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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 on GEM: 8298)

(Stock Code on Main Board: 1639)

**TRANSFER OF LISTING FROM
THE GROWTH ENTERPRISE MARKET TO THE MAIN BOARD
OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

Financial Adviser to the Company



On 11 April 2014, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 972,970,000 Shares in issue, (ii) the 8,400,000 Shares which may be issued upon the exercise of outstanding options granted under the Pre-GEM Listing Share Option Scheme; (iii) the 6,100,000 Shares which may be issued upon the exercise of outstanding options granted under the Post-GEM Listing Share Option Scheme; and (iv) any Shares which may be issued upon the exercise of any options which may be granted under the Post-GEM Listing Share Option Scheme after or upon the Transfer of Listing, on the Main Board by way of transfer of listing from GEM to the Main Board.

The Board is pleased to announce that the approval in-principle for the Transfer of Listing was granted by the Stock Exchange on 5 June 2014. The last day of dealings in the Shares on GEM will be Tuesday, 17 June 2014. Dealings in the Shares on the Main Board will commence at 9:00 a.m. on Wednesday, 18 June 2014 and the Shares will be delisted from GEM according to Rule 9A.09(6) of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 11 April 2014 in relation to the Transfer of Listing. On 11 April 2014, an application was made by the Company to the Stock Exchange for the transfer of listing from GEM to the Main Board. The Company has applied for the listing of, and permission to deal in, (i) the 972,970,000 Shares in issue, (ii) the 8,400,000 Shares which may be issued upon the exercise of outstanding options granted under a share option scheme approved and adopted by written resolutions of the then shareholders of the Company on 6 August 2004 (the “**Pre-GEM Listing Share Option Scheme**”); (iii) the 6,100,000 Shares which may be issued upon the exercise of outstanding options granted under the post-GEM Listing share option scheme approved and adopted by written resolutions of the then shareholders of the Company on 6 August 2004 (the “**Post-GEM Listing Share Option Scheme**”); and (iv) any Shares which may be issued upon the exercise of any options which may be granted under the Post-GEM Listing Share Option Scheme after or upon the Transfer of Listing, on the Main Board by way of transfer of listing from GEM to the Main Board.

The Board is pleased to announce that the approval in-principle for the Transfer of Listing was granted by the Stock Exchange on 5 June 2014. The last day of dealings in the Shares on GEM will be Tuesday, 17 June 2014. Dealings in the Shares on the Main Board will commence at 9:00 a.m. on Wednesday, 18 June 2014 and the Shares will be delisted from GEM according to Rule 9A.09(6) of the Listing Rules.

REASONS FOR THE TRANSFER OF LISTING

The Group has been listed on GEM since 18 August 2004. The Group is principally engaged in the manufacture and sale of flexible printed circuits (“**FPC**”), which are used in communication, LCD, consumer electronic products such as mobile phones, LCD, car electronics and cameras. The Group is also engaged in sourcing and sale of electronic components and the manufacture and sale of flexible packaging substrates (including both of the original business of the encapsulation of Chip On Film (“**COF**”) modules and the new product lines of COF films and flexible integrated circuits and module packaging substrates).

The Board believes that the Transfer of Listing will enhance the profile and public recognition of the Company as well as increase the trading liquidity of the Shares. The Board considers that the Transfer of Listing will be beneficial to the future growth and business development of the Group as well as its financing flexibility.

There is no intention of the Board to change the nature of business of the Group following the Transfer of Listing. The Transfer of Listing will not involve the issue of any new Shares by the Company.

DEALINGS IN THE SHARES ON THE MAIN BOARD

The Shares have been accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from 18 August 2004, the GEM Listing Date. Subject to the continued compliance with the stock admission requirements of HKSCC, the Shares will continue to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS once dealings in the Shares on the Main Board commence, and that all activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The last day of dealings in the Shares on GEM (Stock Code: 8298) will be Tuesday, 17 June 2014. Dealings in the Shares on the Main Board (Stock Code: 1639) will commence at 9:00 a.m. on Wednesday, 18 June 2014.

The Transfer of Listing will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and be valid for delivery, trading, settlement and registration purposes, and will not involve any transfer or exchange of the existing share certificates. Currently, the Shares are traded in a board lot size of 10,000 Shares each and are traded in Hong Kong dollars. The Hong Kong share registrar and transfer office is Computershare Hong Kong Investor Services Limited. No change will be made to the Chinese and English stock short names of the Company, the existing share certificates, board lot size, trading currency and share registrar of the Shares in connection with the Transfer of Listing.

SHARE OPTION SCHEMES

(A) The Pre-GEM Listing Share Option Scheme

The Pre-GEM Listing Share Option Scheme was adopted by written resolutions of the then Shareholders of the Company on 6 August 2004, for the purpose of providing incentives or rewards to eligible participants for their contribution to the Group and/or enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. The Pre-GEM Listing Share Option Scheme had expired on 17 August 2004, i.e. the date immediately preceding the GEM Listing Date. Pursuant to the Pre-GEM Listing Share Options Scheme, upon termination, no further options shall be offered but in all other respects the provisions of the Pre-GEM Listing Share Options Scheme shall remain in force.

As at the date of this announcement, a total of 8,400,000 options granted pursuant to the Pre-GEM Listing Share Option Scheme are still outstanding and the details of the outstanding share options are as follows:

Date of grant	Number of share options outstanding	Exercise price per Share	Exercise period
6 August 2004	8,400,000	HK\$0.40	18 August 2005 to 6 August 2014

Pursuant to the Pre-GEM Listing Share Option Scheme, the total outstanding 8,400,000 share options previously granted but not yet exercised under the Pre-GEM Listing Share Option Scheme will remain valid and exercisable in accordance with their respective terms of issue.

