,218	51,056
Other staff costs	其他員工成本	240,651	186,221
		349,941	274,657
Auditors' remuneration (including remuneration for non-audit services)	核數師酬金(包括非核數服務的酬金)	2,551	2,126
Operating lease rentals in respect of	有關以下各項的經營租賃租金		
– prepaid lease payments	– 預付租賃款項	668	668
– rented premises	– 已租物業	9,505	5,814
Depreciation of property, plant and equipment	物業、廠房及設備折舊	38,963	37,697
Amortisation of intangible assets	無形資產攤銷	6,272	9,724
Cost of inventories recognised as expenses	確認為開支的存貨成本	1,176,352	1,106,232
Allowance for inventories (included in cost of sales)	存貨撥備(計入銷售成本)	55,228	5,700
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	1,138	1,584
Allowance for (reversal of allowance for) doubtful debts	呆賬撥備計提(撥回)	7,927	(106)

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截至2017年12月31日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments

The emoluments paid or payable to each of the directors and chief executive by the Group in connection with the management of the affairs of the Group, disclosed pursuant to the applicable listing Rule and Companies Ordinance are as follows:

10. 董事及主要行政人員酬金

董事及主要行政人員酬金

根據適用的上市規則及公司條例所披露，本集團已付或應付各董事及主要行政人員的酬金如下：

		2017 2017年					
		Retirement benefits scheme contributions		Bonus	Other emoluments (mainly basic salaries and allowances) 其他酬金 (主要包括 底薪 及津貼)	Equity-settled share base payment 以權益結算 以股份為 基礎的付款	Total
		Fees 袍金	退休福利 計劃供款	Bonus 獎金	底薪 及津貼	以股份為 基礎的付款	Total 總計
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Executive directors	執行董事						
Hu Xiang (Note a)	胡翔(附註a)	87	—	1,084	657	109	1,937
Liao Dong	廖東	69	21	955	633	135	1,813
Chen Zhaojun	陳兆軍	69	20	725	609	91	1,514
Non-executive director	非執行董事						
Qu Deqian	屈德乾	86	—	—	—	42	128
Independent non-executive directors	獨立非執行董事						
Li Tianshu	李天舒	156	—	—	—	—	156
Zhang Han	張涵	121	—	—	—	—	121
Li Guinian	李桂年	138	—	—	—	—	138
		726	41	2,764	1,899	377	5,807

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

Directors' and chief executive's emoluments (Cont'd)

10. 董事及主要行政人員酬金 (續)

董事及主要行政人員酬金 (續)

				2016		2016年	
				Other emoluments (mainly basic salaries and allowances)		Equity-settled share base payment	
		Retirement benefits scheme contributions		其他酬金 (主要包括底薪及津貼)		以權益結算以股份為基礎的付款	
		Fees	Retirement benefits scheme contributions	Bonus	Other emoluments (mainly basic salaries and allowances)	Equity-settled share base payment	Total
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事						
Hu Xiang (Note a)	胡翔(附註a)	87	—	1,604	522	237	2,450
Liao Dong	廖東	69	18	1,166	501	323	2,077
Chen Zhaojun (Note b)	陳兆軍(附註b)	30	17	1,029	472	229	1,777
Non-executive directors	非執行董事						
Qu Deqian	屈德乾	86	—	—	—	106	192
Yang Dong (Note b)	羊東(附註b)	49	—	—	—	106	155
Independent non-executive directors	獨立非執行董事						
Li Tianshu	李天舒	156	—	—	—	—	156
Zhang Han	張涵	137	—	—	—	—	137
Li Guinian	李桂年	120	—	—	—	—	120
		734	35	3,799	1,495	1,001	7,064

The executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries and their services in connection with the management of the affairs of the Company or its subsidiaries. The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Certain executive directors of the Company are entitled to bonus payments which are determined based on the performance of the Group.

以上所載執行董事之酬金乃關於彼等擔任本公司或其子公司董事及就本公司或其子公司管理事務已提供之服務。以上所載之非執行董事之酬金乃關於彼等作為本公司或其子公司董事已提供之服務。以上所載獨立非執行董事之酬金乃關於彼等作為本公司董事已提供之服務。

本公司若干執行董事可獲發根據本集團表現釐定的花紅。

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

Directors' and chief executive's emoluments (Cont'd)

Notes:

- (a) Mr. Hu Xiang is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

The retirement benefit scheme contribution of Mr. Hu Xiang is paid by Shenzhen Zhongxing Weixiantong Shebei Co., Ltd. (深圳市中興維先通設備有限公司) ("SZWS") as he is also a director of SZWS. SZWS is controlled by a group of common controlling shareholders of the Company and SZWS (details of which are set out in the prospectus of the Company dated 4 December 2009).

- (b) On 26 July 2016, the board of directors approved the resignation of Mr. Yang Dong from non-executive director and approved Mr. Chen Zhaojun as an executive director with effect from 26 July 2016.

During the year ended 31 December 2017 and 2016, no emoluments were paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors or the five highest paid individuals has waived any emoluments during the year ended 31 December 2017 and 2016.

10. 董事及主要行政人員酬金 (續)

董事及主要行政人員酬金 (續)

附註：

- (a) 胡翔先生亦為本公司行政總裁，以上所披露酬金包括其作為行政總裁提供服務的酬金。

深圳市中興維先通設備有限公司（「深圳維先通」）已向胡翔先生支付退休福利計劃供款，乃由於彼亦為深圳維先通董事。深圳維先通由本公司及深圳維先通的一組共同控股股東所控制（有關詳情載於本公司於2009年12月4日刊發的招股章程）。

- (b) 2016年7月26日，董事會批准羊東先生辭任非執行董事，並批准委任陳兆軍先生為執行董事一職，自2016年7月26日起生效。

截至2017年及2016年12月31日止年度，本集團並無向董事或五名最高薪酬人士支付酬金，作為邀請加盟或於加盟本集團後的獎勵，或作為離職補償。截至2017年及2016年12月31日止年度，概無任何董事或五名最高薪酬人士放棄收取任何酬金。

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

Employees

The five highest paid individuals included three (2016: three) directors for the year ended 31 December 2017, details of whose emoluments are set out above. The emoluments of the remaining two (2016: two) highest paid individuals are as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
– salaries and other benefits	– 薪金及其他福利	1,110	965
– bonus	– 獎金	1,632	1,830
– equity-settled share based payment	– 以權益結算以股份為基礎的付款	180	452
– contributions to retirement benefits scheme	– 退休福利計劃供款	40	36
		2,962	3,283

Their emoluments were within the following bands:

彼等的薪酬介於以下範圍：

		2017	2016
		2017年	2016年
		No. of employees	No. of employees
		僱員人數	僱員人數
– Nil to HKD1,000,000 (note)	– 零至1,000,000港元(附註)	—	—
– HKD1,000,001 to HKD1,500,000	– 1,000,001港元至1,500,000港元	2	2

Note: HKD is short for Hong Kong dollar.

附註：港元為香港港元縮寫。

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II. DIVIDENDS

II. 股息

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Dividends recognised as distribution during the year:	年內確認作分派的股息：		
2016 final dividend of HKD0.04 per share	2016年末期股息每股0.04港元		
(2016: 2015 final dividend of HKD0.04 per share)	(2016年：2015年末期股息		
(note)	每股0.04港元)(附註)	28,442	28,072

Subsequent to the end of the reporting period, a final dividend of HKD0.04 per share respect of the year ended 31 December 2017 amounting to approximately HKD32,828,000 (equivalent to RMB26,429,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

The final dividend of HKD0.04 per share in respect of the year ended 31 December 2016 was approved by the shareholders in the 2017 annual general meeting on 25 May 2017.

於呈報期末後，董事建議派付截至2017年12月31日止年度的末期股息每股0.04港元，合共約32,828,000港元（相等於人民幣26,429,000元），須待股東於應屆股東週年大會上批准方可作實。

截至2016年12月31日止年度的末期股息每股0.04港元於2017年5月25日的2017年股東週年大會上經股東批准。

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12. (LOSS) EARNINGS PER SHARE

The earning figures for calculation of the basic and diluted (loss) earnings per share attributable to the ordinary owners of the Company are based on the following data:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<i>(Loss) earnings</i>	<i>(虧損) 盈利</i>		
(loss) profit for the year and attributable to owners of the Company and (loss) earnings for purpose of basic and diluted (loss) earnings per share	本公司擁有人應佔年內(虧損)溢利及用作計算每股基本及攤薄(虧損)盈利的(虧損)盈利	(48,509)	65,849

		2017	2016
		2017年	2016年
		'000	'000
		千股	千股
<i>Number of shares</i>	<i>股份數目</i>		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	用作計算每股基本(虧損)盈利的普通股加權平均數	819,364	818,907
Effect of dilutive potential ordinary shares – 2013 share options	普通股潛在攤薄影響 – 2013年購股權	—	628
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	用作計算每股攤薄(虧損)盈利的普通股加權平均數	819,364	819,535

For the year ended 31 December 2017, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share option since their exercise would result in a decrease in loss per share.

截至2017年12月31日止年度每股攤薄盈利的計算，並無假設行使本公司尚未行使購股權，乃由於其行使將會導致每股虧損減少。

For the year ended 31 December 2016, the computation of diluted earnings per share did not assume the exercise of the Company's share option granted in 2015 under the Share Option Scheme because the exercise price of those options was higher than the average market prices of share.

