




丘鈦科技(集團)有限公司 Q Technology (Group) Company Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1478



Developing machine and human vision for mobile terminals

Annual Report **2016** 年報

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BOARD OF DIRECTORS

Executive Directors

Mr. He Ningning (*Chairman*)
Mr. Wang Jianqiang (*Chief Executive Officer*)
Mr. Yang Peikun (resigned on 8 July 2016)

Mr. Hu Sanmu (*Vice President of Sales*) (appointed on 8 July 2016)

Independent Non-Executive Directors

Mr. Chu Chia-Hsiang
Ms. Chen Jun
Mr. Ng Sui Yin

AUDIT COMMITTEE

Mr. Ng Sui Yin (*Chairman*)
Ms. Chen Jun
Mr. Chu Chia-Hsiang

REMUNERATION COMMITTEE

Mr. Chu Chia-Hsiang (*Chairman*)
Mr. Ng Sui Yin
Ms. Chen Jun

NOMINATION COMMITTEE

Mr. He Ningning (*Chairman*)
Ms. Chen Jun
Mr. Chu Chia-Hsiang

RISK MANAGEMENT COMMITTEE

Ms. Chen Jun (*Chairlady*)
Mr. Ng Sui Yin
Mr. Fan Fuqiang

JOINT COMPANY SECRETARIES

Mr. Fan Fuqiang
Mr. Kwok Siu Man, *FCIS*, *FCS* (resigned on 8 April 2016)

Ms. Hung Ching Yuen (appointed on 8 April 2016)

董事會

執行董事

何寧寧先生 (*主席*)
王健強先生 (*行政總裁*)
楊培坤先生
(於二零一六年七月八日辭任)
胡三木先生 (*銷售副總裁*)
(於二零一六年七月八日獲委任)

獨立非執行董事

初家祥先生
陳郡女士
吳瑞賢先生

審核委員會

吳瑞賢先生 (*主席*)
陳郡女士
初家祥先生

薪酬委員會

初家祥先生 (*主席*)
吳瑞賢先生
陳郡女士

提名委員會

何寧寧先生 (*主席*)
陳郡女士
初家祥先生

風險管理委員會

陳郡女士 (*主席*)
吳瑞賢先生
范富強先生

聯席公司秘書

范富強先生
郭兆文先生, *FCIS*, *FCS*
(於二零一六年四月八日辭任)
洪靜遠女士
(於二零一六年四月八日獲委任)

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31st Floor
No. 148 Electric Road
North Point
Hong Kong
(up to 8 April 2016)

Room 1715, 17/F
Topsail Plaza
11 On Sum Street
Shatin, New Territories
Hong Kong
(with effect from 8 April 2016)

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

No. 3 Taihong Road
Hi-tech Industry Park
Kunshan
Jiangsu Province
PRC

COMPANY'S WEBSITE

www.qtechglobal.com

LEGAL ADVISER AS TO HONG KONG LAW

TRACY ONG & CO.

登記辦事處

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港主要營業地點

香港
北角
電氣道148號
31樓
(直至二零一六年四月八日止)

香港
新界沙田
安心街11號
華順廣場
17樓1715室
(自二零一六年四月八日起生效)

於中華人民共和國(「中國」)的總部及主要營業地點

中國
江蘇省
昆山市
高新技術產業開發區
台虹路3號

公司網站

www.qtechglobal.com

香港法律顧問

王珮玲律師事務所

INDEPENDENT AUDITOR

KPMG
Certified Public Accountants

PRINCIPAL BANKERS

China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
China Minsheng Banking Corporation Limited
Bank of China
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited

PRINCIPAL SHARE REGISTRAR

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

Stock Code: 1478

AUTHORISED REPRESENTATIVES

Mr. Wang Jianqiang
Mr. Kwok Siu Man (resigned on 8 April 2016)
Ms. Hung Ching Yuen (appointed on 8 April 2016)

獨立核數師

畢馬威會計師事務所
執業會計師

主要往來銀行

中國建設銀行股份有限公司
中國工商銀行股份有限公司
中國民生銀行股份有限公司
中國銀行股份有限公司
中國銀行(香港)有限公司
恆生銀行有限公司

股份過戶登記總處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-111
Cayman Islands

香港證券登記分處

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

股份代號

股份代號：1478

授權代表

王健強先生
郭兆文先生
(於二零一六年四月八日辭任)
洪靜遠女士
(於二零一六年四月八日獲委任)

Q Technology (Group) Company Limited (the “Company”, together with its subsidiaries, the “Group”) is a leading camera and fingerprint recognition module manufacturer in the People’s Republic of China (the “PRC”). The Group is primarily engaged in the design, research and development, manufacture and sales of camera modules and fingerprint recognition modules with focus on mid-to-high end camera and fingerprint recognition module market for Chinese branded smart phone and tablet PC manufacturers. The Group is one of the first few manufacturers in the PRC to use chip on board (“COB”) and chip on flex (“COF”) assembly technologies in the manufacture of camera modules, as well as to produce ultra-thin camera modules with resolution of 16 mega pixels and above, dual camera modules and fingerprint recognition modules with various technologies on a mass production scale. Currently, the Group’s product mix covers camera modules ranging from 3 mega pixels to 20 mega pixels, dual camera modules, fingerprint recognition modules and outdoor sports camera modules. The Group is dedicated to become a technology company, which provides machine vision and human vision to mobile terminals, through continuously building up capabilities of optics, computing vision and deep learning.

丘鈦科技(集團)有限公司(「本公司」)，連同其附屬公司(「本集團」)為一間中華人民共和國(「中國」)領先的攝像頭模組及指紋識別模組製造商，本集團主要從事設計、研發、製造和銷售攝像頭模組及指紋識別模組，專注於中國品牌智能手機及平板電腦製造商中高端攝像頭模組和指紋識別模組市場。本集團為中國少數最先於攝像頭模組製造中採用板上蕊片(COB)及薄膜覆晶封裝(COF)技術以及能夠批量生產及銷售1,600萬像素及以上超薄攝像頭、雙攝像頭模組和不同工藝指紋識別模組的製造商之一。目前，本集團產品覆蓋了三百萬像素至二千萬像素的攝像頭模組、雙攝像頭模組、指紋識別模組及戶外運動相機模組等。透過不斷構建在光學設計、計算成像及深度學習方面之能力，本集團致力於成長為一家為智能移動終端提供機器視覺及人眼視覺一體化解決方案的科技企業。

Five-Year Financial Summary

五年財務概要

(In Renminbi ("RMB") thousands, except per share amounts or (人民幣千元·每股金額或另有指明除外)
otherwise indicated)

For the Year ended 31 December

截至十二月三十一日止年度

		2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年	2012 二零一二年
		Consolidated 合併				
Operating results	經營業績					
Revenue	收入	4,991,158	2,202,395	2,161,084	1,410,613	637,786
Gross profit	毛利	422,437	240,571	352,579	234,046	86,861
Finance costs	融資成本	(5,548)	(9,948)	(23,171)	(9,010)	(5,307)
Profit before taxation	除稅前溢利	214,587	114,701	239,077	188,172	54,322
Income tax charge	所得稅	(23,832)	(12,702)	(43,571)	(25,011)	(3,852)
Profit for the year	年內溢利	190,755	101,999	195,506	163,161	50,470
Attributable to:	歸屬:					
Owners of the Company	本公司股東	190,755	101,999	195,506	163,161	50,470
Non-controlling interests	非控股權益	-	-	-	-	-
		190,755	101,999	195,506	163,161	50,470

Five-Year Financial Summary

五年財務概要

(In Renminbi ("RMB") thousands, except per share amounts or otherwise indicated) (人民幣千元·每股金額或另有指明除外)

For the year ended 31 December

截至十二月三十一日止年度

		2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年	2012 二零一二年
		Consolidated 合併				
Basic earnings per share (RMB cents)	基本每股盈利 (人民幣分)	18.4	10.1	31.8	32.6	N/A
Diluted earnings per share (RMB cents)	攤薄每股盈利 (人民幣分)	18.1	9.8	29.6	30.9	N/A
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	826,185	453,930	359,954	294,174	236,348
Current assets	流動資產	3,694,144	1,536,731	1,942,579	1,468,266	885,144
Total assets	資產總值	4,520,329	1,990,661	2,302,533	1,762,440	1,121,492
Bank borrowings	銀行借款	335,432	142,164	712,679	427,581	84,527
Other liabilities	其他負債	2,616,932	630,940	465,566	1,066,260	935,613
Total liabilities	負債總額	2,952,364	773,104	1,178,245	1,493,841	1,020,140
Net assets	資產淨值	1,567,965	1,217,557	1,124,288	268,599	101,352
Total equity	權益總額	1,567,965	1,217,557	1,124,288	268,599	101,352
Key Financial Ratio	主要財務比率					
Gross profit margin (%)	毛利率 (%)	8.5%	10.9%	16.30%	16.60%	13.60%
Net profit margin (%)	純利率 (%)	3.8%	4.6%	9.00%	11.60%	7.90%
Gearing ratio (%) (Note 1)	資本負債比率 (%) (附註1)	21.4%	11.7%	63.40%	213.60%	144.60%
Rate of return on common stockholders' equity (%)	淨資產回報率 (%)	12.2%	8.4%	17.4%	60.7%	49.8%
Current ratio (times) (Note 2)	流動比率 (倍) (附註2)	1.3	2.0	1.7	1.1	0.9
Quick ratio (times) (Note 3)	速動比率 (倍) (附註3)	1.0	1.7	1.5	1.0	0.8
Net asset value per share attributable to owners of the Company	本公司股權持有人應佔每股淨資產	1.45	1.18	1.12	0.54	0.20
Price per share as at 31 December (HKD)	十二月三十一日每股價格 (港幣)	4.00	1.59	2.20	N/A	N/A
Price earnings ratio (Note 4)	市盈率 (附註4)	20.29	13.19	5.46	N/A	N/A
Market capitalization as at 31 December (HKD thousand)	十二月三十一日市值 (港幣千元)	4,327,084	1,634,447	2,200,000	N/A	N/A
Dividend per share (RMB cents)	每股股息 (人民幣分)	3.50	-	4.06	-	N/A
Dividend yield (%)	股息收益率	1.21%	-	2.1%	-	N/A
EBITDA (Note 5)	息稅折舊及攤銷前利潤 (附註5)	284,155	167,098	293,574	207,297	70,134

Note 1: Gearing ratio represents bank borrowings and related parties' loans divided by total equity as at the end of the year.

Note 2: Current ratio represents total current assets divided by total current liabilities as of the end of the year.

Note 3: Quick ratio represents total current assets less inventories divided by total current liabilities as of the end of the year.

Note 4: Price earnings ratio represents the market price of shares as of the end of the year divided by earnings per share.

Note 5: EBITDA represents earnings before interest and tax (EBIT) + depreciation cost + amortization cost.

附註1: 資本負債比率指銀行借款及關聯方貸款除以年末權益總額。

附註2: 流動比率指流動資產總值除以截至年末的流動負債總額。

附註3: 速動比率指流動資產總值減去存貨再除以截至年末的流動負債總額。

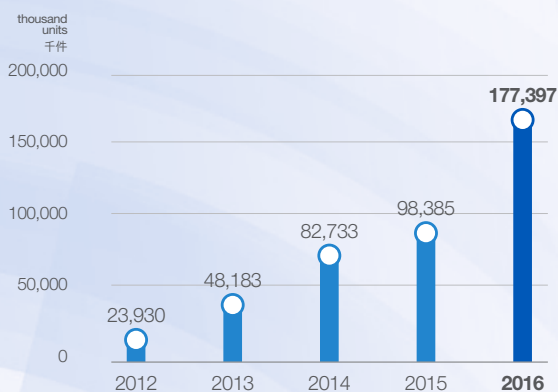
附註4: 市盈率指年末股票市價除以每股收益。

附註5: EBITDA指息稅前利潤(EBIT)+折舊費用+攤銷費用。

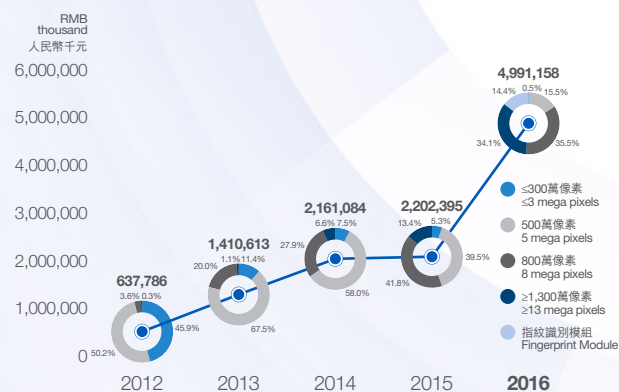
Five-Year Financial Summary

五年財務概要

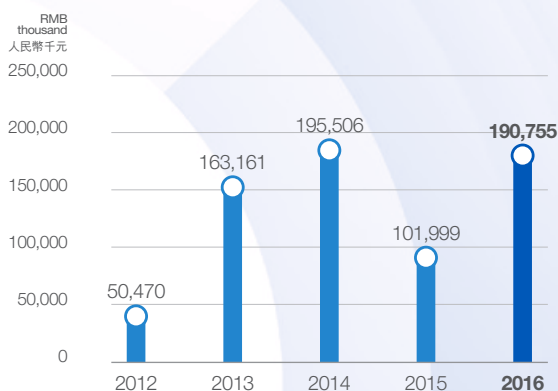
Shipment of CCM 攝像頭模組出貨量



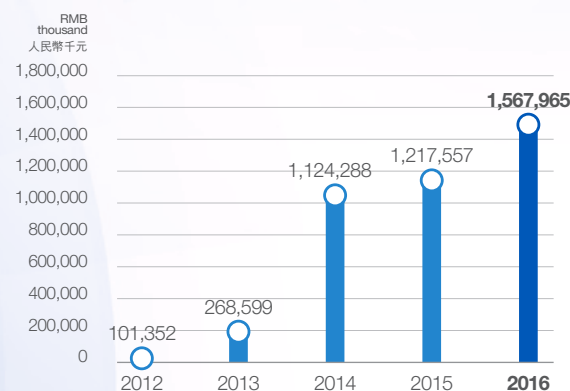
Revenue 收入



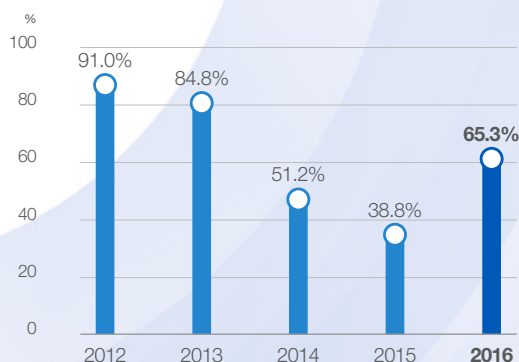
Profit Attributable to Owners 股東應佔溢利



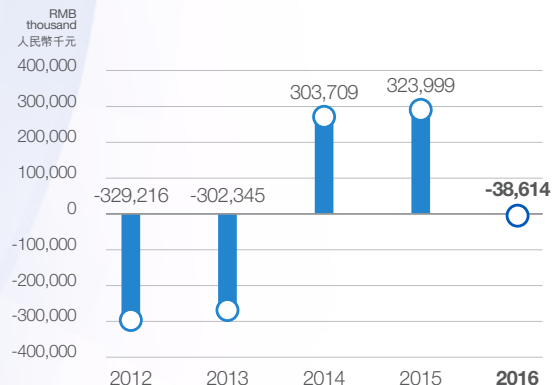
Net Assets 資產淨值



Debt Asset Ratio 資產負債率



Cash Generated from Operating Activities 經營活動現金流



Dear Shareholders,

We are very honored to present to the shareholders the annual results for the year ended 31 December 2016 (the "Year"), the third annual results of Q Technology (Group) Company Limited since its listing on the main board of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

BUSINESS REVIEW

During the Year, although the global and the PRC economies encountered more fluctuations due to influences from various aspects and many sectors faced considerable difficulties and challenges, however, the global mobile phones market still maintained a stable growth. China's smartphone brands received higher recognition from customers on product design reputation and cost/price performance through continuous product innovation and effective marketing measures, hence, the market share of various leading brands increased significantly, and the market share of China's smartphone brands increased steadily and the supply chain of China's smartphone brands also achieved a stable development. Through relentless efforts, the Group established cooperative relationships with China's major smartphone brands which had greatly improved our customer base and rapidly enhanced our product portfolio, and the Group was able to maintain its strong competitiveness in the intense competitive market. During the Year, the Group's business achieved a rapid growth.

致股東：

本集團非常榮幸向股東呈上截至二零一六年十二月三十一日止年度（「本年度」）業績，這是丘鈦科技（集團）有限公司在香港聯合交易所有限公司（「聯交所」）主板掛牌上市後的第三份年度業績。

業務回顧

於本年度，雖然受多方因素影響，全球經濟和中國經濟都較為波動，使得許多行業都面臨著諸多困難與挑戰，但全球手機市場仍然保持了平穩增長，而中國智能手機品牌則通過持續的產品創新和正確的市場營銷，使得消費者對其產品設計美譽度和性價比給予更高的認可，多個領先品牌的市場份額均得以大幅提升，從而令中國智能手機品牌的市場份額穩步提升，中國智能手機品牌的供應鏈也得以實現穩定的發展。本集團通過持續的努力，陸續與主要的中國智能手機品牌建立了合作關係，客戶結構得以大幅改善，並帶動產品結構迅速改善，從而使得本集團在激烈競爭的市場中保持了強勁的競爭力。於本年度，本集團實現了業務的快速增長。

Looking back to the year of 2016, with the trust and support of our core customers and the relentless efforts of all our employees, both the sales volume and revenue of the Group increased rapidly, among which, the sales volume of camera modules reached approximately 177.40 million units, representing an increase of approximately 80.3% as compared with that of 2015, while the sales volume of fingerprint recognition modules reached approximately 20.94 million units, representing an increase of over 2,000 times than that of 2015. The revenue recorded by the Group amounted to approximately RMB4,991,158,000, representing an increase of approximately 126.6% as compared with that of 2015. The year-on-year growth in revenue was faster than that of the sales volume, mainly due to the surge of average selling price of camera modules as a result of the significant enhancement of the product pixel mix of camera modules, and the average selling price of fingerprint recognition modules which recorded a rapid growth in 2016 is higher than the overall product average selling price of 2015. Thus, the overall product average selling price increased by approximately RMB2.78 (or approximately 12.4%) as compared with that of 2015 to approximately RMB25.16. The average selling price of camera modules increased by approximately RMB1.71 (or approximately 7.7%) as compared with that of 2015 to approximately RMB24.09, mainly due to the significant enhancement of product pixel mix of camera modules and the commencement of mass production of dual camera modules.

During the Year, the gross profit margin of the Group was approximately 8.5%, representing a decrease of approximately 2.4 percentage points as compared with approximately 10.9% of 2015. The decrease in gross profit margin was mainly attributable to: the drop-off range of the average selling price of same product resulting from the intensified market competition exceeded the drop-off range of the average purchase price of the raw materials of the product. Further, various production raw materials of the Group were purchased from overseas and settled in US dollars ("USD"). Due to the depreciation of the exchange rate of RMB against USD by approximately 6.8% during the Year, the purchasing costs of raw materials was further pushed up and, hence, increased the proportion of the composite costs of raw materials in the total revenue of the Group.

