



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

Annual Report 年報 2018



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive director

XIONG Zheng Feng (*Chairman*)

Non-executive directors

LI Ying Hong (resigned on 24 August 2018)

GAO Xiaoguang

JIA Junan

WANG Chunsheng (appointed on 30 January 2018)

ZHANG Xiaoming (appointed on 24 August 2018)

YU Daochun (appointed on 27 November 2018)

Independent non-executive directors

HUNG Chi Yuen Andrew

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

CUI Zheng

YANG Zhaoguo (appointed on 15 May 2018)

COMPLIANCE OFFICER

LI Ying Hong (resigned on 24 August 2018)

COMPANY SECRETARY

HUNG Ching Yuen

AUTHORISED REPRESENTATIVES

XIONG Zheng Feng

LI Ying Hong (resigned on 24 August 2018)

HUNG Ching Yuen (appointed on 24 August 2018)

AUDIT COMMITTEE

HUNG Chi Yuen Andrew (*Committee Chairman*)

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

CUI Zheng

YANG Zhaoguo (appointed on 15 May 2018)

REMUNERATION COMMITTEE

ZHAO Xiao (*Committee Chairman*)

(term of office expired on 15 February 2018)

YANG Zhaoguo (*Committee Chairman*)

(appointed on 15 May 2018)

LI Ying Hong (resigned on 24 August 2018)

CUI Zheng

ZHANG Xiaoming (appointed on 24 August 2018)

董事會

執行董事

熊正峰 (主席)

非執行董事

李映紅 (於二零一八年八月二十四日辭任)

高曉光

賈軍安

王春生 (於二零一八年一月三十日獲委任)

張曉明 (於二零一八年八月二十四日獲委任)

余道春 (於二零一八年十一月二十七日獲委任)

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

楊兆國 (於二零一八年五月十五日獲委任)

監察主任

李映紅 (於二零一八年八月二十四日辭任)

公司秘書

洪靜遠

授權代表

熊正峰

李映紅 (於二零一八年八月二十四日辭任)

洪靜遠 (於二零一八年八月二十四日獲委任)

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

楊兆國 (於二零一八年五月十五日獲委任)

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)

楊兆國 (*委員會主席*)

(於二零一八年五月十五日獲委任)

李映紅 (於二零一八年八月二十四日辭任)

崔錚

張曉明 (於二零一八年八月二十四日獲委任)

Corporate Information 公司資料

NOMINATION COMMITTEE

XIONG Zheng Feng (*Committee Chairman*)
HUNG Chi Yuen Andrew
ZHAO Xiao (term of office expired on 15 February 2018)
YANG Zhaoguo (appointed on 15 May 2018)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISOR

Tracy Ong & Co.

PRINCIPAL PLACE OF BUSINESS IN CHINA

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

188 Lushan Road
Suzhou National New & Hi-Tech Industrial Development Zone
Suzhou City
The People's Republic of China

REGISTERED OFFICE

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

HONG KONG SHARE REGISTRAR & TRANSFER OFFICE

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

PRINCIPAL BANKERS

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

STOCK CODE

1639

COMPANY HOMEPAGE/WEBSITE

www.akmcompany.com

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)
楊兆國 (於二零一八年五月十五日獲委任)

核數師

德勤 • 關黃陳方會計師行
香港執業會計師

法律顧問

王珮玲律師事務所

中國主要營業地點

中華人民共和國
廣州市
南沙區
資訊科技園
環市大道南63號

中華人民共和國
蘇州市
高新區
鹿山路188號

註冊辦事處

香港
干諾道中168-200號
信德中心西座
27樓2708-11室

香港股份過戶登記處

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

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

股份代號

1639

公司主頁／網站

www.akmcompany.com

Chairman's Statement 主席報告書

For and on behalf of the board of Directors (the "Board"), I would like to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2018.

RESULT ANALYSIS AND BUSINESS REVIEW

In 2018, facing the complicated and volatile domestic and foreign political and economic situation and following the dramatic changes in the electronic products market, the oversupply of middle and low-end flexible printed circuit ("FPC") and flexible packaging substrates products of the FPC industry has become increasingly severe. With the intensified market competition and constant decline of the gross profit margin of products, the competitive landscape faced by the Group has been worsening. Under such difficult circumstances, the Group has been focusing on the strategy of "developing major customers" and providing "one-stop service" to customers. The Group proactively explored new application fields and enhanced its technical capabilities, production capabilities, quality management capabilities and supply chain management capabilities, in order to seize opportunities and prepare for challenges, thereby achieving better operation results.

The Group recorded turnover of approximately HK\$1,223,803,000 in the financial year of 2018, representing an increase of approximately 9.38% as compared to that of last year (2017: approximately HK\$1,118,838,000). Profit attributable to owners of the Company was approximately HK\$69,334,000, representing a decrease of approximately 12.25% as compared to that of last year (2017: approximately HK\$79,016,000). For the year ended 31 December 2018, basic earnings per share was approximately HK4.58 cents, representing a decrease of approximately 30.82% as compared to that of last year (2017: approximately HK6.62 cents). The Group's gearing ratio remained low. Taking into account of the Company's profitability, shareholder returns and sustainable development needs in the future, the Group has proposed the payment of a final dividend of HK1 cent per share for 2018.

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」）截至二零一八年十二月三十一日止年度之年報。

業績分析及業務回顧

二零一八年，面對國內外複雜多變的政治經濟形勢及隨著電子產品市場之劇烈變化，柔性電路板行業之中低端柔性電路板和柔性封裝基板產品供過於求情況越發嚴重，市場競爭加劇，產品毛利率不斷下降，本集團面臨之競爭態勢越發嚴峻。在這種困難的情況下，本集團緊抓「大客戶戰略」，對客戶提供「一站式服務」，積極開拓新應用領域，提升本集團之技術能力、生產能力、品質管理能力及供應鏈管理能力等，搶抓機遇，應對挑戰，取得了較好的經營業績。

本集團於二零一八年財政年度內錄得之銷售營業額約1,223,803,000港元，較去年（二零一七年：約1,118,838,000港元）增加約9.38%。本公司擁有人應佔溢利約為69,334,000港元，較去年（二零一七年：約79,016,000港元）下降約12.25%。截至二零一八年十二月三十一日，每股基本盈利約為4.58港仙，較去年（二零一七年：約6.62港仙）下降約30.82%。本集團資產負債率仍保持低位。綜合考慮本公司的盈利水準、股東回報及未來可持續發展的需要，本集團建議派發2018年末期股息每股1港仙。

Chairman's Statement

主席報告書

During the year under review, despite the overall recession of the smartphone industry and the decline in orders from major customers, through identifying new major customers and expanding new application fields, the sales of the Group's FPC business still recorded a slight growth as compared to that of last year. Due to the further expansion of new application fields, the sales volume of the Group's flexible packaging substrates business recorded significant growth as compared to that of last year. However, since the yield rate of newly introduced business is yet to be improved, and 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, the operating condition is still rather unsatisfactory and there is still relatively large room for improvement.

During the year under review, the Group proactively invested fund in order to expand the production capacities and enhance production capabilities of FPC and flexible packaging substrates products by acquiring new machineries and continuously improving and developing production techniques through research and development, and conduct intelligent upgrade on our Guangzhou Factory and Suzhou Factory. During the year under review, the amount invested in the acquisition of property, plant and equipment amounted to approximately HK\$281,251,000.

於回顧年度內，雖然受到智能手機行業整體不景氣的影響，主要大客戶訂單下滑，但通過開發新的大客戶及拓展新的應用領域，本集團之柔性電路板業務之銷售仍較去年出現小幅增長；本集團之柔性封裝基板業務由於進一步拓展了新應用領域，銷售額較去年較大幅度增長，但由於新導入業務之良品率仍有待提升以及持續投資金額大、固定成本及人工成本高等因素影響導致尚未達到經濟規模，柔性封裝基板業務之經營狀況仍未達滿意，還有較大提升空間。

回顧年度內，本集團積極投入資金，以擴大柔性電路板及柔性封裝基板產品之產量及提升生產能力，購置新機器及通過研究及開發持續改進及發展生產技術，及對廣州工廠和蘇州工廠進行智能化改造。回顧年度內用於購置物業、廠房及設備之支出約為281,251,000港元。

Chairman's Statement

主席報告書

During the year under review, due to the continuous emergence of new application fields of FPC and flexible packaging substrates and the continuous uplift of requirements in product structure and complexity from downstream customers, as well as the increasing labor costs, the Group continued to invest 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 to construct intelligent manufacturing factory. During the year under review, AKM Electronics Industrial (Panyu) Ltd. and AKM Electronic Technology (Suzhou) Company Limited, the wholly-owned subsidiaries of the Group, received capital contribution for research and development from the Ministry of Industry and Information Technology of China, and China North Industries Corporation (a controlling shareholder of the Company), respectively, for the purpose of constructing intelligent factories for Guangzhou Nansha Factory and Suzhou Factory and intelligent manufacturing projects.

Prospects

The ever changing environment in the electronic market has made the oversupply issue in mid-end and low-end FPC more severe. As competition intensified and gross profit for our products kept decreasing, the Group is now facing a more challenging operating environment. Following the stable enhancement in the Group's capability to serve major international customers, the 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 remains prudently optimistic on future. In order to grasp the market opportunities, and to continuously improve the performance of our FPC and flexible packaging substrates operations, the Group is planning to (i) optimize customer mix and product mix through exploring new markets and developing new applications for our products; (ii) strengthen technology research and development, upgrade our technological level, develop high-end products, so as to meet customers' demands for high-end products; (iii) keep a close eye on the characteristic of the internationalised operations of our major customers, with an aim to secure more orders from overseas market and provide localized services to them. Meanwhile, the Group is still looking for suitable investment opportunities in the upstream and downstream of the industries, in order to further enhance core competitiveness of the Group.

回顧年度內，因應柔性電路板和柔性封裝基板應用新領域的不斷出現及下游客戶在產品結構及複雜性上的要求不斷提升以及人工成本之不斷上漲，本集團仍持續投入研發支出，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智能製造工廠之建設。回顧年度內，本集團全資附屬公司安捷利（番禺）電子實業有限公司和安捷利電子科技（蘇州）有限公司分別得到中國工業和信息化部和本公司控股股東中國北方工業有限公司的研發資金投入，以用於本公司廣州南沙工廠和蘇州工廠之智能工廠建設和智能製造項目。

展望

隨著電子產品市場之劇烈變化，中低端柔性電路板產品供過於求情況越發嚴重，市場競爭加劇，產品毛利率不斷下降，本集團面臨之競爭態勢越發嚴峻。隨著本集團服務重要國際性大客戶之能力得到穩定提升以及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，本集團對未來仍保持謹慎樂觀。本集團計劃(i)通過市場開發及開拓新應用領域優化客戶結構和產品結構；(ii)加強技術研發、提升技術水準、開發高端產品，以滿足客戶對高端產品的需求；(iii)針對主要客戶國際化經營的特點，加強海外市場訂單獲取及本地化服務，從而抓住市場機遇，不斷改善柔性電路板和柔性封裝基板之經營狀況。同時，本集團亦在行業上下游尋求合適的投資機會，以進一步提升本集團之核心競爭能力。

Chairman's Statement 主席報告書

The Board believes that as the Group's ability to serve major international customers steadily enhanced, and given the continuous investment in the new application fields of FPC and flexible packaging substrates, as well as the foreseeable results in research and development for production technology, the Group remains cautiously optimistic about its future. In 2019, following the changes in the global and PRC smartphone market pattern, the commencement of 5G network commercialisation and the continuous expansion in new application fields for FPC and flexible packaging substrates, the FPC business will maintain its growth momentum in the foreseeable future. The Group will adhere to the strategies of developing major customers, continuously uplifting the technology capabilities of products, seizing the market opportunities in new application fields and promoting its operation efficiency through achieving economy of scale. The Group will strengthen its core capabilities to keep on improving its operation results, so as to present satisfactory results and bring favourable returns to its shareholders.

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 15 February 2018 due to his other business commitments. Ms. Li Ying Hong resigned as a non-executive Director, a member of the remuneration committee, compliance officer and an authorized representative of the Company on 24 August 2018 due to retirement. On 30 January 2018, Mr. Wang Chunsheng was appointed as a non-executive director of the Company. On 15 May 2018, Mr. Yang Zhaoguo was appointed as an independent non-executive Director, a member of and the chairman of the remuneration committee, a member of the audit committee and a member of the nomination committee of the Company. On 24 August 2018, Ms. Zhang Xiaoming was appointed as a non-executive Director and a member of the remuneration committee of the Company. On 27 November 2018, Mr. Yu Daochun was appointed as a non-executive Director of the Company.

董事會相信，隨著本集團服務主要國際性大客戶之能力得到穩定提升以及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之成果，本集團對未來仍保持謹慎樂觀。二零一九年，隨著全球及中國國內智慧手機市場格局變化、5G網絡商用開始展開以及柔性電路板和柔性封裝基板新應用領域的不斷擴展，柔性電路板行業在可預見之將來仍將保持增長態勢。本集團將堅持大客戶戰略、不斷提升產品技術能力、緊抓新應用領域之市場機遇以及經濟規模促進效益，苦練內功、提升核心能力，不斷提升經營業績，藉此向股東交出滿意成績，為股東帶來理想回報。

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。李映紅女士因退休於二零一八年八月二十四日辭任本公司之非執行董事、薪酬委員會成員、監察主任兼授權代表。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。於二零一八年五月十五日，楊兆國先生獲委任為本公司之獨立非執行董事、薪酬委員會成員及主席、審核委員會成員及提名委員會成員。於二零一八年八月二十四日，張曉明女士獲委任為本公司之非執行董事及薪酬委員會成員。於二零一八年十一月二十七日，余道春先生獲委任為本公司之非執行董事。

Chairman's Statement 主席報告書

For and on behalf of the Board, I would like to take this opportunity to thank Mr. Zhao and Ms. Li for their valuable contribution to the Company and express our warm welcome to Mr. Wang, Mr. Yang, Ms. Zhang and Mr. Yu 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.

本人藉此機會代表董事會感謝趙先生和李女士對本公司作出之貢獻，並熱烈歡迎王先生、楊先生、張女士及余先生加入本公司。

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。

AKM Industrial Company Limited
Xiong Zheng Feng
Chairman

Hong Kong, 18 March 2019

安捷利實業有限公司
熊正峰
主席

香港，二零一九年三月十八日

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 49, is the chairman and an executive Director of the Company. 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 (formerly known as 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 resigned from the position of Deputy General Manager of Silver City in September 2018. 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 AKM Electronics Industrial (Panyu) Ltd. and an executive director of AKM Electronic Technology (Suzhou) Company Limited, both of which are subsidiaries of the Group. 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49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，彼於二零一八年九月辭任銀華副總經理。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）電子實業有限公司之董事及安捷利電子科技（蘇州）有限公司之執行董事。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

Mr. Gao Xiaoguang (高曉光), aged 43, 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 a non-executive Director since 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 48, 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 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.

非執行董事

高曉光先生，現年43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。高先生自二零一五年三月十二日起獲委任為非執行董事。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48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 44, 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 a non-executive Director since 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.

Ms. Zhang Xiaoming (張曉明), aged 40, is currently a supervisor of the strategy and operation department of China North Industries Corporation, a controlling shareholder of the Company. She obtained a master degree in accountancy in April 2003 from Dongbei University of Finance and Economics (東北財經大學). She also obtained a doctorate degree from The Research Institute for Fiscal Science of the Ministry of Finance (財政部財政科學研究所) (now known as Chinese Academy of Fiscal Sciences (中國財政科學研究院)) in July 2011. Ms. Zhang is a member of the Beijing Institute of Certified Public Accountants (北京註冊會計師協會) since September 2010, and also a member of the Institute of Management Accountants since April 2003. Ms. Zhang is a director of NORINCO International Cooperation Ltd. (北方國際合作股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code 000065) since 29 March 2017. She is also currently a director of China ZhenHua Oil Co., Ltd. (振華石油控股有限公司) and Wanbao Mining Ltd. (萬寶礦產有限公司). Ms. Zhang was appointed as a non-executive Director on 24 August 2018. Save as disclosed, Ms. Zhang 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44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。

張曉明女士，現年40歲，現任本公司控股股東中國北方工業有限公司戰略與運營部主任。彼於二零零三年四月取得東北財經大學會計學碩士，並且於二零一一年七月取得財政部財政科學研究所（現稱為中國財政科學研究院）博士學位。張女士自二零一零年九月起為北京註冊會計師協會會員，以及自二零零三年四月起為美國管理會計學會會員。張女士自二零一七年三月二十九日起出任北方國際合作股份有限公司（於深圳證券交易所上市之公司，股份代號為000065）董事，目前亦為振華石油控股有限公司及萬寶礦產有限公司董事。張女士於二零一八年八月二十四日獲委任為非執行董事。除所披露者外，張女士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. Yu Daochun (余道春), aged 51, is currently a supervisor of the finance department of China North Industries Corporation, a controlling shareholder of the Company. He obtained a doctorate degree in economics from Central University of Finance and Economics (中央財經大學) in June 2007. Mr Yu is a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since September 2010. Mr. Yu is a director of NORINCO International Cooperation Ltd. (北方國際合作股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code 000065) since 20 March 2018. He is a director of Silver City International (Holdings) Limited, a controlling shareholder of the Company. He is also a director of 中國萬寶工程有限公司 (transliteration "China Wanbao Engineering Co., Ltd."), 振華石油控股有限公司 (transliteration "China ZhenHua Oil Co., Ltd.") and 萬寶礦產有限公司 (transliteration "Wanbao Mining Ltd."). Mr. Yu was appointed as a non-executive Director on 27 November 2018. Save as disclosed, Mr. Yu 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.

余道春先生，現年51歲，現為本公司之控股股東中國北方工業有限公司之財務金融部主任。彼於二零零七年六月自中央財經大學獲得經濟學博士學位。余先生自二零一零年九月起為中國註冊會計師協會會員。余先生自二零一八年三月二十日起為深圳證券交易所上市公司北方國際合作股份有限公司（股份代號：000065）之董事。彼為本公司之控股股東銀華國際（集團）有限公司之董事。彼亦為中國萬寶工程有限公司、振華石油控股有限公司及萬寶礦產有限公司之董事。余先生於二零一八年十一月二十七日獲委任為非執行董事。除所披露者外，余先生於過去三年間並無於其他上市公司出任任何董事職位，及並無與本公司任何董事、高級管理層、主要股東或控股股東擁有任何其他關係。



Directors and Senior Management of the Group

本集團董事及高級管理層

Independent non-executive Directors

Mr. Hung Chi Yuen Andrew (洪志遠), aged 50, 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.

獨立非執行董事

洪志遠先生，現年50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 (崔鏗), aged 64, 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 since 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.

崔鏗先生，現年64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. Yang Zhaoguo (楊兆國), aged 47, is currently chairman of Suzhou Fineset Material Technology Co., Ltd. (蘇州凡賽特材料科技有限公司). He obtained a master degree in engineering in July 1997 from Dalian University of Technology (大連理工大學). Mr. Yang previously worked as senior engineering at the Shanghai Research Institute of Materials (上海材料研究所) and was previously project manager of AVIC International (HK) Group Limited. Mr. Yang was previously a director of Shenzhen Sunway Communication Co., Ltd (深圳市信維通信股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code 300136), during the period from 11 May 2016 to 23 April 2017. Mr. Yang was appointed as an independent non-executive Director since 15 May 2018. Save as disclosed above, Mr. Yang 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.

CHIEF EXECUTIVE OFFICER

Mr. Chai Zhi Qiang (柴志強), aged 58, 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 26 years of experience in the flexible printed circuit production industry. Mr. Chai is also a director of AKM Electronics Industrial (Panyu) Ltd, a subsidiary of the Group.

楊兆國先生，現年47歲，現為蘇州凡賽特材料科技有限公司之董事長。彼於一九九七年七月獲大連理工大學之工程碩士學位。楊先生曾於上海材料研究所出任高級工程師及曾任中航國際(香港)集團有限公司之項目經理。楊先生於二零一六年五月十一日至二零一七年四月二十三日期間曾任深圳市信維通信股份有限公司(為深圳證券交易所上市公司，股份代號為300136)之董事。楊先生於二零一八年五月十五日獲委任為獨立非執行董事。除上文披露者外，楊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。

行政總裁

柴志強先生，現年58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26年經驗。柴先生亦為本集團附屬公司安捷利(番禺)電子實業有限公司的董事。

Directors and Senior Management of the Group

本集團董事及高級管理層

COMPANY SECRETARY

Ms. Hung Ching Yuen (洪靜遠), aged 39, 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. Ms. Hung is also company secretary of Best Mart 360 Holdings Limited (Stock Code: 2360) since 18 December 2018.

公司秘書

洪靜遠女士，現年39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。洪女士亦自二零一八年十二月十八日起為優品360控股有限公司（上市編號：2360）的公司秘書。



Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

For the year ended 31 December 2018, the turnover of the Group was approximately HK\$1,223,803,000, representing an increase of approximately 9.38% as compared to approximately HK\$1,118,838,000 of last year. The increase in turnover was mainly due to the strong growth in demand from the customers of the flexible packaging substrates business, which resulted in significant increase in the sales of flexible packaging substrates business.

Profit attributable to owners of the Company for the year ended 31 December 2018 was approximately HK\$69,334,000, representing a decrease of approximately 12.25% as compared to approximately HK\$79,016,000 of last year. The decrease in profit was mainly due to: (1) fierce competition in the FPC business, leading to the decrease in product price and increase in raw material price, which resulted in decrease in gross profit margin for the FPC business; (2) the yield rate for new application field of the flexible packaging substrates business is yet to be improved and economy of scale is yet to be achieved.

The turnover for the FPC business and the flexible packaging substrates business of the Group for the year recorded a year-on-year growth of approximately 3.47% and 164.30% respectively. During the year under review, the overall gross profit margin decreased to approximately 12.42% (2017: approximately 19.68%), of which the gross profit margin of flexible packaging substrates business decreased to approximately 5.65% (2017: approximately 13.95%), and the gross profit margin of FPC business decreased to approximately 13.31% (2017: approximately 20.31%).

For the year ended 31 December 2018, the other income of the Group amounted to approximately HK\$56,253,000, representing an increase of approximately 214.72% as compared to approximately HK\$17,874,000 of last year. The increase in other income was mainly attributed to the increase in government subsidies and interest income.

財務回顧

截至二零一八年十二月三十一日止年度，本集團之營業額約1,223,803,000港元，較去年之約1,118,838,000港元增加約9.38%。營業額上升主要由於年內柔性封裝基板業務客戶需求強勁增長，導致柔性封裝基板業務之銷售較大幅度上升所致。

截至二零一八年十二月三十一日止年度，本公司擁有人應佔溢利約為69,334,000港元，較去年的約79,016,000港元下降約12.25%。溢利下降主要由於(1)柔性電路板業務競爭激烈，使產品價格下降、原材料價格上漲，導致柔性電路板業務毛利率出現下降；及(2)柔性封裝基板業務新應用領域之良品率仍有待提升及尚未達到經濟規模所致。

本集團全年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3.47%及164.30%。回顧年度內，整體毛利率下降至約12.42%（二零一七年：約19.68%），其中柔性封裝基板業務之毛利率下降至約5.65%（二零一七年：約13.95%），柔性電路板業務之毛利率下降至約13.31%（二零一七年：約20.31%）。

本集團截至二零一八年十二月三十一日止年度其他收入約為56,253,000港元，較去年的約17,874,000港元增長約214.72%。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 2018, the distribution costs of the Group amounted to approximately HK\$19,433,000, representing an increase of approximately 15.95% as compared to approximately HK\$16,760,000 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 to that of last year, which were attributable to the increase in export and sales of products.

For the year ended 31 December 2018, the administrative expenses of the Group were approximately HK\$41,187,000, representing an increase of approximately 12.68% as compared to approximately HK\$36,551,000 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 2018, the research and development expenses of the Group amounted to approximately HK\$63,774,000, representing a decrease of approximately 20.16% as compared to approximately HK\$79,882,000 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 in year 2016. There were minimal input of fees for "02" Major Project in year 2017, and no further expense had been incurred for the "02" Major Project during the year under review.

For the year ended 31 December 2018, the finance cost of the Group amounted to approximately HK\$215,000, representing a decrease of approximately 92.46% as compared to approximately HK\$2,850,000 of last year. The significant decrease in finance cost was mainly due to the significant decrease in bank borrowings.

本集團截至二零一八年十二月三十一日止年度分銷成本約為19,433,000港元，較去年的約16,760,000港元增長約15.95%。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。

本集團截至二零一八年十二月三十一日止年度行政開支約為41,187,000港元，較去年的約36,551,000港元增長約12.68%。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。

本集團截至二零一八年十二月三十一日止年度研發開支約為63,774,000港元，較去年的約79,882,000港元下降約20.16%。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，於二零一七年度內仍有少量對02專項投入的費用，於回顧年度內已沒有對02專項投入的費用。

本集團截至二零一八年十二月三十一日止年度融資成本約為215,000港元，較去年的約2,850,000港元減少約92.46%。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 2018, the turnover of the Group amounted to approximately HK\$1,223,803,000, representing an increase of approximately 9.38% as compared to approximately HK\$1,118,838,000 of last year. The increase in turnover was mainly due to the strong growth in demand from the customers of the flexible packaging substrates business, which resulted in significant increase in the sales of 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\$1,084,759,000 and HK\$131,592,000 respectively, while the turnover for sales of FPC and the sales of flexible packaging substrates for the year ended 31 December 2017 were approximately HK\$1,048,429,000 and HK\$49,789,000 respectively. In 2018, the profit attributable to the owners of the Group amounted to approximately HK\$69,334,000, representing a decrease of approximately 12.25% as compared with approximately HK\$79,016,000 for 2017. The decrease in profit was mainly due to: (1) fierce competition in the FPC business, leading to the decrease in product price and increase in raw material price, which resulted in decrease in gross profit margin for the FPC business; (2) the yield rate for new application field of the flexible packaging substrates business is yet to be improved and economy of scale has not yet achieved.

During the year under review, the turnover for the FPC business of the Group increased by approximately 3.47% as compared to that of last year, while its gross profit margin decreased to approximately 13.31% (2017: approximately 20.31%) due to decrease in product price and increase in raw material price. The turnover for the flexible packaging substrates business increased significantly by approximately 164.30% as compared with that of last year, while its gross profit margin decreased to approximately 5.65% (2017: approximately 13.95%) as the yield rate for new application field of the flexible packaging substrates business is yet to be improved and economy of scale is yet to be achieved.