截至2016年12月31日止年度每股攤薄盈利的計算，並無假設行使根據購股權計劃於2015年授出的本公司購股權，乃由於該等購股權的行使價高於股份平均市價。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Buildings	Furniture fixtures and equipment	Leasehold improvements	Motor vehicles	Plant and machinery	Construction in progress	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
COST	成本							
At 1 January 2016	於2016年1月1日	283,224	22,380	5,755	5,300	236,418	32,422	585,499
Additions	添置	12,416	8,170	1,109	1,047	20,798	955	44,495
Transfer	轉讓	780	—	—	—	697	(1,477)	—
Disposals	出售	(2,431)	(3,928)	—	(212)	(36,103)	—	(42,674)
Reclassification	重新分類	(4,443)	(66)	3,762	—	747	—	—
At 31 December 2016	於2016年12月31日	289,546	26,556	10,626	6,135	222,557	31,900	587,320
Additions	添置	3,900	11,058	309	712	30,502	28,331	74,812
Transfer	轉讓	6,830	—	—	—	—	(6,830)	—
Disposals	出售	(206)	(3,939)	—	(943)	(18,420)	—	(23,508)
At 31 December 2017	於2017年12月31日	300,070	33,675	10,935	5,904	234,639	53,401	638,624
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2016	於2016年1月1日	31,366	12,421	3,642	3,116	150,261	—	200,806
Provided for the year	年內撥備	9,376	3,365	655	659	23,642	—	37,697
Eliminated on disposals	出售抵消	(2,215)	(1,929)	—	(202)	(34,285)	—	(38,631)
Reclassification	重新分類	(672)	(43)	672	—	43	—	—
At 31 December 2016	於2016年12月31日	37,855	13,814	4,969	3,573	139,661	—	199,872
Provided for the year	年內撥備	10,488	4,689	32	790	22,964	—	38,963
Eliminated on disposals	出售抵消	(44)	(2,514)	—	(668)	(9,745)	—	(12,971)
At 31 December 2017	於2017年12月31日	48,299	15,989	5,001	3,695	152,880	—	225,864
CARRYING VALUES	賬面值							
At 31 December 2017	於2017年12月31日	251,771	17,686	5,934	2,209	81,759	53,401	412,760
At 31 December 2016	於2016年12月31日	251,691	12,742	5,657	2,562	82,896	31,900	387,448

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13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account of their estimated residual value, using straight-line method, at the following rates per annum:

Buildings	Over the shorter of the term of lease or 30 years
Furniture, fixtures and equipment	19% - 31.7%
Leasehold improvements	3% - 33.3%
Motor vehicles	9.5% - 19%
Plant and machinery	9% - 33.3%

The Group's buildings are situated in the PRC under medium-term land use rights.

The Group was in process of obtaining certain relevant property ownership certificates for buildings with carrying amount of approximately RMB14,507,000 (2016: RMB8,820,000) in property, plant and equipment as at 31 December 2017. In the opinion of the directors of the Company, the relevant property ownership certificate can be obtained in due time without incurring significant costs.

13. 物業、廠房及設備 (續)

物業、廠房及設備(在建工程除外)的折舊乃於估計可用年期內以直線法經考慮估計剩餘價值後按以下年率撇銷成本計提：

樓宇	租賃年期或30年(以較短者為準)
傢具、裝置及設備	19%-31.7%
租賃物業裝修	3%-33.3%
汽車	9.5%-19%
廠房及機器	9%-33.3%

本集團位於中國的樓宇按中期土地使用權興建。

本集團正在辦理若干幢樓宇的相關房屋所有權證，其物業、廠房及設備於2017年12月31日的賬面值約為人民幣14,507,000元(2016年：人民幣8,820,000元)。本公司董事認為，可及時取得相關房屋所有權證，而不會產生重大成本。

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14. PREPAID LEASE PAYMENTS

14. 預付租賃款項

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Land use rights in the PRC	於中國的土地使用權中期租賃		
Medium-term lease		27,426	28,094
Analysed for reporting purposes as:	呈報分析：		
Current portion	即期部分	668	668
Non-current portion	非即期部分	26,758	27,426
		27,426	28,094

15. DEFERRED TAX ASSETS

15. 遞延稅項資產

		Excess of accounting depreciation over tax	Unrealised profit of inter- company sales	Share-base payment	Total
		Allowance for inventories	Allowance for doubtful debts	Tax losses	Total
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於2016年1月1日	2,094	8,827	1,056	8,255
Credit (charge) to profit or loss	在損益賬入賬 (扣除)	767	(2,146)	(212)	762
At 31 December 2016	於2016年12月31日	2,861	6,681	844	9,017
Credit (charge) to profit or loss	在損益賬入賬 (扣除)	7,994	(2,635)	905	(5,015)
At 31 December 2017	於2017年12月31日	10,855	4,046	1,749	4,002

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15. DEFERRED TAX ASSETS (Cont'd)

At the end of the reporting period, the Group has unused tax losses of RMB126,128,000 (2016: RMB48,419,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMB115,805,000 (2016: RMB44,149,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB10,323,000 (2016: RMB4,270,000) due to the unpredictability of future profit streams. Included in unused tax losses is tax loss of RMB126,128,000 (2016: RMB48,419,000) which will expire in the following years ending 31 December:

15. 遞延稅項資產 (續)

於呈報期末，本集團未動用稅務虧損人民幣126,128,000元(2016年：人民幣48,419,000元)可用於抵銷未來溢利。已確認遞延所得稅資產為人民幣115,805,000元(2016年：人民幣44,149,000元)。未確認稅務由於未來盈利流的不可預測性，我們並無就餘下人民幣10,323,000元(2016年：人民幣4,270,000元)確認稅務虧損。未動用稅務虧損包括稅務虧損人民幣126,128,000元(2016年：人民幣48,419,000元)，將於以下截至12月31日止年度屆滿：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Unused tax losses with expiry in:	於以下年度到期的未動用稅務虧損：		
– 2018	– 2018年	—	—
– 2019	– 2019年	—	—
– 2020	– 2020年	4,270	4,270
– 2021	– 2021年	44,149	44,149
– 2022	– 2022年	77,709	—
		126,128	48,419

Under the relevant laws of PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB569,447,000 (2016: RMB613,083,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

根據中國相關法律，由2008年1月1日起，就中國子公司賺取的溢利宣派的股息須繳納預扣稅。綜合財務報表內並未就中國子公司應佔累計溢利暫時差額人民幣569,447,000元(2016年：人民幣613,083,000元)計提遞延稅項，因為本集團可控制撥回暫時差額的時間，且暫時差額未必能於可見將來撥回。

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16. INTANGIBLE ASSETS

16. 無形資產

		Development costs 發展成本 RMB'000 人民幣千元
COST	成本	
At 1 January 2016	於2016年1月1日	57,110
Additions	添置	13,657
At 31 December 2016	於2016年12月31日	70,767
Additions	添置	18,248
At 31 December 2017	於2017年12月31日	89,015
AMORTISATION	攤銷	
At 1 January 2016	於2016年1月1日	26,667
Charge for the year	年內扣除	9,724
At 31 December 2016	於2016年12月31日	36,391
Charge for the year	年內扣除	6,272
At 31 December 2017	於2017年12月31日	42,663
CARRYING VALUES	賬面值	
At 31 December 2017	於2017年12月31日	46,352
At 31 December 2016	於2016年12月31日	34,376

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16. INTANGIBLE ASSETS (Cont'd)

Development costs on antenna system (LTE antennas and Multi-system Antennas) and base station RF subsystem (LTE filters and new models dedicated for some customers) are internally generated and amortised on a straight-line basis over the 3 years when they are ready for use. Included in the development costs of approximately RMB33.7 million (2016: RMB27.0 million) were relating to development of systems not ready for the intended use and, accordingly, no amortisation was made. The developments of systems not ready for the intended use are expected to generate net cash flow to the Group, and no impairment loss has been recognised.

At 31 December 2017 and 2016, the Group conducted a review of those Group's intangible assets, which are not ready for the intended use.

The recoverable amount is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, the new products' growth rates and expected changes to selling prices and direct costs during the period that cash flow forecasts are made. The management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the intangible assets. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past experience and expectations of future changes in the market.

For impairment purpose, the Group prepared cash flow forecasts based on financial budgets approved by the management covering a 3-years period, taking into account the anticipation of further expansion of 3G, 4G and 5G market in which the intangible assets are developed for.

As at the end of the reporting period, any reasonably possible change to key assumptions applied are not likely to cause the recoverable amounts to be below the carrying amount of intangible assets.