回顧二零一六年，在核心客戶的支持與信任，以及全體員工的努力下，本集團的銷售數量和營業收入均實現快速增長，其中：攝像頭模組的銷售數量達到約17,740萬件，較二零一五年增長約80.3%；而指紋識別模組的銷售數量達到約2,094萬件，較二零一五年增長超過2,000倍。本集團錄得營業收入約人民幣4,991,158,000元，較二零一五年增長約126.6%。營業收入同比增幅大於銷售數量的同比增幅，乃由於攝像頭模組產品像素結構的明顯提升推動攝像頭模組產品的平均銷售單價有所提升，以及二零一六年增長迅速的指紋識別模組產品的平均銷售單價較二零一五年的綜合產品平均銷售單價高，令得綜合產品平均銷售單價較二零一五年上漲了約人民幣2.78元（約12.4%）至約人民幣25.16元，其中攝像頭模組產品由於像素結構的明顯提升及雙攝頭模組開始量產，平均銷售單價較二零一五年上漲了約人民幣1.71元（約7.7%）至約人民幣24.09元。

本年度，本集團的毛利率約為8.5%，較二零一五年的約10.9%下跌了約2.4個百分點。毛利率下降的主要因為：激烈的市場競爭，使得同一產品平均銷售單價的下跌幅度超過產品之原材料平均採購單價的下跌幅度。同時，本集團多種生產用原材料均由境外採購並以美元（「美元」）結算，而人民幣兌美元匯率於本年度貶值約6.8%，進一步推高了原材料採購成本，提升了原材料綜合成本佔本集團總營業收入的比例。

During the year under review, the Group has proactively responded to the market demand for high pixel products and developed the mid-to-high end camera modules with resolution of 8 mega pixels and above. The total sales volume of camera modules with resolution of 8 mega pixels and above significantly increased by approximately 78.27 million units to approximately 117.16 million units as compared with that of 2015, which accounted for approximately 66.0% of the Group's total sales volume of camera modules for the Year (2015: approximately 39.5%), and approximately 81.2% of the Group's total revenue of camera modules for the Year (2015: approximately 55.2%). The sales volume of high-end camera modules with resolution of 13 mega pixels and above has significantly increased by approximately 35.82 million units to approximately 41.48 million units as compared with that of 2015, which accounted for approximately 23.4% of the Group's total sales volume of camera modules for the Year (2015: approximately 5.8%), and approximately 39.8% of the Group's total revenue of camera modules for the Year (2015: approximately 13.4%). The rapid increase in the sales volume and proportion of mid-to-high end camera modules has demonstrated the increasing market recognition of the Group's high-end products, which made the Group to be more competitive in the high pixels products segment and laid a solid foundation for further increasing the sales volume of products with resolution of 13 mega pixels and above as well as the dual camera modules in future.

Meanwhile, the sales volume of fingerprint recognition modules amounted to approximately 20.94 million units (2015: approximately 7,000 units), which accounted for approximately 10.6% of the Group's total sales volume for the Year, and approximately 14.4% of the Group's total revenue for the Year, among which, the fingerprint recognition modules that adopted cover plate technique accounted for approximately 35.3% of the total sales volume of fingerprint recognition modules. The rapid increase in the sales volume of fingerprint recognition modules was, on one hand, benefited from the rapid growth in demand from smartphone brands for fingerprint recognition modules, and, on the other hand, it also demonstrated the high market recognition of the Group's comprehensive ability, which laid a solid foundation for further increasing the market share of the Group in fingerprint recognition modules in future.

回顧本年度，本集團積極順應市場對高像素產品的需求，努力加強發展八百萬像素及以上的中高端攝像頭模組。八百萬像素及以上攝像頭模組的合計銷售數量較二零一五年大幅上升約7,827萬件至約11,716萬件，佔本集團本年度攝像頭模組總銷售數量的約66.0%（二零一五年：約39.5%），以及佔本集團本年度攝像頭模組總營業額的約81.2%（二零一五年：約55.2%）。一千三百萬像素及以上的高端攝像頭模組的銷售數量較二零一五年大幅上升約3,582萬件至約4,148萬件，佔本集團本年度攝像頭模組總銷售數量的約23.4%（二零一五年：約5.8%），以及佔本集團本年度攝像頭模組總營業額的約39.8%（二零一五年：約13.4%）。上述中高端像素攝像頭模組銷售數量及比例的快速提升，預示著市場正提升對本集團高端產品的認可，使本集團得以繼續在高像素產品領域保持較強的競爭力，並為未來進一步提升一千三百萬像素及以上產品、雙攝像頭模組產品的銷售佔比奠定了堅實的基礎。

同時，指紋識別模組的銷售數量達到約2,094萬件（二零一五年：約0.7萬件），約佔本集團本年度總銷售數量的約10.6%，以及約佔本集團本年度總營業額的約14.4%，其中使用蓋板工藝生產的指紋識別模組佔指紋識別模組的總銷售數量的約35.3%。指紋識別模組銷售數量的迅速提升，一方面得益於智能手機品牌對指紋識別模組需求的迅速增長，另一方面亦體現了市場對本集團綜合能力的高度認可，為未來進一步提升本集團在指紋識別模組的市場份額奠定了堅實的基礎。

During the Year, the Group continues to place great emphasis on maintaining and expanding its domestic and overseas quality customer base. On one hand, the Group maintained close cooperative relationship with its core customers, and no core customers was lost. On the other hand, subsequent to the establishment of cooperative relationships with several customers such as Xiaomi, Asus and Chino in 2015, the Group also developed various customers such as Huawei and Motorola during the Year, and established supply cooperative relationships with these renowned enterprises for camera modules and/or fingerprint recognition modules products, which demonstrated the Group's good customer relationship management and sales capabilities. The optimization of customer base laid a good foundation for the subsequent strengthening of business development of fingerprint recognition modules, camera modules with resolution of 13 mega pixels and above and dual camera modules.

During the Year, the Group continuously reviewed and improved its production know-how and was dedicated in developing more advanced functionalities and products. On one hand, the Group established cooperative relationships with several companies such as MTK and Qualcomm on dual camera modules algorithm to further enhance the Group's capability of developing dual camera modules products, which enables the Group to become one of the few earliest companies in the mass production and sales of dual camera modules in Mainland China, and one of the few companies able to mass produce dual camera modules with various solutions such as RGB+RGB, RGB+MONO and WIDE+TELE in Mainland China. On the other hand, the Group constantly enhanced its research and development ("R&D") efforts in the leading technologies such as gesture recognition, light sensing recognition, iris recognition and super-large aperture, which enables the Group to become one of the few camera modules manufacturers in the industry with leading technologies such as dual camera, PDAF, gesture recognition, iris recognition, high-end modules with resolution of 16 mega pixels and above, and F1.7 large aperture. The shipments of dual camera modules, high-end modules with resolution of 16 mega pixels and above, fingerprint recognition modules and outdoor sports camera modules have already achieved bulk deliveries.

於本年度，本集團繼續加強對海內外優質客戶的維持與拓展。一方面，本集團保持了與核心客戶的緊密合作關係，無核心客戶流失；另一方面，繼於二零一五年與小米、華碩、中諾等客戶建立合作關係後，本年度本集團先後拓展了華為、摩托羅拉等多個客戶，與這些知名企業建立了攝像頭模組及／或指紋識別模組產品的供應合作關係，體現了集團良好的客戶維繫與營銷能力。客戶結構的優化為後續進一步加強指紋識別模組、一千三百萬像素及以上攝像頭模組和雙攝像頭模組的業務發展奠定了良好基礎。

於本年度，本集團持續檢討及改善其技術，以開發更優良的功能及產品。一方面，本集團已經與MTK、高通等公司在雙攝像頭模組算法方面建立合作關係，進一步提升了本集團拓展雙攝像頭模組產品的能力，使得本集團成為中國大陸少數最早進入雙攝像頭模組批量生產銷售的公司，及中國大陸少數能批量生產RGB+RGB、RGB+MONO、WIDE+TELE等多種方案下的雙攝像頭模組的公司；另一方面，本集團繼續加強對手勢識別、光感識別、虹膜識別、超大光圈等領先技術的研究及開發（「研發」），使得本集團成為業內少數熟練掌握雙攝像頭、PDAF、手勢識別、虹膜識別、一千六百萬像素及以上高端模組、F1.7大光圈等先進技術的攝像頭模組廠商之一。雙攝像頭模組、一千六百萬像素及以上高端模組、指紋識別模組、戶外運動相機模組均已經實現批量出貨。

AWARDS AND HONORS

During the Year, we continued to adhere to our customer-oriented service strategies, always considered the provision of good personal experience for customers as our operation direction and devoted our best efforts to satisfy customers' needs in product R&D, sales delivery, after-sales service, product quality and technology innovation, and earned positive recognition of the Group's products and services from the industry, local governments and our customers.

In April 2016, the trademark "Q Tech and Q Image" used by Kunshan Q Technology Limited ("Kunshan QT China"), a wholly-owned subsidiary of the Group, received the 2015 "Jiangsu Renowned Trademark" honorary title granted by Jiangsu Administration for Industry and Commerce. The honorary title is valid for three years and is effective from 28 December 2015.

In April 2016, the "Q Tech camera modules" manufactured and sold by Kunshan QT China won the 2015 "Jiangsu Famous-brand Product" honorary title granted by Jiangsu Strategic Top Brand Promotion Committee. The honorary title is valid for three years and is effective from December 2015 to December 2018.

In December 2016, Kunshan QT China won the "2016 ZTE Global Best Partner Award" granted by ZTE Corporation. This is the fifth consecutive year that Kunshan QT China has won the said award.

In January 2017, Kunshan QT China won the "Quality Advance Award" granted by Huaqin Telecom Technology Co., Ltd..

In January 2017, Kunshan QT China won the "Quality Management Standard Award" granted by Huawei Device Company Limited.

The aforementioned awards and honors had reflected the high recognition by local governments and our core customers, which has further enhanced our confidence in driving the product mix optimization strategies and providing customers with good personal experience, and also further strengthened our confidence in maintaining a sound operation.

獎項與榮譽

本年度，本集團繼續秉承以客戶為中心的服務宗旨，一直以為客戶提供良好體驗作為業務運營的根本，在產品研發、銷售交付、售後服務、產品質量和技術創新等方面都盡最大努力滿足客戶需求，並獲得了行業、地方政府和客戶對本集團產品及服務的高度認可。

二零一六年四月，本集團全資子公司昆山丘鈦微電子科技有限公司（「昆山丘鈦中國」）所使用的「Q Tech及Q圖」商標榮獲江蘇省工商行政管理局頒發的二零一五年度「江蘇省著名商標」榮譽稱號，有效期三年，自二零一五年十二月二十八日起生效。

二零一六年四月，昆山丘鈦中國所生產及銷售的「Q Tech牌攝像頭模組」榮獲江蘇省名牌戰略推進委員會頒發的二零一五年度「江蘇名牌產品」榮譽稱號，有效期三年，自二零一五年十二月起至二零一八年十二月止。

二零一六年十二月，昆山丘鈦中國榮獲中興通訊股份有限公司頒發的「中興通訊2016年度全球最佳合作夥伴獎項」，此為昆山丘鈦中國連續第五年獲此殊榮。

二零一七年一月，昆山丘鈦中國榮獲華勤通訊技術有限公司頒發的「品質領先獎」。

二零一七年一月，昆山丘鈦中國榮獲華為終端有限公司頒發的「質量管理規範獎」。

上述獎項及榮譽的獲得，反映了地方政府及本集團核心客戶對本集團的充分認可，進一步加強了本集團推動產品結構優化策略和堅持以客戶良好體驗為追求的信心，並進一步增強了本集團保持良好運營的信心。

PROSPECTS

Although the operating results of the Group in 2016 recorded a significant growth as compared with that of 2015, and the customer base and product mix were significantly optimized, however, the Directors are also well aware that 2017 will still be full of challenges. On one hand, the global macro political and economic situation remains unpredictable and fraught with uncertainties, the growth in overseas and China's consumer demand are still difficult to ascertain, uncertainties in the prospect of the intelligent mobile communication terminal industry also remains high under the macro-economic environment, and the growth rate of mobile phones and tablet PC industry may be lower. On the other hand, major customers of the Group are brand smartphone manufacturers in Mainland China, while overseas mobile phone brands are actively scrambling for market share, the impact of new products that will be launched by those overseas brands on China's brand smartphone manufacturers is unpredictable and our existing customers may be unable to continue to record its growth rate as in the past, thereby affecting our shipments. Moreover, affected by multiple factors such as politics, economy, and supply and demand, the trend of RMB against USD may still be fluctuating. As it is difficult to reverse in the short run the Group's business pattern that comprises of sales revenue settled in RMB but overseas purchases of various core components settled in USD, accordingly, the task on management of exchange risks remains heavy. However, the Directors remain cautiously optimistic about the ongoing demand for camera modules and fingerprint recognition modules, and believe that:

(i) Camera modules will remain one of the end-consumers' most concerned smartphone configuration, and consumer demands for camera modules with enhanced functionality will continue to remain high, which will lead to continuous improvement in product specifications. The Group has obtained the qualification for supplying high pixel products to the major customers in camera module products, which will help the Company to further uplift the shipment proportion of single camera modules with resolution of 13 mega pixels and above.

前景展望

儘管本集團二零一六年度之經營業績較二零一五年明顯增長，客戶結構和產品結構均明顯優化，但董事充分意識到，二零一七年仍將充滿挑戰。一方面，全球政治經濟的宏觀形勢撲朔迷離，不確定性因素依然存在，海外及中國消費需求的增長仍然難於確定，而智能移動通信終端行業的發展前景在宏觀經濟環境的影響下同樣具有很大不確定性，手機和平板電腦行業的增長率可能較低。另一方面，本集團的主要客戶均為中國大陸智能手機品牌廠商，而海外手機品牌正在積極爭搶市場份額，其陸續推出的新產品對中國智能手機品牌廠商的衝擊難以估量，我們的現有客戶可能無法繼續錄得過去的增長速度，從而影響本集團的銷售出貨。此外，受政治、經濟和供需等多方面因素的影響，人民幣兌美元匯率走勢仍然可能比較波動。由於本集團銷售收入以人民幣結算為主及多個核心元器件由境外採購並以美元結算的業務模式短時間難於扭轉，因此，匯兌風險管理的任務仍然很重。然而，董事對攝像頭模組和指紋識別模組需求的持續性仍持審慎樂觀態度，認為：

(i) 攝像頭模組仍然是終端消費者最關注的智能手機配置之一，消費者對手機攝像更多的功能需求仍在繼續，令得產品規格仍將持續得以提升，而本集團已經取得攝像頭模組產品主要客戶在高像素產品方面的供應資格，有利於幫助公司進一步提升一千三百萬像素及以上單攝像頭模組的出貨比例。

- (ii) Camera modules are the most important human-machinery information interactive interface during the Internet of Things era, which enable the continuous expansion of camera modules' application fields. The demand for camera modules by products such as AR, VR, MR and motor vehicles may give a new growth potential for the volume expansion of camera modules.
 - (iii) With the increasingly improved dual camera modules solutions, a number of global and China's renowned brands have already adopted the dual camera modules solutions in their products and positive feedback from end-consumers have been received. This may lead to a remarkable improvement in penetration rate of dual camera modules in the future and hence will bring new and increased demand for camera modules.
 - (iv) While personal data privacy protection and mobile payment become an increasingly important demand for end-consumers, intelligent mobile communication terminals such as mobile phones are becoming important personal data storage and mobile payment instruments for end-consumers. As such, with the end-consumer's increasing demand for higher security for mobile phones, fingerprint recognition modules are gradually becoming the standard equipment for smartphones and therefore stimulate the rapid growth of fingerprint recognition modules business. The Group has established the supply cooperation with various well-known brand smartphone manufacturers in China regarding fingerprint recognition modules, which will contribute to our continuous efforts in striving for rapid development of the fingerprint recognition modules business.
 - (v) In addition to optical design and precision manufacturing, the sound functionalities of dual/multiple camera modules have more vital demand for image algorithm. Our related company established in Chengdu possessed good technical preparation in image algorithm and with certain customer resources, and the technical cooperation and customers' collaborative marketing between the Group and the related company in precision manufacturing and image algorithm is likely to favour our expansion in the dual/multiple camera modules business.
- (ii) 攝像頭模組是物聯網時代最重要的人機信息交互界面，使得攝像頭模組的應用領域可能得以不斷拓展，AR、VR、MR和汽車等產品對於攝像頭模組的需求可能給攝像頭模組的數量規模提供新的增長空間。
 - (iii) 雙攝像頭模組的解決方案已經日趨完善，多個全球和中國知名品牌已經在其產品上採用雙攝像頭模組方案，終端消費者的反映亦比較正面，可能使得雙攝像頭模組的滲透率在未來得以明顯提升，從而給攝像頭模組帶來新的增量需求。
 - (iv) 個人隱私保護和移動支付日益成為終端消費者的重要需求，而手機等智能移動通信終端則正在成為終端消費者重要的個人資料存儲和移動支付工具。因此，終端消費者對手機安全性的需求不斷提升，令得指紋識別模組正在逐步成為智能手機的標準配備，從而刺激指紋識別模組業務快速增長。而本集團已經與多個中國知名智能手機品牌廠商建立在指紋識別模組方面的供應合作，將有利於繼續爭取指紋識別模組業務的快速發展。
 - (v) 雙／多攝像頭模組的良好功能除了光學設計與精密製造的基礎外，對圖像算法的需求更為關鍵，本集團設立於成都的關連公司已經在圖像算法方面有良好的技術準備和一定的客戶儲備，本集團與關連公司在精密製造與圖像算法方面的技術合作和客戶協同營銷可能有利於本集團在雙／多攝像頭模組業務上的拓展。

Hence, the Directors believe, as opportunities coexist with challenges, the Group will adhere to the mission of “providing comprehensive machinery vision and human vision product solutions for intelligent mobile terminals” to strengthen the capacity deployment in three aspects, namely optical design, computing vision and deep learning, continue to enhance the R&D of new products and new processes, continue to improve precision manufacturing capability, proactively carry out customer relationship marketing, aggressively expand overseas renowned smartphone branded customers and continuously enhance the core competitiveness of the Group. We will focus on developing high-end camera modules with resolution of 16 mega pixels and above and dual camera modules, with an effort to strengthen the technical cooperation and resource integration in image algorithm of dual/multiple camera modules, at the same time striving to achieve a breakthrough in the application of camera modules in non-mobile-phone sector. The Directors are confident to lead the Group to embrace the challenges, and make further efforts to achieve good development and strive to create greater value for the shareholders of the Company (the “Shareholders”).

ACKNOWLEDGEMENTS

The Group sincerely thank the directors, the management and the entire staff for their dedication and loyal services to the Group, without which we would not have witnessed increasing sales growth. I would personally like to take this opportunity to give thanks on behalf of the board of directors to the shareholders, clients, partners, suppliers and banks for their trust and support accorded.

He Ningning
Chairman

Hong Kong
16 March 2017

因此，董事相信，機遇與挑戰並存，而本集團將堅持秉承「為智能移動終端提供機器視覺和人眼視覺產品的綜合解決方案」的宗旨積極加強光學設計、計算成像和深度學習三個方面的能力建設，繼續加強新產品、新工藝的研發，繼續提高精密製造能力，積極開展客戶關係營銷，積極拓展海外知名智能手機品牌客戶，不斷提升本集團的核心競爭力，並將重點推進一千六百萬像素及以上高端攝像頭模組、雙攝像頭模組的發展，努力加強在雙／多攝像頭模組圖像算法方面的技術合作和資源整合，同時努力實現攝像頭模組在非手機領域的應用突破。董事有信心帶領本集團直面挑戰並繼續努力實現良好的發展，力爭為本公司股東（「股東」）創造更好的價值。

致謝

本集團衷心感謝董事、管理層團隊及全體員工為本集團所作的不懈努力及忠誠服務，使本集團業務蒸蒸日上。本人謹藉此機會代表董事會向各股東、客戶、合作夥伴、供應商及銀行對本集團一直以來的信任及支持致以謝忱。

主席
何寧寧

香港
二零一七年三月十六日

BUSINESS REVIEW

During the Year, although the global and the PRC economies encountered more fluctuations due to influences from various aspects and many sectors faced considerable difficulties and challenges, however, the global mobile phones market still maintained a stable growth. China's smartphone brands received higher recognition from customers on product design reputation and cost/price performance through continuous product innovation and effective marketing measures, hence, the market share of various leading brands increased significantly, and the market share of China's smartphone brands increased steadily and the supply chain of China's smartphone brands also achieved a stable development. Through relentless efforts, the Group established cooperative relationships with China's major smartphone brands which had greatly improved our customer base and rapidly enhanced our product portfolio, and the Group was able to maintain its strong competitiveness in the intense competitive market. During the Year, the Group's business achieved a rapid growth.

