



ANNUAL REPORT 年報

2017



**AKM Industrial Company Limited**

**安捷利實業有限公司**

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

(根據公司條例在香港註冊成立之有限公司)

Stock Code 股份代號 : 1639

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## CORPORATE INFORMATION

### 公司資料

#### BOARD OF DIRECTORS

##### Executive directors

XIONG Zheng Feng (*Chairman*)

CHAI Zhi Qiang (retired on 26 May 2017)

##### Non-executive director

LI Ying Hong

GAO Xiaoguang

Jia Junan

Wang Chunsheng (appointed on 30 January 2018)

##### Independent non-executive directors

HUNG Chi Yuen Andrew

ZHAO Xiao (term of office expired on 15 February 2018)

CUI Zheng

#### COMPLIANCE OFFICER

LI Ying Hong

#### COMPANY SECRETARY

HUNG Ching Yuen

#### AUTHORISED REPRESENTATIVES

XIONG Zheng Feng

LI Ying Hong

#### AUDIT COMMITTEE

HUNG Chi Yuen Andrew (*Committee Chairman*)

ZHAO Xiao (term of office expired on 15 February 2018)

CUI Zheng

#### REMUNERATION COMMITTEE

ZHAO Xiao (*Committee Chairman*)

(term of office expired on 15 February 2018)

LI Ying Hong

CUI Zheng

#### NOMINATION COMMITTEE

XIONG Zheng Feng (*Committee Chairman*)

HUNG Chi Yuen Andrew

ZHAO Xiao (term of office expired on 15 February 2018)

#### 董事會

##### 執行董事

熊正峰(*主席*)

柴志強(於二零一七年五月二十六日退任)

##### 非執行董事

李映紅

高曉光

賈軍安

王春生(於二零一八年一月三十日獲委任)

##### 獨立非執行董事

洪志遠

趙曉(任期於二零一八年二月十五日屆滿)

崔錚

#### 監察主任

李映紅

#### 公司秘書

洪靜遠

#### 授權代表

熊正峰

李映紅

#### 審核委員會

洪志遠(*委員會主席*)

趙曉(任期於二零一八年二月十五日屆滿)

崔錚

#### 薪酬委員會

趙曉(*委員會主席*)

(任期於二零一八年二月十五日屆滿)

李映紅

崔錚

#### 提名委員會

熊正峰(*委員會主席*)

洪志遠

趙曉(任期於二零一八年二月十五日屆滿)

## CORPORATE INFORMATION 公司資料

### AUDITOR

Deloitte Touche Tohmatsu  
Certified Public Accountants

### 核數師

德勤•關黃陳方會計師行  
香港執業會計師

### LEGAL ADVISORS

Tracy Ong & Co.

### 法律顧問

王珮玲律師事務所

### PRINCIPAL PLACE OF BUSINESS IN CHINA

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

### 中國主要營業地點

中華人民共和國  
廣州市  
南沙區  
資訊科技園  
環市大道南63號

### REGISTERED OFFICE

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

### 註冊辦事處

香港  
干諾道中168-200號  
信德中心西座  
27樓2708-11室

### HONG KONG SHARE REGISTRAR & TRANSFER OFFICE

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

### 香港股份過戶登記處

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

### PRINCIPAL BANKERS

Chiyu Banking Corporation Ltd.  
Bank of China  
China Construction Bank  
United Overseas Bank (China) Limited

### 主要往來銀行

集友銀行有限公司  
中國銀行  
中國建設銀行  
大華銀行(中國)有限公司

### STOCK CODE

1639

### 股份代號

1639

### COMPANY HOMEPAGE/WEBSITE

[www.akmcompany.com](http://www.akmcompany.com)

### 公司主頁／網站

[www.akmcompany.com](http://www.akmcompany.com)

## CHAIRMAN'S STATEMENT 主席報告書

For and on behalf of the board of Directors (the "Board"), I would like to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2017.

本人謹代表董事會（「董事會」）呈列本公司及其附屬公司（統稱「本集團」）截至二零一七年十二月三十一日止年度之年報。

### RESULT ANALYSIS AND BUSINESS REVIEW

### 業績分析及業務回顧

2017 witnessed the rapid development in the Group's operation. With the acceleration and anticipated growth in the global economy, the positive momentum in the economic growth of the developed economies, the stabilization and recovery of the emerging markets and developing economies, and the positive results of the structural adjustment of China's economy, the flexible printed circuit ("FPC") industry welcomed rare development opportunities. It is expected that following the commencement of the commercial application of 5G and the continuous expansion of new application fields of FPC, more products such as display modules, new energy vehicles, wireless charging and smart wearable devices will incorporate FPC design. The FPC industry is expected to see frequent capital injections, production expansions, mergers and reorganizations and increased demand in technical difficulties and quality of products. The competition in the FPC market will become more and more intense.

二零一七年度是本集團經營快速發展的一年。隨著全球經濟增速和增長預期提升，發達經濟體經濟增長勢頭良好，新興市場和發展中經濟體增速企穩回升，以及中國經濟結構調整取得較好成績，柔性電路板行業迎來難得的發展機遇。預期隨著中國5G商用開始展開以及柔性電路板新應用領域的不斷擴展，如顯示模組、新能源汽車、無線充電、智慧穿戴設備等越來越多地採用柔性電路板設計，以及柔性電路板行業增資擴產和兼併重組頻發，產品技術難度及品質要求提高，柔性電路板的市場競爭將越發激烈。

The Group recorded turnover of approximately HK\$1,118,838,000 in the financial year of 2017, representing an increase of approximately 36.16% as compared to that of last year (2016: approximately HK\$821,662,000). Profit attributable to owners of the Company for the year ended 31 December 2017 was approximately HK\$79,016,000, representing an increase of approximately 182.76% as compared to that of last year (2016: approximately HK\$27,944,000). As at 31 December 2017, basic earnings per share was approximately HK6.62 cents, representing an increase of approximately 143.38% as compared to that of last year (2016: approximately HK2.72 cents).

本集團於二零一七年財政年度內錄得之營業額約1,118,838,000港元，較去年（二零一六年：約821,662,000港元）增加約36.16%。本公司擁有人截至二零一七年十二月三十一日止年度應佔溢利約為79,016,000港元，較去年（二零一六年：約27,944,000港元）增長約182.76%。截至二零一七年十二月三十一日，每股基本盈利約為6.62港仙，較去年（二零一六年：約2.72港仙）增長約143.38%。

## CHAIRMAN'S STATEMENT 主席報告書

During the year under review, due to staggering growth in demand from domestic customers, the Group recorded a significant increase in the sales of FPC business, which gradually realised the benefits of economies of scale. The sales of flexible packaging substrates business also recorded a significant increase, and its gross profit margin increased to approximately 13.95% (2016: approximately 2.57%). The increase in the overall results of the Group was hard-earned, which reflects recognition in the core capacity of the Group by the market and customers. The Group will bring better returns for the market and customers.

During the year under review, the Group's investment in research and development decreased. The research and development expenses decreased to approximately HK\$79,882,000, representing a decrease of approximately 13.29% as compared to that of last year. The decrease in research and development expenses was mainly attributed to the completion of the major development tasks for the "02" major project titled "Development and Industrialization of Tape High-Density and Ultra-Thin Flexible Packaging Substrates Technology" (《卷帶式高密度超薄柔性封裝基板工藝開發與產業化》) under National Science and Technology Major Project for the year 2014 undertaken by the Group and the on schedule completion of certain major specifications in year 2016, which resulted in a significant decrease in the expenses incurred for the "02" major project.

During the year under review, the Group continued its cooperation with the substantial shareholder, GoerTek Inc. ("GoerTek"). During the year under review, the Group sold FPC and flexible packaging substrates of approximately HK\$120,009,000 (2016: approximately HK\$90,822,000) to GoerTek, representing a year-on-year growth of approximately 32.14%.

於回顧年度內，受益於國內客戶需求強勁增長，本集團之柔性電路板業務之銷售獲得較大增長，經濟規模效益逐漸體現；柔性封裝基板業務之銷售亦錄得大幅度增長，其毛利率增加至約13.95%（二零一六年：約2.57%）。本集團整體業績增長這來之不易的經營成果，體現了市場及客戶對本集團核心能力的認可與肯定，本集團亦將更好地回報市場及客戶。

於回顧年度內，本集團之研發投入有所減少，研發開支較去年減少約13.29%至約79,882,000港元，主要因本集團承擔之國家科技重大2014年度"02"專項之項目（《卷帶式高密度超薄柔性封裝基板工藝開發與產業化》）已於二零一六年度完成主要開發任務，若干主要指標亦按計劃全面完成，於回顧年度內對02專項投入的費用大幅度減少所致。

於回顧年度內，本集團繼續加強與主要股東歌爾股份有限公司（「歌爾股份」）的合作，回顧年度內共計向歌爾股份銷售柔性電路板及柔性封裝基板產品約120,009,000港元（二零一六年：約90,822,000港元），同比增長約32.14%。

## CHAIRMAN'S STATEMENT 主席報告書

On 13 March 2017, the Company completed the issue of 246,867,500 rights shares ("Rights Shares") to the qualifying shareholders by way of rights ("Rights Issue"), at the subscription price of HK\$0.55 per Rights Share. The net proceeds from the Rights Issue was approximately HK\$133,506,000. In addition, on 29 November 2017, the Company entered into a subscription agreement with Alpha Luck Industrial Limited ("Alpha Luck"), a controlling shareholder of the Company, and a subscription agreement with Suzhou Anjie Technology Co. Ltd ("Anjie Technology"), respectively, pursuant to which Alpha Luck and Anjie Technology respectively subscribed for 103,900,000 shares and 200,000,000 shares at the subscription price of HK\$1.50 per share (collectively the "Subscriptions"). The net proceeds of the Subscriptions were approximately HK\$454,900,000. The Subscriptions were simultaneously completed on 30 January 2018. Through the raising of funds, the Group strengthened its capital base and financial strength and laid a sound foundation for the Group's future development.

Looking into 2018, it is expected that the share of China's key mobile phone manufacturers in the global market will be maintained and uplifted. The Group is confident to maintain and increase its share of supply to major customers and expects to benefit from the growth of such customers. In addition, following the Group's investments in response to the new and maturing application fields of FPC and flexible packaging substrates such as display modules, new energy vehicles, wireless charging and smart wearable devices, the Group expects to achieve greater development in these new application fields. The management of the Group will strive to seize the opportunities, overcome the difficulties and continuously improve the operation results, so as to present satisfactory results and bring favourable returns to its shareholders.

於二零一七年三月十三日，本公司完成以供股形式（「供股」）按認購價每股供股股份0.55港元向合資格股東發行246,867,500股供股股份（「供股股份」），供股所得款項淨額約133,506,000港元。此外，於二零一七年十一月二十九日，本公司分別與本公司控股股東安捷利實業有限公司（「安捷利實業」）訂立一份認購協議及與蘇州安潔科技股份有限公司（「安潔科技」）訂立一份認購協議，安捷利實業及安潔科技分別按認購價每股1.5港元認購103,900,000股及200,000,000認購股份（統稱為「認購事項」）。認購事項所得款項淨額約454,900,000港元。認購事項已於二零一八年一月三十日同時完成。本集團通過籌集資金，提升了本集團之資本基礎及資金實力，為本集團之未來發展打下了良好的基礎。

展望二零一八年，預計主要中國行動電話生產商之全球佔比仍將得以維持和提升，本集團有信心保持和提升主要客戶之供應份額，並預期受益於該等客戶之增長。同時，隨著本集團因應柔性電路板和柔性封裝基板之應用新領域如顯示模組、新能源汽車、無線充電、智慧穿戴設備等行業不斷成熟而進行之投入，本集團預期在此類應用新領域內將得到較大的發展。本集團管理層將努力抓住機遇，克服困難，不斷提升經營業績，向股東交出滿意成績，為股東帶來理想回報。

## CHAIRMAN'S STATEMENT 主席報告書

### APPRECIATION

Mr. Zhao Xiao does not seek for renewal of his term of office as an independent non-executive director, the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee of the Company after its expiration on 25 February 2018 due to his other business commitments. On 30 January 2018, Mr. Wang Chunsheng was appointed as a non-executive director of the Company.

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

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

**AKM Industrial Company Limited**  
**Xiong Zheng Feng**  
*Chairman*

Hong Kong, 20 March 2018

### 致謝

趙曉先生因其他業務承擔於二零一八年二月十五日任期屆滿後不再尋求連任本公司之獨立非執行董事、薪酬委員會主席、審核委員會委員及提名委員會委員。於二零一八年一月三十日，王春生先生獲委任為本公司之非執行董事。

本人藉此機會代表董事會感謝趙先生對本公司作出之貢獻，並熱烈歡迎王先生加入本公司。

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

**安捷利實業有限公司**  
**熊正峰**  
*主席*

香港，二零一八年三月二十日



## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

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

本集團董事及高級管理層之履歷詳情如下：

#### DIRECTORS

#### 董事

##### Executive Directors

##### 執行董事

**Mr. Xiong Zheng Feng (熊正峰)**, aged 48, is the chairman of the Company and an executive Director. In July 1992, he graduated from the Department of Computer Science of 南開大學 (Nankai University) and obtained his bachelor degree in science. He then obtained his master degree in economics from 南開大學經濟學院 (Nankai University School of Economics) in July 1995. Mr. Xiong joined 中國北方工業有限公司 (前名中國北方工業公司) (China North Industries Corporation) in August 1995 and took up the post of deputy general manager of 中國北方工業廈門公司 (China North Industries Xiamen Corporation) from October 1999 to November 2000. From April 2003 to January 2011, he was an alternate director of Raymond Industrial Ltd, a company whose shares are listed on the Stock Exchange of Hong Kong, and is a non-executive director since January 2011. In November 2000, Mr. Xiong joined Silver City International (Holdings) Ltd. (銀華國際(集團)有限公司) ("Silver City"), the controlling shareholder of the Company, as assistant General Manager and was promoted to the position of Deputy General Manager of Silver City in March 2004. He is also a director of Alpha Luck Industrial Limited (安利實業有限公司), the controlling shareholder of the Company, since March 2001. Mr. Xiong is also a director of the subsidiaries of the Group, namely AKM Electronics Industrial (Panyu) Ltd. and AKM Electronic Technology (Suzhou) Company Limited. Mr. Xiong joined the Company in March 2001 and is responsible for the Group's corporate policy formulation, business strategies planning, business development and management of the Group. Save as disclosed above, Mr. Xiong does not hold any directorship in other listed companies in the past three years, and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

**熊正峰先生**，現年48歲，為本公司主席兼執行董事。一九九二年七月彼畢業於南開大學計算機系，取得理學學士學位。彼其後於一九九五年七月取得南開大學經濟學院經濟學碩士學位。熊先生於一九九五年八月加入中國北方工業有限公司(前名中國北方工業公司)，一九九九年十月至二零零零年十一月期間出任中國北方工業廈門公司之副總經理職位。熊先生自二零零三年四月至二零一一年一月出任利民實業有限公司(其股份於香港聯交所上市)之替任董事，並自二零一一年一月起為非執行董事。二零零零年十一月，熊先生加入銀華國際(集團)有限公司(「銀華」)(其為本公司的控股股東)出任助理總經理，並於二零零四年三月起晉升至銀華副總經理一職。彼亦自二零零一年三月起出任安利實業有限公司(其為本公司的控股股東)董事。熊先生亦為本集團附屬公司，即安捷利(番禺)電子實業有限公司及安捷利電子科技(蘇州)有限公司的董事。熊先生於二零零一年三月加入本公司，負責本集團之企業政策制訂、業務策略規劃、業務拓展及管理。除上文披露者外，熊先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東有任何其他關係。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

#### Non-executive Director

**Ms. Li Ying Hong (李映紅)**, aged 54, was appointed as an executive Director on 10 June 2003 and was re-designated as a non-executive Director since 5 September 2014. In July 1985, Ms. Li obtained her bachelor degree in corporate finance and accounting from 江西財經學院 (Jiangxi College of Finance). In May 2003, she obtained her master degree in international management from Australia National University. During the period from August 1985 to February 2003, Ms. Li was employed as, amongst other roles, deputy chief accountant, deputy general manager and chief accountant of 中國萬寶工程公司 (China Wanbao Engineering Corporation). From March 2001 to April 2003, she was a director for 北方國際合作股份有限公司 (Norinco International Cooperation Company Limited), a company listed on the Shenzhen Stock Exchange in China. She was a non-executive director of Raymond Industrial Ltd. (a company whose shares are listed on the Stock Exchange of Hong Kong) from July 2008 until 26 May 2017. In June 2003, Ms. Li joined Silver City, the controlling shareholder of the Company, as a director, deputy general manager and financial controller, and ceased to be the financial controller of Silver City since January 2016. At the same time, she joined the Company and is responsible for the Group's corporate policy formulation, business strategies planning, business development and management of the Group. Ms. Li is a director of the subsidiaries of the Group, namely, AKM Electronics Industrial (Panyu) Ltd. and AKM Electronic Technology (Suzhou) Company Limited. Save as disclosed above, Ms. Li does not hold any directorship in other listed companies in the past three years, and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

#### 非執行董事

**李映紅女士**，現年54歲，於二零零三年六月十日獲委任為執行董事，並於二零一四年九月五日調任為非執行董事。一九八五年七月，李女士在江西財經學院取得企業財務與會計專業學士學位。二零零三年五月，彼取得澳大利亞國立大學國際商業管理碩士學位。一九八五年八月至二零零三年二月，彼受聘為中國萬寶工程公司的副總會計師、副總經理及總會計師等職。二零零一年三月至二零零三年四月，彼擔任中國深圳證券交易所上市之北方國際合作股份有限公司的董事。彼曾於二零零八年七月至二零一七年五月二十六日止期間出任利民實業有限公司（其股份於香港聯交所上市）之非執行董事。二零零三年六月，李女士加入本公司控股股東銀華，擔任董事、副總經理及財務總監，自二零一六年一月起不再擔任銀華的財務總監。同時，彼加入本公司，負責本集團的企業方針制定、業務策略規劃、業務發展與管理。李女士為本集團附屬公司安捷利（番禺）電子實業有限公司以及安捷利電子科技（蘇州）有限公司的董事。除上述披露者外，於過去三年，李女士並無在其他上市公司任職任何董事，且與本公司任何董事、高級管理層、主要股東或控股股東並無任何其他關係。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP 本集團董事及高級管理層

**Mr. Gao Xiaoguang (高曉光)**, aged 42, is currently vice general manager of GoerTek Inc. ("GoerTek"), a substantial shareholder of the Company. Mr. Gao graduated from Shandong Institute of Technology (山東工程學院) in July 1998 and obtained his master degree in business administration from Southern Cross University in 2006. Mr. Gao joined GoerTek in 2001. Mr. Gao was appointed as non-executive Director of the Company on 12 March 2015. Mr. Gao does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

**Mr. Jia Junan (賈軍安)**, aged 47, is currently vice general manager of and secretary to the board of directors of GoerTek. He graduated from Shandong Institute of Finance and Economics (山東財政學院) in July 1993 with a bachelor degree in economics and obtained his master degree in economics from Shandong University (山東大學) in 2003. Mr. Jia obtained a doctorate degree in economics in 2008 from Xiamen University (廈門大學). He is a member of The Association of Chartered Certified Accountants and a member of The Chinese Institute of Certified Public Accountants. Mr. Jia obtained a qualification certificate for secretary to board of directors (董事會秘書資格證書) issued by the Shenzhen Stock Exchange in 2013. Mr. Jia was previously manager of tax department of KPMG China, Tsingdao office, and he joined GoerTek in 2010. Mr. Jia was appointed as a non-executive Director of the Company on 17 November 2015. Mr. Jia does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

高曉光先生，現年42歲，現時為本公司主要股東歌爾股份有限公司（「歌爾股份」）副總經理。彼於一九九八年七月畢業於山東工程學院，於二零零六年取得南十字星大學工商管理碩士學位。彼於二零零一年加入歌爾股份。高先生於二零一五年三月十二日獲委任為本公司非執行董事。高先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

賈軍安先生，現年47歲，現時為歌爾股份之副總經理兼董事會秘書。彼於一九九三年七月畢業於山東財政學院，獲得經濟學學士學位，並於二零零三年獲山東大學頒授經濟學碩士學位。賈先生於二零零八年獲廈門大學頒授經濟學博士學位。彼為英國特許公認會計師公會會員及中國註冊會計師協會會員。賈先生於二零一三年獲深圳證券交易所發出董事會秘書資格證書。賈先生之前擔任畢馬威中國青島辦事處稅務部經理，於二零一零年加盟歌爾股份。賈先生於二零一五年十一月十七日獲委任為本公司非執行董事。賈先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

**Mr. Wang Chunsheng** (王春生), aged 43, graduated from School of Mechanical Design and Engineering, Jiangsu University of Science and Technology (江蘇理工大學機械設計工程學院) in June 1998. Mr. Wang joined Suzhou Anjie Technology Co. Ltd (蘇州安潔科技股份有限公司) (“Anjie Technology”) (a substantial shareholder of the Company) in 2000 and is currently the chairman of the board of Anjie Technology (which is listed on the Shenzhen Stock Exchange with stock code 002635). Mr. Wang was appointed as non-executive Director of the Company on 30 January 2018. Mr. Wang does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

#### Independent non-executive Directors

**Mr. Hung Chi Yuen Andrew** (洪志遠), aged 49, is currently the director of Norton Rowland CPA Limited. He received his professional training in Deloitte Touche Tohmatsu and has worked for UBS Investment Bank as business unit controller for seven years. Mr. Hung was awarded the degree of Bachelor of Arts in Accountancy by The Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) and the degree of Master of Applied Finance by the University of Western Sydney. Mr. Hung is a practicing Certified Public Accountant, an associate member of The Hong Kong Institute of Certified Public Accountants, and a fellow member of The Chartered Association of Certified Accountants. Mr. Hung is also an independent non-executive director of FDG Kinetic Limited (formerly known as CIAM Group Limited), a company listed on the Main Board of the Stock Exchange, since 1 July 2008. Mr. Hung was appointed as an independent non-executive Director since 17 October 2011. Save as disclosed above, Mr. Hung does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

王春生先生，現年43歲，於一九九八年六月畢業於江蘇理工大學機械設計工程學院。王先生於二零零零年加入本公司主要股東蘇州安潔科技股份有限公司（「安潔科技」），現為安潔科技（其於深圳證券交易所上市，股份代號002635）之董事長。王先生於二零一八年一月三十日獲委任為本公司非執行董事。王先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

#### 獨立非執行董事

洪志遠先生，現年49歲，現為Norton Rowland CPA Limited之董事。彼曾於德勤•關黃陳方會計師行接受專業培訓並於UBS Investment Bank出任商務總監達七年。洪先生獲授香港理工大學（前稱香港理工學院）會計學文學士學位及University of Western Sydney應用金融學碩士學位。洪先生為執業會計師、香港會計師公會會員以及英國特許公認會計師公會資深會員。洪先生亦自二零零八年七月一日起為五龍動力有限公司（前稱事安集團有限公司）之獨立非執行董事。洪先生自二零一一年十月十七日起獲委任為獨立非執行董事。除上文披露者外，洪先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

**Mr. Cui Zheng (崔鐸)**, aged 63, is currently the supervisor of the academic committee of the Suzhou Institute of Nano-Tech and Nano-Bionics, Chinese Academy of Science (中國科學院蘇州納米技術與納米仿生研究所) and the supervisor of the Printable Electronics Research Center (印刷電子學研究部) at the Suzhou Institute of Nano-Tech and Nano-Bionics. Mr. Cui obtained his doctorate degree in engineering from Southeast University (東南大學) in 1988. He is a fellow of the Institution of Engineering and Technology (previously the Institution of Electrical Engineers) since 2004. He is also a State Specially Recruited Expert under the “1000 Talent Plan” of the Government of the People’s Republic of China since 2009. He is also the vice secretary-general of National Innovation Association of Printed Electronics Industrial Technology (全國印刷電子產業技術創新聯盟), and vice president of Touch Screen Advisor Committee of SEMI China (regional office of Semiconductor Equipment and Materials International). Mr. Cui was elected “Scientific Chinese” of Year 2010. Mr. Cui was previously a visiting fellow at the Cavendish Laboratory of the University of Cambridge. Further, he was also previously Principal Scientist at the Central Microstructure Facility of Rutherford Appleton Laboratory in the United Kingdom. Mr. Cui was appointed as an independent non-executive Director on 3 May 2016. Save as disclosed above, Mr. Cui does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

崔鐸先生，現年63歲，為中國科學院蘇州納米技術與納米仿生研究所學術委員會主任及印刷電子學研究部主任。崔先生於一九八八年獲得東南大學工程博士學位。彼自二零零四年起成為工程及科技學會（前稱英國電機工程師學會）會士。自二零零九年，彼亦成為中華人民共和國政府「千人計劃」下的國家特聘專家。彼亦為全國印刷電子產業技術創新聯盟的副秘書長，以及SEMI中國（國際半導體設備與材料產業協會地區辦公室）觸摸屏顧問委員會副主席。崔先生獲選二零一零年度「科學中國人」。崔先生曾擔任劍橋大學卡文迪許實驗室訪問研究員。此外，彼亦曾於英國拉塞福－阿普爾頓實驗室微結構中心擔任首席科學家。崔先生於二零一六年五月三日獲委任為獨立非執行董事。除上文披露者外，崔先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

**Mr. Zhao Xiao (趙曉)**, aged 51, is the chief economist of Cypress Leadership Institute (香柏領導力機構). He graduated from Shandong University (山東大學) in July 1989 with a bachelor degree in economics and obtained a master degree in economics in July 1995 from Institute of Economic Research of Nankai University (南開大學經濟研究所). Mr. Zhao obtained a doctorate degree in economics in 1999 from Guanghua School of Management of Beijing University (北京大學光華管理學院). Mr. Zhao is an expert committee member of 中國房地產協會產業與市場研究專業委員會 (transliteration "Committee of Industry and Market Research of the China Real Estate Association"). He is also a special research fellow of China Society of Economic Reform (中國經濟體制改革研究會). He was previously a professor and doctoral supervisor of University of Science and Technology Beijing (北京科技大學). Further, he had previously worked for the former State Economic and Trade Commission Research Centre (國家經貿委研究中心) and was head of Department of Macro Strategy, Research Centre of State-owned Assets Supervision and Administration Commission of the State Council (國務院國資委研究中心宏觀戰略部). Mr. Zhao is also an independent director of Wanda Cinema Line Co., Ltd (萬達電影院線股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code 2739), since 30 November 2012. Save as disclosed above, Mr. Zhao does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company. Mr. Zhao was appointed as an independent non-executive Director on 16 February 2015 and his term of appointment has expired on 15 February 2018, and Mr. Zhao did not seek for renewal of his term of office due to his other business commitments. (Relevant disclosure in relation to Mr. Zhao's cessation of office had been made in the announcement of the Company dated 15 February 2018).

趙曉先生，現年51歲，為香柏領導力機構的首席經濟學家。彼於一九八九年七月畢業於山東大學，取得經濟學學士學位，並於一九九五年七月獲南開大學經濟研究所頒授經濟學碩士學位。趙先生於一九九九年獲北京大學光華管理學院頒授經濟學博士學位。趙先生為中國房地產協會產業與市場研究專業委員會專家委員。彼亦為中國經濟體制改革研究會特邀研究員。彼曾擔任北京科技大學教授及博士生導師。此外，彼曾於前國家經貿委研究中心任職及擔任國務院國資委研究中心宏觀戰略部部長。趙先生自二零一二年十一月三十日起亦出任萬達電影院線股份有限公司（一間於深圳證券交易所上市之公司，證券代碼2739）之獨立董事。除上文披露者外，趙先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。趙先生自二零一五年二月十六日起獲委任為獨立非執行董事，其任期已於二零一八年二月十五日屆滿，而趙先生因其他業務承擔不尋求連任。（有關趙先生離任事項已於二零一八年二月十五日之本公司公佈予以披露）。

## DIRECTORS AND SENIOR MANAGEMENT OF THE GROUP

### 本集團董事及高級管理層

#### CHIEF EXECUTIVE OFFICER

**Mr. Chai Zhi Qiang** (柴志強), aged 57, is the chief executive officer of the Company. He was previously an executive Director and has retired as an executive Director on 26 May 2017. In January 1982, he graduated from the 激光技術專業 (Faculty of Laser Technology) of 長春光學精密機械學院 (Changchun Institute of Optics and Fine Mechanics) and obtained his bachelor degree in engineering. He then obtained his 結業證書 (Certificate on continuing education) from the 香港中澳管理學院 (Hong Kong Sino-Australia Management College) in June 2001. From February 1982 to September 1992, Mr. Chai was employed by the 江蘇省揚州市曙光儀器廠 (Shuguang Appliances Factory of Yangzhou City, Jiangsu Province) as engineer and branch-factory manager. He then joined 銀利(廣州)電子電器實業有限公司 (Alpha Luck Electronic & Electric Appliance Industrial (Guangzhou) Ltd.) in October 1992 as project manager. In January 1994, Mr. Chai joined the Company and is responsible for research and development and overall management of the Group. Mr. Chai has over 25 years of experience in the flexible printed circuit production industry. Mr. Chai is a director of the subsidiaries of the Group, namely, AKM Electronics Industrial (Panyu) Ltd. and AKM Electronic Technology (Suzhou) Company Limited.

#### COMPANY SECRETARY

**Ms. Hung Ching Yuen** (洪靜遠), aged 38, is the company secretary of the Company. Ms. Hung graduated from the University of Hong Kong and obtained her Bachelor of Laws degree and Postgraduate Certificate in Laws in 2001 and 2002 respectively. She obtained her Master of Laws degree from University College London in 2003. Ms Hung is a solicitor practicing in Hong Kong since 2006 and was appointed as the company secretary on 13 June 2011.

#### 行政總裁

柴志強先生，現年57歲，為本公司之行政總裁。彼原為本公司執行董事，已於二零一七年五月二十六日退任執行董事職務。於一九八二年一月，彼畢業於長春光學精密機械學院激光技術專業，並獲授工程學學士學位。彼其後於二零零一年六月取得香港中澳管理學院之高級管理人員工商管理結業證書。於一九八二年二月至一九九二年九月期間，柴先生獲江蘇省揚州市曙光儀器廠聘請為工程師及總裝車間副主任。彼其後於一九九二年十月加入銀利(廣州)電子電器實業有限公司任項目經理。一九九四年一月，柴先生加入本公司，負責本集團之研發項目及整體管理。柴先生於柔性電路板生產行業擁有逾25年經驗。柴先生為本集團附屬公司，即安捷利(番禺)電子實業有限公司及安捷利電子科技(蘇州)有限公司的董事。

#### 公司秘書

洪靜遠女士，現年38歲，現為本公司公司秘書。洪女士畢業於香港大學，並於二零零一年及二零零二年分別獲法學學士學位及法學專業證書。彼於二零零三年獲倫敦大學學院之法學碩士學位。洪女士自二零零六年起為香港執業律師，並於二零一一年六月十三日獲委任為公司秘書。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### FINANCIAL REVIEW

For the year ended 31 December 2017, the turnover of the Group was approximately HK\$1,118,838,000, representing an increase of approximately 36.16% as compared to approximately HK\$821,662,000 of last year. The increase in turnover was mainly due to the staggering growth in demand from the customers of the FPC business and the flexible packaging substrates business, which resulted in significant increase in the sales of FPC and flexible packaging substrates. As the gross profit margin for the FPC business decreased due to the decrease in price of the FPC products and the increase in price of raw materials, the overall gross profit margin for the year decreased to approximately 19.68% (2016: approximately 21.33%).