16. 無形資產 (續)

天線系統(LTE天線及多系統天線)及基站射頻子系統(LTE濾波器及專為某些客戶設計的新模式)的發展成本為內部產生，於可供使用時在3年內以直線法攤銷。發展成本中約人民幣33.7百萬元(2016年：人民幣27.0百萬元)與未能作擬定用途的系統發展有關，因此並無予以攤銷。未能作擬定用途的系統發展預期會為本集團產生現金流量淨額，故並無確認減值虧損。

於2017年及2016年12月31日，本集團已檢討其未能作擬定用途的無形資產。

可收回金額按使用價值計算得出。使用價值計算的關鍵假設涉及折現率、新產品增長率及作出現金流量預測期間售價及直接成本的預期變動。管理層採用反映當時市場對金錢時間值及有關無形資產固有風險的稅前利率評估折現率。增長率乃基於行業增長預測得出。售價及直接成本的變動乃根據過往經驗及市場對未來變動的預期作出。

就減值而言，本集團根據經管理層就3年期間批准的財政預算編製現金流量預測，並考慮到有關無形資產發展的預期3G、4G及5G市場的進一步擴張。

於呈報期末，有關所採用關鍵假設的任何合理可能變動不大可能會導致可收回金額低於無形資產的賬面值。

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17. INTERESTS IN ASSOCIATES

17. 於聯營公司之權益

		2017 2017年 RMB' 000 人民幣千元	2016 2016年 RMB' 000 人民幣千元
Cost of interests in associates	於聯營公司之權益之成本	2,700	500
Share of post-acquisition profits and other comprehensive income, net of dividends received	應佔收購後溢利及其他全面收益，經扣除已收股息	(675)	(292)
		2,025	208

Details of the Group's associates at the end of the reporting period are as follow:

以下為呈報期末本集團的聯營公司的詳細資料：

Name of entity 實體名稱	Country of Incorporation/ registration 註冊成立/ 註冊國家	Principal place of business 主要業務活動 的主要地點	Proportion of ownership interest held by the Group 本集團持有的 擁有人權益比例		Proportion of voting rights held by the Group 本集團持有的 投票權益比例		Principal activity 主要業務活動
			2017 2017年	2016 2016年	2017 2017年	2016 2016年	
Shenzhen Borynet Co., Ltd. (Note) 深圳市博睿互聯科技有限公司 (附註)	The PRC 中國	The PRC 中國	15.1%	15.1%	15.1%	15.1%	Software technology development 軟件科技發展
Shenzhen Letengwireless Co., Ltd. (Note) 深圳樂騰無線有限公司(附註)	The PRC 中國	The PRC 中國	12%	—	12%	—	Hardware development 硬件開發

Note: These companies are accounted for as associates as at year end date as the Group has appointed directors in the board of these companies and is able to exercise significant influence in these companies.

附註：由於該等公司董事會有來自本集團任命的董事且本集團可對該等公司施行重大影響，該等公司於年度結算日入賬列作聯營公司。

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18. INVENTORIES

18. 存貨

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	74,603	89,556
Work-in-progress	在製品	33,938	24,887
Finished goods	製成品	373,848	245,527
Less: allowance for inventories	減：存貨撥備	(69,005)	(19,768)
		413,384	340,202

19. TRADE AND OTHER RECEIVABLES

19. 貿易及其他應收賬款

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	應收貿易賬款	497,589	460,276
Less: allowance for doubtful debts	減：呆賬撥備	(11,660)	(5,628)
		485,929	454,648
Notes and bills receivable	應收票據	419,638	417,683
Rental and utility deposits	租金及設施按金	871	671
Advance to suppliers	向供應商墊款	41,616	23,922
Value added tax receivable	應收增值稅	53,646	10,641
Other receivables and deposits	其他應收賬款及按金	28,777	36,353
		1,030,477	943,918

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19. TRADE AND OTHER RECEIVABLES (Cont'd)

Movement in the allowance for doubtful debts

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Balance at beginning of the year	年初結餘	5,628	7,038
Impairment losses recognised on receivables	已確認的應收款項減值虧損	7,927	—
Reversal of allowance for doubtful debts	呆賬撥備撥回	—	(106)
Amounts written off as uncollectible	不能回收債項撇銷之金額	(1,895)	(1,304)
Balance at end of the year	年底結餘	11,660	5,628

Allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of approximately RMB11,660,000 (2016: RMB5,628,000) which have defaulted on payment. The Company considers that the recoverability of these receivables is low and therefore allowance for bad and doubtful debts has been provided. The Group does not hold any collateral over these balances.

19. 貿易及其他應收賬款 (續)

呆賬撥備變動

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Balance at beginning of the year	年初結餘	5,628	7,038
Impairment losses recognised on receivables	已確認的應收款項減值虧損	7,927	—
Reversal of allowance for doubtful debts	呆賬撥備撥回	—	(106)
Amounts written off as uncollectible	不能回收債項撇銷之金額	(1,895)	(1,304)
Balance at end of the year	年底結餘	11,660	5,628

呆賬撥備結餘總額約人民幣11,660,000元(2016年：人民幣5,628,000元)的已個別減值貿易應收賬款，屬拖欠還款。本公司認為收回該等應收款項的機會不大，故已計提呆壞賬撥備。本集團概無持有關於該等結餘的抵押物。

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19. TRADE AND OTHER RECEIVABLES (Cont'd)

Movement in the allowance for doubtful debts (Cont'd)

The Group offers credit terms generally accepted in the antenna system, base station RF subsystem and coverage extension solution manufacturing industry to its trade customers, which range from 30 to 240 days (2016: 30 to 240 days), for a significant number of the Company's products. For the Group's major customers which are network operators and domestic and overseas wireless network solution providers with good reputation and repayment records, a longer credit term may be extended to them, depending on price, the size of the contract, credibility and reputation of them. Amounts due from these major customers as at 31 December 2017 amounted to approximately RMB389,913,000 (2016: RMB333,103,000), representing 78.4% (2016: 72.4%) of trade receivables (before making allowance for doubtful debt). In order to manage the credit risks associated with trade receivables effectively, credit limits of customers are evaluated periodically. Before accepting any new customer, the Group conducts research on the creditworthiness of the new customer and assesses the potential customer's credit quality. Trade receivables that are neither past due nor impaired have the high ranking record attributable to their corresponding research on the creditworthiness.

19. 貿易及其他應收賬款 (續)

呆賬撥備變動(續)

本集團向貿易客戶提供天線系統、基站射頻子系統及覆蓋延伸方案製造行業普遍接受的信貸期，本公司大量產品的信貸期介乎30至240日(2016年：30至240日)。屬於網絡運營商及國內外無線網絡解決方案供應商且具有良好聲譽及付款記錄的本集團主要客戶，可能獲提供較長的信貸期，視乎價格、合同規模、有關客戶的信用度及聲譽而定。於2017年12月31日，應收有關主要客戶的款項約為人民幣389,913,000元(2016年：人民幣333,103,000元)，佔應收貿易賬款(作出呆賬撥備前)的78.4%(2016年：72.4%)。為有效管理與應收貿易賬款相關的信貸風險，本公司定期對客戶的信貸限額進行評估。本集團接納任何新客戶前，會調查該名新客戶的信用紀錄及評估準客戶的信貸質素。根據相關信貸審查，具有未過期亦無減值的應收貿易賬款將可獲得高評級。

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19. TRADE AND OTHER RECEIVABLES (Cont'd)

Movement in the allowance for doubtful debts (Cont'd)

The following is an aged analysis of trade receivables net of impairment losses presented based on the invoice dates:

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
0 to 30 days	0至30日	142,581	167,315
31 to 60 days	31至60日	74,198	52,848
61 to 90 days	61至90日	43,556	26,443
91 to 120 days	91至120日	38,296	32,067
121 to 180 days	121至180日	42,056	46,319
Over 180 days	超過180日	145,242	129,656
		485,929	454,648

Aged analysis of trade receivables which are past due but not impaired:

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
0 to 30 days	0至30日	4,460	225
31 to 60 days	31至60日	3,502	296
61 to 90 days	61至90日	2,869	1,286
91 to 120 days	91至120日	696	5,794
121 to 180 days	121至180日	641	23
Over 180 days	超過180日	9,535	12,157
Total	總計	21,703	19,781

The Group does not hold any collateral over these balances.

19. 貿易及其他應收賬款 (續)

呆賬撥備變動(續)

以下為按發票日期計的應收貿易賬款(扣除減值虧損)的賬齡分析：

已過期但並無減值的應收貿易賬款的賬齡分析：

本集團概無持有關於該等結餘的抵押物。

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19. TRADE AND OTHER RECEIVABLES (Cont'd)

Movement in the allowance for doubtful debts (Cont'd)

The following is an aged analysis of notes and bills receivable presented based on the invoice dates:

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
0 to 30 days	0至30日	90,410	67,450
31 to 60 days	31至60日	65,523	63,634
61 to 90 days	61至90日	86,292	47,839
91 to 120 days	91至120日	52,365	111,915
Over 120 days	超過120日	125,048	126,845
		419,638	417,683

All of the notes and bills receivables are neither due nor impaired.

As at 31 December 2017, the Group pledged notes receivables with carrying amount of approximately RMB70,657,000 (2016: RMB225,852,000) to secure bank borrowings (note 22 (a)). Detail of pledge of assets set out in note 30.

19. 貿易及其他應收賬款 (續)

呆賬撥備變動(續)

以下為按發票日期計的應收票據的賬齡分析：

	2017	2016
	2017年	2016年
	RMB' 000	RMB' 000
	人民幣千元	人民幣千元
0 to 30 days	90,410	67,450
31 to 60 days	65,523	63,634
61 to 90 days	86,292	47,839
91 to 120 days	52,365	111,915
Over 120 days	125,048	126,845
	419,638	417,683

所有應收票據均未到期及並無減值。

於2017年12月31日，本集團質押賬面值約人民幣70,657,000元(2016年：人民幣225,852,000元)的應收票據，以抵押銀行借款(附註22(a))。資產質押詳情載於附註30。

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20. PLEDGED BANK BALANCES/BANK BALANCES AND CASH

The Group's pledged bank balances represent bank deposits with original maturity within 12 months and carry fixed interest rate from 0.3% to 1.55% (2016: 0.3% to 1.55%) per annum. They are mainly pledged to banks to secure bills payables of the Group.