業務回顧

於本年度，雖然受多方因素影響，全球經濟和中國經濟都較為波動，使得許多行業都面臨著諸多困難與挑戰，但全球手機市場仍然保持了平穩增長，而中國智能手機品牌則通過持續的產品創新和正確的市場營銷，使得消費者對其產品設計美譽度和性價比給予更高的認可，多個領先品牌的市場份額均得以大幅提升，從而令中國智能手機品牌的市場份額穩步提升，中國智能手機品牌的供應鏈也得以實現穩定的發展。本集團通過持續的努力，陸續與主要的中國智能手機品牌建立了合作關係，客戶結構得以大幅改善，並帶動產品結構迅速改善，從而使得本集團在激烈競爭的市場中保持了強勁的競爭力。於本年度，本集團實現了業務的快速增長。

Looking back to the year of 2016, with the trust and support of our core customers and the relentless efforts of all our employees, both the sales volume and revenue of the Group increased rapidly, among which, the sales volume of camera modules reached approximately 177.40 million units, representing an increase of approximately 80.3% as compared with that of 2015, while the sales volume of fingerprint recognition modules reached approximately 20.94 million units, representing an increase of over 2,000 times than that of 2015. The revenue recorded by the Group amounted to approximately RMB4,991,158,000, representing an increase of approximately 126.6% as compared with that of 2015. The year-on-year growth in revenue was faster than that of the sales volume, mainly due to the surge of average selling price of camera modules as a result of the significant enhancement of the product pixel mix of camera modules, and the average selling price of fingerprint recognition modules which recorded a rapid growth in 2016 is higher than the overall product average selling price of 2015. Thus, the overall product average selling price increased by approximately RMB2.78 (or approximately 12.4%) as compared with that of 2015 to approximately RMB25.16. The average selling price of camera modules increased by approximately RMB1.71 (or approximately 7.7%) as compared with that of 2015 to approximately RMB24.09, mainly due to the significant enhancement of product pixel mix of camera modules and the commencement of mass production of dual camera modules.

During the Year, the gross profit margin of the Group was approximately 8.5%, representing a decrease of approximately 2.4 percentage points as compared with approximately 10.9% of 2015. The decrease in gross profit margin was mainly attributable to: the drop-off range of the average selling price of same product resulting from the intensified market competition exceeded the drop-off range of the average purchase price of the raw materials of the product. Further, various production raw materials of the Group were purchased from overseas and settled in USD. Due to the depreciation of the exchange rate of RMB against USD by approximately 6.8% during the Year, the purchasing costs of raw materials was further pushed up and, hence, increased the proportion of the composite costs of raw materials in the total revenue of the Group.

回顧二零一六年，在核心客戶的支持與信任，以及全體員工的努力下，本集團的銷售數量和營業收入均實現快速增長，其中：攝像頭模組的銷售數量達到約17,740萬件，較二零一五年增長約80.3%；而指紋識別模組的銷售數量達到約2,094萬件，較二零一五年增長超過2,000倍。本集團錄得營業收入約人民幣4,991,158,000元，較二零一五年增長約126.6%。營業收入同比增幅大於銷售數量的同比增幅，乃由於攝像頭模組產品像素結構的明顯提升推動攝像頭模組產品的平均銷售單價有所提升，以及二零一六年增長迅速的指紋識別模組產品的平均銷售單價較二零一五年的綜合產品平均銷售單價高，令得綜合產品平均銷售單價較二零一五年上漲了約人民幣2.78元（約12.4%）至約人民幣25.16元，其中攝像頭模組產品由於像素結構的明顯提升及雙攝頭模組開始量產，平均銷售單價較二零一五年上漲了約人民幣1.71元（約7.7%）至約人民幣24.09元。

本年度，本集團的毛利率約為8.5%，較二零一五年的約10.9%下跌了約2.4個百分點。毛利率下降的主要因為：激烈的市場競爭，使得同一產品平均銷售單價的下跌幅度超過產品之原材料平均採購單價的下跌幅度。同時，本集團多種生產用原材料均由境外採購並以美元結算，而人民幣兌美元匯率於本年度貶值約6.8%，進一步推高了原材料採購成本，提升了原材料綜合成本佔本集團總營業收入的比例。

During the year under review, the Group has proactively responded to the market demand for high pixel products and developed the mid-to-high end camera modules with resolution of 8 mega pixels and above. The total sales volume of camera modules with resolution of 8 mega pixels and above significantly increased by approximately 78.27 million units to approximately 117.16 million units as compared with that of 2015, which accounted for approximately 66.0% of the Group's total sales volume of camera modules for the Year (2015: approximately 39.5%), and approximately 81.2% of the Group's total revenue of camera modules for the Year (2015: approximately 55.2%). The sales volume of high-end camera modules with resolution of 13 mega pixels and above has significantly increased by approximately 35.82 million units to approximately 41.48 million units as compared with that of 2015, which accounted for approximately 23.4% of the Group's total sales volume of camera modules for the Year (2015: approximately 5.8%), and approximately 39.8% of the Group's total revenue of camera modules for the Year (2015: approximately 13.4%). The rapid increase in the sales volume and proportion of mid-to-high end camera modules has demonstrated the increasing market recognition of the Group's high-end products, which made the Group to be more competitive in the high pixels products segment and laid a solid foundation for further increasing the sales volume of products with resolution of 13 mega pixels and above as well as the dual camera modules in future.

Meanwhile, the sales volume of fingerprint recognition modules amounted to approximately 20.94 million units (2015: approximately 7,000 units), which accounted for approximately 10.6% of the Group's total sales volume for the Year, and approximately 14.4% of the Group's total revenue for the Year, among which, the fingerprint recognition modules that adopted cover plate technique accounted for approximately 35.3% of the total sales volume of fingerprint recognition modules. The rapid increase in the sales volume of fingerprint recognition modules was, on one hand, benefited from the rapid growth in demand from smartphone brands for fingerprint recognition modules, and, on the other hand, it also demonstrated the high market recognition of the Group's comprehensive ability, which laid a solid foundation for further increasing the market share of the Group in fingerprint recognition modules in future.

回顧本年度，本集團積極順應市場對高像素產品的需求，努力加強發展八百萬像素及以上的中高端攝像頭模組。八百萬像素及以上攝像頭模組的合計銷售數量較二零一五年大幅上升約7,827萬件至約11,716萬件，佔本集團本年度攝像頭模組總銷售數量的約66.0%（二零一五年：約39.5%），以及佔本集團本年度攝像頭模組總營業額的約81.2%（二零一五年：約55.2%）。一千三百萬像素及以上的高端攝像頭模組的銷售數量較二零一五年大幅上升約3,582萬件至約4,148萬件，佔本集團本年度攝像頭模組總銷售數量的約23.4%（二零一五年：約5.8%），以及佔本集團本年度攝像頭模組總營業額的約39.8%（二零一五年：約13.4%）。上述中高端像素攝像頭模組銷售數量及比例的快速提升，預示著市場正提升對本集團高端產品的認可，使本集團得以繼續在高像素產品領域保持較強的競爭力，並為未來進一步提升一千三百萬像素及以上產品、雙攝像頭模組產品的銷售佔比奠定了堅實的基礎。

同時，指紋識別模組的銷售數量達到約2,094萬件（二零一五年：約0.7萬件），約佔本集團本年度總銷售數量的約10.6%，以及約佔本集團本年度總營業額的約14.4%，其中使用蓋板工藝生產的指紋識別模組佔指紋識別模組的總銷售數量的約35.3%。指紋識別模組銷售數量的迅速提升，一方面得益於智能手機品牌對指紋識別模組需求的迅速增長，另一方面亦體現了市場對本集團綜合能力的高度認可，為未來進一步提升本集團在指紋識別模組的市場份額奠定了堅實的基礎。

During the Year, the Group continues to place great emphasis on maintaining and expanding its domestic and overseas quality customer base. On one hand, the Group maintained close cooperative relationship with its core customers, and no core customers was lost. On the other hand, subsequent to the establishment of cooperative relationships with several customers such as Xiaomi, Asus and Chino in 2015, the Group also developed various customers such as Huawei and Motorola during the Year, and established supply cooperative relationships with these renowned enterprises for camera modules and/or fingerprint recognition modules products, which demonstrated the Group's good customer relationship management and sales capabilities. The optimization of customer base laid a good foundation for the subsequent strengthening of business development of fingerprint recognition modules, camera modules with resolution of 13 mega pixels and above and dual camera modules.

During the Year, the Group continuously reviewed and improved its production know-how and was dedicated in developing more advanced functionalities and products. On one hand, the Group established cooperative relationships with several companies such as MTK and Qualcomm on dual camera modules algorithm to further enhance the Group's capability of developing dual camera modules products, which enables the Group to become one of the few earliest companies in the mass production and sales of dual camera modules in Mainland China, and one of the few companies able to mass produce dual camera modules with various solutions such as RGB+RGB, RGB+MONO and WIDE+TELE in Mainland China. On the other hand, the Group constantly enhanced its R&D efforts in the leading technologies such as gesture recognition, light sensing recognition, iris recognition and super-large aperture, which enables the Group to become one of the few camera modules manufacturers in the industry with leading technologies such as dual camera, PDAF, gesture recognition, iris recognition, high-end modules with resolution of 16 mega pixels and above, and F1.7 large aperture. The shipments of dual camera modules, high-end modules with resolution of 16 mega pixels and above, fingerprint recognition modules and outdoor sports camera modules have already achieved bulk deliveries.

於本年度，本集團繼續加強對海內外優質客戶的維持與拓展。一方面，本集團保持了與核心客戶的緊密合作關係，無核心客戶流失；另一方面，繼於二零一五年與小米、華碩、中諾等客戶建立合作關係後，本年度本集團先後拓展了華為、摩托羅拉等多個客戶，與這些知名企業建立了攝像頭模組及／或指紋識別模組產品的供應合作關係，體現了集團良好的客戶維繫與營銷能力。客戶結構的優化為後續進一步加強指紋識別模組、一千三百萬像素及以上攝像頭模組和雙攝像頭模組的業務發展奠定了良好基礎。

於本年度，本集團持續檢討及改善其技術，以開發更優良的功能及產品。一方面，本集團已經與MTK、高通等公司在雙攝像頭模組算法方面建立合作關係，進一步提升了本集團拓展雙攝像頭模組產品的能力，使得本集團成為中國大陸少數最早進入雙攝像頭模組批量生產銷售的公司，及中國大陸少數能批量生產RGB+RGB、RGB+MONO、WIDE+TELE等多種方案下的雙攝像頭模組的公司；另一方面，本集團繼續加強對手勢識別、光感識別、虹膜識別、超大光圈等領先技術的研發，使得本集團成為業內少數熟練掌握雙攝像頭、PDAF、手勢識別、虹膜識別、一千六百萬像素及以上高端模組、F1.7大光圈等先進技術的攝像頭模組廠商之一。雙攝像頭模組、一千六百萬像素及以上高端模組、指紋識別模組、戶外運動相機模組均已經實現批量出貨。

AWARDS AND HONORS

During the Year, we continued to adhere to our customer-oriented service strategies, always considered the provision of good personal experience for customers as our operation direction and devoted our best efforts to satisfy customers' needs in product R&D, sales delivery, after-sales service, product quality and technology innovation, and earned positive recognition of the Group's products and services from the industry, local governments and our customers.

In April 2016, the trademark "Q Tech and Q Image" used by Kunshan QT China, a wholly-owned subsidiary of the Group, received the 2015 "Jiangsu Renowned Trademark" honorary title granted by Jiangsu Administration for Industry and Commerce. The honorary title is valid for three years and is effective from 28 December 2015.

In April 2016, the "Q Tech camera modules" manufactured and sold by Kunshan QT China won the 2015 "Jiangsu Famous-brand Product" honorary title granted by Jiangsu Strategic Top Brand Promotion Committee. The honorary title is valid for three years and is effective from December 2015 to December 2018.

In December 2016, Kunshan QT China won the "2016 ZTE Global Best Partner Award" granted by ZTE Corporation. This is the fifth consecutive year that Kunshan QT China has won the said award.

In January 2017, Kunshan QT China won the "Quality Advance Award" granted by Huaqin Telecom Technology Co., Ltd..

In January 2017, Kunshan QT China won the "Quality Management Standard Award" granted by Huawei Device Company Limited.

The aforementioned awards and honors had reflected the high recognition by local governments and our core customers, which has further enhanced our confidence in driving the product mix optimization strategies and providing customers with good personal experience, and also further strengthened our confidence in maintaining a sound operation.

獎項與榮譽

本年度，本集團繼續秉承以客戶為中心的服務宗旨，一直以為客戶提供良好體驗作為業務運營的根本，在產品研發、銷售交付、售後服務、產品質量和技術創新等方面都盡最大努力滿足客戶需求，並獲得了行業、地方政府和客戶對本集團產品及服務的高度認可。

二零一六年四月，本集團全資子公司昆山丘鈦中國所使用的「Q Tech及Q圖」商標榮獲江蘇省工商行政管理局頒發的二零一五年度「江蘇省著名商標」榮譽稱號，有效期三年，自二零一五年十二月二十八日起生效。

二零一六年四月，昆山丘鈦中國所生產及銷售的「Q Tech牌攝像頭模組」榮獲江蘇省名牌戰略推進委員會頒發的二零一五年度「江蘇名牌產品」榮譽稱號，有效期三年，自二零一五年十二月起至二零一八年十二月止。

二零一六年十二月，昆山丘鈦中國榮獲中興通訊股份有限公司頒發的「中興通訊2016年度全球最佳合作夥伴獎項」，此為昆山丘鈦中國連續第五年獲此殊榮。

二零一七年一月，昆山丘鈦中國榮獲華勤通訊技術有限公司頒發的「品質領先獎」。

二零一七年一月，昆山丘鈦中國榮獲華為終端有限公司頒發的「質量管理規範獎」。

上述獎項及榮譽的獲得，反映了地方政府及本集團核心客戶對本集團的充分認可，進一步加強了本集團推動產品結構優化策略和堅持以客戶良好體驗為追求的信心，並進一步增強了本集團保持良好運營的信心。

PROSPECTS

Although the operating results of the Group in 2016 recorded a significant growth as compared with that of 2015, and the customer base and product mix were significantly optimized, however, the Directors are also well aware that 2017 will still be full of challenges. On one hand, the global macro political and economic situation remains unpredictable and fraught with uncertainties, the growth in overseas and China's consumer demand are still difficult to ascertain, uncertainties in the prospect of the intelligent mobile communication terminal industry also remains high under the macro-economic environment, and the growth rate of mobile phones and tablet PC industry may be lower. On the other hand, major customers of the Group are brand smartphone manufacturers in Mainland China, while overseas mobile phone brands are actively scrambling for market share, the impact of new products that will be launched by those overseas brands on China's brand smartphone manufacturers is unpredictable and our existing customers may be unable to continue to record its growth rate as in the past, thereby affecting our shipments. Moreover, affected by multiple factors such as politics, economy, and supply and demand, the trend of RMB against USD may still be fluctuating. As it is difficult to reverse in the short run the Group's business pattern that comprises of sales revenue settled in RMB but overseas purchases of various core components settled in USD, accordingly, the task on management of exchange risks remains heavy. However, the Directors remain cautiously optimistic about the ongoing demand for camera modules and fingerprint recognition modules, and believe that:

(i) Camera modules will remain one of the end-consumers' most concerned smartphone configuration, and consumer demands for camera modules with enhanced functionality will continue to remain high, which will lead to continuous improvement in product specifications. The Group has obtained the qualification for supplying high pixel products to the major customers in camera module products, which will help the Company to further uplift the shipment proportion of single camera modules with resolution of 13 mega pixels and above.

前景展望

儘管本集團二零一六年度之經營業績較二零一五年明顯增長，客戶結構和產品結構均明顯優化，但董事充分意識到，二零一七年仍將充滿挑戰。一方面，全球政治經濟的宏觀形勢撲朔迷離，不確定性因素依然存在，海外及中國消費需求的增長仍然難於確定，而智能移動通信終端行業的發展前景在宏觀經濟環境的影響下同樣具有很大不確定性，手機和平板電腦行業的增長率可能較低。另一方面，本集團的主要客戶均為中國大陸智能手機品牌廠商，而海外手機品牌正在積極爭搶市場份額，其陸續推出的新產品對中國智能手機品牌廠商的衝擊難以估量，我們的現有客戶可能無法繼續錄得過去的增長速度，從而影響本集團的銷售出貨。此外，受政治、經濟和供需等多方面因素的影響，人民幣兌美元匯率走勢仍然可能比較波動。由於本集團銷售收入以人民幣結算為主及多個核心元器件由境外採購並以美元結算的業務模式短時間難於扭轉，因此，匯兌風險管理的任務仍然很重。然而，董事對攝像頭模組和指紋識別模組需求的持續性仍持審慎樂觀態度，認為：

(i) 攝像頭模組仍然是終端消費者最關注的智能手機配置之一，消費者對手機攝像更多的功能需求仍在繼續，令得產品規格仍將持續得以提升，而本集團已經取得攝像頭模組產品主要客戶在高像素產品方面的供應資格，有利於幫助公司進一步提升一千三百萬像素及以上單攝像頭模組的出貨比例。

- (ii) Camera modules are the most important human-machinery information interactive interface during the Internet of Things era, which enable the continuous expansion of camera modules' application fields. The demand for camera modules by products such as AR, VR, MR and motor vehicles may give a new growth potential for the volume expansion of camera modules.
 - (iii) With the increasingly improved dual camera modules solutions, a number of global and China's renowned brands have already adopted the dual camera modules solutions in their products and positive feedback from end-consumers have been received. This may lead to a remarkable improvement in penetration rate of dual camera modules in the future and hence will bring new and increased demand for camera modules.
 - (iv) While personal data privacy protection and mobile payment become an increasingly important demand for end-consumers, intelligent mobile communication terminals such as mobile phones are becoming important personal data storage and mobile payment instruments for end-consumers. As such, with the end-consumer's increasing demand for higher security for mobile phones, fingerprint recognition modules are gradually becoming the standard equipment for smartphones and therefore stimulate the rapid growth of fingerprint recognition modules business. The Group has established the supply cooperation with various well-known brand smartphone manufacturers in China regarding fingerprint recognition modules, which will contribute to our continuous efforts in striving for rapid development of the fingerprint recognition modules business.
- (ii) 攝像頭模組是物聯網時代最重要的人機信息交互界面，使得攝像頭模組的應用領域可能得以不斷拓展，AR、VR、MR和汽車等產品對於攝像頭模組的需求可能給攝像頭模組的數量規模提供新的增長空間。
 - (iii) 雙攝像頭模組的解決方案已經日趨完善，多個全球和中國知名品牌已經在其產品上採用雙攝像頭模組方案，終端消費者的反映亦比較正面，可能使得雙攝像頭模組的滲透率在未來得以明顯提升，從而給攝像頭模組帶來新的增量需求。
 - (iv) 個人隱私保護和移動支付日益成為終端消費者的重要需求，而手機等智能移動通信終端則正在成為終端消費者重要的個人資料存儲和移動支付工具。因此，終端消費者對手機安全性的需求不斷提升，令得指紋識別模組正在逐步成為智能手機的標準配備，從而刺激指紋識別模組業務快速增長。而本集團已經與多個中國知名智能手機品牌廠商建立在指紋識別模組方面的供應合作，將有利於繼續爭取指紋識別模組業務的快速發展。

(v) In addition to optical design and precision manufacturing, the sound functionalities of dual/multiple camera modules have more vital demand for image algorithm. Our related company established in Chengdu possessed good technical preparation in image algorithm and with certain customer resources, and the technical cooperation and customers' collaborative marketing between the Group and the related company in precision manufacturing and image algorithm is likely to favour our expansion in the dual/multiple camera modules business.