Profit attributable to owners of the Company for the year ended 31 December 2017 was approximately HK\$79,016,000, while profit attributable to owners of the Company in 2016 was approximately HK\$27,944,000, representing an increase of approximately 182.76%. The significant increase in profit was mainly due to the significant increase in the sales volume of both of the FPC business and the flexible packaging substrates business. The cumulative revenue from the FPC business and the flexible packaging substrates business of the Group for the year recorded a year-on-year growth of approximately 34.58% and 153.93% respectively. During the year under review, gross profit margin for FPC business decreased to approximately 20.31% (2016: approximately 22.39%) due to the decrease in FPC product price and the increase in price of raw materials, while gross profit margin for flexible packaging substrates business increased to approximately 13.95% (2016: 2.57%).

For the year ended 31 December 2017, the other income of the Group amounted to approximately HK\$17,874,000, representing an increase of approximately 18.86% as compared with that of last year. The increase in other income was mainly attributed to the increase in government subsidies and interest income.

#### 財務回顧

截至二零一七年十二月三十一日止年度，本集團之營業額約1,118,838,000港元，較去年之約821,662,000港元增加約36.16%。營業額上升主要由於柔性電路板業務及柔性封裝基板業務客戶需求強勁增長，導致柔性電路板及柔性封裝基板之銷售均較大幅度上升所致。由於柔性電路板產品價格下降及原材料價格上漲因素影響，導致柔性電路板業務之毛利率下降，年內整體毛利率下降至約19.68%（二零一六年：約21.33%）。

截至二零一七年十二月三十一日止年度，本公司擁有人應佔溢利約為79,016,000港元，而二零一六年本公司擁有人應佔溢利約為27,944,000港元，增長約182.76%。溢利大幅上升主要由於柔性電路板業務及柔性封裝基板業務銷售額均實現了顯著增長。本集團全年累計之柔性電路板業務收入及柔性封裝基板業務收入同比分別增長約34.58%及153.93%。回顧年度內，柔性電路板業務之毛利率由於柔性電路板產品價格下降及原材料價格上漲因素影響下降至約20.31%（二零一六年：約22.39%），柔性封裝基板業務之毛利率增加至約13.95%（二零一六年：約2.57%）。

本集團截至二零一七年十二月三十一日止年度其他收入約為17,874,000港元，較去年增長約18.86%。其他收入增加主要由於政府資助及利息收入增加所致。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

For the year ended 31 December 2017, the distribution costs of the Group amounted to approximately HK\$16,760,000, representing an increase of approximately 5.43% as compared with that of last year. The increase in distribution costs during the year under review was mainly attributed to (i) the increase in labour costs for additional labour force resulted from the increase in sales, and (ii) the increase in transportation expense and express fee as compared with that of last year, which were attributable to the increase in export and sales of products.

For the year ended 31 December 2017, the administrative expenses of the Group were approximately HK\$36,551,000, representing an increase of approximately 14.75% as compared with that of last year. The increase in administrative expenses was mainly due to the increase in depreciation and salary expenditure during the year under review.

For the year ended 31 December 2017, the research and development expenses of the Group amounted to approximately HK\$79,882,000, representing a decrease of approximately 13.29% as compared with that of last year. The decrease in research and development expenses was mainly attributed to the completion of the main development task for the "02" Major Project undertaken by the Group and the on schedule completion of certain major specifications, in year 2016, which resulted in a significant decrease in the expenses incurred for the "02" Major Project during the year under review.

For the year ended 31 December 2017, the finance cost of the Group amounted to approximately HK\$2,850,000, representing a decrease of approximately 45.17% as compared with that of last year. The significant decrease in finance cost was mainly due to the significant decrease in bank borrowings.

本集團截至二零一七年十二月三十一日止年度分銷成本約為16,760,000港元，較去年增長約5.43%。回顧年度內分銷成本增加主要由於(i)銷售增加使人工成本因需要額外勞動力而增加及(ii)產品外銷及銷售增長導致運費、快遞費比去年增加所致。

本集團截至二零一七年十二月三十一日止年度行政開支約為36,551,000港元，較去年增長約14.75%。行政開支增加主要是由於回顧年度內折舊及工資性支出增加。

本集團截至二零一七年十二月三十一日止年度研發開支約為79,882,000港元，較去年下降約13.29%。研發開支減少主要是由於本集團承擔之02專項已於二零一六年度完成主要開發任務，若干主要指標亦按計劃全面完成，於回顧年度內對02專項投入的費用大幅度減少導致。

本集團截至二零一七年十二月三十一日止年度融資成本約為2,850,000港元，較去年減少約45.17%。融資成本大幅度下降乃由於銀行借貸顯著下降所致。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### BUSINESS REVIEW

The Group is principally engaged in the manufacturing and sale of FPC, flexible packaging substrates and their respective components, which are used in electronic products.

For the year ended 31 December 2017, the turnover of the Group amounted to approximately HK\$1,118,838,000, representing an increase of approximately 36.16% as compared to approximately HK\$821,662,000 of 2016. The increase in turnover was mainly due to the staggering growth in demand from the customers of the FPC business and the flexible packaging substrates business, which resulted in significant increase in the sales of FPC and flexible packaging substrates. During the year under review, the turnover of the Group for the sales of FPC and the sales of flexible packaging substrates were approximately HK\$1,048,429,000 and HK\$49,789,000 respectively, while the turnover for sales of FPC and the sales of flexible packaging substrates for the year ended 31 December 2016 were approximately HK\$779,019,000 and HK\$19,607,000 respectively. In 2017, the profit attributable to the owners of the Group amounted to approximately HK\$79,016,000, representing an increase of approximately 182.76% as compared with approximately HK\$27,944,000 in 2016. The significant increase in profit was mainly due to significant increase in the sales volume of both of the FPC business and the flexible packaging substrates business.

During the year under review, the turnover for the FPC business of the Group increased by approximately 34.58% as compared with that of last year, while its gross profit margin decreased to approximately 20.31% (2016: approximately 22.39%) due to the decrease in FPC product price and the increase in price of raw materials. The turnover for the flexible packaging substrates business increased significantly by approximately 153.93% as compared with that of last year, while its gross profit margin increased to approximately 13.95% (2016: approximately 2.57%).

#### 業務回顧

本集團主要從事製造及銷售應用於電子產品之柔性電路板、柔性封裝基板及相應組件之業務。

於截至二零一七年十二月三十一日止年度，本集團錄得營業額約為1,118,838,000港元，較二零一六年度的約821,662,000港元增加約36.16%。營業額上升主要由於柔性電路板業務及柔性封裝基板業務客戶需求強勁增長，導致柔性電路板及柔性封裝基板之銷售均較大幅度上升所致。於回顧年度內，本集團柔性電路板之銷售及柔性封裝基板之營業額分別約為1,048,429,000港元及49,789,000港元，而截至二零一六年十二月三十一日止年度，柔性電路板之銷售及柔性封裝基板之營業額分別約為779,019,000港元及19,607,000港元。二零一七年，本集團擁有人應佔溢利約為79,016,000港元，較二零一六年約27,944,000港元增長約182.76%。溢利大幅上升主要由於柔性電路板業務及柔性封裝基板業務銷售額均實現了顯著增長。

於回顧年度內，本集團柔性電路板業務之營業額較去年增加約34.58%，其毛利率由於柔性電路板產品價格下降及原材料價格上漲因素影響下降至約20.31%（二零一六年：約22.39%）。柔性封裝基板業務之營業額較去年大幅增長至約153.93%，其毛利率增加至約13.95%（二零一六年：約2.57%）。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

The Group has proactively reduced and adjusted the trading business of electronic components since 2015 in order to minimize the risks of its trading business. Since 2016, the trading business of electronic components no longer had a material impact on the Group's business development and business risks. During the year under review, the Group entered into an equity transfer agreement with a buyer for the disposal of its 75% equity interests in Giant Rise Technology Limited ("Giant Rise"), a then subsidiary of the Group, and the disposal was completed in May 2017. The buyer is the ultimate shareholder of the non-controlling shareholder that holds 25% equity interest in Giant Rise. Giant Rise and its wholly-owned subsidiary, Shenzhen Giant Rise Electronics Company Limited, were the principal operating entities for the Group's business of sourcing and sale of electronic components. The business of sourcing and sale of electronic components is no longer regarded as one of the Group's principal activities upon the completion of the disposal. In view of the relatively insignificant revenue contributed by the Group's business other than FPC and flexible packaging substrates business that should be included in turnover in accordance with applicable accounting standards, all revenue from the business of sourcing and sale of electronic components is now classified under the category of "Other". During the year under review, the Group's revenue from the business of sourcing and sale of electronic components was appropriately HK\$20,620,000, accounting for approximately 1.84% of the Group's total sales.

During the year under review, the Group entered into an equity transfer agreement with an independent third party for the disposal of 70% equity interests in New Career Guangzhou Electronics Company Limited ("New Career"). New Career was engaged in the manufacture and sale of an optional component of flexible packaging substrate since 2013. However, due to its product structure adjustment, New Career has gradually transformed the application of its major products which become no longer widely adoptable by the Group in recent years. Hence, the Group reduced its investment in New Career by the said disposal which was completed on 17 May 2017. The Group retains 30% equity interests in New Career after completion of the said disposal and New Career became an associate of the Group on the same date.

由於本集團自二零一五年度起主動對電子元器件之貿易業務進行收縮調整，以減少貿易業務風險，自二零一六年度起電子元器件之貿易業務對本集團之業務發展及業務風險均不再產生重要影響。於回顧年度內，本集團與一名買方簽訂股權轉讓協議，向其出售本集團當時持有之附屬公司嘉升科技有限公司（「嘉升」）之75%股權，有關出售已於二零一七年五月完成。買方為持有嘉升25%股權的非控股股東的最終股東。嘉升及其全資附屬公司深圳嘉升宏力偉電子有限公司為本集團從事電子元器件採購及銷售業務之主要經營實體。於有關出售完成後，本集團亦不再將電子元器件採購及銷售業務作為主業。考慮到本集團存在較少量之除柔性電路板和柔性封裝基板主業以外其他按會計準則應納入營業額之收入部分，本集團將採購及銷售電子元器件業務之收入全部歸入「其他」類別。於回顧年度內，本集團採購及銷售電子元器件業務之收入約20,620,000港元，佔本集團總銷售額約1.84%。

於回顧年度，本集團與一名獨立第三方簽訂產權交易合同，以出售廣州市安旭特電子有限公司（「廣州安旭特」）之70%股權。廣州安旭特自二零一三年起從事製造及銷售柔性封裝基板之一個選項組件。然而由於其產品結構調整關係，廣州安旭特已轉化其主要產品之應用，令其於近年不再被本集團廣泛採用。因此，本集團透過上述於二零一七年五月十七日完成之出售，減少其於廣州安旭特之投資。本集團於完成上述出售後保留廣州安旭特30%股權，而廣州安旭特於同日成為本集團聯營公司。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

During the year under review, the Group continued to implement the strategy of “developing major customers and focusing on principal businesses”, with better results achieved in the strategy of developing major customers, as the sales to major customers recorded significant growth. Meanwhile, the Group adjusted the structure of its principal activities, and has further optimized the Group’s business structure.

During the year under review, the staggering growth in demand from domestic customers resulted in a significant growth in the sales of FPC business of the Group as compared with that of last year, which was mainly attributable to positive effects gradually achieved by the Group’s strategy for developing major customers, the increased order levels from major customers, as well as the gradual realisation of the benefit of economy of scale. The sales of flexible packaging substrates business of the Group also recorded a significant growth as compared with that of last year, and gross profit margin of the business also improved. This was mainly due to the relatively good progress attained in acquiring new customers. Nevertheless, economies of scale for the flexible packaging substrate business is yet to be achieved due to the significant upfront investments incurred and the high level of fixed costs and staff costs. There is still relatively large room for improvement for the flexible packaging substrate business.

During the year under review, the Group’s investment in research and development decreased. The research and development expenses decreased to approximately HK\$79,882,000, representing a decrease of approximately 13.29% as compared with that of last year. The decrease in research and development expenses was mainly attributed to the completion of the main development tasks for the “02” Major Project undertaken by the Group and the on schedule completion of certain major specifications in year 2016, which resulted in a significant decrease in the expense incurred for the “02” Major Project during the year under review. In the meantime, due to the continuous increase of new application fields of FPC and flexible packaging substrates and the continuous uplift of requirements in product structure and complexity by downstream customers, the Group will continue to increase investment in research and development to continuously uplift technology standard and technical capability, to conduct research and development in new materials, new products and new production techniques and automation transformation in equipment.

於回顧年度內，本集團繼續推進「開發大客戶、聚焦主業」工作，大客戶戰略取得較好成效，主要客戶銷售額大幅提升；同時，本集團調整了主要業務結構，進一步優化了本集團之業務分類。

於回顧年度內，受益於國內客戶需求強勁增長，導致本集團之柔性電路板業務之銷售較去年出現較大幅度增長，主要是由於本集團之大客戶開發戰略逐漸產生良好效果，主要客戶訂單量增長，經濟規模效益逐漸體現；柔性封裝基板業務之銷售亦較去年有大幅度增長，毛利率也有所改善，主要是由於柔性封裝基板業務在導入新客戶方面取得較好進展，但柔性封裝基板業務仍因訂單量不足以及投資金額大、固定成本及人工成本高等尚未達到經濟規模，柔性封裝基板業務仍有較大提升空間。

於回顧年度內，本集團之研發投入有所下降，研發開支較去年下降約13.29%至約79,882,000港元。研發開支下降的主要原因是本集團承擔之02專項已於二零一六年度完成主要開發任務，若干主要指標亦按計劃全面完成，於回顧年度內對02專項投入的費用大幅度減少所致。此外，因應柔性電路板和柔性封裝基板應用新領域的不斷出現及下遊客戶在產品結構及複雜性上的要求不斷提升，本集團將持續投入研發支出，以不斷提升技術水準及工程工藝能力，進行新材料、新產品和新生產工藝研發及設備自動化改造。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

On 6 December 2016, the Company (for itself and on behalf of its subsidiaries) and GoerTek Inc (“GoerTek”, for itself and on behalf of its subsidiaries) entered into the Renewed Purchase Agreement (“Renewed Purchase Agreement”) in relation to the transactions for selling of parts, components and other products (including but not limited to FPC products) for a term commenced from 1 January 2017 and expiring on 31 December 2019. Such transactions constituted non-exempt continuing connected transactions of the Company under the Listing Rules. The Renewed Purchase Agreement and the transactions contemplated thereunder, as well as the annual caps for each of the year ending 31 December 2017, 31 December 2018 and 31 December 2019 were approved by the independent shareholders at the extraordinary general meeting of the Company held on 16 January 2017. Details of the terms of the Renewed Purchase Agreement, the continuing connected transactions and the annual caps were disclosed in the Company’s announcement dated 6 December 2016 and the circular dated 29 December 2016. During the year under review, the Group sold FPC and flexible packaging substrates products of approximately RMB103,988,000 (equivalent to approximately HK\$120,009,000) to GoerTek and its subsidiaries, representing an increase of approximately 32.14% as compared with that of last year (2016: approximately RMB77,735,000 (equivalent to approximately HK\$90,822,000)).

On 13 March 2017, the Company completed the issue of 246,867,500 rights shares (“Rights Shares”) to the qualifying shareholders by way of rights (“Rights Issue”), at the subscription price of HK\$0.55 per Rights Share. The net proceeds of the Rights Issue was approximately HK\$133,506,000. Details of the Rights Issue were disclosed in the Company’s announcements dated 25 January 2017, 9 February 2017 and 13 March 2017 as well as the prospectus dated 20 February 2017.

於二零一六年十二月六日，本公司（代表自身及其附屬公司）與歌爾股份有限公司（「歌爾股份」）（代表自身及其附屬公司）就本集團向歌爾股份銷售零件、元件及其他產品（包括但不限於柔性電路板產品）之交易訂立經重續採購合同（「經重續採購合同」），期限自二零一七年一月一日起至二零一九年十二月三十一日止。有關交易構成本公司於上市規則下之非豁免持續關聯交易。本公司於二零一七年一月十六日舉行之股東特別大會上由獨立股東通過經重續採購合同及其項下之擬進行之交易以及截至二零一七年十二月三十一日、二零一八年十二月三十一日及二零一九年十二月三十一日止年度各年之年度上限。有關經重續採購合同之條款、持續關聯交易以及年度上限的詳情已於本公司二零一六年十二月六日的公佈及二零一六年十二月二十九日的通函中披露。於回顧年度，本集團向歌爾股份及其附屬公司銷售柔性電路板及柔性封裝基板產品約人民幣103,988,000元（相等於約120,009,000港元），較去年增長約32.14%（二零一六年：約人民幣77,735,000元（相等於約90,822,000港元））。

於二零一七年三月十三日，本公司完成以供股形式（「供股」）按認購價每股供股股份0.55港元向合資格股東發行246,867,500股供股股份（「供股股份」），供股所得款項淨額約133,506,000港元。有關供股的詳情已於本公司二零一七年一月二十五日、二零一七年二月九日及二零一七年三月十三日的公佈，以及二零一七年二月二十日的供股章程中披露。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

On 29 November 2017, the Company entered into a subscription agreement with Alpha Luck Industrial Limited (“Alpha Luck”), the controlling shareholder of the Company, and a subscription agreement with Suzhou Anjie Technology Co. Ltd (“Anjie Technology”), respectively, pursuant to which Alpha Luck and Anjie Technology respectively subscribed for 103,900,000 shares and 200,000,000 shares at the subscription price of HK\$1.50 per share (collectively the “Subscriptions”). The Subscriptions were simultaneously completed on 30 January 2018. The net proceeds of the Subscriptions of approximately HK\$454,928,000 is scheduled to be utilised for: (i) construction of a new intelligent factory for FPC (“New Factory”) and the establishment of new production lines in the New Factory; (ii) expanding the production capacities and enhancing production capabilities of the Group’s existing production plant of FPC products by acquiring new machineries and continuously improving and developing production techniques through research and development; (iii) enhancement of production capacities and capabilities of the Group’s flexible packaging substrates products by acquiring new machineries and continuously improving and developing production techniques through research and development and (iv) general working capital of the Group. Details of the Subscriptions were disclosed in the Company’s announcements dated 29 November 2017, 9 January 2018 and 30 January 2018 and the circular dated 20 December 2017.

於二零一七年十一月二十九日，本公司分別與本公司控股股東安捷利實業有限公司（「安捷利實業」）訂立一份認購協議及與蘇州安潔科技股份有限公司（「安潔科技」）訂立一份認購協議，安捷利實業及安潔科技分別按認購價每股1.5港元認購103,900,000股及200,000,000股份（統稱為「認購事項」）。認購事項已於二零一八年一月三十日同時完成。認購事項所得款項淨額約454,928,000港元擬定用於(i)建設一間柔性电路板的新智能廠房（「新工廠」）及在新工廠內建立新生產線；(ii)擴大本集團現有柔性电路板產品生產廠房之產量及提升生產能力，通過購置新機器及透過研究及開發持續改進及發展生產技術的方式；(iii)擴大本集團柔性封裝基板產品之產量及生產能力，通過購置新機器及透過研究及開發持續改進及發展生產技術的方式；及(iv)本集團之一般營運資金。認購事項的詳情已於本公司二零一七年十一月二十九日、二零一八年一月九日以及二零一八年一月三十日的公佈，以及二零一七年十二月二十日的通函中披露。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### OUTLOOK

The Group has become an authorised supplier for a number of world-renowned manufacturers. To meet the requirements of the supply chain system of such customers, the Group has established two production bases: Southern China Guangzhou Factory and Eastern China Suzhou Factory. The Group has also established sales centre, research and development centre, supply chain management department, etc. which are independent from the production system. With the gradual uplift of technology capabilities, production capability and scale of FPC business and flexible packaging substrates business, the Group's capability to satisfy the "one-stop demand" of such customers has also been largely improved.

Following the stable enhancement in the Group's capability to serve major international customers, the Group is confident to maintain a reasonable customer structure through market exploration and to improve the share of supply to its major customers. Following the Group's continuous increase of investment in the new application fields of FPC and flexible packaging substrates and the foreseeable achievement in the research and development of the production technologies, the Group is confident to face the dramatic changes in the market, seize the market opportunities and to continuously improve the operation conditions of FPC and flexible packaging substrates.

#### LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations primarily with internally generated funds from operating activities and existing bank facilities. It is anticipated that the Group has sufficient working capital to meet its present funding requirements. As at 31 December 2017, the outstanding loan balance for the Group was approximately HK\$67,976,000.

#### 展望

本集團已成為多家全球知名電子廠商之合資格供應商，為滿足該等客戶之供應鏈體系要求，本集團已設立華南廣州工廠和華東蘇州工廠兩個製造基地。本集團並已設立獨立於生產體系之營銷中心、研發中心、供應鏈管理部等，本集團之柔性電路板業務和柔性封裝基板業務的技術能力、產能和規模亦逐步提高，大大提高了本集團滿足客戶「一站式需求」之能力。

隨著本集團服務重要國際性大客戶之能力得到穩定提升，本集團有信心通過市場開發保持合理的客戶結構和提升主要客戶之供應份額。隨著本集團在柔性電路板和柔性封裝基板新應用領域之不斷投入及在生產技術研發方面取得之可預見的成果，本集團有信心應對市場之劇烈變化、抓住市場機遇，不斷改善柔性電路板和柔性封裝基板之經營狀況。

#### 流動資金及財政資源

本集團主要以經營業務所得內部資金及現時可用之銀行融資應付其營運所需，預料本集團有足夠營運資金應付其目前資金需要。於二零一七年十二月三十一日，本集團尚未償還之貸款約為67,976,000港元。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### EMPLOYEE

As at 31 December 2017, the Group had a total of 1,350 full-time employees based in Hong Kong and China (2016: 1,280 employees). For the year ended 31 December 2017, the total labor costs (including Director's remuneration) for the Group amounted to approximately HK\$121,797,000 (2016: approximately HK\$106,042,000). The Group determines and reviews the remunerations of its Directors and employees based on their respective qualifications, experiences, performances and the market rates, so as to maintain the remuneration of the Directors and employees at a competitive level. The Group participates in various defined contribution retirement plans and insurance schemes in compliance with the statutory obligations under the laws and regulations of China and Hong Kong. The Directors believe that being one of the most important assets of the Group, employees are important contributors to the success of the Group. The Group appreciates the importance of staff training, therefore, regular trainings are provided to the employees to enhance their technical and product knowledge. The majority of the Group's employees are stationed in China.

#### MATERIAL INVESTMENT

Save as disclosed in this report, the Group did not have any material investments during the year ended 31 December 2017.

#### USE OF PROCEEDS FROM RIGHTS ISSUE

On 13 March 2017, the Company completed the issue of 246,867,500 Rights Shares to the qualifying shareholders by way of rights at the subscription price of HK\$0.55 per Rights Share. The net proceeds of the Rights Issue were approximately HK\$133,506,000. As of 31 December 2017, approximately HK\$118,200,000 of the net proceeds of the Rights Issue had been utilised, among which: (i) approximately HK\$96,600,000 was utilised for the development of the Group's flexible packaging substrates business; and (ii) approximately HK\$21,600,000 was utilised for the general working capital of the Group.

#### 僱員

於二零一七年十二月三十一日，本集團在香港及中國僱用合共1,350名全職僱員（二零一六年：1,280名僱員）。截至二零一七年十二月三十一日止年度本集團之總員工成本（包括董事酬金）約為121,797,000港元（二零一六年：約106,042,000港元）。本集團根據董事及員工之學歷、經驗、表現及市場水準以制定及審核其薪酬，以維持董事及員工薪酬於一個具競爭之水準。本集團參加若干遵照中國及香港法例及條例之法律責任規定之定額供款退休及保險計劃。董事相信，僱員乃本集團最重要資產之一，對本集團之成功作出重要貢獻。本集團明白員工培訓之重要性，故定期向本集團員工提供培訓以提升其技術及產品知識。本集團大部份僱員均駐於中國。

#### 重大投資

除本報告所披露者外，於截至二零一七年十二月三十一日止年度內，本集團並無任何重大投資。

#### 供股所得款項用途

於二零一七年三月十三日，本公司完成以供股形式按認購價每股供股股份0.55港元向合資格股東發行246,867,500股供股股份。供股所得款項淨額約133,506,000港元。截至二零一七年十二月三十一日，供股所得款項淨額約118,200,000港元已經動用，其中：(i)約96,600,000港元已用作發展本集團柔性封裝基板業務；及(ii)約21,600,000港元已用作本集團一般營運資金。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### SUBSEQUENT EVENT

On 29 November 2017, the Company entered into a subscription agreement with Alpha Luck, the controlling shareholder of the Company, and a subscription agreement with Anjie Technology, respectively, pursuant to which Alpha Luck and Anjie Technology respectively subscribed for 103,900,000 shares and 200,000,000 shares (collectively "Subscriptions") at the subscription price of HK\$1.50 per share. The Subscriptions were simultaneously completed on 30 January 2018 and the net proceeds were approximately HK\$454,928,000. Details of the Subscriptions were disclosed in the Company's announcements dated 29 November 2017, 9 January 2018 and 30 January 2018 as well as the circular dated 20 December 2017.

Save as disclosed in this report, there were no other important events affecting the Group that have occurred since 31 December 2017 and up to the date of this report.

#### MATERIAL ACQUISITIONS AND DISPOSALS

Save for (i) the disposal of 70% equity interests in New Career, a then wholly-owned subsidiary of the Group; and (ii) the disposal of 75% equity interests in Giant Rise, a then subsidiary of the Group, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2017.

#### FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR PURCHASE OF CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any future plans for material investment or purchase of capital asset as at 31 December 2017.

#### 結算日後事項

於二零一七年十一月二十九日，本公司與本公司控股股東安利實業訂立一份認購協議及與安潔科技訂立一份認購協議，安利實業及安潔科技分別按認購價每股1.5港元分別認購103,900,000股及200,000,000股股份（合稱「認購事項」）。認購事項已於二零一八年一月三十日同時完成，所得款項淨額約454,928,000港元。有關認購事項的詳情已於本公司二零一七年十一月二十九日、二零一八年一月九日及二零一八年一月三十日的公佈，以及二零一七年十二月二十日的通函中披露。

除本報告所披露者外，於二零一七年十二月三十一日後及直至本報告日期，概無發生對本集團有重大影響的事件。

#### 重大收購及出售

除(i)出售本集團當時之全資附屬公司廣州安旭特之70%股權及(ii)出售本集團當時之附屬公司嘉升75%股權以外，於截至二零一七年十二月三十一日止年度內，本集團並無有關附屬公司、聯營公司及合營企業的重大收購或出售。

#### 有關重大投資或購入資本資產之未來計劃

除本報告所披露者外，於二零一七年十二月三十一日，本集團並無任何重大投資或購入資本資產的未來計劃。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### PLEDGE OF ASSETS OF THE GROUP

As at 31 December 2017, bank deposits of approximately HK\$2,357,000 (as at 31 December 2016: approximately HK\$2,356,000) of the Group were pledged as collateral to secure bank facilities granted to the Group. Trade receivables of approximately HK\$22,948,000 were pledged as collateral to secure bank facilities granted to the Group (as at 31 December 2016: approximately HK\$8,677,000).

As at 31 December 2017, land use rights and buildings with carrying amounts of approximately HK\$17,551,000 and HK\$53,212,000 respectively (as at 31 December 2016: approximately HK\$16,818,000 and HK\$51,171,000) were pledged to secure the general bank facilities granted to the Group.

#### CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2017.

#### GEARING RATIO

As at 31 December 2017, the net cash and cash equivalents of the Group amounted to approximately HK\$89,288,000. As at 31 December 2017, the gearing ratio of the Group was approximately 41.78% (as at 31 December 2016: approximately 50.69%), which was calculated based on the Group's total liabilities of approximately HK\$529,973,000 (as at 31 December 2016: HK\$497,594,000) and the Group's total assets of approximately HK\$1,268,416,000 (as at 31 December 2016: HK\$981,651,000).

#### 集團資產質押

於二零一七年十二月三十一日，本集團約2,357,000港元(二零一六年十二月三十一日：約2,356,000港元)的銀行存款已為擔保銀行授予本集團之銀行信貸而質押為抵押品。應收賬款約22,948,000港元已抵押以擔保本集團之銀行信貸(二零一六年十二月三十一日：約8,677,000港元)。

於二零一七年十二月三十一日，賬面值分別約17,551,000港元及53,212,000港元之土地使用權及樓宇(二零一六年十二月三十一日：約16,818,000港元及51,171,000港元)已抵押以擔保授予本集團之一般銀行信貸。

#### 或然負債

於二零一七年十二月三十一日，本集團並無任何重大或然負債。

#### 資本負債比率

於二零一七年十二月三十一日，本集團之現金及現金等值項目淨額約為89,288,000港元。於二零一七年十二月三十一日，本集團之資本負債比率約為41.78%(二零一六年十二月三十一日：約50.69%)，資本負債比率乃按本集團總負債約529,973,000港元(二零一六年十二月三十一日：497,594,000港元)及本集團總資產約1,268,416,000港元(二零一六年十二月三十一日：981,651,000港元)計算。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

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

#### DIVIDEND

The Directors recommend the payment of final dividend of HK1 cent per share for the year ended 31 December 2017 (2016: nil) to the shareholders whose names appear on the register of members of the Company on Friday, 8 June 2018. Subject to the approval by the shareholders at the forthcoming annual general meeting (the "AGM"), the proposed final dividend is expected to be paid on or around Wednesday, 20 June 2018.

The register of members of the Company will be closed from 6 June 2018 to 8 June 2018 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 5 June 2018.