The Group's bank balances and cash comprise cash and bank deposits which carry interest at prevailing market rates ranging from 0.001% to 0.30% (2016: 0.001% to 0.30%) per annum.

Certain of the Group's pledged bank balances and bank balances and cash with an aggregate amount of RMB313,141,000 (2016: RMB352,816,000) were denominated in RMB which is not a freely convertible currency in the international market. The government of the PRC has implemented foreign exchange control and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the government of the PRC.

20. 已抵押銀行結餘／銀行結餘及現金

本集團的已抵押銀行結餘指本年度原定存款期為十二個月內、按每年0.3厘至1.55厘(2016年：0.3厘至1.55厘)的固定利率計息的銀行存款，已主要抵押予多家銀行作為本集團應付票據的抵押。

本集團的銀行結餘及現金包括於本年度所持現金及按每年介乎0.001厘至0.30厘(2016年：0.001厘至0.30厘)的當時市場利率計息的銀行存款。

本集團若干已抵押銀行結餘與銀行結餘及現金，合共人民幣313,141,000元(2016年：人民幣352,816,000元)以人民幣計值，而人民幣並非國際上的自由兌換貨幣。中國政府實行外匯管制，將資金匯出中國境外須符合中國政府的匯兌限制。

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21. TRADE AND OTHER PAYABLES

21. 貿易及其他應付賬款

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	應付貿易賬款	458,248	298,000
Notes and bills payable	應付票據	262,444	240,121
Payroll payable	應付工資	42,580	34,580
Payable for purchase of property, plant and equipment	購置物業、廠房及設備的應付賬款	37,469	23,001
Value added taxes payable	應付增值稅	25,283	6,831
Receipt in advance	預收款項	8,920	31,549
Accrued expenses	預提費用	19,934	13,890
Others	其他	13,422	15,925
		868,300	663,897

The following is an aged analysis of trade payables presented based on the invoice dates:

於按發票日期計的應付貿易賬款的賬齡分析如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0 to 30 days	0至30日	117,696	78,709
31 to 60 days	31至60日	156,005	75,529
61 to 90 days	61至90日	73,687	48,768
91 to 180 days	91至180日	58,165	71,102
Over 180 days	超過180日	52,695	23,892
		458,248	298,000

Typical credit term of trade payables ranges from 60 to 120 days.

應付貿易賬款的信貸期一般範圍是60日至120日。

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21. TRADE AND OTHER PAYABLES (Cont'd)

The following is an aged analysis of notes and bills payable presented based on the invoice dates:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0 to 30 days	0至30日	76,814	48,455
31 to 60 days	31至60日	71,673	39,474
61 to 90 days	61至90日	4,601	74,312
Over 90 days	超過90日	109,356	77,880
		262,444	240,121

Typical credit term of bills payables ranges from 90 to 180 days.

The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

21. 貿易及其他應付賬款(續)

於按發票日期計的應付票據的賬齡分析如下：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
0 to 30 days	76,814	48,455
31 to 60 days	71,673	39,474
61 to 90 days	4,601	74,312
Over 90 days	109,356	77,880
	262,444	240,121

應付票據的信貸期一般範圍是90日至180日。

本集團已制定財務風險管理政策，以確保所有應付賬款在信用期內償還。

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22. BANK BORROWINGS

22. 銀行借款

Categories	類別	Notes 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Long-term bank borrowings:	長期銀行借款：			
– Secured fixed rate borrowings	– 有抵押定息借款	(a)	—	70,000
Short-term bank borrowings:	短期銀行借款：			
– Secured fixed rate borrowings	– 有抵押定息借款	(a)	60,000	—
– Secured floating rate borrowings	– 有抵押浮息借款	(b)	52,464	70,787
– Unsecured fixed rate borrowings	– 無抵押定息借款	(c)	175,000	115,480
			287,464	256,267
The amount is repayable as per follows:	該款項按如下期限償還：			
– Within one year	– 一年內		287,464	186,267
– More than one year, but no more than two years	– 一年以上，但不超過兩年		—	70,000
			287,464	256,267
Less: Amounts shown under current liabilities	減：於流動負債 項下呈列款項		(287,464)	(186,267)
Amounts show under non-current liabilities	於流動負債項下呈列款項		—	70,000

Notes:

- (a) The RMB secured fixed rate borrowings carried interest at the rate of 8.34% (2016: 8.34%) per annum and were secured by certain notes receivable. Details of pledged assets are shown in note 30.
- (b) The HKD secured floating rate borrowings carried interest at the rate ranged from the London Interbank Offered Rate ("LIBOR") plus 1.0% (2016: 1.0% to 2.0%) per annum and were secured by pledged bank balances. Details of pledge of assets are shown in note 30.
- (c) The RMB unsecured fixed rate borrowings carried at the rate ranged from 4.79% to 5.44% (2016: 2.85% to 4.79%) per annum.

附註：

- (a) 人民幣有抵押定息借款的年利率為8.34厘(2016年：8.34厘)，由若干應收票據作抵押。資產質押詳情於附註30列示。
- (b) 美元及港元有抵押浮息借款按倫敦銀行同業拆息利率(「倫敦銀行同業拆息利率」)加1.0厘(2016年：1.0厘至2.0厘)年利率計息，由已抵押銀行結餘作抵押。資產質押詳情於附註30列示。
- (c) 人民幣無抵押定息借款的年利率為4.79厘至5.44厘(2016年：2.85厘至4.79厘)。

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23. DEFERRED INCOME

Deferred income represents non-recurring government grants received for acquisition and improvement of property, plant and equipment. The deferred income is released to the profit or loss over the expected useful life of the relevant assets. Movements of deferred income during the years are as follows:

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Government grant related to assets	與資產相關的政府補助金		
At beginning of the year	於年初	16,469	19,091
Additions	添置	2,400	2,000
Released to profit or loss	於損益賬撥入	(4,620)	(4,622)
At end of the year	於年末	14,249	16,469

23. 遞延收入

遞延收入指已收取非經常性政府補助金，用於收購及裝修物業、廠房及設備。遞延收入按相關資產的預計可使用年期撥入損益賬。年內遞延收入的變動如下：

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Analysed for reporting purposes as:	分析作呈報用途：		
Current portion	即期部分	1,452	4,620
Non-current portion	非即期部分	12,797	11,849
		14,249	16,469

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24. SHARE CAPITAL OF THE COMPANY

24. 公司股本

		Number of shares		Issued capital	
		股份數目		已發行股本	
		2017	2016	2017	2016
		2017年	2016年	2017年	2016年
		Ordinary	Ordinary	Ordinary	Ordinary
		shares	shares	shares	shares
		普通股	普通股	普通股	普通股
		'000	'000	USD (note i)	USD
		千股	千股	美元(附註 i)	美元
Ordinary shares of USD0.000001 each	每股0.000001美元的普通股				
Authorised:	法定：				
At beginning and end of the year	於年初及年末	2,000,000	2,000,000	2,000.00	2,000.00
Issued and fully paid	已發行及繳足				
At beginning of the year	於年初	818,907	818,907	818.91	818.91
Exercise of share options	行使購股權	2,092	—	2.09	—
Share repurchased and cancelled (Note ii)	股份購回及註銷(附註 ii)	(295)	—	(0.30)	—
At end of the year	於年末	820,704	818,907	820.70	818.91

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24. SHARE CAPITAL OF THE COMPANY (Cont'd)

24. 公司股本(續)

		Issued capital	
		已發行股本	
		2017	2016
		2017年	2016年
		Ordinary	Ordinary
		shares	shares
		Equivalent	Equivalent
		等值普通股	等值普通股
		RMB	RMB
		人民幣	人民幣
Issued and fully paid	已發行及繳足		
At beginning of the year	於年初	5,727.12	5,727.12
Exercise of share options	行使購股權	13.87	—
Share repurchased and cancelled (Note)	股份購回及註銷(附註)	(2.02)	—
At end of the year	於年末	5,738.97	5,727.12

Issued capital shown in the consolidated statement of financial position as at 31 December 2017 and 2016 were rounded to RMB6,000.

於2017年12月31日及2016年12月31日於綜合財務狀況報表列示的已發行股本人民幣6,000元。

There is no movement of authorised ordinary share during the two years ended 31 December 2017.

截至2017年12月31日止兩個年度法定普通股並無變動。

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24. SHARE CAPITAL OF THE COMPANY (Cont'd)

Notes:

- (i) USD is short for United States dollar.
- (ii) During the year, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase 購回月份	No. of ordinary shares of USD0.000001 each 每股面值 0.000001 美元 普通股數目	Price per share 每股價格		Aggregate consideration paid	
		Highest 最高 HKD 港元	Lowest 最低 HKD 港元	HKD 港元	RMB 人民幣元
2017 September 2017年9月	295,000	1.19	1.15	341,580	288,250

The above ordinary shares were cancelled upon repurchase.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

24. 公司股本(續)

附註：

- (i) 美元為美國美元縮寫。
- (ii) 年內，本公司透過聯交所按以下方式購回其自身股份：

以上普通股於購回時已被註銷。

年內，本公司的子公司概無購買、出售或贖回本公司任何上市證券。

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25. SHARE-BASED PAYMENT TRANSACTIONS

Share options were granted on 23 December 2013 (“2013 Option”) and 26 March 2015 (“2015 Option”) for the primary purpose of providing incentives to directors and eligible employees, and will expire on 22 December 2023 and 25 March 2025 respectively. Under the share option schemes of the Company, the Board of Directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to an individual consultant or advisor who renders or has rendered bona fide services to the Company.