Hence, the Directors believe, as opportunities coexist with challenges, the Group will adhere to the mission of "providing comprehensive machinery vision and human vision product solutions for intelligent mobile terminals" to strengthen the capacity deployment in three aspects, namely optical design, computing vision and deep learning, continue to enhance the R&D of new products and new processes, continue to improve precision manufacturing capability, proactively carry out customer relationship marketing, aggressively expand overseas renowned smartphone branded customers and continuously enhance the core competitiveness of the Group. We will focus on developing high-end camera modules with resolution of 16 mega pixels and above and dual camera modules, with an effort to strengthen the technical cooperation and resource integration in image algorithm of dual/multiple camera modules, at the same time striving to achieve a breakthrough in the application of camera modules in non-mobile-phone sector. The Directors are confident to lead the Group to embrace the challenges, and make further efforts to achieve good development and strive to create greater value for the Shareholders.

(v) 雙／多攝像頭模組的良好功能除了光學設計與精密製造的基礎外，對圖像算法的需求更為關鍵，本集團設立於成都的關連公司已經在圖像算法方面有良好的技術準備和一定的客戶儲備，本集團與關連公司在精密製造與圖像算法方面的技術合作和客戶協同營銷可能有利於本集團在雙／多攝像頭模組業務上的拓展。

因此，董事相信，機遇與挑戰並存，而本集團將堅持秉承「為智能移動終端提供機器視覺和人眼視覺產品的綜合解決方案」的宗旨積極加強光學設計、計算成像和深度學習三個方面的能力建設，繼續加強新產品、新工藝的研發，繼續提高精密製造能力，積極開展客戶關係營銷，積極拓展海外知名智能手機品牌客戶，不斷提升本集團的核心競爭力，並將重點推進一千六百萬像素及以上高端攝像頭模組、雙攝像頭模組的發展，努力加強在雙／多攝像頭模組圖像算法方面的技術合作和資源整合，同時努力實現攝像頭模組在非手機領域的應用突破。董事有信心帶領本集團直面挑戰並繼續努力實現良好的發展，力爭為股東創造更好的價值。

FINANCIAL REVIEW

Revenue

For the Year, the revenue of the Group was approximately RMB4,991,158,000, representing an increase of approximately 126.6% or approximately RMB2,788,763,000 as compared with 2015. While there was an increase in sales volume of approximately 101.6% as compared with that of 2015, the year-on-year growth in revenue was faster than that of the sales volume, mainly due to the surge of average selling price of camera modules as a result of the significant enhancement of the product pixel mix of camera modules, and the average selling price of fingerprint recognition modules which recorded a rapid growth in 2016 is higher than the overall product average selling price of 2015. Thus, the overall product average selling price increased by approximately RMB2.78 (or approximately 12.4%) as compared with that of 2015 to approximately RMB25.16. The average selling price of camera modules increased by approximately RMB1.71 (or approximately 7.7%) as compared with that of 2015 to approximately RMB24.09, mainly due to the significant enhancement of product pixel mix of camera modules and the commencement of mass production of dual camera modules.

Cost of sales

For the Year, the cost of sales of the Group was approximately RMB4,568,721,000, representing an increase of approximately 132.9% as compared with approximately RMB1,961,824,000 in 2015. The increase in the cost of sales was primarily attributed to (i) a year-on-year increase in the total input costs of raw materials by approximately 138.0% due to a year-on-year increase in revenue by approximately 126.6%; (ii) a year-on-year increase in manufacturing labor cost by approximately 80.7% to approximately RMB200,835,000; and (iii) a year-on-year increase in depreciation cost that was attributed to manufacturing cost by approximately 52.6% to approximately RMB51,395,000.

財務回顧

營業額

本年度，本集團的營業額約為人民幣4,991,158,000元，與二零一五年相比增長約126.6%或約人民幣2,788,763,000元。在銷售數量較二零一五年度增長約101.6%的情況下，營業收入同比增幅大於銷售數量的同比增幅，乃由於攝像頭模組產品像素結構的明顯提升推動攝像頭模組產品的平均銷售單價有所提升，以及二零一六年增長迅速的指紋識別模組產品的平均銷售單價較二零一五年的綜合產品平均銷售單價高，令得綜合產品平均銷售單價較二零一五年上漲了約人民幣2.78元（約12.4%）至約人民幣25.16元，其中攝像頭模組產品由於像素結構的明顯提升及雙攝頭模組開始量產，平均銷售單價較二零一五年上漲了約人民幣1.71元（約7.7%）至約人民幣24.09元。

銷售成本

本年度，本集團的銷售成本約為人民幣4,568,721,000元，較二零一五年的約人民幣1,961,824,000元增加約132.9%。銷售成本的增加主要歸因於(i)營業額同比增加約126.6%，令得原材料的投入總額同比增加約138.0%；(ii)生產人工成本同比增加約80.7%至約人民幣200,835,000元；及(iii)歸入生產成本的折舊費用同比增加約52.6%至約人民幣51,395,000元。

Gross profit and gross profit margin

For the Year, the gross profit of the Group was approximately RMB422,437,000 (2015: approximately RMB240,571,000), representing a year-on-year increase of approximately 75.6%; while the gross profit margin was approximately 8.5% (2015: approximately 10.9%), representing a year-on-year decrease of approximately 2.4 percentage points. The decrease in gross profit margin was mainly attributable to: the drop-off range of the average selling price of same product resulting from the intensified market competition exceeded the drop-off range of the average purchase price of the raw materials of the product. Further, various production raw materials of the Group were purchased from overseas and settled in USD. Due to the depreciation of the exchange rate of RMB against USD by approximately 6.8% during the Year, the purchasing costs of raw materials was further pushed up and, hence, increased the proportion of the composite costs of raw materials in the total revenue of the Group.

Other revenue

For the Year, other revenue of the Group was approximately RMB18,407,000, representing a decrease of approximately 22.1% as compared with approximately RMB23,622,000 in 2015. The decrease in other revenue was primarily due to the following factors: (i) the government subsidies recognised amounted to approximately RMB13,620,000, representing an increase of approximately RMB7,788,000 as compared with approximately RMB5,832,000 in year 2015; (ii) interest income amounted to approximately RMB4,256,000, representing a decrease of approximately RMB7,055,000 as compared with approximately RMB11,311,000 in year 2015; and (iii) approximately RMB4,741,000 in investment income was recorded from the available-for-sale financial assets in year 2015, and there was no such income generated for the Year.

毛利及毛利率

本年度，本集團的毛利約為人民幣422,437,000元（二零一五年：約人民幣240,571,000元），同比增長約75.6%；而毛利率約為8.5%（二零一五年：約10.9%），同比下降約2.4個百分點。毛利率下降的主要因為：激烈的市場競爭，使得同一產品平均銷售單價的下跌幅度超過產品之原材料平均採購單價的下跌幅度。同時，本集團多種生產用原材料均由境外採購並以美元結算，而人民幣兌美元匯率於本年度貶值約6.8%，進一步推高了原材料採購成本，提升了原材料綜合成本佔本集團總營業收入的比例。

其他收益

本年度，本集團的其他收益約為人民幣18,407,000元，較二零一五年的約人民幣23,622,000元減少約22.1%。其他收益的減少主要由於(i)認列政府補助約人民幣13,620,000元，較二零一五年度的約人民幣5,832,000元增加約人民幣7,788,000元；(ii)利息收入約為人民幣4,256,000元，較二零一五年度的約人民幣11,311,000元減少約人民幣7,055,000元；及(iii)二零一五年度可供出售金融資產錄得投資收益約人民幣4,741,000元，而本年未發生此類收益。

Other net loss

For the Year, the Group had other net loss of approximately RMB45,172,000, representing an increase of approximately 43.5% as compared with other net loss of approximately RMB31,476,000 in 2015. The increase in other net loss was primary due to the following factors: (i) exchange loss of approximately RMB64,613,000, representing an increase of approximately RMB33,735,000 as compared with approximately RMB30,878,000 in 2015; and (ii) approximately RMB19,458,000 of fair value gain generated from the valuation of foreign exchange option contracts at the end of year.

Selling and distribution expenses

For the Year, the total selling and distribution expenses of the Group amounted to approximately RMB9,662,000, representing an increase of approximately 54.9% as compared with approximately RMB6,237,000 for year 2015, which accounted for approximately 0.2% of the revenue (2015: approximately 0.3%). The increase in selling and distribution expenses was mainly attributed to the increase of sales staff's salaries as compared with last year.

Administrative and other operating expenses

For the Year, total administrative and other operating expenses of the Group amounted to approximately RMB41,311,000, representing an increase of approximately 50.2% as compared with year 2015 (2015: approximately RMB27,505,000), which accounted for approximately 0.8% of the revenue (2015: approximately 1.2%). The increase in administrative and other operating expenses for the Year was mainly attributed to the increase in salaries and benefits of management personnel as compared with last year and the provision of allowance for doubtful debts on trade receivables for the Year of RMB9,400,000 (2015: approximately RMB1,000).

其他虧損淨額

本年度，本集團錄得其他虧損淨額約人民幣45,172,000元，較二零一五年其他虧損淨額的約人民幣31,476,000元增加約43.5%。其他虧損淨額的增加主要由於：(i)匯兌虧損金額達到約人民幣64,613,000元並較二零一五年的約人民幣30,878,000元增加約人民幣33,735,000元；及(ii)外匯期權合約年末評估產生之公平值收益約人民幣19,458,000元。

銷售及分銷費用

本年度，本集團的銷售及分銷費用總額約為人民幣9,662,000元，較二零一五年的約人民幣6,237,000元增加約54.9%，佔營業額約0.2%（二零一五年：約0.3%）。銷售及分銷費用的增加主要源於銷售人員的工資較去年有所增長。

行政及其他經營費用

本年度，本集團的行政及其他經營費用總額約為人民幣41,311,000元，較二零一五年相比增長約50.2%（二零一五年：約人民幣27,505,000元），佔營業額約0.8%（二零一五年：約1.2%）。本年度行政及其他經營費用的增長主要源於管理人員工資福利較去年有所增長及本年度計提貿易應收款項呆賬撥備人民幣9,400,000元所致（二零一五年：約人民幣1,000元）。

R&D expenses

For the Year, the total R&D expenses of the Group amounted to approximately RMB124,564,000, representing an increase of approximately 67.6% as compared with last year (2015: approximately RMB74,326,000), which accounted for approximately 2.5% of the revenue (2015: approximately 3.4%). The increase in R&D expenses for the Year was mainly attributed to the additional efforts and resources devoted to the research and development of new products and new functionalities by the Group. This allowed the Group to develop products with higher pixels, enhance functionality and diversification, such as dual camera products, fingerprint recognition modules, PDAF, gesture recognition, camera modules used in other application sectors, as well as to optimize and enhance the efficiency and standards of production techniques through intelligentized production.

Finance costs

Finance costs of the Group decreased by approximately 44.2% from RMB9,948,000 for year 2015 to approximately RMB5,548,000 for the Year, which was primarily due to: (i) the decrease in statutory interest rate in borrowings in RMB for the Year; and (ii) the majority of bank borrowings were generated in the fourth quarter of the Year, so that the daily average balance of bank borrowings of the Year was lower than that of 2015.

Income tax expenses

The income tax expenses of the Group increased by approximately 87.6% from approximately RMB12,702,000 of 2015 to approximately RMB23,832,000 for the Year, which was primarily due to the significant increase in revenue that resulted in significant increase in profit before taxation of approximately 87.1% as compared with last year.

研發費用

本年度，本集團的研發費用總額約為人民幣124,564,000元，較去年相比增加約67.6%（二零一五年：約人民幣74,326,000元），約佔營業額的2.5%（二零一五年：約3.4%）。本年度研發費用的增加主要是由於本集團加大了新產品和新功能的研發力度，以開發更高像素產品、更多的產品功能和更多元化的產品，如雙攝像頭產品、指紋識別模組、PDAF、手勢識別、其他應用領域用的攝像頭模組等，以及智能化生產以優化提升生產工藝效率和工藝水平等。

融資成本

本集團的融資成本由二零一五年的人民幣9,948,000元減少約44.2%至本年度的約人民幣5,548,000元，主要由於：(i)本年度人民幣借款法定利率有所降低；及(ii)大部份銀行借款發生在本年度第四季度，使得本年度日均銀行借款餘額低於二零一五年度。

所得稅開支

本集團的所得稅費用由二零一五年的約人民幣12,702,000增長約87.6%至本年度的約人民幣23,832,000元，主要是由於營業收入大幅增長導致稅前利潤較去年大幅增長約87.1%。

Kunshan QT China, a wholly-owned subsidiary of the Group, was successfully recognized as a High and New Technology Enterprise (“HNTE”) on 6 July 2015, and obtained the recognition certificate as a HNTE. Kunshan QT China will continue to enjoy preferential policies of income tax rate of 15% and bonus deduction allowance of R&D expenses with a validity period up to 31 December 2017. Chengdu Q Technology Limited (“Chengdu QT”), a wholly-owned subsidiary of the Group, was recognized as a software enterprise. According to the relevant PRC policies, Chengdu QT is entitled to preferential policies in a value-added tax levy-refund and “2-year exemption and 3-year half payment” of income tax from 1 January 2015, with a validity period up to 31 December 2019.

Profit for the year

For the Year, the profit of the Group amounted to approximately RMB190,755,000 (2015: approximately RMB101,999,000), representing an increase of approximately 87.0% as compared with last year. Net profit margin was approximately 3.8% (2015: approximately 4.6%). The decrease in net profit margin for the Year was mainly attributed to the decrease in gross profit margin and the increase in foreign exchange loss.

LIQUIDITY AND FINANCIAL RESOURCES

Bank borrowings

As at 31 December 2016, the Group’s balance of bank borrowings amounted to approximately RMB335,432,000, representing an increase of approximately 135.9% as compared with approximately RMB142,164,000 as at 31 December 2015. The maturities of all of those bank borrowings are less than 1 year.

As at 31 December 2016, the Group’s bank borrowings were denominated in RMB and/or USD.

本集團一家全資附屬公司，昆山丘鈦中國，於二零一五年七月六日通過國家高新技術企業認定，並取得高新技術企業認定證書，可繼續享受15%的所得稅稅率及研發費用加計扣除稅收優惠政策，有效期至二零一七年十二月三十一日止。本集團一家全資附屬公司成都丘鈦微電子科技有限公司（「成都丘鈦」）已經獲認可為軟件企業，根據相關政策，成都丘鈦自二零一五年一月一日起享受增值稅即征即退和所得稅的「兩免三減半」優惠政策，有效期至二零一九年十二月三十一日。

年度溢利

本年度，本集團的溢利約為人民幣190,755,000元（二零一五年：約人民幣101,999,000元），較去年增長約87.0%。淨利率約為3.8%（二零一五年：約4.6%）。本年度淨利率的下降主要是由毛利率下降及匯兌損失增加所導致。

流動資金及財務資源

銀行借款

於二零一六年十二月三十一日，本集團的銀行借款餘額約為人民幣335,432,000元，較二零一五年十二月三十一日的約人民幣142,164,000元增長約135.9%。所有銀行借款期限均不超過一年。

於二零一六年十二月三十一日，本集團之銀行借款以人民幣及／或美元計值。

Management Discussion and Analysis

管理層討論與分析

The overview of the Group's cash flow for the Year and 2015 was set out as follows:

本集團於本年度及二零一五年的現金流概況如下：

For the year ended 31 December
截至十二月三十一日止年度

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net cash (used in)/generated from operating activities	經營活動(所用)/產生的現金流量淨額	(38,614)	323,999
Net cash (used in)/generated from investing activities	投資活動(所用)/產生的現金流量淨額	(429,711)	4,067
Net cash generated from/(used in) financing activities	融資活動產生/(所用)的現金流量淨額	245,529	(617,697)

For the Year, the operating activities of the Group recorded net cash outflow, and investing activities also recorded net cash outflow due to additional capital expenditure for capacity expansion, which has led to the balance of cash and cash equivalents as at 31 December 2016 amounting to approximately RMB64,905,000, representing a decrease of approximately RMB217,310,000 as compared with the balance as at 31 December 2015.

本集團於本年度經營活動為現金淨流出，同時因產能擴大而增加資本性開支致使投資活動亦為現金淨流出，故此截至二零一六年十二月三十一日的現金及現金等價物餘額約為人民幣64,905,000元，較截至二零一五年十二月三十一日的餘額減少約人民幣217,310,000元。

Operating activities

For the Year, the Group's net cash outflow of operating activities amounted to approximately RMB38,614,000, representing a decrease of approximately RMB362,613,000 as compared with the net cash inflow of approximately RMB323,999,000 in 2015, which was primarily attributed to (i) the balance of inventory amounted to approximately RMB799,246,000, representing an increase of approximately RMB589,984,000 as compared with the balance as at the end of 2015; and (ii) a decrease in gross profit margin of the Group in 2016 as compared with that of 2015.

經營活動

本集團於本年度的經營活動現金淨流出額約為人民幣38,614,000元，較二零一五年的淨流入額約人民幣323,999,000元減少約人民幣362,613,000元，主要源於(i)存貨庫存餘額達到約人民幣799,246,000元，較二零一五年末餘額增加約人民幣589,984,000元；及(ii)本集團二零一六年毛利率較二零一五年下降。

Investing activities

The net cash outflow from investing activities of the Group in 2016 amounted to approximately RMB429,711,000, which was mainly due to the purchase of equipment and construction of plants with amount of approximately RMB408,893,000, the net cash outflow of purchase and redemption of other financial assets of approximately RMB25,500,000, and the inflow of interest income of approximately RMB5,279,000.

Financing activities

As at 31 December 2016, the net cash inflow from financing activities of the Group amounted to approximately RMB245,529,000, which was mainly attributed to (i) the proceeds of approximately RMB137,276,000 (equivalent to approximately HK\$154,428,000) from the shares placing of 40,000,000 ordinary shares on 12 December 2016 after deducting relevant expenses; (ii) inflow from bank borrowings of approximately RMB245,746,000, outflow of bank borrowings repayment of approximately RMB270,172,000; and (iii) the decrease in the amount of bank deposits pledged for borrowings by approximately RMB132,684,000.

Gearing ratio

As at 31 December 2016, the gearing ratio, which is defined by bank borrowings and related parties divided by total equity at the end of the Year, was approximately 21.4%, representing an increase of approximately 9.7 percentage points as compared with approximately 11.7% in year 2015, which was mainly due to: (i) significant additional new bank borrowings, which increased the amount of bank borrowings to approximately RMB335,432,000 as at 31 December 2016, representing a year-on-year increase of approximately 135.9% (2015: approximately RMB142,164,000); (ii) the net profit recorded in the Year was approximately RMB190,755,000, and no dividend was paid to shareholders for the year 2015.

投資活動

本集團二零一六年度投資活動產生的現金淨流出額約為人民幣429,711,000元，主要為購買設備及擴建廠房支出約為人民幣408,893,000元，申購及贖回其他金融資產的現金淨流出約為人民幣25,500,000元，以及利息收入流入約為人民幣5,279,000元。

融資活動

本集團截至二零一六年十二月三十一日止融資活動產生的現金淨流入額約為人民幣245,529,000元，主要為：(i)二零一六年十二月十二日股份配售4,000萬股普通股扣除相關費用後所得款項約人民幣137,276,000元（相等於約154,428,000港元）；(ii)銀行借款流入約人民幣245,746,000元，償還銀行借款流出約為人民幣270,172,000元；以及(iii)用於借款質押的銀行存款金額減少約人民幣132,684,000元。

資本負債比率

資本負債比率（定義為銀行借款及關聯方貸款除以末期權益總額）截至二零一六年十二月三十一日止約為21.4%，較二零一五年度之約11.7%增加約9.7個百分點，主要原因為：(i)新增大量銀行借款，至二零一六年十二月三十一日止之銀行借款約為人民幣335,432,000元，同比增長約135.9%（二零一五年：約人民幣142,164,000元）；(ii)本年度錄得淨利潤約人民幣190,755,000元，而且並未向股東派發二零一五年度股息。

Treasury policies

The Group's treasury policy was disclosed in the prospectus of the Company dated 20 November 2014 (the "Prospectus"), apart from the following amendments to the funds management policy of the Group, there was no amendment to the treasury policy during the Year. The Board, the risk management committee of the Board ("Risk Management Committee") and the staff at the relevant positions always remain alert to the performance and risk assessment of the available-for-sale financial assets so as to assure that the wealth management operation does not pose excessive risk to the principal amount. At the same time, the Company also pays attention to the liquidity position of the Group in order to ensure that the sufficiency of its working capital is not affected.