(B) The Post-GEM Listing Share Option Scheme

The Post-GEM Listing Share Option Scheme was adopted by written resolutions of the then Shareholders of the Company on 6 August 2004, for the purpose of providing incentives or rewards to eligible participants for their contribution to the Group and/or enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. The Post-GEM Listing Share Option Scheme commenced on 18 August 2004, being the date on which it became unconditional, and shall continue in force until the tenth anniversary of such date, i.e. on 17 August 2014. As at the date of this announcement, the Post-GEM Listing Share Option Scheme fully complies with the requirements of Chapter 17 of the Listing Rules. Hence, the Post-GEM Listing Share Option Scheme will remain effective upon the Transfer of Listing.

Pursuant to the Post-GEM Listing Share Option Scheme, upon termination, no further options shall be offered but in all other respects the provisions of the Post-GEM Listing Share Option Scheme shall remain in force.

As at the date of this announcement, a total of 6,100,000 options granted pursuant to the Post-GEM Listing Share Option Scheme are still outstanding and the details of the outstanding share options are as follows:

Date of grant	Number of share options outstanding	Exercise price per Share	Exercise period
9 July 2007	6,100,000	HK\$0.36	10 July 2007 to 9 July 2017

Pursuant to the Post-GEM Listing Share Option Scheme and as at the date of this announcement, the Company may grant additional share options in respect of a total of 29,600,000 Shares during the remaining term of the Post-GEM Listing Share Option Scheme. The listing of the Shares issued and to be issued pursuant to the Post-GEM Listing Share Option Scheme will also be transferred to the Main Board pursuant to Rule 9A.10 of the Listing Rules.

Pursuant to the Post-GEM Listing Share Option Scheme, the total outstanding 6,100,000 share options previously granted but not yet exercised under the Post-GEM Listing Share Option Scheme will remain valid and exercisable in accordance with their respective terms of issue.

PUBLIC FLOAT

The Directors confirm that approximately 29.43% of the total issued share capital of the Company was held by the public (as defined in the Listing Rules) as at 8 May 2014. Accordingly the minimum 25% public float requirement has been maintained in compliance with Rule 8.08 of the Listing Rules.

Save for (i) the 8,400,000 outstanding share options previously granted but not yet exercised under the Pre-GEM Listing Share Option Scheme and (ii) the 6,100,000 outstanding share options previously granted but not yet exercised under the Post-GEM Listing Share Option Scheme, the Company does not have any other options, warrants or similar rights or convertible equity securities in issue as at the Latest Practicable Date.

COMPETING BUSINESS

As at the date of this announcement, none of the Directors or controlling Shareholders or their respective associates has any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group pursuant to Rule 9A.09(10) of the Listing Rules.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to Rule 9A.12 of the Listing Rules, the general mandates granted to the Directors to allot and issue new Shares and repurchase Shares by the Shareholders on 8 May 2014 will continue to be valid and remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or any applicable laws to be held; or
- (c) the revocation or variation of such authority by an ordinary resolution of the Shareholders in general meeting.

BIOGRAPHICAL INFORMATION OF DIRECTORS

The Company discloses the biographical information of each Director as follows:

Executive Directors:

Mr. Xiong Zheng Feng (熊正峰), Mr. Xiong, aged 44, is the chairman of the Company and an executive Director. In July 1992, he graduated from the Department of Computer Science of 南開大學 (Nankai University) and obtained his bachelor degree in science. He then obtained his master degree in economics from 南開大學經濟學院 (Nankai University School of Economics) in July 1995. Mr. Xiong joined 中國北方工業公司 (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 and a substantial shareholder of the Company, as assistant General Manager and was promoted to the position of Deputy General Manager of Silver City in March 2004. He is also a director of Alpha Luck Industrial Limited (安利實業有限公司), the controlling shareholder and a substantial shareholder of the Company, since March 2001. Mr. Xiong is also a director of the subsidiaries of the Group, namely AKM Electronics Industrial (Panyu) Ltd., AKM Electronic Technology (Suzhou) Company Limited and Giant Rise Technology Limited, and has resigned from his directorship in Giant Rise Technology Limited on 28 February 2014. 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.

Mr. Xiong has first entered into a service agreement with the Company for a term of three years commenced from 1 August 2004 and was then reappointed for a further term of three years commenced from 1 August 2007. Following the expiration of such term, Mr. Xiong entered into another service agreement with the Company for a further term of 3 years commenced from 1 August 2010, and thereafter will continue until being terminated by not less than three calendar months’ notice in writing served by either party on the other. Mr. Xiong received a nominal salary in the aggregate sum of HK\$10 per annum and thereafter such rate shall be subject to review by the Board in January of each year.

As at the Latest Practicable Date, Mr. Xiong is, in aggregate, interested in approximately 1.93% of the total issued share capital in the Company, such interest comprises his interests in 16,750,000 issued shares of the Company and 2,000,000 underlying shares held under equity derivatives, being the share options granted to Mr. Xiong for subscription of shares at HK\$0.40 per share.

Save as disclosed above, Mr. Xiong does not hold any other interests or short position in the shares, underlying shares or debentures of the Company or its associate corporations within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Xiong is not connected with other Directors, senior management or substantial shareholders of the Company.

Mr. Chai Zhi Qiang (柴志強), Mr. Chai, aged 53, is an executive Director and the chief executive officer of the Company. 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 21 years of experience in the flexible printed circuit production industry. Mr. Chai is a director of the subsidiaries of the Group, namely, AKM Electronics Industrial (Panyu) Ltd., AKM Electronic Technology (Suzhou) Company Limited, Giant Rise Technology Limited and New Career Guangzhou Electronics Company Limited. Save as disclosed above, Mr. Chai does not hold any directorship in other listed companies in the past three years, and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholder of the Company.

Mr. Chai has first entered into a service agreement with the Company for a term of three years commenced from 1 August 2004 and was then reappointed for a further term of three years commenced from 1 August 2007. Following the expiration of such term, Mr. Chai entered into another service agreement with the Company for a further term of 3 years commenced from 1 August 2010, and thereafter will continue until being terminated by not less than three calendar months' notice in writing served by either party on the other. Pursuant to the service agreement, Mr. Chai received a remuneration of RMB420,000 per annum, which is determined by reference to his duties and experience, and shall be subject to review by the Board in January of each year.