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。

於截至二零一八年十二月三十一日止年度，本集團錄得營業額約為1,223,803,000港元，較去年的約1,118,838,000港元增加約9.38%。營業額上升主要由於柔性封裝基板業務客戶需求強勁增長，導致柔性封裝基板之銷售較大幅度上升所致。於回顧年度內，本集團柔性電路板之銷售及柔性封裝基板之營業額分別約為1,084,759,000港元及131,592,000港元，而截至二零一七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1,048,429,000港元及49,789,000港元。二零一八年，本集團擁有人應佔溢利約為69,334,000港元，較二零一七年的約79,016,000港元下降約12.25%。溢利下降主要由於(1)柔性電路板業務競爭激烈，使產品價格下降、原材料價格上漲，導致柔性電路板業務毛利率出現下降；及(2)柔性封裝基板業務新應用領域之良品率仍有待提升及尚未達到經濟規模所致。

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3.47%，其毛利率由於產品價格下降及原材料價格上漲因素影響下降至約13.31%（二零一七年：約20.31%）。柔性封裝基板業務之營業額較去年大幅增長約164.30%，其毛利率因柔性封裝基板業務之新應用領域之良品率仍有待提升及尚未達到經濟規模下降至約5.65%（二零一七年：約13.95%）。

Management Discussion and Analysis 管理層討論及分析

During the year under review, the turnover for the “other” business of the Group was approximately HK\$7,452,000, which is mainly attributable to the income from the purchase and sales of electronic components business, and amounted to approximately 0.61% of the total turnover of the Group.

During the year under review, the Group continued to implement the strategy of developing major customers and focusing on increasing the core capability of the production plants. With the demand from major customers as driving force, we increased the core capability of the Nansha and Suzhou plants, enhanced the ability in development of new products and craftsmanship, increased the yield rate and guaranteed on-time delivery so as to maintain and increase the supply share of our major customers and continuously explored new major customers. Meanwhile, the Group proactively developed new market fields such as optic camera modules, new energy car cells, vehicle electronics and wireless charges, which have gradually become new area for sales increase. Targeting the prospects of 5G network commercialisation, the Group also focused on the research and development of new materials applications and new production techniques applicable for high speed and high frequency transmission for the production of FPC and flexible packaging substrates.

During the year under review, affected by the recession in the overall environment of the smartphone business, orders from major customers decreased. However, by exploring new major customers and new application fields, the sales in the FPC business of the Group still managed to increase slightly as compared to that of last year. As the Group further explored new application fields of the flexible packaging substrates, the sales in flexible packaging substrates business increased significantly as compared to that of last year. Nevertheless, economies of scale is yet to be achieved due to the yet to be improved yield rate of the newly-induced business, the significant continuous investments incurred by the Group, and the high level of fixed costs and labour costs, the operating situation of flexible packaging substrates business has not yet achieved satisfaction, and there is still relatively huge room for improvement in the future.

於回顧年度內，本集團「其他」業務之營業額約為7,452,000港元，主要仍為採購及銷售電子元器件業務之收入，佔本集團總銷售額約0.61%。

於回顧年度內，本集團繼續貫徹開發大客戶和聚焦生產工廠核心能力提升的戰略，以大客戶需求為牽引，提升廣州南沙工廠、蘇州工廠的核心能力，加強新產品開發和工藝改進能力、提高良品率和保障準時交貨，以維護和擴大主要客戶的供應份額及不斷開發新的大客戶；同時，本集團積極主動開發光學攝像頭模組、新能源汽車電池、汽車電子、無線充電等新領域市場，逐步形成了新的銷售增長點。針對5G網絡即將商用的前景，本集團也致力於研發適用於高速高頻傳輸之新材料應用及新生產工藝以製造柔性電路板和柔性封裝基板。

於回顧年度內，雖然受到智慧手機行業整體不景氣的影響，主要大客戶訂單下滑，但通過開發新的大客戶及拓展新的應用領域，本集團之柔性電路板業務之銷售仍較去年出現小幅增長；本集團之柔性封裝基板業務由於進一步拓展了柔性封裝板業務之新應用領域，銷售額較去年大幅度增長，但由於新導入業務之良品率仍有待提升以及持續投資金額大、固定成本及人工成本高等因素影響尚未達到經濟規模，柔性封裝基板業務之經營狀況仍未達滿意，後續仍有較大提升空間。

Management Discussion and Analysis 管理層討論及分析

During the year under review, the Group's investment in research and development decreased. The research and development expenses decreased to approximately HK\$63,774,000, representing a decrease of approximately 20.16% as compared to 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 in 2016. There were minimal input of fees for the "02" Major Project in year 2017, and no further expense had been 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, the continuous uplift of requirements in product structure and complexity by downstream customers and the continuous increase in staff costs, the Group will continue to increase investment in research and development so as to continuously uplift technology standard and technical capability, to conduct research and development in new materials, new products, new production techniques and to build intelligent production plants.

As disclosed in the Company's circular dated 20 December 2017, the Group intends to establish an intelligent factory with ancillary facilities in the existing factory of the Group in Nansha, Guangdong, PRC for assembling new application modules of FPC. During the year under review, the relevant construction has commenced and the main building is expected to be completed in 2019.

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20.16%至約63,774,000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，於二零一七年度內仍有少量對02專項投入的費用，於回顧年度內已沒有對02專項投入的費用。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以及人工成本之不斷上漲，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智慧製造工廠之建設。

誠如本公司於二零一七年十二月二十日之通函中所披露，本集團擬在中國廣東南沙現有工廠內建設一間智慧廠房及附屬設施，以組裝柔性電路板新應用模組。於回顧年度內，有關項目已開工建設並預計在二零一九年完成主體建設。

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 RMB119,440,000 (equivalent to approximately HK\$141,220,000) to GoerTek and its subsidiaries, representing an increase of approximately 14.86% as compared to that of last year (2017: approximately RMB103,988,000 (equivalent to approximately HK\$120,009,000)).

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119,440,000元（相等於約141,220,000港元），較去年增長約14.86%（二零一七年：約人民幣103,988,000元（相等於約120,009,000港元））。

Management Discussion and Analysis 管理層討論及分析

On 20 November 2018, 安捷利電子科技(蘇州)有限公司 (AKM Electronics Technology (Suzhou) Company Limited) (“AKM Suzhou”, a wholly-owned subsidiary of the Company) entered into the Technology Development Co-operation Agreement with 中國北方工業有限公司 (China North Industries Corporation) (“CNIC”, the controlling shareholder of the Company) in relation to the co-operation between the parties in a research and development project entitled “Development of intelligent production technologies for semi-conductor flexible circuit boards and its modules”. CNIC shall pay AKM Suzhou an aggregate of RMB15,000,000 (equivalent to approximately HK\$16,950,000) (“Research and Development Fee”), and AKM Suzhou shall apply such amount for (i) the purchase of relevant equipments and instruments related to research and development; (ii) the purchase of intelligent management system; and (iii) research and development and testing of technical equipment. In case of shortfall, AKM Suzhou shall be responsible for further input of research and development fees subject to a maximum of 10% of the Research and Development Fee. The said amount has been received by the Group in December 2018. AKM Suzhou has completed all the tasks for 2018 on schedule, and is expected to establish a demonstrative intelligent production line with specific technology features in 2019, and to complete the construction of an intelligent factory during the term of the agreement. During the period under review, the “Intelligent production project for semi-conductor flexible circuit boards and its modules” of AKM Electronics Industrial (Panyu) Ltd. (“AKM Guangzhou”), a wholly-owned subsidiary of the Group, has also been approved by the Ministry of Industry and Information Technology of PRC (“MIIT”) as an application project of intelligent manufacturing new models. The Group has resolved the intelligent construction of Guangzhou Nansha Factory and Suzhou Factory as our key initiatives to enhance our core competitiveness.

於二零一八年十一月二十日，本公司之全資附屬公司安捷利電子科技(蘇州)有限公司(「安捷利蘇州」)與本公司控股股東中國北方工業有限公司(「北方工業」)訂立技術開發合作合同，內容有關訂約方合作研發名為「半導體柔性電路基板及其模組智能製造技術開發」之項目。北方工業須向安捷利蘇州支付總計人民幣15,000,000元(相當於約16,950,000港元)(「研發費用」)，而安捷利蘇州須將其用於(i)購買與研發有關的相關設備及儀器；(ii)購買智能管理系統；及(iii)工藝裝備開發及測試。如有不足，安捷利蘇州須負責進一步投入研發費用，惟以研發費用之10%為上限。有關款項已於二零一八年十二月由本集團收訖。安捷利蘇州已按期完成二零一八年之工作任務並預計將在二零一九年建立有專用技術特點的智能裝備生產示範線，及在合同期內完成安捷利蘇州之智能工廠建設。於回顧期內，本集團之全資附屬公司安捷利(番禺)電子實業有限公司(「安捷利廣州」)之「半導體柔性電路基板及其模組智能製造項目」亦獲批中國工業信息化部(「工信部」)智能製造新模式應用項目。本集團已將廣州南沙工廠及蘇州工廠之智能建設視為提升核心競爭能力之重要舉措。

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 was 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（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

On 13 December 2018, the Group proposed to adopt the restricted stock incentive scheme (“the Scheme”) to further improve corporate governance of the Group, retain and motivate the Scheme Participants to make contributions to the long-term growth and profits of the Group with a view to achieve the objectives of increasing the value of the Group and to promote a greater alignment of interests between the Scheme Participants and the Shareholders. Pursuant to the Scheme, the Board shall select the Scheme Participants and determine the number of Restricted Stock to Company will appoint a trustee to purchase the Shares from the secondary market and a grant price shall be payable by the Scheme Participants. At the EGM held on 31 January 2019, the Scheme was duly approved by the Independent Shareholders. On 14 February 2019, the Board approved the Initial Grant of Restricted Stock under the Scheme, pursuant to which 27,500,000 shares of Restricted Stock were resolved to be granted to 81 selected Scheme Participants on the same day at the grant price of HK\$0.65 per Share. Details of the Scheme and the Initial Grant of Restricted Stock were disclosed in the Company’s announcements dated 13 December 2018, 31 January 2019, 14 February 2019 and 15 February 2019 and the circular dated 16 January 2019.

OUTLOOK

The Group has become an authorised supplier for a number of world-renowned manufacturers. To meet the requirements of the global supply chain system of such customers, the Group has established two production bases (Southern China Guangzhou Factory and Eastern China Suzhou Factory) and has established a new overseas factory in Uttar Pradesh, India in early 2019 to serve our customers with production bases in India in proximity. The Group has also established sales centre, research and development centre, supply chain management department, etc. which are independent from the manufacturing system. With the gradual uplift of technology capabilities, production capability, quality management capability and supply chain management capability 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.

於二零一八年十二月十三日，本集團建議採納限制性股票激勵計劃（「計劃」），以進一步改善本集團之公司管治，挽留及激勵其計劃參與者為本集團之長遠增長及溢利作出貢獻，務求達到提升本集團價值的目標，提倡計劃參與者與股東之間的利益更趨於一致。根據計劃，董事會將選擇計劃參與者，並確定將授予的限制性股票數量。本公司將委託委託人在二級市場購買股份，計劃參與者支付授予價格。於二零一九年一月三十一日舉行之股東特別大會上，該計劃已獲獨立股東正式批准。於二零一九年二月十四日，董事會已批准根據計劃首次授予限制性股票，27,500,000股限制性股票已於同日按每股股份0.65港元之授予價格授予81名選定計劃參與者。有關計劃及首次授予限制性股票的詳情已於本公司二零一八年十二月十三日、二零一九年一月三十一日、二零一九年二月十四日以及二零一九年二月十五日的公佈，以及二零一九年一月十六日的通函中披露。

展望

本集團已成為多家全球知名電子廠商之合資格供應商，為滿足該等客戶全球化供應鏈體系之要求，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，並於二零一九年年初在印度北方邦投資一家海外新工廠以就近服務於印度設有生產基地的客戶。本集團並已設立獨立於製造體系之營銷中心、研發中心、供應鏈管理等服務於本集團客戶之全方位需求，本集團柔性電路板業務和柔性封裝基板業務之技術能力、生產能力、品質管理能力及供應鏈管理能力等亦逐步提高，大大提高了本集團滿足客戶「一站式需求」之能力。

Management Discussion and Analysis 管理層討論及分析

The ever changing environment in the electronic market has made the oversupply issue in mid-end and low-end FPC more severe. As competition intensified and gross profit for our products kept decreasing, the Group is now facing a more challenging operating environment. Following the stable enhancement in the Group's capability to serve major international customers, the 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 remains prudently optimistic on future. In order to grasp the market opportunities, and to continuously improve the performance of our FPC and flexible packaging substrates operations, the Group is planning to (i) optimize customer mix and product mix through exploring new markets and developing new applications for our products; (ii) strengthen technology research and development, upgrade our technological level, develop high-end products, so as to meet customers' demands for high-end products; (iii) keep a close eye on the characteristic of the internationalised operations of our major customers, with an aim to secure more orders from overseas market and provide localized services to them. Meanwhile, the Group is still looking for suitable investment opportunities in the upstream and downstream of the industries, in order to further enhance core competitiveness of the Group.

The management of the Group is of the opinion that, following the changes in the global and PRC smartphone market pattern, the commencement of 5G network commercialisation and the continuous expansion in new application fields for FPC and flexible packaging substrates, the FPC business will maintain its growth momentum in the foreseeable future. The Group will adhere to the strategies of developing major customers, continuously uplifting the technology capabilities of products, seizing the market opportunities in new application fields and promoting its operation efficiency through achieving economy of scale. The Group will strengthen its core capabilities to keep on improving its operation results, so as to present satisfactory results and bring favourable returns to its shareholders.

隨著電子產品市場之劇烈變化，中低端柔性電路板產品供過於求情況越發嚴重，市場競爭加劇，產品毛利率不斷下降，本集團面臨之競爭態勢越發嚴峻。隨著本集團服務重要國際性大客戶之能力得到穩定提升以及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，本集團對未來仍保持謹慎樂觀。本集團計劃(i)通過市場開發及開拓新應用領域優化客戶結構和產品結構；(ii)加強技術研發、提升技術水準、開發高端產品，以滿足客戶對高端產品的需求；(iii)針對主要客戶國際化經營的特點，加強海外市場訂單獲取及本地化服務，從而抓住市場機遇，不斷改善柔性電路板和柔性封裝基板之經營狀況。同時，本集團亦在行業上下游尋求合適的投資機會，以進一步提升本集團之核心競爭能力。

本集團管理層認為，隨著全球及中國國內智慧手機市場格局變化、5G網絡商用開始展開以及柔性電路板和柔性封裝基板新應用領域的不斷擴展，柔性電路板行業在可預見之將來仍將保持增長態勢。本集團將堅持大客戶戰略、不斷提升產品技術能力、緊抓新應用領域之市場機遇以及經濟規模促進效益，苦練內功、提升核心能力，不斷提升經營業績，藉此向股東交出滿意成績，為股東帶來理想回報。



Management Discussion and Analysis 管理層討論及分析

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 2018, the outstanding loan balance of the Group was HK\$0 (31 December 2017: HK\$67,976,000).

EMPLOYEE

As at 31 December 2018, the Group had a total of 1,270 full-time employees based in Hong Kong and China (2017: 1,350 employees). For the year ended 31 December 2018, the total labor costs (including Director's remuneration) for the Group amounted to approximately HK\$133,473,000 (2017: approximately HK\$121,797,000). 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 2018.

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。於二零一八年十二月三十一日，本集團尚未償還之貸款為0港元（二零一七年十二月三十一日：67,976,000港元）。

僱員

於二零一八年十二月三十一日，本集團在香港及中國僱用合共1,270名全職僱員（二零一七年：1,350名僱員）。截至二零一八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133,473,000港元（二零一七年：約121,797,000港元）。本集團根據董事及員工之資歷、經驗、表現及市場水準以制定及審核其薪酬，以維持董事及員工薪酬於一個具競爭之水準。本集團參加若干遵照中國及香港法例及條例之法律責任規定之定額供款退休及保險計劃。董事相信，僱員乃本集團最重要資產之一，對本集團之成功作出重要貢獻。本集團明白員工培訓之重要性，故定期向本集團員工提供培訓以提升其技術及產品知識。本集團大部份僱員均駐於中國。

重大投資

除本報告所披露者外，於截至二零一八年十二月三十一日止年度內，本集團並無任何重大投資。

Management Discussion and Analysis 管理層討論及分析

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 2018, the net proceeds of Rights Issue was fully utilized, among which: (i) approximately HK\$111,906,000 was utilized for the development of the Group's flexible packaging substrates business, all of which was applied for purchase of new machineries; and (ii) approximately HK\$21,600,000 was utilized for the general working capital of the Group, all of which was applied as supplemental working capital. The capital utilization was consistent with the intended use of the net proceeds of Rights Issue as disclosed in the circular of the Company dated 20 February 2017.

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。截至二零一八年十二月三十一日，供股所得淨額已經全數動用，其中：(i)約111,906,000港元已用作發展本集團柔性封裝基板業務，全數均已用作購買新機器；及(ii)約21,600,000港元已用作本集團一般營運資金，全數均已用於補充流動資金。資金使用與本公司於日期為二零一七年二月二十日的通函中所披露的供股所得淨額計劃用途一致。



Management Discussion and Analysis 管理層討論及分析

USE OF PROCEEDS FROM THE SUBSCRIPTIONS

On 29 November 2017, the Company entered into a subscription agreement with Alpha Luck, a 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 (collectively the "Subscriptions"). The Subscriptions were completed simultaneously on 30 January 2018. The net proceeds amounted to approximately HK\$454,886,000 ("Net Proceeds of Subscriptions"). As of 31 December 2018, approximately HK\$302,165,000 of the Net Proceeds of Subscriptions has been applied, among which: (i) approximately HK\$27,834,000 was used for the civil engineering construction of the new intelligent factory; (ii) approximately HK\$92,000,000 was used for expanding the production capacities and enhancing production capabilities of the Group's existing production plant of FPC products (all of which was used for acquiring new machineries); (iii) approximately HK\$137,331,000 was used for the enhancement of production capacities and capabilities of the Group's flexible packaging substrates products (all of which was used for acquiring new machineries); and (iv) approximately HK\$45,000,000 was used for the general working capital of the Group (all of which was applied as supplemental working capital). The capital utilization was consistent with the intended use of the Net Proceeds of Subscriptions as disclosed in the circular of the Company dated 20 December 2017.

認購事項所得款項用途

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1.50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，所得淨額約454,886,000港元（「認購事項所得淨額」）。截至二零一八年十二月三十一日，認購事項所得淨額約302,165,000港元已經動用，其中：(i)約27,834,000港元已用作新智慧廠房建設的土木工程建設；(ii)約92,000,000港元已用作擴大本集團現有柔性電路板產品生產廠房之產量及提升生產能力（全數均已用作購買新機器）；(iii)約137,331,000港元已用作擴大本集團柔性封裝基板產品之產量及生產能力（全數均已用作購買新機器）；及(iv)約45,000,000港元已用作本集團之一般營運資金（全數均已用作補充流動資金）。資金使用與本公司於日期為二零一七年十二月二十日的通函中所披露的認購事項所得淨額的計劃用途一致。

Management Discussion and Analysis 管理層討論及分析

As at 31 December 2018, approximately HK\$152,721,000 of the Net Proceeds of Subscriptions has not yet been utilized, among which, (i) approximately HK\$128,166,000 is intended to be applied for the construction of the new intelligent factory and the establishment of new production lines in the new factory, which is expected to be fully utilized in 2020; (ii) approximately HK\$20,669,000 is intended to be applied for the enhancement of production capacities and capabilities of the Group's flexible packaging substrates products, which is expected to be fully utilized by the second half of 2019; and (iii) approximately HK\$3,886,000 is intended to be applied for the general working capital of the Group. It is expected that the remaining Net Proceeds of Subscriptions will be fully utilised by 2020 in accordance with the intended use as stated above.

SUBSEQUENT EVENT

Save as disclosed in this report, there were no other important events affecting the Group that have occurred since 31 December 2018 and up to the date of this report.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2018.

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 2018.

截至二零一八年十二月三十一日，認購事項所得淨額約152,721,000港元尚未動用，其中：(i) 約128,166,000港元計劃用作新智慧廠房的建設及在新廠房建立新生產線，預期將於二零二零年使用完畢；(ii) 約20,669,000港元計劃用作擴大本集團柔性封裝基板產品之產量及生產能力，預期將於二零一九年下半年使用完畢；及(iii) 約3,886,000港元計劃用作本集團之一般營運資金。預期餘下的認購事項所得淨額將於二零二零年按上述的計劃用途用完。

結算日後事項

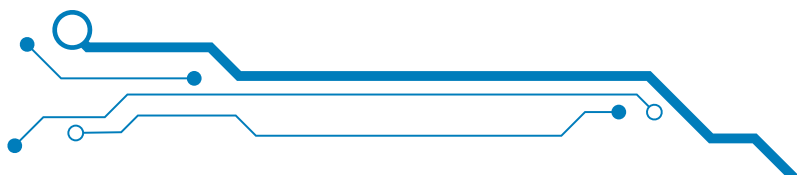
除本報告所披露者外，於二零一八年十二月三十一日後及直至本報告日期，概無發生對本集團有重大影響的事件。

重大收購及出售

於截至二零一八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，於二零一八年十二月三十一日，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 2018, bank deposits of approximately HK\$2,358,000 (as at 31 December 2017: approximately HK\$2,357,000) of the Group were pledged as collateral to secure bank facilities granted to the Group. The Group did not have trade receivables pledged as collateral to secure bank facilities (as at 31 December 2017: approximately HK\$22,948,000).

As at 31 December 2018, land use rights and buildings with carrying amounts of approximately HK\$16,318,000 and HK\$49,291,000 respectively (as at 31 December 2017: approximately HK\$17,551,000 and HK\$53,212,000) 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 2018.

GEARING RATIO

As at 31 December 2018, the net cash and cash equivalents of the Group amounted to approximately HK\$152,865,000. As at 31 December 2018, the gearing ratio of the Group was approximately 28.92% (as at 31 December 2017: approximately 41.78%), which was calculated based on the Group's total liabilities of approximately HK\$483,432,000 (as at 31 December 2017: HK\$529,973,000) and the Group's total assets of approximately HK\$1,671,449,000 (as at 31 December 2017: HK\$1,268,416,000).

集團資產質押

於二零一八年十二月三十一日，本集團約2,358,000港元（二零一七年十二月三十一日：約2,357,000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。本集團並沒有抵押應收賬款作為銀行信貸之擔保（二零一七年十二月三十一日：約22,948,000港元）。

於二零一八年十二月三十一日，賬面值分別約16,318,000港元及49,291,000港元之土地使用權及樓宇（二零一七年十二月三十一日：約17,551,000港元及53,212,000港元）已抵押以擔保授予本集團之一般銀行信貸。

或然負債

於二零一八年十二月三十一日，本集團並無任何重大或然負債。

資本負債比率

於二零一八年十二月三十一日，本集團之現金及現金等值項目淨額約為152,865,000港元。於二零一八年十二月三十一日，本集團之資本負債比率約為28.92%（二零一七年十二月三十一日：約41.78%），資本負債比率乃按本集團總負債約483,432,000港元（二零一七年十二月三十一日：529,973,000港元）及本集團總資產約1,671,449,000港元（二零一七年十二月三十一日：1,268,416,000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 2018 (2017: HK1 cent per share) to the shareholders whose names appear on the register of members of the Company on Friday, 7 June 2019. 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 Thursday, 20 June 2019.

The register of members of the Company will be closed from 5 June 2019 to 7 June 2019 (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 4 June 2019.

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

董事建議向於二零一九年六月七日星期五名列本公司股東名冊之股東派付截至二零一八年十二月三十一日止年度之末期股息為每股1港仙（二零一七年：每股1港仙）。建議末期股息預期將於二零一九年六月二十日星期四或該日前後派付，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二零一九年六月五日起至二零一九年六月七日止（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二零一九年六月四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 21 May 2019 to 24 May 2019 (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 24 May 2019, 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 20 May 2019.

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二零一九年五月二十一日至二零一九年五月二十四日(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。為符合出席將於二零一九年五月二十四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二零一九年五月二十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.

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 2018.

BOARD OF DIRECTORS AND BOARD MEETING

During the year under review, the Board consisted of 1 executive Director and 8 non-executive Directors of whom 3 were independent non-executive Directors:

Executive Director:

Mr. Xiong Zheng Feng (*Chairman*)

Non-executive Directors:

Ms. Li Ying Hong

(resigned on 24 August 2018)

Mr. Gao Xiaoguang

Mr. Jia Junan

Mr. Wang Chunsheng

(appointed on 30 January 2018)

Ms. Zhang Xiaoming

(appointed on 24 August 2018)

Mr. Yu Daochun

(appointed on 27 November 2018)

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。

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，確定董事於截至二零一八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。

董事會及董事會會議

於回顧年度內，董事會由一名執行董事及八名非執行董事（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）

非執行董事：

李映紅女士

（於二零一八年八月二十四日辭任）

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）

張曉明女士

（於二零一八年八月二十四日獲委任）

余道春先生

（於二零一八年十一月二十七日獲委任）

Corporate Governance Report 公司管治報告

Independent non-executive Directors:

Mr. Hung Chi Yuen Andrew

Mr. Zhao Xiao

(term of office expired on 15 February 2018)

Mr. Cui Zheng

Mr. Yang Zhaoguo

(appointed on 15 May 2018)

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.

Details of backgrounds and qualifications of the chairman, other Directors, and chief executive officer of the Company are set out on pages 9 to 16 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.

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

楊兆國先生

(於二零一八年五月十五日獲委任)

董事會負責本集團之企業政策制訂、業務策略規劃、業務發展、風險管理、主要收購、出售及資本交易以及其他重大營運及財務事宜。董事會指派管理層負責之主要公司事宜包括：編製年度及中期賬目以供董事會於向公眾公佈前審批、實行業務策略及董事會採納之措施、推行充分之內部監控制度及風險管理程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。

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9頁至第16頁。全體董事已就本集團事務付出充足時間及心力。執行董事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。

Corporate Governance Report 公司管治報告

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, Mr. Cui Zheng and Mr. Yang Zhaoguo 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. Mr. Yang Zhaoguo was appointed as an independent non-executive Director for a term of three years commenced from 15 May 2018. 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.

