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**AKM Industrial Company Limited**

**安捷利實業有限公司**

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

**(Stock Code: 8298)**

**CLARIFICATION ANNOUNCEMENT  
RELATING TO  
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012**

Reference is made to the interim results announcement (the “**Announcement**”) dated 9 August 2012 of AKM Industrial Company Limited (the “**Company**”) and its subsidiaries for the six months ended 30 June 2012. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The board of directors (the “**Board**”) of the Company has noted that clerical errors were made to the Announcement. The Board would like to clarify that under the section headed “Condensed Consolidated Statement of Comprehensive Income” on page 3, the second column on the right side headed “Six months ended 30 June” should read as “Three months ended 30 June”, and the Condensed Consolidated Statement of Comprehensive Income should be replaced by the following in entirety:

## Condensed Consolidated Statement of Comprehensive Income

For the six months and three months ended 30 June 2012 and 30 June 2011

	Notes	Six months ended 30 June		Three months ended 30 June	
		2012 HK\$ (Unaudited)	2011 HK\$ (Unaudited)	2012 HK\$ (Unaudited)	2011 HK\$ (Unaudited)
Turnover	3	230,350,927	202,691,116	123,859,870	100,273,057
Cost of sales		(198,535,743)	(183,442,430)	(106,695,149)	(89,225,138)
Gross profit		31,815,184	19,248,686	17,164,721	11,047,919
Other income		1,637,174	656,025	1,165,435	394,741
Distribution costs		(4,455,931)	(4,511,564)	(2,782,935)	(2,024,519)
Administrative expenses		(11,587,480)	(9,682,514)	(6,196,915)	(5,678,929)
Research and development expenses		(5,197,145)	(5,351,285)	(2,849,064)	(2,516,184)
Share of result of a jointly controlled entity		(3,301,074)	(2,634,641)	(1,105,261)	(2,134,498)
Finance costs		(3,321,735)	(2,659,755)	(1,806,132)	(1,410,299)
Profit (loss) before taxation	4	5,588,993	(4,935,048)	3,589,849	(2,321,769)
Taxation	5	(608,011)	(556,515)	(291,219)	(133,436)
Profit (loss) for the period		4,980,982	(5,491,563)	3,298,630	(2,455,205)
Other comprehensive income (expenses):					
Exchange differences arising on translation of foreign operations		(3,073,722)	4,766,835	(2,302,606)	3,918,954
Total comprehensive income (loss) for the period		1,907,260	(724,728)	996,024	1,463,749
Profit (loss) for the period attributable to:					
Owners of the Company		5,628,076	(5,506,175)	3,445,508	(2,205,866)
Minority interests		(647,094)	14,612	(146,878)	(249,339)
		4,980,982	(5,491,563)	3,298,630	(2,455,205)
Total comprehensive income (expenses) attributable to:					
Owners of the Company		2,596,826	(932,048)	1,182,612	1,550,274
Minority interests		(689,566)	207,320	(186,588)	(86,525)
		1,907,260	(724,728)	996,024	1,463,749
Profit (loss) per share (cent) basic	7	1.04	(1.02)	0.64	(0.41)

Further, the Board would like to clarify the figures in the section headed “Taxation” on page 11, in particular, the section “Taxation” should be replaced by the following in entirety (with amended figures marked with asterisk (\*) signs):

	Six months ended 30 June		Three months ended 30 June	
	2012	2011	2012	2011
	HK\$	HK\$	HK\$	HK\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax:				
Hong Kong Profits Tax	<b>219,638</b>	530,616	<b>86,353</b>	230,616
PRC Enterprise Income Tax	<b>718,480</b>	*208,603	<b>315,469</b>	*85,935
	<u>938,118</u>	<u>739,219</u>	<u>401,822</u>	<u>316,551</u>
Deferred tax:				
Current period	<u>(330,107)</u>	<u>(182,704)</u>	<u>(110,603)</u>	<u>(183,115)</u>
	<u><b>608,011</b></u>	<u>556,515</u>	<u><b>291,219</b></u>	<u>133,436</u>

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

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

Pursuant to the relevant laws and regulations in the PRC, AKM (Suzhou) FPC Company Limited (“AKM (Suzhou)”) is exempted from PRC income tax for two years commenced from 1 January 2008, followed by a 50% reduction for the next three years.

The Board wishes to apologize for the inadvertent mistakes made in the Announcement.

By order of the Board  
**AKM Industrial Company Limited**  
**Xiong Zheng Feng**  
*Chairman*

Hong Kong, 10 August 2012

*As at the date of this announcement, the executive Directors are Mr. Xiong Zheng Feng, Mr. Chai Zhi Qiang and Ms. Li Ying Hong; the non-executive Director is Mr. Han Li Gang; and the independent non-executive Directors are Mr. Hung Chi Yuen Andrew, Mr. Liang Zhi Li and Mr. Wang Heng Yi.*

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcement” page for at least seven days from the date of its publication and on the Company’s website at <http://www.akmcompany.com> on the “Company Announcement” page.*