As 31 December 2017, the number of ordinary shares in respect of which options had been granted and remained outstanding was 59,996,000 (2016: 65,054,000), representing 7.31% (2016: 7.94%) of the total ordinary shares in issue at end of the reporting period.

No consideration is payable on the grant of an option. For 2013 Option and 2015 Option, options may be exercised after the completion of relevant vesting period to the tenth anniversary of the date of grant. The exercise price is determined by the Board of Directors of the Company, and will not less than the highest of (i) the closing price of the Company’s share on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s share.

25. 以股份支付的交易

於2013年12月23日及2015年3月26日所授出的購股權(分別為「2013年購股權」及「2015年購股權」)的主要目的是向董事及合資格僱員提供獎勵，而該等購股權將分別於2023年12月22日及2025年3月25日屆滿。根據本公司的購股權計劃，本公司董事會可授予合資格僱員(包括本公司及其子公司的董事)可認購本公司股份的購股權。此外，本公司可不時向為或曾為本公司提供真誠服務的個別專家顧問或顧問授出購股權。

於2017年12月31日，就根據購股權授出但仍未行使的購股權所涉及的普通股數目為59,996,000股(2016年：65,054,000股)，佔於呈報期末已發行普通股總數的7.31%(2016年：7.94%)。

概無就授出購股權而應付的對價。就2013年購股權及2015年購股權而言，購股權可於有關歸屬期完成後至授出日期十週年期間行使。行使價由本公司董事會釐定，並將不少於以下三項中的最高者：(i)於授出日期本公司股份的收市價；(ii)緊接授出日期前五個營業日的股份平均收市價；及(iii)本公司股份的面值。

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25. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

2013 Option

30% of total number of options of 2013 Option ("2013 Option A") are exercisable on the second anniversary date of grant, 30% of total number of options of 2013 Option ("2013 Option B") are exercisable on the third anniversary date of grant and the remaining 40% of total number of options of 2013 Option ("2013 Option C") are exercisable on the fourth anniversary date of grant. In addition, 2013 Option is also subjected to the performance condition of the Group and individual employee to exercise.

Pursuant to the board resolution on 29 May 2015, the 2013 Option was amended whereby the vesting dates of the option has been accelerated. 2013 Option A shall be vested on, and become exercisable from 1 June 2015, 2013 Option B shall be vested on, and become exercisable from 1 April 2016 and 2013 Option C shall be vested on, and become exercisable from 1 April 2017. Such amendment is applicable prospectively to the unexercised 2013 Option and result in a net decrease in fair value of such option measured immediately before and after the modifications, of which no adjustment for the year ended 31 December 2017 needed to the fair value of the 2013 Option.

25. 以股份支付的交易(續)

2013年購股權

2013年購股權的購股權總數的30% (「2013年購股權A」)可於授出日期第二個週年日期行使，2013年購股權購股權總數的30%(「2013年購股權B」)可於授出日期第三個週年日期行使，而2013年購股權購股權總數的餘下40% (「2013年購股權C」)可於授出日期第四個週年日期行使。此外，2013年購股權亦須符合本集團及個體僱員的表現條件後方可行使。

根據2015年5月29日的董事會決議案，2013年購股權予以修訂，其中購股權的歸屬日期被提前。2013年購股權A將於2015年6月1日歸屬，並自該日起可予行使，2013年購股權B將於2016年4月1日歸屬，並自該日起可予行使及2013年購股權C將於2017年4月1日歸屬，並自該日起可予行使。該修訂追溯應用於未行使的2013年購股權，導致緊接修訂前及緊隨修訂後計量的購股權公平值出現減少淨額，其中截至2017年12月31日止年度毋須對2013年購股權的公平值作出調整。

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25. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

2015 Option

30% of total number of options of 2015 Option ("2015 Option A") are exercisable on the second anniversary date of grant, 30% of total number of options of 2015 Option ("2015 Option B") are exercisable on the third anniversary date of grant and the remaining 40% of total number of options of 2015 Option ("2015 Option C") are exercisable on the fourth anniversary date of grant. In addition, 2015 Option is also subjected to the performance condition of the Group and individual employee to exercise.

Details of specific categories of options are as follows:

Option type 購股權類別	Date of grant 授出日期	Vesting period 歸屬期	Exercisable period 行使期	Exercise price 行使價	Fair value at grant date 授出日期的 公平值
2013 Option A 2013年購股權A	23/12/2013 2013年12月23日	23/12/2013 to 31/05/2015 2013年12月23日至 2015年5月31日	01/06/2015 to 22/12/2023 2015年6月1日至 2023年12月22日	RMB1.09 人民幣1.09元	RMB0.51 人民幣0.51元
2013 Option B 2013年購股權B	23/12/2013 2013年12月23日	23/12/2013 to 31/03/2016 2013年12月23日至 2016年3月31日	01/04/2016 to 22/12/2023 2016年4月1日至 2023年12月22日	RMB1.09 人民幣1.09元	RMB0.51 人民幣0.51元
2013 Option C 2013年購股權C	23/12/2013 2013年12月23日	23/12/2013 to 31/03/2017 2013年12月23日至 2017年3月31日	01/04/2017 to 22/12/2023 2017年4月1日至 2023年12月22日	RMB1.09 人民幣1.09元	RMB0.51 人民幣0.51元
2015 Option A 2015年購股權A	26/03/2015 2015年3月26日	26/03/2015 to 31/03/2016 2015年3月26日至 2016年3月31日	01/04/2016 to 25/03/2025 2016年4月1日至 2025年3月25日	RMB1.47 人民幣1.47元	RMB0.61 人民幣0.61元
2015 Option B 2015年購股權B	26/03/2015 2015年3月26日	26/03/2015 to 31/03/2017 2015年3月26日至 2017年3月31日	01/04/2017 to 25/03/2025 2017年4月1日至 2025年3月25日	RMB1.47 人民幣1.47元	RMB0.61 人民幣0.61元
2015 Option C 2015年購股權C	26/03/2015 2015年3月26日	26/03/2015 to 31/03/2018 2015年3月26日至 2018年3月31日	01/04/2018 to 25/03/2025 2018年4月1日至 2025年3月25日	RMB1.47 人民幣1.47元	RMB0.61 人民幣0.61元

25. 以股份支付的交易(續)

2015年購股權

2015年購股權的購股權總數的30% (「2015年購股權A」)可於授出日期第二個週年日期行使，2015年購股權購股權總數的30%(「2015年購股權B」)可於授出日期第三個週年日期行使，而2015年購股權購股權總數的餘下40% (「2015年購股權C」)可於授出日期第四個週年日期行使。此外，2015年購股權亦須符合本集團及個體僱員的表現條件後方可行使。

購股權的具體種類的詳情如下：

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25. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

2015 Option (Cont'd)

In respect of share option exercised during the year ended 31 December 2017, the weighted average share price at the dates of exercise is RMB1.34 (2016: nil).

The following table discloses movements of the Company's share options held by eligible persons:

2017

Option type 購股權類別		Outstanding					Outstanding at 31.12.2017 於2017年 12月31日 尚未行使
		at 1.1.2017 於2017年 1月1日 尚未行使	Granted during the year 於年內授出	Forfeited during the year 於年內沒收	Exercised during the year 於年內行使	Expired during the year 於年內屆滿	
2013 Option A	2013年購股權A	10,106,000	—	(546,000)	(675,000)	—	8,885,000
2013 Option B	2013年購股權B	10,692,000	—	(546,000)	(697,000)	—	9,449,000
2013 Option C	2013年購股權C	14,256,000	—	(464,000)	(720,000)	—	13,072,000
2015 Option A	2015年購股權A	9,000,000	—	(423,000)	—	—	8,577,000
2015 Option B	2015年購股權B	9,000,000	—	(423,000)	—	—	8,577,000
2015 Option C	2015年購股權C	12,000,000	—	(564,000)	—	—	11,436,000
		65,054,000	—	(2,966,000)	(2,092,000)	—	59,996,000
Exercisable at the end of the year	可於年末行使						59,996,000
Weighted average exercise price	加權平均行使價	RMB1.4324 人民幣 1.4324元	—	RMB1.3934 人民幣 1.3934元	RMB1.1957 人民幣 1.1957元	—	RMB 1.3448 人民幣 1.3448元

25. 以股份支付的交易(續)

2015年購股權(續)

就截至2017年12月31日止年度行使的購股權而言，於行使日期的加權平均股價為人民幣1.34元(2016年：零)。

下表披露合資格人士持有的本公司購股權於的變動：

2017年

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25. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