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，所有獨立非執行董事皆具備合適資格及充足經驗以執行彼等之職務，保障股東利益。洪志遠先生、趙曉先生、崔錚先生及楊兆國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。楊兆國先生自二零一八年五月十五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。

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。

Corporate Governance Report 公司管治報告

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
Ms. Li Ying Hong (resigned on 24 August 2018)	李映紅女士 (於二零一八年八月二十四日辭任)	3/4
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)	4/4
Ms. Zhang Xiaoming (appointed on 24 August 2018)	張曉明女士 (於二零一八年八月二十四日獲委任)	1/4
Mr. Yu Daochun (appointed on 27 November 2018)	余道春先生 (於二零一八年十一月二十七日 獲委任)	1/4
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)	0/4
Mr. Cui Zheng	崔錚先生	4/4
Mr. Yang Zhaoguo (appointed on 15 May 2018)	楊兆國先生 (於二零一八年五月十五日獲委任)	3/4

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

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

Corporate Governance Report 公司管治報告

CONTINUOUS TRAINING AND DEVELOPMENT OF DIRECTORS

During the year under review, the Company organised all Directors to attend training provided by Messrs. Deloitte Touche Tohmatsu on the adoption of new accounting standards Hong Kong Financial Reporting Standard (“HKFRS”) 9 and HKFRS 15. 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 relevant written terms of reference was amended on 31 December 2018. 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, review the finance and practice of accounting policies of the Company and its subsidiaries, 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 (term of office expired on 15 February 2018), Mr. Cui Zheng and Mr. Yang Zhaoguo (appointed on 15 May 2018). All of them were independent non-executive Directors. The chairman of the audit committee was Mr. Hung Chi Yuen Andrew.

董事之持續培訓及發展

於回顧年度內，本公司組織所有董事參與由德勤•關黃陳方會計師行提供有關採納新會計準則香港財務報告準則第9號及第15號等方面的培訓。全體董事均已遵守守則條文A.6.5之規定，參與了持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

審核委員會

本公司按照上市規則第3.21至3.23條成立審核委員會並制定其書面職權範圍，有關書面職權範圍已於二零一八年十二月三十一日修訂。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、檢討公司及其附屬公司之財務及會計政策與實務，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（任期於二零一八年二月十五日屆滿）、崔錚先生及楊兆國先生（於二零一八年五月十五日獲委任）。全部均為獨立非執行董事。審核委員會主席為洪志遠先生。

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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)	0/4
Mr. Cui Zheng	崔錚先生	4/4
Mr. Yang Zhaoguo (appointed on 15 May 2018)	楊兆國先生 (於二零一八年五月十五日獲委任)	3/4

The Group's unaudited interim results and audited annual results for the year ended 31 December 2018 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.

本集團截至二零一八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 (term of office expired on 15 February 2018), and Mr. Yang Zhaoguo, an independent non-executive Director (appointed on 15 May 2018), was the chairman of the committee. Other members of the remuneration committee included Ms. Li Ying Hong (resigned on 24 August 2018), Mr. Cui Zheng and Ms. Zhang Xiaoming (appointed on 24 August 2018). Accordingly, the majority of the members were independent non-executive Directors.

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（任期於二零一八年二月十五日屆滿）及楊兆國先生（於二零一八年五月十五日獲委任），其他委員為李映紅女士（於二零一八年八月二十四日辭任）、崔錚先生及張曉明女士（於二零一八年八月二十四日獲委任）。因此大部份成員為獨立非執行董事。

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)	0/2
Mr. Yang Zhaoguo (appointed on 15 May 2018)	楊兆國先生 (於二零一八年五月十五日獲委任)	1/2
Ms. Li Ying Hong (resigned on 24 August 2018)	李映紅女士 (於二零一八年八月二十四日辭任)	2/2
Mr. Cui Zheng	崔錚先生	2/2
Ms. Zhang Xiaoming (appointed on 24 August 2018)	張曉明女士 (於二零一八年八月二十四日獲委任)	0/2

The remuneration committee of the Company has considered and reviewed the existing terms of employment contracts of the executive Directors and 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. The relevant written terms of reference was amended on 31 December 2018. 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, Mr. Zhao Xiao (term of office expired on 15 February 2018) and Mr. Yang Zhaoguo (appointed on 15 May 2018). Accordingly, the majority of the members were independent non-executive Directors.

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，有關書面職權範圍已於二零一八年十二月三十一日修訂。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、趙曉先生（任期於二零一八年二月十五日屆滿）及楊兆國先生（於二零一八年五月十五日獲委任）。因此大部份成員為獨立非執行董事。

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 (任期於二零一八年二月十五日屆滿)	0/1
Mr. Yang Zhaoguo (appointed on 15 May 2018)	楊兆國先生 (於二零一八年五月十五日獲委任)	0/1

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\$980,000 to the external auditor for their audit service.

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980,000港元，作為其提供核數服務之酬金。

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.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company conducts regular reviews on its internal control system and risk management program 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 program 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.

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。

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式，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式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。

Corporate Governance Report 公司管治報告

DIVIDEND POLICY

The Company may distribute dividend to the Shareholders of the Company by way of cash or shares. Any distribution of dividend shall be in accordance with the Company's articles of association and relevant laws and regulations. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and no dividend shall be distributed in excess of the amount recommended by the Board. In deciding whether to distribute dividend, the Board shall consider a range of factors including (but not limited to) the financial results, earnings, loss and distributable reserve, operations and liquidity capital requirements, debt ratio and possible effect on the credit lines, capital requirements, current and future development plans of the Company, interests of the Shareholders, and other factors that the Board considered relevant.

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.

股息政策

本公司可透過現金或股份方式向本公司股東派發股息。任何股息分配應符合本公司組織章程細則及相關法律法規下之規定。支付任何股息之建議視乎董事會之絕對酌情權而定，並且數額不可超過董事會所建議者。在考慮宣派股息時，董事會考慮多項因素，包括（但不限於）財務業績、盈利、虧損及可分派儲備、營運及流動資金需求、債務比率及對信貸額度的可能影響、資本需要、本公司現時及未來發展計劃、股東利益及其他董事會認為相關的因素。

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, 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 2018.

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 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

截至二零一八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, 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。

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 2018 to 31 December 2018. 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二零一八年一月一日至二零一八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	Protection of basic rights, compensation and benefits, work environment, development and promotion and occupational health and safety. 基本權益保障，福利薪酬待遇，工作環境，發展晉升，職業健康與安全。	Workers union, communication channels between employees and management, opinion boxes, staff activities, training and education. 工會，員工與管理層溝通管道，意見箱，員工活動，培訓與學習。	Establishment of workers union to provide workers with a platform to communicate; payment of salaries and benefits in full and on time; payment of social security insurance in accordance with law; provision of a healthy and safe work environment; establishment of a fair promotion mechanism; cared about our employees, organization of employee activities, trainings and learning activities. 成立工會組織，提供員工交流平臺；及時足額發放薪酬福利，依法繳納社會保險；提供健康、安全的工作環境；建立公平的晉升機制；關愛員工，組織員工活動，培訓與學習。
Customers 客戶	Guarantee of the product quality and quantity, long-term and stable co-operation. 產品品質和數量保證，長期穩定合作。	Regular visits and maintain daily communication. 定期拜訪，保持日常溝通。	Strengthening of quality control, assurance of steady production and smooth logistic process; provision of adequate products; entering into long term sales agreements with customers. 加強品質管制，保證生產穩定和運輸通暢；提供足量產品；簽訂長期協定。
Government 政府	Lawful operations, payment of tax in accordance with the law, production safety, fulfillment of social responsibility. 合法經營，依法納稅，安全生產，履行社會責任。	Site visits, inspections, work conference and discussion, work reports, submissions and approvals. 現場視察，檢查，工作會議研討，工作報告，報送，審批。	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. 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。
Suppliers and contractors 供應商及承包商	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，按約履行合約，加強日常交流，與優質供應商和承包商長期合作。

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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
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 ISO9001 and IATF16949 Quality Management System, ISO14001 Environmental Management System, the audit acceptance of clean production management, and have received certificates on standardization of safety production. In addition, the factory in Guangzhou has also passed the certification of OHSAS18001 Occupational Health and Safety Management System, and the factory in Suzhou has passed the certification of IECQ QC 080000. 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、ISO14001環境管理體系，以及通過清潔生產管理審核驗收並均獲得安全生產標準化證書。廣州工廠另通過OHSAS18001職業健康安全管理体系之認證及蘇州工廠另通過IECQ QC 080000之認證。為確保各類污染物排放完全符合國家的相關標準，本集團實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重大處罰。

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Emissions – The Group puts best efforts to control the amount of emissions which affects the environment, strengthens its competence in environmental supervision and has 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 also an online monitoring system to keep track of the heavy metal 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, waste water discharge, noise control as well as generation of hazardous and non-hazardous wastes in 2018.

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重金屬線上監控系統、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協力廠商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。於回顧期內，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，本集團於二零一八年度在控制廢氣及溫室氣體排放、廢水排放、噪音控制、有害及無害廢棄物的產生方面已符合中國國家及地方有關排放控制的法例及法規。



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(1) Emission of pollutants

(1) 污染物排放

No. 序號	Type of emissions 排放物種類	Unit 單位	Total Amount 總量	Remark 備註
1	COD 化學需氧量	Tonnes 噸	5.94	Emissions in waste water 廢水所含排放物
2	Total Chromium 總鉻	kg 千克	2.93	Emissions in waste water 廢水所含排放物
3	Total Copper 總銅	Tonnes 噸	0.05	Emissions in waste water 廢水所含排放物
4	Total Nickel 總鎳	kg 千克	1.4	Emissions in waste water 廢水所含排放物
5	Total Phosphorus 總磷	Tonnes 噸	0.11	Emissions in waste water 廢水所含排放物
6	Ammoniacal Nitrogen 氨氮	Tonnes 噸	0.25	Emissions in waste water 廢水所含排放物
7	Hydrogen Chloride 氯化氫	Tonnes 噸	4.97	Emissions in waste gas 廢氣所含排放物
8	Sulfuric Acid Fog 硫酸霧	Tonnes 噸	1.83	Emissions in waste gas 廢氣所含排放物

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(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	1.79	Total emission of CO ₂ 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	59.92	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	1,474.1	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	98	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，大多為可回收使用

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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措施。

(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	10,000 kWh	5491	The Group mainly used electricity as energy source. No coal or heat was used as energy source
	用電量	萬千瓦時	5491	本集團主要使用電為能源，無使用煤及熱氣等能源

(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	10,000 tonnes	68.64	The Group used water supplied by the urban water supply plant. There were no issues related to water consumption or demand
	自來水用量	萬噸		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	10,000 tonnes	17.46	During the year, the use of reclaimed water increased by 12.3% on a year-on-year basis
	中水回用量	萬噸		年度內加強中水回用，回用量同比去年上升12.3%

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(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. Notwithstanding that the significant increase in the sales volume of flexible packaging substrates business as compared to that of last year resulted in a substantial increase in the production volume of flexible packaging substrates, the volume of industrial sewage increased only by approximately 9.6% in 2018 as compared to that of last year. The total amount of emissions of pollutant in waste water increased by approximately 16.3% as compared to that of last year, reflecting a higher efficiency in waste water treatment. The growth in business has resulted in an increase of approximately 17% in the total volume of greenhouse gas emission as compared to that of last year.

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 2018 decreased by approximately 9.2% from 2017.

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

The Group applies stringent measures 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 68% in 2018.

(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、設備，並加強中水回用，減少廢水排放。由於本集團之柔性封裝基板業務銷售額比去年大幅增加導致的柔性封裝基板產量大幅增長，二零一八年度工業污水產生量比去年僅增加約9.6%，廢水中所含污染物排放總量比去年增加約16.3%，污水處理效率更高。因業務增長導致溫室氣體總排放量比去年增加約17%。

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，二零一八年度廢氣中所含污染物排放總量比二零一七年度減少約9.2%。

(4) 處理有害及無害廢棄物的方法、措施及所得成果

本集團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，二零一八年度綜合利用率約68%。



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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, clean production and safe production and to minimize the impact of production operations on the environment. The Group has implemented the full process environmental management on its construction projects, 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、安全生產，努力將生產運營對環境的影響降到最低。本集團實施建設項目全過程環境管理，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。

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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 2018, 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 mental health and lean management, in order to cultivate staff with sound physical and mental health and to enhance and improve the knowledge and working skills of staff at different levels. During the year, a total of 423 key training programs have been completed, and approximately 2,980 hours have been devoted to staff training for approximately 18,000 employees.

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。於二零一八年度，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心理健康及精益生產之各環節培訓，旨在培養身心健康之員工及增進及改善各級員工之知識面及崗位技能。全年共完成423項重點培訓項目，在員工培訓方面投入近2,980個小時，共計培訓約18,000人次。

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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, just, 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 and temporary workers in accordance with the law.

Management of supply chain – The Group has established a relatively comprehensive supplier management system. Requirements of confidentiality, integrity and product quality are made clear to suppliers in the processes of supplier recruitment, supplier evaluation, materials and equipment 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.

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、公正、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及臨時工作員工。

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、材料及設備採購、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。

Environmental, Social and Governance Report

環境、社會及管治報告

Product responsibility – The Group has adopted the following measures to improve product safety and quality: in order to reduce the quality risk in production, a quality assurance team has been set up, the testing and grading at the product's key control point have been more frequent 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.

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.

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：為降低產品生產的品質風險，專門成立品質保證小組，加大產品關鍵控制點的檢測頻次及等級，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。

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 2018.

SEGMENT INFORMATION

The Group's principal activities are the manufacture and sale of flexible printed circuit, flexible packaging substrates and corresponding components. An analysis of the Group's turnover by geographical market of its customers and operating segments for the year ended 31 December 2018 are set out in note 5 to the consolidated financial statements.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and is engaged in the sourcing of raw materials and equipment for its subsidiaries and trading of flexible printed circuits. The activities of its subsidiaries are set out in note 38 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year under review and a discussion on the Group's future development are set out in the Chairman's Statement on pages 4 to 8 of this report and the Management Discussion and Analysis on pages 17 to 33. These discussions form part of this Directors' report.

本公司董事（「董事」）謹此提呈截至二零一八年十二月三十一日止年度之年度報告及經審核綜合財務報表。

分類資料

本集團之主要業務為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。截至二零一八年十二月三十一日止年度，本集團按客戶地區市場劃分及經營分部之營業額分析載於綜合財務報表附註5。

主要業務

本公司為一家投資控股公司，從事為其附屬公司之原材料和設備採購之業務，以及柔性電路板貿易。其附屬公司之業務載於綜合財務報表附註38。

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8頁的主席報告書及第17頁至第33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。



Directors' Report

董事會報告

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. During the year ended 31 December 2018, 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 47 to 58 of this report. The Environmental, Social and Governance Report form part of the Directors' report.

遵守相關法律及法規

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

與僱員、客戶及供應商之關係

本集團瞭解與其僱員、客戶及供應商保持良好關係對達到其短期及長期目標之重要性。於截至二零一八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47頁至第58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。



Directors' Report 董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES

The industry which the Group's businesses operate in and the performance of the Group are influenced by changes in market conditions, technology advancement, evolution in industry standards, customers' demands for the Group's products, and changes in preferences of the ultimate customers. The Group operates its businesses in accordance with various industry standards and government laws and regulations. In order to meet the market demands for ever-changing product functions and new products, the Group has made relatively substantial investments towards the 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 develop new product application sector, 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, the flexible packaging substrates business has yet to achieve economic scale due to exploration for new market demand, the large amount of investment, high fixed costs and high labour costs. This has become one of the major risk factors of the Group's performance.

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 28 of the consolidated financial statements.

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、開發新的產品應用領域、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，本集團柔性封裝基板業務因開發新的市場需求，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之一。

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28。

Directors' Report 董事會報告

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 89 to 90.

The Directors recommend the payment of final dividend of HK1 cent per share for the year ended 31 December 2018 (2017: HK1 cent) to the shareholders whose names appear on the register of members of the Company on Friday, 7 June 2019. 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 Thursday, 20 June 2019.

The register of members of the Company will be closed from 5 June 2019 to 7 June 2019 (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 4 June 2019.

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.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 26 to the consolidated financial statements.

業績及股息

截至二零一八年十二月三十一日止年度之本集團業績載於第89頁至第90頁綜合損益及其他全面收益表。

董事建議向於二零一九年六月七日星期五名列本公司股東名冊之股東派付截至二零一八年十二月三十一日止年度之末期股息每股一港仙(二零一七年:每股1港仙)。建議末期股息預期將於二零一九年六月二十日星期四或該日前後派付,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二零一九年六月五日起至二零一九年六月七日止(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二零一九年六月四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。

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。

股本

本公司股本之詳情載於綜合財務報表附註26。

Directors' Report 董事會報告

SUBSIDIARIES

Details of subsidiaries of the Group are set out in note 38 to the consolidated financial statements.

DIRECTORS

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

Executive Director:

Mr. Xiong Zheng Feng (*Chairman*)

Non-executive Directors:

Ms. Li Ying Hong

(resigned on 24 August 2018)

Mr. Gao Xiaoguang

Mr. Jia Junan

Mr. Wang Chunsheng

(appointed on 30 January 2018)

Ms. Zhang Xiaoming

(appointed on 24 August 2018)

Mr. Yu Daochun

(appointed on 27 November 2018)

Independent non-executive Directors:

Mr. Hung Chi Yuen Andrew

Mr. Zhao Xiao

(term of office expired on 15 February 2018)

Mr. Cui Zheng

Mr. Yang Zhaoguo

(appointed on 15 May 2018)

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38。

董事

於回顧年度內及截至本報告日期為止董事為：

執行董事：

熊正峰先生(主席)

非執行董事：

李映紅女士

(於二零一八年八月二十四日辭任)

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)

張曉明女士

(於二零一八年八月二十四日獲委任)

余道春先生

(於二零一八年十一月二十七日獲委任)

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

楊兆國先生

(於二零一八年五月十五日獲委任)

Directors' Report

董事會報告

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. Jia Junan, Mr. Hung Chi Yuen Andrew and Mr. Cui Zheng shall retire at the AGM in accordance with the Articles of Association. Mr. Jia Junan, Mr. Hung Chi Yuen Andrew and Mr. Cui Zheng, being eligible, will offer themselves for re-election at the AGM.

Pursuant to Article 92 of the Company's Articles of Association, the Board shall have power from time to time, and at any time to appoint any person as a Director either to fill a vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Ms. Zhang Xiaoming and Mr. Yu Daochun, non-executive Directors appointed on 24 August 2018 and 27 November 2018 respectively, and Mr. Yang Zhaoguo, an independent non-executive Director appointed on 15 May 2018, will retire and, being eligible, offer themselves for re-election at the AGM.

Ms. Li Ying Hong resigned as a non-executive Director and a member of the remuneration committee due to retirement on 24 August 2018. 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.

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，賈軍安先生、洪志遠先生及崔錚先生將於股東週年大會退任。賈軍安先生、洪志遠先生及崔錚先生符合資格及願意重選連任。

根據公司組織章程細則第92條規定，董事會有權不時並隨時委任任何人士為董事，以填補某臨時空缺或增加董事會之名額。如此獲委任之董事，只應任職至本公司下屆週年大會，並應於屆時有資格於該會議上重選連任。張曉明女士及余道春先生，分別於二零一八年八月二十四日及二零一八年十一月二十七日獲董事會委任的非執行董事，以及楊兆國先生，於二零一八年五月十五日獲董事會委任的獨立非執行董事，亦將於股東週年大會退任，並合資格及願意重選連任。

李映紅女士因退休於二零一八年八月二十四日辭任非執行董事及薪酬委員會成員。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。

Directors' Report 董事會報告

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.

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。

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

董事及主要行政人員酬金詳情載於綜合財務報表附註10。

DIRECTORS OF SUBSIDIARIES

附屬公司董事

For the year ended 31 December 2018, directors of the subsidiaries of the Company were as follows:

於截至二零一八年十二月三十一日止年度，本公司附屬公司之董事由以下人士出任：

Name of Subsidiaries 附屬公司名稱	Name of Directors 董事姓名
AKM Electronics Industrial (Panyu) Ltd. 安捷利（番禺）電子實業有限公司	Chai Zhi Qiang (<i>Chairman</i>), Xiong Zheng Feng, Li Ying Hong, Zhuang Zhijian 柴志強（主席）、熊正峰、李映紅、莊志堅
AKM Electronic Technology (Suzhou) Company Limited 安捷利電子科技（蘇州）有限公司	Xiong Zheng Feng (<i>executive Director</i>) 熊正峰（執行董事）

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

董事於股份、相關股份及債權證之權益 及淡倉

Save as disclosed below, as at 31 December 2018, 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:

除下文所披露者外，於二零一八年十二月三十一日，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 2018 於二零一八年十二月三十一日佔本公司全部已發行股份數目之概約百分比
姓名	於其中持有權益之公司名稱	股份權益之證券類別及數目(股本衍生工具除外)	身份	好倉/淡倉	
Mr. Xiong Zheng Feng	the Company	9,400,000 ordinary shares	Beneficial owner	Long	0.61
熊正峰先生	本公司	9,400,000股普通股	實益擁有人	好倉	0.61
Mr. Chai Zhi Qiang	the Company	7,975,000 ordinary shares	Beneficial owner	Long	0.52
柴志強先生	本公司	7,975,000股普通股	實益擁有人	好倉	0.52

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

As at 31 December 2018, 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 the Company.

(a) 本公司

(i) 於本公司股份之權益

(ii) 以股本衍生工具持有之本公司相關股份之權益

截至二零一八年十二月三十一日，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。

Directors' Report 董事會報告

(b) The associated corporation

As at 31 December 2018, 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.

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.

(b) 相聯法團

截至二零一八年十二月三十一日，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。

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。

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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 2018, 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:

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

於二零一八年十二月三十一日，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：

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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 2018 於二零一八年十二月三十一日佔本公司全部已發行股份數目之概約百分比
主要股東名稱	身份	擁有之證券類別及數目 (股本衍生工具除外) (Note 5) (附註5)	好倉/淡倉	
Alpha Luck (Note 1)	Beneficial owner	553,900,000 ordinary shares	Long	36.01
安利實業(附註1)	實益擁有人	553,900,000股普通股	好倉	36.01
Silver City ("Silver City") (Note 1)	Interest in controlled corporation	553,900,000 ordinary shares	Long	36.01
銀華國際(「銀華國際」) (附註1)	於受控制公司之權益	553,900,000股普通股	好倉	36.01
China North Industries Corporation ("CNIC") (Note 1 and 2)	Interest in controlled corporation	553,900,000 ordinary shares	Long	36.01
中國北方工業有限公司(「北方工業」) (附註1及2)	於受控制公司之權益	553,900,000股普通股	好倉	36.01
China North Industries Group Corporation ("CNIGC") (Note 2)	Interest in controlled corporation	553,900,000 ordinary shares	Long	36.01
中國兵器工業集團有限公司 (「中國兵器工業」)(附註2)	於受控制公司之權益	553,900,000股普通股	好倉	36.01
China South Industries Group Corporation ("CSIGC") (Note 2)	Interest in controlled corporation	553,900,000 ordinary shares	Long	36.01
中國兵器裝備集團有限公司 (「中國兵器裝備」)(附註2)	於受控制公司之權益	553,900,000股普通股	好倉	36.01
Goertek (HongKong) Co., Limited ("HK Goertek") (Note 3)	Beneficial owner	363,650,000 ordinary shares	Long	23.64
香港歌爾泰克有限公司 (「香港歌爾泰克」)(附註3)	實益擁有人	363,650,000股普通股	好倉	23.64
Weifang Goertek Trading Co., Limited ("Weifang Goertek") (Note 3)	Interest in controlled corporation	363,650,000 ordinary shares	Long	23.64
濰坊歌爾貿易有限公司(「濰坊歌爾」) (附註3)	於受控制公司之權益	363,650,000股普通股	好倉	23.64
GoerTek (Note 3)	Interest in controlled corporation	363,650,000 ordinary shares	Long	23.64
歌爾股份(附註3)	於受控制公司之權益	363,650,000股普通股	好倉	23.64
Anjie Technology (Hong Kong) Company Limited ("HK Anjie") (Note 4)	Beneficial owner	200,000,000 ordinary shares	Long	13.00
安潔科技(香港)有限公司 (「香港安潔」)(附註4)	實益擁有人	200,000,000股普通股	好倉	13.00
Anjie Technology (Note 4)	Interest in controlled corporation	200,000,000 ordinary shares	Long	13.00
安潔科技(附註4)	於受控制公司之權益	200,000,000股普通股	好倉	13.00

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Notes:

1. 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.
2. As the equity interest of CNIC was owned as to 56.7% by CNIGC and as to 37.54% 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.
3. 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.
4. 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.
5. None of Alpha Luck, Silver City, CNIC, HK Goertek, Weifang Goertek, GoerTek, HK Anjie or Anjie Technology was interested in any securities of the Company under equity derivatives.

附註:

1. 由於安利實業由銀華國際全資實益擁有，而銀華國際則由北方工業全資實益擁有，根據證券及期貨條例第XV部，銀華國際及北方工業均被視為與安利實業持有之同一批本公司股份中擁有權益。
2. 由於北方工業股權由中國兵器工業擁有56.7%及由中國兵器裝備擁有37.54%，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。
3. 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。
4. 由於安潔香港由安潔科技全資實益擁有，根據證券及期貨條例第XV部，安潔科技被視為與安潔香港持有之同一批本公司股份中擁有權益。
5. 安利實業、銀華國際、北方工業、香港歌爾泰克、濰坊歌爾、歌爾股份、安潔香港或安潔科技概無於本公司股本衍生工具項下之證券中擁有任何權益。

SHAREHOLDERS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

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

股東於交易安排或重大合約之權益

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

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ISSUE OF SHARES AND DEBENTURES

On 29 November 2017, the Company entered into a subscription agreement with Alpha Luck Industrial Ltd. ("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 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 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.

The Company did not issue any debentures during the year ended 31 December 2018.

RESERVE

As at 31 December 2018, the Company's reserve available for distribution to shareholders comprised the retained profit of HK\$81,395,000.

Details of movements in the reserve of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 93.

發行股份及債權證

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有限公司（「安利實業」）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，安利實業及安潔科技分別按認購價每股1.50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，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。

本公司於截至二零一八年十二月三十一日止年度內並無發行任何債權證。

儲備

於二零一八年十二月三十一日，本公司可供分發予股東之儲備為保留溢利81,395,000港元。

年內本集團及本公司儲備變動詳情載於第93頁綜合權益變動報表。

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CONFIRMATIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes for the year ended 31 December 2018 are set out in note 34 to the consolidated financial statements.

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.

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.

獨立非執行董事之確認函

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

退休福利計劃

截至二零一八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34。

酬金政策

本集團僱員之酬金政策由薪酬委員會根據彼等之專長、資格及能力釐定。

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



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RESTRICTED STOCK INCENTIVE SCHEME

The restricted stock incentive scheme ("the Scheme") of the Company was approved and adopted by the Board on 13 December 2018, and was duly passed by the independent shareholders by way of poll at the extraordinary general meeting held on 31 January 2019. The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. The details of the Scheme are as follows:

(1) Purpose

The purpose of the Scheme is to further improve corporate governance of the Group, retain and motivate its participants of the Scheme ("Scheme Participants") to make contributions to the long-term growth and profits of the Group with a view to achieving the objectives of increasing the value of the Group and to promote a greater alignment of interests between the Scheme Participants and the Shareholders.