As at the Latest Practicable Date, Mr. Chai is, in aggregate, interested in approximately 1.68% of the total issued share capital in the Company, such interest comprises his interests in 13,500,000 issued shares of the Company and 2,800,000 underlying shares held under equity derivatives, being the share options granted to Mr. Chai for subscription of shares at HK\$0.40 per share.

Save as disclosed above, Mr. Chai does not hold any other interests or short position in the shares, underlying shares or debentures of the Company or its associate corporations within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Chai is not connected with other Directors, senior management or substantial shareholders of the Company.

Ms. Li Ying Hong (李映紅), Ms Li, aged 50, is an executive Director. In July 1985, she obtained her bachelor degree in corporate finance and accounting from 江西財經學院 (Jiangxi College of Finance). In May 2003, she obtained her master degree in international management from Australia National University. During the period from August 1985 to February 2003, Ms. Li was employed as, amongst other roles, deputy chief accountant, deputy general manager and chief accountant of 中國萬寶工程公司 (Wanbao China Engineering Corporation). From March 2001 to April 2003, she was a director for 北方國際合作股份有限公司 (Norinco International Cooperation Company Limited), a company listed on the Shenzhen Stock Exchange in China. She is a non-executive director of Raymond Industrial Ltd., a company whose shares are listed on the Stock Exchange of Hong Kong, since July 2008. In June 2003, Ms. Li joined Silver City as a director, deputy general manager and financial controller. At the same time, she joined the Company and is responsible for the Group's corporate policy formulation, business strategies planning, business development and management of the Group. Ms. Li is a director of the subsidiaries of the Group, namely, AKM Electronics Industrial (Panyu) Ltd. and AKM Electronic Technology (Suzhou) Company Limited. Save as disclosed above, Ms. Li does not hold any directorship in other listed companies in the past three years, and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Ms. Li has first entered into a service agreement with the Company for a term of three years commenced from 1 August 2004 and was then reappointed for a further term of three years commenced from 1 August 2007. Following the expiration of such term, Ms. Li entered into another service agreement with the Company for a further term of 3 years commenced from 1 August 2010, and thereafter will continue until being terminated by not less than three calendar months' notice in writing served by either party on the other. Ms. Li received a nominal salary in the aggregate sum of HK\$10 per annum and thereafter such rate shall be subject to review by the Board in January of each year.

As at the Latest Practicable Date, Ms. Li is, in aggregate, interested in approximately 0.54% of the total issued share capital in the Company, such interest comprises her interests in 4,700,000 issued shares of the Company and 600,000 underlying shares held under equity derivatives, being the share options granted to Ms. Li for subscription of shares at HK\$0.40 per share.

Save as disclosed above, Ms. Li does not hold any other interests or short position in the shares, underlying shares or debentures of the Company or its associate corporations within the meaning of Part XV of the SFO. Save as disclosed above, Ms. Li is not connected with other Directors, senior management or substantial shareholders of the Company.

Non-executive Directors:

Mr. Meng Weiwei (孟衛偉), Mr. Meng, aged 45, obtained his bachelor degree in economics and master degree in economics in July 1991 and July 1994 respectively from 中國人民大學 (Renmin University of China). He obtained the qualification of senior economist in December 2002. Mr. Meng joined 中國北方工業公司 (China North Industries Corporation) in January 1996 and was the vice supervisor of the strategic management department and strategic operation department during the period from June 2004 to May 2014. Mr. Meng is appointed the vice general manager of 萬寶礦產有限公司 since 19 May 2014. Mr. Meng is a director of 北方工業科技有限公司, 北方裝備有限責任公司 and 北方萬坤置業有限公司, all of which are subsidiaries of 中國北方工業公司 (China North Industries Corporation). Mr. Meng is also a director of 北方凌雲工業集團有限公司, which shares are owned as to approximately 38.78% by 中國北方工業公司 (China North Industries Corporation). Save as disclosed above, Mr. Meng 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. Meng was appointed as non-executive Director under an appointment confirmation letter by the Company for a term of 3 years commenced from 2 November 2012, which term may be terminated by either Mr. Meng or the Company serving at least three calendar months' prior notice in writing to the other party. Mr. Meng is not entitled to any director's fee, but will be entitled to the reimbursement of reasonable expenses incurred incidental to his carrying out of duties as a Director.

As at the Latest Practicable Date, Mr. Meng does not hold any interests or short position in the shares, underlying shares or debentures of the Company or its associate corporations within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Meng is not connected with other Directors, senior management or substantial shareholders of the Company.

Mr. Gong Jiantang (宮見棠), Mr. Gong, aged 40, is currently Senior Deputy General Manager of GoerTek Inc. (“GoerTek”). Mr. Gong obtained a master degree in business management from 清華大學 (Tsinghua University) in 2004 and a bachelor degree in engineering from 哈爾濱工業大學 (Harbin Institute of Technology) in 1996. Mr. Gong was previously the technical manager of 深圳華為技術有限公司 (Huawei Technologies Co., Ltd) and supervisor engineer of 一汽一大宇 (煙台) 汽車發動機有限公司 (FAW-Daewoo (Yantai) Automotive Engines Co., Ltd.). Mr. Gong joined GoerTek in 2004 and has been a director of GoerTek (which is listed on the Shenzhen Stock Exchange) since 28 July 2010. Save as disclosed above, Mr. Gong 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. Gong was appointed as non-executive Director under an appointment confirmation letter by the Company for a term of 3 years commenced from 27 January 2014, which term may be terminated by either Mr. Gong or the Company serving at least three calendar months' prior notice in writing to the other party. Mr. Gong is not entitled to any director's fee, but will be entitled to the reimbursement of reasonable expenses incurred incidental to his carrying out of duties as a Director.

As at the Latest Practicable Date, Mr. Gong does not hold any interests or short position in the shares, underlying shares or debentures of the Company or its associate corporations within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Gong is not connected with other Directors, senior management or substantial shareholders of the Company.