On a meeting of the Risk Management Committee held on 24 March 2016, the members of the Risk Management Committee reviewed and passed certain amendments to the funds management policy of the Group, including:

- 1) the increase in transaction amount of non-principal protected wealth management that requires approval of the Risk Management Committee. After the amendments, the chief financial officer shall complete the approval for a single transaction of wealth management business operation with transaction amount of RMB50 million or below (inclusive of RMB50 million) (previously RMB10 million or below (inclusive of RMB10 million)), while a single transaction of wealth management business operation with transaction amount exceeding RMB50 million (exclusive of RMB50 million) (previously exceeding RMB10 million (exclusive of RMB10 million)) will, in addition, require approval from the Risk Management Committee. Further, the amount of an instructed single transaction was amended from not exceeding RMB50 million to not exceeding RMB50 million "in principle"; and

理財政策

本集團的理財政策已於日期為二零一四年十一月二十日的本公司招股章程（「招股章程」）中披露，除下述對本集團資金管理制度的修訂外，本年度未對理財政策作修訂。董事會、董事會風險管理委員會（「風險管理委員會」）和相關崗位工作人員保持對可供出售金融資產的持續關注與風險評估，以確保理財業務不發生影響本金安全的風險。同時，亦密切關注本集團流動資金狀況，確保其營運資金之充足程度不受影響。

於二零一六年三月二十四日的風險管理委員會會議上，風險管理委員會成員審核並通過若干對本集團的資金管理制度的修訂，包括：

- 1) 調高需要報風險管理委員會審批的非保本型理財的交易金額。在有關修訂後，財務總監完成單筆金額人民幣5,000萬元（含5,000萬元）以下的理財業務操作的審批（修改前為人民幣1,000萬元（含1,000萬元）以下）。單筆金額超過人民幣5,000萬元（不含5,000萬元）以上的理財業務（修改前為超過人民幣1,000萬元（不含1,000萬元）以上）則需要再報風險管理委員會審批。此外，單筆委託金額由不得超過人民幣5,000萬元修訂為「原則上」不得超過人民幣5,000萬元；及

- 2) certain adjustments on the restrictions towards the input of funds to non-principal protected wealth management business, including: (i) the previous restriction on input of funds to wealth management products issued by commercial banks ranked outside top 10 in the PRC was adjusted and relaxed to restricting input of funds to commercial banks ranked outside top 20 (inclusive) in the PRC; (ii) the risk level for all bank wealth management products in which input of funds was restricted was adjusted from “exceeding low to medium risk” to restricting input of funds to “high risk” wealth management products; (iii) the previous restriction on input of funds to wealth management products with duration of “more than one year” was amended to restricting input of funds to wealth management products with duration of “more than one year (exclusive of one year)”. Further, the previous restriction on input of funds to wealth management products not accepted as security for financing and with duration of “not exceeding one year” was amended to restricting input of funds to wealth management products “not accepted as security for financing or issuance of bills payables” and with duration of “exceeding three months”; (iv) the restriction on “prohibition on repurchase of wealth management products which are non-principal protected, with floating income and unable to purchase insurance coverage” was deleted; and (v) for non-principal protected wealth management products instructed by the Company which are fixed term and covered by insurance purchased on the financing principal, the maximum balance of which has been increased from not exceeding RMB300 million or equivalent to not exceeding RMB one billion or equivalent.
- 2) 資金投向非保本理財業務的限製作作出若干調整，包括：(i) 先前限制資金投入由排名在中國10名以外的商業銀行發行的理財產品，有關的限制資金投入調整及放寬為限制資金投入排名在中國20名（包含第20名）以外的商業銀行；(ii) 限制資金投入的所有銀行理財產品風險等級由「超過低至中級」調整至限制資金投入「高風險」理財產品；(iii) 先前限制資金投入期限「超過一年」的理財產品修訂為限制資金投入期限「超過一年（不含一年）」的理財產品。此外，先前限制資金投入不能投入以之為質押進行融資的期限為「未超過一年」的理財產品則修訂為限制資金投入「不能以之為質押進行融資或開立應付票據」的期限為「超過三個月」的理財產品；(iv) 刪除「禁止再申購非保本浮動收益且無法購買保險予以覆蓋的理財產品」的限制；及(v) 對於公司所委託非保本固定期限、雖亦購買保險覆蓋融資本金的投資理財產品，其餘額上限由不得超過等值人民幣3億元增加至不得超過等值人民幣10億元。

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisitions or disposals of its subsidiaries, associates and joint ventures during the Year.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 22 February 2017, the Company entered into a Letter of Intent (the "Letter of Intent") with Newmax Technology Co., Ltd. (新鉅科技股份有限公司) ("Newmax Technology"), a company listed on the Taipei Exchange (stock code: 3630), in relation to the Company's intention to the conditional participation in the possible private placement of Newmax Technology. The details of the Letter of Intent were disclosed in the announcement of the Company dated 22 February 2017.

Save as disclosed in the announcement, the Group had not entered into any legally binding agreements or arrangements with respect to any investment opportunities as at 31 December 2016.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group did not have any contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2016, the assets pledged by the Group were bank deposits of approximately RMB96,543,000 and bank acceptance bills of approximately RMB129,225,000, all of which were pledged as security for bank borrowings, bills payable, customs payment guarantee and construction project payment guarantee. As at 31 December 2016, the Group did not have any available-for-sale financial assets or fixed assets which were pledged.

重大收購及出售

本集團於本年度並無任何有關附屬公司、聯營公司及合營企業的重大收購或出售。

重大投資

本集團於本年度並無任何重大投資。

重大投資或資本資產的未來計劃

本公司於二零一七年二月二十二日就本公司意向有條件參與新鉅科技股份有限公司(「新鉅科技」)(一家於台灣的證券櫃檯買賣中心上櫃之公司, 股份代碼: 3630)之可能私募配售與新鉅科技簽訂意向書(「意向書」), 有關意向書的詳情已於本公司二零一七年二月二十二日之公告披露。

除該公告所披露者外, 截至二零一六年十二月三十一日止, 本集團並無就任何投資機會訂立任何合法具約束力協議或安排。

或然負債

截至二零一六年十二月三十一日止, 本集團並無任何或然負債。

資產抵押

截至二零一六年十二月三十一日止, 本集團抵押的資產為約人民幣96,543,000元的銀行存款及約人民幣129,225,000元的銀行承兌匯票, 全部用於作為銀行借款、應付票據、關稅保付保函及建築工程付款保函的擔保。截至二零一六年十二月三十一日止, 本集團並無可供出售金融資產被抵押, 也沒有固定資產被抵押。

EMPLOYEE POLICIES AND REMUNERATION

As of 31 December 2016, the Group had a total of 1,850 employees (31 December 2015: 1,314) (excluding staff under labor service agreements and internship agreements). During the Year, the Group committed to providing all staff with fair working and living environment, providing newly recruited staff with induction training and job technical counseling to help them to adapt to job requirements quickly, providing all staff with clear job responsibilities guidelines and for employees at different positions with on-the-job training together with other training programmes to help improving their skills and knowledge, and strived to provide all staff with competitive remuneration packages. Total remuneration of the employees of the Group was approximately RMB278,918,000 (31 December 2015: approximately RMB151,049,000). Apart from basic salary, the package also includes year-end bonus, medical insurance and provident fund (staff under labor service agreements and internship agreements are treated according to the laws and regulations of the PRC). Meanwhile, the Group has accepted the applications from 42 staff to exercise their options and issued a total of 13,826,000 ordinary shares during the Year pursuant to the pre-IPO share option scheme and a share option scheme adopted on 13 November 2014 (please see the disclosures in sections D1 and D2 headed "Share Option Scheme" and "Pre-IPO Share Option Scheme" of Appendix IV "Statutory and General Information" of the Prospectus respectively for details), the exercise price was RMB0.40 per share and total consideration received was RMB5,530,400, which assured the stability of the core management and technical personnel. In addition, on 26 October 2016, the Group granted 39,425,000 share options in total to 165 staff (including two Executive Directors, Mr. Wang Jianqiang and Mr. Hu Sanmu) in accordance with the share option scheme adopted by the Company on 13 November 2014 as incentives or returns for certain staff for the contributions made or may be made to the Company and/or subsidiaries, the exercise price of the share options was HK\$4.13 per share and the grantees may apply to exercise the share options by phases in the future under fulfilling certain conditions (please refer to the announcement of the Company dated 26 October 2016 on Hong Kong Stock Exchange for details). In respect of the compliance in the labor and social security aspect, there was no material non-compliance act occurred in the Group and we had obtained the Certificate of Compliance and No Punishment issued by Kunshan Municipal Human Resources and Social Security Bureau successfully.

僱員政策和薪酬

截至二零一六年十二月三十一日，本集團共有員工1,850人（不包括勞務派遣工、實習生）（二零一五年十二月三十一日：1,314人）。於本年度，本集團一直致力於為全體員工提供公平的工作生活環境，向新入職員工提供入職培訓和崗位技術輔導，以幫助他們迅速適應崗位工作要求，向全體員工提供明確的崗位職責指引，並繼續為不同職位的僱員提供在職培訓及其他培訓項目，以幫助他們增進技能和學識，並努力向全體員工提供具競爭力的薪酬福利，本集團僱員的酬金約為人民幣278,918,000元（二零一五年十二月三十一日：約人民幣151,049,000元），除基本薪金外，還包括年終獎金、醫療保險及公積金等（勞務派遣工和實習生則依據中國法規進行處理）。同時，本集團還根據於二零一四年十一月十三日採納的首次公開發售前購股權計劃及一項購股權計劃（詳見招股書附錄四「法定及一般資料」D1及D2節「購股權計劃」及「首次公開發售前購股權計劃」的披露），在本年度內接受42名員工的行權申請，向其發行總計13,826,000股普通股股份，行權價格為每股人民幣0.40元，合計收取行權對價人民幣5,530,400元。從而令得核心管理與技術人員的穩定性得以基本保障。此外，於二零一六年十月二十六日，為進一步鼓勵或回報本公司部分員工對本公司及／附屬公司作出之貢獻或可能作出之貢獻，根據本公司於二零一四年十一月十三日所採納之購股權計劃，本集團向165名員工（包括二名執行董事王健強先生和胡三木先生）授出總數為39,425,000股的購股權，購股權之行使價為每股4.13港元，被授予人在滿足一定的條件下可以在未來分期申請行權（詳見本公司於二零一六年十月二十六日在香港聯交所的公告）。在勞動和社保保障的合規性方面，本集團並無發生重大的違法違紀行為，並順利取得了昆山市人力資源和社會保障局開立的合規和無處罰證明。

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to currency risk primarily through bank borrowings, product sales and purchase of raw materials which give rise to receivables, payables, cash balances and loans that are denominated in foreign currencies other than RMB. The currencies that give rise to our currency risk are primarily generated from the exchange or translation of USD and Hong Kong Dollars into RMB. During the Year, the Group recorded an exchange loss of approximately RMB64,613,000 as the sales income of the Group was still mainly settled in RMB but various raw materials for production were purchased from overseas and settled in USD, and depreciated approximately 6.8% in the RMB against USD exchange rate for the Year. As affected by multiple factors such as politics, economic, and supply and demand, the trend of RMB against USD in the future is still subject to great uncertainties and the control task of the Company's exchange risks remains heavy. The Company will, on one hand, strive to strengthen the expansion of overseas business continuously to increase USD income; on the other hand, coordinate actively with suppliers receiving settlement in USD to seek the consent of certain suppliers to purchase domestically or arrange settlement in RMB, so as to reduce the demand for USD. Meanwhile, the Group will enhance monitoring of the exchange rate fluctuation on a daily basis, adjust the proportion of USD deposits to total deposits balance and the proportion of USD loans to total loans balance from time to time with reference to the analysis of exchange rates fluctuation trend, and fix the future foreign exchange costs by using currency derivative instruments such as foreign exchange forwards and options, so as to strengthen the management of foreign exchange risks and strive to reduce foreign exchange loss.

匯兌風險

本集團主要透過銀行借貸、產品銷售及原材料採購，於以人民幣以外的外幣計值的應收款項、應付款項、現金結餘及貸款中產生匯兌風險。我們主要就美元及港元與人民幣的兌換或折算中產生匯兌風險。本年度內，由於本集團的銷售收入仍以人民幣結算為主，但多種生產用原材料均由境外採購並以美元結算，而人民幣兌美元匯率於本年度內貶值約6.8%，令得本集團錄得匯兌虧損，金額約為人民幣64,613,000元。受政治、經濟、供需等多方面因素的影響，未來人民幣兌美元匯率走勢仍然存在很大的不確定性，公司匯兌風險的管理任務仍然很重，一方面公司將繼續努力加強海外業務拓展，以增加美元收入，另一方面將與目前以美元結算的供應商積極協調，爭取一部分供應商同意改為國內採購或以人民幣結算，從而減少美元需求。同時，本集團將加強每日匯率變動監控，並參照匯率的變動趨勢分析不時調整美元存款佔總存款餘額的比例和美元貸款佔總貸款餘額的比例，適當採用遠期購匯、外匯期權等貨幣衍生工具固化未來的匯兌成本，從而努力加強匯兌風險的管理，爭取減少匯兌損失。

USE OF PROCEEDS FROM GLOBAL OFFERING

On 2 December 2014, the shares of the Company were initially listed on the Main Board of the Stock Exchange. The net proceeds from the above global offering was approximately HK\$658,000,000 (after deducting relevant listing expenses). As at 31 December 2016, the balance of the fund raised was approximately 0.5% or approximately HK\$3,341,000, and approximately 99.5% or approximately HK\$654,659,000 were utilised. Among the utilised net proceeds: (i) approximately HK\$256,620,000 was utilised to purchase production and testing machinery and equipment; (ii) approximately HK\$164,500,000 was utilised to enhance R&D capabilities; (iii) approximately HK\$101,990,000 was utilised to expand the production base; (iv) approximately HK\$46,718,000 was utilised to repay bank borrowings; (v) approximately HK\$19,031,000 was utilised for overseas sales and procurement and future expansion to the overseas markets; and (vi) approximately HK\$65,800,000 was utilised for general corporate purposes.

USE OF PROCEEDS FROM SHARES PLACING

On 12 December 2016, the Company completed the new shares placing of 40,000,000 ordinary shares under general mandate, the net proceeds from the above placing was approximately HK\$154,428,000, after deducting the related placing commission, professional fees and all related expenses. As at 31 December 2016, the balance of the fund raised was approximately 24% or approximately HK\$36,687,000, and approximately 76% or approximately HK\$117,741,000 were utilised, among which: (i) approximately HK\$70,000,000 was utilised for capital expenses; (ii) approximately HK\$33,313,000 was utilised for R&D activities; and (iii) approximately HK\$14,428,000 was utilised for general working capital.

全球發售所得款項用途

於二零一四年十二月二日，本公司股份於聯交所主板首次上市。上述全球發售所得款項淨額約為658,000,000港元（經扣除相關上市開支後），截至二零一六年十二月三十一日，募集資金剩餘約0.5%或約3,341,000港元，已使用約為99.5%或約654,659,000港元。在已使用的所得款項淨額中：(i)用於採購生產及測試設備的資金約為256,620,000港元；(ii)用於提升研發能力的資金約為164,500,000港元；(iii)用於擴展生產基地的資金約為101,990,000港元；(iv)用於歸還銀行貸款的資金約為46,718,000港元；(v)用於海外銷售及採購及日後擴充至海外市場的資金約為19,031,000港元；及(vi)用於補充日常營運流動的資金約為65,800,000港元。

股份配售所得款項用途

於二零一六年十二月十二日，本公司完成根據一般授權配售新股份普通股40,000,000股，上述配售所得款項淨額約為154,428,000港元（經扣除相關配售佣金、專業費用和所有相關開支後），截至二零一六年十二月三十一日，募集資金剩餘約24%或約36,687,000港元，已使用約76%或約117,741,000港元，主要有：(i)用於資本開支的資金約70,000,000港元；(ii)用於研究及開發的資金約33,313,000港元；及(iii)用於本集團一般營運資金的資金約14,428,000港元。

DIVIDEND

For the year ended 31 December 2015, the Board had resolved not to declare any dividend.

The Board recommended the payment of a final dividend for the year ended 31 December 2016 of RMB3.5 cents (equivalent to HK3.9 cents) per share to the Shareholders whose names appear on the register of members of the Company on Thursday, 8 June 2017. 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 Tuesday, 20 June 2017.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility to attend the 2016 annual general meeting, the register of members of the Company will be closed from 16 May 2017 to 19 May 2017. All transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 15 May 2017.

For the purpose of determining the eligibility to receive the final dividend, the register of members of the Company will be closed from 6 June 2017 to 8 June 2017, during which period no transfer of shares will be effected. All transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 5 June 2017.

股息

截至二零一五年十二月三十一日止年度，董事會決定不派發任何股息。

董事會建議向於二零一七年六月八日（星期四）名列本公司股東名冊之股東派付截至二零一六年十二月三十一日止年度之末期股息每股人民幣3.5分（相等於3.9港仙）。建議末期股息預期將於二零一七年六月二十日（星期二）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。

暫停辦理股份過戶登記手續

為符合出席二零一六年度股東週年大會資格，本公司將於二零一七年五月十六日至二零一七年五月十九日暫停辦理股份過戶登記手續。所有的股份過戶文件連同有關股票，必須於二零一七年五月十五日下午四時三十分前，送至本公司於香港之證券登記分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至1716號舖。

為符合資格收取末期股息，本公司將於二零一七年六月六日至二零一七年六月八日暫停辦理股份過戶登記手續，期間不會進行任何股份過戶登記。所有股份過戶文件連同有關股票，必須於二零一七年六月五日下午四時三十分前，送至本公司於香港之證券登記分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至1716號舖。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Pursuant to the applicable Company Law of the Cayman Islands and the articles of association, the Company may repurchase its shares under certain restrictions, and must comply with any of the applicable requirements implemented by the Stock Exchange from time to time when the Board exercises such right on behalf of the Company. During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

ENVIRONMENTAL PROTECTION MANAGEMENT

The Group has all along strictly complied with the environmental protection laws and policies in the jurisdictions where respective member companies are located. For the year ended 31 December 2016, the Group had newly added, formulated and implemented a number of rules and regulations in relation to environmental protection management such as the implementation of Wastewater Management Regulations, Waste Gas Management Regulations and Greenhouse Gas Management Measures to further perfect the wastewater, waste gas and greenhouse gas treatment system, in order to strengthen its management and control in production and domestic sewage to ensure that the wastewater discharge is in compliance with statutory requirements, and clarified the ranges, procedure and instrument of collecting the data of greenhouse gas for the effective management of greenhouse gas of the Group in the long run and prepared for reducing carbon emissions. Meanwhile, the Group had also amended and implemented the relevant regulations including the Fire Safety Management Regulations and Emergency Plan, held fire drill with particular focus on strengthening of self-check of the fire control facilities and improving the fire prevention and control capability, and Kunshan QT China successfully obtained the compliance certificate in terms of work safety granted by Kunshan Administration of Work Safety.

Particulars of environmental protection management of the Company has been disclosed in the Environmental, Social and Governance Report of this report.