2015 Option (Cont'd)

2016

Option type 購股權類別		Outstanding at				Outstanding at	
		1.1.2016 於2016年 1月1日 尚未行使	Granted during the year 於年內授出	Forfeited during the year 於年內沒收	Exercised during the year 於年內行使	Expired during the year 於年內屆滿	31.12.2016 於2016年 12月31日 尚未行使
2013 Option A	2013年購股權A	11,487,800	—	(1,381,800)	—	—	10,106,000
2013 Option B	2013年購股權B	12,073,800	—	(1,381,800)	—	—	10,692,000
2013 Option C	2013年購股權C	16,098,400	—	(1,842,400)	—	—	14,256,000
2015 Option A	2015年購股權A	9,000,000	—	—	—	—	9,000,000
2015 Option B	2015年購股權B	9,000,000	—	—	—	—	9,000,000
2015 Option C	2015年購股權C	12,000,000	—	—	—	—	12,000,000
		69,660,000	—	(4,606,000)	—	—	65,054,000
Exercisable at the end of the year	可於年末行使						65,054,000
Weighted average exercise price	加權平均行使價	RMB1.4193 人民幣 1.4193元	—	RMB1.1953 人民幣 1.1953元	—	—	RMB1.4324 人民幣 1.4324元

25. 以股份支付的交易(續)

2015年購股權(續)

2016年

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25. SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

2015 Option (Cont'd)

The estimate fair value of the option granted on 26 March 2015 is approximately RMB21,880,000. The fair value was calculated using the binomial model. The inputs into the model were as follows:

	2015 Option 2015年購股權
Closing price at the granted date	HKD1.82
授出日期的收市價	1.82 港元
Exercise price	HKD1.86
行使價	1.86 港元
Expected volatility	46.19%
預期波幅	46.19%
Expected life	1-3 years
預期年期	1 至 3 年
Risk - free rate	1.39%
無風險利率	1.39%
Expected divided yield	2.20%
預期股息率	2.20%

Expected volatility was determined with reference to the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercised restrictions and behavioural considerations.

The Group recognised the total expense of RMB2,649,000 (2016: RMB7,101,000) for the year ended 31 December 2017 in relation to share options granted by the Company.

25. 以股份支付的交易(續)

2015年購股權(續)

2015年3月26日授出的購股權的估計公平值約為人民幣21,880,000元。公平值採用二項式模型計算。該模型的輸入數據如下：

預期波幅經參考本公司股價的歷史波幅釐定。模型所用的預期年期已根據管理層的最佳估計就不可轉讓、行使限制及行為考慮因素的影響作出調整。

本集團已就本公司授出的購股權確認截至2017年12月31日止年度的開支總額人民幣2,649,000元(2016年：人民幣7,101,000元)。

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26. OPERATING LEASE

The Group as lessee

At the end of the reporting period, the Group was committed to make the following future minimum lease payments in respect of rented premises under non-cancellable operating leases with outsiders and a related party, which fall due:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	5,425	2,643
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	2,214	2,615
		7,639	5,258

Leases are negotiated and rentals are fixed for lease terms of one to five year.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	11,208	9,365
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	12,099	32,833
After five years	五年後	—	31,022
		23,307	73,220

The Group entered into an arrangement with a third party in the PRC to lease rented premises are negotiated for terms from one to five years.

26. 經營租賃

本集團作為承租人

於呈報期末，本集團已根據與外部人士及一名關連人士訂立的不可撤銷經營租約承諾為所租用物業支付於下述時間到期的未來最低租金：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	5,425	2,643
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	2,214	2,615
		7,639	5,258

租賃乃協商而定，一至五年租期內的租金固定。

本集團作為出租人

於呈報期末，本集團已與租戶訂約的未來最低租賃付款如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	11,208	9,365
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	12,099	32,833
After five years	五年後	—	31,022
		23,307	73,220

本集團已與中國一名第三方訂立安排，以出租租賃物業，經協商為期一至五年。

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27. CAPITAL COMMITMENTS

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of the acquisition of property, plant and equipment	有關收購物業、廠房及設備的已訂約但未有在綜合財務報表撥備的資本開支	31,743	22,127
Capital contribution to associate	向聯營公司出資	—	1,000
Total	合計	31,743	23,127

28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of bank borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, share premium and other reserves.

The directors of the Company review the capital structure on a semi-annual basis. As a part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendation of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as raising of new bank loans.

27. 資本承擔

28. 資本風險管理

本集團管理其資本以確保本集團旗下各公司可以持續經營，並維持債務與權益的最佳平衡，為股東帶來最大回報。去年起，本集團的整體策略保持不變。

本集團的資本結構包括銀行借款、現金及現金等價物淨額及本公司擁有人應佔權益(包括已發行股本、股份溢價及其他儲備)。

本公司董事每半年檢討資本結構。作為檢討的一部分，董事考慮資本成本與各類資本相關的風險。根據董事的建議，本集團將透過支付股息、發行新股、股份購回及新造銀行貸款以平衡本集團的整體資本結構。

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Categories of financial instruments

		2017	2016
		2017年	2016年
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Financial assets	金融資產		
Loans and receivables (including bank balances and cash)	貸款及應收賬款(包括銀行結餘及現金)	1,257,777	1,324,249
Financial liabilities	金融負債		
Amortised cost	攤銷成本	1,122,287	882,554

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, pledged bank balances, bank balances and cash, trade and other payables, dividend payable and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, market risk (currency risk and interest rate risk) and liquidity risk. 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.

29. 財務風險管理目標及政策

金融工具的種類

財務風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收賬款、已抵押銀行結餘、銀行結餘及現金、貿易及其他應付賬款、應付股息及銀行借款。此等金融工具的詳情已於相關附註披露。與該等金融工具相關的風險包括信貸風險、市場風險(貨幣風險及利率風險)及流動資金風險。緩和有關風險的政策載列如下。管理層管理並監察有關風險，以確保及時且有效地執行恰當的措施。

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Credit risk

The Group's maximum exposure to credit risk in relation to financial assets at the end of the reporting period. The Group's credit risk is primarily attributable to trade receivables and notes and bills receivable. The credit risk on trade receivables and notes and bills receivable are concentrated on top five customers of the Group. In order to minimise the credit risk, the management of the Group 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. The Group reviews the recoverable amount of each individual trade receivable and notes and bills receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider the Group's credit risk is significantly reduced.

The credit risk of the Group on liquid funds is limited because the majority of the counterparties are international banks and state-owned banks with good reputation.

The Group sells most of the products to a limited number of customers in the PRC. If the Group is unable to broaden the customer base and expand relationships with major wireless network solution providers and major network operators, the business may continue to be impacted by unanticipated demand fluctuations which can have a negative impact on the revenues and business, and an adverse effect on the results of operations and financial condition.

29. 財務風險管理目標及政策

(續)

信貸風險

本集團就金融資產於呈報期末須承擔的最高信貸風險金額。本集團的信貸風險主要是來自應收貿易賬款及應收票據。應收貿易賬款及應收票據的信貸風險集中於本集團的五大客戶。為減低信貸風險，本集團管理層已委派專責團隊負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動，收回過期債務。本集團於呈報期末審閱各個別應收貿易賬款及應收票據的可收回金額，以確保不可收回金額有足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已大大降低。

本集團的流動資金信貸風險有限，原因是大部分對手方為國際銀行及信譽良好的國有銀行。

本集團大部分的產品向在中國的有限客戶出售。倘本集團未能擴闊客戶基礎，並擴大與主要無線網絡方案供應商及主要網絡運營商的關係，則業務可能會繼續受不可預料的需求波動所影響，對收入及業務可造成負面影響，繼而對經營業績及財務狀況造成不利影響。

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Credit risk (Cont'd)

The Group's concentration of credit risk by geographical locations is mainly in Mainland China, which accounted for 72.5% (2016: 87.9%) of the total trade receivables as at 31 December 2017.

As for the year ended 31 December 2017, the Group has concentration of credit risk as 22.4% (2016: 28.3%) and 78.4% (2016: 72.4%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. These major customers are network operators and domestic and overseas wireless network solution providers with good reputation and repayment records.

Market risk

(i) Currency risk

The Group has foreign currency sales and purchases and certain trade receivables, bank balances, trade payables and bank borrowings of the Group are denominated in HKD, USD, Euro ("EUR"), and Swiss franc ("CHF"), currencies other than the functional currency of the Company's principal subsidiaries, which expose the Group to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when the need arises.

29. 財務風險管理目標及政策

(續)

信貸風險(續)

本集團信貸風險地域上主要集中於中國內地，佔截至2017年12月31日止應收貿易賬款總額72.5%(2016年：87.9%)。

截至2017年12月31日止年度，本集團信貸風險集中，乃由於應收貿易賬款總額中分別有22.4%(2016年：28.3%)及78.4%(2016年：72.4%)來自本集團最大客戶及五大客戶。該等主要客戶為具有良好聲譽及還款記錄的網絡運營商及境內外無線網絡解決方案供應商。

市場風險

(i) 貨幣風險

本集團有外幣銷售及採購，且本集團的若干應收貿易賬款、銀行結餘、應付貿易賬款及銀行借款以港元、美元、歐元(「歐元」)及瑞士法郎(「瑞士法郎」)計值(該等貨幣並非本公司主要子公司的功能貨幣)，使本集團須承擔外幣風險。本集團目前並無任何外幣對沖政策。然而，管理層會監察外匯風險，必要時考慮對沖重大的外匯風險。

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Market risk (Cont'd)

(i) Currency risk (Cont'd)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		2017		2016	
		2017年		2016年	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
HKD	港元	12,027	53,081	1,530	461
USD	美元	165,723	1,037	131,210	60,825
EUR	歐元	1,409	—	411	—
CHF	瑞士法郎	6	—	6	—

The following table details the Group's sensitivity to a 5% (2016: 5%) change in RMB against HKD, USD, EUR and CHF. The 5% (2016: 5%) represents management's assessment of the reasonably possible change in the foreign exchange rates. No sensitivity analysis is presented for CHF against RMB as the effect is insignificant. The sensitivity analysis of the Group's exposure to foreign currency risk at the end of the reporting period have been determined based on the adjustment of translation of the monetary assets and liabilities at the end of the reporting period for 5% (2016: 5%) change in foreign currency rates. A negative number below indicates an increase in post-tax loss (2016: a decrease in post-tax profit) where RMB strengthens against HKD, USD and EUR. For the year ended 31 December 2017, a positive number below indicates a decrease in post-tax loss. For 5% (2016: 5%) weakening of RMB against HKD, USD and EUR, there would be an equal and opposite impact on post-tax loss (2016: post-tax profit).