Independent Non-executive Directors:

Mr. Hung Chi Yuen Andrew (洪志遠), Mr. Hung, aged 45, is currently the director of Norton Rowland CPA Limited. He received his professional training in Deloitte Touche Tohmatsu and had worked for UBS Investment Bank as business unit controller for seven years. Mr. Hung was awarded the degree of Bachelor of Arts in Accountancy by The Hong Kong Polytechnic University (formerly known as the Hong Kong Polytechnic) and the degree of Master of Applied Finance by the University of Western Sydney. Mr. Hung is a practicing Certified Public Accountant, an associate member of The Hong Kong Institute of Certified Public Accountants, and a fellow member of The Chartered Association of Certified Accountants. Mr. Hung is also an independent non-executive director of CIAM Group Limited (a subsidiary of CITIC International Assets Management Limited), a company listed on the Main Board of the Stock Exchange, since 1 July 2008. 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.

Mr. Hung was appointed under a letter of appointment by the Company for a term of 3 years commenced from 17 October 2011, which term may be terminated by either Mr. Hung or the Company serving at least three calendar months' prior notice in writing to the other party. Mr. Hung is entitled to receive a director's fee of HK\$60,000 per annum, which is determined with reference to his experience and estimated time to be spent, which may be reviewed upwards or downwards in January of each year.

As at the Latest Practicable Date, Mr. Hung does not hold any interests or short position in the shares, underlying shares or debentures of the Company or its associate corporations within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Hung is not connected with other Directors, senior management or substantial shareholders of the Company.

Mr. Liang Zhi Li (梁志立), Mr. Liang, aged 70, is currently a fellow of 中國電子學會(CIE) and the deputy chief secretary of 中國印制電路行業協會 (CPCA). He graduated from 北京航空航天大學 (Beihang University) in September 1967. He has been highly involved and has accumulated substantial experience in the printed circuit board industry, in particular, the production of double-sided and multi-layer printed circuit boards. Mr. Liang does not hold any directorship in other listed companies in the past three years and does not have any other relationship with any directors, senior management, substantial shareholders, or controlling shareholder of the Company.

Mr. Liang was appointed as an independent non-executive Director since 19 March 2004. Mr. Liang has entered into an appointment confirmation letter dated 19 March 2013 with the Company for a term of three years commenced from 19 March 2013 which is terminable by either party by serving on the other party not less than three calendar months' prior notice in writing. Mr. Liang is entitled to receive a director's fee of RMB50,000 per annum, which is determined by reference to his duties and experience, which may be reviewed upwards or downwards in January of each year.

As at the Latest Practicable Date, Mr. Liang is, in aggregate, interested in approximately 0.08% of the total issued share capital in the Company, such interest comprises his interests in 800,000 issued shares of the Company.

Save as disclosed above, Mr. Liang does not hold any other interests or short position in the shares, underlying shares or debentures of the Company or its associate corporations within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Liang is not connected with other Directors, senior management or substantial shareholders of the Company.

Mr. Bi Keyun (畢克允), Mr. Bi, aged 75, is currently a fellow of 中國電子學會 (Chinese Institute of Electronics) and president of 中國電子學會電子制造與封裝技術分會 (Electronic Manufacturing & Packaging Technology Society of the Chinese Institute of Electronics). He is also the vice president of 中國半導體行業協會 (China Semiconductor Industry Association). Mr. Bi graduated from 中國科學技術大學 (University of Science and Technology of China) in 1963 and obtained the qualification of senior engineer (researcher level) from the former 中華人民共和國電子工業部 (Ministry of Electronic Industry). Mr. Bi has accumulated substantial experience in the research and development of semiconductor technology and has been chairman of the International Conference on Electronic Packaging Technology & High Density Package since 1994. Mr. Bi is an independent director of 寧波康強電子股份有限公司 (Ningbo Kangqiang Electronics Co., Ltd.), a company listed on the Shenzhen Stock Exchange, since October 2008. He was also an independent director of 天水華天科技股份有限公司 (Tianshui Huatian Technology Co., Ltd.) (“**Tianshui Huatian**”), another company listed on the Shenzhen Stock Exchange, during the period from 2003 to 2010, and was appointed as independent director of Tianshui Huatian again since 29 May 2013. Save as disclosed above, Mr. Bi does not hold any directorship in other listed companies in the past three years, and does not have any relationship with any other directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Mr. Bi was appointed as an independent non-executive Director under an appointment confirmation letter by the Company for a term of 3 years commenced from 4 February 2013, which term may be terminated by either Mr. Bi or the Company serving at least three calendar months' prior notice in writing to the other party. Mr. Bi is entitled to receive a director's fee of HK\$120,000 per annum, which is determined with reference to his experience and estimated time to be spent, which may be reviewed upwards or downwards in January of each year.

As at the Latest Practicable Date, Mr. Bi does not hold any interests or short position in the shares, underlying shares or debentures of the Company or its associate corporations within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Bi is not connected with other Directors, senior management or substantial shareholders of the Company.

Save as disclosed above, there is no other information relating to the Directors which needs to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

REGULAR PUBLICATION OF RESULTS

Upon the Transfer of Listing, the Company will cease the practice of quarterly reporting of financial results and will follow the relevant requirements of the Listing Rules which include publishing its interim results and annual results within two months and three months from the end of the relevant periods of financial year ends, respectively. The Board is of the view that the investors and Shareholders will continue to have access to relevant information on the Company following the reporting requirements under the Listing Rules.

COMPLIANCE WITH THE LISTING RULES

The Company has fulfilled all pre-conditions for a transfer of listing under Rule 9A.02 of the Listing Rules.