購買、出售或贖回本公司股份

根據適用的開曼群島公司法和章程細則，本公司可在若干限制下購回其本身股份，董事會代表本公司行使該項權利時，必須符合聯交所不時實施的任何適用規定。於本年度內，本公司或其任何附屬公司概無執行任何購買、出售或贖回本公司之上市股份。

環境保護管理

本集團一直嚴格遵守各相關成員公司所在地的環境保護法規政策，截至二零一六年十二月三十一日止年度，本集團新增制訂與實施了多個關於環境保護管理的規章制度，譬如實施《廢水管理規定》、《廢氣管理規定》和《溫室氣體管理辦法》等，進一步完善廢水、廢氣和溫室氣體的處理系統，以加強生產、生活污水的管控，確保廢水排放符合法定要求；明確收集溫室氣體數據的範圍、流程和工具等，為長遠有效地對本集團溫室氣體進行管理，減碳減排作好準備。同時，本集團亦修訂實施《消防管理規定》和《緊急應變計劃》等相關規定，舉辦火災演習，重點加強消防設施自查和提升火災預防控制能力等，昆山丘鈦中國順利取得了昆山市安全生產監督管理局授予的安全生產守法證明。

本公司環境保護管理之詳情已於本報告中的環境、社會及管治報告中披露。

Biographical Details of Directors and Senior Management

董事及高級管理層之履歷詳情

BOARD OF DIRECTORS

The Board currently consists of six Directors, comprising three executive Directors, namely Mr. He Ningning, Mr. Wang Jianqiang and Mr. Hu Sanmu, and three independent non-executive Directors, namely Mr. Chu Chia-Hsiang, Ms. Chen Jun and Mr. Ng Sui Yin.

Executive Directors

Mr. He Ningning (何寧寧), aged 46, was appointed as a Director on 5 May 2014 and was re-designated as an executive Director on 13 November 2014. He has been the chairman of the Board and the nomination committee (“Nomination Committee”) of the Board since 13 November 2014. He is primarily responsible for overall strategic planning and formulation of investment strategies of our Group. Mr. He founded Kunshan QT China in October 2007 and has more than 21 years of experience in the electrical and electronic industries. Prior to founding the Group, Mr. He served as a sales officer of Samsung Electro-Mechanics Dongguan Co., Ltd. (東莞三星電機有限公司), a manufacturer of electronic components, from July 1992 to April 1997 where he was primarily responsible for sales and delivery management. In November 2000 and June 2004, Mr. He founded Surewheel Asia Pacific Limited (幸誠賽貝亞太有限公司) (“Surewheel”), a company principally engaged in agency sales of printheads, and Shenzhen Xike Dexin Telecom Equipment Co., Ltd. (深圳市西可德信通信技術設備有限公司) (“Shenzhen CK”), a company principally engaged in the research, development and sales of complete handsets components, and has been the chairman of Surewheel and Shenzhen CK. Mr. He is primarily responsible for the strategic planning. In December 2004, Mr. He founded CK Telecom Limited (西可通信技術設備(河源)有限公司) (“Heyuan CK”), a company principally engaged in the sales and manufacturing of complete handsets and handset components and modules, and has been the chairman of Heyuan CK. Mr. He is primarily responsible for the strategic planning of Heyuan CK. Mr. He is the sole director and the sole shareholder of Q Technology Investment Inc. (“QT Investment”), a controlling shareholder of the Company as at the date of this report. Mr. He received his bachelor’s degree in science, majoring in dynamic meteorology, from the Peking University in July 1992 and his master’s degree of business administration from the University of California in March 2002. Mr. He is also the step-brother of Mr. Wang Jianqiang, an executive Director and chief executive officer of the Group.

董事會

本公司董事會目前由六名董事組成，包括三名執行董事：何寧寧先生、王健強先生、胡三木先生及三位獨立非執行董事：初家祥先生、陳郡女士和吳瑞賢先生。

執行董事

何寧寧先生，46歲，於二零一四年五月五日獲委任為董事並於二零一四年十一月十三日調任執行董事。何先生自二零一四年十一月十三日起擔任本公司董事會主席及提名委員會（「提名委員會」）主席，主要負責本集團整體策略規劃及制訂投資策略。何先生於二零零七年十月創辦昆山丘鈦中國，在電氣和電子行業擁有超過21年經驗。於創立本集團前，何先生曾於一九九二年七月至一九九七年四月擔任電子組件製造商東莞三星電機有限公司的銷售主管，主要負責銷售及交付管理。於二零零零年十一月及二零零四年六月，何先生創立幸誠賽貝亞太有限公司（一間主要從事打印機頭代理銷售的公司）及深圳市西可德信通信技術設備有限公司（一間主要從事研發及銷售完整手機組件的公司）（「深圳西可」），並一直擔任幸誠賽貝亞太有限公司及深圳西可的主席。何先生主要負責策略規劃。於二零零四年十二月，何先生創立西可通信技術設備（河源）有限公司（一間主要從事銷售及生產完整手機、手機組件及模組的公司）（「河源西可」），並一直擔任河源西可的主席。何先生主要負責河源西可的策略規劃。於本報告日期，何先生為本公司控股股東丘鈦投資有限公司（「丘鈦投資」）的唯一董事及唯一股東。何先生於一九九二年七月獲得北京大學理學士學位，主修動力氣象學並於二零零二年三月獲得加州大學的工商管理碩士學位。何先生亦為本集團執行董事兼行政總裁王健強先生的繼兄。

Biographical Details of Directors and Senior Management

董事及高級管理層之履歷詳情

Mr. He is also a director of each of Q Technology (Great China) Inc. (formerly known as “CK Telecom (Great China) Inc.”), Kunshan Q Technology (Hong Kong) Limited (“Kunshan QT Hong Kong”) and Kunshan QT China, each of which is a subsidiary of the Company.

Mr. Wang Jianqiang (王健強), aged 45, was appointed as a Director on 5 May 2014 and was re-designated as an executive Director on 13 November 2014. Mr. Wang was appointed as chief executive officer of the Group since 8 July 2016 and is primarily responsible for operation and business management of the Group. Prior to joining the Group, Mr. Wang served as a supervisor of the quality assurance department of SAE Magnetics (東莞新科電子廠), a computer hardware manufacturer, from October 1995 to September 1996, where he was primarily responsible for product quality assurance. From August 1998 to January 2005, he served as the sales assistant manager of the Shenzhen office of Samsung Electro-Mechanics (H.K.) Limited (三星電機(香港)有限公司), a manufacturer of electronic components, where he was primarily responsible for the sales of the electronic components. From February 2005 to April 2014 and December 2005 to April 2014, respectively, Mr. Wang served as the chief financial officer of Shenzhen CK and Heyuan CK where he was primarily responsible for audit management and budgeting. Mr. Wang received his bachelor’s degree in engineering, majoring in fluid machinery and engineering, from the Sichuan University of Science and Technology (四川工業學院) in June 1995. Mr. Wang is the step-brother of Mr. He.

何先生亦是本公司附屬公司 Q Technology (Great China) Inc. (前稱CK Telecom (Great China) Inc.)、Kunshan Q Technology (Hong Kong) Limited (「昆山丘鈦香港」) 以及昆山丘鈦中國的董事。

王健強先生，45歲，於二零一四年五月五日獲委任為董事並於二零一四年十一月十三日調任執行董事。王先生自二零一六年七月八日起獲委任為本集團行政總裁，主要負責本集團的業務運營管理。於加入本集團前，王先生於一九九五年十月至一九九六年九月在電腦硬件製造商東莞新科電子廠擔任質量保證部主管，主要負責產品質量保證。於一九九八年八月至二零零五年一月，彼擔任電子組件製造商三星電機(香港)有限公司深圳辦事處的助理銷售經理，主要負責銷售電子組件。於二零零五年二月至二零一四年四月及二零零五年十二月至二零一四年四月，王先生分別擔任深圳西可及河源西可的財務總監，主要負責審計管理及預算。王先生於一九九五年六月獲得四川工業學院的工程學士學位，主修流體機械及工程。王先生為何先生的繼弟。

Biographical Details of Directors and Senior Management 董事及高級管理層之履歷詳情

Mr. Wang is also a director of Kunshan QT Hong Kong, Kunshan QT China, Chengdu Q Technology Limited (成都丘鈦微電子科技有限公司) and Taiwan Q Technology Co., Ltd., each of which is a subsidiary of the Company.

Mr. Hu Sanmu (胡三木), aged 41, is the vice president of sales of the Group. He is primarily responsible for the expansion of sales network and maintenance of relationship with customers. Mr. Hu was appointed as an executive Director of the Group since 8 July 2016. Prior to joining the Group, Mr. Hu held various positions in VTech (Shenzhen) Electronic Limited (偉易達電子產品(深圳)有限公司), a company principally engaged in manufacturing of telecommunication products, from July 1998 to November 2002, where he last served as a mechanical structure engineer and was primarily responsible for the mechanical design. From November 2002 to August 2004, Mr. Hu held various positions in Tianjin Amphenol Kae Co., Ltd. (天津安費諾凱翼電子有限公司), a manufacturer of interconnect products, where he last served as a sales engineer and was primarily responsible for maintaining the relationship with existing customers and the expansion of sales network. From July 2004 to November 2009, Mr. Hu held various positions in Van Telecom Limited (唯安科技有限公司), a company principally engaged in manufacturing and sales of precise connectors, where he last served as the sales director and was primarily responsible for sales management and product planning. Mr. Hu received his bachelor's degree in engineering, majoring in mechanical design and manufacture from the Xi'an University of Science and Technology (西安科技大學), previously known as Xi'an Mining Institute (西安礦業學院), in July 1998.

Mr. Hu is also a director of Kunshan QT China, which is a subsidiary of the Company.

王先生亦是本公司附屬公司昆山丘鈦香港、昆山丘鈦中國、成都丘鈦微電子科技有限公司及台灣丘鈦科技有限公司的董事。

胡三木先生，41歲，為本集團的銷售副總裁。彼主要負責拓寬銷售網絡及維持客戶關係。胡先生自二零一六年七月八日起獲委任為本集團執行董事。於加入本集團前，胡先生曾於一九九八年七月至二零零二年十一月於偉易達電子產品(深圳)有限公司(一間主要從事電訊產品製造的公司)擔任多個職位，最後擔任機械結構工程師，並主要負責機械設計。於二零零二年十一月至二零零四年八月，胡先生曾於互連產品製造商天津安費諾凱翼電子有限公司擔任多個職位，最後擔任銷售工程師，並主要負責維繫現有客戶關係及拓寬銷售網絡。於二零零四年七月至二零零九年十一月，胡先生曾於主要從事製造及銷售精密連接器的公司唯安科技有限公司擔任多個職位，最後擔任銷售總監，並主要負責銷售管理及產品規劃。胡先生於一九九八年七月獲得西安科技大學(前稱西安礦業學院)工程學士學位，主修機械設計及製造。

胡先生亦是本公司附屬公司昆山丘鈦中國的董事。

Independent Non-executive Directors

Mr. Chu Chia-Hsiang (初家祥), aged 47, was appointed as an independent non-executive Director (the “INED”), the chairman of the remuneration committee of the Board (“Remuneration Committee”) and a member of each of the audit committee of the Board (“Audit Committee”) and the Nomination Committee of the Company on 13 November 2014. From June 1997 to June 2002, Mr. Chu served at various positions in Hewlett-Packard Taiwan Ltd. (惠普科技股份有限公司), which is a provider of computing devices, testing and skilled solutions, and last served as an expert sales and was primarily responsible for overseeing its sales department in respect of the computing devices. From May 2002 to August 2004, Mr. Chu served as the investment manager of CDIB Venture Capital Corp. (中華開發創業投資股份有限公司), which was a wholly-owned subsidiary of China Development Financial Holding Corporation (中華開發金融控股股份有限公司) (Stock Code: 2883) listed on the Taiwan Stock Exchange and was primarily engaged in enterprise operations, management, and consulting services. Mr. Chu was primarily responsible for exploring and assessing of investment plans and post-investment management. In January 2014, Mr. Chu established W K Innovation Ltd. (普訊創新股份有限公司), a venture capital firm, and served as the managing director and acted as its chairman and chief executive officer, where he is primarily responsible for its strategic planning. From August 2004 to January 2014, Mr. Chu served as the general manager of W K Technology Fund (普訊創業投資, previously known as 普訊創業投資股份有限公司), a venture capital firm. Mr. Chu was primarily responsible for exploring and assessing of investment plans and post-investment management. He was the legal representative of Litmax Electronics Inc. (晶達光電股份有限公司, Stock code: 4995) and Raydium Semi-conductor Corporation (瑞鼎科技股份有限公司, Stock code: 3592), each of which is listed on the Taiwan Cretai Securities Market (台灣證券櫃檯買賣中心).

Mr. Chu received his bachelor of science degree in electrical engineering from the National Tsing-Hua University in Taiwan in July 1993 and his master’s degree in management from the National Cheng-Kung University in Taiwan in June 1995. Mr. Chu served as an executive council member of the Taiwan Private Equity & Venture Capital Association (台灣創業投資商業同業公會) from May 2008 to May 2010.

獨立非執行董事

初家祥先生，47歲，於二零一四年十一月十三日獲委任為獨立非執行董事、本公司董事會薪酬委員會（「薪酬委員會」）主席及本公司董事會審核委員會（「審核委員會」）及提名委員會成員。於一九九七年六月至二零零二年六月，初先生於電腦裝置、測試及技術解決方案供應商者惠普科技股份有限公司出任多個不同職位，最後擔任銷售專家，主要負責監督電腦裝置的銷售部門。於二零零二年五月至二零零四年八月，初先生在中華開發創業投資股份有限公司（台灣證券交易所上市公司中華開發金融控股股份有限公司（股份代號：2883）的全資附屬公司，該公司主要從事企業營運、管理及諮詢服務）擔任投資經理。初先生主要負責研究及評估投資計劃和投資後管理。於二零一四年一月，初先生成立風險投資公司普訊創新股份有限公司，出任董事總經理及擔任主席兼行政總裁，主要負責策略規劃。自二零零四年八月至二零一四年一月，初先生在風險投資公司普訊創業投資（前稱普訊創業投資股份有限公司）擔任總經理。初先生主要負責研究及評估投資計劃和投資後管理。初先生還曾擔任台灣證券櫃檯買賣中心上市的公司晶達光電股份有限公司（股份代碼：4995）和瑞鼎科技股份有限公司（股份代碼：3592）的法定代表人。

初先生於一九九三年七月獲得台灣國立清華大學的電機工程學理學士學位及於一九九五年六月獲得台灣國立成功大學的管理學碩士學位。初先生於二零零八年五月至二零一零年五月擔任台灣創業投資商業同業公會的理事會成員。

Biographical Details of Directors and Senior Management 董事及高級管理層之履歷詳情

Ms. Chen Jun (陳郡), aged 54, was appointed as an INED, the chairlady of the risk management committee of the Board (“Risk Management Committee”) and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company on 13 November 2014. Since July 1987, Ms. Chen has been the tutor in accounting and auditing at the Capital University of Economics and Business (首都經濟貿易大學) in the PRC (“Capital University”) and primarily responsible for teaching and research work. Since June 1999, Ms. Chen has been accredited as an assistant professor of the Capital University. Ms. Chen received her bachelor’s degree and master’s degree in economics, majoring in accounting, from the Capital University in July 1985 and December 1988, respectively. Ms. Chen received her doctorate in management, majoring in corporate management, from the Renmin University of China (中國人民大學) in June 2007. Ms. Chen completed a program of international management education at the Brennan School of Business of Dominican University in the United States of America in November 2007.

Ms. Chen was a speaker for various organisations, including Beijing Institute of Certified Public Accountants (北京註冊會計師協會) and Beijing Lianxin School (北京聯信學校). She actively participated in the preparation of The Administrative Method for Financial Revenue and Expenditure Auditing in Beijing Health Sector (《北京市衛生系統財務收支審計管理辦法》) and The Practice Guideline for Financial Revenue and Expenditure Auditing in Beijing Health Sector (《北京市衛生系統財務收支審計操作指南》).

陳郡女士，54歲，於二零一四年十一月十三日獲委任為獨立非執行董事、本公司董事會風險管理委員會（「風險管理委員會」）主席以及審核委員會、薪酬委員會及提名委員會成員。自一九八七年七月起，陳女士一直於中國首都經濟貿易大學擔任會計及審計導師，主要負責教學及研究工作。自一九九九年六月起，陳女士獲聘為首都經濟貿易大學副教授。陳女士分別於一九八五年七月及一九八八年十二月獲得首都經濟貿易大學經濟學學士及碩士學位，主修會計學。陳女士於二零零七年六月獲得中國人民大學管理學博士學位，主修企業管理。陳女士於二零零七年十一月於美國Brennan School of Business of Dominican University完成國際管理教育項目。

陳女士曾為北京註冊會計師協會及北京聯信學校等多家組織的主講人，並曾積極參與編製《北京市衛生系統財務收支審計管理辦法》及《北京市衛生系統財務收支審計操作指南》。

Biographical Details of Directors and Senior Management

董事及高級管理層之履歷詳情

Mr. Ng Sui Yin (吳瑞賢), aged 48, was appointed as an INED, the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Risk Management Committee of the Company on 13 November 2014. From June 2002 to December 2004, Mr. Ng served as an audit assistant manager of an accounting firm, where he was primarily responsible for audit plan and audit works. Mr. Ng was previously the financial controller of Beijing Gas Blue Sky Holdings Limited, a company whose shares are listed on the Stock Exchange (Stock code: 6828). He is now the financial controller and company secretary of Man Yue Technology Holdings Limited, a company whose shares are listed on the Stock Exchange (Stock code: 0894). Mr. Ng has extensive experience in the areas of finance, audit, tax, bankruptcy, information technology and business development. Mr. Ng has been admitted as a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Taxation Institute of Hong Kong since April 2001 and April 2009, respectively. Mr. Ng was registered as a certified tax advisor of the Taxation Institute of Hong Kong in July 2010. He received his honours diploma in accounting from the Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in July 1998.

吳瑞賢先生，48歲，於二零一四年十一月十三日獲委任為獨立非執行董事、本公司審核委員會主席以及薪酬委員會、風險管理委員會成員。於二零零二年六月至二零零四年十二月，吳先生擔任一家會計師事務所的助理審計經理，主要負責審計計劃及審計工作。吳先生曾於聯交所上市公司北京燃氣藍天控股有限公司（股份代號：6828）擔任財務總監。其現於聯交所上市公司萬裕科技集團有限公司（股份代碼：0894）擔任財務總監及公司秘書。吳先生在財務、審計、稅務、破產、資訊科技及業務拓展方面擁有豐富經驗。吳先生自二零零一年四月及二零零九年四月起分別獲接納為香港會計師公會會員及香港稅務學會會員。吳先生於二零一零年七月註冊成為香港稅務學會的註冊稅務師。吳先生於一九九八年七月獲得香港樹仁學院（現稱香港樹仁大學）會計學榮譽文憑。

SENIOR MANAGEMENT

Mr. Fan Fuqiang (范富强), aged 39, is one of the joint company secretaries of the Group, and was appointed as chief financial officer of the Group on 8 July 2016. Mr. Fan is primarily responsible for financial management, securities affairs and risk control functions. Prior to joining the Group, Mr. Fan held various positions in Heyuan branch of the Bank of China, a state-owned bank principally engaged in providing a range of corporate banking, personal banking, investment banking and other services, from July 1996 to June 2011 and last served as the general manager of Heyuan High-tech Zone sub-branch of Bank of China and vice general manager of the corporate department of Heyuan branch of Bank of China, where he was primarily responsible for the grant of the credit facilities, risks management and international settlement. From May 2013 to April 2014 and July 2011 to April 2014, respectively, Mr. Fan served as the assistant to the chief financial officer of Shenzhen CK and Heyuan CK, and was primarily responsible for legal compliance matters and risk control. Mr. Fan received a professional certificate from Guangdong International Finance College (廣東國際金融學校) located in the PRC, in July 1996, majoring in international finance. He received a graduation certificate from the Central Party School of Guangdong Provincial Committee (中共廣東省委黨校) located in the PRC, in January 2008, majoring in public management, and received a graduation certificate from South China University of Technology (華南理工大學) in July 2016, majoring in administrative management.

Mr. Fan received the Top Ten Distinguished Employees (十佳員工) Award of Heyuan branch of Bank of China for the years 2005 and 2006 and the Innovative Employee Award (先進工作者) by Heyuan branch of Bank of China for the year 2007.