#### 匯率波動風險

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

#### 股息

董事建議向於二零一八年六月八日星期五名列本公司股東名冊之股東派付截至二零一七年十二月三十一日止年度之末期股息為每股1港仙（二零一六年：無）。建議末期股息預期將於二零一八年六月二十日星期三或該日前後派付，惟須於應屆股東週年大會（「股東週年大會」）上獲得股東批准。

本公司之股份過戶登記處將由二零一八年六月六日起至二零一八年六月八日止（包括首尾兩日）暫停辦理股份過戶登記手續，期間，概不會處理股份過戶。為符合獲派上述末期股息資格，所有填妥之過戶表格連同有關股票必須於二零一八年六月五日下午四時三十分前交回本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### CLOSURE OF SHARE REGISTER FOR ANNUAL GENERAL MEETING

The register of members of the Company will be closed from 22 May 2018 to 28 May 2018 (both days inclusive) for the purposes of determining shareholder's eligibility to attend and vote at the AGM and during which no transfer of shares will be effected. To be qualified to attend the AGM, which is to be held on 28 May 2018, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 21 May 2018.

#### 股東週年大會之暫停辦理股份過戶登記

本公司之股份過戶登記處將於二零一八年五月二十二日至二零一八年五月二十八日(包括首尾兩日)暫停辦理股份過戶登記手續,以決定合資格出席股東週年大會及於會上投票之股東。為符合出席將於二零一八年五月二十八日舉行的股東週年大會的資格,所有經填妥的股份過戶表格連同有關之股票最遲須於二零一八年五月二十一日下午四時三十分前送達本公司之股份過戶登記處香港中央證券登記有限公司,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

#### INTRODUCTION

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

As Mr. Zhao Xiao did not seek for renewal of his appointment as an independent non-executive Director, the chairman of remuneration committee, a member of the audit committee and a member of the nomination committee upon the expiry of his term on 15 February 2018, the number of independent non-executive Directors and the number of members of the audit committee of the Company fell below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules respectively since 16 February 2018. Further, the position of the chairman of the remuneration committee is vacant, and the requirement that the remuneration committee should comprise a majority of independent non-executive Directors under Rule 3.25 of the Listing Rules could not be complied with since 16 February 2018. The requirement of Code Provision A.5.1 that the nomination committee should comprise a majority of independent non-executive Directors also could not be complied with. The Company is in the course of identifying a suitable candidate to fill the vacancies as soon as possible and in any event within three months from 16 February 2018 pursuant to Rules 3.11, 3.23 and 3.27 of the Listing Rules.

#### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less favorable than the standard of dealings as set out in Appendix 10 of the Model Code of the Listing Rules. Having made specific enquiry on all Directors, it is confirmed that the Directors have complied with such code of conduct and the standard of dealings regarding securities transactions throughout the year ended 31 December 2017.

#### 緒言

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

由於趙曉先生於二零一八年二月十五日任期屆滿後不續任獨立非執行董事、薪酬委員會主席、審核委員會委員及提名委員會委員，本公司之獨立非執行董事及審核委員會成員人數自二零一八年二月十六日起分別低於上市規則第3.10(1)條及第3.21條所規定之最低人數。此外，自二零一八年二月十六日起薪酬委員會主席一職懸空，以及無法符合上市規則第3.25條要求薪酬委員會大部分成員須為獨立非執行董事之規定。守則第A.5.1條要求提名委員會大部分成員須為獨立非執行董事之規定亦無法符合。本公司現正物色合適人選以盡快及無論如何根據上市規則第3.11條、第3.23條及第3.27條於二零一八年二月十六日起計三個月內填補有關空缺。

#### 董事進行證券交易

本公司已就董事進行證券交易採納一套操守準則，其條款不較上市規則附錄十標準守則的交易準則寬鬆。向全體董事作出特定查詢後，確定董事於截至二零一七年十二月三十一日止年度一直遵守有關操守準則及有關進行證券交易之交易準則。

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

#### BOARD OF DIRECTORS AND BOARD MEETING

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

##### Executive Directors:

Mr. Xiong Zheng Feng (*Chairman*)

Mr. Chai Zhi Qiang (*Chief Executive Officer*; retired from his directorship on 26 May 2017)

##### Non-executive Directors:

Ms. Li Ying Hong

Mr. Gao Xiaoguang

Mr. Jia Junan

(Note: Mr. Wang Chunsheng was appointed on 30 January 2018)

##### Independent non-executive Directors:

Mr. Hung Chi Yuen Andrew

Mr. Zhao Xiao (term of office expired on 15 February 2018)

Mr. Cui Zheng

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

#### 董事會及董事會會議

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

##### 執行董事：

熊正峰先生（主席）

柴志強先生（行政總裁，於二零一七年五月二十六日退任董事職務）

##### 非執行董事：

李映紅女士

高曉光先生

賈軍安先生

（註：王春生先生於二零一八年一月三十日獲委任）

##### 獨立非執行董事：

洪志遠先生

趙曉先生（任期於二零一八年二月十五日屆滿）

崔錚先生

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

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

Details of backgrounds and qualifications of the chairman, other Directors, and chief executive officer of the Company are set out on pages 8 to 14 of this annual report. All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director has sufficient experience to hold the position so as to carry out his duties effectively and efficiently. There is no relationship among the members of the Board.

During the year under review, all independent non-executive Directors had appropriate and sufficient experience and qualifications to carry out their duties to protect the interests of shareholders. Mr. Hung Chi Yuen Andrew, Mr. Zhao Xiao and Mr. Cui Zheng were independent non-executive Directors. Mr. Hung Chi Yuen Andrew was appointed since 17 October 2011 and his appointment was renewed for a term of three years commenced from 17 October 2017. Mr. Zhao Xiao was appointed as an independent non-executive Director for a term of three years commenced from 16 February 2015. Due to his other business commitments, Mr. Zhao did not seek for renewal of his appointment as an independent non-executive Director upon expiration of his term of office on 15 February 2018. Mr. Cui Zheng was appointed as an independent non-executive Director for a term of three years commenced from 3 May 2016. All of them are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Company's articles of association.

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

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

During the year under review, Mr. Xiong Zheng Feng was the chairman and Mr. Chai Zhi Qiang was the chief executive officer. Whilst Mr. Chai Zhi Qiang retired from his directorship on 26 May 2017, he remains as the chief executive officer of the Company.

本公司主席、其他董事及行政總裁之背景及履歷詳情載於本年報第8至第14頁。全體董事已就本集團事務付出充足時間及心力。每名執行董事均具有其職位所需足夠經驗，以有效執行彼之職務。董事會成員之間並無關係。

於回顧年度內，所有獨立非執行董事皆具合適資格及充足經驗以執行彼等之職務，保障股東利益。洪志遠先生、趙曉先生及崔錚先生為獨立非執行董事。洪志遠先生自二零一一年十月十七日起獲委任，並自二零一七年十月十七日起再次續任，任期三年。趙曉先生自二零一五年二月十六日起獲委任為獨立非執行董事，任期三年，而趙先生因其他業務承擔於二零一八年二月十五日任期屆滿後不再續任獨立非執行董事。崔錚先生自二零一六年五月三日起獲委任為獨立非執行董事，任期三年。彼等均須按本公司之公司組織章程細則於股東週年大會輪值退任及膺選連任。

根據守則條文第A.4.2條，每位董事須每三年最少輪值告退一次。

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

於回顧年度內，熊正峰先生為主席，而柴志強先生為行政總裁。柴志強先生於二零一七年五月二十六日退任董事職務，但仍擔任本公司之為行政總裁。

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

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

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

The Board held a full board meeting each quarter.

董事會每季均會舉行全體成員列席會議。

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

董事會成員在回顧年度內出席董事會會議之記錄詳情如下：

Director	董事	Attendance 出席次數
Mr. Xiong Zheng Feng	熊正峰先生	4/4
Mr. Chai Zhi Qiang (retired on 26 May 2017)	柴志強先生 (於二零一七年五月二十六日退任)	2/4
Ms. Li Ying Hong	李映紅女士	4/4
Mr. Gao Xiaoguang	高曉光先生	4/4
Mr. Jia Junan	賈軍安先生	4/4
Mr. Wang Chunsheng (appointed on 30 January 2018)	王春生先生 (於二零一八年一月三十日獲委任)	0/4
Mr. Hung Chi Yuen Andrew	洪志遠先生	4/4
Mr. Zhao Xiao (term of office expired on 15 February 2018)	趙曉先生 (任期於二零一八年二月十五日屆滿)	4/4
Mr. Cui Zheng	崔錚先生	4/4

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

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



## CORPORATE GOVERNANCE REPORT

### 公司管治報告

#### CONTINUOUS TRAINING AND DEVELOPMENT OF DIRECTORS

During the year under review, the Company provided training on matters related to rights issue and share subscription under the Listing Rules for all its Directors in relation to the Rights Issue in early 2017 and the subscription of shares in late 2017; all Directors had complied with the requirements set out in the Code Provision A.6.5 by participating in the continuous professional development, developing and refreshing their knowledge and skills, in order to ensure that their contribution to the Board would remain informed and relevant.

#### AUDIT COMMITTEE

The Company established the audit committee with written terms of reference in accordance with Rules 3.21 to 3.23 of the Listing Rules. The primary duties of the audit committee are to review and monitor the financial reporting process, risk management and internal control systems of the Group and provide advice and comments on the Company's draft of annual reports and accounts and half-year reports. During the year under review, the audit committee comprised of three members, namely Mr. Hung Chi Yuen Andrew, Mr. Zhao Xiao and Mr. Cui Zheng. All of them were independent non-executive Directors. The chairman of the audit committee was Mr. Hung Chi Yuen Andrew. As the term of office of Mr. Zhao Xiao expired on 15 February 2018 and he did not seek for renewal of his appointment as a member of the audit committee with effect from 16 February 2018, the number of members of the audit committee fell below the minimum number required under Rules 3.21 of the Listing Rules since 16 February 2018. The Company is in the course of identifying a suitable candidate to fill the vacancy as soon as possible and in any event within three months from 16 February 2018 pursuant to Rule 3.23 of the Listing Rules.

#### 董事之持續培訓及發展

於回顧年度內，本公司就二零一七年初進行之供股事項及二零一七年末進行之配售事項組織所有董事進行了上市規則中關於配售及供股相關事項方面的培訓，全體董事均已遵守守則條文A.6.5之規定，參與了持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

#### 審核委員會

本公司按照上市規則第3.21至3.23條成立審核委員會並制定其書面職權範圍。審核委員會之主要職責為審查及監控本集團之財務申報程式、風險管理及內部監控制度，並就本公司草擬年報及賬目及半年報告時向董事提供忠告及意見。於回顧年度內，審核委員會由三名成員組成，分別為洪志遠先生、趙曉先生及崔錚先生。全部均為獨立非執行董事。審核委員會主席為洪志遠先生。由於趙曉先生的任期於二零一八年二月十五日屆滿，並自二零一八年二月十六日起不再續任審核委員會成員，因此自二零一八年二月十六日起未能達到上市規則第3.21條審核委員會最低人數之規定。本公司現正物色合適人選以盡快及無論如何根據上市規則第3.23條於二零一八年二月十六日起計三個月內填補有關空缺。

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

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

審核委員會於回顧年度內舉行四次會議。審核委員會會議之出席記錄詳情如下：

Director	董事	Attendance 出席次數
Mr. Hung Chi Yuen Andrew	洪志遠先生	4/4
Mr. Zhao Xiao (term of office expired on 15 February 2018)	趙曉先生(任期於二零一八年二月十五日屆滿)	4/4
Mr. Cui Zheng	崔錚先生	4/4

The Group's unaudited interim results and audited annual results for the year ended 31 December 2017 had been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

本集團截至二零一七年十二月三十一日止年度之未經審核中期業績以及經審核全年業績已由審核委員會審閱。審核委員會認為，該等業績乃按照適用會計準則及規定編製，已作出充分披露。

### REMUNERATION COMMITTEE

The remuneration committee was established in August 2005 with written terms of reference. During the year under review, the remuneration committee comprised of three members. Mr. Zhao Xiao, an independent non-executive Director, was the chairman of the committee. Other members of the remuneration committee included Ms. Li Ying Hong and Mr. Cui Zheng. Accordingly, the majority of the members were independent non-executive Directors. As the term of office of Mr. Zhao Xiao expired on 15 February 2018 and he was no longer the chairman of the remuneration committee with effect from 16 February 2018, the position of the chairman of the remuneration committee has been vacant and the requirement that the remuneration committee should comprise a majority of independent non-executive Directors under Rule 3.25 of the Listing Rules could not be met since 16 February 2018. The Company is in the course of identifying a suitable candidate to fill the vacancies as soon as possible and in any event within three months from 16 February 2018 pursuant to Rule 3.27 of the Listing Rules.

### 薪酬委員會

薪酬委員會於二零零五年八月成立，並制定其書面職權範圍。於回顧年度內，薪酬委員會由三名成員組成，委員會主席為獨立非執行董事趙曉先生，其他委員為李映紅女士及崔錚先生。因此大部份成員為獨立非執行董事。由於趙曉先生的任期於二零一八年二月十五日屆滿，並自二零一八年二月十六日起不再續任薪酬委員會主席，因此自二零一八年二月十六日起薪酬委員會主席一職懸空，以及未能達到上市規則第3.25條薪酬委員會會大部分成員須為獨立非執行董事之規定。本公司現正物色合適人選以盡快及無論如何根據上市規則第3.27條於二零一八年二月十六日起計三個月內填補有關空缺。

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

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

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

Director	董事	Attendance 出席次數
Mr. Zhao Xiao (term of office expired on 15 February 2018)	趙曉先生(任期於二零一八年二月十五日屆滿)	2/2
Ms. Li Ying Hong	李映紅女士	2/2
Mr. Cui Zheng	崔錚先生	2/2

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

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

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

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

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

#### NOMINATION COMMITTEE

The nomination committee was established on 22 March 2012 with written terms of reference. During the year under review, the nomination committee comprised of three members. The chairman of the committee was Mr. Xiong Zheng Feng. Other members included Mr. Hung Chi Yuen Andrew and Mr. Zhao Xiao. Accordingly, the majority of the members were independent non-executive Directors. As the term of office of Mr. Zhao Xiao expired on 15 February 2018 and he ceased to be a member of the nomination committee with effect from 16 February 2018, the requirement of Code Provision A.5.1 that the nomination committee should comprise a majority of independent non-executive Directors could not be met since 16 February 2018. The Company is in the course of identifying a suitable candidate to fill the vacancy as soon as possible and in any event within three months from 16 February 2018.

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

The Company acknowledges that the diversification of the members of the Board has positive effects on enhancing the Group's performance. The Company sees the diversification of the members of the Board as an important supporting factor for the Group to achieve its strategic goals and maintain sustainable growth. In deciding the composition of the Board, the Company will consider the Board diversity from various perspectives, including but not limited to sex, age, cultural and academic background, race, professional experience, skills, knowledge and terms of services. All appointments of the Board are made on merits with objective consideration of candidates, while taking into full account of the benefits of the Board's diversity. The nomination committee reviews the diversity of the composition of the Board on regular basis, and monitors the implementation of this policy so as to ensure its effective implementation.

#### 提名委員會

提名委員會於二零一二年三月二十二日成立，並制定其書面職權範圍。於回顧年度內，提名委員會由三名成員組成，委員會主席為熊正峰先生，其他成員為洪志遠先生及趙曉先生。因此大部份成員為獨立非執行董事。由於趙曉先生的任期於二零一八年二月十五日屆滿，並自二零一八年二月十六日起不再續任提名委員會成員，因此自二零一八年二月十六日起未能達到守則第A.5.1條要求提名委員會大部分成員須為獨立非執行董事之規定。本公司現正物色合適人選以盡快及無論如何於二零一八年二月十六日起計三個月內填補有關空缺。

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

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

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

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

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

Director	董事	Attendance 出席次數
Mr. Xiong Zheng Feng	熊正峰先生	1/1
Mr. Hung Chi Yuen Andrew	洪志遠先生	1/1
Mr. Zhao Xiao (term of office expired on 15 February 2018)	趙曉先生(任期二零一八年二月十五日屆滿)	1/1

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

提名委員會考慮及議決推薦本公司留任全體現任董事。

#### AUDITOR'S REMUNERATION

The audit committee of the Company was responsible for considering the appointment of external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company. During the year under review, the Group was required to pay an aggregate amount of approximately HK\$860,000 to the external auditor for their audit service and HK\$325,800 for non-audit services including reporting accountants' work on right issues, taxation and other services.

#### 核數師酬金

本公司之審核委員會負責考慮外聘核數師之委任及審查外聘核數師進行之任何非核數工作，包括有關非核數工作會否對本公司構成任何潛在重大不利影響。於回顧年度內，本集團須向外聘核數師支付共約860,000港元，作為其提供核數服務之酬金以及325,800港元作為其提供非核數服務(包括供股申報會計師工作、稅務及其他服務)的酬金。

#### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

#### 董事對財務報表之責任

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

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

#### COMPANY SECRETARY

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

#### 公司秘書

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

#### INTERNAL CONTROL AND RISK MANAGEMENT

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

#### 內部監控及風險管理

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

#### AUDITOR

During the year under review, the performance of the external auditor of the Company was reviewed and recommendation was made to reappoint the external auditor at the forthcoming AGM.

#### 核數師

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

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

#### INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

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

#### CONSTITUTIONAL DOCUMENTS

There was no significant change in the Memorandum and Articles of Association of the Company during the year ended 31 December 2017.

#### SHAREHOLDERS' RIGHTS

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

#### 投資者關係及與股東之溝通

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

#### 憲章文件

截至二零一七年十二月三十一日止年度內，本公司之組織章程大綱及細則概無任何重大變動。

#### 股東權利

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

## CORPORATE GOVERNANCE REPORT

### 公司管治報告

According to Sections 566 to 568 of the Companies Ordinance, the Directors are required to call an extraordinary general meeting if the Company has received requests to do so from shareholders of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings. Shareholders of the Company may deposit at the registered office of the Company a written request, which shall state the general nature of the business to be dealt with at the meeting and include the text of the resolution to be proposed at the meeting, and shall be signed by the shareholders who made the demand. Where the Directors do not, within 21 days from the date of depositing the demand, duly arrange an extraordinary general meeting to be held on a day not later than 28 days after the date on which the notice convening the meeting is given, the shareholders who made the demand or shareholders representing more than half of the voting rights of such shareholders may convene an extraordinary general meeting themselves in the same manner, as nearly as possible, as that in which extraordinary general meetings may be convened by the Directors of the Company, and all reasonable expenses incurred by the shareholders who made the request as a result of the failure of the Directors to duly convene an extraordinary general meeting shall be reimbursed by the Company.

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

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

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

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

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

關於提名董事候選人之事宜，請參閱本公司網站所載之程序。

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



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

The Group is pleased to present its Environmental, Social and Governance Report which is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” contained in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This report focuses on the performance of corporate social responsibility of the Group during the period from 1 January 2017 to 31 December 2017. The Group is committed to improving its strategy and management in relation to environment, society and governance through enhancement of infrastructure, internal participation and external partnership to achieve a balanced and win-win situation between interests of shareholders and the society.

本集團欣然提呈按照香港聯合交易所有限公司（「香港聯交所」）證券上市規則（「上市規則」）附錄二十七《環境、社會及管治報告指引》刊發之環境、社會及管治報告。本報告重點彙報本集團於二零一七年一月一日至二零一七年十二月三十一日期間在推行企業社會責任方面之表現。本集團務求通過加強基礎設施、內部參與及外部合夥關係，將本集團對環境、社會及管治的策略及管理提升至更高水準，以更好實現股東權益與社會利益間的平衡與共贏。

### STAKEHOLDERS' PARTICIPATION

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

### 權益持有人的參與

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

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

### ENVIRONMENTAL PROTECTION

The Group has complied with international and national environmental standards and ensured employee's health and safety in production, with an aim to establish a green and civilized environment, to enhance energy efficiency and minimize both energy consumption and pollutant discharge through continuous improvements of management standards. The production factories of the Group in Guangzhou and Suzhou have passed the certifications of ISO 9001 and IATF16949 Quality Management System, and ISO14001 Environmental Management System, and the Guangzhou Factory has passed the certification of OHSAS18001 Occupational Health and Safety Management System as well as the clean production management audit acceptance. A three-level environmental monitoring system has been implemented by the Group to ensure the full compliance with the relevant national standards for different types of pollutants. The Group also implemented an accountability and performance appraisal system to ensure the specific responsibilities of various levels of personnel in the execution and management of the environmental protection system. During the year under review, the various emission indexes of the Group have complied fully with the relevant environmental protection standards. No penalty in relation to the performance of environmental protection has been imposed on the Group.

### 環境保護

本集團根據國際和國家的環保標準，確保健康安全生產以創建綠色文明環境，提高能源利用效率，降低能源耗用，減少污染物排放，持續改進管理水準。本集團之廣州及蘇州生產工廠均通過ISO9001和IATF16949品質管制體系以及ISO14001環境管理體系，且廣州工廠通過OHSAS18001職業健康安全管理體系之認證及通過清潔生產管理審核驗收。為確保各類污染物排放完全符合國家的相關標準，本集團實施環保三級管理制度，實行問責及績效考核制，落實各級人員具體負責環保制度的執行和管理。於回顧年度內，本集團各項排放指標均符合相關環境保護標準，無與環境表現相關之任何處罰。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

**Emissions** — The Group puts best efforts to control the amount of emissions which affects the environment, strengthens its competence in environmental supervision and completed the installment of online supervision device for waste water and waste gas, in order to realize real-time supervision and early warning of major pollution emission source. The Group has installed an online monitoring system to keep track of the sewage chemical oxygen demand (COD), pH level and flow measurement, and an online monitoring system to keep track of the total quantities of Chromium (Cr) and Hexavalent Chromium (Cr6+) in sewage. Other facilities include underground water detection well and surveillance cameras installed at the discharge outlets for the instant feedback of information. An independent third party with appropriate qualifications has also been engaged to operate, maintain and manage these online facilities to ensure their proper functioning. During the period under review, the operation of the Group's facilities for the treatment of waste water, exhaust gas, solid wastes and noise pollution were stable and met all relevant inspection standards. As such, the Group is pleased to report that it complied with national and local laws and regulations on emission control in relation to the control of waste gas, greenhouse gas emission, pollution in water and land as well as generation of hazardous and non-hazardous wastes in 2017.

**排放物**—本集團盡最大努力控制影響環境的排放量，加強環境監測能力建設，完成廢水和廢氣線上監測設備安裝和資料聯網，以實現重點污染源排放即時監控和預警，確保源頭治理和程式控制。本集團已安裝污水化學需氧量(COD)、酸鹼度(PH)、流量計線上監控系統及污水總鉻、六價鉻(Cr6+)線上監控系統、地下水檢測井等，並在排放口安裝監控攝像，即時回饋資訊，並委託符合資質之獨立第三方專人負責線上設施日常的運行與維護管理，確保設施正常運行。於回顧年度內，本集團廢水、廢氣、固廢及噪音處理設施運行穩定，檢測全部達標。就此，本集團欣然報告，本集團於二零一七年度在控制廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生方面已符合中國國家及地方有關排放控制的法規及法規。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

The total amount of emissions and wastes in 2017 were as follows: 二零一七年總排放量及廢棄物總量如下：

#### (1) Emission of pollutants

#### (1) 污染物排放

No. 序號	Type of pollutant 污染物種類	Unit 單位	Total Amount 總量	Remark 備註
1	COD 化學需氧量	Tonnes 噸	5.17	Oxidizable pollutants in waste water 廢水所含有機污染物
2	Total Chromium (Cr) 總鉻 (Cr)	kg 千克	2.64	Pollutant in waste water 廢水所含污染物
3	Total Copper (Cu) 總銅 (Cu)	Tonnes 噸	0.04	Pollutant in waste water 廢水所含污染物
4	Total Nickel (Ni) 總鎳 (Ni)	kg 千克	1.5	Pollutant in waste water 廢水所含污染物
5	Total Phosphorus (P) 總磷 (P)	Tonnes 噸	0.08	Pollutant in waste water 廢水所含污染物
6	Ammoniacal Nitrogen (NH <sub>3</sub> -N) 氨氮 (NH <sub>3</sub> -N)	Tonnes 噸	0.17	Pollutant in waste water 廢水所含污染物
7	Hydrogen Chloride (HCl) 氯化氫 (HCl)	Tonnes 噸	5.47	Pollutant in waste gas 廢氣所含污染物
8	Sulfuric Acid Fog 硫酸霧	Tonnes 噸	2.02	Pollutant in waste gas 廢氣所含污染物

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

#### (2) Quantity of greenhouse gas, waste water discharge and solid wastes (2) 溫室氣體、污水排放量及廢棄物

No. 序號	Indicator 指標名稱	Unit 單位	Total Amount 總量	Remark 說明
1	Total volume of greenhouse gas emission 溫室氣體總排放量	Ten thousand tonnes 萬噸	1.53	Total emission of CO <sub>2</sub> equivalent 折算為二氧化碳的總排放量
2	Volume of industrial sewage generated 工業污水產生量	Ten thousand tonnes 萬噸	54.67	The Company has excellent sewage treatment facilities with sewage treatment rate of 100% 公司有完善的污水處理設施，污水經處理達成率100%
3	Hazardous wastes 危險廢棄物	Tonnes 噸	985.2	A qualified hazardous wastes treatment company has been engaged to handle all hazardous wastes with 100% compliance rate in wastes treatment 全部委託具備資質的危廢處理單位處置，合規處置率100%
4	Non-hazardous wastes 無害廢棄物	Tonnes 噸	65	Non-hazardous wastes of the Company included mainly scrap materials, used plastic sheets and used cardboard, most of which are recyclable 公司無害廢棄物主要是邊角料、廢膠紙及廢紙皮等，大部份為可回收再用

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

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

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

#### (1) Energy consumption

#### (1) 能源消耗

No. 序號	Indicator 指標名稱	Unit 單位	Quantity 數量	Remark 說明
1	Use of electricity 用電量	10,000 kWh 萬千瓦時	4,738	The Group used only electricity as energy source. No other energy sources such as coal or heat were used. 本集團僅使用電為能源，無使用煤及熱氣等其他能源

#### (2) Water resource consumption

#### (2) 水資源消耗

No. 序號	Indicator 指標名稱	Unit 單位	Quantity 數量	Remark 說明
1	Tap water usage 自來水用量	10,000 tonnes 萬噸	63.56	The Group used water supplied by the urban water supply plant. There were no issues related to water consumption or demand. 本集團使用城市自來水廠供水，在水源使用和求取上不存在問題
2	Reclaimed water usage 中水回用量	10,000 tonnes 萬噸	15.55	During the year, the use of reclaimed water increased by 1.5% on a year-on-year basis. 年度內加強中水回用，回用量同比去年上升1.5%

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

#### (3) Measures to mitigate emissions and results achieved

For the emissions of pollutants in waste water, the Group has been promoting the adoption of technologies and equipment with a high resource utilization rate and low pollutant emission. The Group has also been enhancing the use of reclaimed water and reducing waste water discharge. The total amount of emissions of pollutants in waste water in 2017 decreased by approximately 8% from 2016.

For the emissions of pollutants in waste gas, the emissions of waste gas has been reduced by enhancing the operational management of waste gas treatment devices. The total amount of emissions of pollutants in waste gas in 2017 decreased by approximately 2% from 2016.

#### (4) Means and measures to handle hazardous and non-hazardous wastes and results achieved

Stringent measures are applied in the handling of hazardous wastes and a qualified hazardous wastes treatment company has been engaged to handle all hazardous wastes with 100% compliance rate in wastes treatment. Comprehensive recycling policy has been adopted for handling general waste with a comprehensive utilization rate of approximately 65% in 2017.

#### (3) 減低排放量的措施及所得成果

對於廢水中的污染物排放，本集團正推廣採用資源利用率高、污染物排放量少的工藝及設備，並加強中水回用，減少廢水排放，2017年度廢水中所含污染物排放總量比2016年度減少約8%。

對於廢氣中的污染物排放，通過加強廢氣處理裝置的運行管理，減少廢氣排放，2017年度廢氣中所含污染物排放總量比2016年度減少約2%。

#### (4) 處理有害及無害廢棄物的方法、措施及所得成果

嚴格處置危險廢棄物，全部委託具備資質的危廢處置單位處置，合規處置率100%；對於一般廢棄物，採取綜合回收利用措施，2017年度綜合利用率約65%。



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

**Environment and natural resources** – The Group strives to promote environmental infrastructure and improve the environmental management system, in order to achieve energy conservation, reduction of emission and clean production, and to minimize the impact of production operations on the environment. The Group has implemented the full process environmental management project, and introduced the pre-EIA pilot process. The system of “Three Simultaneities” has been implemented. That is, the design, construction and production of environmental protection facilities as well as the main construction project are carried out simultaneously. For the environmental risk factors such as the emission of “three wastes” (waste water, waste gas and solid waste) in the production process, we carried out research and established a multi-level risk prevention and control mechanism, and formulated strict environmental protection measures to prevent pollution and protect the ecological environment from the sources of pollution.

#### SOCIAL RESPONSIBILITY

**Employment and recruitment** – The Group recruits talents based on the principle of openness, equality, competition and merits. It provides equal opportunities to employees, creating a fair and non-discriminatory work atmosphere. Approximately 99% of the employees of the Group are located in China and the Group strictly observes the requirements of labor laws and regulations of China without breaching any relevant codes or regulations. The Group also introduces production operation staff through professional employment agencies. The Company treats every employee as equal. Their employment, benefits and promotion will not be affected by social identities including ethnic group, race, nationality, gender, religion, age, sexual orientation, political camp and marital status.

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

#### 社會責任

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

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

**Development and training** — The training of the Group focuses on important issues while giving a comprehensive coverage on all matters. In 2017, the Group conducted training in line with the training requirements for senior and middle management, professional and technical personnel, first-line management and production operation staff in accordance with the training requirements of each position. Independent professional organizations are engaged to provide training on various aspects of lean management, in order to enhance and improve their knowledge and working skills. During the year, a total of 378 key training programs have been completed, and approximately 2,500 hours have been devoted to staff training for approximately 16,000 employees.

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

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

**發展與培訓**—本集團培訓突出重點，全面涵蓋。於二零一七年度，本集團按照培訓計畫對高中級管理人員、專業技術人員、基層管理人員及生產操作員工進行符合各自崗位任職需求之培訓及聘請獨立專業機構進行精益生產之各環節培訓，旨在增進及改善其知識面及崗位技能。全年共完成378項重點培訓項目，在員工培訓方面投入近2,500個小時，共計培訓約16,000人次。

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

**Management of supply chain** — The Group has established a relatively complete supplier management system. Requirements of confidentiality, integrity and product quality are made clear to suppliers in the processes of supplier recruitment, supplier evaluation, material procurement, price negotiation and supplier replacement to ensure the confidentiality of both the Group's and the suppliers' sensitive information, to guarantee the product qualities and employees' integrity in the management of supply chain. The Group requires all suppliers of raw material to provide test reports on hazardous substances issued by qualified independent third-party testing institutions and carry out long-term quality supervision and regular reviews on all suppliers. In the event that there is a significant change in the suppliers and/or their qualifications or there is a serious quality problem in the supplied goods, the Group may suspend the supplier in question at any time and, if necessary, revoke the supplier's qualification as a qualified supplier of our Group to ensure the reliability in the quality of our products.