29. 財務風險管理目標及政策

(續)

市場風險(續)

(i) 貨幣風險 (續)

於呈報期末本集團以外幣計值的貨幣資產及貨幣負債的賬面值如下：

下表載有本集團人民幣兌港元、美元、歐元及瑞士法郎5%(2016年：5%)變動的敏感度詳情。5%(2016年：5%)乃管理層對外幣匯率合理的可能變動的評估。因影響並非重大，故並無呈列瑞士法郎兌人民幣敏感度分析。本集團於呈報期末須承擔的外幣匯率風險的敏感度分析乃按貨幣資產及負債於呈報期末基於5%(2016年：5%)外幣匯率變動作出的匯兌調整釐定。負數表示人民幣兌港元、美元及歐元升值情況下稅後利潤減少。以下正數表示截至2017年12月31日止年度稅後虧損減少。就人民幣兌港元、美元及歐元貶值5%(2016年：5%)而言，稅後虧損(2016年：稅後利潤)將會出現相等但相反的影響。

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Market risk (Cont'd)

(i) Currency risk (Cont'd)

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
If RMB strengthens against HKD	倘人民幣兌港元升值	2,057	(53)
If RMB strengthens against USD	倘人民幣兌美元升值	(6,959)	(2,840)
If RMB strengthens against EUR	倘人民幣兌歐元升值	(60)	(17)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk which arises from pledged bank balances (note 20) and fixed rate bank borrowings (note 22). Pledged bank balances and fixed rate bank borrowings are mainly short-term nature. Therefore, any variation in interest rate will not have a significant impact on the results of the Group.

The Group is exposed to cash flow interest rate risk which arises from bank balances (note 20) and floating rate bank borrowings (note 22). The Group keeps its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

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.

29. 財務風險管理目標及政策

(續)

市場風險(續)

(i) 貨幣風險(續)

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
If RMB strengthens against HKD	2,057	(53)
If RMB strengthens against USD	(6,959)	(2,840)
If RMB strengthens against EUR	(60)	(17)

管理層認為，由於年底的風險並不反映年內的風險，故此敏感度分析並不反映既有的外匯風險。

(ii) 利率風險

本集團面對已抵押銀行結餘(附註20)及定息銀行借款(附註22)產生的公平值利率風險。計息已抵押銀行結餘及定息銀行借貸主要為短期性質。因此，任何利率變動將不會對本集團的業績造成重大影響。

本集團面對銀行結餘(附註20)及浮息銀行借款(附註22)產生的現金流量利率風險。本集團以浮息持有借貸，以盡量減少公平值利率風險。

本集團目前並無利率對沖政策。然而，管理層會監察利率風險，並在有需要時考慮對沖重大利率風險。

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Market risk (Cont'd)

(ii) Interest rate risk (Cont'd)

The positive number below indicates the decrease in post-tax loss or increase in post-tax profit, and vice versa.

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Note a)	(Note a)
		(附註a)	(附註a)
If the interest rate goes up	倘利率上升		
Decrease in post-tax loss or increase	稅後虧損減少或		
in post-tax profits	稅後溢利增加	751	927

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Note b)	(Note b)
		(附註b)	(附註b)
If the interest rate goes down	倘利率下降		
Increase in post-tax loss or decrease	稅後虧損增加或		
in post-tax profit	稅後溢利減少	(724)	(922)

Notes:

- (a) If interest rate on bank balances had been 30 basis points higher and interest rate on short-term floating rate bank borrowings had been 50 basis points higher and all other variables were held constant.
- (b) If interest rate on bank balances denominated in HKD and other foreign currencies had been 0.1 basis point and 30 basis points lower, respectively, and interest rate on short-term floating rate bank borrowings had been 50 basis points lower and all other variables were held constant.

附註：

- (a) 假設銀行結餘的利率增加30個基點，短期浮息銀行借款的利率增加50個基點，而所有其他變數保持不變。
- (b) 假設以港元及其他外幣計值的銀行結餘的利率分別下跌0.1個基點及30個基點，而短期浮息銀行借款的利率下跌50個基點，而所有其他變數保持不變。

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Liquidity risk

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 monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

Banking facilities available to the Group are approximately RMB953,906,000 (2016: RMB1,018,740,000).

The Group relies on bank balances and cash, and bank borrowings as a source of liquidity. As at 31 December 2017, the Group has available unutilised banking facilities of approximately RMB601,953,000 (2016: RMB431,496,000).

The following table details the Group's remaining contractual maturity for its financial liabilities. 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.

29. 財務風險管理目標及政策

(續)

流動資金風險

於流動資金風險管理中，本集團監控及保持一定水平的現金及現金等價物，令管理層視為足以應付本集團營運所需，並足以緩減現金流量波動的影響。管理層監控銀行借款的運用及確保遵守貸款契約。

本集團可動用銀行信貸約為人民幣953,906,000元(2016年：人民幣1,018,740,000元)。

本集團依賴銀行結餘及現金以及銀行借款作為流動資金來源。於2017年12月31日，本集團有可動用未用銀行融資約601,953,000元(2016年：人民幣431,496,000元)。

下表為本集團金融負債餘下合同到期日的詳情。下表乃按本集團可能需要支付的最早日期根據金融負債的未折現現金流量編製。

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Liquidity risk (Cont'd)

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.

		Weighted average effective interest rate	Payable on demand	0 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total undiscounted cash flows	Carrying amount at
										31 December 2017
		%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	於2017年 12月31日 賬面值
		%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	總未折現 現金流
2017	2017年									
Trade and other payables	貿易及其他應付賬款	N/A 不適用	177,664	267,159	147,785	158,743	75,105	7,641	834,097	834,097
Dividend payable	應付股息	N/A 不適用	726	—	—	—	—	—	726	726
Bank borrowings	銀行借款									
– Fixed interest rate	— 定息利率	5.84	—	—	10,068	61,043	115,897	52,084	239,092	235,000
– Floating interest rate	— 浮動利率	1.81	—	—	—	—	52,978	—	52,978	52,464
			178,390	267,159	157,853	219,786	243,980	59,725	1,126,893	1,122,287
2016	2016年									
Trade and other payables	貿易及其他應付賬款	N/A 不適用	194,309	125,282	94,662	128,443	78,141	4,680	625,517	625,517
Dividend payable	應付股息	N/A 不適用	770	—	—	—	—	—	770	770
Bank borrowings	銀行借款									
– Fixed interest rate	— 定息利率	6.13	—	—	—	—	87,525	107,892	195,417	185,480
– Floating interest rate	— 浮動利率	1.92	—	—	—	—	54,500	17,035	71,535	70,787
			195,079	125,282	94,662	128,443	220,166	129,607	893,239	882,554

The amount included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

29. 財務風險管理目標及政策

(續)

流動資金風險(續)

該表載列利息及主要現金流量。倘利息按浮動利率計算，則未折現金額按呈報期末的利率計算。

倘非衍生金融負債浮息工具之浮動利率變動與呈報期末釐定之利率不同，則就該等工具計入之數額或會變更。

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(Cont'd)

Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period. The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

30. PLEDGE OF ASSETS

Assets with the following carrying amounts have been pledged to secure bank borrowings and bills payable granted to the Group.

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Pledged bank deposits	質押銀行存款	166,658	124,612
Notes receivable	應收票據	70,657	225,852
		237,315	350,464

31. RETIREMENT BENEFITS SCHEME

The employees of the Group are members of a state-managed retirement benefit scheme operated by the local government. MOBI Shenzhen, MOBI Jian and MOBI Xian are required to contribute 14%, 20% and 20%, respectively, of the payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of these entities with respect to the retirement benefit scheme is to make the specified contributions.

The retirement benefits scheme contributions made by the Group amounted to RMB30,034,000 (2016: RMB24,251,000) for the year ended 31 December 2017.

29. 財務風險管理目標及政策

(續)

金融工具的公平值計量

本公司董事認為，按攤銷成本計入綜合財務報表的金融資產及金融負債的賬面值與其於呈報期末的公平值相若。金融資產及金融負債的公平值按公認定價模式，根據折現現金流量分析而釐定。

30. 資產質押

以下賬面值的資產已予質押，以抵押本集團獲授的銀行借款及應付票據。

31. 退休福利計劃

本集團的僱員乃地方政府設立的國家管理退休福利計劃的成員。摩比深圳、摩比吉安及摩比西安須分別按工資成本的14%、20%及20%向退休福利計劃作出供款作為福利的資金。該等公司的退休福利計劃承擔僅限於作出指定供款。

至2017年12月31日止年度，本集團作出的退休福利計劃供款為人民幣30,034,000元(2016年：人民幣24,251,000元)。

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32. RELATED PARTY TRANSACTIONS

- (a) During the year, the Group has the following significant transactions with SZWS.