高級管理層

范富强先生，39歲，為本集團的聯席公司秘書之一，並於二零一六年七月八日起獲委任為本集團財務總監。范先生主要負責財務管理、證券事務及風險控制。於加入本集團前，范先生曾於一九九六年七月至二零一一年六月在中國銀行河源分行（一間主要從事提供多種企業銀行、個人銀行、投資銀行及其他服務的國有銀行）擔任多個職位，最後擔任中國銀行河源高新區分行的分行總經理及企業部副總經理，主要負責授出信貸融資、風險管理及國際結算。於二零一三年五月至二零一四年四月以及二零一一年七月至二零一四年四月，范先生分別擔任深圳西可及河源西可的財務總監助理，主要負責法律合規事宜及風險控制。范先生於一九九六年七月獲得中國廣東國際金融學校的專業證書，主修國際金融。彼於二零零八年一月獲得中國中共廣東省委黨校的畢業證書，主修公共管理，於二零一六年七月獲得華南理工大學的畢業證書，主修行政管理。

范先生於二零零五年及二零零六年獲評為中國銀行河源分行十佳員工及於二零零七年獲中國銀行河源分行評為先進工作者。

Biographical Details of Directors and Senior Management

董事及高級管理層之履歷詳情

Mr. Liu Tongquan (劉統權), aged 39, is the production director of the Group and the assistant general manager of Kunshan QT China. Mr. Liu is primarily responsible for the process engineering and production management. Prior to joining the Group, Mr. Liu served as a production manager of Kunshan Giantplus Optoelectronics Technology Co., Ltd. (昆山凌達光電技術有限公司), a LCD display manufacturer, from July 2002 to November 2007, where he was primarily responsible for production management. Mr. Liu received his bachelor's degree in engineering, majoring in measurement and control technology and instrumentation, and his bachelor's degree in economics from the Wuhan University (武漢大學) in June 2002 and July 2002, respectively.

Mr. Jin Yuanbin (金元斌), aged 41, is the research and development director of the Group. Mr. Jin is primarily responsible for the research and development of products, as well as the improvement in manufacturing technology and techniques of the Group. Prior to joining the Group, Mr. Jin served as the manager of testing engineering department of Walton Advanced (Suzhou) Engineering Inc. (華東科技(蘇州)有限公司) from 2003 to 2007, where he was responsible for preparation of the implementation, testing criteria and method for new product. From 2008 to 2010, he worked in Altek System (Kunshan) Co., Ltd. (彩晶光電科技(昆山)有限公司), and served as the factory director of camera modules business department, where he was responsible for manufacturing engineering and production operation of camera modules. Mr. Jin has been engaging in the research and development, engineering, testing and production of camera modules since 2002, and possesses extensive related work experience. Mr. Jin received his diploma majoring in financial management, from Nanyang Institute of Technology (南陽理工學院) in 2008.

劉統權先生，39歲，為本集團的製造總監及昆山丘鈦中國的副總經理。劉先生主要負責工藝工程及生產管理。於加入本集團前，劉先生曾於二零零二年七月至二零零七年十一月擔任液晶顯示器製造商昆山凌達光電技術有限公司的生產經理，主要負責生產管理。劉先生分別於二零零二年六月獲得武漢大學的工程學士學位，主修測控技術與儀器，以及於二零零二年七月取得武漢大學頒發的經濟學學士學位。

金元斌先生，41歲，為本集團的研發總監。金先生主要負責本集團的產品研究開發和製造工藝改良等工作。在加入本集團前，金先生於二零零三年至二零零七年就職於華東科技(蘇州)有限公司，任測試工程部經理，負責新產品實現與測試標準及方法制定。彼於二零零八年至二零一零年就職於彩晶光電科技(昆山)有限公司，任攝像頭模組事業部廠長，負責攝像頭模組製造工程及生產運營。金先生自二零零二年起從事攝像模組研發、工程、測試、生產等工作，有非常豐富的相關工作經驗。金先生於二零零八年獲得南陽理工學院專科學歷，主修財務管理專業。

Biographical Details of Directors and Senior Management 董事及高級管理層之履歷詳情

Mr. Sun Wei (孫偉), aged 38, is the purchasing director of our Group. Mr. Sun is primarily responsible for selecting and evaluating the suppliers and overseeing the sourcing and purchases of raw materials and equipment. Prior to joining our Group, Mr. Sun served as the procurement officer (採購專員) of Compal Electronic Technology (Kunshan) Co., Ltd. (仁寶電子科技(昆山)有限公司), a notebook computer manufacturer, from July 2004 to May 2005, where he was primarily responsible for procurement of the materials. From July 2005 to June 2008, Mr. Sun served as the procurement supervisor of Atek System (Kunshan) Co., Ltd. (彩晶光電科技(昆山)有限公司), a digital camera manufacturer, where he was primarily responsible for sourcing and buying the materials for optical products. From July 2008 to February 2011, he served as the section manager of the supplier development division of Young Optics (Kunshan) Co., Ltd. (昆山揚明光學有限公司), a projector manufacturer, where he was primarily responsible for sourcing and buying the materials for optical products. Mr. Sun received his master's degree in management, majoring in management sciences and engineering, from Harbin Institute of Technology (哈爾濱工業大學) in July 2004.

Ms. Le Yanfang (樂燕芳), aged 33, is the senior human resources manager of our Group. Ms. Le is primarily responsible for management of human resources of Kunshan QT China. Prior to joining our Group, Ms. Le served as the head of the human resources department in AVCON Information Technology Co., Ltd. (華平信息技術股份有限公司), a company principally engaged in the provision of the multi-media communication system solutions, and was primarily responsible for formulating human resources policies and human resources affairs from October 2007 to December 2010. Ms. Le received her graduation certificate from Jiujiang Vocational and Technical College (九江職業技術學院) in June 2004, majoring in electronic technology and application. Ms. Le completed an online programme in human resources management provided by Nankai University (南開大學) in January 2012.

孫偉先生，38歲，為本集團的採購總監。孫先生主要負責甄選及評估供應商以及監督原材料及設備的採購及購買。於加入本集團前，孫先生於二零零四年七月至二零零五年五月曾擔任筆記本電腦製造商仁寶電子科技(昆山)有限公司的採購專員，主要負責物料採購。於二零零五年七月至二零零八年六月，孫先生為數碼相機製造商彩晶光電科技(昆山)有限公司的採購主任，主要負責採購及購買光學產品物料。於二零零八年七月至二零一一年二月，彼曾擔任投影機製造商昆山揚明光學有限公司的供應商發展部門的科長，主要負責採購及購買光學產品物料。孫先生於二零零四年七月獲得哈爾濱工業大學的管理碩士學位，主修管理科學及工程。

樂燕芳女士，33歲，為本集團的人力資源高級經理。樂女士主要負責昆山丘鈦中國的人力資源管理。於加入本集團前，樂女士曾於二零零七年十月至二零一零年十二月擔任華平信息技術股份有限公司(一間主要從事提供多媒體通信系統解決方案的公司)人力資源部主管，主要負責制訂人力資源政策及處理人力資源事務。樂女士於二零零四年六月獲得九江職業技術學院頒發的畢業證書，主修電子技術及應用。樂女士於二零一二年一月修畢南開大學提供的人力資源管理網上課程。

The directors of the Company (the "Directors") are pleased to present the annual report and the audited consolidated financial statements of the Group for the Year.

USE OF PROCEEDS FROM GLOBAL OFFERING

The shares of the Company were initially listed on the Main Board of the Stock Exchange on 2 December 2014. The net proceeds from the above global offering was approximately HK\$658,000,000 (after deducting relevant listing expenses). As at 31 December 2016, the balance of the fund raised was approximately 0.5% or HK\$3,341,000, and approximately 99.5% or HK\$654,659,000 was utilized. Among the net proceeds utilized: (i) approximately HK\$256,620,000 was utilised to purchase production and testing machinery and equipment; (ii) approximately HK\$164,500,000 was utilised to enhance R&D capabilities; (iii) approximately HK\$101,990,000 was utilised to expand the production base; (iv) approximately HK\$46,718,000 was utilised to repay bank borrowings; (v) approximately HK\$19,031,000 was utilised for overseas sales and procurement and future expansion to the overseas markets; and (vi) approximately HK\$65,800,000 was utilised for general corporate purposes.

USE OF PROCEEDS FROM SHARES PLACING

On 12 December 2016, the Company completed the new shares placing of 40,000,000 ordinary shares under general mandate, the net proceeds from the above placing was approximately HK\$154,428,000, after deducting the related placing commission, professional fees and all related expenses. As at 31 December 2016, the balance of the fund raised was approximately 24% or approximately HK\$36,687,000, and approximately 76% or approximately HK\$117,741,000 were utilised, among which: (i) approximately HK\$70,000,000 was utilised for capital expenses; (ii) approximately HK\$33,313,000 was utilised for R&D activities; and (iii) approximately HK\$14,428,000 was utilised for general working capital.

本公司董事（「董事」）欣然提呈本年度本集團之年度報告及經審核之合併財務報表。

全球發售所得款項用途

於二零一四年十二月二日，本公司股份於聯交所主板首次上市。上述全球發售所得款項淨額約為658,000,000港元（經扣除相關上市開支後），截至二零一六年十二月三十一日，募集資金剩餘約0.5%或約3,341,000港元，已使用約為99.5%或約654,659,000港元。在已使用的所得款項淨額中：(i)用於採購生產及測試設備的資金約為256,620,000港元；(ii)用於提升研發能力的資金約為164,500,000港元；(iii)用於擴展生產基地的資金約為101,990,000港元；(iv)用於歸還銀行貸款的資金約為46,718,000港元；(v)用於海外銷售及採購及日後擴充至海外市場的資金約為19,031,000港元；及(vi)用於補充日常營運流動的資金約為65,800,000港元。

股份配售所得款項用途

於二零一六年十二月十二日，本公司完成根據一般授權配售新股份普通股40,000,000股，上述配售所得款項淨額約為154,428,000港元（經扣除相關配售佣金、專業費用和所有相關開支後），截至二零一六年十二月三十一日，募集資金剩餘約24%或約36,687,000港元，已使用約76%或約117,741,000港元，主要有：(i)用於資本開支的資金約70,000,000港元；(ii)用於研究及開發的資金約33,313,000港元；及(iii)用於本集團一般營運資金的資金約14,428,000港元。

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the design, research and development, manufacture and sales of mid-to-high end camera modules and fingerprint recognition modules.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years are set out on pages 6 to 8 of this annual report.

RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 143 of this report.

BUSINESS REVIEW

A review of the business of the Group during the Year and a discussion on the Group's future business development are provided in the Chairman's Statement on pages 9 to 16 of this report. Description of possible risks and uncertainties that the Group may be facing can be found in the Chairman's Statement on pages 9 to 16. Also, the financial risk management objectives and policies of the Group and particulars of important events affecting the Group that have occurred since the end of the Year are provided in the Management Discussion and Analysis on pages 17 to 39. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Group Five-year Financial Summary on pages 6 to 8 of this report. In addition, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Chairman's Statement, the Management Discussion and Analysis, the Corporate Governance Report, the Environmental, Social and Governance Report and this Directors' Report on pages 9 to 16, pages 17 to 39, pages 83 to 106, pages 107 to 131, and pages 49 to 82 respectively. These discussions form part of this directors' report.

主要業務

本公司為一間投資控股公司，其附屬公司主要從事中高端攝像頭模組、指紋識別模組的設計、研發、生產和銷售。

五年財務概要

本集團於最近五個會計年度的業績及資產負債概要載於本年度報告第6至8頁。

業績

本集團於本年度的業績載於第143頁的合併損益及其他全面收益表。

業務回顧

有關本集團本年度業務的審視與對未來業務發展的論述均載於本報告第9頁至第16頁的主席報告，而有關本集團可能面對的風險及不明朗因素的描述，亦載於第9頁至第16頁的主席報告，本年報第17頁至第39頁的管理層討論與分析刊載了本集團的財務風險管理目標及政策，以及本年度終結後發生並對本集團有影響的重大事件。本年報第6頁至第8頁則刊載集團五年財務概要，以財務關鍵表現指標分析本集團年內表現。此外，關於本集團環保政策、與持份者關係及對本集團有重大影響的相關法律及規例之遵守情況，分別刊於第9頁至第16頁的主席報告、第17頁至第39頁的管理層討論與分析、第83頁至第106頁的企業管治報告、第107頁至第131頁的環境、社會及管治報告及第49頁至第82頁之本董事會報告書中。該等討論為本董事會報告的一部分。

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, 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, there were no material and significant dispute between the Group and its employees, customers and suppliers.

FINAL DIVIDEND DISTRIBUTION

The Board recommended the payment of a final dividend for the year ended 31 December 2016 of RMB3.5 cents (equivalent to HK3.9 cents) per share to the Shareholders whose names appear on the register of members of the Company on Thursday, 8 June 2017. Subject to the approval by the Shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 19 May 2017 (the "AGM"), the proposed final dividend is expected to be paid on or around Tuesday, 20 June 2017.

There were no arrangement under which a shareholder has waived or agreed to waive any dividends for the Year.

For determining shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 16 May 2017 to 19 May 2017. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 15 May 2017.

遵守相關法律及法規

於本年度，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。於本年度，本集團與其僱員、客戶及供應商之間概無嚴重及重大糾紛。

末期股息分派

董事會建議向於二零一七年六月八日（星期四）名列本公司股東名冊之股東派付截至二零一六年十二月三十一日止年度之末期股息每股人民幣3.5分（相等於3.9港仙）。建議末期股息預期將於二零一七年六月二十日（星期二）或該日前後派付，惟須於將於二零一七年五月十九日（星期五）舉行之本公司股東週年大會（「股東週年大會」）上獲得股東批准。

本年度，並無股東已放棄或同意放棄任何股息的安排。

為符合出席股東週年大會資格，本公司將於二零一七年五月十六日至二零一七年五月十九日暫停辦理股份過戶登記手續。所有的股份過戶文件連同有關股票，必須於二零一七年五月十五日下午四時三十分前，送至本公司於香港之證券登記分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至1716號舖。

For the purpose of determining the eligibility to receive the final dividend, the register of members of the Company will be closed from 6 June 2017 to 8 June 2017, during which period no transfer of shares will be effected. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on 5 June 2017.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the trading between the Group and its major customers and suppliers were as follows:

The Group's purchases from its largest supplier accounted for approximately 17.2% (2015: approximately 20.4%) of the total purchases of the Group whilst the Group's five largest suppliers accounted for approximately 46.5% (2015: approximately 48.4%) of the total purchases of the Group.

The Group's largest customer accounted for approximately 31.9% (2015: approximately 27.8%) of the total turnover of the Group whilst the Group's five largest customer accounted for approximately 79.3% (2015: approximately 73.7%) of the total turnover of the Group.

During the Year, none of the Directors, their respective close associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any beneficial interest in any of the five largest suppliers or customers of the Group.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 10 to the consolidated financial statements.

為符合資格收取末期股息，本公司將於二零一七年六月六日至二零一七年六月八日暫停辦理股份過戶登記手續，期間不會進行任何股份過戶登記。所有股份過戶文件連同有關股票，必須於二零一七年六月五日下午四時三十分前，送至本公司於香港之證券登記分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至1716號舖。

主要客戶及供應商

本年度，本集團與主要供應商及客戶的交易情況如下：

本集團最大供應商的採購額佔本集團總採購額約17.2%（二零一五年：約20.4%），向五大供應商的採購額共佔本集團採購總額約46.5%（二零一五年：約48.4%）。

本集團最大客戶的銷售額佔本集團總營業額約31.9%（二零一五年：約27.8%），向五大客戶的銷售額共佔本集團總營業額約79.3%（二零一五年：約73.7%）。

本年度內，概無任何董事、其緊密聯繫人（如聯交所上市規則（「上市規則」）所定義）或本公司任何股東（據董事所知悉，擁有本公司已發行股份的5%以上）持有本集團五大供應商或客戶任何實益權益。

物業、廠房及設備

有關本集團於本年度的物業、廠房及設備的變動詳情載於合併財務報表附註10。

BORROWINGS

Particulars of borrowings of the Group as at 31 December 2016 are set out in note 20 to the consolidated financial statements of the Company.

SHARE CAPITAL

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

ISSUE OF SHARES AND DEBENTURES

Save as disclosed in this report, the Company did not issue any shares or debentures during the Year.

DISTRIBUTABLE RESERVES

Under the applicable laws of the Cayman Islands, the share premium of the Company is available for distribution to the shareholders of the Company subject to the articles of association of the Company (the "Articles of Association"). As at 31 December 2016, the aggregate amount of the Company's reserves (including share premium and retained profits) attributable to the equity holders of the Company available for distribution was approximately RMB815,723,000 (2015: approximately RMB673,747,000).

DIRECTORS

The Directors of the Company during the Year and up to the date of this report are:

Executive Directors:

Mr. He Ningning (*Chairman*)^N
Mr. Yang Peikun
(resigned on 8 July 2016)
Mr. Wang Jianqiang
Mr. Hu Sanmu
(appointed on 8 July 2016)

借款

本集團於二零一六年十二月三十一日之借款詳情載於本公司合併財務報表附註20。

股本

本公司於本年度股本的變化詳情載於合併財務報表附註26。

發行股份及債權證

除本報告所披露者外，本公司於本年度並無發行任何股份或債權證。

可分派儲備

根據開曼群島公司法，本公司股份溢價賬上的資金可分派予本公司股東，惟須遵守本公司組織章程細則（「組織章程細則」）。於二零一六年十二月三十一日，可供分派予本公司股權持有人的儲備（包括股份溢價及保留溢利）總額約為人民幣815,723,000元（二零一五年：約人民幣673,747,000元）。

董事

於本年度內直至本報告日期期間本公司董事如下：

執行董事

何寧寧先生（主席）^N
楊培坤先生
(於二零一六年七月八日辭任)
王健強先生
胡三木先生
(於二零一六年七月八日獲委任)

Independent Non-executive Directors ("INEDs"):

Mr. Chu Chia-Hsiang^{NAR}

Ms. Chen Jun^{NARM}

Mr. Ng Sui Yin^{ARM}

- A member of audit committee of the Company
- R member of remuneration committee of the Company
- M member of risk management committee of the Company
- N member of nomination committee of the Company

In accordance with article 83(3) of the Articles of Association, any Director appointed by the Board to fill a causal vacancy shall hold office until the first general meeting of the Company after his appointment and shall then be eligible for re-election and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. Hu Sanmu (appointed as an executive Director on 8 July 2016) will retire at the AGM and, being eligible, will offer himself for re-election at the AGM.

In accordance with articles 84(1) and 84(2) of the Articles of Association, Mr. Chu Chia-Hsiang and Ms. Chen Jun will retire by rotation and being eligible, will offer themselves for re-election at the AGM.

During the Year, other than Mr. Yang Peikun's resignation as an executive Director due to personal affairs (please refer to the announcement of the Company dated 8 July 2016 for details), no Director resigned from his/her office or refused to stand for re-election to his/her office due to reasons relating to the affairs of the Company.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS

The biographical details of the Directors and senior management are set out on pages 40 to 48 of this annual report.