**Product responsibility** – The Group has adopted the following measures to improve product safety and quality: in order to reduce the quality risk in the initial stage of mass production, a quality assurance team has been set up, the frequency of testing and grading in the initial stage of mass production have been increased and product quality issues are followed up in a timely manner; special testing equipment to conduct internal supervision of product quality is used and internal quality control processes are strictly enforced; the "Waste Electrical and Electronic Equipment ("WEEE") directive and the "Restriction of Hazardous Substances" ("RoHS") Directive of the European Union are complied with and the halogen-free standard is adopted in the production process.

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

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

**Anti-corruption** – We have formulated a “Guideline for External Relations” for staff and entered into “Agreement on United Front of Integrity” with suppliers in light of the actual situation of the Group, in order to strengthen the corporate governance and internal control, regulate the behaviours in business operation, safeguard the legitimate rights and interests of the shareholders and promote the healthy and stable development of the Company. The Group encourages employees to report behaviours which are suspected to involve corruptions and has established a complaint hotline and e-mail. The Group clearly stipulates that all employees who commit fraudulent activities are subject to corresponding economic and administrative sanctions and those who have violated the criminal law shall be sent to the judicial authorities according to the laws. During the year under review, such systems played a sound monitoring and prevention role in the Group’s risk control and anti-corruption management in which no significant weakness has been identified.

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

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

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

## DIRECTORS' REPORT

### 董事會報告

The directors of the Company (the "Directors") present their annual report and the audited consolidated financial statements for the year ended 31 December 2017.

本公司董事（「董事」）謹此提呈截至二零一七年十二月三十一日止年度之年度報告及經審核綜合財務報表。

#### SEGMENT INFORMATION

The Group's principal activities are the manufacture and sale of flexible printed circuit, flexible packaging substrates and corresponding components. For the year ended 31 December 2017, the Group has changed the segment previously disclosed as 'sourcing and sale of electronic components' to 'Other' since the Group decided to put less focus on sourcing and sale of electronic components business after the disposal of the entire 75% equity interests in Giant Rise Technology Limited in May 2017, which was the previous principal operating entity of the Group engaged in the said business. An analysis of the Group's turnover by geographical market of its customers and operating segments for the year ended 31 December 2017 are set out in note 5 to the consolidated financial statements.

#### 分類資料

本集團主要從事製造及銷售應用於電子產品之柔性電路板、柔性封裝基板及相應組件之業務。於截至二零一七年十二月三十一日止年度，本集團將過往披露作「採購及銷售電子元器件」之分部更改為「其他」，原因為在二零一七年五月出售過往從事該業務的本集團主體公司嘉升科技有限公司之75%股權後，本集團決定減輕於採購及銷售電子元器件業務方面之比重。截至二零一七年十二月三十一日止年度，本集團按客戶地區市場劃分及經營分部之營業額分析載於綜合財務報表附註5。

#### PRINCIPAL ACTIVITIES

The Company is an investment holding company and is engaged in the sourcing of raw materials and equipment and trading of flexible printed circuits. The activities of its subsidiaries are set out in note 37 to the consolidated financial statements.

#### 主要業務

本公司為一家投資控股公司，亦從事採購原材料及設備以及柔性電路板貿易。其附屬公司之業務載於綜合財務報表附註37。

#### BUSINESS REVIEW

A review of the business of the Group during the year under review and a discussion on the Group's future development are set out in the Chairman's Statement on pages 4 to 7 of this report and the Management Discussion and Analysis on pages 15 to 27. These discussions form part of this Directors' report.

#### 業務回顧

有關本集團對回顧年度內業務的審視與對未來業務發展的討論載於本報告第4頁至第7頁的主席報告書及第15頁至第27頁的管理層討論與分析段落中。該等討論為本董事會報告的一部分。

#### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

#### 遵守相關法律及法規

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

## DIRECTORS' REPORT

### 董事會報告

#### RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year ended 31 December 2017, there was no material and significant dispute between the Group and its employees, customers and suppliers.

#### ENVIRONMENTAL POLICY AND PERFORMANCE

A discussion on the environmental policy and performance of the Group during the year under review is set out in the Environmental, Social and Governance Report on pages 40 to 51 of this report. The Environmental, Social and Governance Report form part of the Directors' report.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The industry which the Group's businesses operate in and the performance of the Group are influenced by changes in market conditions, technology advancement, evolvement in industry standards, customers' demands for the Group's products, and changes in preferences of the ultimate customers. The Group operates its businesses in accordance with various industry standards and government laws and regulations. In order to meet the market demands for ever-changing product functions and new products, the Group has made relatively substantial investments towards the research and development ("R&D") of new products and new production technologies, notwithstanding that the R&D expenses of certain projects are supplemented by government grants. Further, the majority of the Group's turnover is generated from a few major customers. Hence, the Group endeavours to respond to such operational shifts and market demands in a timely manner, to successfully research and develop new products and new technologies, to maintain good co-operative relationships with our customers, so as to avoid and/or minimize the negative impact of such risks. In addition, while the flexible packaging substrates production lines at Phase II of Suzhou Factory has begun production in batches, economic scale has yet been achieved due to insufficient order quantity, the large amount of investment and high fixed costs and high labour costs. This has become one of the major risk factors of the Group's performance. The Group is striving to develop new customers and receive more orders.

#### 與僱員、客戶及供應商之關係

本集團瞭解與其僱員、客戶及供應商保持良好關係對達到其短期及長期目標之重要性。於截至二零一七年十二月三十一日止年度，本集團與其僱員、客戶及供應商之間概無嚴重及重大糾紛。

#### 環境政策及表現

有關本集團對回顧年度內環境政策及表現的討論載於本報告第40頁至第51頁的環境、社會及管治報告中。環境、社會及管治報告構成本董事會報告的一部分。

#### 主要風險及不明朗因素

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

## DIRECTORS' REPORT

### 董事會報告

Furthermore, the Group is affected by market risks (such as currency and interest rate fluctuations), credit risks and liquidity risks during its ordinary course of business. Details of the financial risks management of the Group is set out in note 27 of the consolidated financial statements.

此外，本集團於日常業務過程中亦受市場風險（例如貨幣及利率波動）、信貸風險、流動資金風險所影響。本集團之財務風險管理詳情載於綜合財務報表附註27。

### RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 77.

### 業績及股息

截至二零一七年十二月三十一日止年度之本集團業績載於第77頁綜合損益及其他全面收益表。

The Directors recommend the payment of final dividend of HK1 cent per share for the year ended 31 December 2017 (2016: nil) to the shareholders whose names appear on the register of members of the Company on Friday, 8 June 2018. Subject to the approval by the shareholders at the forthcoming annual general meeting (the "AGM"), the proposed final dividend is expected to be paid on or around Wednesday, 20 June 2018.

董事建議向於二零一八年六月八日星期五名列本公司股東名冊之股東派付截至二零一七年十二月三十一日止年度之末期股息為每股1港仙（二零一六年：無）。建議末期股息預期將於二零一八年六月二十日星期三或該日前後派付，惟須於應屆股東週年大會上獲得股東批准。

The register of members of the Company will be closed from 6 June 2018 to 8 June 2018 (both days inclusive) during which no transfer of shares will be effected. To qualify for the distribution of the above-mentioned final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on 5 June 2018.

本公司之股份過戶登記處將由二零一八年六月六日起至二零一八年六月八日止（包括首尾兩日）暫停辦理股份過戶登記手續，期間，概不會處理股份過戶。為符合獲派上述末期股息資格，所有填妥之過戶表格連同有關股票必須於二零一八年六月五日下午四時三十分前交回本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

### PROPERTY, PLANT AND EQUIPMENT

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

### 物業、廠房及設備

本集團及本公司於回顧年度內之物業、廠房及設備之變動詳情載於綜合財務報表附註13。

### SHARE CAPITAL

Details of the share capital of the Company are set out in note 25 to the consolidated financial statements.

### 股本

本公司股本之詳情載於綜合財務報表附註25。

## DIRECTORS' REPORT

### 董事會報告

#### SUBSIDIARIES

Details of subsidiaries of the Group are set out in note 37 to the consolidated financial statements.

#### 附屬公司

本集團各附屬公司之詳情載於綜合財務報表附註37。

#### DIRECTORS

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

#### 董事

於回顧年度內及截至本報告日期為止董事為：

##### Executive Directors:

Mr. Xiong Zheng Feng (*Chairman*)

Mr. Chai Zhi Qiang (*Chief Executive Officer*; retired from his directorship on 26 May 2017)

##### 執行董事：

熊正峰先生(主席)

柴志強先生(行政總裁，於二零一七年五月二十六日退任董事職務)

##### Non-executive Directors:

Ms. Li Ying Hong

Mr. Gao Xiaoguang

Mr. Jia Junan

Mr. Wang Chunsheng (appointed on 30 January 2018)

##### 非執行董事：

李映紅女士

高曉光先生

賈軍安先生

王春生先生(於二零一八年一月三十日獲委任)

##### Independent non-executive Directors:

Mr. Hung Chi Yuen Andrew

Mr. Zhao Xiao (term of office expired on 15 February 2018)

Mr. Cui Zheng

##### 獨立非執行董事：

洪志遠先生

趙曉先生(任期於二零一八年二月十五日屆滿)

崔錚先生

Pursuant to Article 101 of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election. Accordingly, Mr. Xiong Zheng Feng and Mr. Gao Xiaoguang shall retire by rotation at the AGM in accordance with the Articles of Association. Mr. Xiong Zheng Feng and Mr. Gao Xiaoguang, being eligible, will offer themselves for re-election at the AGM.

根據公司組織章程細則第101條規定，於每年的股東週年大會上，當其時的董事中的三分之一，或如董事人數並非三或三的倍數，則最接近三分之一(但不多於三分之一)人數的董事須退任，惟每位董事須最少每三年輪值退任一次。每年的退任董事須是其最近一次當選後任職最長的董事。因此，根據公司組織章程細則，熊正峰先生及高曉光先生將於股東週年大會輪值退任。熊正峰先生及高曉光先生符合資格及願意重選連任。



## DIRECTORS' REPORT

### 董事會報告

Pursuant to Article 92 of the Company's Articles of Association, the Board shall have power from time to time, and at any time to appoint any person as a Director either to fill a vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Mr. Wang Chunsheng, a non-executive Director appointed by the Board on 30 January 2018 will also retire and, being eligible, offer himself for re-election at the AGM.

Mr. Chai Zhiqiang retired from his directorship on 26 May 2017, but has remained as the chief executive officer of the Company. Mr. Zhao Xiao did not seek for renewal of his appointment as an independent non-executive Director, chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee upon expiration of his term of office on 15 February 2018 due to his other business commitments. During the year under review, no Director resigned from his office or refused to stand for re-election to his office due to reasons relating to the affairs of the Company.

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

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

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

#### DIRECTORS OF SUBSIDIARIES

For the year ended 31 December 2017, directors of the subsidiaries of the Company were as follows:

根據公司組織章程細則第92條規定，董事會有權不時並隨時委任任何人士為董事，以填補某臨時空缺或增加董事會之名額。如此獲委任之董事，只應任職至本公司下屆週年大會，並應於屆時有資格於該會議上重選連任。王春生先生，於二零一八年一月三十日獲董事會委任為非執行董事，亦將於股東週年大會退任，並合資格及願意重選連任。

柴志強先生於二零一七年五月二十六日退任董事職務，但仍擔任本公司之行政總裁。趙曉先生因其他業務承擔於二零一八年二月十五日任期屆滿後不再續任獨立非執行董事、薪酬委員會主席、審核委員會委員及提名委員會委員。於回顧年度內，概無董事因本公司事務相關的理由辭職或拒絕參選連任。

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

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

董事及主要行政人員酬金詳情載於綜合財務報表附註10。

#### 附屬公司董事

於截至二零一七年十二月三十一日止年度，本公司附屬公司之董事由以下人士出任：

## DIRECTORS' REPORT

### 董事會報告

#### Name of Subsidiaries

##### 附屬公司名稱

AKM Electronics Industrial (Panyu) Ltd.

安捷利(番禺)電子實業有限公司

AKM Electronic Technology (Suzhou)  
Company Limited

安捷利電子科技(蘇州)有限公司

#### Name of Directors

##### 董事姓名

Chai Zhi Qiang (*Chairman*), Xiong Zheng Feng,  
Li Ying Hong, Zhuang Zhijian  
柴志強(主席)、熊正峰、李映紅、莊志堅

Chai Zhi Qiang (*Chairman*), Xiong Zheng Feng,  
Li Ying Hong  
柴志強(主席)、熊正峰、李映紅

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

Save as disclosed below, as at 31 December 2017, none of the Directors and the chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules:

#### 董事及最高行政人員於股份、相關股份及債權證之權益及淡倉

除下文所披露者外，於二零一七年十二月三十一日，各董事及本公司最高行政人員及彼等各自之聯繫人於本公司或其相聯法團(定義見香港法例第571章《證券及期貨條例》(「證券及期貨條例」)第XV部)之股份、相關股份或債權證中，並無擁有或被視為擁有須記入本公司根據證券及期貨條例第352條保存之登記冊內，或須根據上市規則附錄十所載上市發行人董事進行證券交易之標準守則(「標準守則」)規定知會本公司及聯交所之權益或淡倉：

## DIRECTORS' REPORT

### 董事會報告

#### (a) The Company

##### (i) Interest in shares of the Company

Name	Name of the Company in which interest is held	Class and number of securities of which interested (other than under equity derivatives)	Capacity	Long/Short position	Approximate percentage of total number of issued shares in the Company as at 31 December 2017
姓名	於其中持有權益之公司名稱	股份權益之證券類別及數目 (股本衍生工具除外)	身份	好倉/淡倉	於二零一七年十二月三十一日佔本公司全部已發行股份數目之概約百分比
Mr. Xiong Zheng Feng (Note 1) 熊正峰先生 (附註1)	the Company 本公司	7,900,000 ordinary shares 7,900,000股 普通股	Beneficial owner 實益擁有人	Long 好倉	0.64
Mr. Chai Zhi Qiang (Note 2) 柴志強先生 (附註2)	the Company 本公司	6,975,000 ordinary shares 6,975,000股 普通股	Beneficial owner 實益擁有人	Long 好倉	0.57
Ms. Li Ying Hong (Note 3) 李映紅女士 (附註3)	the Company 本公司	6,625,000 ordinary shares 6,625,000股 普通股	Beneficial owner 實益擁有人	Long 好倉	0.54

#### (a) 本公司

##### (i) 於本公司股份之權益

## DIRECTORS' REPORT

### 董事會報告

Note:

1. Mr. Xiong Zheng Feng is an executive Director of the Company. On 29 November 2017, the Company entered into a subscription agreement with Alpha Luck and a subscription agreement with Anjie Technology respectively for the Subscriptions, pursuant to which Alpha Luck and Anjie Technology respectively subscribed to 103,900,000 shares and 200,000,000 shares at the subscription price of HK\$1.50 per share. After the simultaneous completion of the Subscriptions on 31 January 2018 and as at the date of this report, Mr. Xiong Zheng Feng beneficially owns 7,900,000 ordinary shares of the Company, representing approximately 0.51% of the total number of issued shares of the Company.
2. Mr. Chai Zhi Qiang is the chief executive officer of the Company. After the simultaneous completion of the Subscriptions on 31 January 2018 and as at the date of this report, Mr. Chai Zhi Qiang beneficially owns 6,975,000 ordinary shares of the Company, representing approximately 0.45% of the total number of issued shares of the Company.
3. Ms. Li Ying Hong is a non-executive Director of the Company. After the simultaneous completion of the Subscriptions on 31 January 2018 and as at the date of this report, Ms. Li Ying Hong owns 6,625,000 ordinary shares of the Company, representing approximately 0.43% of the total number of issued shares of the Company.

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

As at 31 December 2017, to the best knowledge of the Directors, none of the Directors nor chief executive of the Company had or was deemed to have any interest in the underlying shares of the Company.

#### (b) The associated corporation

As at 31 December 2017, to the best knowledge of the the Directors, none of the Directors nor chief executive of the Company had or was deemed to have any interests or short positions in the shares or the underlying shares or debentures of any associated corporations of the Company (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code.

附註：

1. 熊正峰先生為本公司執行董事。於二零一七年十一月二十九日，本公司就認購事項分別與安利實業訂立一份認購協議，並與安潔科技訂立一份認購協議，據此，安利實業及安潔科技分別認購103,900,000股及200,000,000股股份，認購價為每股1.50港元。於認購事項於二零一八年一月三十日同時完成後及於本報告日期，熊正峰先生實益擁有7,900,000股本公司普通股，佔本公司全部已發行股份數目之約0.51%。
2. 柴志強先生為本公司行政總裁。於認購事項於二零一八年一月三十日同時完成後及於本報告日期，柴志強先生實益擁有本公司6,975,000股普通股，佔本公司全部已發行股份數目之約0.45%。
3. 李映紅女士為本公司非執行董事。於認購事項於二零一八年一月三十日同時完成後及於本報告日期，李映紅女士實益擁有本公司6,625,000股普通股，佔本公司全部已發行股份數目之約0.43%。

#### (ii) 以股本衍生工具持有之本公司相關股份之權益

截至二零一七年十二月三十一日，據董事所深知，概無本公司董事或最高行政人員於本公司相關股份中擁有或被視為擁有任何權益。

#### (b) 相聯法團

截至二零一七年十二月三十一日，據董事所深知，概無本公司董事或最高行政人員於本公司任何相聯法團（定義見證券及期貨條例第XV部）之股份或相關股份或債權證中擁有或視作擁有任何根據證券及期貨條例第352條之規定須予記錄或根據證券及期貨條例第XV部第7及8分部及標準守則須知會本公司及聯交所之權益或淡倉。

## DIRECTORS' REPORT 董事會報告

### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

### DIRECTORS' INTEREST IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

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

### MANAGEMENT CONTRACTS

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

### REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

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

### SUBSTANTIAL SHAREHOLDERS

As at 31 December 2017, to the best knowledge of the Directors and chief executive of the Company, shareholders (other than Directors) who had any interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of all issued shares to vote in all circumstances at general meetings of any members of the Group are set out as below:

### 購買股份或債券之安排

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

### 董事於交易、安排或重大合約之權益

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

### 管理合約

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

### 董事及五名最高薪酬人士之薪酬

本集團董事及五名最高薪酬人士之薪酬詳情載於綜合財務報表附註10。

### 主要股東

於二零一七年十二月三十一日，據本公司董事及最高行政人員所深知，於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可在任何情況下於本集團任何成員公司股東大會上投票之已發行股份總數10%或以上之權益之股東（董事除外）載列如下：

## DIRECTORS' REPORT

### 董事會報告

Name of substantial shareholder	Capacity	Class and number of securities in which interested (other than under equity derivatives)	Long/short position	Approximate percentage of total number of issued shares in the Company as at 31 December 2017
主要股東名稱	身份	擁有之證券類別及數目 (股本衍生工具除外) (Notes 7) (附註7)	好倉/淡倉	於二零一七年十二月三十一日佔本公司全部已發行股份數目之概約百分比 (Notes 8) (附註8)
Alpha Luck (Note 1)	Beneficial owner	450,000,000 ordinary shares	Long	36.46
安利實業(附註1)	實益擁有人	450,000,000股普通股	好倉	36.46
Silver City International (Holdings) Ltd. ("Silver City") (Note 2)	Interest in controlled corporation	450,000,000 ordinary shares	Long	36.46
銀華國際(集團)有限公司 (「銀華國際」)(附註2)	於受控制公司之權益	450,000,000股普通股	好倉	36.46
China North Industries Corporation ("CNIC") (Note 2 and 6)	Interest in controlled corporation	450,000,000 ordinary shares	Long	36.46
中國北方工業有限公司 (前名「中國北方工業公司」) (「北方工業」)(附註2及6)	於受控制公司之權益	450,000,000股普通股	好倉	36.46
China North Industries Group Corporation ("CNIGC") (Note 3 and 6)	Interest in controlled corporation	450,000,000 ordinary shares	Long	36.46
中國兵器工業集團有限公司 (「中國兵器工業」)(附註3及6)	於受控制公司之權益	450,000,000股普通股	好倉	36.46
China South Industries Group Corporation ("CSIGC") (Note 3 and 6)	Interest in controlled corporation	450,000,000 ordinary shares	Long	36.46
中國兵器裝備集團有限公司 (「中國兵器裝備」)(附註3及6)	於受控制公司之權益	450,000,000股普通股	好倉	36.46
Goertek (HongKong) Co., Limited ("HK Goertek") (Note 4)	Beneficial owner	363,650,000 ordinary shares	Long	29.46
香港歌爾泰克有限公司 (「香港歌爾泰克」)(附註4)	實益擁有人	363,650,000股普通股	好倉	29.46
Weifang Goertek Trading Co., Limited ("Weifang Goertek") (Note 5)	Interest in controlled corporation	363,650,000 ordinary shares	Long	29.46
濰坊歌爾貿易有限公司 (「濰坊歌爾」)(附註5)	於受控制公司之權益	363,650,000股普通股	好倉	29.46
GoerTek (Note 5)	Interest in controlled corporation	363,650,000 ordinary shares	Long	29.46
歌爾股份(附註5)	於受控制公司之權益	363,650,000股普通股	好倉	29.46

## DIRECTORS' REPORT

### 董事會報告

#### Notes:

1. After the simultaneous completion of the Subscriptions on 31 January 2018 and as at the date of this report, Alpha Luck beneficially owns 553,900,000 ordinary shares, representing approximately 36.01% of the total number of issued shares of the Company.
2. As Alpha Luck is wholly and beneficially owned by Silver City, which in turn is wholly and beneficially owned by CNIC, both Silver City and CNIC are deemed to be interested in the same number of shares of the Company held by Alpha Luck under Part XV of the SFO.
3. As the equity interest of CNIC was owned as to 50% by CNIGC and as to 50% by CSIGC, both of CNIGC and CSIGC are deemed to be interested in the same number of shares of the Company held by CNIC under Part XV of the SFO.
4. After the simultaneous completion of the Subscriptions on 30 January 2018 and as at the date of this report, HK Goertek beneficially owns 363,650,000 ordinary shares, representing approximately 23.64% of the total number of issued shares of the Company.
5. As HK Goertek is wholly and beneficially owned by Weifang Goertek, which in turn is wholly and beneficially owned by GoerTek, both Weifang Goertek and GoerTek are deemed to be interested in the same number of shares of the Company held by HK Goertek under Part XV of the SFO.
6. Pursuant to the Notice of the General Office of the State Council on Printing and Distributing the Implementing Plan for Corporate-style Restructuring of Central Enterprises (No. 69 (2017)) (國務院辦公廳關於印發中央企業制改制工作實施方案的通知 (國辦法[2017]69號) and under the direction of 國務院國有資產監督管理委員會(The State-owned Assets Supervision and Administration Commission of the State Council) ("SASAC") of the PRC, CNIC underwent a corporate restructuring ("Corporate Restructuring") which was completed in February 2018, and CNIC is transformed into and registered as a limited liability company. The Chinese name of CNIC has also been changed to "中國北方工業有限公司". Subsequent to the completion of the Corporate Restructuring, CNIC is owned as to 56.7% by CNIGC, 37.54% by CSIGC and 5.76% by 中國國新控股有限責任公司(China Reform Holdings Corporation Ltd.) ("CRHC"). Each of CNIGC, CSIGC and CRHC is wholly-owned and under the direct supervision and administration of SASAC.
7. None of Alpha Luck, Silver City, CNIC, CNIGC, CSIGC, HK Goertek, Weifang Goertek nor GoerTek was interested in any securities of the Company under equity derivatives.
8. After the simultaneous completion of the Subscriptions on 30 January 2018 and as at the date of this report, Anjie Technology (Hong Kong) Company Limited ("HK Anjie") beneficially owns 200,000,000 ordinary shares, representing approximately 13.00% of the total number of issued shares of the Company. As HK Anjie is wholly and beneficially owned by Anjie Technology, Anjie Technology is deemed to be interested in the same number of shares of the Company held by HK Anjie under Part XV of the SFO. After the simultaneous completion of the Subscriptions on 30 January 2018 and as at the date of this report, the number of shares and the percentage shareholding of the substantial shareholders were as follows:

#### 附註:

1. 於認購事項於二零一八年一月三十日同時完成後及於本報告日期，安捷利實業實益擁有本公司553,900,000股普通股，佔本公司全部已發行股份數目之約36.01%。
2. 由於安捷利實業由銀華國際全資實益擁有，而銀華國際則由北方工業全資實益擁有，根據證券及期貨條例第XV部，銀華國際及北方工業均被視為與安捷利實業持有之同一批本公司股份中擁有權益。
3. 由於北方工業股權由中國兵器工業擁有50%及由中國兵器裝備擁有50%，根據證券及期貨條例第XV部，中國兵器工業及中國兵器裝備均被視為與北方工業持有之同一批本公司股份中擁有權益。
4. 於認購事項於二零一八年一月三十日同時完成後及於本報告日期，香港歌爾泰克實益擁有本公司363,650,000股普通股，佔本公司全部已發行股份數目之約23.64%。
5. 由於香港歌爾泰克由濰坊歌爾全資實益擁有，而濰坊歌爾則由歌爾股份全資實益擁有，根據證券及期貨條例第XV部，濰坊歌爾及歌爾股份均被視為與香港歌爾泰克持有之同一批本公司股份中擁有權益。
6. 根據國務院辦公廳關於印發中央企業制改制工作實施方案的通知(國辦法[2017]69號)，及中國國務院國有資產監督管理委員會(「國資委」)指令，北方工業於二零一八年二月完成公司重組(「公司重組」)，而北方工業已轉型並註冊為有限責任公司。北方工業之中文名稱亦更改為「中國北方工業有限公司」。於公司重組完成後，北方工業由中國兵器工業、中國兵器裝備及中國國新控股有限責任公司(「中國國新」)分別擁有56.7%、37.54%及5.76%。中國兵器工業、中國兵器裝備及中國國新由國資委全資擁有並受其直接監督及管理。
7. 安捷利實業、銀華國際、北方工業、中國兵器工業、中國兵器裝備、香港歌爾泰克、濰坊歌爾及歌爾股份概無於本公司股本衍生工具項下之證券中擁有任何權益。
8. 於認購事項於二零一八年一月三十日同時完成後及於本報告日期，安捷利科技(香港)有限公司(「安捷利香港」)實益擁有本公司200,000,000股普通股，佔本公司全部已發行股份數目之約13.00%。由於安捷利香港由安捷利科技全資實益擁有，根據證券及期貨條例第XV部，安捷利科技被視為與安捷利香港持有之同一批本公司股份中擁有權益。於認購事項於二零一八年一月三十日同時完成後及於本報告日期，主要股東之股份數目及控股百分比如下：

## DIRECTORS' REPORT

### 董事會報告

Name of substantial shareholder	Capacity	Class and number of securities in which interested after the simultaneous completion of the Subscriptions and as at the date of this report	Approximate percentage of the total number of issued shares of the Company after the simultaneous completion of the subscriptions and at the date of this report
主要股東名稱	身份	於認購事項同時完成後及於本報告日期擁有權益之證券類別及數目	於認購事項同時完成後及於本報告日期佔本公司全部已發行股份數目之概約百分比
Alpha Luck 安利實業	Beneficial owner 實益擁有人	553,900,000 ordinary shares 553,900,000股普通股	36.01 36.01
Silver City 銀華國際	Interest in controlled corporation 於受控制公司之權益	553,900,000 ordinary shares 553,900,000股普通股	36.01 36.01
CNIC 北方工業	Interest in controlled corporation 於受控制公司之權益	553,900,000 ordinary shares 553,900,000股普通股	36.01 36.01
CNIGC 中國兵器工業	Interest in controlled corporation 於受控制公司之權益	553,900,000 ordinary shares 553,900,000股普通股	36.01 36.01
CSIGC 中國兵器裝備	Interest in controlled corporation 於受控制公司之權益	553,900,000 ordinary shares 553,900,000股普通股	36.01 36.01
HK Goertek 香港歌爾泰克	Beneficial owner 實益擁有人	363,650,000 ordinary shares 363,650,000股普通股	23.64 23.64
Weifang Goertek 濰坊歌爾	Interest in controlled corporation 於受控制公司之權益	363,650,000 ordinary shares 363,650,000股普通股	23.64 23.64
GoerTek 歌爾股份	Interest in controlled corporation 於受控制公司之權益	363,650,000 ordinary shares 363,650,000股普通股	23.64 23.64
HK Anjie 安潔香港	Beneficial owner 實益擁有人	200,000,000 ordinary shares 200,000,000股普通股	13.00 13.00
Anjie Technology 安潔科技	Interest in controlled corporation 於受控制公司之權益	200,000,000 ordinary shares 200,000,000股普通股	13.00 13.00



## DIRECTORS' REPORT

### 董事會報告

#### SHAREHOLDERS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

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

#### ISSUE OF SHARES AND DEBENTURES

On 13 March 2017, the Company completed the issue of 246,867,500 Rights Shares to the qualifying shareholders by way of rights, at the subscription price of HK\$0.55 per Rights Share. The net proceeds from the Rights Issue was approximately HK\$133,506,000. Each of the Rights Share, which was ordinary share, ranked pari passu in all respects among themselves and with the Shares in issue on the date of their respective allotment and issue. Details of the Rights Issue were disclosed in the Company's announcements dated 25 January 2017, 9 February 2017 and 13 March 2017 as well as the prospectus dated 20 February 2017.

On 29 November 2017, the Company entered into a subscription agreement with Alpha Luck, the controlling shareholder of the Company, and a subscription agreement with Anjie Technology, respectively, pursuant to which Alpha Luck and Anjie Technology respectively subscribed for 103,900,000 shares and 200,000,000 shares at the subscription price of HK\$1.50 per share. The Subscriptions were simultaneously completed on 30 January 2018 and the net proceeds was approximately HK\$454,928,000. The relevant Subscription Shares were issued to the qualifying shareholders on 30 January 2018. Each of the Subscription Share, which was ordinary share, ranked pari passu in all respects among themselves and with the Shares in issue on the date of their respective allotment and issue. Details of the Subscriptions were disclosed in the Company's announcements dated 29 November 2017, 9 January 2018 and 30 January 2018 as well as the circular dated 20 December 2017.