FINANCIAL INFORMATION

The table below sets forth the selected information of the Group's audited consolidated financial statements for the three years ended 31 December 2013:

	For the year ended 31 December		
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Revenue	641,159	600,686	415,372
Continuing operations			
– FPC business	539,249	514,722	291,232
– Sourcing and sale of electronic components business	89,206	82,917	119,772
– Flexible packaging substrates business (<i>Note 1</i>)	12,704	3,047	1,457
Total from continuing operations	641,159	600,686	412,461
Discontinued operation (<i>Note 2</i>)			
– Sales of liquid crystal display module (“LCM”) business	–	–	(2,864)
Profit (loss) attributable to owners of the Company:			
– from continuing operations	30,301	32,449	7,433
– from discontinued operations	–	–	(2,864)
	30,301	32,449	4,569

Notes:

- The flexible packaging substrates business includes (i) encapsulation of COF modules; (ii) COF films; and (iii) flexible integrated circuits and module packaging substrates. Since the first quarter of 2013, orders for other flexible packaging substrates, including COF films and flexible integrated circuits and module packaging substrates were received by the Group. As such new products of the Group adopt similar production technology and share substantially same production lines with the encapsulation of COF modules, the encapsulation of COF modules, COF films and flexible integrated circuits and module packaging substrates are regarded as same series of products of the Group and are therefore re-named as a segment of “flexible packaging substrates” to include the original business of encapsulation of COF modules and to reflect the expansion of new product lines accordingly.
- the LCM business was discontinued during first quarter of 2011.

Revenue

For the year ended 31 December 2013, the revenue of the Group amounted to approximately HK\$641.16 million, representing an increase of approximately 6.74% as compared to the revenue of approximately HK\$600.69 million for the year ended 31 December 2012. The revenue for the year ended 31 December 2012 increased by approximately 44.61% as compared to the revenue of approximately HK\$415.37 million from continuing and discontinued operations for the year ended 31 December 2011.

For the year ended 31 December 2013, the increase in revenue was mainly attributed to the increase in the sales of FPC, sourcing and sales of electronic components, and the manufacture and sales of flexible packaging substrates. The gross profit margin for the year ended 31 December 2013 decreased to approximately 13.78% (2012: 15.51%) due to the decrease in gross profit margin of sale of FPC and sourcing and sale of electronic components.

For the year ended 31 December 2012, the increase in revenue was mainly attributed to the significant increase in the sales of FPC. The gross profit margin for the year ended 31 December 2012 increased to approximately 15.51% (2011: 13.17%) due to the improvement in gross profit margin of sourcing and sale of electronic components and the substantial decrease of gross loss margin for the encapsulation of COF modules.

Profit

The profit attributable to the owners of the Company for 2013 was approximately HK\$30.30 million, while the profit attributable to the owners of the Company was approximately HK\$32.45 million for 2012, representing a decrease of approximately 6.62%. Without the receipt of government grants for research and development project and government subsidies of approximately HK\$6.88 million for 2013 and HK\$0.63 million for 2012, the adjusted profit attributable to the owners of the Company for 2013 would be approximately HK\$23.42 million, while the adjusted profit attributable to the owners of the Company for 2012 would be approximately HK\$31.82 million, representing a significant decrease of the adjusted profit attributable to the owners of the Company of approximately 26.40% for 2013. The decrease in profit was mainly attributed to (i) the substantial increase in labor cost; (ii) substantial increase in research and development expenses; and (iii) depreciation arising from the acquisition of new equipments for enhancing the production capacity and efficiency. Notwithstanding that the investment in research and development and new equipments would not provide imminent growth to the revenue and profit of the Group and had inevitably adversely affected the profitability of the Group, the Directors believe that the improvement in the research and development capability of the Group and the production capacity and efficiency by the new equipments will, in the long run, uplift the competitive edge and profitability of the Group.

The profit attributable to the owners of the Company for 2012 was approximately HK\$32.45 million, while the profit from continuing and discontinued operations was approximately HK\$4.57 million for 2011, representing an increase of approximately 610.2%. The increase in profit for the year was attributed to the significant increase in sales of FPC.

The significant improvements in the Company's financial performance for the three years ended 31 December 2013, were realised by the following corporate planning and strategies and business development of the Company implemented by the management of the Company since 2006:

(a) Expansion into overseas market and development of international clientele

On the listing of the Company's Shares on GEM in August 2004 ("**GEM Listing**"), the Company was principally engaged in the manufacture and sale of FPC which is used in communication, consumer electrical and electronic appliances such as mobile phones, laptop computers and cameras. At the material time, the majority of the customers of the Group were electrical and electronic product manufacturers located in the PRC, and approximately 86.6% of the Group's turnover was contributed by the sale of FPC to the PRC mobile phone manufacturers.

Facing the recession of the PRC mobile phone industry commenced in 2005 and the increasing competition of the manufacturing and sale of FPC in the PRC, the Group commenced to identify overseas customers and to broaden its customer base to cover international brand customers. Since 2006, the management of the Company had strived to shift its market focus to secure international mobile phone manufacturers and to seek business opportunities for other non-mobile phone application for FPC products. As disclosed in the 2008 annual report, the Company first received batch orders from an international mobile manufacturer in the third quarter of 2008. In 2012, the Group established a branch office in Korea with aims to develop Korean market, to strengthen the communication and cooperation with Korean customers and to facilitate the sampling process and product quality maintenance services to its customers in Korea.

At present, with the continuous efforts of the Company's management, the Group had successfully strengthened its customer base to include international brand manufacturers. The total turnover of such international brand manufacturers represented approximately 54.44%, 73.37% and 64.04% of the Group's total turnover for each of the three years ended 31 December 2013.

(b) Diversification of FPC's products applications

On GEM Listing, the manufacturing and sales of simple fundamental FPC products, i.e. single-sided FPC, double-sided FPC and multi-layer FPC, for mobile phone application constituted major business of the Group at the material time. Facing the changes in the product structure of mobile phone which has ever changing design and the fierce competition in the PRC domestic mobile phone market, the results of the Company, being an enterprise heavily relied on the PRC mobile

phone industry, were materially and adversely affected and first recorded loss in the financial year of 2006 since GEM Listing. To counteract the recession and fluctuation of the PRC mobile phone industry at the material time, the Group commenced diversification in products applications.