(2) Scope of Scheme Participants

The Scheme Participants shall include the executive Director(s), members of the senior management and management personnel who, as determined by the Board, contribute directly to the overall business performance and sustainable development of the Company. The participation in the Scheme by members of the Board and senior management, who are under the administration of the party committee of the State-owned Assets Supervision and Administration Commission of the State Council ("SASAC"), have been approved by the SASAC on 28 December 2018. Unless approved by the Shareholders, the Scheme Participants shall exclude Shareholders who hold more than 5% equity interest in the Company carrying voting rights on the grant date. The assessment results of each Scheme Participant shall achieve grade B or above according to the related measures for performance appraisal of the Company.

限制性股份激勵計劃

本公司的限制性股份激勵計劃（「計劃」）於二零一八年十二月十三日獲董事會批准及採納，並於二零一九年一月三十一日於股東特別大會上獲獨立股東以投票方式正式通過。計劃未構成上市規則第17章定義下的購股權計劃，屬於本公司一項酌情計劃。計劃詳情列載如下：

(1) 目的

計劃旨在進一步改善本集團的公司管治，挽留及激勵計劃參與者（「計劃參與者」）為本集團的長遠增長及溢利作出貢獻，務求達到提升本集團價值的目標，提倡計劃參與者與股東之間的利益更趨於一致。

(2) 計劃參與者範圍

計劃參與者包括本公司的執行董事、高級管理人員以及經董事會認定的對本公司整體業績和持續發展有直接影響的管理骨幹，其中中國國務院國有資產監督管理委員會（「國資委」）黨委管理的董事會成員及高級管理人員已於二零一八年十二月二十八日取得國資委批准參與計劃。除非獲股東批准，否則計劃參與者不含在授予日持有本公司5%以上有表決權的股權的股東。每名計劃參與者根據本公司績效考核相關辦法的考核結果原則上達到B級或以上。

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(3) Restricted Stock

Pursuant to the Scheme, the Board shall select the Scheme Participants and determine the number of restricted stock to be granted. The Company will appoint a trustee to purchase the Shares from the secondary market and a grant price shall be payable by the Scheme Participants.

(4) Maximum Grant

The maximum total number of Shares comprised in the restricted stock to be granted under the Scheme shall not exceed 10% of the total issued share capital of the Company as at the date of approval of the Scheme at the extraordinary general meeting ("EGM") (i.e. 31 January 2019).

Unless approval is obtained at the Shareholders' general meeting by way of special resolution, the total number of restricted stock granted or to be granted to any Scheme Participant shall not exceed 1% of the total issued share capital of the Company as at the date of approval of the Scheme at the EGM (i.e. 31 January 2019).

As of 31 January 2019, the Company's total number of issued Shares was 1,538,237,500 ordinary shares.

(5) Duration of the Scheme

The Scheme shall be effective for a term of 10 years commenced from the adoption date (i.e. 31 January 2019), unless early termination is proposed by the Board and approved by the Shareholders. Unless otherwise required, the restricted stock granted before the termination of the Scheme shall remain effective and could be unlocked according to the terms of the Scheme.

(3) 限制性股票

根據計劃，董事會將選擇計劃參與者，並確定將授予的限制性股票數量。本公司委託受託人在二級市場購買股份，計劃參與者支付授予價格。

(4) 授予上限

根據計劃授予的限制性股票所涉及的股票數量之總額上限，不得超過計劃經股東特別大會批准當日（即二零一九年一月三十一日）本公司已發行股份總額的10%。

除經股東大會特別決議案批准外，向任意一名計劃參與者授予或將授予的限制性股票數量總計不得超過計劃經股東特別大會批准當日（即二零一九年一月三十一日）本公司已發行股份總額的1%。

於二零一九年一月三十一日，本公司已發行股份總數為1,538,237,500股普通股。

(5) 計劃有效期

計劃有效期為十年，自採納日起計算（即二零一九年一月三十一日），除非經董事會提議並獲股東批准提前終止。除非另有規定，否則在計劃終止前授予的限制性股票繼續有效，並仍可按照計劃的條款解鎖。

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(6) Determination of the Grant Price

The grant price of the restricted stock to be granted to the Scheme Participants shall be determined by the Board. The base date for the determination of the grant price is the grant date. The pricing basis of the grant price shall not be set lower than the highest of the following: (i) the closing price of the Shares as quoted on the Stock Exchange on the grant date; (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five trading days immediately preceding the grant date; and (iii) the average closing price of the Shares in the 20 trading days, 60 trading days or 120 trading days immediately before the grant date. The grant price shall be 50% of the pricing basis and shall not be lower than the most recent audited net asset per Share.

(7) Lock-up Period and Unlocking Period

In principle, the lock-up period shall be for a period of not less than two years commencing from the grant date, during which the restricted stock granted to the Scheme Participants shall be locked up and shall not be transferred, used as guarantee or for repayment of debts. In principle, the unlocking period shall be for a period of not less than three years commencing from the expiry of the lock-up period. Eligible restricted stock will be gradually unlocked during the unlocking period.

Details of the Scheme were disclosed in the Company's announcement dated 13 December 2018 as well as the circular dated 16 January 2019.

On 14 February 2019, the Board approved the grant of an aggregate of 27,500,000 restricted stock (representing approximately 1.788% of the total number of issued Shares of the Company) to 81 selected Scheme Participants (excluding Mr. Xiong Zheng Feng, an executive Director, and Mr. Chai Zhi Qiang, the chief executive officer of the Company) at the grant price of HK\$0.65 per Share in accordance with the Scheme.

As at the date of this report, the trustee of the Scheme has not yet hold any Shares. As at the date of this report, none of the Restricted Stock was cancelled.

(6) 授予價格的釐定

董事會將確定授予計劃參與者的限制性股票的授予價格。授予價格的釐定基準日為授予日。授予價格的定價基準不得低於下列的最高價格：(i)股份於授予日在聯交所的收市價；(ii)股份於緊接授予日之前五個交易日在聯交所的平均收市價；及(iii)股份於緊接授予日前20個交易日、60個交易日或120個交易日的平均收市價。授予價格將相等於定價基準的50%，且不得低於最近期的經審核每股資產淨值。

(7) 禁售期及解鎖期

禁售期為自授予日起原則上不少於兩年。於禁售期內，授予計劃參與者的限制性股票將被鎖定，不得轉讓、用於擔保或償還債務。解鎖期為自禁售期滿之日起原則上不少於三年。合資格限制性股票將於解鎖期內逐步解鎖。

計劃詳情已於本公司日期為二零一八年十二月十三日之公佈及二零一九年一月十六日之通函中披露。

於二零一九年二月十四日，董事會通過根據計劃按每股股份0.65港元之授予價格向81名選定計劃參與者（不包括執行董事熊正峰先生及本公司行政總裁柴志強先生）授予合共27,500,000股限制性股票，佔本公司已發行股份總數之約1.788%。

於本年報日期，計劃的受託人尚未持有任何股份。於本年報日期，概無限制性股票被註銷。

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 2018, the aggregate amount of turnover attributable to the Group's five largest customers accounted for approximately 65% of the Group's turnover and the turnover attributable to the Group's largest customer accounted for approximately 23% of the Group's turnover.

For the year ended 31 December 2018, the aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 31% of the Group's purchases and the purchases attributable to the Group's largest supplier accounted for approximately 10% 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.

優先購買權

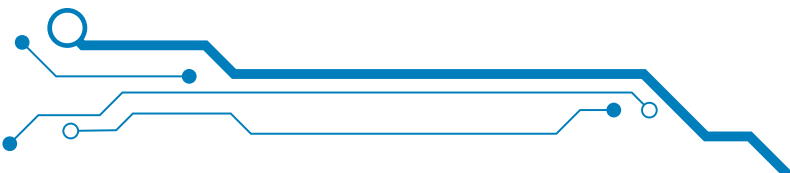
本公司之公司組織章程細則並無有關本公司須按比例向現有股東發售新股份之優先購買權之規定。

主要客戶及供應商

截至二零一八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65%，本集團最大客戶之營業額佔本集團營業額約23%。

截至二零一八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31%，本集團最大供應商之採購額佔本集團採購額約10%。

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



Directors' Report

董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2018.

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.

CONTINUING CONNECTED TRANSACTIONS

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

購買、出售或贖回本公司上市證券

本公司或其任何附屬公司於截至二零一八年十二月三十一日止年度內均無購買、出售或贖回本公司任何上市股份。

競爭性權益

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

持續關連交易

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

Directors' Report

董事會報告

Under the Existing Purchase Agreement, the annual cap for the Continuing Connected Transactions was RMB250,000,000 for the year ended 31 December 2018.

During the period from 1 January 2018 to 31 December 2018, the aggregate amount of the Continuing Connected Transactions was approximately RMB119,440,000 (equivalent to approximately HK\$141,220,000).

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

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or on terms no less favourable to the Company than terms available to or from independent third parties; and
- (3) in accordance with the 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.

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.

根據現有採購合同，截至二零一八年十二月三十一日止的持續關連交易年度上限為人民幣250,000,000元。

於二零一八年一月一日至二零一八年十二月三十一日期間，持續關連交易的總額約為人民幣119,440,000元（相等約141,220,000港元）。

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

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

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

Directors' Report

董事會報告

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

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 2018 and up to the latest practicable date prior to the date of this report.

公眾持股量

根據本公司可從公眾管道獲得之資料及就董事所知，於截至二零一八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。

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.

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。

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.

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。

EQUITY-LINKED AGREEMENTS

Save for the restricted stock incentive scheme disclosed on pages 73 to 75 of this report, no equity-linked agreements were entered into by the Group or existed during the year ended 31 December 2018.

股票掛鈎協議

除本報告第73頁至第75頁所披露的限制性股份激勵計劃以外，於截至二零一八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。

DONATIONS

The Group had not made charitable or other donations of HK\$10,000 or above during the year under review (2017: Nil).

捐款

本集團於回顧年度內並無作出10,000港元或以上之慈善或其他捐款（二零一七年：無）。

Directors' Report

董事會報告

AUDITOR

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

On behalf of the Board

AKM Industrial Company Limited

Xiong Zheng Feng

CHAIRMAN

Hong Kong, 18 March 2019

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，二零一九年三月十八日



Independent Auditor's Report 獨立核數師報告

Deloitte.

德勤

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

致安捷利實業有限公司列位股東
(於香港註冊成立之有限公司)

OPINION

意見

We have audited the consolidated financial statements of AKM Industrial Company Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 89 to 211, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師行已審核載列於第89至211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二零一八年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動報表及綜合現金流量表,以及合併財務報表附註,包括主要會計政策概要。

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

我們認為,該等綜合財務報表已根據香港會計師公會(「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二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港公司條例的披露規定妥為擬備。

BASIS FOR OPINION

意見的基礎

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

我們已根據香港會計師公會頒布的香港審計準則(「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

Impairment assessment of property, plant and equipment and prepaid lease payments

物業、廠房及設備及預付租賃款項之減值評估

We identified the impairment assessment of property, plant and equipment and prepaid lease payments, as a key audit matter because of the significant degree of management judgement and estimation uncertainty to determine whether the carrying amount of these assets are recoverable based on the operating results and the development plan of the Group.

由於根據 貴集團的營運業績及發展計劃評估該等資產的賬面金額能否收回涉及重大程度的管理層判斷及評估不確定性，因此我們將物業、廠房及設備及預付租賃款項之減值評估認定為關鍵審計事項。

As disclosed in notes 13 and 14 to the consolidated financial statements, carrying amount of plant and equipment and prepaid lease payments as at 31 December 2018 amounted to HK\$779,632,000 and HK\$46,924,000, respectively. 誠如綜合財務報表附註13及14所披露，於二零一八年十二月三十一日的廠房及設備及預付租賃款項賬面值分別為779,632,000港元及46,924,000港元。

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 impairment assessment of property, plant and equipment and prepaid lease payments included:

我們與物業、廠房及設備及預付租賃款項減值評估相關的程序包括：

- Understanding management's assessment in estimating the value in use of the property, plant and equipment and prepaid lease payments; 理解管理層於估計物業、廠房及設備及預付租賃款項使用價值時的評估；

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

Impairment assessment of property, plant and equipment and prepaid lease payments

(Cont'd)

物業、廠房及設備及預付租賃款項之減值評估 (續)

The recoverable amounts of the property, plant and equipment and prepaid lease payments are determined based on the value in use calculation and certain key assumptions. The key assumptions used in estimating the discounted future pre-tax cash flows include projected revenue, gross profit margin and discount rates.

物業、廠房及設備及預付租賃款項的可收回金額乃根據使用價值計算及若干主要假設釐定。估計貼現未來稅前現金流時使用的主要假設包括預測收益、毛利率及貼現率。

Details relating to the management impairment assessment on these assets are set out in note 13 to the consolidated financial statements.

有關管理層就該等資產所作出的減值評估的詳情載於綜合財務報表附註13。

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

- Evaluating the valuation model including (i) the assumptions applied therein, prepared by the management in determining the value in use based on management's estimates of projected revenue, gross profit margin from the operations, with reference to the historical performance and the latest budget of the Group approved by the management; (ii) discount rates used by management by comparing the data derived externally to the Group's own inputs of the current market risk-free rate of interest; and

對估值模型進行評估，包括(i)當中所應用的假設，有關假設乃管理層於釐定使用價值時所作出，並以管理層參考過往表現及經管理層所批准的 貴集團最新預算對營運的預測收益及毛利率所作出的評估為依據；(ii)管理層所使用的貼現率，此乃透過將來自外部的當前市場無風險利率數據與 貴集團自身的輸入數據作比較進行評估；及
- Evaluating the historical accuracy of the management's assessment by comparing the historical estimates to actual parameters in current year.

將過往作出的估計與本年度的實際參數比較，以評估管理層所作出的評估的歷史準確性。

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

Allowances for inventories

存貨撥備

We identified the allowances for 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，因此我們將存貨撥備認定為關鍵審計事項。

As disclosed in note 4 to the consolidated financial statements, carrying amount of the Group's inventories as at 31 December 2018 amounted to HK\$117,812,000 net of allowance for inventories of HK\$12,613,000.

誠如綜合財務報表附註4所披露，於二零一八年十二月三十一日，貴集團之存貨賬面值為117,812,000港元（扣除存貨撥備12,613,000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 (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 allowance for inventories included:

我們與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的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。
- Evaluating the reasonableness of the management's estimates of the net realisable values of the inventories by comparing the unit cost 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單位成本比較，評估管理層對存貨可變現淨值的估計的合理性。
- Evaluating the historical accuracy of the allowance made by the Group by comparing the allowance made in prior year to actual amount of inventories written off in current year.

將往年作出的撥備與本年度所撇銷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

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.

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。

Independent Auditor's Report 獨立核數師報告

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

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

核數師就審計綜合財務報表須承擔的 責任 (續)

Independent Auditor's Report 獨立核數師報告

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

We 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.

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.

核數師就審計綜合財務報表須承擔的 責任 (續)

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。

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。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 March 2019

德勤•關黃陳方會計師行
執業會計師
香港
二零一九年三月十八日

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 2018 截至二零一八年十二月三十一日止年度

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
Revenue	收入	5	1,223,803	1,118,838
Cost of sales	銷售成本		<u>(1,071,832)</u>	<u>(898,627)</u>
Gross profit	毛利		151,971	220,211
Other income	其他收入	6	56,253	17,874
Loss on disposal of subsidiaries	出售附屬公司虧損	27	-	(3,224)
Distribution costs	分銷成本		(19,433)	(16,760)
Administrative expenses	行政支出		(41,187)	(36,551)
Research and development expenses	研發費用		(63,774)	(79,882)
Share of profit of an associate	應佔一間聯營公司溢利		163	40
Finance costs	融資成本	7	<u>(215)</u>	<u>(2,850)</u>
Profit before taxation	除稅前溢利	8	83,778	98,858
Taxation	稅項	9	<u>(14,444)</u>	<u>(19,850)</u>
Profit for the year	本年度溢利		<u>69,334</u>	<u>79,008</u>
Other comprehensive (expense) income:	其他全面(開支)收益:			
Item that may be subsequently reclassified to profit or loss:	期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		(60,102)	40,586
Share of exchange difference of an associate	應佔一間聯營公司之匯兌差額		(183)	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
			<u>(60,285)</u>	<u>42,507</u>

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 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
	Note 附註		
Item that will not be reclassified to profit or loss:	將不會於期後重新分類至損益之項目：		
Fair value loss on equity instrument at fair value through other comprehensive income	按公平值計入其他全面收益之權益工具之公平值虧損	(1,359)	-
		(61,644)	42,507
Total comprehensive income for the year	本年度全面收益總額	7,690	121,515
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	69,334	79,016
Non-controlling interests	非控股權益	-	(8)
		69,334	79,008
Total comprehensive income attributable to:	應佔全面收益總額：		
Owners of the Company	本公司擁有人	7,690	121,511
Non-controlling interests	非控股權益	-	4
		7,690	121,515
		2018 二零一八年	2017 二零一七年
Earnings per share – basic	每股盈利 – 基本	12 HK4.58 cents 港仙	HK6.62 cents 港仙

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	779,632	633,309
Prepaid lease payments	預付租賃款項	14	45,717	49,187
Interest in an associate	於一間聯營公司之權益	15	3,828	3,848
Available-for-sale investment	可供出售之投資	16	-	17,945
Equity instrument at fair value through other comprehensive income	公平值計入其他全面收益之權益工具	16	18,078	-
Deposits for property, plant and equipment	物業、廠房及設備之按金	13	20,980	14,694
			<u>868,235</u>	<u>718,983</u>
Current assets	流動資產			
Inventories	存貨	17	117,812	95,480
Trade and other receivables	貿易及其他應收款項	18	528,870	361,043
Prepaid lease payments	預付租賃款項	14	1,207	1,265
Tax recoverable	可收回稅項		102	-
Pledged bank deposits	已抵押銀行存款	19	2,358	2,357
Bank balances and cash	銀行結餘及現金	20	152,865	89,288
			<u>803,214</u>	<u>549,433</u>
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	21	425,940	413,146
Deferred income	遞延收入	22	763	5,288
Taxation payable	應付稅項		5,371	8,456
Bank borrowings	銀行借貸	23	-	67,976
			<u>432,074</u>	<u>494,866</u>
Net current assets	淨流動資產		<u>371,140</u>	54,567
Total assets less current liabilities	總資產減流動負債		<u>1,239,375</u>	<u>773,550</u>

Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		Notes 附註		
Capital and reserves	股本及儲備			
Share capital	股本	26	921,553	466,667
Reserves	儲備		<u>266,464</u>	<u>271,776</u>
Equity attributable to owners of the Company	本公司擁有人應佔權益		<u>1,188,017</u>	<u>738,443</u>
Non-current liabilities	非流動負債			
Deferred income	遞延收入	22	24,042	26,001
Deferred taxation	遞延稅項	24	10,196	9,106
Liability due to a shareholder	應付一位股東之負債	25	<u>17,120</u>	<u>—</u>
			<u>51,358</u>	<u>35,107</u>
			<u>1,239,375</u>	<u>773,550</u>

The consolidated financial statements on pages 89 to 211 were approved and authorised for issue by the Board of Directors on 18 March 2019 and are signed on its behalf by:

董事會於二零一九年三月十八日批准並授權刊發第89至211頁之綜合財務報表，並由下列董事代表簽署：

XIONG ZHENG FENG

DIRECTOR

熊正峰

董事

HUNG CHI YUEN ANDREW

DIRECTOR

洪志遠

董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 December 2018 截至二零一八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	Fair value through other comprehensive income ("FVTOCI") reserve	Translation reserve	Retained profits	Total	Non-controlling interests	Total	
		股本 HK\$'000 千港元	法定盈餘儲備 HK\$'000 千港元	公平值計入其他全面收益(「公平值計入其他全面收益」)儲備 HK\$'000 千港元	換算儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	總額 HK\$'000 千港元	非控股權益 HK\$'000 千港元	總額 HK\$'000 千港元	
At 1 January 2017	於二零一七年一月一日	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 differences 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 27)	出售附屬公司(附註27)	-	-	-	-	-	-	(635)	(635)	
At 31 December 2017	於二零一七年十二月三十一日	466,667	22,551	-	38,811	210,414	738,443	-	738,443	
Adjustments (note 2)	調整(附註2)	-	-	2,380	-	-	2,380	-	2,380	
At 1 January 2018	於二零一八年一月一日	466,667	22,551	2,380	38,811	210,414	740,823	-	740,823	
Profit for the year	本年度溢利	-	-	-	-	69,334	69,334	-	69,334	
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	(60,102)	-	(60,102)	-	(60,102)	
Fair value loss on equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益之權益工具之公平值虧損	-	-	(1,359)	-	-	(1,359)	-	(1,359)	
Share of exchange difference of an associate	分佔一間聯營公司匯兌差額	-	-	-	(183)	-	(183)	-	(183)	
Total comprehensive income for the year	本年度全面收益總額	-	-	(1,359)	(60,285)	69,334	7,690	-	7,690	
Issue of shares	發行股份	455,850	-	-	-	-	455,850	-	455,850	
Transaction costs attributable to issue of shares	發行股份應佔交易成本	(964)	-	-	-	-	(964)	-	(964)	
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	11,408	-	-	(11,408)	-	-	-	
Dividend paid (note 11)	已付股息(附註11)	-	-	-	-	(15,382)	(15,382)	-	(15,382)	
At 31 December 2018	於二零一八年十二月三十一日	921,553	33,959	1,021	(21,474)	252,958	1,188,017	-	1,188,017	

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 (as defined in note 1), 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(定義見附註1)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 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	83,778	98,858
Adjustments for:	就下列各項作出調整：		
Share of profit of an associate	應佔一間聯營公司溢利	(163)	(40)
Interest expense	利息開支	215	2,850
Interest income	利息收入	(7,372)	(1,035)
Provision for (reversal of) allowance for credit loss/ doubtful debts	信貸虧損／呆賬撥備之 撥備 (撥備撥回)	127	(25)
(Net reversal of) allowance for inventories	存貨 (撥備撥回淨額) 撥備	(684)	5,172
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,250	1,220
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	89,830	62,487
Foreign exchange difference on inter-company balances	集團內公司間結餘之 匯兌差額	(23,185)	2,841
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	5,598	4,550
Loss on disposal of subsidiaries	出售附屬公司虧損	-	3,224
Deferred income recognised	已確認之遞延收入	(32,549)	(6,455)
Operating cash flows before movements in working capital	營運資金變動前經營 現金流量	116,845	173,647
Increase in inventories	存貨增加	(26,685)	(15,419)
Increase in trade and other receivables	貿易及其他應收款項增加	(187,814)	(39,369)
Increase in trade and other payables	貿易及其他應付款項增加	31,452	67,839
Government grant received	政府津貼收入	27,540	8,311
Cash (used in) generated from operations	經營 (所耗) 所得現金	(38,662)	195,009
Hong Kong Profits tax paid	已付香港利得稅	(790)	(545)
PRC Enterprise Income Tax paid	已付中國企業所得稅	(14,989)	(16,619)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營業務 (所耗) 所得 現金淨額	(54,441)	177,845

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
INVESTING ACTIVITIES	投資業務		
Purchase of property, plant and equipment	購買物業、廠房及設備	(288,198)	(187,940)
Interest received	已收利息	7,372	1,035
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	3,974	522
Net cash inflows on disposal of subsidiaries	出售附屬公司之現金流入淨額	-	9,545
	27	<u>-</u>	<u>9,545</u>
NET CASH USED IN INVESTING ACTIVITIES	投資業務所耗現金淨額	<u>(276,852)</u>	<u>(176,838)</u>
FINANCING ACTIVITIES	融資業務		
Proceeds from issue of shares	發行股份所得款項	455,850	-
Expenses on issue of shares	發行股份開支	(964)	-
Proceeds from issue of rights shares	發行供股股份所得款項	-	135,777
Expenses on issue of rights shares	發行供股股份開支	-	(2,271)
Increase in liability due to a shareholder	欠一名股東之負債增加	17,120	-
New borrowings raised	新增借貸	11,542	95,617
Repayment of bank borrowings	償還銀行借貸	(78,869)	(167,471)
Interest paid	已付利息	(215)	(2,850)
Dividends paid	支付股息	(15,382)	-
NET CASH FROM FINANCING ACTIVITIES	融資業務所得現金淨額	<u>389,082</u>	<u>58,802</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加淨額	57,789	59,809
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等值項目	89,288	26,603
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動之影響	<u>5,788</u>	<u>2,876</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	年末現金及現金等值項目即銀行結餘及現金	<u>152,865</u>	<u>89,288</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

1. GENERAL

AKM Industrial Company Limited (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 People’s Republic of China.

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.

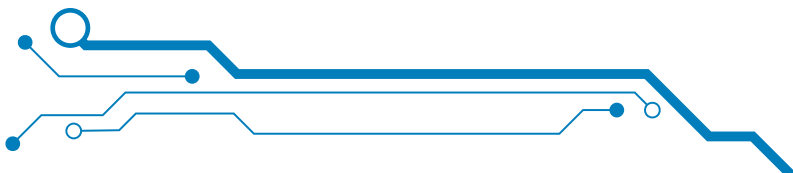
1. 一般資料

安捷利實業有限公司（「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華人民共和國廣州市南沙區資訊科技園環市大道南63號。

綜合財務報表乃以本公司之功能貨幣港元（「港元」）呈列。

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 2018 截至二零一八年十二月三十一日止年度

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

New and Amendments to HKFRSs that are mandatorily effective for the current year

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

2. 採納新訂及修訂本香港財務報告準則（「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新訂及修訂本

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新訂及修訂本：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約之收益及相關修訂
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂	股份支付交易之分類及計量
香港財務報告準則第4號之修訂	應用香港財務報告準則第9號金融工具時一併應用香港財務報告準則第4號保險合同
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
香港會計準則第40號之修訂	轉讓投資物業

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

New and Amendments to HKFRSs that are mandatorily effective for the current year (Cont'd)

Except as described below, the application of the new and 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.

HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

The Group recognises revenue which arise from contracts with customers mainly from sales of FPC and sales of flexible packaging substrates.

Information about the Group's performance obligations and the accounting policies resulting from the application of HKFRS 15 are disclosed in notes 5 and 3.