The significant transaction between the Group and SZWS are as follows:

Nature of transaction	交易性質	2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Rental expenses	租金支出	956	1,331

Related party balances	關連人士結餘	2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Other receivables	其他應收賬款	72	72
Other payables	其他應付賬款	106	—

Note: The balances are unsecured, interest-free and payable on demand.

附註：結餘為無抵押、免息及於要求時償還。

(b) Operating lease commitments

As disclosed in note 26, at the end of the reporting period, the Group was committed to make the following future minimum lease payment in respect of a rented premise under non-cancellable operating lease with SZWS, which fall due:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	1,331	1,331
In the second to fifth year inclusive	第二至第五年(首尾兩年包括在內)	222	1,553
		1,553	2,884

The lease is negotiated and rental is fixed for lease term of five years.

租賃乃協商而定，五年租期內的租金固定。

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32. RELATED PARTY TRANSACTIONS (Cont'd)

(c) Compensation of key management personnel

The remuneration of directors and other members of key management were as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term benefits	短期福利	8,551	8,789
Equity-settled share base payment	以權益結算以股份為基礎的付款	557	1,453
Post-employment benefits	離職後福利	142	126
		9,250	10,368

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends.

The retirement benefits scheme contributions of one director were paid by SZWS for the year ended 31 December 2017 and 2016.

32. 關連人士交易(續)

(c) 主要管理人員的報酬

董事及主要管理層其他成員的薪酬如下：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元

Short-term benefits	8,551	8,789
Equity-settled share base payment	557	1,453
Post-employment benefits	142	126
	9,250	10,368

董事及主要行政人員的薪酬乃根據個人表現及市場趨勢而釐定。

截至2017年及2016年12月31日止年度，一名董事的退休福利計劃供款由深圳維先通支付。

33 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities.

33. 融資活動負債對賬

下表詳列本集團融資活動負債變動，包括現金及非現金變動。融資活動產生的負債乃指其現金流量及未來現金流量於本集團現金流量表中分類為融資活動現金流量的負債。

		01/01/2017	Financing cash flows	Distribution to shareholders	Interest expenses	31/12/2017
		2017年1月1日	融資現金流量	向股東分派的金額	利息開支	2017年12月31日
		RMB	RMB	RMB	RMB	RMB
		人民幣元	人民幣元	人民幣元	人民幣元	人民幣元
Bank Borrowings	銀行借款	256,267	31,197	—	—	287,464
Dividend payable	應付股息	770	(28,486)	28,442	—	726
Interest payable	應付利息	—	(14,568)	—	14,568	—
		257,037	(11,857)	28,442	14,568	288,190

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34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

As at the end of both reporting periods, the particulars of the Company's subsidiaries are as follows:

34. 本公司主要子公司詳情

截至兩個呈報期末，本公司子公司詳情如下：

Name of subsidiary 子公司名稱	Place and date of establishment/ incorporation 成立／註冊 成立地點及日期	Issued and fully paid registered capital/share capital 已發行及繳足 註冊資本／股本 2017 & 2016 2017年及2016年	Equity interest attributable to the Group 本集團應佔股權 2017 & 2016 2017年及2016年	Principal activities 主要業務
MOBI Jian ⁽¹⁾	The PRC 23 May 2006	RMB267,000,000	100%	Production and sale of antennas and radio frequency subsystems
摩比吉安 ⁽¹⁾	中國 2006年5月23日	人民幣 267,000,000元	100%	生產及銷售天線和 無線電射頻子系統
MOBI Shenzhen ⁽²⁾	The PRC 12 August 1999	RMB220,000,000	100%	Production and sale of antennas and radio frequency subsystems
摩比深圳 ⁽²⁾	中國 1999年8月12日	人民幣 220,000,000元	100%	生產及銷售天線和 無線電射頻子系統
MOBI Xian ⁽³⁾	The PRC 29 April 2008	RMB120,000,000	100%	Production and sale of antennas and radio frequency subsystems
摩比西安 ⁽³⁾	中國 2008年4月29日	人民幣 120,000,000元	100%	生產及銷售天線和 無線電射頻子系統
MOBI HK ⁽⁴⁾	Hong Kong 15 December 2010	HKD10,000,000	100%	Trading of antennas and radio frequency subsystems
摩比香港 ⁽⁴⁾	香港 2010年12月15日	10,000,000港元	100%	天線和無線電射頻子 系統貿易

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34. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(Cont'd)

Notes:

- (1) MOBI Jian is directly held by the Company and wholly foreign-owned enterprise in the PRC.
- (2) MOBI Shenzhen is directly held by MOBI Jian and a wholly foreign-owned enterprise in the PRC.
- (3) MOBI Xian is directly held by MOBI Shenzhen and a wholly foreign-owned enterprise in the PRC.
- (4) MOBI HK is directly held by the Company.
- (5) At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. A majority of these subsidiaries are engaged in production and sale of antennas and radio frequency subsystems, which operate in the PRC.
- (6) None of the subsidiaries had issued any debt securities at the end of the year.

34. 本公司主要子公司詳情

(續)

附註：

- (1) 摩比吉安由本公司及中國外商獨資企業直接持有。
- (2) 摩比深圳由摩比吉安及中國外商獨資企業直接持有。
- (3) 摩比西安由摩比深圳及中國外商獨資企業直接持有。
- (4) 摩比香港由本公司直接持有。
- (5) 於呈報期末，本公司擁有其他對本集團而言並不重大的子公司。該等子公司大部分於中國從事生產及銷售天線和無線電射頻子系統。
- (6) 概無子公司於年終發行任何債務證券。

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35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

35. 本公司財務狀況報表

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current Assets	非流動資產		
Unlisted investments in subsidiaries	於子公司的非上市公司	375,334	372,685
Amounts due from subsidiaries	應收子公司款項	133,124	192,995
		508,458	565,680
Current Assets	流動資產		
Amounts due from subsidiaries	應收子公司款項	81,707	40,060
Bank balances and cash	銀行結餘及現金	11,546	4,989
		93,253	45,049
Current liabilities	流動負債		
Short-term bank loan	短期銀行貸款	52,464	53,930
Trade and other payables	貿易及其他應付賬款	427	260
Amounts due to subsidiaries	應付子公司款項	33,834	14,194
Dividend payable	應付股息	726	770
		87,451	69,154
Net Current Assets (Liabilities)	流動資產(負債)淨額	5,802	(24,105)
Total Assets less Current Liabilities	總資產減流動負債	514,260	541,575
Capital and Reserves	股本及儲備		
Share capital (note 24)	股本(附註24)	6	6
Reserves	儲備	514,254	541,569
Total Equity	總權益	514,260	541,575

Notes to the Consolidated Financial Statements

綜合財務報表附註

For year ended 31 December 2017

截至2017年12月31日止年度

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

Movement in reserves

		Share premium 股份溢價 RMB' 000 人民幣千元	Share option reserve (note 25) 購股權 儲備 (附註25) RMB' 000 人民幣千元	Retained earnings 保留盈利 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
At 1 January 2016	於2016年1月1日	516,232	18,660	8,595	543,487
Recognition of equity-settled share base payment	確認以權益結算以股份 為基礎的付款	—	7,101	—	7,101
Profit and the total comprehensive income for the year	年度利潤及 全面收入總額	—	—	19,053	19,053
Dividend paid	已付股息	(28,072)	—	—	(28,072)
At 31 December 2016	於2016年12月31日	488,160	25,761	27,648	541,569
Exercise of share option	行使購股權	3,266	(808)	—	2,458
Recognition of equity-settled share base payment	確認以權益結算以股份 為基礎的付款	—	2,649	—	2,649
Loss and the total comprehensive expense for the year	年度虧損及 全面開支總額	—	—	(3,692)	(3,692)
Dividend paid	已付股息	(28,442)	—	—	(28,442)
Shares repurchased	購回股份	(288)	—	—	(288)
At 31 December 2017	於2017年12月31日	462,696	27,602	23,956	514,254

35. 本公司財務狀況報表(續)

儲備變動

Share option
reserve
(note 25)

購股權
儲備
(附註25)
RMB' 000
人民幣千元

Retained
earnings
保留盈利
RMB' 000
人民幣千元

Total
總計
RMB' 000
人民幣千元

At 1 January 2016	於2016年1月1日	516,232	18,660	8,595	543,487
Recognition of equity-settled share base payment	確認以權益結算以股份 為基礎的付款	—	7,101	—	7,101
Profit and the total comprehensive income for the year	年度利潤及 全面收入總額	—	—	19,053	19,053
Dividend paid	已付股息	(28,072)	—	—	(28,072)
At 31 December 2016	於2016年12月31日	488,160	25,761	27,648	541,569
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Loss and the total comprehensive expense for the year	年度虧損及 全面開支總額	—	—	(3,692)	(3,692)
Dividend paid	已付股息	(28,442)	—	—	(28,442)
Shares repurchased	購回股份	(288)	—	—	(288)
At 31 December 2017	於2017年12月31日	462,696	27,602	23,956	514,254

MOBI 摩比

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