Firstly, while mobile phone remains a substantial part for applications of its FPC, the Group had successfully extended its FPC applications to cover other electronic products, including video game box, speakers, LCD screens, car sensors, electronic cigarette and other electronic products. For the three years ended 31 December 2013, total turnover from customers that were manufacturers or merchandiser of other electronic products (other than mobile phones) (“**Non-Mobile Phone Manufacturers**”) amounted to approximately 24.56%, 40.73% and 30.85% respectively of the Group’s total turnover of the year.

Secondly, to cope with the fast developing trend of the outlook design and function of mobile phones in the recent years, the Group has consistently optimized its FPC products’ quality and function (in terms of density and thin finishings) to suit the market needs, and therefore successfully secured orders from established PRC mobile phone customers, international brand mobile phone customers as well as new PRC mobile phone customers.

(c) Expansion of business segments

Since 2007, the Group had commenced to expand into other segments, including (i) sourcing and sale of electronic components; (ii) the manufacture and sale of electronic modules for liquid crystal modules (“**LCM Business**”) and (iii) encapsulation of COF modules (which business arena is subsequently broaden as “flexible packaging substrates” since 2013). Apart from LCM Business commenced in 2010 and discontinued in 2011 for the reasons of loss making and change of market potential, the expansion in other business segments by the Group achieved proven satisfactory results that effectively increased the revenue and the profit of the Group for the three years ended 31 December 2013.

Notwithstanding that there were unsatisfactory business sector launched and investment undertaken by the Group in the past years, i.e. (i) the LCM business commenced in 2010 and discontinued in the first quarter of 2011 due to unfavorable results and change of its market potential; and (ii) the investment in a joint venture Shenzhen Smart Electronics Co. Ltd. (“**Shenzhen Smart**”), a company engaged in the business of surface mount technology that first contributed to certain profit to the Group in 2007 and 2008 but subsequently made loss continuously since 2009 until its disposal in 2012, the Directors are of the view that the expansion in business segments had enhanced the competitiveness of the Group by strengthening its revenue generating capability and flexibility in operation. It also reflected that the Group is capable to keep abreast of the development and requirement in the technological products market. The expansion of business segments had also contributed to the turnaround of the financial performance of the Group.

(d) Research and development efforts

In order to meet the needs of both of the mobile phone manufacturers and Non-Mobile Phone Manufacturers, the Group had consistently assigned resources to research and development that improved its core capability in products techniques and products diversification. The Directors are of the view that efficient and effective research and development in production techniques and products categories and quality is imperative to the Group to suit the demand of globally renowned electronic products manufacturers targeted by the Group. With the continuous efforts in research and development, the Group had launched high density interconnect FPC and rigid-flex FPC products to suit different needs for product applications and fast changing mobile phone designs and had captured the business opportunity in flexible packaging substrates.

With the supports of the research and development, the Group has the following achievements:

- (i) the FPC products are widely extended to apply for other electronic products as mentioned in sub-paragraph (b) above;
- (ii) the high density interconnect FPC products and rigid-flex FPC products are consistently upgraded to meet different complicated standards specified by renowned PRC and global electronic manufacturers for mobile phones and other electronic products;
- (iii) the production techniques had been improved to facilitate the uplift of the quality of the products (in terms of both density and thin finishings);
- (iv) the environmental mode of production that is generally and growingly concerned by global electronic products manufacturers is actualised; and
- (v) the high end flexible packaging substrates products which are mainly used for display drivers, mobile communications, high speed data transmission, financial IC card and other products with function of integrated circuit are developed.

The research and development efforts of the Group provided important bases for the Group to compete in the technological products market.

(e) **Establishment of own production bases**

During the past eight years, the Group had established one production base in the Southern part of PRC, i.e. the Nansha production plant (“**Nansha Production Plant**”) and one production base in the Eastern part of PRC, i.e. the Suzhou production plant (“**Suzhou Factory**”). The Nansha Production Plant, with a total gross floor area of 42,000 m² and monthly production capacity of 30,000 m², is primarily used for the production lines of FPC products and is currently also used for the testing of the production technique and the pilot production of flexible packaging substrates products. Phase I of Suzhou Factory has a total gross floor area of 9,000 m² and monthly production capacity of 10,000 m² while Phase II of Suzhou Factory is expected to have a total gross floor area of 21,800 m² and monthly production capacity of 30,000 m². Phase I of Suzhou Factory is currently used for the production lines of FPC products and Phase II of Suzhou Factory is mainly designed for expanding and developing the flexible packaging substrates projects. It is expected that upon completion of Phase II of Suzhou Factory, the research and development and the production of flexible packaging substrates will be moved to Phase II of Suzhou Factory. Further, the production capacity of Nansha Production Plant is continuously improved by streamlining and optimizing the existing production processes and introducing advanced equipments with higher level of automation. It is expected that the monthly production capacity of the Nansha Production Plant will be increased to approximately 45,000 m² by the end of 2014 after improving its level of automation.

The Group’s production capacity is therefore improved significantly with the benefit of economy of scale which increases the competitive edge of the Group in terms of pricing and increases the profitability of the Group’s operation. Further, while the production capability is continuously expanded and optimised in its owned production bases, the production bases satisfies the demand for complicated production techniques and high quality products from the Group’s international customers and thereby increases orders from established customers and attracts new customers.

The Directors are of the view that the turnaround of the financial performance of the Group during the three years ended 31 December 2013 are contributed by the synergetic effects of the above factors that are both inter-related and interactive.

The table below sets forth the selected information of the Group's unaudited consolidated financial statements for the three months ended 31 March 2013 and 2014:

	For the three months ended 31 March	
	2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	<u>112,076</u>	<u>128,983</u>
Principal business		
– FPC business	93,495	101,841
– Sourcing and sale of electronic components business	15,445	24,839
– Flexible packaging substrates business	<u>3,136</u>	<u>2,303</u>
Total revenue	<u>112,076</u>	<u>128,983</u>
Profit (loss) attributable to owners of the Company	<u>1,837</u>	<u>777</u>

For the three months ended 31 March 2014, the turnover of the Group amounted to approximately HK\$128.98 million, representing an increase of approximately 15.09% as compared to the corresponding period of 2013. The increase in turnover was mainly attributed to the increase in the sales of FPC and the sourcing and sales of electronic components. The profit attributable to the owners of the Company for the period was approximately HK\$0.78 million, while the profit attributable to the owners of the Company for the corresponding period of 2013 was approximately HK\$1.84 million, representing a decrease of approximately 57.70%. The decrease in profit was mainly attributed to the decrease in the sales and gross profit margin of the flexible packaging substrates business and the increase in distribution cost.