2. 採納新訂及修訂本香港財務報告準則（「香港財務報告準則」）（續）

於本年度強制生效之香港財務報告準則新訂及修訂本（續）

除下文所述者外，於本年度應用香港財務報告準則新訂及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。

香港財務報告準則第15號來自客戶合約之收入

本集團已於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代了香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而初始應用該準則之累計影響於初始應用日期二零一八年一月一日確認。初始應用日期之任何差額於期初保留溢利（或其他權益組成部分，如適用）中確認及並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅對於二零一八年一月一日尚未完成及尚未與客戶落實最終賬目的合約追溯應用準則。因此，若干比較資料未必能與根據香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋所編製的比較資料作出比較。

本集團確認來自客戶合約之收入主要來自銷售柔性電路板及銷售柔性封裝基板之收入。

有關本集團履約責任及應用香港財務報告準則第15號所導致的會計政策的資料於附註5及3披露。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

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

Summary of effects arising from initial application of HKFRS 15

The adoption of HKFRS 15 had no material effects to the amounts recognised in the Group’s consolidated statement of financial position at 1 January 2018 and 31 December 2018 and its consolidated statement of profit or loss and other comprehensive income for the current year.

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

2. 採納新訂及修訂本香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號來自客戶合約之收入（續）

初始應用香港財務報告準則第15號所導致影響之概要

採納香港財務報告準則第15號對本集團於二零一八年一月一日及二零一八年十二月三十一日之綜合財務狀況表所確認的金額及本年度的綜合損益及其他全面收益表並無重大影響。

香港財務報告準則第9號金融工具

於本年度，本集團已應用香港財務報告準則第9號金融工具及其他香港財務報告準則相關的相應修訂。香港財務報告準則第9號就1)金融資產及金融負債的分類和計量、2)金融資產的預期信貸虧損（「預期信貸虧損」）及3)一般對沖會計引入新規定。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對二零一八年一月一日（首次應用日期）尚未終止確認的工具追溯應用分類及計量要求（包括預期信貸損失模式項下的減值），而並無對已於二零一八年一月一日終止確認的工具應用相關要求。於二零一七年十二月三十一日之賬面值與於二零一八年一月一日之賬面值間的差額於期初保留溢利及其他權益組成部分中確認，並無重列比較資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

HKFRS 9 *Financial Instruments* (Cont'd)

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

2. 採納新訂及修訂本香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融工具（續）

因此，若干比較資料未必能與根據香港會計準則第39號金融工具：確認及計量所編製之比較資料作出比較。

應用香港財務報告準則第9號所導致的會計政策於附註3披露。

初始應用香港財務報告準則第9號所產生之影響之概要

下表闡述根據香港財務報告準則第9號及香港會計準則第39號受預期信貸虧損所規限的金融資產於初始應用日期（二零一八年一月一日）的分類及計量。

		Available-for-sale investment	Equity instrument at FVTOCI 按公平值計入其他全面收益之股本投資	FVTOCI reserve 公平值計入其他全面收益儲備
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Closing balances at 31 December 2017 – HKAS 39	於二零一七年十二月三十一日之期末結餘 — 香港會計準則第39號	17,945	-	-
Effect arising from initial application of HKFRS 9:	首次應用香港財務報告準則第9號導致的影響：			
Reclassification from available-for-sale	分類自持作出售	(17,945)	17,945	-
Remeasurement from cost less impairment to fair value	重新計量自成本扣除減值至公平值	-	2,380	2,380
Opening balances at 1 January 2018	於二零一八年一月一日之期初結餘	-	20,325	2,380

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

HKFRS 9 Financial Instruments (Cont'd)

Summary of effects arising from initial application of HKFRS 9 (Cont'd)

Notes:

(a) From available-for-sale ("AFS") equity investment to FVTOCI

The Group elected to present in other comprehensive income for the fair value changes of all its equity investment previously classified as available-for-sale. This investment is not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK\$17,945,000 were reclassified from available-for-sale investment to equity instrument at FVTOCI, which is the unquoted equity investment previously measured at cost less impairment under HKAS 39. The fair value gains of HK\$2,380,000 relating to the unquoted equity investment previously carried at cost less impairment were adjusted to equity instrument at FVTOCI and FVTOCI reserve as at 1 January 2018.

(b) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade and bills receivables. Trade and bills receivables have been assessed individually for each significant debtors and collectively for others.

ECL for other financial assets at amortised cost, including pledged bank deposits, bank balances and other receivables, are assessed on 12-month ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition.

At 1 January 2018, the directors of the Company have reviewed and assessed the Group's existing financial assets for impairment based on reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9 and have concluded that no material financial impact exists and therefore no adjustment to the opening retained profits at 1 January 2018 has been recognised.

2. 採納新訂及修訂本香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第9號金融工具（續）

初始應用香港財務報告準則第9號所產生之影響之概要（續）

附註：

(a) 由可供出售之股本投資（「可供出售之股本投資」）至計入其他全面收益之股本工具

本集團選擇將先前分類為可供出售之股本投資的公平值變動於其他全面收益中呈列。是項投資並非持作買賣用途，且預期在可見將來不會出售。於首次應用香港財務報告準則第9號日期，17,945,000港元已由待售投資重新分類為按公平值列賬及計入其他全面收益之股本工具。此乃於香港會計準則第39號過往按成本減減值計量之無報價股權投資。與過往按成本減減值計量之無報價股權投資有關之公平值收益2,380,000港元已於二零一八年一月一日調整為按公平值計入其他全面收益之股本工具及按公平值計入其他全面收益之儲備。

(b) 預期信貸虧損模型下的減值

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，計量全部貿易應收款及應收票據的全期預期信貸虧損。貿易應收款項及應收票據已就每位重要債務人進行單獨評估，以及就其他債務人進行集體評估。

按攤銷成本計量之其他金融資產之預期信貸虧損包括已抵押銀行存款、銀行結餘及現金以及其他應收款項項目，按12個月預期信貸虧損（「12個月預期信貸損失」）基準評估，乃由於自初始確認以來信貸風險並無顯著增加。

於二零一八年一月一日，本公司董事根據香港財務報告準則第9號的規定，基於毋需過多成本或精力即可獲得的合理及可支持資料，審閱及評估本集團現有的財務資產以作減值，並認為概無存在重大財務影響，故確認對二零一八年一月一日期初保留溢利無需作出調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

HK(IFRIC) - Int 22 Foreign Currency Transactions and Advance Consideration

The interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Group is required to determine the date of transaction for each payment or receipt of advance consideration.

On initial application, the Group applied the interpretation prospectively to all foreign currency assets, expenses and income in the scope of the interpretation initially recognised on or after the beginning of the current year, i.e. 1 January 2018.

For foreign currency denominated advance considerations paid by the Group in relation to acquisition of property, plant and equipment amounting to HK\$14,694,000, the Group recorded these advances by applying the spot exchange rate on initial recognition between the functional currency of the relevant group entity and the foreign currency. Accordingly, the application of this interpretation has had no significant impact on the amounts reported and/or disclosures set out in these consolidated financial statements.

2. 採納新訂及修訂本香港財務報告準則（「香港財務報告準則」）（續）

香港（國際財務報告詮釋委員會）－詮釋第22號外幣交易及預付代價

該詮釋列明，交易日期為實體初步確認預付代價付款或收款所產生非貨幣資產或非貨幣負債之日。倘有多項預付或預收款項，本集團須就各項預付代價付款或收款確定交易日期。

於初始應用時，本集團對該詮釋範圍內的所有外幣資產、開支及收入前瞻性應用該詮釋，於本年度開始之時（即二零一八年一月一日）或之後初步確認。

就外幣計值的收購物業、廠房及設備之預付代價14,694,000港元而言，本集團於初步確認時透過採用相關集團實體的功能貨幣與外幣之間的即期匯率將該等預付款項入賬。因此，應用此詮釋概無對該等綜合財務報表所載已呈報金額及／或披露資料造成任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹

2. 採納新訂及修訂本香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效的新訂香港財務報告準則及修訂本

本集團並未提早應用下列已頒佈但尚未生效之新訂及修訂本香港財務報告準則：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理之不確定性 ¹
香港財務報告準則第3號之修訂	業務的定義 ⁴
香港財務報告準則第9號之修訂	具有負補償之提早還款特性 ¹
香港財務報告準則第10號及香港會計準則第28號	投資者與其聯營公司或合營公司之間的資產出售或投入 ²
香港會計準則第1號及香港會計準則第8號之修訂	重大性的定義 ⁵
香港會計準則第19號之修訂	計劃修訂、縮減或結算 ¹
香港會計準則第28號之修訂	於聯營公司或合營公司之長期權益 ¹
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 ¹

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

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

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after a date to be determined
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
- 5 Effective for annual periods beginning on or after 1 January 2020

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

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. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

2. 採納新訂及修訂本香港財務報告準則（「香港財務報告準則」）（續）

已頒佈但尚未生效的新訂香港財務報告準則及修訂本（續）

- 1 於二零一九年一月一日或之後開始之年度期間生效
- 2 於有待釐定之日期或之後開始之年度期間生效
- 3 於二零二一年一月一日或之後開始之年度期間生效
- 4 對收購日期在二零二零年一月一日或之後開始的首個年度期間開始時或之後的企業合併及資產收購生效
- 5 於二零二零年一月一日或之後開始之年度期間生效

除下文所述之新訂香港財務報告準則外，本公司董事預期應用所有其他香港財務報告準則新訂及修訂本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16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號租賃及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

HKFRS 16 Leases (Cont'd)

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. Upfront prepaid lease payments will continue to be presented as investing or operating cash flow in accordance with the nature, as appropriate.

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.

2. 採納新訂及修訂本香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

除短期租賃及低價值資產租賃外，經營租賃與融資租賃的差異自承租人會計處理中撤銷，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，其後按成本（若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債任何重新計量作出調整。租賃負債初步按並非於該日支付之租賃付款現值計量。

其後，租賃負債會就利息及租賃付款以及（其中包括）租賃修訂的影響作出調整。就現金流量分類而言，本集團現時將有關自用租賃土地之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號之後，本集團會將有關租賃負債之租賃付款分配為本金及利息部分，並按融資現金流量呈列。預付租賃付款將繼續按照其性質（如適用）呈列為投資或經營現金流。

根據香港會計準則第17號，本集團已就租賃土地（本集團為承租人）確認預付租賃付款。應用香港財務報告準則第16號會導致該等資產分類的潛在變動，惟視乎本集團是否單獨或於擁有資產時將呈列之相應有關資產的同一項目內呈列使用權資產而定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

HKFRS 16 Leases (Cont'd)

Other than certain requirements which are also applicable to lessor, 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 2018, the Group has non-cancellable operating lease commitments of HK\$410,000 as disclosed in note 32. 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.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

2. 採納新訂及修訂本香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第16號租賃（續）

除亦適用於出租人的若干規定外，與承租人會計處理相反，香港財務報告準則第16號充分推進香港會計準則第17號之出租人會計處理規定，並繼續要求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號要求作出更詳盡的披露。

於二零一八年十二月三十一日，本集團擁有不可撤銷經營租賃承擔410,000港元（於附註32中披露）。初步評估表明該等安排將符合租賃的定義。於應用香港財務報告準則第16號以後，本集團將繼續就該等所有租賃確認使用權資產及相應負債，除非彼等合資格為低價值或短期租賃。

採用新規定或會導致上述計量、呈列及披露的變動。本集團擬選擇可行權宜方法，就先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包括租賃識別為租賃的合約應用香港財務報告準則第16號，而並無對先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團（作為承租人）擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對期初保留溢利的累計影響，而並無重列比較資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八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 and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value 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及香港公司條例規定之適用披露。

綜合財務報表乃按歷史成本基準編製，惟誠如下文所載會計政策所述，若干金融工具於各報告期末按公平值計量。

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 2018 截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

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

3. 主要會計政策 (續)

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 2018 截至二零一八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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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。

於附屬公司的非控股權益與本集團於當中的股權分開呈列，股權指讓持有人可於清盤時按比例分佔相關附屬公司資產淨值的當前擁有權益。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 HKFRS 9/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.

3. 主要會計政策 (續)

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財務報告準則第9號／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 2018 截至二零一八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 2018 截至二零一八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 Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, 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 from contracts with customers (upon application of HKFRS 15)

Under HKFRS 15, the Group 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.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

聯營公司的投資 (續)

本集團評估是否有可觀證據表明於聯營公司的權益可能出現減值。如存在任何客觀證據，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。

來自客戶合約之收入（應用香港財務報告準則第15號）

根據香港財務報告準則第15號，本集團在信納履約責任時確認收益，即相關貨品或服務的「控制權」（特定之履約責任）已轉讓至客戶時。

履約責任指明確商品或服務（或一組商品或服務）或一系列實質上相同的明確商品或服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八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 from contracts with customers (upon application of HKFRS 15) (Cont'd)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

來自客戶合約之收入 (應用香港財務報告準則第15號) (續)

控制權隨時間逐步轉移，倘符合以下其中一項標準，則收入也隨時間參考相關履約責任的完工進度予以確認。

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 隨本集團履約而創建及改良了客戶於本集團履約時控制的資產；或
- 本集團的履約並無創建對本集團有替代用途的資產，且本集團對迄今已完成的履約付款具有可執行之權利。

否則，收入於客戶獲得明確貨品或服務的控制權時確認。

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利 (尚未成為無條件)。其根據香港財務報告準則9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue from contracts with customers (upon application of HKFRS 15) (Cont'd)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Revenue from sales of electronic products

The revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Transportation and other related activities that occur before the customers obtain control of the related goods are considered as fulfilment activities. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The credit term is 30 to 120 days from the issuance of invoices.

Revenue recognition (prior to 1 January 2018)

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.

3. 主要會計政策 (續)

來自客戶合約之收入 (應用香港財務報告準則第15號) (續)

合約負債指本集團就已向客戶收取代價 (或代價金額已到期) 而承擔向該客戶轉移貨品或服務的責任。

與同一份合同有關的合同資產及合同負債乃按淨額列賬及呈報。

銷售電子產品之收入

收入於貨物控制權獲轉讓時 (即貨物送至客戶指定地點 (交付)) 確認。於客戶取得相關產品擁有權前發生的運輸及其他相關活動視作履行活動。於交付後, 客戶可全權決定貨物的分銷方式及售價, 並承擔出售貨品之主要責任及承受貨物的陳舊及遺失風險。信貸期為出具發票當日起的30日至120日。

收入確認 (於二零一八年一月一日之前)

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 2018 截至二零一八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 (prior to 1 January 2018) (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.

Leases

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 Lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

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.

收入確認 (於二零一八年一月一日之前) (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。

本集團作為出租人

來自經營租賃的租金收入於相關租賃年期內以直線法在損益中確認。

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。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

3. 主要會計政策 (續)

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。

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。

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

For the year ended 31 December 2018 截至二零一八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)

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, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in subsidiaries.

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. HK\$) 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).

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.

外幣 (續)

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，惟應收或應付外國業務的貨幣項目之匯兌差額除外，該等結款並非計劃之內且不太可能出現（因此構成外國業務的部分投資淨額），故有關匯兌差額初步於其他全面收益確認，其後在出售或部分出售本集團於附屬公司之權益時自權益重新分類至損益。

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。

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。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

Borrowing costs

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

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

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

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.

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。

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。

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

For the year ended 31 December 2018 截至二零一八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 (Cont'd)

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.

Taxation

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

政府津貼 (續)

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。

稅項

所得稅開支表示當前應付稅項及遞延稅項之和。

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

For the year ended 31 December 2018 截至二零一八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 tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation 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 interest 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 (續)

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 2018 截至二零一八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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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.

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。

倘有可依法執行權利動用即期稅項資產以抵銷即期稅項負債，而遞延稅項與由同一稅務機構徵收之所得稅相關，且貴集團有意以淨額基準結算其即期稅項資產及負債，則遞延稅項資產及遞延稅項負債可以互相抵銷。

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。

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

For the year ended 31 December 2018 截至二零一八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

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

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

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

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

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

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 2018 截至二零一八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)

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

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;

物業、廠房及設備 (續)

供日後業主佔用的在建樓宇

倘樓宇正在開發作生產或行政用途，施工期間所計提預付租賃付款的攤銷將計入在建樓宇的成本。在建樓宇以成本減任何已識別的減值虧損入賬。當樓宇可供使用時開始折舊（即當其處於可按管理層擬定之方法經營所需的位置及條件時）。

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；



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

Research and development expenditure (Cont'd)

- 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.

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.

研發費用 (續)

- 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。

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）。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

Impairment loss on tangible assets (Cont'd)

The recoverable amount of tangible assets are estimated individually, 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 of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated 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 (續)

有形資產的可收回金額乃個別進行計算，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出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 2018 截至二零一八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 when a group entity becomes a party to the contractual provisions of the instrument. 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 require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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工具合約條文的訂約方時確認。所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售金融資產指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

金融資產及金融負債初步按公平值計量，惟自客戶合約產生的貿易應收款項除外，彼等自二零一八年一月一日起初步根據香港財務報告準則第15號計量。收購或發行金融資產及金融負債（按公平值計入損益之金融資產或金融負債除外）直接應佔之交易成本於初步確認時加入金融資產或金融負債之公平值或從中扣除（如適用）。直接自收購按公平值計入損益之金融資產或金融負債產生之交易成本即時於損益確認。



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

For the year ended 31 December 2018 截至二零一八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)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and 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 asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

金融工具 (續)

實際利率法乃計算金融資產或金融負債之攤銷成本及按有關期間分配利息收入及利息開支之方法。實際利率乃將估計日後現金收入及支付(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)按金融資產或金融負債之預期使用年期,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。

金融資產

金融資產分類及其後計量(根據附註2的過渡條文應用香港財務報告準則第9號)

滿足以下條件其後按攤銷成本計量的金融資產:

- 以收取合約現金流量為目的而持有資產之經營模式下持有之金融資產;及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

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

For the year ended 31 December 2018 截至二零一八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)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

金融工具 (續)

金融資產 (續)

金融資產分類及其後計量 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

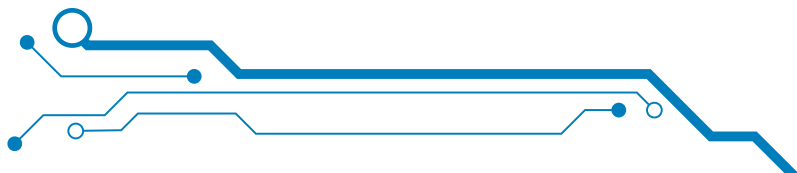
滿足以下條件其後按公平值計入其他全面收益計量的金融資產:

- 於藉收取合約現金流量及出售達到目標的業務模式內持有的金融資產; 及
- 合約條款於指定日期產生現金流量, 而純粹作為本金及尚未清償本金的利息的付款。

所有其他金融資產其後按公平值計入損益計量, 惟在首次應用/初始確認金融資產之日, 倘該股本投資並非持作買賣, 亦非收購方在香港財務報告準則第3號業務合併所適用的業務合併中確認的或然代價, 本集團可不可撤銷地選擇於其他全面收益(「其他全面收益」)呈列股本投資公平值的其後變動。

倘符合下列條件, 則金融資產乃分類為持作買賣:

- 其乃主要獲收購以於短期內出售; 或
- 於初步確認時, 其為本集團共同管理之可識別金融工具組合的一部分, 並具有短期套利的近期實際模式; 或



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For the year ended 31 December 2018 截至二零一八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)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)

- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

金融工具 (續)

金融資產 (續)

金融資產分類及其後計量 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

- 其屬並非指定及作為對沖工具生效的衍生工具。

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信用減值的金融資產除外。就其後出現信用減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信用減值金融工具的信用風險好轉，使金融資產不再出現信用減值，於釐定資產不再出現信用減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

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

For the year ended 31 December 2018 截至二零一八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)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables and bills receivables, other receivables, pledged bank deposits and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

金融工具 (續)

金融資產 (續)

金融資產分類及其後計量 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

(ii) 指定為按公平值計入其他全面收益之權益工具

按公平值計入其他全面收益之股權工具投資其後按公平值計量，其公平值變動所產生的收益及虧損於其他全面收益確認及於按公平值計入其他全面收益之儲備累計；且毋須進行減值評估。累計收益及虧損不會重新分類至出售股權投資之損益，並將轉撥至保留溢利。

當本集團確立收取股息之權利時，該等股權工具投資的股息於損益中確認，除非股息明確代表收回部分投資成本。股息計入損益內「其他收入」項目中。

金融資產的減值 (根據附註2的過渡條文應用香港財務報告準則第9號)

本集團就根據香港財務報告準則第9號須予以減值的金融資產 (包括貿易應收款項及應收票據、其他應收款項、已抵押銀行存款以及銀行結餘及現金)。預期信貸虧損之金額會於各報告日期予以更新以反映自初步確認起的信貸風險變動。

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

For the year ended 31 December 2018 截至二零一八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)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade and bills receivables. The ECL on these assets are assessed individually for debtors with significant balances and collectively for others using a provision matrix based on past due analysis.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

金融工具 (續)

金融資產 (續)

金融資產的減值 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

存續期預期信貸虧損指於相關工具預計年期內所有可能的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損指於報告日期後12個月內可能發生的違約事件預計產生的該部分有效期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗進行，並就債務人特定因素、整體經濟環境及報告日期當前情況及預測未來情況的評估作出調整。

本集團一直就貿易應收款項及應收票據確認整個週期的預期信貸虧損。對債務人具有重大結餘的該等資產的預期信貸虧損單獨進行評估及就其他一併根據到期分折使用撥備矩陣進行評估。

對於所有其他工具，本集團按12個月預期信貸虧損等額計量虧損撥備，除非信貸風險自初始確認以來顯著上升，本集團確認存續期預期信貸虧損。評估是否應確認存續期預期信貸虧損的依據，是自初始確認以來發生違約的可能性或風險顯著上升。

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

For the year ended 31 December 2018 截至二零一八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)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

金融工具 (續)

金融資產 (續)

金融資產的減值 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

(i) 信貸風險顯著上升

於評估信貸風險自首次確認以來是否大幅增加時，本集團會將報告日期金融工具的違約風險與首次確認日期金融工具的違約風險進行比較。於作出有關評估時，本集團會考慮合理及有理據支持的定量及定性資料，包括過往經驗及毋須繁苛成本或工作即可獲得的前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具外部 (如有) 或內部信貸測評的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信用違約掉期價格顯著上升；

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

For the year ended 31 December 2018 截至二零一八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)

金融工具 (續)

Financial assets (Cont'd)

金融資產 (續)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

金融資產的減值 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

(i) Significant increase in credit risk (Cont'd)

(i) 信貸風險顯著上升 (續)

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還債項的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人履行債務責任的能力顯著下降。

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

不論上述評估結果如何，本集團均假設合約付款逾期超過30日後信貸風險自初始確認以來顯著上升，除非本集團有合理及具支持性的資料說明其他情況。

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

For the year ended 31 December 2018 截至二零一八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)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

(i) Significant increase in credit risk (Cont'd)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

金融工具 (續)

金融資產 (續)

金融資產的減值 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

(i) 信貸風險顯著上升 (續)

本集團定期監察識別信貸風險是否顯著上升所用標準的有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險的顯著上升。

(ii) 違約的定義

就內部信貸風險管理而言，本集團認為，當內部產生或獲取自外部來源的資料表明債務人不太可能向其債權人（包括本集團）悉數付款（不考慮本集團持有的任何抵押物），則發生違約事件。

不論上文分析，本集團認為當金融資產逾期超過90日時，即屬發生違約，除非本集團有合理及有理據的資料證明較寬鬆的違約標準更為適用則當別論。

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For the year ended 31 December 2018 截至二零一八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)

金融工具 (續)

Financial assets (Cont'd)

金融資產 (續)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

金融資產的減值 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

(iii) Credit-impaired financial assets

(iii) 信貸減值金融資產

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

當發生一項或多項對金融資產估計未來現金流量有不利影響之違約事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括以下可觀察事件：

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;

- (a) 發行人或借款人陷入重大財務困難；
- (b) 違反合約，如違約或逾期事件；

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For the year ended 31 December 2018 截至二零一八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)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

(iii) Credit-impaired financial assets (Cont'd)

- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

金融工具 (續)

金融資產 (續)

金融資產的減值 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

(iii) 信貸減值金融資產 (續)

- (c) 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件;
- (d) 借款人可能會破產或進行其他財務重組; 或
- (e) 由於出現財務困難, 該金融資產活躍市場消失。

(iv) 撇銷政策

倘有資料顯示交易對手陷入嚴重財困, 且並無可能實際收回金融資產時 (例如交易對手已清算或進入破產程序時, 或倘為貿易應收款項, 則金額逾期超過一年時 (以較早者為準)), 本集團會撇銷金融資產。經考慮法律意見 (如適用), 已撇銷的金融資產仍可根據本集團的收回程序實施強制執行。撇銷構成取消確認事件。任何收回款項會直接於損益中確認。

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For the year ended 31 December 2018 截至二零一八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)

金融工具 (續)

Financial assets (Cont'd)

金融資產 (續)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

金融資產的減值 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

(v) Measurement and recognition of ECL

(v) 預期信貸虧損的計量及確認

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

預期信貸虧損的計量乃違約概率、違約虧損率 (即違約造成虧損的幅度) 及違約風險的函數。違約概率及違約虧損率根據經前瞻性資料調整的歷史數據進行評估。預期信貸虧損的估計反映以發生相關違約風險的金額作為加權數值而釐定的無偏概率加權金額。

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

一般而言，預期信貸虧損估計為本集團根據合約應收的所有合約現金流量與本集團預計收取的所有現金流量之間的差額，並按初步確認時釐定的實際利率貼現。

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

預期信貸虧損乃按整體基準進行計量，或為應對在有證據顯示可能尚未獲取個別工具層面的預期信貸虧損的情況，金融工具乃按以下基準分類：

- Nature of financial instruments (i.e. the Group's trade and other receivables, are each assessed as a separate group);

- 金融工具的性質 (即本集團的貿易及其他應收款項均按單獨組別進行評估)；

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

(v) Measurement and recognition of ECL (Cont'd)

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables where the corresponding adjustment is recognised through a loss allowance account.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

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.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產的減值 (根據附註2的過渡條文應用香港財務報告準則第9號) (續)

(v) 預期信貸虧損的計量及確認 (續)

- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級 (如有)。

有關組別由管理層定期檢討，以確保各組的要素繼續分佔類似的信貸風險特色。

利息收入根據金融資產的賬面總值計算，惟金融資產為減值信貸的情況除外，於此情況下，利息收入根據金融資產的攤銷成本計算。

本集團藉調整所有金融工具的賬面值於損益確認有關工具的減值收益或虧損，惟貿易應收款項及應收票據除外，其透過虧損撥備賬確認相應調整。

金融資產的分類與其後計量 (於二零一八年一月一日應用香港財務報告準則第9號之前)

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。

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For the year ended 31 December 2018 截至二零一八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)

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.

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.

金融工具 (續)

金融資產 (續)

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。

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。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

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.