#### 股東於交易安排或重大合約之權益

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

#### 發行股份及債權證

於二零一七年三月十三日，本公司完成以供股形式按認購價每股供股股份0.55港元向合資格股東發行246,867,500股供股股份，供股所得款項淨額約133,506,000港元。供股股份為普通股，並各自及與於配發及發行當日之已發行股份在各方面享有同等地位。有關供股的詳情已於本公司二零一七年一月二十五日、二零一七年二月九日及二零一七年三月十三日的公佈，以及二零一七年二月二十日的供股章程中披露。

於二零一七年十一月二十九日，本公司分別與本公司控股股東安利實業訂立一份認購協議及與安潔科技訂立一份認購協議，安利實業及安潔科技分別按認購價每股1.5港元認購103,900,000股及200,000,000股份。認購事項已於二零一八年一月三十日同時完成，所得款項淨額約454,928,000港元。相關認購股份已於二零一八年一月三十日發行予合資格股東。認購股份為普通股，並各自及與於配發及發行當日之已發行股份在各方面享有同等地位。有關認購事項的詳情已於本公司二零一七年十一月二十九日、二零一八年一月九日以及二零一八年一月三十日的公佈，以及二零一七年十二月二十日的通函中披露。

## DIRECTORS' REPORT

### 董事會報告

The Company did not issue any debentures during the year ended 31 December 2017.

本公司於截至二零一七年十二月三十一日止年度內並無發行任何債權證。

#### RESERVES

As at 31 December 2017, the Company's reserve available for distribution to shareholders comprised the retained profit of HK\$83,195,000.

#### 儲備

於二零一七年十二月三十一日，本公司可供分發予股東之儲備為保留溢利83,195,000港元。

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 81 and note 36 to the consolidated financial statement.

年內本集團及本公司儲備變動詳情載於第81頁綜合權益變動報表及綜合財務報表附註36。

#### CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

#### 獨立非執行董事之確認函

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

#### RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes for the year ended 31 December 2017 are set out in note 33 to the consolidated financial statements.

#### 退休福利計劃

截至二零一七年十二月三十一日止年度，本集團退休福利計劃詳情載於綜合財務報表附註33。

#### EMOLUMENT POLICY

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

#### 酬金政策

本集團僱員之酬金政策由薪酬委員會根據彼等之專長、資格及能力釐定。

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

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

## DIRECTORS' REPORT

### 董事會報告

#### PRE-EMPTIVE RIGHTS

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

#### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2017, the aggregate amount of turnover attributable to the Group's five largest customers accounted for approximately 78% of the Group's turnover and the turnover attributable to the Group's largest customer and GoerTek and its subsidiaries accounted for approximately 38% and 11% of the Group's turnover respectively.

For the year ended 31 December 2017, the aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 37% of the Group's purchases and the purchases attributable to the Group's largest supplier accounted for approximately 18% of the Group's purchases.

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2017.

#### COMPETING INTERESTS

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

#### 優先購買權

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

#### 主要客戶及供應商

截至二零一七年十二月三十一日止年度，本集團五大客戶之營業額合共佔本集團營業額約78%，本集團最大客戶以及歌爾股份及其附屬公司之營業額分別佔本集團營業額約38%及約11%。

截至二零一七年十二月三十一日止年度，本集團五大供應商之採購額合共佔本集團採購額約37%，本集團最大供應商之採購額佔本集團採購額約18%。

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

#### 購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至二零一七年十二月三十一日止年度內均無購買、出售或贖回本公司任何上市股份。

#### 競爭性權益

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

## DIRECTORS' REPORT 董事會報告

### CONTINUING CONNECTED TRANSACTIONS

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

During the period from 1 January 2017 to 31 December 2017, the aggregate amount of the Continuing Connected Transactions was approximately RMB103,988,000 (equivalent to approximately HK\$120,009,000).

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

### 持續關連交易

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

於二零一七年一月一日至二零一七年十二月三十一日期間，持續關連交易的總額約為人民幣103,988,000元(相等約120,009,000港元)。

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

## DIRECTORS' REPORT

### 董事會報告

- |  |  |
|--|--|
| (1) in the ordinary and usual course of business of the Group;   | (1) 於一般及日常業務過程中進行；                               |
| (2) on normal commercial terms or on terms no less favourable to the Company than terms available to or from independent third parties; and  | (2) 按照一般商務條款或不遜於可向獨立協力廠商提供或取得之條款進行；及             |
| (3) in accordance with the Renewed Purchase Agreement governing the transactions and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. | (3) 根據規管有關交易的經重續採購合同進行，而交易條款屬公平合理，並符合本公司股東的整體利益。 |

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

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

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

本公司已就持續關連交易遵守上市規則第14A章之披露規定。

#### SUFFICIENCY OF PUBLIC FLOAT

#### 公眾持股量

According to the information that is publicly available to the Company, and so far as the Directors are aware of, the Company has maintained a sufficient public float throughout the year ended 31 December 2017 and up to the latest practicable date prior to the date of this report.

根據本公司可從公眾管道獲得之資料及就董事所知，於截至二零一七年十二月三十一日止年度及直至本報告發佈之日前的最後實際可行日期，本公司維持足夠之公眾持股量。

## DIRECTORS' REPORT

### 董事會報告

#### PERMITTED INDEMNITY PROVISIONS

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

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

#### EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group or existed during the year ended 31 December 2017.

#### DONATIONS

The Group had not made charitable or other donations of HK\$10,000 or above during the year under review (2016: Nil).

#### AUDITOR

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

On behalf of the Board

**AKM Industrial Company Limited**  
**Xiong Zheng Feng**  
CHAIRMAN

Hong Kong, 20 March 2018

#### 獲准許的彌償條文

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

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

#### 股票掛鈎協議

於截至二零一七年十二月三十一日止年度，本集團並無訂立或存在任何股票掛鈎協議。

#### 捐款

本集團於回顧年度內並無作出一萬港元或以上之慈善或其他捐款(二零一六年：無)。

#### 核數師

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

承董事會命

**安捷利實業有限公司**  
**熊正峰**  
主席

香港，二零一八年三月二十日

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

# Deloitte.

# 德勤

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

致安捷利實業有限公司列位股東  
(於香港註冊成立之有限公司)

### OPINION

We have audited the consolidated financial statements of AKM Industrial Company Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 77 to 167, 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 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

本核數師行已審核載列於第77至167頁之安捷利實業有限公司(「貴公司」)及其附屬公司(合稱為「貴集團」)之綜合財務報表，此等財務報表包括於二零一七年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動報表及綜合現金流量表，以及合併財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了 貴集團於二零一七年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

### 意見的基礎

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

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### KEY AUDIT MATTERS

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

##### Key audit matter

##### 關鍵審計事項

##### *Allowances for obsolete inventories*

##### 陳舊存貨撥備

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

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

As disclosed in note 17 to the consolidated financial statements, carrying amount of the Group's inventories as at 31 December 2017 amounted to HK\$95,480,000 and allowance for obsolete inventories recognised in profit or loss for the year ended 31 December 2017 amounted to HK\$5,172,000.

誠如綜合財務報表附註17所披露，於二零一七年十二月三十一日，貴集團之存貨賬面值為95,480,000港元，及二零一七年十二月三十一日止年度於損益確認之陳舊存貨撥備為5,172,000港元。

Management of the Group reviewed the aged analysis of the inventories at the end of the reporting period to determine whether any provision is required to write off or write down inventories to their net realisable values, based on the latest selling prices and current marketable conditions.

貴集團管理層審議了於報告期末之存貨賬齡分析，以根據最近期售價及現時可銷售狀況釐定是否需要計提撥備以撇銷或撇減存貨至其可變現淨值。

#### 關鍵審計事項

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

##### How our audit addressed the key audit matter

##### 我們的審計工作如何處理關鍵審計事項

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

我們與陳舊存貨撥備相關的程序包括：

- Understanding the management's assessment in estimating the net realisable values of the inventories and the Group's policy adopted for making allowances to write off or write down inventories to their net realisable values.  
理解管理層於估計存貨可變現淨值時之評估及貴集團就計提撥備以撇銷或撇減存貨至可變現淨值所採取的政策。
- Testing the appropriateness of the aged analysis of inventories on a sample basis by checking the ageing date to date of purchase or manufacture.  
通過抽樣方式，將賬齡日期與購買或生產日期比對，以測試存貨賬齡分析的合適性。
- Testing the accuracy of the management's estimates of the net realisable values of the inventories by comparing the latest selling prices of the inventories, on a sample basis, to the latest invoice prices of sale.  
通過抽樣方式，將存貨的最近期售價與最近期銷售發票價格比較，測試管理層對存貨可變現淨值的估計的準確性。
- Evaluating the historical accuracy of the allowance made by the Group by comparing the allowance made in prior year to actual amount of obsolete inventories in current year.  
將往年作出的撥備與本年度陳舊存貨的實際數額比較，以評估貴集團作出撥備的歷史準確性。



## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### KEY AUDIT MATTERS (Cont'd)

##### Key audit matter

##### 關鍵審計事項

##### **Recoverability of trade receivables**

##### 貿易應收款項的可收回性

We identified the recoverability of the trade receivables as a key audit matter due to significant degree of management judgement and estimation uncertainty involved in assessing recoverability of trade receivables.

由於評估貿易應收款項可回收性涉及重大程度的管理層判斷及評估不確定性，因此我們將呆賬撥備認定為關鍵審計事項。

As disclosed in note 18 to the consolidated financial statements, the carrying amount of trade receivables amounted to HK\$331,963,000, net of the allowance for doubtful debts amounted to HK\$12,000 as at 31 December 2017.

誠如綜合財務報表附註18所披露，於二零一七年十二月三十一日的貿易應收款項賬面值為331,963,000港元(扣除呆賬撥備12,000港元)。

The management of the Group reviewed the recoverability together with the aged analysis of trade and bills receivables so as to determine the amounts of allowance for doubtful debts.

貴集團管理層已審核貿易應收款項及應收票據的可回收性以及賬齡分析，從而釐定呆賬撥備的數額。

#### 關鍵審計事項(續)

##### How our audit addressed the key audit matter

##### 我們的審計工作如何處理關鍵審計事項

Our procedures in relation to the recoverability of the trade receivables included:

我們與貿易應收款項的可收回性相關的程序包括：

- Evaluating the reasonableness of the management, and assessment made therefrom, on the recoverability of trade receivables by reference to the accuracy of the management's past estimates and taking into account the aged analysis of trade receivables;  
參考管理層過往估計的準確性及經考慮貿易應收款項的賬齡分析，評估管理及評估貿易應收款項可回收性的合理性；
- Testing the appropriateness of the aged analysis of the trade receivables on a sample basis by checking the ageing date to date of issue of invoices; and  
通過抽樣方式，將賬齡日期與出具發票的日期比對，檢測貿易應收款項賬齡分析的合適性；及
- Evaluating the historical accuracy of the allowance made by the management by comparing the allowance made in prior year to actual amount of doubtful debts in current year.  
比較往年作出的撥備與本年度呆賬實際金額，以評估管理層作出撥備的歷史準確性。

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

#### OTHER INFORMATION

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### 其他資料

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

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

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

#### 董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督 貴集團的財務報告過程。

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgement 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.

### 核數師就審計綜合財務報表須承擔的 責任

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

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

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

## INDEPENDENT AUDITOR'S REPORT

### 獨立核數師報告

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

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

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

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.

#### 核數師就審計綜合財務報表須承擔的 責任(續)

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

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

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

## INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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

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

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

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
20 March 2018

### 核數師就審計綜合財務報表須承擔的 責任(續)

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

出具獨立核數師報告的審計項目合夥人是李建輝。

**德勤•關黃陳方會計師行**  
執業會計師  
香港  
二零一八年三月二十日

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收入	5	1,118,838	821,662
Cost of sales	銷售成本		(898,627)	(646,373)
Gross profit	毛利		220,211	175,289
Other income	其他收入	6	17,874	15,037
Loss on disposal of subsidiaries	出售附屬公司虧損	26	(3,224)	-
Distribution costs	分銷成本		(16,760)	(15,897)
Administrative expenses	行政支出		(36,551)	(31,852)
Research and development expenses	研發費用		(79,882)	(92,122)
Share of profit of an associate	應佔一間聯營公司溢利		40	-
Finance costs	融資成本	7	(2,850)	(5,198)
Profit before taxation	除稅前溢利	8	98,858	45,257
Taxation	稅項	9	(19,850)	(17,567)
Profit for the year	本年度溢利		79,008	27,690
Other comprehensive income (expense): Item that may be subsequently reclassified to profit or loss:	其他全面收益(開支): 隨後可重新分類至損益 之項目:			
Exchange differences arising on translation of foreign operations	換算海外業務產生之 匯兌差額		40,586	(36,571)
Share of exchange difference of an associate	應佔一間聯營公司之 匯兌差額		192	-
Reclassification of translation reserve to profit or loss upon disposal of subsidiaries	於出售附屬公司時由 換算儲備重新分類 至損益		1,729	-
			42,507	(36,571)
Total comprehensive income (expense) for the year	本年度全面收益(開支) 總額		121,515	(8,881)

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit (loss) for the year attributable to:	應佔本年度溢利(虧損):			
Owners of the Company	本公司擁有人		<b>79,016</b>	27,944
Non-controlling interests	非控股權益		<b>(8)</b>	(254)
			<b>79,008</b>	<b>27,690</b>
Total comprehensive income (expense) attributable to:	應佔全面收益(開支) 總額:			
Owners of the Company	本公司擁有人		<b>121,511</b>	(8,543)
Non-controlling interests	非控股權益		<b>4</b>	(338)
			<b>121,515</b>	<b>(8,881)</b>
Earnings per share – basic	每股盈利 – 基本	12	<b>HK6.62 cents</b> 港仙	HK2.72 cents港仙

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets		非流動資產		
Property, plant and equipment	物業、廠房及設備	13	633,309	474,339
Prepaid lease payments	預付租賃款項	14	49,187	47,147
Interest in an associate	於一間聯營公司之權益	15	3,848	-
Available-for-sale investment	可供出售之投資	16	17,945	16,769
Deposits for property, plant and equipment	物業、廠房及設備之按金	13	14,694	15,363
			<b>718,983</b>	<b>553,618</b>
Current assets		流動資產		
Inventories	存貨	17	95,480	79,771
Trade and other receivables	貿易及其他應收款項	18	361,043	318,121
Prepaid lease payments	預付租賃款項	14	1,265	1,182
Pledged bank deposits	已抵押銀行存款	19	2,357	2,356
Bank balances and cash	銀行結餘及現金	20	89,288	26,603
			<b>549,433</b>	<b>428,033</b>
Current liabilities		流動負債		
Trade and other payables	貿易及其他應付款項	21	413,146	321,807
Deferred income	遞延收入	22	5,288	2,395
Taxation payable	應付稅項		8,456	6,829
Bank borrowings	銀行借貸	23	67,976	134,391
			<b>494,866</b>	<b>465,422</b>
Net current assets (liabilities)	淨流動資產(負債)		<b>54,567</b>	<b>(37,389)</b>
Total assets less current liabilities	總資產減流動負債		<b>773,550</b>	<b>516,229</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

At 31 December 2017 於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	25	466,667	333,161
Reserves	儲備		271,776	150,265
Equity attributable to owners of the Company	本公司擁有人應佔權益		738,443	483,426
Non-controlling interests	非控股權益		-	631
Total equity	總權益		738,443	484,057
Non-current liabilities	非流動負債			
Deferred income	遞延收入	22	26,001	25,045
Deferred taxation	遞延稅項	24	9,106	7,127
			35,107	32,172
			773,550	516,229

The consolidated financial statements on pages 77 to 167 were approved and authorised for issue by the Board of Directors on 20 March 2018 and are signed on its behalf by:

董事會於二零一八年三月二十日批准並授權刊發第77至167頁之綜合財務報表，並由下列董事代表簽署：

**LI YING HONG**  
DIRECTOR  
李映紅  
董事

**XIONG ZHENG FENG**  
DIRECTOR  
熊正峰  
董事

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### 綜合權益變動報表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔						
		Share capital	Statutory surplus reserve (Note) 法定盈餘 儲備 (附註)	Translation reserve 換算儲備	Retained profits 保留溢利	Sub-total 小計	Non- controlling interests 非控股 權益	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	333,161	-	32,803	126,005	491,969	3,219	495,188
Profit (loss) for the year	本年度溢利(虧損)	-	-	-	27,944	27,944	(254)	27,690
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	(36,487)	-	(36,487)	(84)	(36,571)
Total comprehensive (expense) income for the year	本年度全面(開支)收益總額	-	-	(36,487)	27,944	(8,543)	(338)	(8,881)
Dividend paid	已付股息	-	-	-	-	-	(2,250)	(2,250)
At 31 December 2016	於二零一六年十二月三十一日	333,161	-	(3,684)	153,949	483,426	631	484,057
Profit (loss) for the year	本年度溢利(虧損)	-	-	-	79,016	79,016	(8)	79,008
Exchange difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	40,574	-	40,574	12	40,586
Share of exchange difference of an associate	分佔一間聯營公司匯兌差額	-	-	192	-	192	-	192
Reclassification of translation reserve to profit or loss upon disposal of subsidiaries	出售附屬公司時重新分類換算儲備至損益	-	-	1,729	-	1,729	-	1,729
Total comprehensive income for the year	本年度全面收益總額	-	-	42,495	79,016	121,511	4	121,515
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	22,551	-	(22,551)	-	-	-
Issue of shares upon rights issue	於供股時發行股份	133,506	-	-	-	133,506	-	133,506
Disposal of subsidiaries (note 26)	出售附屬公司(附註26)	-	-	-	-	-	(635)	(635)
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>	<b>466,667</b>	<b>22,551</b>	<b>38,811</b>	<b>210,414</b>	<b>738,443</b>	<b>-</b>	<b>738,443</b>

Note: Statutory surplus reserve represented The People's Republic of China (the "PRC") statutory reserves. Pursuant to the relevant PRC regulations and the Articles of Association of the PRC subsidiaries of the Company, the PRC subsidiaries are required to transfer not less than 10% of their post-tax profit to statutory reserves (i.e. statutory surplus reserve) as reserve funds until the aggregated amounts have reached 50% of their registered capitals. These reserves should only be used to make up losses, or conversion into capital, or expansion of production and operation according to the relevant rules in the PRC.

附註：法定盈餘儲備指中華人民共和國(「中國」)法定儲備。根據中國有關法規及本公司中國附屬公司的章程細則，中國附屬公司須將其不少於10%的稅後溢利轉至法定儲備(即法定盈餘儲備)作為儲備基金，直至累計總額達至其註冊資本的50%為止。根據中國相關規則，該等儲備僅可用以彌補虧損或轉為股本，或用於擴充生產經營規模。

## CONSOLIDATED STATEMENT OF CASH FLOWS 綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>OPERATING ACTIVITIES</b>	<b>經營業務</b>		
Profit before taxation	除稅前溢利	<b>98,858</b>	45,257
Adjustments for:	就下列各項作出調整：		
Share of profit of an associate	分佔一間聯營公司溢利	<b>(40)</b>	-
Interest expense	利息支出	<b>2,850</b>	5,198
Interest income	利息收入	<b>(1,035)</b>	(88)
(Reversal of) allowance for doubtful debts	(撥備撥回) 呆賬撥備	<b>(25)</b>	1,096
Allowance for obsolete inventories	陳舊存貨撥備	<b>5,172</b>	1,546
Amortisation of prepaid lease payments	預付租賃款項攤銷	<b>1,220</b>	1,236
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>62,487</b>	46,224
Foreign exchange difference on inter-company balances	集團內公司間結餘之匯兌差額	<b>2,841</b>	761
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	<b>4,550</b>	4,498
Loss on disposal of subsidiaries	出售附屬公司之虧損	<b>3,224</b>	-
Deferred income recognised	已確認之遞延收入	<b>(6,455)</b>	(6,389)
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	<b>173,647</b>	99,339
Increase in inventories	存貨增加	<b>(15,419)</b>	(23,491)
Increase in trade and other receivables	貿易及其他應收款項增加	<b>(39,369)</b>	(144,881)
Increase in trade and other payables	貿易及其他應付款項增加	<b>67,839</b>	160,165
Government grant received	政府津貼收入	<b>8,311</b>	7,306
Cash generated from operations	經營所得現金	<b>195,009</b>	98,438
Profits tax (paid) refund	(已付) 退回利得稅	<b>(545)</b>	78
PRC Enterprise Income Tax paid	已付中國企業所得稅	<b>(16,619)</b>	(7,826)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>經營業務所得現金淨額</b>	<b>177,845</b>	90,690

## CONSOLIDATED STATEMENT OF CASH FLOWS

### 綜合現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>INVESTING ACTIVITIES</b>			
Net cash inflows on disposal of subsidiaries	26	9,545	–
Interest received		1,035	88
Proceeds from disposal of property, plant and equipment		522	1,050
Purchase of property, plant and equipment		(187,940)	(104,210)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(176,838)</b>	<b>(103,072)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of rights shares		135,777	–
Expenses on issue of rights shares		(2,271)	–
New borrowings raised		95,617	215,647
Repayment of bank borrowings		(167,471)	(200,527)
Interest paid		(2,850)	(5,198)
Dividend paid to non-controlling shareholders		–	(2,250)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>58,802</b>	<b>7,672</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>59,809</b>	<b>(4,710)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>26,603</b>	<b>32,851</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>2,876</b>	<b>(1,538)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH</b>		<b>89,288</b>	<b>26,603</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 1. GENERAL

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

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

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the functional currency of the Company.

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

#### 1. 一般資料

本公司乃於一九九三年十二月九日在香港註冊成立之公眾有限責任公司。

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

綜合財務報表乃以港元(「港元」)呈列，其為本公司之功能貨幣。

本公司為一間投資控股公司，亦從事採購原材料及設備以及柔性電路板(「柔性電路板」)貿易。其附屬公司主要從事製造及銷售柔性電路板及製造及銷售柔性封裝基板。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 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	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle

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

#### 2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度強制生效之香港財務報告準則修訂本

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

香港會計準則第7號之修訂	披露計劃
香港會計準則第12號之修訂	將遞延稅項資產確認為未變現虧損
香港財務報告準則第12號之修訂	香港財務報告準則二零一四年至二零一六年週期之年度改進其中一項

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Amendments to HKFRSs that are mandatorily effective for the current year (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 29. 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 28, the application of these amendments has had no impact on the Group’s consolidated financial statements.

#### 2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制性生效之香港財務報告準則修訂本(續)

##### 香港會計準則第7號之修訂披露計劃

本集團已於本年度首次應用該等修訂。有關修訂規定實體須披露所需資料令財務報表使用者得以衡量融資活動所產生負債變動(包括現金及非現金變動)。此外,有關修訂亦規定,倘來自金融資產的現金流或未來現金流列作融資活動之現金流,則須披露有關金融資產之變動。

具體而言,有關修訂規定須披露以下事項:(i)融資現金流之變動;(ii)因取得或失去附屬公司或其他業務控制權而出現之變動;(iii)匯率變動之影響;(iv)公平值之變動;及(v)其他變動。

該等項目的年初與年終結餘之間的對賬載於附註29。根據該等修訂之過渡條文,本集團未披露去年之比較資料。除附註28所披露額外資料外,應用該等修訂對本集團之綜合財務報表並無任何影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### 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 HKFRS 15	Financial Instruments <sup>1</sup> Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16 HKFRS 17 HK(IFRIC) – Int 22	Leases <sup>2</sup> Insurance Contracts <sup>4</sup> Foreign Currency Transactions and Advance Consideration <sup>1</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts <sup>1</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle <sup>2</sup>
Amendments to HKAS 40 Amendments to HKAS 28	Transfers of Investment Property <sup>1</sup> Long-term Interests in Associates and Joint Ventures <sup>2</sup>
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2021

#### 2. 採納新訂及經修訂香港財務報告準則 («香港財務報告準則») (續)

##### 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並未提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號 香港財務報告準則第15號	金融工具 <sup>1</sup> 來自客戶合約之收益及相關修訂 <sup>1</sup>
香港財務報告準則第16號 香港財務報告準則第17號 香港(國際財務報告詮釋委員會) – 詮釋第22號 香港(國際財務報告詮釋委員會) – 詮釋第23號	租賃 <sup>2</sup> 保險合約 <sup>4</sup> 外幣交易及預付代價 <sup>1</sup> 所得稅處理之不確定性 <sup>2</sup>
香港財務報告準則第2號之修訂 香港財務報告準則第4號之修訂	股份支付交易之分類及計量 <sup>1</sup> 應用香港財務報告準則第9號金融工具時一併應用香港財務報告準則第4號保險合同 <sup>1</sup>
香港財務報告準則第9號之修訂 香港財務報告準則第10號及香港會計準則第28號之修訂	具有負補償之提早還款特性 <sup>2</sup> 投資者與其聯營公司或合營公司之間的資產出售或投入 <sup>3</sup>
香港財務報告準則之修訂	香港財務報告準則二零一五年至二零一七年週期之年度改進 <sup>2</sup>
香港會計準則第40號之修訂 香港會計準則第28號之修訂	轉讓投資物業 <sup>1</sup> 於聯營公司或合營公司之長期權益 <sup>2</sup>
香港會計準則第28號之修訂	香港財務報告準則二零一四年至二零一六年週期香港財務報告準則之年度改進之一部份 <sup>1</sup>

<sup>1</sup> 於二零一八年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零一九年一月一日或之後開始之年度期間生效

<sup>3</sup> 於有待釐定之日期或之後開始之年度期間生效

<sup>4</sup> 於二零二一年一月一日或之後開始之年度期間生效



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

Except for the new and amendments to HKFRSs and Interpretations mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

##### **HKFRS 9 Financial Instruments**

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

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

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at 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. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

##### **已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）**

除下文所述之新訂及經修訂香港財務報告準則及詮釋外，本公司董事預期應用所有其他新訂及經修訂香港財務報告準則及詮釋於可見將來將不會對綜合財務報表造成重大影響。

##### **香港財務報告準則第9號金融工具**

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

與本集團相關的香港財務報告準則第9號的主要規定載述如下：

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### ***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. 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 initial application of HKFRS 9:

##### ***Classification and measurement***

- equity securities classified as available-for-sale investments carried at cost less impairment as disclosed in note 16: these securities qualified for designation as measured at FVTOCI under HKFRS 9 and the Group will measure these securities at fair value at the end of subsequent reporting periods with fair value gains or losses to be recognised as other comprehensive income and accumulated in the investments revaluation reserve. Upon initial application of HKFRS 9, the estimated fair value gain of approximately HK\$2.4 million relating to these securities would be adjusted to investment revaluation reserve as at 1 January 2018.
- all other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

#### 2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

##### ***已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）***

##### ***香港財務報告準則第9號金融工具（續）***

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

根據本集團於二零一七年十二月三十一日之金融工具及風險管理政策，本公司董事預計初次應用香港財務報告準則第9號有下列潛在影響：

##### ***分類及計量***

- 分類為按成本扣除減值列賬之可出售投資之股本證券於附註16披露：根據香港財務報告準則第9號，該等證券符合資格指定為按公平值計入其他全面收益計量，且本集團將於其後報告期末按公平值計量該等證券，並將公平值收益或虧損於其他全面收益中確認及於重估儲備中累計。初次應用香港財務報告準則第9號時，與該等證券相關之估計公平值收益約2,400,000港元將調整為於二零一八年一月一日之重估儲備。
- 所有其他金融資產及金融負債將繼續按目前根據香港會計準則第39號計量之相同基準計量。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

#### *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, there would be no material impact on the accumulated amount of impairment loss to be recognised by the Group as at 1 January 2018 as compared to the accumulated amount recognised under HKAS 39.

##### **HKFRS 15 Revenue from Contracts with Customers**

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

### 2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### *已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）*

##### **香港財務報告準則第9號金融工具（續）**

##### **減值**

整體而言，本公司董事預計，應用香港財務報告準則第9號之預期信貸虧損模式或會導致於本集團採納香港財務報告準則第9號時按攤銷成本計量的本集團金融資產尚未發生的信貸虧損及須計提減值撥備的其他項目提早作出撥備。

根據本公司董事之評估，倘本集團應用預期信貸虧損模式，本集團即將於二零一八年一月一日確認之累計減值虧損金額與根據香港會計準則第39號確認之累計金額比較，將不會有重大影響。

##### **香港財務報告準則第15號來自客戶合約的收益**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

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

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

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

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

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

The directors of the Company anticipate that the application of HKFRS 15 in the future 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. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

##### **已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）**

##### **香港財務報告準則第15號來自客戶合約的收益（續）**

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

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

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

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

本公司董事預期，於日後應用香港財務報告準則第15號可能會導致更多披露，惟本公司董事預期，應用香港財務報告準則第15號將不會對相關報告期間確認收入的時間及金額構成重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### **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. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

##### **已頒佈但尚未生效之新訂及經修訂香港財務報告準則（續）**

##### **香港財務報告準則第16號租賃**

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### **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 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 HK\$205,000 as disclosed in note 31 of which HK\$140,000 had original lease terms over 1 year. 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.

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

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

#### 2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

##### **已頒佈但尚未生效之新訂及經修訂香港財務報告準則**（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，本集團已確認租賃土地（其中本集團為承租人）之預付租賃付款。採用香港財務報告準則第16號可能導致該等資產之分類產生潛在變動，視乎本集團是否分開呈列使用權資產或按相應有關資產（倘為擁有相關資產）的相同項目內呈列。

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

此外，香港財務報告準則第16號要求作出廣泛之披露。

於二零一七年十二月三十一日，誠如附註31披露，本集團有不可註銷之經營租賃承擔205,000港元，其中140,000港元之原租賃期超過1年。初步評估顯示，該等安排將符合租賃之定義。於採用香港財務報告準則第16號後，本集團將就所有該等租賃確認使用權資產及相應負債，惟有關租賃符合低價值或短期租賃則另當別論。

此外，應用新規定可能令上文所述的計量、呈列及披露發生變動。

本公司董事預計應用其他新訂及經修訂香港財務報告準則對本集團業績及財務狀況不會構成重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 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 each reporting period, as explained in the accounting policies set out below.

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

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

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

#### 3. 主要會計政策

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

誠如下文會計政策所闡釋，於各報告期末，綜合財務報表乃按歷史成本為基礎編製。

歷史成本一般根據貨物及服務交換所得報酬之公平值而釐定。

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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 where the Company:

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

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

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

- 第一級輸入數據為實體有能力於計量日評估的完全相同的資產或負債於活躍市場的報價(未調整)；
- 第二級輸入數據為不包括第一級報價的資產或負債的可直接或間接觀察的輸入數據；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

主要會計政策載於下文。

##### 綜合基準

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

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### 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.

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

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

##### 綜合基準(續)

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Basis of consolidation (Cont'd)

##### Changes in the Group's ownership interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

##### Investment in an associate

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.