During the first quarter of 2014, the sales of FPC business and the sourcing and sales of electronic components business of the Group had recorded growth as compared to the corresponding period of 2013, but the sales of flexible packaging substrates business had recorded a relatively large decline proportionally. The main reason for the decline was that during the fourth quarter of 2013, due to the adjustment of technical requirement to the products of one of our major clients of flexible packaging substrates business, corresponding modifications to the engineering design and production process route of such products had to be made which resulted in the temporary suspension of delivery of the products. During the first quarter of 2014, the relevant technical modifications had been completed and all requisite product testing had been passed. Products delivery had resumed since the beginning of March 2014.

As the first quarter of each calendar year is a low season for the sales of the Group, mainly due to the break of Chinese New Year, the revenue for the first quarter of Group normally represented only approximately 17.5% of the total revenue of the Group for whole year. The sales of the Group normally recover from May in each year.

RECENT BUSINESS DEVELOPMENTS

During the year ended 31 December 2013, the construction and outdoor decoration of phase II of Suzhou Factory has been completed, and the indoor decoration and sourcing of equipments for the new production line for flexible packaging substrates project commenced at the beginning of 2014. It is expected that the indoor decoration of Phase II of Suzhou Factory will be completed in the fourth quarter of 2014 and the production in phase II of Suzhou Factory will commence by the end of 2014.

The Group continued to increase its investment in the research and development. During the year ended 31 December 2013, the research and development expenses increased by 78.59% to HK\$22.59 million as compared to the year ended 31 December 2012. The research and development expenses were mainly used for recruiting domestic and foreign talented technicians, and the renewal and upgrade of the experimenting and testing equipments of the research and development center. Through recruiting talents, the Group has enlarged its technician team and strengthened its technology development standard. The management believes that the Group's research and development standard in flexible packaging substrates project has been uplifted to a leading level in the country. For the three years ended 31 December 2013, the government grant ("**Government Grant**") for the Group's research and development projects amounted to approximately HK\$1,050,000, HK\$632,000 and HK\$5,524,000. During the three years ended 31 December 2013, the Group had undertaken several technology innovation projects with the support of the Government Grant mainly for the purpose of innovating new and advanced technologies for optimizing production craft, extending products' function and promoting green production. All of the results of the technology innovation projects were applied and will be applied to improve the production technologies and functional applications of the Group's products which increases the competitive edge of the Group's products and maintains the sustainable development of the Group which is most essential to a technological products' manufacturer. Although the relevant research and development costs incurred by the Group for the related technology innovation projects during the three years ended 31 December 2013 exceeded the amount of the Government Grant and the substantial part of the related research and development costs of such technology innovation projects were funded by the internally generated fund of the Group, the Government Grant provided essential supports to the Group's research and development efforts and possibilities. In the event that the Government Grant of similar nature is discontinued or suspended or no longer available for application in the future for any reason(s), including but not limited to any change of supportive policies of the PRC government in the industry, the Group's research and development progress and results may be adversely affected which in turn, may affect the Group's revenue and profitability.

Besides, the Group has achieved substantial progress in identifying major projects for its current and future development. During the year ended December 2013, the Group focused on the following aspects in accordance with its corporate development strategy: identifying and developing major international customers, securing more sales orders, further expanding the production capacity and enhancing the automation level of Nansha Production Plant and Suzhou Factory, enhancing the stability of production technology for high-end FPC, researching on the application of FPC and its bulk production, and optimizing the corporate value chain. Internal management quality was also strengthened and has yielded positive results during the year. As all of the Group's business lines progressed as expected, our efforts on consolidation and thorough adjustment will bring us fruitful results.

Outlook

The Group is dedicated to strengthen its core competence and achieve the Group's profit goal, thereby creating greater value for its shareholders, its staffs as well as the community. It is the Group's mission to become a major international supplier of FPC and electronic modules and to become an industry leader in the PRC market.

In light of the trend of intensified competition and increased concentration in the FPC industry, the Group has focused to serve major international customers by the provision of FPC and its components, as well as high-end flexible packaging substrates products. At present, the Group has become a qualified supplier of a number of globally renowned electronic manufacturers. In order to fulfil the demand for global supply chain system from major international customers, the Group has established two production bases in Southern China and Eastern China respectively which has expanded the capacity and scale of the Group. As a result, the Group's ability in meeting the "one-stop demand" from major international customers has improved significantly, and the Group's concept of offering "one-stop service" to customers can be effectively implemented.

It is expected that the construction of phase II of Suzhou Factory will be completed by the end of 2014 and the trial production is also expected to commence in the fourth quarter of 2014. The production utilization rate of phase I of the Suzhou Factory for each of the year ended 31 December 2011, 31 December 2012 and 31 December 2013 was approximately 72%, 75% and 58% respectively. After the completion of phase II of Suzhou Factory, the overall monthly production capacity of Suzhou Factory is expected to increase from approximately 10,000 m² to approximately 40,000 m², among which approximately 20,000 m² production capacity per month will be used for the production of the flexible packaging substrates products. According to the existing plans of the Company and barring unforeseeable circumstances, phase II of Suzhou Factory will be used mainly for expanding and developing the flexible packaging substrates projects.

Besides, the Group also continuously expand the production capacity and enhance the automation level of the Nansha Production Plant by streamlining and optimizing the existing production process and introducing advanced equipments with higher level of automation. The production utilization rate of the Nansha Production Plant for each of the year ended 31 December 2011, 31 December 2012 and 31 December 2013 was approximately 64%, 93% and 66% respectively, and it is expected that the production capacity will be increased to approximately 45,000 m² per month by the end of 2014.