For available-for-sale equity investment, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

Objective evidence of impairment could include:

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

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

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產之減值 (於二零一八年一月一日應用香港財務報告準則第9號之前)

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。

至於可供出售權益投資，證券之公平值大幅或持續低於其成本亦可被視為出現減值之客觀證據。

減值之客觀證據可包括：

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

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

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For the year ended 31 December 2018 截至二零一八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)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Cont'd)

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 (續)

金融資產之減值 (於二零一八年一月一日應用香港財務報告準則第9號之前) (續)

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 2018 截至二零一八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)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (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 investment, impairment losses previously recognised in profit or loss are not reversed through profit or loss.

Derecognition of financial assets

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 recognises its retained interest in the asset and an associated liability for amounts it may have to pay. 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.

金融工具 (續)

金融資產 (續)

金融資產之減值 (於二零一八年一月一日應用香港財務報告準則第9號之前) (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。

取消確認金融資產

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，則本集團確認其於該資產的保留權益及與其可能須支付金額有關的負債。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。

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For the year ended 31 December 2018 截至二零一八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)

Derecognition of financial assets (Cont'd)

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

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits.

Financial liabilities and equity instruments

Debt and equity instruments 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 Company are recognised at the proceeds received, net of direct issue costs.

金融工具 (續)

金融資產 (續)

取消確認金融資產 (續)

於取消確認按推銷成本計量金融資產時，資產賬面值與已收及應收代價之差額於損益中確認。

於取消確認一項本集團於應用香港財務報告準則第9號後在初始確認時選擇按公平值計入其他全面收益之股本工具投資時，先前在按公平值計入其他全面收益儲備中累計的累計收益或虧損不會重新分類至損益，但會轉撥至保留溢利。

金融負債及股本工具

債務及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。本公司所發行的股本工具按已收所得款項減直接發行成本列賬。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

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.

Derecognition of financial liabilities

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

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。

取消確認金融負債

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

4. 估計不明朗因素之主要來源

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

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

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

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

The carrying amount of property, plant and equipment for the Group as at 31 December 2018 are HK\$779,632,000 (2017: HK\$633,309,000).

Impairment assessment of property, plant and equipment and prepaid lease payments

The recoverable amount of the Group's cash generating units is determined based on the value in use calculation. These calculations require the use of estimates and certain key assumptions including projected revenue, gross profit margin and discount rates of the cash generating units. Changes in these key assumptions can result in changes of carrying amount of the Group's property, plant and equipment and prepaid lease payments that may impact the profit or loss.

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

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。

本集團於二零一八年十二月三十一日之物業、廠房及設備賬面值為779,632,000港元(二零一七年：633,309,000港元)。

物業、廠房及設備以及預付租賃款項之減值評估

本集團之現金產生單位的可收回金額乃根據使用價值計算釐定。該等計算需要使用估計及若干主要假設，包括現金產生單位的預測收入、毛利率及折現率。該等主要假設的變動可能導致本集團物業、廠房及設備以及預付租賃款項的賬面值變動，並可能影響損益。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

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

Impairment assessment of property, plant and equipment and prepaid lease payments (Cont'd)

During the reporting periods, no impairment loss has been recognised for property, plant and equipment and prepaid lease payments as the recoverable amounts are higher than the carrying amounts. Details of the property, plant and equipment and prepaid lease payments as at 31 December 2018 and 2017 are disclosed in notes 13 and 14.

Allowance for inventories

The management reviews an aged analysis of the inventories for production of FPC and flexible packaging substrate at the end of the reporting period, and makes allowance for slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value 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 2018 is HK\$117,812,000 (2017: HK\$95,480,000), net of allowance for inventories of HK\$12,613,000 (2017: HK\$13,912,000).

Fair value measurement of financial instruments

The Group's unquoted equity instruments are measured at fair values with fair values being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. The carrying amount of equity instrument at fair value through other comprehensive income as at 31 December 2018 is HK\$18,078,000 (2017: available-for-sale investment carried at cost less impairment) and details of the valuation is disclosed in notes 16 and 28.

4. 估計不明朗因素之主要來源 (續)

物業、廠房及設備以及預付租賃款項之減值評估 (續)

於報告期間，由於可收回金額高於賬面值，因此並無就物業、廠房及設備以及預付租賃款項確認減值虧損。於二零一八年及二零一七年十二月三十一日之物業、廠房及設備以及預付租賃款項之詳情於附註13及14中披露。

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。

本集團於二零一八年十二月三十一日之存貨賬面值為117,812,000港元(二零一七年: 95,480,000港元)(經扣除存貨撥備12,613,000港元(二零一七年: 13,912,000港元))。

金融工具之公平值計量

本集團的未報價股本工具按公平值計量，公平值根據乃基於不可觀察所用數據使用估值方法釐定。在確定相關估值方法及其相關所用數據時需要作出判斷和估計。與該等因素有關的假設之變化可能會影響該等工具的公平值。按公平值計入其他全面收益之權益工具於二零一八年十二月三十一日之賬面值為18,078,000港元(二零一七年: 按成本扣除減值計量之可供出售投資)，估值詳情於附註16及28中披露。

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

Provision of ECL for trade and bills receivables

The management of the Group calculates ECL for the trade and bills receivables, which is assessed individually for each significant trade debtors and collectively for others. The provision rates applied are estimated using the historical observed default rates of the debtors taking into consideration forward-looking information that is reasonably and supportably available without undue costs or effort. At the end of each of the reporting period, these historical loss rates are reassessed and updated if required after considering the forward-looking information then available to the directors of the Company.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and bills receivables are disclosed in notes 18 and 28 respectively. The carrying amount of trade and bills receivables at 31 December 2018 for the Group are HK\$506,359,000 (2017:HK\$338,314,000), net of allowance for credit losses of HK\$127,000 (2017: allowance for doubtful debts of HK\$12,000).

5. REVENUE AND SEGMENT INFORMATION

The Group manufactures and sells electronic products to the customers. All revenue generated by the Group is recognised at a point in time when control of the goods has transferred to the customers, being when the goods are shipped to the specific location (delivery).

4. 估計不明朗因素之主要來源 (續)

貿易應收款項及應收票據預期信貸虧損撥備

本集團之管理層會為貿易應收款項及應收票據計算預期信貸虧損，每項重大貿易應收款項會獨立評估，而其他款項則會共同進行評估。所應用的撥備率乃使用應收款項的歷史觀察違約率進行估計，當中會考慮毋須過多成本或努力即可取得的合理及有理據支持的前瞻性資料。於各報告期末，倘在考慮當時本公司董事可得的前瞻性資料後認為有需要，會重新評估及更新該等歷史違約率。

預期信貸虧損撥備對該等估計相當敏感。有關預期信貸虧損及本集團貿易應收款項及應收票據的資料分別於附註18及28中披露。貿易應收款項及應收票據於二零一八年十二月三十一日的賬面金額為506,359,000港元（二零一七年：338,314,000港元），當中已扣除信貸虧損127,000港元（二零一七年：呆賬撥備12,000港元）。

5. 收入及分部資料

本集團製造及向客戶銷售電子產品。本集團產生的所有收入均在貨品控制權轉移至客戶的時間點（即當貨品運輸至特定地點（交付））時確認。

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Sales-related warranties associated with products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets consistent with its previous accounting treatment.

Revenue is recognised from the Group's contracts with customers with fixed price and short-term duration.

During the year ended 31 December 2018, all performance obligations for FPC business, Flexible packaging substrates business and other are satisfied within one year from the date of purchase orders. As permitted under HKFRS 15, the transaction price allocated to unsatisfied contracts as at the end of each reporting period is not disclosed.

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) others.

5. 收入及分部資料 (續)

與產品有關的銷售相關保修無法單獨購買，該等保修乃作為所售出產品符合議定規格的保證。因此，本集團根據香港會計準則第37號撥備、或然負債及或然資產按其先前的會計處理方法對保修列賬。

收益自本集團與客戶訂立的定價及短期合約中確認。

於截至二零一八年十二月三十一日止年度，柔性電路板業務、柔性封裝基板業務及其他業務的履約責任均須於購買訂單日期起計一年內償付。在香港財務報告準則第15號所允許的情況下，並未披露分配至該等於各報告期末未履行的合約的交易價。

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)其他。



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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment information (Cont'd)

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

Segment revenue and results

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

5. 收入及分部資料 (續)

分部資料 (續)

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	–	採購及銷售電子元件業務

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。

		Segment revenue		Inter-segment sales		Eliminations		Segment results	
		– external sales							
		分部收入 – 外部銷售		分部間銷售		撇銷		分部業績	
		2018	2017	2018	2017	2018	2017	2018	2017
二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年		
		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	
FPC business	柔性電路板業務	1,084,759	1,048,429	–	1,141	–	(1,141)	108,187	127,335
Flexible packaging substrates business	柔性封裝基板業務	131,592	49,789	–	87	–	(87)	(1,941)	4,969
Other	其他	7,452	20,620	–	–	–	–	110	305
Total	合計	1,223,803	1,118,838	–	1,228	–	(1,228)	106,356	132,609
Interest income	利息收入							7,372	1,035
Central administration costs	中央行政成本							(29,898)	(28,752)
Finance costs	融資成本							(215)	(2,850)
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							163	40
Profit before taxation	除稅前溢利							83,778	98,858

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment revenue and results (Cont'd)

Inter-segment sales are charged at prevailing market rate.

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.

5. 收入及分部資料 (續)

分部收入及業績 (續)

分部間銷售按現行市場收費。

可申報分部之會計政策與附註3所述的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呈報分部劃分之資產及負債之分析，由於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。

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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

2018

二零一八年

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
Provision of allowance for credit losses	信貸虧損撥備	127	-	-	127
Net allowance (reversal of allowance) for inventories	存貨撥備(撥備撥回)淨額	1,251	(1,935)	-	(684)
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,250	-	-	1,250
Depreciation of property, plant and equipment	物業、廠房及設備折舊	75,128	14,702	-	89,830
Release of government grant for construction of factory on existing lands	發放於現有土地興建 廠房之政府津貼	(791)	-	-	(791)
Release of government grant for research and development projects	發放研發項目之 政府津貼	(28,684)	(3,074)	-	(31,758)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損	5,598	-	-	5,598
Research and development expenses	研發費用	56,529	7,245	-	63,774

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	(7,372)	-	-	(7,372)
Interest expenses	利息開支	215	-	-	215
Income tax expense	所得稅開支	14,444	-	-	14,444

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Other segment information (Cont'd)

2017

Amounts included in the measure of segment profit or loss:

		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 inventories	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 lands	發放於現有土地興建廠房之政府津貼	(772)	-	-	(772)
Release of government grant for research and development projects	發放研發項目之政府津貼	(721)	(4,962)	-	(5,683)
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:

		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

5. 收入及分部資料 (續)

其他分部資料 (續)

二零一七年

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 inventories	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 lands	發放於現有土地興建廠房之政府津貼	(772)	-	-	(772)
Release of government grant for research and development projects	發放研發項目之政府津貼	(721)	(4,962)	-	(5,683)
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

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

Geographical information

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

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

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

5. 收入及分部資料（續）

地區資料

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

		Revenue from external customers 來自外部客戶之收入	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
		823,068	649,920
		298,740	355,285
		101,995	113,633
		1,223,803	1,118,838

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

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information about major customers

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

Customer A ¹	客戶甲 ¹
Customer B ¹	客戶乙 ¹
Customer C ^{2 & 3}	客戶丙 ^{2及3}

¹ Revenue from manufacture and sale of FPC.

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

³ Customer C represents one of the Company's shareholder and its subsidiary.

5. 收入及分部資料 (續)

有關主要客戶之資料

來自於相應年度為本集團銷售總額帶來逾10%貢獻之客戶之收入如下:

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A ¹	276,322	420,673
Customer B ¹	179,003	242,629
Customer C ^{2 & 3}	141,220	120,009

¹ 來自製造及銷售柔性電路板之收入。

² 來自製造及銷售柔性電路板及柔性封裝基板之收入。

³ 客戶丙指本公司股東之一及其附屬公司。

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6. OTHER INCOME

6. 其他收入

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Release of government grant for construction of factory on existing lands (note 22)	發放於現有土地以興建廠房之政府津貼(附註22)	791	772
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)	31,758	5,683
Government subsidies (note)	政府資助(附註)	2,484	4,721
Interest income	利息收入	7,372	1,035
Rental income	租金收入	378	321
Compensation income from litigation claim	訴訟申索之賠償收入	1,420	-
Scrap income	廢料收入	4,307	3,473
Reversal of allowance for doubtful debts	呆賬撥備撥回	-	25
Net exchange gain	匯兌收益淨額	7,002	907
Others	其他	741	937
		56,253	17,874

Note: The amount included HK\$2,303,000 (2017: HK\$4,196,000) represent subsidies from various government authorities in supporting the high technology research and development activities for the year ended 31 December 2018.

附註：金額包括截至二零一八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2,303,000港元(二零一七年：4,196,000港元)。

7. FINANCE COSTS

7. 融資成本

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interests on bank borrowings	銀行借貸利息	215	2,850

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8. PROFIT BEFORE TAXATION

8. 除税前溢利

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before taxation has been arrived at after charging (crediting):	除税前溢利已扣除(計入)以下項目:		
Research and development expenses	研發費用		
Staff costs	員工成本	17,419	17,034
Other research and development expenses	其他研發費用	46,355	62,848
		<u>63,774</u>	<u>79,882</u>
Directors' and chief executive's remuneration (note 10)	董事及主要行政人員酬金(附註10)	1,411	1,145
Other staff costs	其他員工成本	120,702	111,564
Other staff's retirement benefits costs	其他員工之退休福利成本	11,360	9,088
Total staff costs	員工成本總額	133,473	121,797
Less: Other staff costs included in research and development expenses shown above	減:計入上文所示研發費用之其他員工成本	(17,419)	(17,034)
		<u>116,054</u>	<u>104,763</u>
Amortisation of prepaid lease payments	預付租賃款項攤銷	1,250	1,220
Auditor's remuneration	核數師酬金	980	860
Cost of inventories recognised as an expense (Note)	已確認為開支之存貨成本(附註)	1,071,832	898,627
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	89,830	62,487
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	5,598	4,550
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	698	352
Provision for (reversal of) allowance for credit losses/ doubtful debts	信貸虧損/呆賬撥備之撥備(撥回)	127	(25)
Net foreign exchange gain	外匯收益淨額	(7,002)	(907)
Rental income from properties	來自物業之租金收入	(378)	(321)

Note: The amount includes net reversal of allowance for inventories of HK\$684,000 (2017: allowance for inventories HK\$5,172,000).

附註: 金額包括存貨撥備撥回淨額684,000港元(二零一七年:存貨撥備5,172,000港元)。

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9. TAXATION

9. 稅項

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	416	679
PRC Enterprise Income Tax	中國企業所得稅	<u>14,661</u>	<u>21,645</u>
		<u>15,077</u>	<u>22,324</u>
(Over)underprovision in prior years:	以往年度(超額撥備)撥備不足：		
Hong Kong Profits Tax	香港利得稅	(27)	45
PRC Enterprise Income Tax	中國企業所得稅	<u>(2,169)</u>	<u>(4,084)</u>
		<u>(2,196)</u>	<u>(4,039)</u>
		<u>12,881</u>	<u>18,285</u>
Deferred tax:	遞延稅項：		
Current year (note 24)	本年度(附註24)	<u>1,563</u>	<u>1,565</u>
		<u>14,444</u>	<u>19,850</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，引入利得稅兩級制。條例草案於二零一八年三月二十八日經簽署生效，並於翌日在憲報刊登。根據利得稅兩級制，合資格集團實體將按8.25%之稅率就首2百萬港元溢利繳納稅項，並將按16.5%之稅率就超過2百萬港元之溢利繳納稅項。不符合利得稅兩級制資格之集團實體之溢利將繼續按16.5%之統一稅率繳納稅項。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

9. TAXATION (Cont'd)

Accordingly, starting from the current year, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

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

AKM Electronics Industrial (Panyu) Ltd. ("AKM Panyu") and AKM Electronic Technology (Suzhou) Ltd. ("AKM Suzhou") were awarded the Foreign Invested Advanced-Technology Enterprise Certificate in prior years. AKM is entitled to tax rate reduction from 25% to 15% for three years commenced from 1 January 2016. AKM Panyu was entitled to tax rate reduction from 25% to 15% for three years commenced from 1 January 2015, which was then renewed for a further term of three years commenced from 1 January 2018.

9. 稅項 (續)

因此，自本年度起，於計算香港利得稅時，首2百萬港元之估計應課稅溢利按8.25%計算，而超過2百萬港元之估計應課稅溢利則按16.5%計算。

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

於過往年度，安捷利（番禺）電子實業有限公司（「番禺安捷利」）及安捷利電子科技（蘇州）有限公司（「蘇州安捷利」）獲頒高新技術企業認證。蘇州安捷利分別自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。番禺安捷利自二零一五年一月一日起三年享有稅率由25%下調至15%之稅項寬減，並自二零一八年一月一日起獲續期，為期三年。

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9. TAXATION (Cont'd)

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

9. 稅項 (續)

年內之稅項可與綜合損益及其他全面收益表之除稅前溢利調節如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Profit before taxation	除稅前溢利	83,778	98,858
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)	12,567	14,829
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	(377)	(201)
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	913	5,055
Tax effect on share of profit of an associate	應佔一間聯營公司之溢利之稅務影響	(24)	(6)
Tax effect of deductible temporary differences not recognised	未確認可扣減臨時差額之稅務影響	(84)	771
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)	(7,168)	(5,276)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	9,310	7,090
Overprovision in prior years	以往年度之超額撥備	(2,196)	(4,039)
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	(60)	62
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	1,563	1,565
Taxation for the year	本年度稅項	14,444	19,850

Notes:

- AKM Panyu is the Group's major operating subsidiary. Therefore, the Group's applicable income tax rate is 15% (2017: 15%).
- Pursuant to the relevant tax rules and regulations, PRC subsidiaries can claim PRC income tax credits on additional 50% of the qualified research and development expenses in the PRC. Such PRC income tax credits are allowed, and are accounted for, as deduction from current income tax expenses when relevant conditions are fulfilled and tax approval is obtained from the tax bureau.

附註：

- 番禺安捷利為本集團之主要營運附屬公司。因此，本集團之適用所得稅稅率為15%（二零一七年：15%）。
- 根據有關稅務條例及規例，中國附屬公司可就中國之合資格研發開支申請額外50%中國所得稅抵免。在達成有關條例及取得稅局之稅務批文後，有關中國所得稅抵免已獲准並已入賬列作即期所得稅開支扣減。

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

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

2018

	Fees	Other emoluments			Total emoluments
		Salaries and other benefits	Retirement benefit scheme contributions	Performance related incentive payments	
	袍金	薪金及其他福利	退休福利計劃供款	與表現掛鈎之獎金	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 h)	(附註h)
Executive Directors:	執行董事:				
Xiong Zheng Feng	熊正峰	-	-	-	-
Non-executive Directors:	非執行董事:				
Li Ying Hong (note a)	李映紅 (附註a)	-	-	-	-
Gao Xiaoguang	高曉光	-	-	-	-
Jia Junan	賈軍安	-	-	-	-
Zhang Xiaoming (note b)	張曉明 (附註b)	-	-	-	-
Wong Chunsheng (note c)	王春生 (附註c)	-	-	-	-
Yu Daochun (note d)	余道春 (附註d)	-	-	-	-
Independent non-executive Directors:	獨立非執行董事:				
Hung Chi Yuen Andrew	洪志遠	60	-	-	60
Yang Zhaoguo (note e)	楊兆國 (附註e)	45	-	-	45
Zhao Xiao (note f)	趙曉 (附註f)	12	-	-	12
Cui Zheng	崔錚	72	-	-	72
Sub-total	小計	189	-	-	189
Chief Executive Officer	行政總裁				
Chai Zhi Qiang (note g)	柴志強 (附註g)	-	705	82	1,222
Total	合計	189	705	82	1,411

10. 董事及主要行政人員之酬金及五名最高薪酬人士

(i) 董事及主要行政人員之酬金詳情載列如下：

二零一八年

	Fees	Other emoluments			Total emoluments
		Salaries and other benefits	Retirement benefit scheme contributions	Performance related incentive payments	
	袍金	薪金及其他福利	退休福利計劃供款	與表現掛鈎之獎金	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 h)	(附註h)

Executive Directors:	執行董事:				
Xiong Zheng Feng	熊正峰	-	-	-	-
Non-executive Directors:	非執行董事:				
Li Ying Hong (note a)	李映紅 (附註a)	-	-	-	-
Gao Xiaoguang	高曉光	-	-	-	-
Jia Junan	賈軍安	-	-	-	-
Zhang Xiaoming (note b)	張曉明 (附註b)	-	-	-	-
Wong Chunsheng (note c)	王春生 (附註c)	-	-	-	-
Yu Daochun (note d)	余道春 (附註d)	-	-	-	-
Independent non-executive Directors:	獨立非執行董事:				
Hung Chi Yuen Andrew	洪志遠	60	-	-	60
Yang Zhaoguo (note e)	楊兆國 (附註e)	45	-	-	45
Zhao Xiao (note f)	趙曉 (附註f)	12	-	-	12
Cui Zheng	崔錚	72	-	-	72
Sub-total	小計	189	-	-	189
Chief Executive Officer	行政總裁				
Chai Zhi Qiang (note g)	柴志強 (附註g)	-	705	82	1,222
Total	合計	189	705	82	1,411

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

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

2017

	Fees	Other emoluments			Total emoluments	
		Salaries and other benefits	Retirement benefit scheme contributions	Performance related incentive payments		
	袍金	薪金及其他福利	退休福利計劃供款	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	
Executive Directors:	執行董事:					
Xiong Zheng Feng	熊正峰	-	-	-	-	
Chai Zhi Qiang (note g)	柴志強 (附註g)	-	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	趙曉	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 g)	柴志強 (附註g)	-	412	42	-	454
Total	合計	228	691	70	156	1,145

10. 董事及主要行政人員之酬金及五名最高薪酬人士 (續)

(i) 董事及主要行政人員之酬金詳情載列如下: (續)

二零一七年

	Fees	Other emoluments			Total emoluments	
		Salaries and other benefits	Retirement benefit scheme contributions	Performance related incentive payments		
	袍金	薪金及其他福利	退休福利計劃供款	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	
Executive Directors:	執行董事:					
Xiong Zheng Feng	熊正峰	-	-	-	-	
Chai Zhi Qiang (note g)	柴志強 (附註g)	-	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	趙曉	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 g)	柴志強 (附註g)	-	412	42	-	454
Total	合計	228	691	70	156	1,145

(note h)
(附註h)

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

For the year ended 31 December 2018 截至二零一八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) Resigned on 24 August 2018.
- (b) Appointed on 24 August 2018.
- (c) Appointed on 30 January 2018.
- (d) Appointed on 27 November 2018.
- (e) Appointed on 15 May 2018.
- (f) Retired on 15 February 2018.
- (g) Resigned as executive director on 26 May 2017 and remained his position as Chief Executive Officer.
- (h) The performance related incentive payments are determined with reference to the Group's operating results and individual performances.

In 2017, Mr. Chai Zhi Qiang was also the Chief Executive Officer of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive Officer.

The 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.

There was no arrangement under which a director of the chief executive waived or agreed to waived any remuneration during the year.

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) 於二零一八年八月二十四日辭任。
- (b) 於二零一八年八月二十四日獲委任。
- (c) 於二零一八年一月三十日獲委任。
- (d) 於二零一八年十一月二十七日獲委任。
- (e) 於二零一八年五月十五日獲委任。
- (f) 於二零一八年二月十五日退任。
- (g) 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。
- (h) 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。

於二零一七年，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。

年內，概無董事或最高行政人員放棄或同意放棄任何薪酬的安排。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八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:

During the year ended 31 December 2017, of the five individuals with the highest emoluments in the Group, one was former director of the Company whose emoluments are included in the disclosures in note 10(i) above. The emoluments of five (2017: four) individuals were as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,255	3,506
Performance related incentive payments	與表現掛鈎之獎金	1,949	925
Retirement benefit scheme contributions costs	退休福利計劃供款成本	501	211
		5,705	4,642

Their emoluments were within the following bands:

		2018 二零一八年 Number of individuals 人數	2017 二零一七年 Number of individuals 人數
HK\$nil to HK\$1,000,000	零港元至1,000,000港元	3	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	2	2

During the year ended 31 December 2018 and 2017, 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：

於截至二零一七年十二月三十一日止年度，本集團五名最高薪酬人士中，一名為本公司前董事，其薪酬載於上述之附註10(i)之披露中。五名(二零一七年：四名)人士之薪酬載列如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Salaries and other benefits	薪金及其他福利	3,255	3,506
Performance related incentive payments	與表現掛鈎之獎金	1,949	925
Retirement benefit scheme contributions costs	退休福利計劃供款成本	501	211
		5,705	4,642

彼等之酬金介乎以下範圍：

		2018 二零一八年 Number of individuals 人數	2017 二零一七年 Number of individuals 人數
HK\$nil to HK\$1,000,000	零港元至1,000,000港元	3	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至 1,500,000港元	2	2

截至二零一八年及二零一七年十二月三十一日止年度，本集團並無向董事及行政總裁或五名最高薪酬人士支付任何酬金，以作為鼓勵加入或加入本集團時之獎金或離職補償。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

11. DIVIDEND

11. 股息

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2017 Final – HK1 cent per share	<u>15,382,000</u>	<u>–</u>

A final dividend of HK1 cent per share of approximately HK\$15,382,000 in respect of the year ended 31 December 2018 has been proposed by the directors of the Company and is subject to approval by the shareholders in forthcoming annual general meeting.

本公司董事建議派發截至二零一八年十二月三十一日止年度每股1港仙之末期股息約15,382,000港元，惟須待股東在應屆股東大會批准。

12. EARNINGS PER SHARE

12. 每股盈利

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

本公司擁有人應佔每股基本盈利之計算乃根據以下數據：

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic earnings	<u>69,334</u>	<u>79,016</u>
	Number of shares	
	股數	
	2018	2017
	二零一八年	二零一七年
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,514,092,021</u>	<u>1,193,384,239</u>

There were no potential ordinary share in existence for the two years ended 31 December 2018. Accordingly, no diluted earnings per share has been presented.