##### 綜合基準(續)

##### 本集團於現有附屬公司之擁有權權益變動

當本集團失去一間附屬公司之控制權時，該附屬公司之資產及負債以及非控股權益(如有)乃終止確認。收益或虧損於損益內確認，並按：(i)已收代價之公平值及任何保留權益公平值之總額；及(ii)本公司擁有人應佔附屬公司之資產(包括商譽)及負債之先前賬面值之差額計算。所有先前於其他全面收入確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用香港財務報告準則之規定/許可條文重新分類至損益或轉撥至另一類權益)。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據香港會計準則第39號於其後入賬時被列作首次確認之公平值或(如適用)於首次確認於聯營公司或合營公司之投資時之成本。

##### 聯營公司的投資

聯營公司是指本集團有重大影響力的實體。重大影響力指有權參與被投資方的財務及經營政策決定但非控制或共同控制該等政策。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Investment in an associate (Cont'd)

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of an associate 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 associate 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. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

##### 聯營公司的投資 (續)

聯營公司的業績與資產及負債，乃採用權益會計法列入綜合財務報表。擬作權益會計用途的聯營公司財務報表按與本集團於類似情況下就同類交易及事件採用的相同會計政策編製。根據權益會計法，於聯營公司的投資初步於綜合財務狀況報表按成本確認，並於其後就確認本集團應佔該聯營公司的溢利或虧損及其他全面收益而作出調整。於該聯營公司之資產淨值（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之擁有權出現變動。當本集團應佔一間聯營公司的虧損超出本集團於該聯營公司的權益時（包括實質上構成本集團於聯營公司的投資淨值一部份的任何長期權益），本集團會終止確認其應佔的進一步虧損。額外虧損僅於本集團已產生法定或推定責任或代表該聯營公司付款時方予確認。

於聯營公司的投資由被投資方成為聯營公司當日起使用權益法入賬。收購於聯營公司的投資時，投資成本超過本集團應佔被投資方的可識別資產及負債的公平淨值的任何部分確認為商譽，計入該項投資的賬面值。本集團應佔可識別資產及負債的公平淨值超出投資成本的部分，經重新評估後即時於收購該項投資期間在損益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Investment in an associate (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 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 and represents amounts receivable for goods sold by the Group to outside customers in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

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

##### 聯營公司的投資(續)

香港會計準則第39號的規定適用於釐定是否需要就本集團於一間聯營公司的投資確認任何減值虧損。如需要，該項投資的全部賬面值(包括商譽)將根據香港會計準則第36號以單一資產方式進行減值測試，方法是比較其可收回金額(即使用價值與公平值減出售成本的較高者)與其賬面值。任何已確認減值虧損均構成該項投資賬面值的一部份。有關減值虧損的任何撥回乃於該項投資的可收回金額其後增加時根據香港會計準則第36號確認。

倘集團實體與本集團一間聯營公司進行交易，與該聯營公司進行交易所產生損益僅按該聯營公司之權益中與本集團並無關連之範圍下，方會在本集團之綜合財務報表確認。

##### 收入確認

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

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

銷售貨品之收入在交付貨品及擁有權轉移時確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### 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.

##### Leasing

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

##### The Group as lessee

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

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

##### Leasehold land and building

When the Group makes payments for a property interest includes both leasehold land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire 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.

##### 收入確認 (續)

金融資產產生之利息收入乃按時間比例基準，並參照尚未償還本金額及按適用之實際利率計算，而該實際利率乃於初步確認時按金融資產之預期可使用年期將估計未來現金收入實際折算至該資產之賬面淨值之比率。

##### 租賃

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

##### 本集團作為承租人

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

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

##### 租賃土地及樓宇

當本集團就物業權益(包括租賃土地及樓宇部分)付款時，本集團會根據各元素之幾乎全部風險與報酬是否轉移至本集團之評估，考慮將每項元素單獨劃分為融資租賃或經營租賃，除非該等元素明確屬經營租賃，於此情況下，整項物業作為經營租賃入賬。具體而言，整筆代價(包括任何一次性預付款)在初次確認時，按於租賃土地部分及樓宇部分之租賃權益之公平值比例在土地及樓宇部分之間分配。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Leasehold land and building (Cont'd)

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 lease 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 a finance lease.

##### Foreign currencies

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

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

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

##### 租賃土地及樓宇(續)

倘相關款項能夠可靠分配，經營租賃之租賃土地權益於綜合財務狀況表列為「預付租賃款項」，按直線法於租期內攤銷。當租金未能於土地及樓宇部分間可靠分配時，整項物業乃猶如租賃土地按融資租賃持有而予以整筆分類。

##### 外幣

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

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額會於產生期間之損益確認。

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

#### Foreign currencies (Cont'd)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

#### Borrowing costs

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

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

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

#### 外幣 (續)

於出售海外業務(即出售本集團於海外業務之全數權益,或出售包括海外業務之附屬公司而涉及失去控制權,或出售包括海外業務之聯營公司而於當中之保留權益成為金融資產)時,有關本公司擁有人應佔該業務於權益中累計之所有匯兌差額乃重新分類至損益。

#### 借貸成本

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

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

所有其他借貸成本均於產生期間在損益中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Government grants

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

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

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

##### Retirement benefits contributions

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

##### Short-term 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.

##### 政府津貼

政府津貼於可合理確定本集團將遵守其所附條件並接到津貼時確認入賬。

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

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

##### 退休福利供款

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

##### 短期僱員福利

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

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Taxation

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

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

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

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

##### 稅項

所得稅開支表示當前應付稅項及遞延稅項之和。

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Taxation (Cont'd)

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

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

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

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

##### Property, plant and equipment

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

##### 稅項(續)

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

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

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

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

##### 物業、廠房及設備

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Property, plant and equipment (Cont'd)

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

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

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

##### 物業、廠房及設備 (續)

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Research and development expenditure

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.

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

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

##### 研發費用

研究費用於產生期間確認為支出。

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

- 在技術可行性上能完成無形資產以供使用或出售；
- 有意完成無形資產及使用或出售資產；
- 使用或出售無形資產之能力；
- 無形資產日後產生經濟利益之方式；
- 可動用充足的科技、財務及其他資源完成發展及使用或出售無形資產；及
- 可於發展期間可靠計算無形資產應佔之開支時。

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Impairment loss on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (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 assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

##### 有形資產減值虧損

於報告期末，本集團會審核其有形資產之賬面值，以確定是否有任何跡象表明該等資產出現減值虧損。倘出現任何該等跡象，將估計相關資產之可收回金額，以釐定減值虧損(如有)。

倘不大可能個別估計資產的可收回金額，則本集團會估計有關資產所屬的現金產生單位的可收回金額。倘可確定合理及一致的分配基準，企業資產可分配至個別現金產生單位，否則，則將企業資產分配至能確定合理及一致的分配基準的最小組別現金產生單位。

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Inventories

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

##### Financial instruments

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

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

##### Financial assets

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

##### 存貨

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

##### 金融工具

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

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

##### 金融資產

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

#### Financial instruments (Cont'd)

#### Financial assets (Cont'd)

#### Effective interest method

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

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

#### Available-for-sale financial asset

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

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

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

#### 金融工具 (續)

#### 金融資產 (續)

#### 實際利率法

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

就債務工具而言,利息收入乃按實際利率基準確認。

#### 可供出售金融資產

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

可供出售權益工具之股息在本集團收取股息之權利獲確立時於損益中確認。

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Financial instruments (Cont'd)

##### Financial assets (Cont'd)

##### Loans and receivables

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

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 financial assets

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

Objective evidence of impairment could include:

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

##### 金融工具(續)

##### 金融資產(續)

##### 貸款及應收款項

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

利息收入按實際利率計算確認，惟短期應收款項除外，乃因其利息確認並不重大。

##### 金融資產之減值

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

減值之客觀證據可包括：

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Financial instruments (Cont'd)

##### **Impairment of financial assets (Cont'd)**

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

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

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

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

##### 金融工具 (續)

##### **金融資產之減值 (續)**

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

#### Financial instruments (Cont'd)

##### Impairment of financial assets (Cont'd)

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

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss.

##### Financial liabilities and equity instruments

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

##### Equity instruments

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

#### 金融工具(續)

##### 金融資產之減值(續)

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

就可供出售股本投資而言，先前於損益賬確認之減值虧損乃不會透過損益賬撥回。

##### 金融負債及股本工具

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

##### 股本工具

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

#### Financial instruments (Cont'd)

#### Financial liabilities and equity instruments (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 at amortised cost

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

#### 金融工具 (續)

#### 金融負債及股本工具 (續)

##### 實際利率法

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

利息開支以實際利率基礎確認。

##### 按攤銷成本列值之金融負債

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Financial instruments (Cont'd)

##### Derecognition

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises a financial liability 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.

##### 金融工具(續)

##### 取消確認

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

於取消確認全部金融資產時，資產賬面值與已收及應收代價之差額於損益中確認。

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY 4. 估計不明朗因素之主要來源

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

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

The management estimates the useful lives and residual values of property, plant and equipment. The estimated useful lives and residual values are based on the expected lifespan and original cost of those property, plant and equipment respectively. The useful lives and residual values of property, plant and equipment could change significantly as a result of technical obsolescence. When the actual useful lives and residual values of property, plant and equipment are different from their estimated useful lives and residual values due to the change of commercial and technological environment, such differences will cause an impact on the depreciation charges and the amounts of assets written down for future periods. In addition, when there is indication that property, plant and equipment or a cash-generating unit may be impaired, the Group estimates the recoverable amount of the relevant asset or the relevant cash-generating unit in which the relevant property, plant and equipment is attached to.

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

##### 物業、廠房及設備之可用年期及剩餘價值估計

管理層估計物業、廠房及設備之可用年期及剩餘價值。估計可用年期及剩餘價值分別以該等物業、廠房及設備之預計可用年限及原值為基準。物業、廠房及設備之可用年期及剩餘價值可能因技術上過時而出現重大變動。倘物業、廠房及設備之實際可用年期及剩餘價值因商業及技術環境變動而有別於估計可用年期及剩餘價值,有關差異則會影響未來期間之折舊費用及所撇減之資產數額。此外,倘有跡象顯示物業、廠房及設備或現金產生單位可能出現減值,本集團會估計相關資產或有關物業、廠房及設備所屬之相關現金產生單位之可收回金額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

The carrying amount of property, plant and equipment for the Group as at 31 December 2017 are HK\$633,309,000 (2016: HK\$474,339,000).

##### Allowance for obsolete inventories

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

The carrying amount of inventories for the Group as at 31 December 2017 is HK\$95,480,000 (2016: HK\$79,771,000), net of allowance for obsolete inventories of HK\$13,912,000 (2016: HK\$8,072,000).

#### 4. 估計不明朗因素之主要來源 (續)

##### 物業、廠房及設備之可用年期及剩餘價值估計 (續)

本集團於二零一七年十二月三十一日之物業、廠房及設備賬面值為633,309,000港元(二零一六年：474,339,000港元)。

##### 陳舊存貨撥備

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

本集團於二零一七年十二月三十一日之存貨賬面值為95,480,000港元(二零一六年：79,771,000港元)(經扣除陳舊存貨撥備13,912,000港元(二零一六年：8,072,000港元))。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### Allowance for doubtful debts

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

The carrying amount of trade and bills receivables at 31 December 2017 for the Group are HK\$338,314,000 (2016: HK\$297,313,000), net of allowance for doubtful debts of HK\$12,000 (2016: HK\$41,000).

#### 5. REVENUE AND SEGMENT INFORMATION

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

#### 4. 估計不明朗因素之主要來源(續)

##### 呆賬撥備

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

集團於二零一七年十二月三十一日之貿易應收款項及應收票據賬面值為338,314,000港元(二零一六年：297,313,000港元)(經扣除呆賬撥備12,000港元(二零一六年：41,000港元))。

#### 5. 收入及分部資料

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

##### Segment information

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

For management purposes, the Group had three business segments namely (i) the business of manufacture and sale of FPC; (ii) the business of manufacture and sale of flexible packaging substrates; and (iii) sourcing and sale of electronic components for the year ended 31 December 2016. During the year ended 31 December 2017, the Group had changed the segment previously disclosed as 'Sourcing and sale of electronic components' to 'Other' since the Group decided to put less focus on sourcing and sale of electronic components business after the disposal of the 75% equity interests in Giant Rise Technology Limited, which was the previous principal operating entity of the Group engaged in the said business, in May 2017. The aforesaid explained the basis on which the Group reports its segment information to the CODM.

Principal activities are as follows:

FPC business	–	the manufacture and sale of FPC
Flexible packaging substrates business	–	the manufacture and sale of flexible packaging substrates
Other	–	the sourcing and sale of electronic components

#### 5. 收入及分部資料(續)

##### 分部資料

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

為利於管理，本集團於截至二零一六年十二月三十一日止年度有三個業務分部，即(i)製造及銷售柔性電路板業務；(ii)製造及銷售柔性封裝基板業務及(iii)採購及銷售電子元器件。於截至二零一七年十二月三十一日止年度，本集團已將過往披露作「採購及銷售電子元器件」之分部更改為「其他」，因為在二零一七年五月出售過往從事該業務的本集團主體公司嘉升科技有限公司之75%股權後，本集團決定減輕於採購及銷售電子元器件業務方面之比重。上文所解釋者乃本集團向主要經營決策者報告其分部資料之基礎。

主要業務如下：

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

##### Segment revenue and results

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

		Segment revenue – external sales		Inter-segment sales		Eliminations		Segment results	
		分部收入 – 外部銷售		分部間銷售		撇銷		分部業績	
		2017	2016	2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
FPC business	柔性電路板業務	1,048,429	779,019	1,141	2,120	(1,141)	(2,120)	127,335	115,893
Flexible packaging substrates business	柔性封裝基板業務	49,789	19,607	87	4,562	(87)	(4,562)	4,969	(42,826)
Other	其他	20,620	23,036	-	-	-	-	305	33
Total	合計	<u>1,118,838</u>	<u>821,662</u>	<u>1,228</u>	<u>6,682</u>	<u>(1,228)</u>	<u>(6,682)</u>	<u>132,609</u>	<u>73,100</u>
Interest income	利息收入							1,035	88
Central administration costs	中央行政成本							(28,752)	(22,733)
Finance costs	融資成本							(2,850)	(5,198)
Loss on disposal of subsidiaries	出售附屬公司虧損							(3,224)	-
Share of profit of an associate	應佔一間聯營公司之溢利							40	-
Profit before taxation	除稅前溢利							<u>98,858</u>	<u>45,257</u>

Inter-segment sales are charged at prevailing market rates.

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

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as they are not reviewed by the CODM nor otherwise regularly provided to the CODM for review since the Group's structure changed in 2017.

#### 5. 收入及分部資料 (續)

##### 分部收入及業績

本集團按營運及可申報分部劃分之收入及業績分析如下。

分部間銷售按現行市場收費。

可申報分部之會計政策乃與於附註3所述本集團會計政策相同。分部溢利指各分部所賺取之溢利，但並未就中央行政成本、利息收入、融資成本、出售附屬公司虧損及應佔一間聯營公司之溢利作出分配。此乃呈報予執行董事（本集團之主要經營決策者）用作資源分配及評估表現之方式。

本集團並無披露按營運及可申報分部劃分之資產及負債之分析，因為自集團架構於二零一七年變動後有關分析並非由主要經營決策者檢討或定期提供予主要經營決策者作檢討。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

#### 5. 收入及分部資料(續)

##### Other segment information

##### 其他分部資料

2017

二零一七年

Amounts included in the measure of segment profit or loss:

計算分部損益時包括之款項：

		FPC business 柔性 電路板業務 HK\$'000 千港元	Flexible packaging substrates business 柔性封裝 基板業務 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元
Reversal of allowance for doubtful debts	呆賬撥備撥回	(25)	-	-	(25)
Allowance for obsolete inventories	陳舊存貨撥備	3,017	2,155	-	5,172
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,220	-	-	1,220
Depreciation of property, plant and equipment	物業、廠房及設備折舊	54,528	7,959	-	62,487
Release of government grant for construction of factory on existing land and research and development projects	發放於現有土地興建廠房及研發項目之政府津貼	(1,493)	(4,962)	-	(6,455)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	4,550	-	-	4,550
Research and development expenses	研發費用	75,475	4,407	-	79,882

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

定期向主要經營決策者提供但不包括於計算分部損益之款項：

		FPC business 柔性 電路板業務 HK\$'000 千港元	Flexible packaging substrates business 柔性封裝 基板業務 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元
Interest income	利息收入	(1,032)	(3)	-	(1,035)
Interest expenses	利息開支	2,850	-	-	2,850
Income tax expense	所得稅開支	19,848	-	2	19,850

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

#### 5. 收入及分部資料(續)

##### Other segment information (Cont'd)

##### 其他分部資料(續)

##### 2016

##### 二零一六年

Amounts included in the measure of segment profit or loss:

計算分部損益時包括之款項：

		FPC business 柔性 電路板業務 HK\$'000 千港元	Flexible packaging substrates business 柔性封裝 基板業務 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元
Allowance for doubtful debts	呆賬撥備	784	-	312	1,096
Allowance for obsolete inventories	陳舊存貨撥備	679	867	-	1,546
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,236	-	-	1,236
Depreciation of property, plant and equipment	物業、廠房及設備折舊	33,010	13,214	-	46,224
Release of government grant for construction of factory on existing land and research and development projects	發放於現有土地興建廠房及研發項目之政府津貼	(4,286)	(2,103)	-	(6,389)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	4,498	-	-	4,498
Research and development expenses	研發費用	47,736	44,386	-	92,122

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

定期向主要經營決策者提供之款項但不包括於計算分部損益之款項：

		FPC business 柔性 電路板業務 HK\$'000 千港元	Flexible packaging substrates business 柔性封裝 基板業務 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Segment total 分部合計 HK\$'000 千港元
Interest income	利息收入	(79)	(7)	(2)	(88)
Interest expenses	利息開支	5,198	-	-	5,198
Income tax expense (credit)	所得稅開支(抵免)	17,613	-	(46)	17,567

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

##### Geographical information

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

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

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

##### Information about major customers

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

Customer A <sup>1</sup>	客戶甲 <sup>1</sup>
Customer B <sup>1</sup>	客戶乙 <sup>1</sup>
Customer C <sup>2&amp;3</sup>	客戶丙 <sup>2及3</sup>

<sup>1</sup> Revenue from manufacture and sale of FPC.

<sup>2</sup> Revenue from manufacture and sale of FPC and flexible packaging substrates.

<sup>3</sup> Customer C represents one of the Company's shareholder and its subsidiary.

#### 5. 收入及分部資料(續)

##### 地區資料

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

Revenue from external customers	
來自外部客戶之收入	
2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元
649,920	450,841
355,285	279,598
113,633	91,223
<b>1,118,838</b>	<b>821,662</b>

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

##### 有關主要客戶之資料

來自於相應年度為本集團銷售總額帶來逾10%貢獻之客戶之收入如下：

2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元
420,673	239,360
242,629	141,524
120,009	90,822

<sup>1</sup> 來自製造及銷售柔性電路板之收入。

<sup>2</sup> 來自製造及銷售柔性電路板及柔性封裝基板之收入。

<sup>3</sup> 客戶丙指本公司股東之一及其附屬公司。

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 6. OTHER INCOME

#### 6. 其他收入

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Release of government grant for construction of factory on existing land (note 22)	發放於現有土地興建廠房而發放之政府津貼(附註22)	772	781
Release of government grant for research and development projects (note 22)	發放研發項目之政府津貼(附註22)	5,683	5,608
Government subsidies (Note)	政府資助(附註)	4,721	2,657
Interest income	利息收入	1,035	88
Rental income	租金收入	321	172
Scrap income	廢料收入	3,473	1,166
Reversal of allowance for doubtful debts	呆賬撥備撥回	25	-
Net exchange gain	匯兌收益淨額	907	4,362
Others	其他	937	203
		<b>17,874</b>	<b>15,037</b>

Note: The amount included HK\$4,196,000 (2016: HK\$2,657,000) representing subsidies from various government authorities in supporting the high technology research and development activities for the year ended 31 December 2017.

附註：金額包括截至二零一七年十二月三十一日止年度不同政府部門支持高新研發活動的津貼4,196,000港元(二零一六年：2,657,000港元)。

#### 7. FINANCE COSTS

#### 7. 融資成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interests on bank borrowings	銀行借貸利息	<b>2,850</b>	<b>5,198</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 8. PROFIT BEFORE TAXATION

#### 8. 除稅前溢利

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入)以下項目:		
Research and development expenses	研發費用		
Staff costs	員工成本	17,034	17,540
Other research and development expenses	其他研發費用	62,848	74,582
		<b>79,882</b>	<b>92,122</b>
Directors' and chief executive's remuneration (note 10)	董事及主要行政人員酬金(附註10)	1,145	1,014
Other staff costs	其他員工成本	111,564	96,203
Other staff's retirement benefits costs	其他員工之退休福利成本	9,088	8,825
Total staff costs	員工成本總額	121,797	106,042
Less: Other staff costs included in research and development expenses shown above	減: 計入上文所示研發費用之其他員工成本	<b>(17,034)</b>	<b>(17,540)</b>
		<b>104,763</b>	<b>88,502</b>
Subcontracted worker costs	分包工人成本	110,755	71,345
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,220	1,236
Auditor's remuneration	核數師酬金	860	760
Cost of inventories recognised as an expense (Note)	已確認為開支之存貨成本(附註)	898,627	646,373
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	62,487	46,224
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	4,550	4,498
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇經營租賃項下之最低租金	352	640
(Reversal of) allowance for doubtful debts	(撥備撥回) 呆賬撥備	(25)	1,096
Net foreign exchange gain	外匯收益淨額	(907)	(4,362)
Rental income from properties	來自物業之租金收入	<b>(321)</b>	<b>(172)</b>

Note: The amount includes allowance for obsolete inventories of HK\$5,172,000 (2016: HK\$1,546,000).

附註: 金額包括陳舊存貨撥備5,172,000港元(二零一六年: 1,546,000港元)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 9. TAXATION

#### 9. 稅項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	679	314
PRC Enterprise Income Tax	中國企業所得稅	21,645	15,332
		<u>22,324</u>	<u>15,646</u>
Under(over)provision in prior years:	以往年度撥備不足(超額撥備)：		
Hong Kong Profits Tax	香港利得稅	45	63
PRC Enterprise Income Tax	中國企業所得稅	(4,084)	(2,761)
		<u>(4,039)</u>	<u>(2,698)</u>
		<u>18,285</u>	<u>12,948</u>
Deferred tax:	遞延稅項：		
Current year (note 24)	本年度(附註24)	1,565	4,619
		<u>19,850</u>	<u>17,567</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

香港利得稅乃根據兩個年度之估計應課稅溢利按稅率16.5%計算。

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

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

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

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

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 9. TAXATION (Cont'd)

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

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before taxation	除稅前溢利	<b>98,858</b>	45,257
Tax at the applicable income tax rate (note a)	按適用所得稅稅率計算之稅項 (附註a)	<b>14,829</b>	6,789
Tax effect of income that are not taxable in determining taxable profit	於釐定應課稅溢利時不可課稅之收入之稅務影響	<b>(201)</b>	(3)
Tax effect of expenses that are not deductible in determining taxable profit	於釐定應課稅溢利時不可扣減之開支之稅務影響	<b>5,055</b>	2,798
Tax effect on share of profit of an associate	應佔一間聯營公司之業績之稅務影響	<b>(6)</b>	-
Tax effect of deductible temporary differences not recognised	未確認可扣減臨時差額之稅務影響	<b>771</b>	(499)
Tax effect on further deduction of research and development expenses (note b)	研發成本進一步扣除之稅務影響 (附註b)	<b>(5,276)</b>	(5,957)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>7,090</b>	12,684
Overprovision in prior years	以往年度之超額撥備	<b>(4,039)</b>	(2,698)
Effect of different tax rates of subsidiaries operating in other jurisdictions	附屬公司於其他司法權區經營之不同稅率之影響	<b>62</b>	125
Utilisation of tax losses previously not recognised	動用之前未確認之稅務虧損	-	(291)
Deferred taxation arising from withholding tax on undistributed profits	未分配溢利被徵收預扣稅所產生之遞延稅項	<b>1,565</b>	4,619
Taxation for the year	本年度稅項	<b>19,850</b>	17,567

Notes:

- AKM Panyu is the Group's major operating subsidiary. Therefore, the Group's applicable income tax rate is 15% (2016: 15%).
- Pursuant to the relevant tax rules and regulations, PRC subsidiaries can claim PRC income tax credits on additional 50% of the qualified research and development expenses in the PRC. Such PRC income tax credits are allowed, and are accounted for, as deduction from current income tax expenses when relevant conditions are fulfilled and tax approval is obtained from the tax bureau.

#### 9. 稅項 (續)

年內之稅項可與綜合損益及其他全面收益表之除稅前溢利調節如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before taxation	除稅前溢利	<b>98,858</b>	45,257
Tax at the applicable income tax rate (note a)	按適用所得稅稅率計算之稅項 (附註a)	<b>14,829</b>	6,789
Tax effect of income that are not taxable in determining taxable profit	於釐定應課稅溢利時不可課稅之收入之稅務影響	<b>(201)</b>	(3)
Tax effect of expenses that are not deductible in determining taxable profit	於釐定應課稅溢利時不可扣減之開支之稅務影響	<b>5,055</b>	2,798
Tax effect on share of profit of an associate	應佔一間聯營公司之業績之稅務影響	<b>(6)</b>	-
Tax effect of deductible temporary differences not recognised	未確認可扣減臨時差額之稅務影響	<b>771</b>	(499)
Tax effect on further deduction of research and development expenses (note b)	研發成本進一步扣除之稅務影響 (附註b)	<b>(5,276)</b>	(5,957)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	<b>7,090</b>	12,684
Overprovision in prior years	以往年度之超額撥備	<b>(4,039)</b>	(2,698)
Effect of different tax rates of subsidiaries operating in other jurisdictions	附屬公司於其他司法權區經營之不同稅率之影響	<b>62</b>	125
Utilisation of tax losses previously not recognised	動用之前未確認之稅務虧損	-	(291)
Deferred taxation arising from withholding tax on undistributed profits	未分配溢利被徵收預扣稅所產生之遞延稅項	<b>1,565</b>	4,619
Taxation for the year	本年度稅項	<b>19,850</b>	17,567

附註：

- 番禺安捷利為本集團之主要營運附屬公司。因此，本集團之適用所得稅稅率為15% (二零一六年：15%)
- 根據有關稅務條例及規例，中國附屬公司可就中國之合資格研發開支申請額外50%中國所得稅抵免。在達成有關條例及取得稅局之稅務批文後，有關中國所得稅抵免已獲准並已入賬列作即期所得稅開支扣減。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

#### 10. 董事及主要行政人員之酬金及五名最高薪酬人士

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

(i) 董事及主要行政人員之酬金詳情載列如下：

2017

二零一七年

		Other emoluments				Total emoluments
		Fees	Salaries and other benefits	Retirement benefit contributions	Performance related incentive payments	
		袍金	薪金及其他福利	退休福利計劃供款	與表現掛鈎之獎金	酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
					(note e)	(附註e)
Executive Directors:	執行董事：					
Xiong Zheng Feng	熊正峰	-	-	-	-	-
Chai Zhi Qiang (note a)	柴志強(附註a)	-	279	28	156	463
Non-executive Directors:	非執行董事：					
Li Ying Hong	李映紅	-	-	-	-	-
Gao Xiaoguang	高曉光	-	-	-	-	-
Jia Junan	賈軍安	-	-	-	-	-
Independent non-executive Directors	獨立非執行董事：					
Hung Chi Yuen Andrew	洪志遠	60	-	-	-	60
Zhao Xiao (note b)	趙曉(附註b)	96	-	-	-	96
Cui Zheng	崔錚	72	-	-	-	72
Sub-total	小計	228	279	28	156	691
Chief Executive Officer	行政總裁					
Chai Zhi Qiang (note a)	柴志強(附註a)	-	412	42	-	454
Total	合計	228	691	70	156	1,145

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

#### 10. 董事及主要行政人員之酬金及五名最高薪酬人士(續)

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

##### (i) 董事及主要行政人員之酬金詳情載列如下：(續)

2016		二零一六年				
		Other emoluments 其他酬金				
		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefit contributions 退休福利計劃供款 HK\$'000 千港元	Performance related incentive payments 與表現掛鈎之獎金 HK\$'000 千港元 (note e) (附註e)	Total emoluments 酬金總額 HK\$'000 千港元
Executive Directors:	執行董事：					
Xiong Zheng Feng	熊正峰	-	-	-	-	-
Chai Zhi qiang	柴志強	-	634	73	92	799
Non-executive Directors:	非執行董事：					
Li Ying Hong	李映紅	-	-	-	-	-
Gao Xiaoguang	高曉光	-	-	-	-	-
Jia Junan	賈軍安	-	-	-	-	-
Independent non-executive Directors:	獨立非執行董事：					
Hung Chi Yuen Andrew	洪志遠	60	-	-	-	60
Zhao Xiao	趙曉	96	-	-	-	96
Bi Keyun (note c)	畢克允(附註c)	11	-	-	-	11
Cui Zheng (note d)	崔錚(附註d)	48	-	-	-	48
Total	合計	215	634	73	92	1,014

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

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

Notes:

- (a) Retired as executive director on 26 May 2017 and remain its position as Chief Executive Officer.
- (b) Term of office expired on 15 February 2018.
- (c) Resigned on 4 February 2016.
- (d) Appointed on 3 May 2016.
- (e) The performance related incentive payments are determined with reference to the Group's operating results and individual performances.

Mr. Chai Zhi Qiang 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.

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

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

#### 10. 董事及主要行政人員之酬金及五名最高薪酬人士(續)

##### (i) 董事及主要行政人員之酬金詳情載列如下：(續)

附註：

- (a) 於二零一七年五月二十六日退任執行董事，並留任行政總裁。
- (b) 任期於二零一八年二月十五日屆滿。
- (c) 於二零一六年二月四日辭任。
- (d) 於二零一六年五月三日獲委任。
- (e) 與表現掛鈎之獎金乃按本集團經營業績及個人表現而釐定。

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

上文所示執行董事之酬金主要與彼等管理本公司及本集團事務所提供之服務相關。

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

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

##### (ii) Employees' remuneration:

Of the five individuals with the highest emoluments in the Group, one (2016: one) director of the Company whose emoluments are included in the disclosures in note 10(i) above. The emoluments of remaining four (2016: four) individuals were as follows:

Salaries and other benefits	薪金及其他福利
Performance related incentive payments	與表現掛鈎之獎金
Retirement benefit scheme contributions costs	退休福利計劃供款成本

Their emoluments were within the following bands:

HK\$nil to HK\$1,000,000	零港元至1,000,000港元
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元

During the year ended 31 December 2017 and 2016, no remuneration was paid by the Group to the directors and the Chief Executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

#### 10. 董事及主要行政人員之酬金及五名最高薪酬人士(續)

##### (ii) 僱員酬金：

本集團五名最高薪酬人士中，一名(二零一六年：一名)為本公司董事，其薪酬載於上述之附註10(i)之披露中。餘下四名(二零一六年：四名)人士之薪酬載列如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
3,506	3,703
925	240
211	171
<b>4,642</b>	<b>4,114</b>

彼等之酬金介乎以下範圍：

2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
2	2
2	2

截至二零一七年及二零一六年十二月三十一日止年度，本集團並無向董事及行政總裁或五名最高薪酬人士支付任何酬金，以作為鼓勵加入或加入本集團時之獎金或離職補償。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

## 11. DIVIDEND

A final dividend of HK1 cent per share of approximately HK\$15,382,000 in respect of the year ended 31 December 2017 (2016: HK\$nil) has been proposed by the directors of the Company and is subject to approval by the shareholders in forthcoming annual general meeting.