The outstanding capital expenditure of approximately HK\$213.413 million in relation to the construction of Phase II of Suzhou Factory and the purchase of equipments at the Nansha Production Plant (for its automation plan) and Suzhou Factory (for both automation plan and the installation of production lines of flexible packaging substrates) will be mainly funded by the net proceeds of the shares subscription and placing completed on 27 January 2014, which has been disclosed in the announcements of the Company dated 27 November 2013, 27 December 2013 and 27 January 2014 and partly funded by internally generated fund.

Both of the Nansha Production Plant and Phase I of Suzhou Factory were primarily utilised for the production of FPC products during the three years ended 31 December 2013 and only certain production capacity in the Nansha Production Plant was assigned for the trial production and/or pilot production of the flexible packaging substrates products. Following the gradual improvement of the Group's production capability by increasing automation level with the acquisition of advanced equipments since 2012 and the consistent improvement in production techniques since 2010, the production capability significantly increased in 2013 resulting in decreases in the utilisation rates of the Group's factories in 2013. The positive effect of automation of the Nansha Production Plant had significantly lowered the utilization rate of the Nansha Production Plant in 2013. In addition, as the rate of increase in the revenue of the Group in 2013 was lower than the rate of its automation level and effect in 2013, the utilisation rate of the Group's factories therefore remarkably dropped in 2013.

The Group has obtained all of the titles certificates, including relevant land use rights certificates and building ownership certificates, in relation to the Nansha Production Plant and Phase I of Suzhou Factory. All of the land premium for the parcels of land on which the Nansha Production Plant and Suzhou Factory (for both Phase I and Phase II) had been duly paid. As the construction works of the factory buildings of Phase II of Suzhou Factory had been completed, the Group is in the process of applying for the building ownership certificates of Phase II of Suzhou Factory. As at the Latest Practicable Date, the Directors are not aware of any material legal impediment in relation to the obtain of the building ownership certificate(s) for Phase II of Suzhou Factory.

While the Directors believe that there is no material risk associated with the construction, completion or the obtain of relevant building ownership certificate(s) of Phase II of Suzhou Factory, in the event that the construction and/or the operation of Phase II of Suzhou Factory is suspended and/or delayed or Phase II of Suzhou Factory, for any reasons, could not be operated as expected, the development of the flexible packaging substrates business by the Group may be materially affected or delayed and the growth, the revenue and the profitability of the Group may be adversely affected.

In 2014, the Group will focus on identifying major international customers, advancing our technology in all aspects, enhancing quality control ability, as well as further elevating the production capacity of Nansha Production Plant and Suzhou Factory, so as to ensure the flexible packaging substrates project in phase II of Suzhou Factory can commence production smoothly. Besides, by taking full advantage of the synergistic effect brought along by co-operation with our strategic investor, placing more effort in developing major international customers, as well as striving for favorable policy support from the government, our internal management and competitiveness will be continually strengthened and our profitability is expected to be gradually uplifted. The Group is confident that our scale of operation will be further expanded and the benefits of economy of scale will also be achieved.

The Board is of the opinion that, the Group is now capable of serving major international customers and fulfilling their personalized demands in general. With the introduction of GoerTek as the strategic investor of the Group, our ability to tap into the global supply chain system has been enhanced substantially. Despite the drastic changes of the economic environment in China and the world, the intensified competition and increased concentration in the industry and the pressure from the continuous increase in labor costs and other costs, the Group is still confident that it will be able to achieve scale operation and bring favorable returns to its shareholders.

DOCUMENTS AVAILABLE FOR VIEWING

Copies of the following documents are available for inspection on the websites of the Company at www.akmcompany.com and the Stock Exchange at www.hkexnews.hk and www.hkgem.com:

- 1) the memorandum and articles of association of the Company;
- 2) the interim report of the Company for the six months ended 30 June 2013;
- 3) the Director's report and annual report of the Company for the year ended 31 December 2013;
- 4) the first quarterly report of the Company for the three months ended 31 March 2014;
- 5) the circular of the Company dated 28 March 2013 in relation to the general mandates to issue and to repurchase Shares, proposed re-election of Directors and notice of annual general meeting;

- 6) the circular of the Company dated 9 December 2013 in relation to the subscription of new shares of the Company under specific mandate by GoerTek Inc. and the placing of new shares of the Company under specific mandate;
- 7) the circular of the Company dated 20 March 2014 in relation to the general mandates to issue and to repurchase Shares, proposed re-election of Directors and notice of annual general meeting;
- 8) the circular of the Company dated 1 April 2014 in relation to continuing connected transactions and notice of extraordinary general meeting; and
- 9) the announcements and other corporate communications made by the Company prior to the date of this announcement as required under the Listing Rules and the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AKM Suzhou”	安捷利電子科技(蘇州)有限公司 (AKM Electronics Technology (Suzhou) Company Limited), a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	AKM Industrial Company Limited (stock code: 8298), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“Financial Adviser”	China Investment Securities International Capital Limited, a corporation licensed under SFO to conduct type 6 (advising on corporate finance) of the regulated activity appointed by the Company
“GEM”	The Growth Enterprise Market of The Stock Exchange

“GEM Listing Date”	the date on which the Shares were listed on GEM, being 18 August 2004
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	5 June 2014, being the latest practicable date prior to the issue of this announcement for ascertaining certain information contained in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance, Cap.571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Transfer of Listing”

the proposed transfer of listing of Shares from GEM to the Main Board pursuant to Chapter 9A of the Listing Rules

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

Hong Kong, 6 June 2014

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 Directors are Mr. Meng Weiwei and Mr. Gong Jiantang; and the independent non-executive Directors are Mr. Hung Chi Yuen Andrew, Mr. Liang Zhi Li and Mr. Bi Keyun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules and the GEM Listing Rules 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, the Stock Exchange at www.hkexnews.hk and on the Company’s website at <http://www.akmcompany.com> on the “Company Announcement” page.