由於截至二零一八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 2018 截至二零一八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	Leasehold	Office	Motor	Construction	Total
		Buildings	machinery	improvements	equipment	vehicles	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
COST	成本							
At 1 January 2017	於二零一七年一月一日	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
Additions	添置	1,064	38,410	17,697	2,647	451	220,982	281,251
Disposals	出售	-	(19,659)	-	(6)	(107)	-	(19,772)
Written off	撇銷	-	-	(16,795)	-	-	-	(16,795)
Transfer	轉撥	-	89,652	-	-	-	(89,652)	-
Currency realignment	貨幣調整	(7,995)	(28,044)	(4,184)	(1,059)	(133)	(7,396)	(48,811)
At 31 December 2018	於二零一八年十二月三十一日	166,083	602,280	87,112	24,142	3,662	198,010	1,081,289
DEPRECIATION	折舊							
At 1 January 2017	於二零一七年一月一日	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
Provided for the year	年度撥備	8,585	63,330	14,638	2,889	388	-	89,830
Eliminated on disposals	出售時抵銷	-	(10,095)	-	(3)	(102)	-	(10,200)
Eliminated on written off	撇銷時抵銷	-	-	(16,795)	-	-	-	(16,795)
Currency realignment	貨幣調整	(1,735)	(9,931)	(995)	(529)	(95)	-	(13,285)
At 31 December 2018	於二零一八年十二月三十一日	38,103	228,342	20,092	12,259	2,861	-	301,657
CARRYING VALUES	賬面值							
At 31 December 2018	於二零一八年十二月三十一日	127,980	373,938	67,020	11,883	801	198,010	779,632
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

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For the year ended 31 December 2018 截至二零一八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 2018, the Group has pledged buildings and plant and machinery with carrying amounts of HK\$49,291,000 (2017: HK\$53,212,000) 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	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

於二零一八年十二月三十一日，本集團已抵押賬面值為49,291,000港元（二零一七年：53,212,000港元）之樓宇以及廠房及機器，作為本集團所獲授一般銀行信貸之擔保。

該等樓宇均位於中國租賃之土地上。

物業、廠房及設備之按金指就購買物業、廠房及設備及在建工程已付予供應商及分承建商之按金。

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綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

13. PROPERTY, PLANT AND EQUIPMENT/ DEPOSITS FOR PROPERTY, PLANT AND EQUIPMENT (Cont'd)

In accordance with the Group's accounting policies, the Group reviews the carrying amount of its property, plant and equipment and prepaid lease payments to determine whether there is any indication of that these assets have suffered an impairment loss. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made at the reporting period. Indicators of impairment included drop in average unit selling price of products.

The recoverable amount of property, plant and equipment and prepaid lease payments is determined on the basis of value in use calculation and certain key assumptions. For the purpose of impairment testing, the value in use calculation used the cash flow projections based on financial budgets approved by management of the Group covering a 5-year period and discount rate of 10%. Other key assumptions for the value in use calculations related to the estimation of pretax cash inflows/outflows which included projected revenue and gross margins during the budget period. Budgeted revenue and gross profit margins were determined based on past performance and the management's expectations for the market development.

During the reporting periods, no impairment loss has been recognised for property, plant and equipment, and prepaid lease payments as the recoverable amounts are higher than the respective carrying amounts as a result of impairment assessment.

13. 物業、廠房及設備／物業、廠房及 設備之按金 (續)

根據本集團的會計政策，本集團會審核其物業、廠房及設備以及預付租賃款項之賬面值，以確定是否有任何跡象表明該等資產出現減值虧損。若出現任何減值跡象，於報告期內會對可收回金額作出正式估計。減值跡象包括產品平均銷售單價下降。

物業、廠房及設備及預付租賃款項的可收回金額乃根據使用價值計算及若干主要假設釐定。就減值測試而言，使用價值計算基於現金流量預測，該預測乃根據本集團管理層批准的5年期財務預算及10%的折現率。使用價值計算的其他主要假設與稅前現金流入／流出之估計有關，該估計包括預算期內預算收益率及毛利率。預算收益率及毛利率乃根據過往表現及管理層對市場發展的預期釐定。

於報告期間，由於進行減值評估，顯示物業、廠房及設備及預付租賃款項的可收回金額高於各自賬面值，故並無就有關項目確認減值虧損。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

14. PREPAID LEASE PAYMENTS

14. 預付租賃款項

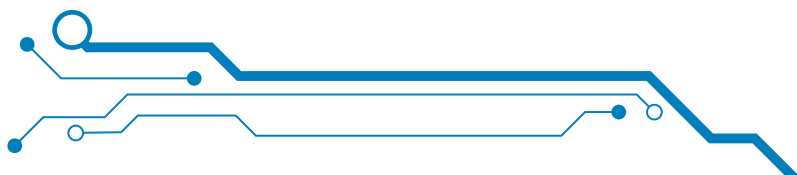
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
The Group's prepaid lease payments comprise:	本集團之預付租賃款項包括：		
Leasehold land in PRC	於中國之租賃土地	<u>46,924</u>	<u>50,452</u>
Analysed for reporting purposes as:	就呈報用途之分析：		
Current assets	流動資產	<u>1,207</u>	1,265
Non-current assets	非流動資產	<u>45,717</u>	<u>49,187</u>
		<u>46,924</u>	<u>50,452</u>

The prepayment for land use rights is under leasehold and is amortised over 50 years on a straight-line basis.

As at 31 December 2018, the Group has pledged land use rights in PRC with carrying amount of HK\$16,318,000 (2017: HK\$17,551,000) to secure general banking facilities granted to the Group.

土地使用權之預付款為租賃並按直線法分50年攤銷。

於二零一八年十二月三十一日，本集團已抵押賬面值16,318,000港元（二零一七年：17,551,000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。



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15. INTEREST IN AN ASSOCIATE

15. 聯營公司之權益

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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	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	212	232
		<u>3,828</u>	<u>3,848</u>

Details of the Group's associate as at 31 December 2017 and 2018 are as follows:

本集團聯營公司於二零一七年及二零一八年十二月三十一日之詳情如下：

Name of associate 聯營公司名稱	Place of establishment 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 ("New Career") 廣州市安旭特電子有限公司 〔廣州安旭特〕	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。

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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。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產	6,268	951
Current assets	流動資產	9,545	13,486
Current liabilities	流動負債	<u>(3,053)</u>	<u>(1,612)</u>
Net assets	資產淨值	12,760	12,825
Proportion of the Group's ownership interest in the associate	本集團於聯營公司之擁有權益比例	30%	30%
Group's share of net assets of the associate	本集團應佔聯營公司之資產淨值	<u>3,828</u>	<u>3,848</u>
Revenue	收入	<u>14,046</u>	<u>5,114</u>
Profit (loss) for the year	本年度溢利(虧損)	543	(169)
Other comprehensive (expense) income for the year	本年度其他全面(開支)收益	<u>(608)</u>	<u>942</u>
(Loss) profit and other comprehensive (expense) income for the year	本年度(虧損)溢利及其他全面(開支)收益	<u>(65)</u>	<u>773</u>
Group's share of (loss) profit and other comprehensive (expense) income of the associate for the year	本集團應佔聯營公司本年度(虧損)溢利及其他全面(開支)收益	<u>(20)</u>	<u>232</u>
Dividend received from the associate	應收聯營公司之股息	<u>-</u>	<u>-</u>

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16. EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENT

16. 公平值計入其他全面收益之權益工具／可供出售之投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Unlisted equity investment	非上市股權投資		
– Equity instrument at fair value through other comprehensive income	– 公平值計入其他全面收益之權益工具	<u>18,078</u>	<u>–</u>
– Available-for-sale investment	– 可供出售之投資	<u>–</u>	<u>17,945</u>

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 directors of the Company have elected to designate this investment in equity instrument as FVTOCI as they believe this investment is not held for trading and not expected to be sold in foreseeable future. Detail of the fair value measurement of this unlisted equity interest is disclosed in note 28. The unlisted equity investment was measured at cost less impairment as at 31 December 2017.

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。本公司董事已選擇將於該等權益工具之投資指定為公平值計入其他全面收益，因為彼等認為該等投資並非持作交易且並不預期於可見將來出售。該非上市權益的公平值計量詳情於附註28中披露。非上市股本投資於二零一七年十二月三十一日按成本減減值計量。

17. INVENTORIES

17. 存貨

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Raw materials	原材料	44,618	22,381
Work in progress	半成品	34,936	37,870
Finished goods	製成品	<u>38,258</u>	<u>35,229</u>
		<u>117,812</u>	<u>95,480</u>

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18. TRADE AND OTHER RECEIVABLES

Trade and other receivables include the following balances of trade and bills receivables:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade and bills receivables	貿易應收款項及應收票據	506,486	338,326
Less: Allowance for credit losses/ doubtful debt	減：信貸虧損／呆賬撥備	(127)	(12)
		506,359	338,314
Other tax recoverable	其他可收回稅項	8,425	10,777
Other receivables and prepayments (Note)	其他應收款項及預付款 (附註)	14,086	11,952
		528,870	361,043

Note: The amount mainly represents the prepayments. In the opinion of the directors, the amount is expected to be utilised within the next 12 months.

The Group allows a credit period ranging from 30 to 120 days to its trade customers. Before accepting any new customer, the management assesses the potential customer's credit quality and defines credit limits by customer.

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade and bills receivables	貿易應收款項及應收票據	506,486	338,326
Less: Allowance for credit losses/ doubtful debt	減：信貸虧損／呆賬撥備	(127)	(12)
		506,359	338,314
Other tax recoverable	其他可收回稅項	8,425	10,777
Other receivables and prepayments (Note)	其他應收款項及預付款 (附註)	14,086	11,952
		528,870	361,043

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。

本集團向其貿易客戶授出之信貸期介乎30至120日不等。在接納任何新客戶之前，管理層會評估潛在客戶之信貸質素，並確定客戶可享有之信貸額度。

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18. TRADE AND OTHER RECEIVABLES (Cont'd)

The following is an aged analysis of trade and bills receivables, net of allowance for credit losses (2017: doubtful debts) 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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days	30日內	266,561	156,619
31 – 60 days	31至60日	105,349	118,060
61 – 90 days	61至90日	58,657	28,793
91 – 120 days	91至120日	54,909	28,201
121 days – 1 year	121日至1年	20,883	6,641
		506,359	338,314

Included in the Group's trade receivable is (i) amount due from a shareholder and its subsidiaries amounting to HK\$72,190,000 (2017: HK\$62,507,000) and (ii) amount due from an associate amounting to HK\$164,000 (2017: HK\$1,146,000). In addition, amount of HK\$22,948,000 was pledged to secure banking facilities granted to the Group as at 31 December 2017 which was released during the year ended 31 December 2018.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK\$42,401,000 (2017: HK\$38,562,000) which are past due at the reporting date. Out of the past due balances HK\$1,726,000 has been due 90 days or more and is not considered as in default in view of the satisfactory settlement history and have good credit quality assessed by the management of the Group. The average age of these receivables is 108 days (2017: 101 days). The Group does not hold any collateral over these balances.

18. 貿易及其他應收款項 (續)

以下為於報告期末(與相應收入確認日期相近)貿易應收款項及應收票據(經扣除按發票日期呈列之信貸虧損(二零一七年:呆賬)撥備)(按相關票據之出具日期呈列之應收票據除外)之賬齡分析:

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72,190,000港元(二零一七年:62,507,000港元)及(ii)應收一間聯營公司款項164,000港元(二零一七年:1,146,000港元)。此外,於二零一七年十二月三十一日,已抵押22,948,000港元,作為本集團所獲授短期銀行信貸之擔保,並已於截至二零一八年十二月三十一日止年度解除。

本集團之貿易應收款項結餘包括總賬面值為42,401,000港元(二零一七年:38,562,000港元)之應收賬款,有關款項於報告日期已過期,在已過期結餘中,1,726,000港元已逾期90日或以上,但鑒於過往結算記錄良好及獲管理層評估具有良好信貸質素,因而並無被視為已違約。該等應收款項之平均賬齡為108日(二零一七年:101日)。本集團並就該等結餘持有任何抵押品。

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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
0 – 30 days	0至30日	101
31 – 60 days	31至60日	15,679
61 – 90 days	61至90日	3,850
91 – 120 days	91至120日	12,291
121 days – 1 year	121日至1年	6,641
		<u>38,562</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
Balance at beginning of the year	年初結餘	41
Impairment loss recognised on receivables	就應收款項確認之減值虧損	4
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)
Currency realignment	貨幣調整	1
Balance at end of the year	年末結餘	<u>12</u>

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18. TRADE AND OTHER RECEIVABLES (CONT'D)

Movement in the allowance for doubtful debts

(Cont'd)

As at 31 December 2017, included in the Group's allowance for doubtful debts were individually impaired trade receivables with an aggregate balance of HK\$12,000 based on the aged analysis of the trade receivables.

Details of impairment assessment of trade and other receivables for the year ended 31 December 2018 are set out in note 28.

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:

18. 貿易及其他應收款項 (續)

呆賬撥備之變動 (續)

於二零一七年十二月三十一日，本集團之呆賬撥備分別包括結餘總額為數12,000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。

於截至二零一八年十二月三十一日止年度之貿易及其他應收款項之減值估計詳情載於附註28。

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
United States dollar ("US\$")	美元(「美元」)	<u>84,005</u>	<u>107,224</u>

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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 (2017: 0.02% per annum). The pledged bank deposits will be released upon withdrawal of banking facilities. The pledged bank deposits are denominated in HK\$.

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 3.34% (2017: 0.01% to 3.00%) per annum.

Included in the Group's bank balances are short-term deposits of HK\$98,148,000 (2017: HK\$61,185,000) kept in banks located in the PRC.

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:

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%（二零一七年：年利率0.02%）計息。已抵押銀行存款將於提取銀行信貸後解除。已抵押銀行存款乃以港元計值。

20. 銀行結餘及現金

銀行結餘包括以介乎0.01%至3.34%之年利率（二零一七年：0.01%至3.00%）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98,148,000港元（二零一七年：61,185,000港元）。

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
US\$	美元	95,880	27,451
Korean Dollars ("KRW")	韓國圓（「韓國圓」）	104	325

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21. TRADE AND OTHER PAYABLES

Trade and other payables include the following balances:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade and bills payables	貿易應付款項及應付票據	340,931	338,881
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備之應付款項	29,522	11,428
Accrued staff costs	應計員工成本	26,188	39,500
Construction payables	應付工程款項	9,008	11,086
Other taxation payables	其他應付稅項	4,040	1,731
Other payables and accruals	其他應付款項及應計費用	16,251	10,520
		425,940	413,146

The following is an aged analysis by invoice date/bills issued date of trade and bills payables at the end of the reporting period:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days	30日內	119,291	124,210
31 – 60 days	31至60日	91,481	88,957
61 – 90 days	61至90日	77,454	71,040
91 – 120 days	91至120日	40,818	34,974
121 days – 1 year	121日至1年	8,198	15,965
Over 1 year	1年以上	3,689	3,735
		340,931	338,881

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade and bills payables	貿易應付款項及應付票據	340,931	338,881
Payables for acquisition of property, plant and equipment	收購物業、廠房及設備之應付款項	29,522	11,428
Accrued staff costs	應計員工成本	26,188	39,500
Construction payables	應付工程款項	9,008	11,086
Other taxation payables	其他應付稅項	4,040	1,731
Other payables and accruals	其他應付款項及應計費用	16,251	10,520
		425,940	413,146

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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within 30 days	30日內	119,291	124,210
31 – 60 days	31至60日	91,481	88,957
61 – 90 days	61至90日	77,454	71,040
91 – 120 days	91至120日	40,818	34,974
121 days – 1 year	121日至1年	8,198	15,965
Over 1 year	1年以上	3,689	3,735
		340,931	338,881

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21. TRADE AND OTHER PAYABLES (Cont'd)

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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Japanese Yen ("JPY")	日圓(「日圓」)	9,510	1,940
Euro ("EUR")	歐元(「歐元」)	313	280
US\$	美元	<u>40,474</u>	<u>47,433</u>

21. 貿易及其他應付款項 (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付款項載列如下：

22. DEFERRED INCOME

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 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
Construction of factory on existing lands (note b)	於現有土地興建廠房(附註b)	<u>24,805</u>	<u>26,801</u>
		24,805	31,289
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>(763)</u>	<u>(5,288)</u>
Amount shown under non-current liabilities	非流動負債項下所示之金額	<u>24,042</u>	<u>26,001</u>

22. 遞延收入



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22. DEFERRED INCOME (Cont'd)

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\$31,758,000 (2017: HK\$5,683,000) to profit or loss.

In addition, the Group has undertaken a research and development project, "O2 Major Project", of certain flexible packaging substrates products since 2014. Research and development expenditure incurred for the project has been recognised in profit or loss in prior years since the commencement. The project has been completed in 2017. Upon the successful examination on the result of research and development project by the government authority, the Group will recognise further government subsidy income upon approval and receipt.

- (b) In 2010, an amount of RMB26,750,000 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\$791,000 (2017: HK\$772,000) 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.

22. 遞延收入 (續)

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31,758,000港元（二零一七年：5,683,000港元）。

此外，本集團自二零一四年起已承擔「O2專項」，是一項開發若干柔性封裝基板產品之項目。自項目開始以來，該項目所產生的研發開支已於過往年度於損益表中確認。該項目已於二零一七年完成。待政府機關對研發項目的成果測試達標後，本集團將會於政府批准及收款時確認政府補助收入。

- (b) 於二零一零年，為數人民幣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791,000港元（二零一七年：772,000港元）撥回損益。有關所獲授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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23. BANK BORROWINGS

23. 銀行借貸

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank loans	銀行貸款	-	67,976
Secured	有抵押	-	24,284
Carrying amount repayable*:	應償還賬面值*：		
Within one year	一年內	-	51,650
More than one year, but not exceeding two years	多於一年但不超過兩年	-	1,954
More than two years, but not exceeding five years	多於兩年但不超過五年	-	14,372
		-	67,976

* 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：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	-	51,650
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	-	1,954
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	-	14,372
		-	67,976

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23. BANK BORROWINGS (Cont'd)

As at 31 December 2017, bank loans amounting to HK\$24,284,000 were secured by charges over prepaid lease payments, buildings, trade receivable and bank deposits of the Group (note 31).

At 31 December 2017, included in the bank borrowings of the Group were bank loans amounting of HK\$53,604,000 which bore 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:

		2018 二零一八年	2017 二零一七年
Effective interest rates:	實際利率：		
Fixed-rate borrowings	定息借貸	N/A不適用	2.76% to 4.32% 2.76%至4.32%
Variable-rate borrowings	浮息借貸	N/A不適用	3.80% to 3.83% 3.80%至3.83%

The Group's bank borrowings that are denominated in currencies other than functional currencies of the relevant group entities are set out below:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
US\$	美元	N/A不適用	59,207

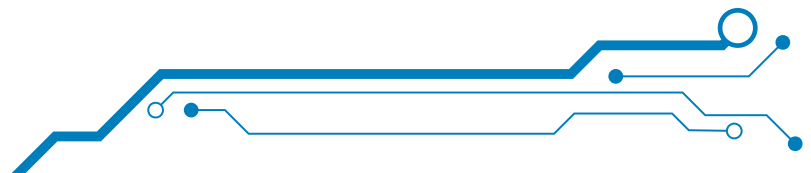
23. 銀行借貸 (續)

於二零一七年十二月三十一日，銀行貸款金額為24,284,000港元，以本集團之預付租賃款項、樓宇、貿易應收款項及銀行存款作擔保(附註31)。

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，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：

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：



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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 2017	於二零一七年一月一日	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)
		<hr/>
At 31 December 2017	於二零一七年十二月三十一日	9,106
Charged to profit or loss (note 9)	自損益賬扣除(附註9)	1,563
Currency realignment	貨幣調整	(473)
		<hr/>
At 31 December 2018	於二零一八年十二月三十一日	<u>10,196</u>

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 inventories of approximately HK\$127,000 (2017: HK\$12,000) and HK\$13,228,000 (2017: HK\$13,912,000) 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\$222,328,000 (2017: HK\$160,261,000) available for offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future taxable profit streams. The unrecognised tax losses arising from subsidiaries operated in the PRC of approximately HK\$222,328,000 (2017: HK\$160,261,000) will expire from 2019 to 2022.

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：

於報告期末，本集團擁有與呆壞賬之累計撥備及存貨之累計撥備相關之可扣減臨時差額分別約127,000港元（二零一七年：12,000港元）及13,228,000港元（二零一七年：13,912,000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222,328,000港元（二零一七年：160,261,000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。於中國運營之附屬公司產生未確認稅項虧損約222,328,000港元（二零一七年：160,261,000港元）將於二零一九年至二零二二年到期。

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24. DEFERRED TAXATION (Cont'd)

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amount to HK\$142,681,000 (2017: HK\$75,769,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

25. LIABILITY DUE TO A SHAREHOLDER

On 20 November 2018, the Group entered into Technology Development Co-operation Agreement (the "Agreement") with China North Industries Corporation ("CNIC"), a shareholder of the Company. Pursuant to the Agreement, the Group participates in a research and development project directed by CNIC. The total amount of research and development fee amounting to RMB15,000,000 (equivalent to approximately HK\$17,735,000) has been paid by CNIC to the Group during the year. The term of the Agreement commences from the date of the Agreement and is expected to expire on or before 31 December 2020, on the scheduled completion of the project. The deliverables by the Group are required to be provided by the end of the project, not later than 31 December 2020, subject to incompleteness and return clauses of the Agreement.

The directors consider the amount received from CNIC to be recorded as long term liability due to a shareholder as at the end of the reporting period.

24. 遞延稅項 (續)

根據中國企業所得稅法，由二零零八年一月一日起以中國附屬公司所賺取的溢利所宣派的股息須繳納預扣稅。於綜合財務報表中並無就中國附屬公司累計溢利所產生的暫時性差額142,681,000港元(二零一七年：75,769,000港元)作出遞延稅項撥備，原因為本集團能夠控制該暫時性差額的撥回時間，且該暫時性差額不大可能於可見將來撥回。

25. 應付一位股東之負債

於二零一八年十一月二十日，本集團與本公司股東中國北方工業有限公司(「北方工業」)訂立技術開發合作合同(「該合同」)。根據該合同，本集團參與一項由北方工業領導的研發項目。北方工業於年內已付研發費用金額為人民幣15,000,000元(相當於約17,735,000港元)。該合同的年期由該合同日期起開始，按項目預期完成並預期於二零二零年十二月三十一日或之前屆滿。本集團需要於二零二零年十二月三十一日項目完結前提交一份報告，受合同內未能完成及退款之條款約束。

董事認為已收北方工業之金額應於報告期末時作為應付一名股東的長期負債入賬。

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26. SHARE CAPITAL

26. 股本

		Number of Shares 股份數目	Share capital 股本 HK\$'000 千港元
Issued and fully paid:	已發行及繳足：		
At 1 January 2017	於二零一七年一月一日	987,470,000	333,161
Issue of rights shares (Note a)	發行供股股份 (附註a)	246,867,500	133,506
At 31 December 2017	於二零一七年 十二月三十一日	1,234,337,500	466,667
Issue of subscription shares (Note b)	發行認購股份 (附註b)	303,900,000	454,886
At 31 December 2018	於二零一八年 十二月三十一日	1,538,237,500	921,553

Notes:

- (a) 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.
- (b) On 30 January 2018, the Company issued 103,900,000 ordinary shares 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 raised by the Company was approximately HK\$454,886,000. The number of ordinary shares in issue of the Company increased to 1,538,237,500 shares.

The new shares issued rank pari passu in all respects with the existing shares in issue.

附註：

- (a) 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。
- (b) 於二零一八年一月三十日，本公司分別以每股1.5港元之認購價向安捷利實業有限公司及安潔科技(香港)有限公司發行103,900,000股普通股及200,000,000股普通股。本公司所籌得之所得款項淨額約為454,886,000港元。本公司之已發行普通股數目增至1,538,237,500股。

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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27. 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, 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:

27. 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
Assets and liabilities of New Career at the date of disposal:	廣州安旭特於出售日期之資產及負債：	
Property, plant and equipment	物業、廠房及設備	856
Inventories	存貨	325
Trade and other receivables	貿易及其他應收款項	10,219
Bank balances	銀行結餘	1,004
Trade and other payables	貿易及其他應付款項	(423)
Net assets disposed of	已出售之淨資產	11,981
30% equity interest retained as interest in an associate	保留作聯營公司之權益之30%股權	(3,616)
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	1,213
Loss on disposal	出售之虧損	(2,374)
		<u>7,204</u>
Net cash inflow arising on disposal:	出售所產生之現金流入淨額：	
Cash consideration received	已收現金代價	7,204
Less: Bank balances disposed of	減：已出售之銀行結餘	(1,004)
Net cash inflow	現金流入淨額	<u>6,200</u>

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27. 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 entire 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 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:

27. 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
Assets and liabilities of Giant Rise Group at the date of disposal:	嘉升集團於出售日期之資產及負債：	
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	遞延稅項負債	(134)
		<hr/>
Net assets disposed of	已出售之淨資產	4,324
Non-controlling interests	非控股權益	(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
		<hr/>
Net cash inflow arising on disposal:	出售所產生之現金流入淨額：	
Cash consideration received	已收現金代價	3,355
Less: Bank balances disposed of	減：已出售之銀行結餘	(10)
		<hr/>
Net cash inflow	現金流入淨額	3,345
		<hr/>

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28. FINANCIAL INSTRUMENTS

28. 金融工具

Categories of financial instruments

金融工具類別

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本計量之金融資產	669,013	-
Equity instruments at FVTOCI	按公平值計入其他全面收益之 權益工具	18,078	-
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及 現金等值項目)	-	435,352
Available-for-sale investment	可供出售之投資	-	17,945
		<u>382,024</u>	<u>435,297</u>
Financial liabilities	金融負債		
Amortised cost	攤銷成本	<u>382,024</u>	<u>435,297</u>

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, equity instrument at FVTOCI, 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.

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供出售投資、按公平值計入其他全面收益之權益工具、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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28. 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:

28. 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 負債		Assets 資產	
	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
US\$	40,474	106,640	179,885	134,675

美元

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28. 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 weakens against US\$. For a 5% strengthens 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.

28. 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。倘人民幣對美元貶值，正數則表示年度除稅後溢利增加。對於人民幣對美元強勁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。

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Increase in post-tax profit for the year: 本年度除稅後溢利增加:		
US\$ 美元	<u>5,925</u>	<u>1,191</u>

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

28. 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.

Other price risk

The Group is exposed to equity price risk through its investment in equity securities measured at FVTOCI (2017: available-for-sale investment). The Group invested in unquoted equity securities for an investee operating in research and development industry sector for long term strategic purposes which had been designed as FVTOCI (2017: available-for-sale investment measured at cost less impairment). The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the reporting date, excluding available-for-sale investment measured at cost less impairment for the year ended 31 December 2017. Sensitivity analyses for unquoted equity securities with fair value measurement categorised within Level 3 were disclosed as below.