## 12. EARNINGS PER SHARE

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

## 11. 股息

董事建議派付截至二零一七年十二月三十一日止年度之末期股息每股1港仙，合共約15,382,000港元（二零一六年：零港元），並須待股東於應屆股東週年大會上批准。

## 12. 每股盈利

本公司擁有人應佔每股基本盈利之計算乃根據以下數據：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Earnings</b>		
Profit for the year attributable to owners of the Company for the purpose of basic earnings	<u>79,016</u>	<u>27,944</u>
	<b>Number of shares</b> 股數	
	2017 二零一七年	2016 二零一六年
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,193,384,239</u>	<u>1,026,727,217</u>

The weighted average number of ordinary shares for the purpose of basic earnings per share for 2016 were adjusted to affect the effect of bonus element of the rights issue which was completed on 13 March 2017.

There were no potential ordinary share in existence for the two years ended 31 December 2017. Accordingly, no diluted earnings per share has been presented.

二零一六年每股基本盈利之加權平均普通股數目就於二零一七年三月十三日完成的供股之紅股因素影響作出調整。

由於截至二零一七年十二月三十一日止兩個年度並無具潛在攤薄之普通股，因此並無呈報每股攤薄盈利。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 13. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS FOR PROPERTY, PLANT AND EQUIPMENT

#### 13. 物業、廠房及設備／物業、廠房及 設備之按金

		Buildings	Plant and machinery	Leasehold improvements	Office equipment	Motor vehicles	Construction in progress	Total
		樓宇	廠房及機器	租賃物業裝修	辦公室設備	車輛	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>COST</b>	<b>成本</b>							
At 1 January 2016	於二零一六年一月一日	164,128	388,159	48,801	25,659	3,333	28,170	658,250
Additions	添置	-	28,607	9,590	2,647	58	54,383	95,285
Disposals	出售	-	(23,685)	-	(291)	(333)	-	(24,309)
Transfer	轉撥	-	7,060	794	533	-	(8,387)	-
Currency realignment	貨幣調整	(10,404)	(24,951)	(3,534)	(1,756)	(142)	(3,771)	(44,558)
At 31 December 2016	於二零一六年十二月三十一日	153,724	375,190	55,651	26,792	2,916	70,395	684,668
Additions	添置	-	74,711	15,189	1,060	402	98,217	189,579
Disposals	出售	-	(15,710)	-	(2,460)	(27)	-	(18,197)
Disposal of subsidiaries	出售附屬公司	-	(725)	(1,278)	(5,274)	-	-	(7,277)
Written off	撇銷	-	-	(16,260)	-	-	-	(16,260)
Transfer	轉撥	8,213	58,151	32,136	928	-	(99,428)	-
Currency realignment	貨幣調整	11,077	30,304	4,956	1,514	160	4,892	52,903
At 31 December 2017	於二零一七年十二月三十一日	173,014	521,921	90,394	22,560	3,451	74,076	885,416
<b>DEPRECIATION</b>	<b>折舊</b>							
At 1 January 2016	於二零一六年一月一日	20,577	140,801	20,148	12,678	1,974	-	196,178
Provided for the year	年度撥備	4,956	31,315	7,540	1,927	486	-	46,224
Eliminated on disposals	出售時抵銷	-	(18,188)	-	(273)	(300)	-	(18,761)
Currency realignment	貨幣調整	(1,517)	(9,224)	(1,604)	(875)	(92)	-	(13,312)
At 31 December 2016	於二零一六年十二月三十一日	24,016	144,704	26,084	13,457	2,068	-	210,329
Provided for the year	年度撥備	5,357	41,294	13,060	2,271	505	-	62,487
Eliminated on disposals	出售時抵銷	-	(11,189)	-	(1,920)	(16)	-	(13,125)
Eliminated on disposal of subsidiaries	出售附屬公司時抵銷	-	(594)	(1,278)	(4,548)	-	-	(6,420)
Eliminated on written off	撇銷時抵銷	-	-	(16,260)	-	-	-	(16,260)
Currency realignment	貨幣調整	1,880	10,823	1,638	642	113	-	15,096
At 31 December 2017	於二零一七年十二月三十一日	31,253	185,038	23,244	9,902	2,670	-	252,107
<b>CARRYING VALUES</b>	<b>賬面值</b>							
At 31 December 2017	於二零一七年十二月三十一日	141,761	336,883	67,150	12,658	781	74,076	633,309
At 31 December 2016	於二零一六年十二月三十一日	129,708	230,486	29,567	13,335	848	70,395	474,339

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT/  
DEPOSITS FOR PROPERTY, PLANT AND  
EQUIPMENT (Cont'd)

The above items of property, plant and equipment are depreciated on a straight-line basis after taking into account of the estimated residual values at the following rates per annum:

Buildings	Over the shorter of the term of the lease of relevant land, or 40 – 50 years
Plant and machinery	5 – 15 years
Leasehold improvements	Over the remaining term of the lease or 4 years, whichever is shorter
Office equipment	5 years
Motor vehicles	4 – 5 years

As at 31 December 2017, the Group has pledged buildings and plant and machinery with carrying amounts of HK\$53,212,000 (2016: HK\$51,171,000) to secure general banking facilities granted to the Group.

The buildings are located on leasehold land in the PRC.

Deposits for property, plant and equipment represents deposits paid to suppliers and subcontractors for acquisition of property, plant and equipment and construction in progress.

13. 物業、廠房及設備／物業、廠房及  
設備之按金(續)

上述物業、廠房及設備項目在參照估計剩餘價值後使用直線法按以下年率折舊：

樓宇	按相關土地之租期或40至50年(以較短者為準)
廠房及機器	5至15年
租賃物業裝修	於餘下租期或4年(以較短者為準)
辦公室設備	5年
車輛	4至5年

於二零一七年十二月三十一日，本集團已抵押賬面值為約53,212,000港元(二零一六年：51,171,000港元)之樓宇以及廠房及機器，作為本集團所獲授一般銀行信貸之擔保。

該等樓宇均位於中國租賃之土地上。

物業、廠房及設備之按金指就購買物業、廠房及設備及在建工程已付予供應商及分承建商之按金。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 14. PREPAID LEASE PAYMENTS

#### 14. 預付租賃款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團之預付租賃款項包括：		
Leasehold land in PRC	於中國之租賃土地	<u>50,452</u>	<u>48,329</u>
Analysed for reporting purposes as:	就呈報用途之分析：		
Current assets	流動資產	<u>1,265</u>	1,182
Non-current assets	非流動資產	<u>49,187</u>	<u>47,147</u>
		<u>50,452</u>	<u>48,329</u>

The prepayment for land use rights is under leasehold and is amortised over 50 years on a straight-line basis.

土地使用權之預付款為租賃並按直線法分50年攤銷。

As at 31 December 2017, the Group has pledged land use rights in PRC with carrying amount of HK\$17,551,000 (2016: HK\$16,818,000) to secure general banking facilities granted to the Group.

於二零一七年十二月三十一日，本集團已抵押賬面值17,551,000港元（二零一六年：16,818,000港元）之中國土地使用權，作為本集團所獲授一般銀行信貸之擔保。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 15. INTEREST IN AN ASSOCIATE

#### 15. 聯營公司之權益

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Cost of unlisted investment in an associate	非上市聯營公司的投資成本	3,616	-
Share of post-acquisition profit and other comprehensive income	應佔收購後溢利及其他全面收益	232	-
		<u>3,848</u>	<u>-</u>

Details of the Group's associate as at 31 December 2017 are as follows:

本集團聯營公司於二零一七年十二月三十一日之詳情如下：

Name of associate 聯營公司名稱	Place of established and principal place of operation 成立地點及主要經營地點	Form of business structure 企業組成模式	Attributable interest and proportion of voting power held by the Group 本集團應佔權益及持有投票權比例	Principal activity 主要業務
New Career Guangzhou Electronics Company Limited 廣州市安旭特電子有限公司	The PRC 中國	Sino-foreign enterprise 中外合資企業	30%	Manufacture and sale of flexible packaging substrates 製造及銷售柔性封裝基板

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements, prepared in accordance with HKFRSs.

本集團聯營公司之財務資料概要載列如下。下列財務資料概要指聯營公司按照香港財務報告準則編製之財務報表內所呈列之金額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 15. INTEREST IN AN ASSOCIATE (Cont'd)

The associate is accounted for using the equity method in these consolidated financial statements.

#### 15. 聯營公司之權益 (續)

該聯營公司使用權益法於該等綜合財務報表列賬。

		2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產	951
Current assets	流動資產	13,486
Current liabilities	流動負債	(1,612)
Net assets	資產淨值	12,825
Proportion of the Group's ownership interest in the associate	本集團於聯營公司之擁有權權益比例	30%
Group's share of net assets of the associate	本集團應佔聯營公司之資產淨值	3,848
Revenue	收入	5,114
Profit and other comprehensive income for the period	期內溢利及其他全面收益	773
Group's share of profit and other comprehensive income of the associate for the period	本集團應佔聯營公司期內溢利及其他全面收益	232
Dividend received from the associate	應收聯營公司之股息	-

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 16. AVAILABLE-FOR-SALE INVESTMENT

#### 16. 可供出售之投資

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Unlisted equity investment 非上市股權投資	<b>17,945</b>	<b>16,769</b>

The amount represented the Group's 7.11% unlisted equity interests in a company established in the PRC. The investee is engaged in research and development of semi-conductor packaging substrates. The unlisted equity investment is measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

該款項佔本集團於中國成立的公司的非上市股本權益的7.11%。被投資對象從事半導體封裝先導技術的研發。由於非上市股權投資的公平值合理估算範圍過大，本公司董事認為無法可靠地計量公平值，故該等非上市股權投資於本報告期末按成本扣除減值之方式計量。

#### 17. INVENTORIES

#### 17. 存貨

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Raw materials 原材料	<b>22,381</b>	24,750
Work in progress 半成品	<b>37,870</b>	36,628
Finished goods 製成品	<b>35,229</b>	18,393
	<b>95,480</b>	<b>79,771</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 18. TRADE AND OTHER RECEIVABLES

Trade and other receivables include the following balances of trade and bills receivables:

Trade and bills receivables	貿易應收款項及應收票據
Less: Allowance for doubtful debts	減：呆賬撥備
Other tax recoverable	其他可收回稅項
Other receivables and prepayments (Note)	其他應收款項及預付款(附註)

Note: The amount mainly represents the prepayment. In the opinion of the directors, the amount is expected to be utilised within the next 12 months.

As at 31 December 2017, trade receivables and bill receivables amounted to HK\$331,963,000 (2016: HK\$290,101,000) and HK\$6,351,000 (2016: HK\$7,212,000) respectively.

The Group allows a credit period normally ranging from 30 to 90 days to its trade customers. At the discretion of the directors, after assessing credit quality of particular customers, several major customers were allowed to settle their balances beyond the credit terms up to 120 days.

Before accepting any new customer, the management assesses the potential customer's credit quality and defines credit limits by customer. Approximately 89% (2016: 90%) of the Group's trade receivables are neither past due nor impaired.

#### 18. 貿易及其他應收款項

貿易及其他應收款項包括下列貿易應收款項及應收票據結餘：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade and bills receivables	338,326	297,354
Less: Allowance for doubtful debts	(12)	(41)
	<b>338,314</b>	297,313
Other tax recoverable	10,777	6,854
Other receivables and prepayments (Note)	11,952	13,954
	<b>361,043</b>	318,121

附註：該款項主要為預付款。董事認為此款項預期於未來十二個月內動用。

於二零一七年十二月三十一日，貿易應收款項及應收票據分別為331,963,000港元（二零一六年：290,101,000港元及6,351,000港元（二零一六年：7,212,000港元）。

本集團給予貿易客戶之信貸期一般為30日至90日不等。經董事酌情准許，在評估特定客戶之信貸質素後，若干主要客戶可在信貸期過後結付賬款餘額，最高可達120日。

在接納新客戶之前，管理層會評估潛在客戶之信貸質素及釐定客戶之信貸上限。本集團之約89%（二零一六年：90%）貿易應收款項概無逾期或減值。

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 18. TRADE AND OTHER RECEIVABLES (Cont'd)

The following is an aged analysis of trade and bills receivables presented based on the invoice dates (other than bills receivables which are presented based on the issuance date of relevant bills) at the end of the reporting period, which approximated the respective revenue recognition dates:

Within 30 days	30日內
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 days – 1 year	121日至1年

Included in the Group's trade receivable is (i) amount due from a shareholder and its subsidiaries amounting to HK\$62,507,000 (2016: HK\$55,992,000) (ii) amount due from an associate amounting to HK\$1,146,000 (2016: nil). In addition, amount of HK\$22,948,000 (2016: HK\$8,677,000) is pledged to secure banking facilities granted to the Group.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$38,562,000 (2016: HK\$28,646,000) which are past due at the reporting date for which the Group has not provided for impairment loss in view of the satisfactory subsequent settlement and have good credit quality assessed by the management of the Group. The Group does not hold any collateral over these balances. The average age of these receivables is 101 days (2016: 126 days).

#### 18. 貿易及其他應收款項(續)

以下為於報告期末按發票日期(與各自的收入確認日期相近)呈列之貿易應收款項及應收票據之賬齡分析(應收票據除外,其按相關票據之發出日期呈列):

2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元
156,619	160,575
118,060	87,311
28,793	24,621
28,201	17,184
6,641	7,622
<b>338,314</b>	<b>297,313</b>

本集團之貿易應收款項結餘包括(i)應收一名股東及其附屬公司的款項62,507,000港元(二零一六年: 55,992,000港元)及(ii)應收一間聯營公司款項1,146,000港元(二零一六年: 無)。此外,已抵押22,948,000港元(二零一六年: 8,677,000港元),作為本集團所獲授短期銀行信貸之擔保。

本集團之貿易應收款項結餘包括總賬面值為38,562,000港元(二零一六年: 28,646,000港元)之應收賬款,有關款項於報告日期已過期,由於相信有關應收賬款將於隨後清償並獲管理層評估具有良好信貸質素,本集團並無作出減值虧損撥備。本集團並無就該等結餘持有任何抵押品。該等應收款項之平均賬齡為101日(二零一六年: 126日)。

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 18. TRADE AND OTHER RECEIVABLES (Cont'd)

#### 18. 貿易及其他應收款項(續)

**Ageing of trade and bills receivables presented based on the invoice date which are past due but not impaired**

按發票日期呈列已過期但未減值之貿易應收款項及應收票據之賬齡

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 – 30 days	0至30日	101	123
31 – 60 days	31至60日	15,679	5,911
61 – 90 days	61至90日	3,850	2,762
91 – 120 days	91至120日	12,291	12,228
121 days – 1 year	121日至1年	6,641	7,622
		<u>38,562</u>	<u>28,646</u>

#### Movement in the allowance for doubtful debts

呆賬撥備之變動

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Balance at beginning of the year	年初結餘	41	6,666
Impairment loss recognised on receivables	就應收款項確認之減值虧損撥回	4	1,096
Impairment loss reversed	已撥回減值虧損	(29)	–
Amount written off as uncollectible	撇銷不可收回之款項	(5)	(7,578)
Currency realignment	貨幣調整	1	(143)
		<u>12</u>	<u>41</u>
Balance at end of the year	年末結餘		

Included in the Group's allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK\$12,000 (2016: HK\$41,000) based on the aged analysis of the trade receivables. The Group does not hold any collateral over these balances.

本集團之呆賬撥備分別包括結餘總額為數12,000港元(二零一六年: 41,000港元)之個別已減值貿易應收款項, 乃根據貿易應收款項之賬齡分析釐定。本集團並無就該等結餘持有任何抵押品。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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## 18. TRADE AND OTHER RECEIVABLES (Cont'd)

The Group's trade and other receivables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

United States dollar ("US\$")	美元(「美元」)
South Korean Won ("KRW")	韓國圓(「韓國圓」)

## 18. 貿易及其他應收款項(續)

以相關集團實體功能貨幣以外之貨幣列值之本集團貿易及其他應收款項載列如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
107,224	76,150
-	263

## 19. PLEDGED BANK DEPOSITS

The amounts represent deposits pledged to banks to secure short-term banking facilities granted to the Group and are therefore classified as current assets.

The pledged bank deposits of the Group carried at interest rate of 0.02% per annum (2016: 0.02% per annum). The pledged bank deposits will be released upon settlement of the relevant bank borrowings. The pledged bank deposits are denominated in HK\$.

## 19. 已抵押銀行存款

該款項為抵押予銀行之存款，用作擔保授予本集團之短期銀行信貸，因此分類為流動資產。

本集團之已抵押銀行存款按年利率0.02% (二零一六年：年利率0.02%)計息。已抵押銀行存款將於有關銀行借貸清還後解除。已抵押銀行存款乃以港元計值。

## 20. BANK BALANCES AND CASH

Bank balances comprise short-term bank deposits with original maturity less than three months which carry interest at rates ranging from 0.01% to 3.00% (2016: 0.01% to 1.15%) per annum.

Included in the Group's bank balances are short-term deposits of HK\$61,185,000 (2016: HK\$21,698,000) kept in banks located in the PRC.

## 20. 銀行結餘及現金

銀行結餘包括以介乎0.01%至3.00%之年利率(二零一六年：0.01%至1.15%)計息且原到期日少於三個月之短期銀行存款。

本集團銀行結餘包括存於在中國之銀行之短期存款61,185,000港元(二零一六年：21,698,000港元)。

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### 綜合財務報表附註

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#### 20. BANK BALANCES AND CASH (Cont'd)

In addition, included in the bank balances and cash are the following amounts denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$	美元	27,451	4,350
KRW	韓國圓	325	264

#### 21. TRADE AND OTHER PAYABLES

Trade and other payables include the following balances:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade and bills payables	貿易應付款項及應付票據	338,881	249,365
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備之 應付款項	11,428	22,431
Accrued staff costs	應計員工成本	39,500	30,897
Construction payables	應付工程款項	11,086	8,893
Other taxation payables	其他應付稅項	1,731	915
Other payables and accruals	其他應付款項及應計費用	10,520	9,306
		<b>413,146</b>	<b>321,807</b>

#### 20. 銀行結餘及現金(續)

此外，銀行結餘及現金包括下列以有關集團實體之功能貨幣以外之貨幣列值之款項：

#### 21. 貿易及其他應付款項

貿易及其他應付款項包括下列結餘：



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 21. TRADE AND OTHER PAYABLES (Cont'd)

The following is an aged analysis by invoice date/bills issued date of trade and bills payables at the end of the reporting period:

Within 30 days	30日內
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 days – 1 year	121日至1年
Over 1 year	1年以上

The Group's trade and other payables that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

Japanese Yen ("JPY")	日圓(「日圓」)
Euro ("EUR")	歐元(「歐元」)
US\$	美元

#### 21. 貿易及其他應付款項(續)

以下為於報告期末按發票日期／票據出具日期呈列之貿易應付款項及應付票據之賬齡分析：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>124,210</b>	87,320
<b>88,957</b>	63,935
<b>71,040</b>	48,831
<b>34,974</b>	27,648
<b>15,965</b>	19,679
<b>3,735</b>	1,952
<b>338,881</b>	249,365

以相關集團實體功能貨幣以外之貨幣列值之本集團貿易及其他應付款項載列如下：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>1,940</b>	–
<b>280</b>	1,441
<b>47,433</b>	38,684

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 22. DEFERRED INCOME

#### 22. 遞延收入

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Government grants received in respect of: 就下列各項所收取之政府津貼：		
Development of new products (note a) 開發新產品(附註a)	4,488	1,647
Construction of factory on existing lands (note b) 於現有土地興建廠房(附註b)	<u>26,801</u>	<u>25,793</u>
	<b>31,289</b>	<b>27,440</b>
Less: Amounts to be recognised in profit or loss in the following year 減：來年於損益內確認之款項	<u>(5,288)</u>	<u>(2,395)</u>
Amount shown under non-current liabilities 非流動負債項下所示之金額	<u><b>26,001</b></u>	<u><b>25,045</b></u>

Notes:

- (a) The amounts represent government subsidies received in advance in relation to research and development expenses incurred on the development of certain new products. The amounts would be recognised in the same period as the related research and development expenses were incurred resulting in release of HK\$5,683,000 (2016: HK\$5,608,000) to profit or loss.
- (b) In 2010, amount of Renminbi ("RMB") 26,750,000 was received in respect of a development support fund for the construction of factory on the lands owned by the Group located at Suzhou pursuant to "Implementation Measures for Development Support Policies for Advanced Manufacturing Industries in Suzhou Gaoxin District". The amount would be released over the estimated useful lives of the constructed factory upon the commencement of operation of the new factory. The construction of the factory was completed and was in use since 2011. During the year, HK\$772,000 (2016: HK\$781,000) was released to profit or loss. Details in relation to the grant of the fund had been disclosed in the announcement of the Company dated 25 September 2008.

附註：

- (a) 該款項為政府就開發若干新產品所產生之研發費用預先發放之津貼。該款項將於相關研發開支產生之同期確認為有關研發費用，其導致損益進賬5,683,000港元(二零一六年：5,608,000港元)。
- (b) 於二零一零年，為數人民幣(「人民幣」)26,750,000元之款項為本集團根據「蘇州高新區關於促進先進製造業發展扶持政策之實施辦法」就其於蘇州擁有的土地上興建廠房而收取之發展扶持資金。該款項將於新廠房開始營運後於所建造廠房之估計可使用年期撥回。該廠房已經竣工，並自二零一一年起開始使用。年內已將772,000港元(二零一六年：781,000港元)撥回損益。有關所獲投資資金的詳情已於本公司日期為二零零八年九月二十五日的公佈中披露。

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 23. BANK BORROWINGS

#### 23. 銀行借貸

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank loans	銀行貸款	<b>67,976</b>	134,391
Secured	有抵押	<b>24,284</b>	80,730
Carrying amount repayable*:	應償還賬面值*：		
Within one year	一年內	<b>51,650</b>	107,651
More than one year, but not exceeding two years	多於一年但不超過兩年	<b>1,954</b>	10,543
More than two years, but not exceeding five years	多於兩年但不超過五年	<b>14,372</b>	16,197
		<b>67,976</b>	134,391

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

\* 到期償還之款項乃以列於貸款合約之已安排償還日期為基準。

#### Analysis of carrying amount:

#### 賬面值分析：

The carrying amounts of bank loans that contain a repayment on demand clause (shown under current liabilities) but repayable:

包含按要求償還條款惟須於下列時間內償還之銀行貸款賬面值(於流動負債項下顯示)為：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	<b>51,650</b>	107,651
Within a period of more than one year but not exceeding two years	超過一年惟不超過兩年之期間內	<b>1,954</b>	10,543
Within a period of more than two years but not exceeding five years	超過兩年惟不超過五年之期間內	<b>14,372</b>	16,197
		<b>67,976</b>	134,391

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 23. BANK BORROWINGS (Cont'd)

Bank loans amounting of HK\$24,284,000 (2016: HK\$80,730,000) are secured by charges over land use rights, buildings, trade receivable and bank deposits of the Group (note 30).

At 31 December 2017, included in the bank borrowings of the Group are bank loans amounting of HK\$53,604,000 (2016: HK\$132,053,000) which bear interest at fixed rates.

The ranges of effective interest rates (which also equal to contracted interest rates) on the Group's borrowings are as follows:

#### 23. 銀行借貸(續)

銀行貸款金額為24,284,000港元(二零一六年: 80,730,000元), 以本集團之土地使用權、樓宇、貿易應收款項及銀行存款作擔保(附註30)。

於二零一七年十二月三十一日, 本集團計入銀行借貸之銀行貸款之總額為53,604,000港元(二零一六年: 132,053,000港元), 乃按固定利率計息。

本集團借貸之實際利率(亦相等於訂約利率)範圍如下:

		2017 二零一七年	2016 二零一六年
Effective interest rates:	實際利率:		
Fixed-rate borrowings	定息借貸	<b>2.76% to 4.32%</b>	3.01% to 4.57%
		<b>2.76%至4.32%</b>	3.01%至4.57%
Variable-rate borrowings	浮息借貸	<b>3.80% to 3.83%</b>	3.12%
		<b>3.80%至3.83%</b>	3.12%

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 23. BANK BORROWINGS (Cont'd)

The Group's bank borrowings that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
US\$	美元	59,207	40,234
JPY	日圓	-	2,338

As at 31 December 2016, a subsidiary of the Group breached certain financial covenants as stipulated in the borrowing agreements entered into by the subsidiary with carrying amount in aggregate of RMB28,000,000 (equivalent to HK\$31,302,000). The respective borrowings had been classified as current liabilities. During the year ended 31 December 2017, the Group has fully repaid the respective bank borrowings.

#### 24. DEFERRED TAXATION

The following deferred tax liability mainly arises from withholding tax on the undistributed profits of the PRC subsidiaries and movement thereon during current and prior year:

		HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	2,890
Charged to profit or loss (note 9)	自損益賬扣除(附註9)	4,619
Currency realignment	貨幣調整	(382)
At 31 December 2016	於二零一六年十二月三十一日	7,127
Charged to profit or loss (note 9)	自損益賬扣除(附註9)	1,565
Currency realignment	貨幣調整	548
Release upon disposal of subsidiaries	於出售附屬公司時撥回	(134)
At 31 December 2017	於二零一七年十二月三十一日	9,106

#### 23. 銀行借貸(續)

以相關集團實體功能貨幣以外之貨幣列值之本集團銀行借貸載列如下：

於二零一六年十二月三十一日，本集團一間附屬公司訂立的借貸協議的若干財務契諾形成違約，涉及賬面值合共人民幣28,000,000元(相等於31,302,000港元)。各相關借貸已分類為流動負債。截至二零一七年十二月三十一日止年度，本集團已悉數償還各相關借貸。

#### 24. 遞延稅項

以下為主要因中國附屬公司之未分配溢利須繳預扣稅而產生之遞延稅項負債，及其於本年度及過往年度之相關變動：

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 24. DEFERRED TAXATION (Cont'd)

At the end of the reporting period, the Group has the deductible temporary differences in respect of accumulated allowance for doubtful debts and accumulated allowance for obsolete inventories of approximately HK\$12,000 (2016: HK\$41,000) and HK\$13,912,000 (2016: HK\$8,072,000) respectively. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that the deductible temporary differences can be utilised in the foreseeable future.

At the end of the reporting period, the Group has unused tax losses of approximately HK\$160,261,000 (2016: HK\$105,781,000) available for offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future taxable profit streams. The tax losses in Hong Kong may be carried forward indefinitely. The unrecognised tax losses arising from subsidiaries operated in the PRC of approximately HK\$160,261,000 (2016: HK\$104,768,000) will expire from 2018 to 2021.