28. 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。

其他價格風險

本集團因其於按公平值計入其他全面收益計量之股本證券之投資承受股本價格風險（二零一七年：可供出售之投資）。本集團投資於一位於研究及開發行業經營的投資對象之未報價權益債券，其長期戰略目的為將其指定為按公平值計入其他全面收益（二零一七年：可供出售之投資按成本減減值計量）。本集團已委任專責團隊監察價格風險，並將於有需要時考慮對沖風險。

敏感度分析

敏感度分析乃根據報告日期之股本價格風險釐定，惟不計於截至二零一七年十二月三十一日止年度按成本減減值計量的可供出售之投資。對分類為級別3的以公平值計量的未報價之權益證券的敏感度分析披露如下。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Credit risk and impairment assessment

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position of the Group.

The Group's credit risk is primarily attributable to its trade and bills receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred loss model) on each individually significant trade and bills receivable balances and collectively for remaining trade debtors. The provision rates applied is estimated using the historical observed default rates of the debtors taking into consideration forward-looking information that is reasonably and supportably available without undue costs or effort. At the end of each of the reporting period, these historical loss rates are reassessed and updated if required after considering the forward-looking information then available to the directors of the Company. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

28. 金融工具 (續)

財務風險管理目標 (續)

信貸風險及減值評估

本集團就對手方未能履行責任可能導致的財務虧損所承擔的最高信貸風險為各項金融資產於本集團綜合財務狀況表所確認的賬面值。

本集團的信貸風險主要來自貿易應收款項及應收票據。為盡量降低信貸風險，本集團管理層有團隊專責釐定信貸限額及進行信貸審批。在接納任何新客戶之前，本集團會運用內部信貸評分系統評估潛在客戶之信貸質素，並釐定客戶可享有之信貸額度。客戶的額度及評分會每年進行審閱。本集團亦有其他程序確保採取跟進措施以收回逾期債務。此外，本集團應用香港財務報告準則第9號後根據預期信貸虧損模型（二零一七年：已產生損失模型）就每項重大的貿易應收款項及應收票據進行獨立減值評估，而餘下的貿易應收款項則會合併進行減值評估。所應用的撥備率乃使用應收款項的歷史觀察違約率進行估計，當中會考慮毋須過多成本或努力即可取得的合理及有理據支持的前瞻性資料。於各報告期末，倘在考慮當時本公司董事可得的前瞻性資料後應為有需要，會重新評估及更新該等歷史違約率。就此而言，本公司董事認為本集團之信用風險已大幅下降。

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28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Credit risk and impairment assessment (Cont'd)

The Group's concentration of credit risk by geographical locations is mainly in PRC, which accounted for 85% (31 December 2017: 99%) of the total trade receivables as at 31 December 2018.

The Group has concentration of credit risk as 23% (31 December 2017: 32%) and 69% (31 December 2017: 80%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively within the business segment.

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are deposited with several banks with good reputation and high credit ratings, the Group does not have any other significant concentration of credit risk, with exposure spread over a number of counterparties.

The Group has considered that credit risk on other receivables and bank balances has not increased significantly since initial recognition and has assessed the expected credit loss rate under 12m ECL method based on the Group's assessment in the risk of default of the respective counterparties.

28. 金融工具 (續)

財務風險管理目標 (續)

信貸風險及減值評估 (續)

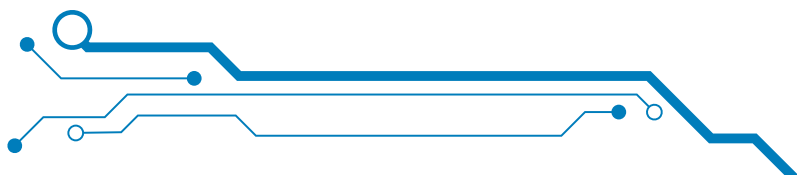
本集團按地區劃分的集中信貸風險主要在中國，佔二零一八年十二月三十一日的貿易應收款項總額的85%（二零一七年十二月三十一日：99%）。

由於業務分部內應收本集團最大客戶及五大客戶的貿易應收款項分別佔有關總額的23%（二零一七年十二月三十一日：32%）及69%（二零一七年十二月三十一日：80%），故本集團擁有集中信貸風險。

銀行結餘的信貸風險有限，原因是交易對手乃獲國際信貸評級機關給予高信貸評級之銀行。

除存放於多間聲譽良好及擁有高信貸評級的銀行的流動資金擁有集中信貸風險外，本集團並無任何其他重大集中信貸風險，有關風險分散於多個對手方。

本集團認為其他應收款項及銀行結餘的信貸風險自初步確認以來並無大幅上升，並已根據本集團對相關對手方違約風險的評估採用12個月預期信貸虧損模型評估預期信貸虧損率。



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Credit risk and impairment assessment (Cont'd)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables 貿易應收款項	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手違約風險低，並無任何逾期款項	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – (無信貸減值)	12-month ECL 12個月的預期信貸虧損
Watch list 需監察	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後償還，但通常於到期日後結算	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – (無信貸減值)	12-month ECL 12個月的預期信貸虧損
Doubtful 可疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 自從透過內部產生或獲取自外部來源的資料初步確認以來，信貸風險顯著增加	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – (無信貸減值)	Lifetime ECL – not credit-impaired 存續期預期信貸虧損 – (無信貸減值)
Loss 虧損	There is evidence indicating the asset is credit-impaired 有跡象表明資產出現信貸減值	Lifetime ECL – credit-impaired 存續期預期信貸虧損 – (信貸減值)	Lifetime ECL – credit-impaired 存續期預期信貸虧損 – (信貸減值)
Write-off 核銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有跡象表明債務人陷入嚴重的財務困境，因而本集團收回款項的希望渺茫	Amount is written off 款項已被核銷	Amount is written off 款項已被核銷

28. 金融工具 (續)

財務風險管理目標 (續)

信貸風險及減值評估 (續)

本集團的內部信貸風險評級評估包括以下類別：

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28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Credit risk and impairment assessment (Cont'd)

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

2018	Note	Internal credit rating	12-month or lifetime ECL 12個月或生命週期 預期信貸虧損	Gross carrying amount
二零一八年	附註	內部信貸評分	預期信貸虧損	總賬面值 HK\$'000 千港元

Financial assets at amortised cost

按攤銷成本計量之金融資產

Trade and bills receivables 應收貿易款項及應收票據	18	Note i 附註i	Lifetime ECL 生命週期預期 信貸虧損	506,486
Other receivables 其他應收款項	18	Note ii 附註ii	12-month ECL 12個月預期信貸虧損	7,431
Pledged bank deposits 已抵押銀行存款	19	Note ii 附註ii	12-month ECL 12個月預期信貸虧損	2,358
Bank balances and cash 銀行結餘及現金	20	Note ii 附註ii	12-month ECL 12個月預期信貸虧損	152,865

Notes:

- (i) For trade and bill receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses for individually significant trade debtors and collectively for others. During the year ended 31 December 2018, the Group considers that provision of impairment allowance for trade and bills receivables is insignificant since the internal credit rating for all trade debtors is losses.

28. 金融工具 (續)

財務風險管理目標 (續)

信貸風險及減值評估 (續)

下表詳列本集團須接受預期信貸虧損評估的金融資產的信貸風險：

2018	Note	Internal credit rating	12-month or lifetime ECL 12個月或生命週期 預期信貸虧損	Gross carrying amount
二零一八年	附註	內部信貸評分	預期信貸虧損	總賬面值 HK\$'000 千港元

Financial assets at amortised cost

按攤銷成本計量之金融資產

Trade and bills receivables 應收貿易款項及應收票據	18	Note i 附註i	Lifetime ECL 生命週期預期 信貸虧損	506,486
Other receivables 其他應收款項	18	Note ii 附註ii	12-month ECL 12個月預期信貸虧損	7,431
Pledged bank deposits 已抵押銀行存款	19	Note ii 附註ii	12-month ECL 12個月預期信貸虧損	2,358
Bank balances and cash 銀行結餘及現金	20	Note ii 附註ii	12-month ECL 12個月預期信貸虧損	152,865

附註：

- (i) 就應收貿易款項及應收票據而言，本集團應用香港財務報告準則第9號的簡化方法，以生命週期預期信貸虧損計算虧損撥備。本集團對重大貿易應收款項個別釐定預期信貸虧損，而其他應收款項則集體釐定。於截至二零一八年十二月三十一日止年度，本集團認為就貿易應收款項及應收票據減值撥備作出的撥備並不重大，原因為所有貿易應收款項的內部信貸評級均為虧損。

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28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Credit risk and impairment assessment (Cont'd)

Notes: (Cont'd)

(i) (Cont'd)

The following table shows the movement in lifetime ECL that has been recognised for trade and bills receivables under the simplified approach.

		Lifetime ECL (not credit- impaired) 生命週期預期 信貸虧損 (無信貸減值) HK\$'000 千港元
As at 31 December 2017 under HKAS 39 and as at 1 January 2018	於二零一七年十二月三十一日根據香港會計準則第39號及 於二零一八年一月一日	12
New financial assets originated or purchased	原有或購入的新金融資產	127
Exchange adjustments	匯兌調整	(12)
As at 31 December 2018	於二零一八年十二月三十一日	<u>127</u>

(ii) For the purposes of internal credit risk management, the Group has applied the general approach in HKFRS 9 to measure the loss allowance at 12m ECL as there is no significant increase in credit risk since initial recognition. The Group determines the expected credit losses for other receivables, pledged bank deposits and bank balances by assessment of probability of default. During the year ended 31 December 2018, in view of the nature of these balances, historical settlement record and good reputations of the banks, the Group considers the provision of impairment allowance for other receivables, pledged bank deposits and bank balances is insignificant.

28. 金融工具 (續)

財務風險管理目標 (續)

信貸風險及減值評估 (續)

附註：(續)

(i) (續)

下表顯示根據簡化方法就貿易應收款項及應收票據確認的生命週期預期信貸虧損的變動。

(ii) 就內部信貸風險管理而言，由於信貸風險自確認以來並無大幅上升，本集團已應用香港財務報告準則第9號的一般方法，以12個月預期信貸虧損計算虧損撥備。本集團透過評估違約率釐定其他應收款項、已抵押銀行存款及銀行結餘的預期信貸虧損。於截至二零一八年十二月三十一日止年度，鑒於該等結餘的性質、過還償付記錄及銀行的良好聲譽，本集團認為就其他應收款項、已抵押銀行存款及銀行結餘減值撥備作出的撥備並不重大。

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28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Liquidity risk

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group's strategy to manage liquidity risk is to ensure that the Group has sufficient funds to meet all its potential liabilities as they fall due.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management also monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

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. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

28. 金融工具 (續)

財務風險管理目標 (續)

流動資金風險

流動資金風險指本集團將無充足資源償付其到期金融負債之風險。本集團管理流動資金風險之策略旨在確保本集團有充足資金於到期時償付所有潛在負債。

在流動資金風險管理方面，本集團會監控及維持管理層認為充足之現金及現金等值項目水平，從而為本集團營運提供資金及減輕現金流量波動之影響。管理層亦監控銀行借貸之動用及確保遵守貸款契約。

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。具體來說，附帶應要求償還條款的銀行貸款均計入最早時間段，而不論銀行選擇行使其權利的機會率。其他非衍生金融負債之到期日乃根據協定還款日期作出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Liquidity risk (Cont'd)

Liquidity tables (Cont'd)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

28. 金融工具 (續)

財務風險管理目標 (續)

流動資金風險 (續)

流動資金表 (續)

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
At 31 December 2018							
Non-derivative financial liabilities:							
Trade and other payables	-	251,865	77,454	40,818	11,887	382,024	382,024
At 31 December 2017							
Non-derivative financial liabilities:							
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
		334,022	92,144	9,131	-	435,297	435,297

於二零一八年十二月三十一日

非衍生金融負債：

貿易及其他應付款項

於二零一七年十二月三十一日

非衍生金融負債：

貿易及其他應付款項

借貸：

- 定息銀行借貸

- 浮息銀行借貸

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

28. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives (Cont'd)

Liquidity risk (Cont'd)

Liquidity tables (Cont'd)

Bank loans with a repayment on demand clause are included in the "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. 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.

28. 金融工具 (續)

財務風險管理目標 (續)

流動資金風險 (續)

流動資金表 (續)

在上述到期分析中，附帶應要求償還條款的銀行貸款均計入「應要求或少於一個月」的時間段。於二零一七年十二月三十一日，該等銀行貸款的未貼現本金總額約為68,000,000港元。考慮到本集團的財務狀況，本公司董事相信該等銀行不大可能會行使彼等的酌情權要求即時還款。本公司董事相信，根據貸款協議及綜合財務報表附註23所載的協定還款日期，於二零一七年十二月三十一日的銀行貸款將於報告日期起計三年內償還。屆時，本金及利息現金流出總額將約為69,500,000港元。

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28. FINANCIAL INSTRUMENTS (Cont'd)

Fair value measurements of financial instruments

The Group's equity investment is measured at fair value at the end of each reporting period. The following table gives information about how the fair values of the equity investment is determined (in particular, the valuation technique and input used).

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets 金融資產	Fair value as at 於以下日期的公平值		Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable input 重大不可觀察輸入數據
	31.12.2018 二零一八年 十二月 三十一日 HK\$'000 千港元	31.12.2017 二零一七年 十二月 三十一日 HK\$'000 千港元			
Unlisted equity instrument at FVTOCI 按公平值計入其他 全面收益的非上市 股本工具	18,078	N/A 不適用	Level 3 級別3	Market approach: estimated net profits with main multiple being Price-to- Earnings multiples of comparable companies and a discounted rate for lack of marketability 市場法：估計淨利潤，主要倍 數乃可資比較公司的市盈率 倍數和缺乏市場性的轉讓率	Discount for lack of marketability, determined with reference to the share price of listed entities in similar industry 參照類似行業上市實體之股價 釐定缺乏市場流通性之折現 率

There were no transfers between Level 1, 2 and 3 during the year.

The sensitivity analyses below have been determined based on the exposure to equity price risk on the unlisted equity securities in financial assets at fair value through OCI at the end of the reporting period. Should the discount rate for lack of marketability on such unlisted equity securities had been 10% (2017: nil) higher/lower, the Group's FVTOCI reserve would increase/decrease by HK\$2,000,000 (2017: nil) arising from the equity instrument at fair value through other comprehensive income.

28. 金融工具 (續)

金融工具的公平值計量

本集團的股本投資於各報告期末按公平值計量。下表列示如何釐定股本投資之公平值（尤其是估值方法及所用數據）。

(i) 按經常性基準以公平值計量的本集團金融資產公平值

於本年度內，級別1、級別2和級別3之間沒有轉移。

下文之敏感度分析乃根據報告期末就按公平值計入其他全面收益的金融資產中的非上市股本證券所面對的股本價格風險釐定。倘該等非上市股本證券缺乏市場性的折扣率上升/下降10%（二零一七年：零），本集團自按公平值計入其他全面收益的權益工具所產生的按公平值計入其他全面收益儲備將增加/減少2,000,000港元（二零一七年：零）。

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28. FINANCIAL INSTRUMENTS (Cont'd)

Fair value measurements of financial instruments (Cont'd)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (Cont'd)

In the management's opinion, the sensitivity analysis is unrepresentative of the price risk as the year end exposure does not reflect the exposure during the year.

(ii) Reconciliation of Level 3 fair value measurements

28. 金融工具 (續)

金融工具的公平值計量 (續)

(i) 按經常性基準以公平值計量的本集團 金融資產公平值 (續)

管理層認為，敏感度分析對價格風險並無代表性，原因為年末面對的風險不能反映年內所面對的風險。

(ii) 第3級公平值計量之對賬

		Financial assets at FVTOCI 按公平值計入 其他全面收益 的金融資產 HK\$'000 千港元
As at 1 January 2017 and 31 December 2017	於二零一七年一月一日及 二零一七年十二月三十一日	-
From available-for-sale to FVTOCI upon initial adoption of HKFRS 9 at 1 January 2018 (Note)	於二零一八年一月一日首次採納 香港財務報告準則第9號由可供出售至 按公平值計入其他全面收益 (附註)	20,325
Gains in other comprehensive income	其他全面收益之收益	(1,359)
Currency realignment	貨幣調整	(888)
As at 31 December 2018	於二零一八年十二月三十一日	<u>18,078</u>

Note: The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9 and the difference between carrying amount as at 31 December 2017 and 1 January 2018 is recognised in the opening retained profit, without restating comparative information.

附註：本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，且於二零一七年十二月三十一日與於二零一八年一月一日的賬面值之間的差額於期初保留溢利確認，而無需重列可資比較資料。

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29. 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 profits.

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.

29. 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、儲備及保留溢利）。

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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30. 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.

30. 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。

		Dividend payable 應付股息 HK\$'000 千港元	Borrowings 借貸 HK\$'000 千港元 (Note 23) (附註23)	Total 總額 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	-	134,391	134,391
Financing cash flows	融資現金流量	-	(74,704)	(74,704)
Foreign exchange translation	外幣換算	-	5,439	5,439
Interest expenses	利息開支	-	2,850	2,850
At 1 January 2018	於二零一八年一月一日	-	67,976	67,976
Financing cash flows	融資現金流量	(15,382)	(67,542)	(82,924)
Foreign exchange translation	外幣換算	-	(649)	(649)
Dividend declared (note 11)	已宣派股息(附註11)	15,382	-	15,382
Interest expenses	利息開支	-	215	215
At 31 December 2018	於二零一八年十二月三十一日	-	-	-

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31. PLEDGE OF ASSETS

At the end of the reporting period, certain bank deposits, buildings, prepaid lease payments and trade receivables were pledged to secure the banking facilities granted to the Group as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank deposits	銀行存款	2,358	2,357
Buildings	樓宇	49,291	53,212
Prepaid lease payments	預付租賃款項	16,318	17,551
Trade receivables	貿易應收款項	—	22,948
		<u>67,967</u>	<u>96,068</u>

32. 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:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Within one year	一年內	410	185
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)	—	20
		<u>410</u>	<u>205</u>

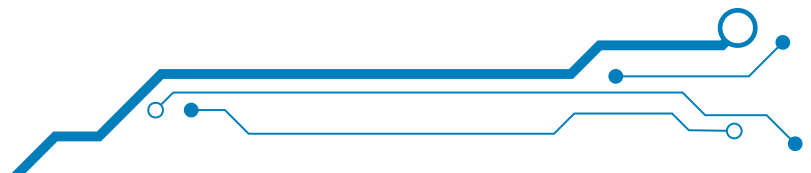
31. 資產抵押

於報告期末，下列若干銀行存款、樓宇、預付租賃款項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：

32. 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：



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32. OPERATING LEASE COMMITMENTS (Cont'd)

The Group as lessee (Cont'd)

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 (2017: one year to three years).

33. CAPITAL COMMITMENTS

32. 經營租賃承擔 (續)

本集團作為承租人 (續)

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。租期獲商定為一年內(二零一七年:一年至三年)。

33. 資本承擔

	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Capital expenditure in respect of acquisition of property, plant and equipment which is contracted for but not provided in the consolidated financial statements	<u>66,222</u>	<u>23,566</u>
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		

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34. 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\$50,000 (2017: HK\$45,000) 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\$11,442,000 (2017: HK\$9,113,000). 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. 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50,000港元（二零一七年：45,000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11,442,000港元（二零一七年：9,113,000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。

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35. RELATED PARTY TRANSACTIONS

35. 關聯方交易

- (i) In addition to the balances set out in notes 18 and 25, the Group entered into the following transactions with related parties during the year:

- (i) 除載於附註18及25之結餘外，於本年度內，本集團亦曾與關聯方訂立下列交易：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Rentals for office paid to fellow subsidiaries	向同系附屬公司支付之辦公室租金	120	120
Rental income received for office from an associate	收到自一間聯營公司之辦公室租金收入	378	321
Sales to an associate	向一間聯營公司銷售	2,008	1,541
Sales of goods to a shareholder and its subsidiaries	向一名股東及其附屬公司銷售貨品	141,220	120,009
Disposal of property, plant and equipment to an associate	向一間聯營公司出售物業、廠房及設備	1,750	-
Purchases of raw material from an associate	從一間聯營公司購買原材料	2,283	-
Subcontracting expenses paid to an associate	向一間聯營公司支付之分包費用	1,879	-
Purchases of property, plant and equipment from an associate	從一間聯營公司購買物業、廠房及設備	1,129	-

(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 significant influenced indirectly by 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.

(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。

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35. RELATED PARTY TRANSACTIONS (CONT'D)

(ii) Transactions/balances with other state-controlled entities in the PRC (Cont'd)

In addition, the Group has entered into various transactions, including deposits placements, borrowings and other general banking facilities, with certain banks which are state-controlled entities in its ordinary course of business.

The directors are of the opinion that the transactions with other state-controlled entities are not significant to the Group's operations.

(iii) Compensation of key management personnel

The remuneration of key management during the year represented remuneration paid to directors as disclosed in note 10 to the consolidated financial statements.

The remuneration of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

36. EVENT AFTER REPORTING PERIOD

On 14 February 2019, the directors of the Company approved the restricted stock incentive scheme (the "Scheme"), pursuant to which 27,500,000 shares to be granted under the Scheme ("Restricted Stock"), representing approximately 1.788% of the total issued share capital of the Company as at 14 February 2019 were resolved to be granted to 81 selected Scheme participants on the same day at the grant price of HK\$0.65 per Share. Details of the Scheme are set out in the announcements of the Company issued on 15 January 2019 and 14 February 2019.

35. 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 (續)

此外，本集團已於其正常業務過程中與為國家控制企業之若干銀行訂立各種交易，包括存款、借貸及其他一般銀行信貸。

董事認為與其他國家控制企業之交易對本集團之營運並非重要。

(iii) 主要管理人員之補償

年內主要管理人員之酬金指綜合財務報表附註10所披露支付各董事之酬金。

主要管理人員之酬金由薪酬委員會根據個人表現及市場趨勢釐定。

36. 報告期後事項

於二零一九年二月十四日，本公司董事已批准採納限制性股票激勵計劃（「計劃」），據此，根據計劃將授出的27,500,000股股份（「限制性股票」）（佔本公司於二零一九年二月十四日的已發行股本總額約1.788%）已於同日議決按每股股份0.65港元之授予價格授予81名選定計劃參與者。有關計劃的詳情載於本公司日期為二零一九年一月十五日及二零一九年二月十四日的公佈中。

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37. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

37. 本公司財務狀況表及儲備

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	39	72
Interests in subsidiaries	附屬公司之權益	931,516	455,475
Interest in an associate	一間聯營公司之權益	3,616	3,616
		<u>935,171</u>	<u>459,163</u>
Current assets	流動資產		
Inventories	存貨	7,394	5,189
Trade and other receivables	貿易及其他應收款項	70,969	91,045
Amount due from subsidiaries	應收附屬公司款項	6,872	83,343
Tax recoverable	可收回稅項	102	-
Pledged bank deposits	已抵押銀行存款	2,358	2,357
Bank balances and cash	銀行結餘及現金	11,765	28,103
		<u>99,460</u>	<u>210,037</u>
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	31,683	19,086
Amounts due to subsidiaries	應付附屬公司款項	-	87,393
Taxation payable	應付稅項	-	300
Bank borrowings	銀行借貸	-	12,559
		<u>31,683</u>	<u>119,338</u>
Net current assets	淨流動資產	<u>67,777</u>	<u>90,699</u>
Total assets less current liabilities	總資產減流動負債	<u>1,002,948</u>	<u>549,862</u>



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37. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY (Cont'd)

37. 本公司財務狀況表及儲備 (續)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Capital and reserves	股本及儲備		
Share capital	股本	921,553	466,667
Retained profits	保留溢利	81,395	83,195
Total equity	總權益	<u>1,002,948</u>	<u>549,862</u>

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 18 March 2019 and are signed on its behalf by:

本公司之財務狀況表已獲董事會於二零一九年三月十八日批准並授權刊發，並由下列董事代表簽署：

XIONG ZHENG FENG

DIRECTOR

熊正峰

董事

HUNG CHI YUEN ANDREW

DIRECTOR

洪志遠

董事

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

37. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY (Cont'd)

37. 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 2017	於二零一七年一月一日	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	83,195
Profit for the year and total comprehensive income for the year	年內溢利及年內全面收益總額	13,582
Dividend paid	已付股息	<u>(15,382)</u>
At 31 December 2018	於二零一八年十二月三十一日	<u><u>81,395</u></u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

38. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Group's subsidiaries as at 31 December 2018 and 2017 are as follows:

Name of subsidiaries 附屬公司名稱	Place of establishment 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
AKM Electronics Industrial (Panyu) Ltd.	The PRC	Wholly owned-foreign enterprise	US\$21,700,000	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	100%	製造及銷售柔性電路板、製造及銷售柔性封裝基板
AKM Electronic Technology (Suzhou) Company Limited	The PRC	Wholly owned-foreign enterprise	US\$37,642,460	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	37,642,460美元	100%	製造及銷售柔性電路板、製造及銷售柔性封裝基板

None of the subsidiaries had issued any debt securities at the end of both years.

38. 本公司附屬公司之詳情

於二零一八年及二零一七年十二月三十一日之本集團附屬公司之詳情如下：

附屬公司於兩個年度末均無發行任何債務證券。

Financial Summary

財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	收入	1,223,803	1,118,838	821,662	630,631	622,057
Cost of sales	銷售成本	(1,071,832)	(898,627)	(646,373)	(551,392)	(515,433)
Gross profit	毛利	151,971	220,211	175,289	79,239	106,624
Other income	其他收入	56,253	17,874	15,037	36,321	28,492
Loss on disposal of subsidiaries	出售附屬公司之虧損	-	(3,224)	-	-	-
Distribution costs	分銷成本	(19,433)	(16,760)	(15,897)	(16,360)	(17,189)
Administrative expenses	行政支出	(41,187)	(36,551)	(31,852)	(25,234)	(31,225)
Research and development expenses	研發費用	(63,774)	(79,882)	(92,122)	(70,324)	(51,261)
Share of profit of an associate	應佔一間聯營公司之溢利	163	40	-	-	-
Finance costs	融資成本	(215)	(2,850)	(5,198)	(3,598)	(3,206)
Profit before taxation	除稅前溢利	83,778	98,858	45,257	44	32,235
Taxation	稅項	(14,444)	(19,850)	(17,567)	(366)	(2,272)
Profit (loss) for the year	本年度溢利(虧損)	69,334	79,008	27,690	(322)	29,963

ASSETS AND LIABILITIES

資產及負債

		At 31 December 於十二月三十一日				
		2018	2017	2016	2015	2014
		二零一八年	二零一七年	二零一六年	二零一五年	二零一四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	1,671,449	1,268,416	981,651	831,541	807,150
Total liabilities	總負債	(483,432)	(529,973)	(497,594)	(336,353)	(286,131)
		1,188,017	738,443	484,057	495,188	521,019
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,188,017	738,443	483,426	491,969	517,226
Non-controlling interests	非控股權益	-	-	631	3,219	3,793
Total equity	總權益	1,188,017	738,443	484,057	495,188	521,019



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