#### 25. SHARE CAPITAL

Issued and fully paid:

At 1 January 2016 and  
31 December 2016

Issue of rights shares (Note)

已發行及繳足：

於二零一六年一月一日及  
二零一六年十二月三十一日

發行供股股份(附註)

At 31 December 2017

於二零一七年十二月三十一日

Note: On 13 March 2017, the Company issued 246,867,500 ordinary shares, on the basis of one rights share for every four existing ordinary shares at the subscription price of HK\$0.55 per share. The net proceeds raised by the Company was approximately HK\$133,506,000. The Company's issued ordinary shares increased to 1,234,337,500 shares accordingly. The new shares issued rank pari passu in all respects with the existing shares in issue

#### 24. 遞延稅項(續)

於報告期末，本集團擁有與呆壞賬之累計撥備及陳舊存貨之累計撥備相關之可扣減臨時差額分別約12,000港元(二零一六年：41,000港元)及13,912,000港元(二零一六年：8,072,000港元)。由於不可能在可預見將來動用可扣減臨時差額，因此並無就該等可扣減臨時差額確認遞延稅項資產。

於報告期末，本集團擁有可抵銷未來應課稅溢利之未動用稅項虧損約160,261,000港元(二零一六年：105,781,000港元)。由於未來應課稅溢利來源不可預測，因此並無確認遞延稅項資產。於香港稅項虧損可無限期結轉。於中國運營之附屬公司產生未確認稅項虧損約160,261,000港元(二零一六年：104,768,000港元)將於二零一八年至二零二一年到期。

#### 25. 股本

	Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Issued and fully paid:		
At 1 January 2016 and 31 December 2016	987,470,000	333,161
Issue of rights shares (Note)	246,867,500	133,506
At 31 December 2017	<u>1,234,337,500</u>	<u>466,667</u>

附註：於二零一七年三月十三日，本公司完成發行246,867,500股普通股，基準為每四股現有普通股獲配一股供股股份，認購價為每股0.55港元。本公司籌得之所得款項淨額約為133,506,000港元。因此，本公司之已發行普通股股份增至1,234,337,500股股份。所發行之新股份與已發行之現有股份於所有方面均享有同等地位。

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For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 26. DISPOSAL OF SUBSIDIARIES

- (i) On 10 May 2017, the Group entered into an equity transfer agreement with an independent third party in relation to the disposal of 70% equity interests in New Career Guangzhou Electronics Company Limited ("New Career"), for a consideration of approximately RMB6,399,000 (equivalent to approximately HK\$7,204,000). New Career is engaged in the manufacture and sale of components of flexible packaging substrate. The disposal was completed on 17 May 2017. The Group retains 30% equity interests in New Career after completion of the disposal and New Career became the associate of the Group on the same date. The net assets of New Career on the date of disposal were as follows:

#### 26. 出售附屬公司

- (i) 於二零一七年五月十日，本集團與一名獨立第三方簽訂產權交易合同，以約人民幣6,399,000元（相等於約7,204,000港元）的代價出售廣州市安旭特電子有限公司（「廣州安旭特」）之70%股權。廣州安旭特從事柔性封裝基板組件之製造及銷售。該出售已於二零一七年五月十七日完成。本集團於出售完成後保留廣州安旭特之30%股權而廣州安旭特已於同日成為本集團之聯營公司。出售之日廣州安旭特之資產淨值載列如下：

	HK\$'000 千港元
<b>Assets and liabilities of New Career at the date of disposal:</b>	
Property, plant and equipment	856
Inventories	325
Trade and other receivables	10,219
Bank balances	1,004
Trade and other payables	(423)
Net assets disposed of	11,981
30% equity interest retained as interest in an associate	(3,616)
Accumulated translation differences reclassified to profit or loss upon disposal	1,213
Loss on disposal	(2,374)
	<u>7,204</u>
<b>Net cash inflow arising on disposal:</b>	
Cash consideration received	7,204
Less: Cash and bank balances disposed of	(1,004)
Net cash inflow	<u>6,200</u>
<b>廣州安旭特於出售日期之資產及負債：</b>	
物業、廠房及設備	856
存貨	325
貿易及其他應收款項	10,219
銀行結餘	1,004
貿易及其他應付款項	(423)
已出售之淨資產	11,981
保留作聯營公司之權益之30%股權	(3,616)
累計折算差額已於出售後重新分配至損益	1,213
出售之虧損	(2,374)
	<u>7,204</u>
<b>出售所產生之現金流入淨額：</b>	
已收現金代價	7,204
減：已出售之現金及銀行存款	(1,004)
現金流入淨額	<u>6,200</u>

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### 綜合財務報表附註

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#### 26. DISPOSAL OF SUBSIDIARIES (Cont'd)

- (ii) On 16 May 2017, the Group entered into an equity transfer agreement with a buyer in relation to the disposal of its 75% equity interests in Giant Rise Technology Limited ("Giant Rise") together with its wholly owned subsidiary, Shenzhen Giant Rise Electronics Company Limited (collectively referred to as "Giant Rise Group") for a consideration of approximately HK\$3,355,000. The buyer is the ultimate shareholder of the non-controlling shareholder that holds 25% equity interest in Giant Rise. Giant Rise Group is engaged in the trading of raw materials and FPC, sourcing and sales of electronics components. The disposal was completed on 17 May 2017. The Group no longer holds any equity interests in Giant Rise Technology Limited upon the completion of the disposal. The net assets of Giant Rise Group at the date of disposal were as follows:

#### 26. 出售附屬公司(續)

- (ii) 於二零一七年五月十六日，本集團與一名買方簽訂股權轉讓協議，以約3,355,000港元的代價出售持有的嘉升科技有限公司（「嘉升」，連同其全資附屬公司深圳嘉升宏力偉電子有限公司統稱為「嘉升集團」）之75%股權。買方為持有嘉升25%股權的非控股股東的最終股東。嘉升集團從事原材料及柔性電路板之貿易以及採購及銷售電子元器件。該出售已於二零一七年五月十七日完成。出售完成後本集團不再持有嘉升科技有限公司任何股權。出售之日嘉升集團之資產淨值載列如下：

		HK\$'000 千港元
<b>Assets and liabilities of Giant Rise Group at the date of disposal:</b>	<b>嘉升集團於出售日期之資產及負債：</b>	
Property, plant and equipment	物業、廠房及設備	1
Trade and other receivables	貿易及其他應收款項	4,455
Bank balances	銀行結餘	10
Trade and other payables	貿易及其他應付款項	(8)
Deferred tax liabilities	遞延稅項負載	(134)
		<hr/>
Net assets disposed of	已出售之淨資產	4,324
Non-controlling interests	非控制性權益	(635)
Accumulated translation differences reclassified to profit or loss upon disposal	累計折算差額已於出售後重新分配至損益	516
Loss on disposal	出售之虧損	(850)
		<hr/>
		3,355
<b>Net cash inflow arising on disposal:</b>	<b>出售所產生之現金流入淨額：</b>	
Cash consideration received	已收現金代價	3,355
Less: Cash and bank balances disposed of	減：已出售之現金及銀行存款	(10)
		<hr/>
Net cash inflow	現金流入淨額	3,345



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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 27. FINANCIAL INSTRUMENTS

##### Categories of financial instruments

##### Financial assets

Loans and receivables (including cash and cash equivalents)  
Available-for-sale investment

##### Financial liabilities

Amortised cost

##### Financial risk management objectives

The financial instruments are fundamental to the Group's daily operations. The Group's major financial instruments include available-for-sale investment, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables and bank borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with the financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### 27. 金融工具

##### 金融工具類別

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
<b>Financial assets</b>		
Loans and receivables (including cash and cash equivalents)	<b>435,352</b>	338,830
Available-for-sale investment	<b>17,945</b>	16,769
<b>Financial liabilities</b>		
Amortised cost	<b>435,297</b>	420,721

##### 財務風險管理目標

金融工具對本集團之日常營運極為重要。本集團之主要金融工具包括可出售投資、貿易及其他應收款項、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項及銀行借貸。該等金融工具之詳情於有關附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時有效地採取適當之措施。

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### 綜合財務報表附註

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#### 27. FINANCIAL INSTRUMENTS (Cont'd)

##### Financial risk management objectives (Cont'd)

##### Market risk

##### Foreign currency risk management

Certain trade and other receivables, trade and other payables, bank borrowings and bank balances and cash of the Group are denominated in US\$, other than the functional currencies of the relevant group entities, which expose the Group to foreign currency risk. The Group has not used any financial instruments to hedge against currency risk. However, the management monitors foreign currency risk exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

#### 27. 金融工具(續)

##### 財務風險管理目標(續)

##### 市場風險

##### 外幣風險管理

本集團之若干貿易及其他應收款項、貿易及其他應付款項、銀行借貸以及銀行結餘及現金乃以美元(不同於有關集團實體之功能貨幣)計值,使本集團承受外幣風險。本集團並未利用任何金融工具對沖貨幣風險。然而,管理層監控外幣風險,並會在需要時考慮對沖重大外幣風險。

於報告日期,本集團以外幣計值之貨幣資產及貨幣負債之賬面值如下:

	Liabilities		Assets	
	負債		資產	
	2017	2016	2017	2016
	二零一七年	二零一六年	二零一七年	二零一六年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
US\$		美元		
	<u>134,674</u>	<u>78,917</u>	<u>106,641</u>	<u>80,500</u>

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 27. FINANCIAL INSTRUMENTS (Cont'd)

##### Financial risk management objectives (Cont'd)

##### Market risk (Cont'd)

##### Foreign currency risk management (Cont'd)

##### Foreign currency sensitivity

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against US\$. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis represents the trade and other receivables, trade and other payables, bank borrowings, and bank balances and cash where the denomination are in US\$, the major foreign currency risks. A positive number indicates an increase in post-tax profit for the year where RMB strengthens against US\$. For a 5% weakening of RMB against US\$, there would be an equal and opposite impact on the post-tax profit for the year, and the balances below would be negative.

#### 27. 金融工具(續)

##### 財務風險管理目標(續)

##### 市場風險(續)

##### 外幣風險管理(續)

##### 外幣敏感度

下表詳述本集團對人民幣相對美元升值及貶值5%之敏感度。5%反映管理層對外幣匯率之可能合理變動之評估。敏感度分析僅包括尚未清償之以外幣計值之貨幣項目，並於年末換算時就外幣匯率之5%變動作出調整。倘以美元(主要外幣風險)計值，敏感度分析代表貿易及其他應收款項、貿易及其他應付款項、銀行借貸以及銀行結餘及現金。倘人民幣對美元強勁，正數則表示年度除稅後溢利增加。對於人民幣對美元貶值5%，將對年內除稅後溢利有一個對等之相反影響，而下列結餘將會為負數。

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Increase (decrease) in post-tax profit for the year:	本年度除稅後溢利增加(減少)：		
US\$	美元	<u>1,191</u>	<u>(67)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

### 27. FINANCIAL INSTRUMENTS (Cont'd)

#### Financial risk management objectives (Cont'd)

##### Market risk (Cont'd)

##### Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to the fixed-rate bank borrowings. However, the management considers the fair value interest rate risk on the fixed-rate bank borrowings is insignificant as the bank borrowings are relatively short-term. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group is also exposed to cash flow interest rate risk relates primarily to variable-rate bank balances and cash and bank borrowings. 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.

##### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate borrowings. Management considered the cash flow interest rate risk in relation to variable-rate bank balances is insignificant. The analysis is prepared assuming the borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point (2016: 50 basis point) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis point (2016: 50 basis point) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2017 would decrease/increase by HK\$61,000 (2016: HK\$10,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

### 27. 金融工具(續)

#### 財務風險管理目標(續)

##### 市場風險(續)

##### 利率風險管理

本集團亦面對定息銀行借貸之公平值利率風險。然而，由於銀行借貸相對屬短期，管理層認為定息銀行借貸之公平值利率風險微不足道。管理層監控利率風險，並將在有需要時考慮對沖重大利率風險。

本集團亦面對現金流量利率風險，其主要與浮息銀行結餘及現金以及銀行借貸有關。本集團現時並無任何利率對沖政策。然而，管理層會監控利率變動風險，並於有需要時考慮對沖重大利率風險。

##### 敏感度分析

下文所述敏感度分析乃根據浮息借貸面對之利率風險釐定。管理層認為有關浮息借貸結餘之現金流利率風險並不重大。有關分析之編製乃假設於報告期末尚未償還之借貸於整個年度為尚未償還。於內部向主要管理人員報告利率風險時，乃使用增加或減少50基點(二零一六年：50基點)為基準，其代表管理層對利率合理可能變動之評估。

倘利率上升/下跌50基點(二零一六年：50基點)，而其他所有變數維持不變，本集團截至二零一七年十二月三十一日止年度之除稅後溢利將減少/增加61,000港元(二零一六年：10,000港元)。上述乃主要由於本集團就其浮息銀行借貸所面對之利率風險所致。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 27. FINANCIAL INSTRUMENTS (Cont'd)

##### Financial risk management objectives (Cont'd)

##### Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2017 and 2016 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management consider that the Group's credit risk is significantly reduced.

The Group has concentrations of credit risk on trade receivables as 32% (2016: 43%) and 80% (2016: 79%) of the total trade receivables was due from the Group's largest customer and the five largest customers (including the largest customer) respectively within the "FPC business" operating segment in the PRC. The management considers, based on the strong financial background and good credibility of those debtors, there are no significant credit risk.

The credit risk in relation to pledged bank deposits and bank balances and cash is limited because the majority of the counterparties are state-owned banks with good reputation in the PRC.

##### Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group's strategy to manage liquidity risk is to ensure that the Group has sufficient funds to meet all its potential liabilities as they fall due.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management also monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

#### 27. 金融工具(續)

##### 財務風險管理目標(續)

##### 信貸風險

倘交易對手於二零一七年及二零一六年十二月三十一日未能履行彼等之責任，則本集團就各類已確認金融資產而須承受之最大信貸風險為綜合財務狀況表內所列資產之賬面值。為降低信貸風險，管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期未付之債項。此外，本集團定期評估個別貿易應收款項之可收回金額，以確保就不可收回金額所作出之減值虧損已足夠。就此而言，管理層認為本集團之信貸風險已大幅降低。

本集團對貿易應收款項之信貸風險集中度為貿易應收款項總額之32%（二零一六年：43%）及80%（二零一六年：79%），分別為應收本集團於中國「柔性電路板業務」營運分部內之最大客戶及五大客戶（包括最大客戶）之款項。鑑於該等債務人之強大財務背景及良好信用，管理層認為並無重大信貸風險。

由於交易對手主要為中國聲譽良好之國有銀行，因此有關已抵押銀行存款以及銀行結餘及現金之信貸風險有限。

##### 流動資金風險

流動資金風險指本集團將無充足資源償付其到期金融負債之風險。本集團管理流動資金風險之策略旨在確保本集團有充足資金於到期時償付所有潛在負債。

在流動資金風險管理方面，本集團會監控及維持管理層認為充足之現金及現金等值項目水平，從而為本集團營運提供資金及減輕現金流量波動之影響。管理層亦監控銀行借貸之動用及確保遵守貸款契約。

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#### 27. FINANCIAL INSTRUMENTS (Cont'd)

##### Financial risk management objectives (Cont'd)

##### Liquidity risk (Cont'd)

##### Liquidity tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

#### 27. 金融工具(續)

##### 財務風險管理目標(續)

##### 流動資金風險(續)

##### 流動資金表

下表詳述本集團非衍生金融負債根據議定還款期之餘下合同到期情況。該表根據本集團須付款之最早日期之金融負債之未折現現金流量編製。

下表包括利息與本金之現金流量。在利息流量為浮動利率之前提下，未折現款項乃以報告期末之利率曲線得出。

	Weighted average interest rate	On demand and less than 1 month	1 - 3 months	4 - 6 months	7 - 12 months	Total undiscounted cash flows	Total carrying amount
	加權平均利率	於要求時償還及少於1個月	1至3個月	4至6個月	7至12個月	未折現現金流量總額	賬面總值
	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	%	千港元	千港元	千港元	千港元	千港元	千港元
<b>At 31 December 2017</b>							
<b>Non-derivative financial liabilities:</b>							
Trade and other payables	-	266,046	92,144	9,131	-	367,321	367,321
Borrowings:							
- fixed-rate bank borrowings	3.09	53,604	-	-	-	53,604	53,604
- variable-rate bank borrowings	3.82	14,372	-	-	-	14,372	14,372
		<u>334,022</u>	<u>92,144</u>	<u>9,131</u>	<u>-</u>	<u>435,297</u>	<u>435,297</u>
<b>At 31 December 2016</b>							
<b>Non-derivative financial liabilities:</b>							
Trade and other payables	-	185,592	86,629	7,018	7,091	286,330	286,330
Borrowings:							
- fixed-rate bank borrowings	4.01	132,053	-	-	-	132,053	132,053
- variable-rate bank borrowings	3.12	2,338	-	-	-	2,338	2,338
		<u>319,983</u>	<u>86,629</u>	<u>7,018</u>	<u>7,091</u>	<u>420,721</u>	<u>420,721</u>

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 27. FINANCIAL INSTRUMENTS (Cont'd)

##### Financial risk management objectives (Cont'd)

##### Liquidity risk (Cont'd)

Bank loans with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31 December 2017, the aggregate undiscounted principal amounts of these bank loans amounted to approximately HK\$68.0 million (2016: HK\$134.4 million). Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans as at 31 December 2017 will be repaid within three years of the reporting date in accordance with the scheduled repayment dates set out in the loan agreements and note 23 to the consolidated financial statements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK\$69.5 million (2016: HK\$137.9 million).

##### Fair value of financial instruments

The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at cost and amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

#### 27. 金融工具(續)

##### 財務風險管理目標(續)

##### 流動資金風險(續)

載有應要求還款條款之銀行貸款計入以上到期分析中「應要求或少於一個月之應支付款項」之時段內。於二零一七年十二月三十一日，該等銀行貸款之未折現本金總額約為68,000,000港元(二零一六年：134,400,000港元)。經計及本集團之財務狀況，本公司董事相信銀行將不可能行使其酌情權要求即時還款。本公司董事相信，於二零一七年十二月三十一日之該等銀行貸款將根據貸款協議及綜合財務報表附註23所載之預定還款日期於報告日期後三年內償還。屆時，本金及利息現金流出總額將為約69,500,000港元(二零一六年：137,900,000港元)。

##### 金融工具之公平值

其他金融資產及金融負債之公平值乃按公認定價模式以折現現金流量分析釐定。

本公司董事認為，於綜合財務報表內成本及按攤銷成本列賬之金融資產及金融負債之賬面值與其於報告期末之公平值相若。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****綜合財務報表附註***For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度***28. CAPITAL RISK MANAGEMENT**

The Group manages the capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remain unchanged from prior year.

The capital structure of the Group consists of bank borrowings disclosed in note 23, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings.

The management of the Group reviews the capital structure on a continuous basis. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the raising of bank borrowings and the redemption of existing debt.

**28. 資本風險管理**

本集團之資本管理旨在確保本集團內之實體均可持續經營，同時透過優化債務及股本結構為權益持有人謀求最大回報。本集團之整體策略維持與過往年度不變。

本集團之資本架構包括附註23披露之銀行借貸，扣除現金及現金等值項目以及本公司擁有人應佔權益（包括已發行股本、儲備及保留盈利）。

本集團管理層持續審閱資本架構。本集團考慮到資本成本及各類資本相關之風險，並將透過增加銀行借貸及贖回現有債務以平衡其整體資本架構。



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### 綜合財務報表附註

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#### 29. 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 consolidated statement of cash flows as cash flows from financing activities.

#### 29. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動(包括現金及非現金變動)。融資活動產生之負債指在本集團之綜合現金流量表內,其現金流量被列為(或其未來現金流量會被列為)來自融資活動之現金流量之負債。

		<b>Borrowings</b>
		<b>借貸</b>
		HK\$'000
		千港元
		(Note 23)
		(附註23)
At 1 January 2017	於二零一七年一月一日	134,391
Financing cash flows	融資現金流量	(74,704)
Foreign exchange translation	外幣換算	5,439
Interest expenses	利息開支	2,850
		<hr/>
At 31 December 2017	於二零一七年十二月三十一日	<u>67,976</u>

#### 30. PLEDGE OF ASSETS

At the end of the reporting period, certain bank deposits, buildings, land use rights and trade receivables were pledged to secure the banking facilities granted to the Group as follows:

#### 30. 資產抵押

於報告期末,下列若干銀行存款、樓宇、土地使用權及貿易應收款項已予抵押,作為本集團獲授銀行信貸之擔保如下:

		<b>2017</b>	<b>2016</b>
		<b>二零一七年</b>	<b>二零一六年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
Bank deposits	銀行存款	<b>2,357</b>	2,356
Buildings	樓宇	<b>53,212</b>	51,171
Land use rights	土地使用權	<b>17,551</b>	16,818
Trade receivables	貿易應收款項	<b>22,948</b>	8,677
		<hr/>	<hr/>
		<b>96,068</b>	<b>79,022</b>
		<hr/>	<hr/>

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### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 31. OPERATING LEASE COMMITMENTS

##### The Group as lessee

At the end of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	185	271
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	20	140
		<u>205</u>	<u>411</u>

Operating lease payments represent rentals payable by the Group for certain of the office properties and staff quarters. Leases are negotiated for terms within one year to three years.

#### 31. 經營租賃承擔

##### 本集團作為承租人

於報告期末，本集團根據土地及樓宇不可撤銷經營租賃而於下列期間到期之未來最低租賃款項之未履行承擔如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	185	271
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	20	140
		<u>205</u>	<u>411</u>

經營租賃付款指本集團就若干辦公室物業及職工宿舍須支付之租金。認定租賃年期為一年至三年。

#### 32. CAPITAL COMMITMENTS

Capital expenditure in respect of acquisition of property, plant and equipment which is contracted for but not provided in the consolidated financial statements

購置物業、廠房及設備之資本開支，已訂約但未於綜合財務報表內撥備

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		<u>23,566</u>	<u>50,597</u>

#### 32. 資本承擔

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## 綜合財務報表附註

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## 33. RETIREMENT BENEFITS SCHEMES

The Group operates a Mandatory Provident Fund (the "MPF") for all qualifying employees in Hong Kong. The retirement benefits scheme contributions charged to consolidated statement of profit or loss and other comprehensive income of HK\$45,000 (2016: HK\$73,000) represent contributions payable to the MPF scheme by the Group, which contribution is matched by employees.

The employees employed in the Group's PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The state-managed retirement benefits scheme contributions charged to the consolidated statement of profit or loss and other comprehensive income amounted to HK\$9,113,000 (2016: HK\$8,825,000). The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

No forfeited contributions are available to reduce the contribution payable in future years.

## 34. RELATED PARTY TRANSACTIONS

- (i) In addition to the balances set out in note 18, the Group entered into the following transactions with related parties during the year:

Rentals for office paid to fellow subsidiaries	向同系附屬公司支付之辦公室租金
Rental income received from an associate	收到自一間聯營公司之租金收入
Sales to an associate	向一間聯營公司銷售
Sales of goods to a shareholder and its subsidiaries	向一名股東及其附屬公司銷售貨品

## 33. 退休福利計劃

本集團為所有在香港之合資格僱員設立強制性公積金(「強積金」)。於綜合損益及其他全面收益表內列支之退休福利計劃供款為45,000港元(二零一六年: 73,000港元)，乃由本集團支付予強積金計劃之供款，而僱員會作出相同供款。

本集團中國附屬公司聘用之僱員為中國政府運作之國營退休福利計劃之成員。本集團須向退休福利計劃支付薪金之若干百分比作為福利金。於綜合損益及其他全面收益表內列支之國營退休福利計劃供款為9,113,000港元(二零一六年: 8,825,000港元)。本集團於退休福利計劃之唯一責任為根據該計劃作出規定之供款。

本公司並無沒收供款可用於扣減來年應付之供款。

## 34. 關聯方交易

- (i) 除載於附註18之結餘外，於本年度內，本集團亦曾與關聯方訂立下列交易：

2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
120	120
321	—
1,541	—
<b>120,009</b>	<b>90,822</b>

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#### 34. RELATED PARTY TRANSACTIONS (Cont'd)

- (ii) Transactions/balances with other state-controlled entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled by the PRC government ("state-controlled entities"). In addition, the Group is significantly influenced indirectly by China North Industries Corporation ("CNIC"), a state-owned enterprise established in the PRC.

The Group also conducts business with other state-controlled entities. The directors consider those state-controlled entities to be third parties so far as the Group's business with them are concerned.

In addition, the Group has entered into various transactions, including deposits placements, borrowings and other general banking facilities, with certain banks which are state-controlled entities in its ordinary course of business.

The directors are of the opinion that the transactions with other state-controlled entities are not significant to the Group's operations.

- (iii) Compensation of key management personnel

The remuneration of key management during the year represented remuneration paid to directors as disclosed in note 10 to the consolidated financial statements.

The remuneration of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

#### 34. 關聯方交易(續)

- (ii) 與中國其他國家控制企業產生之交易／結餘

本集團經營所在之經濟環境目前由中國政府直接或間接擁有或控制之企業(「國家控制企業」)主導。此外，本集團間接受於中國成立之國有企業中國北方工業集團(「中國北方工業集團」)重大影響。

本集團亦與其他國家控制企業進行業務。董事認為，就本集團與彼等之業務而言，該等國家控制企業為第三方。

此外，本集團已於其正常業務過程中與為國家控制企業之若干銀行訂立各種交易，包括存款、借貸及其他一般銀行信貸。

董事認為與其他國家控制企業之交易對本集團之營運並非重要。

- (iii) 主要管理人員之補償

年內主要管理人員之酬金指綜合財務報表附註10所披露支付各董事之酬金。

主要管理人員之酬金由薪酬委員會根據個人表現及市場趨勢釐定。

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## 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

## 35. EVENT AFTER REPORTING PERIOD

On 30 January 2018, the Company issued 103,900,000 and 200,000,000 ordinary shares at the subscription price of HK\$1.5 per share to Alpha Luck Industrial Limited and Anjie Technology (Hong Kong) Company Limited respectively. The net proceeds of approximately HK\$454.9 million were raised by the Company. The Company's issued ordinary share capital was then increased to 1,538,237,500 shares. The new shares issued rank pari passu in all respects with the existing shares in issue.

## 35. 報告期後事項

於二零一八年一月三十日，本公司分別以每股1.5港元之認購價向安利實業有限公司及安潔科技(香港)有限公司發行103,900,000股及200,000,000股普通股。本公司之所得款項淨額約為454,900,000港元。本公司已發行普通股股本自此增至1,538,237,500股。所發行之新股份於各方面與現有已發行股份享有同等地位。

## 36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

## 36. 本公司財務狀況表及儲備

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	72	253
Interests in subsidiaries	附屬公司之權益	455,475	468,852
Interest in an associate	聯營公司之權益	3,616	-
		<u>459,163</u>	<u>469,105</u>
Current assets	流動資產		
Inventories	存貨	5,189	-
Trade and other receivables	貿易及其他應收款項	91,045	71,635
Amount due from a subsidiary	應收一間附屬公司款項	83,343	13,880
Pledged bank deposits	已抵押銀行存款	2,357	2,356
Bank balances and cash	銀行結餘及現金	28,103	4,506
		<u>210,037</u>	<u>92,377</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Cont'd)

#### 36. 本公司財務狀況表及儲備(續)

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	19,086	29,724
Amounts due to subsidiaries	應付附屬公司款項	87,393	93,986
Taxation payable	應付稅項	300	120
Bank borrowings	銀行借貸	12,559	26,643
		<u>119,338</u>	<u>150,473</u>
Net current assets (liabilities)	淨流動資產(負債)	<u>90,699</u>	<u>(58,096)</u>
Total assets less current liabilities	總資產減流動負債	<u>549,862</u>	<u>411,009</u>
Capital and reserves	股本及儲備		
Share capital	股本	466,667	333,161
Retained profits	保留溢利	83,195	77,848
Total equity	總權益	<u>549,862</u>	<u>411,009</u>

The statement of financial position of the Company on pages 164 and 165 was approved and authorised for issue by the Board of Directors on 20 March 2018 and are signed on its behalf by:

本公司之財務狀況表載於第164至165頁已獲董事會於二零一八年三月二十日批准並授權刊發，並由下列董事代表簽署：

LI YING HONG

DIRECTOR

李映紅  
董事

XIONG ZHENG FENG

DIRECTOR

熊正峰  
董事

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 36. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Cont'd)

#### 36. 本公司財務狀況表及儲備(續)

##### Movement in the Company's retained profits

##### 本公司保留溢利之變動

		HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	71,815
Profit for the year and total comprehensive income for the year	年內溢利及年內全面收益總額	<u>6,033</u>
At 31 December 2016	於二零一六年十二月三十一日	77,848
Profit for the year and total comprehensive income for the year	年內溢利及年內全面收益總額	<u>5,347</u>
At 31 December 2017	於二零一七年十二月三十一日	<u>83,195</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 綜合財務報表附註

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

#### 37. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Group's subsidiaries as at 31 December 2017 and 2016 are as follows:

Name of subsidiary 附屬公司名	Place of established and principal place of operation 成立地點及主要經營地點	Form of business structure 企業組成模式	Paid-up capital 繳足資本	Attributable equity interest held by the Company 由本公司持有之應佔股本權益				Principal activities 主要業務
				2017 二零一七年		2016 二零一六年		
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
AKM Panyu	The PRC	Wholly owned-foreign enterprise	US\$21,700,000	100%	-	100%	-	Manufacture and sale of FPC, manufacture and sale of flexible packaging substrates
安捷利(番禺)電子實業有限公司	中國	外商獨資企業	21,700,000美元					製造及銷售柔性電路板、製造及銷售柔性封裝基板
New Career	The PRC	Wholly owned-foreign enterprise	US\$2,229,000	-*	-	100%	-	Manufacture and sale of flexible packaging substrates
廣州安旭特電子有限公司	中國	外商獨資企業	2,229,000美元					製造及銷售柔性封裝基板
AKM Suzhou	The PRC	Wholly owned-foreign enterprise	US\$37,642,460	100%	-	100%	-	Manufacture and sale of FPC, manufacture and sale of flexible packaging substrates
安捷利電子科技(蘇州)有限公司	中國	外商獨資企業	37,642,000美元					製造及銷售柔性電路板、製造及銷售柔性封裝基板
Giant Rise Technology Limited 嘉升科技有限公司	Hong Kong 香港	Limited company 有限公司	HK\$1,000,000 1,000,000港元	-**	-	75%	-	Investment holding 投資控股
Shenzhen Giant Rise Electronics Company Limited	The PRC	Wholly owned-foreign enterprise	RMB1,800,000	-**	-	-	75%	Trading of raw materials and FPC, sourcing and sale of electronic components
深圳嘉升宏力偉電子有限公司	中國	外商獨資企業	人民幣1,800,000元					買賣原材料及柔性電路板、採購及銷售電子元器件

\* During the year ended 31 December 2017, the Group has disposal of 70% equity interest in New Career. Upon completion of the disposal, New Career became an associate of the Group (note 25(i)).

\*\* During the year ended 31 December 2017, the Group has disposal of 75% equity interest in Giant Rise. Upon completion of the disposal, the Group no longer holds any equity interest in Giant Rise and its subsidiary (note 25(ii)).

None of the subsidiaries had issued any debt securities at the end of both years.

#### 37. 本公司附屬公司之詳情

於二零一七年及二零一六年十二月三十一日之本集團附屬公司之詳情如下：

\* 於截至二零一七年十二月三十一日止年度，本集團出售廣州安旭特70%股權。於出售完成後，廣州安旭特成為本集團之聯營公司(附註25(i))。

\*\* 於截至二零一七年十二月三十一日止年度，本集團已出售嘉升75%股權。於出售完成後，本集團不再持有嘉升及其附屬公司之任何股權(附註25(ii))。

附屬公司於兩個年度末均無發行任何債務證券。



## FINANCIAL SUMMARY

### 財務概要

RESULTS 業績		Year ended 31 December 截至十二月三十一日止年度				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Revenue	收入	<b>1,118,838</b>	821,662	630,631	622,057	641,159
Cost of sales	銷售成本	<b>(898,627)</b>	(646,373)	(551,392)	(515,433)	(552,804)
Gross profit	毛利	<b>220,211</b>	175,289	79,239	106,624	88,355
Other income	其他收入	<b>17,874</b>	15,037	36,321	28,492	10,326
Loss on disposal of subsidiaries	出售附屬公司之虧損	<b>(3,224)</b>	-	-	-	-
Distribution costs	分銷成本	<b>(16,760)</b>	(15,897)	(16,360)	(17,189)	(12,048)
Administrative expenses	行政支出	<b>(36,551)</b>	(31,852)	(25,234)	(31,225)	(25,130)
Research and development expenses	研發費用	<b>(79,882)</b>	(92,122)	(70,324)	(51,261)	(22,589)
Share of profit of an associate	應佔一間聯營公司之溢利	<b>40</b>	-	-	-	-
Finance costs	融資成本	<b>(2,850)</b>	(5,198)	(3,598)	(3,206)	(5,406)
Profit before taxation	除稅前溢利	<b>98,858</b>	45,257	44	32,235	33,508
Taxation	稅項	<b>(19,850)</b>	(17,567)	(366)	(2,272)	(2,041)
Profit (loss) for the year	本年度溢利(虧損)	<b>79,008</b>	27,690	(322)	29,963	31,467
ASSETS AND LIABILITIES 資產及負債		At 31 December 於十二月三十一日				
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Total assets	總資產	<b>1,268,416</b>	981,651	831,541	807,150	655,027
Total liabilities	總負債	<b>(529,973)</b>	(497,594)	(336,353)	(286,131)	(372,184)
		<b>738,443</b>	484,057	495,188	521,019	282,843
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>738,443</b>	483,426	491,969	517,226	279,420
Non-controlling interests	非控股權益	-	631	3,219	3,793	3,423
Total equity	總權益	<b>738,443</b>	484,057	495,188	521,019	282,843



**AKM Industrial Company Limited**  
**安捷利實業有限公司**

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