獨立非執行董事（「獨立非執行董事」）

初家祥先生^{NAR}

陳郡女士^{NARM}

吳瑞賢先生^{ARM}

- A 本公司審核委員會成員
- R 本公司薪酬委員會成員
- M 本公司風險管理委員會成員
- N 本公司提名委員會成員

根據組織章程細則第83(3)條，任何獲董事會委任以填補臨時空缺的董事任期將直至其獲委任後首屆股東大會為止，且屆時將具資格再次競選，而任何獲董事會委任或加入現有董事會的董事任期僅至本公司下屆股東週年大會為止，且屆時將具資格進行再次競選。因此，胡三木先生（於二零一六年七月八日獲委任為執行董事）將於股東週年大會上退任並合資格及願意於股東週年大會上重選連任。

根據組織章程細則第84(1)及84(2)條，初家祥先生和陳郡女士將輪席退任，彼等符合資格並願意於股東週年大會上重選連任。

於本年度，除楊培坤先生因個人事務的原因辭去執行董事（詳見本公司於二零一六年七月八日之公告）外，概無董事因本公司事務相關的理由辭職或拒絕參選連任。

董事及高級管理層之個人履歷

董事及高級管理層之個人履歷詳情載於本年報第40頁至48頁。

DIRECTORS' SERVICE CONTRACTS

Each of our executive Directors has entered into a service contract with our Company, among which, the term of office for each of Mr. He Ningning and Mr. Wang Jianqiang is 36 months commenced from the month in which the Company's Shares were listed on the Stock Exchange (i.e. December 2014); the term of office for Mr. Hu Sanmu is 36 months commenced from 8 July 2016. Mr. Yang Peikun resigned as an executive Director due to personal affairs (please refer to the announcement of the Company dated 8 July 2016 for details). The service contract of each executive Director may be terminated by not less than three months' notice in writing served by either party on the other party.

Each of the INEDs has signed a letter of appointment with our Company for a term of three years with effect from 2 December 2014, being the date on which the shares of the Company were initially listed on the Stock Exchange.

None of the Directors being proposed for re-election at the AGM has a service contract or an appointment letter 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.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions" below, no material interests in transaction, arrangement or contract in relation to the Group's business, to which the Company, its holding company, its controlling shareholder or subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

董事服務合約

各執行董事已與本公司訂立服務合約，其中：何寧寧先生和王健強先生的任期分別為自本公司股份於聯交所上市的月份（即二零一四年十二月）起為期三十六個月；胡三木先生的任期為二零一六年七月八日起為期三十六個月。楊培坤先生因個人事務的原因辭任執行董事職位（詳見本公司於二零一六年七月八日之公告）。各執行董事之服務合約可由任何一方向另一方發出不少於三個月的書面通知而終止。

各獨立非執行董事已與本公司簽署委任書，任期為自二零一四年十二月二日，即本公司股份首次在聯交所上市日期起三年。

建議於股東週年大會上重選連任的董事概無與本公司或其任何附屬公司訂立任何不可於一年內由本公司免付賠償（法定賠償除外）而終止的服務合約。

董事於交易、安排或重大合約之權益

除下文「持續關連交易」一節所披露者外，本公司、其控股公司、控股股東或附屬公司概無於本年年底或年內任何時間訂立仍然有效而董事於其中（不論直接或間接）擁有重大利益的交易、安排或重大合約。

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

As at 31 December 2016, the interests of the Directors or chief executive of the Company in the shares, underlying shares (in respect of positions pursuant to equity derivatives) and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO as recorded in the register maintained by the Company pursuant to section 352 of the SFO; or otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

(a) Interest in the Shares of the Company

Name of Directors/ Chief Executive	Capacity/Nature of interest	Number of issued Shares held	Position held	Approximate percentage of the issued Shares
董事／主要行政 人員姓名	身份／權益性質	所持之 已發行 股份數目	持倉	約持已發行 股份百分比 (Note 2) (附註2)
He Ninqing 何寧寧	Interest of a controlled corporation 受控法團權益	751,391,000 (Note 1) (附註1)	Long position 好倉	69.46%
Wang Jianqiang 王健強	Beneficial owner 實益擁有人	7,500,000 (Note 3) (附註3)	Long position 好倉	0.69%
Hu Sanmu 胡三木	Beneficial owner 實益擁有人	1,119,750 (Note 4) (附註4)	Long position 好倉	0.10%

董事及主要行政人員於股份、相關股份及債券中擁有之權益

於二零一六年十二月三十一日，本公司董事或主要行政人員於本公司及其相聯法團（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）的股份、相關股份（與根據股本衍生工具所持有的持倉量相關）及債券中擁有之根據證券及期貨條例第XV部第7及8分部的條文須知會本公司及聯交所的記錄於證券及期貨條例第352節要求本公司備存的登記冊內；或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益如下：

(a) 於本公司股份之權益

Notes:

1. Mr. He Ningning, an executive Director and the chairman of the Board, is the sole beneficial owner of Q Technology Investment Inc. ("QT Investment") which owned approximately 69.46% of the issued shares. Under Part XV of the SFO, Mr. He Ningning is deemed to be interested in the Shares held by QT Investment.
2. The percentage represents the number of Shares divided by 1,081,771,000 issued Shares of the Company in total as at 31 December 2016.
3. On 6 January 2017, an aggregate of 2,500,000 Shares were issued to Mr. Wang Jianqiang pursuant to the exercise of 2,500,000 share options granted to him by the Company under the Pre-IPO Share Option Scheme, at an exercise price of RMB0.40 per share. Since 6 January 2017, Mr. Wang Jianqiang has been the beneficial owner of an aggregate of 10,000,000 Shares of the Company.
4. On 6 January 2017, an aggregate of 373,250 Shares were issued to Mr. Hu Sanmu pursuant to the exercise of 373,250 share options granted to him by the Company under the Pre-IPO Share Option Scheme, at an exercise price of RMB0.40 per share. Since 6 January 2017, Mr. Hu Sanmu has been the beneficial owner of an aggregate of 1,493,000 Shares of the Company.

附註：

1. 何寧寧先生，董事會執行董事兼主席，為丘鈦科技投資有限公司（「丘鈦投資」）唯一實益擁有人，丘鈦投資持有已發行股份的約69.46%。根據證券及期貨條例第十五章，何寧寧先生被視為於丘鈦投資所持有之股份中擁有權益。
2. 該等百分比指相關股份數目除以本公司於二零一六年十二月三十一日的1,081,771,000股已發行股份總數。
3. 於二零一七年一月六日，王健強先生獲本公司以每股行使價人民幣0.40元行使其於首次公開發售前購股權計劃獲授予之2,500,000股購股權向其發行共2,500,000股股份。自二零一七年一月六日起，王健強先生為本公司合共10,000,000股股份的實益擁有人。
4. 於二零一七年一月六日，胡三木先生獲本公司以每股行使價人民幣0.40元行使其於首次公開發售前購股權計劃獲授予之373,250股購股權向其發行共373,250股股份。自二零一七年一月六日起，胡三木先生為本公司合共1,493,000股股份的實益擁有人。

(b) Interest in Underlying Shares

(b) 於相關股份之權益

Name of Directors/ Chief Executive	Capacity/Nature of interest	Number of underlying Shares in respect of the share options granted	Position held	Approximately percentage of the underlying Shares over the Company's issued Shares ^(Note 2) (assuming that the share options are exercised in full)
董事／主要行政 人員姓名	身份／權益性質	涉及已授出 購股權的 相關股份數目	持倉	相關股份 佔本公司已發行 股份 ^(附註2) 概約百分比 (假設購股權 獲全數行使)
Wang Jianqiang 王健強	Beneficial owner 實益擁有人	4,112,000 <i>(Note 1 and 3)</i> <i>(附註1及3)</i>	Long position 好倉	0.38%
Hu Sanmu 胡三木	Beneficial owner 實益擁有人	1,573,250 <i>(Note 1 and 4)</i> <i>(附註1及4)</i>	Long position 好倉	0.15%

Notes:

- Details of the above share options have been disclosed in the following sections headed "Share Option Scheme" and "Pre-IPO Share Option Scheme" and note 24 to the consolidated financial statements.
- The percentage represents the number of underlying Shares divided by 1,081,771,000 issued Shares of the Company in total as at 31 December 2016.
- On 6 January 2017, Mr. Wang Jianqiang exercised 2,500,000 share options granted to him by the Company under the Pre-IPO Share Option Scheme, at an exercise price of RMB0.40 per share. Mr. Wang Jianqiang is interested in the remaining 1,612,000 share options granted to him.
- On 6 January 2017, Mr. Hu Sanmu exercised 373,250 share options granted to him by the Company under the Pre-IPO Share Option Scheme, at an exercise price of RMB0.40 per share. Mr. Hu Sanmu is interested in the remaining 1,200,000 share options granted to him.

附註：

- 上述購股權之詳情已於下文「購股權計劃」及「首次公開發售前購股權計劃」章節及本公司合併財務報表附註24披露。
- 該等百分比指擁有權益的相關股份數目除以本公司於二零一六年十二月三十一日的1,081,771,000股已發行股份總數。
- 於二零一七年一月六日，王健強先生以每股行使價人民幣0.40元行使其於首次公開發售前購股權計劃獲本公司授予之2,500,000股購股權。王健強先生於已向其授出的餘下1,612,000股購股權中擁有權益。
- 於二零一七年一月六日，胡三木先生以每股行使價人民幣0.40元行使其於首次公開發售前購股權計劃獲本公司授予之373,250股購股權。胡三木先生於已向其授出的餘下1,200,000股購股權中擁有權益。

(c) Interest in Associated Corporation

(c) 於相聯法團之權益

Name of Directors/ Chief Executive	Name of associated corporation	Capacity/Nature of interest	Number of issued shares held	Approximate percentage of the issued shares in associated corporation 約持相聯法團 已發行股份 百分比
董事／主要行政 人員姓名	相聯法團名稱	身份／權益性質	所持之已發行 股份數目	已發行股份 百分比
He Ninqing 何寧寧	QT Investment 丘鈇投資	Beneficial owner 實益擁有人	1	100%

Other than as disclosed above, as at 31 December 2016, none of the Directors nor chief executive of the Company had any interests or short positions in any shares, and underlying shares (in respect of positions pursuant to equity derivatives) or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange or as recorded in the register referred to in the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一六年十二月三十一日，概無本公司董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份（與根據股本衍生工具所持有的持倉量相關）或債券中擁有任何須知會本公司及聯交所或載於證券及期貨條例規定備存的登記冊內或根據標準守則須知會本公司及聯交所的權益或淡倉。

SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

股東之重大合約權益

Save as disclosed in the section headed "Continuing Connected Transactions", no contracts of significance to which the Company or any of its subsidiaries was a party and in which a Shareholder had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

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，並且於本年底或年度內任何時間仍然生效之重大合約。

DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, so far as the Directors were aware of, the following persons (other than the Directors and chief executives of the Company) had interests or short positions in the Shares or underlying Shares (in respect of positions pursuant to equity derivatives) as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of Shareholder	Long/short position	Capacity/Nature of interest	Number of shares held	Approximate percentage of total issued Shares in the Company 約持本公司已發行股份總數百分比
股東名稱	好倉／淡倉	身份／權益類別	所持股份數目	
QT Investment 丘鈇投資	Long position 好倉	Beneficial owner 實益擁有人	751,391,000	69.46% (Note) (附註)

Note: Mr. He Ningning is directly interested in the entire interest of QT Investment, which owned approximately 69.46% of the issued Shares.

Save as disclosed herein, the Company has not been notified of any other person (other than a Director or a chief executive of the Company) who had an interest or a short position in the Shares and underlying Shares (in respect of positions pursuant to equity derivatives) as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 31 December 2016.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the schemes disclosed in the section headed "Share Option Schemes" below, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

主要股東權益披露

於二零一六年十二月三十一日，就本公司董事所知，下列人士（除本公司董事及主要行政人員外）於股份或相關股份（與根據股本衍生工具所持有的持倉量相關）中擁有記錄於證券及期貨條例第336節要求本公司備存的登記冊內之權益或淡倉如下：

附註： 何寧寧先生直接擁有丘鈇投資有限公司全部權益，而丘鈇投資有限公司擁有已發行股份的約69.46%。

除此處所披露者外，於二零一六年十二月三十一日，概無任何人士（除本公司董事或主要行政人員外）知會本公司，其於本公司股份及相關股份（與根據股本衍生工具所持有的持倉量相關）中擁有記錄於根據證券及期貨條例第336節要求本公司備存之登記冊上的權益或淡倉。

購買股份或債券之安排

除下文「購股權計劃」一節所披露之計劃外，本公司或其任何附屬公司概無於本年度任何時間訂立任何安排，使董事可藉購買本公司或其他任何法人團體的股份或債權而獲益。

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

PERMITTED INDEMNITY PROVISION

The Articles of Association provide that each Director, secretary or other officer of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them may incur or sustain in or about the execution of the duties in their respective offices. The Company has taken out and maintained appropriate insurance to cover potential legal actions against its Directors.

Save as disclosed in this report, the Company has not come into any permitted indemnity provision with the Directors.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group or existed during the Year.

DONATIONS

The Group had not made charitable or other donations of HK\$10,000 and/or above during the Year.

EVENTS AFTER THE REPORTING YEAR

Saved as disclosed in the Management Discussion and Analysis on pages 17 to 39, there were no other important events affecting the Group that had occurred after 31 December 2016 and up to the date of this report.

管理合約

於本年度，就本公司整體或任何重要環節業務方面並無訂立或存在管理及行政合約。

獲准許彌償條文

組織章程細則規定本公司每名董事、秘書或本公司其他高管，就其各自的職務執行其職責時招致的所有訴訟、費用、收費、損失、損害及開支，均可從本公司的資產及利潤獲得彌償。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。

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。

股票掛鈎協議

於本年度，本集團並無訂立或存在任何股票掛鈎協議。

捐款

本集團於本年度並無作出一萬港元及／或以上之慈善或其他捐款。

報告年度後事項

除本年報第17頁至第39頁的管理層討論與分析所披露外，於二零一六年十二月三十一日後及直至本報告公佈之日未發生影響本集團之其他重要事件。

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five individuals with the highest emoluments for the Year are set out in notes 6 and 7 to the consolidated financial statements, respectively.

UPDATE ON THE DIRECTORS INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors since the date of the 2015 Annual Report of the Company required to be disclosed in this report are as follows:

One of the INEDs, Mr. Ng Sui Yin, has become the company secretary of Man Yue Technology Holdings Limited, a company whose shares are listed on the Stock Exchange (Stock Code: 0894) since 12 April 2016 and up to the date of this report.

Saved as disclosed as above, there were no other important changes in the information of Directors.

SHARE OPTION SCHEMES

On 13 November 2014, the Company adopted the pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and a share option scheme (the "Share Option Scheme") and granted a total of 59,935,000 share options under the Pre-IPO Share Option Scheme to the eligible participants with an aim to reward their contribution to the Group made or possibly made. On 26 October 2016, the Company granted an aggregate of 39,425,000 share options under the Share Option Scheme to the eligible participants. Details of the schemes are set out below:

董事薪酬及五名最高薪人士

於本年度，董事薪酬及五名最高薪人士的詳情分別載於合併財務報表附註6及7。

根據上市規則第13.51B(1)條作出的董事資訊更新

根據上市規則第13.51B(1)條，自本公司二零一五年年報之日起所發生的董事資訊的變化須在本報告中披露如下：

獨立非執行董事之一，吳瑞賢先生，於二零一六年四月十二日起及直至本報告之日於聯交所上市公司萬裕科技集團有限公司（股份代碼：0894）擔任公司秘書。

除上文所披露外，董事資訊無其他重要變化。

購股權計劃

於二零一四年十一月十三日，本公司採納了（「首次公開發前購股權計劃」）及一項購股權計劃（「購股權計劃」），及根據首次公開發售前購股權計劃向合資格參與者授出共計59,935,000份購股權，旨在獎勵他們曾經或可能已對本集團做出的貢獻。於二零一六年十月二十六日，本公司根據購股權計劃向合資格參與者授出共計39,425,000份購股權。計劃詳情列載如下：

A. Share Option Scheme

1. Purpose of the Share Option Scheme:

The Share Option Scheme is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in paragraph 2 below) had or may have made to the Group. The Share Option Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

2. Participants of the Share Option Scheme:

The Board may, at its discretion, offer to grant an option to the following persons (collectively the "Eligible Participants") to subscribe for such number of new Shares as the Board may determine:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers, distributors and such other persons who in the sole opinion of the Board will contribute or have contributed to the Company or any of its subsidiaries.

A. 購股權計劃

1. 購股權計劃的目的：

購股權計劃旨在嘉許及表揚曾經或可能已對本集團作出貢獻的合資格參與者（定義見下文第2段）。購股權計劃將向合資格參與者提供一個於本公司擁有個人權益的機會，以達致下列目標：

- (i) 激勵合資格參與者為本集團的利益而優化其表現效率；及
- (ii) 吸引及挽留合資格參與者或與合資格參與者保持持續的業務關係，而該等合資格參與者的貢獻，乃對或將對本集團的長遠發展有利。

2. 購股權計劃參與者：

董事會可酌情決定向下列人士（統稱「合資格參與者」）授出購股權，以認購董事會可能釐定的相關數目新股份：

- (i) 本公司或其任何附屬公司的任何全職或兼職僱員、行政人員或高級職員；
- (ii) 本公司或其任何附屬公司的任何董事（包括獨立非執行董事）；及
- (iii) 董事會全權認為將會或已經對本公司或其任何附屬公司作出貢獻的任何諮詢人、顧問、供應商、客戶、分銷商及有關其他人士。

3. Total number of Shares available for issue under the Share Option Scheme and percentage of issued share capital as at the date of this report:

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 100,000,000 Shares (representing 10% and approximately 9.13% of the issued share capital immediately following completion of the Global Offering (as defined in the Prospectus) and as at the date of this report, respectively).

4. Maximum entitlement of each participant under the Share Option Scheme:

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such Eligible Participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his/her close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a connected person (as defined in the Listing Rules)) abstaining from voting.

3. 根據購股權計劃可供發行股份總數及佔於本報告之日已發行股本百分比：

根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份數目上限，合共不得超過於全球發售（定義見招股書）完成後股份總數的10%，及於本報告之日的股份總數的約9.13%，即100,000,000股股份。

4. 根據購股權計劃向一名參與者授出購股權的數目上限：

在截至授出日期止任何12個月期間，根據購股權計劃及本公司任何其他購股權計劃向每名合資格參與者授出的購股權（包括已行使及尚未行使的購股權）獲行使時，已發行及可能發行的股份總數不得超過於授出日期已發行股份的1%。倘進一步授出購股權超過上述1%限額，本公司須：

- (i) 發出通函，其中載列合資格參與者的身份、將授出購股權（及過往授予該參與者的購股權）的數目及條款及上市規則第17.02(2)(d)條規定的資料及第17.02(4)條規定的免責聲明；及
- (ii) 經股東在股東大會上批准及／或遵守上市規則不時訂明的其他規定，而該名合資格參與者及其緊密聯繫人（定義見上市規則）（或其聯繫人（如合資格參與者為關連人士（定義見上市規則））須放棄投票。

5. The period within which the options must be exercised under Share Option Scheme to subscribe for Shares:

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date subject to the provisions for early termination set out in the Share Option Scheme.

6. The minimum period for which an option must be held before it can be exercised:

There is no minimum period for which an option granted must be held before it can be exercised unless otherwise imposed by the Directors.

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made, or loans for such purposes must be repaid:

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 per grant.

8. The basis of determining the exercise price:

The exercise price is determined by the Board but shall not be less than the highest of: (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

5. 購股權須根據購股權計劃行使以認購股份的期限：

購股權可根據購股權計劃的條款於購股權被視為已授出並獲接納的日期後至自該日起計10年屆滿前期間隨時行使，惟或按購股權計劃所載的條文提早終止。

6. 購股權行使前最短持有期限：

除董事另有要求，授出之購股權在可供行使前毋需達到特定最短持有期限。

7. 申請或接納購股權時的應付金額及進行或可能進行支付或催繳，或須償還該目的之貸款的期限：

購股權須於授出日期後二十一日內獲接納，並為每份購股權支付1港元。

8. 釐定行使價之基準：

行使價由董事會釐定，惟不得低於下列最高者：(i)於授出日期（須為聯交所開門營業可供進行證券交易的日子）在聯交所每日報價表所報的正式收市價；(ii)緊接授出日期前五個營業日股份在聯交所每日報價表所報的正式收市價平均數；及(iii)股份面值。

9. The remaining life of the Share Option Scheme:

The Share Option Scheme will remain in force for a period of 10 years commencing on 13 November 2014.

10. The total number of share options granted under the Share Option Scheme on 26 October 2016:

On 26 October 2016, the Company granted a total of 39,425,000 share options (representing approximately 3.78% of the issued share capital of the Company on the date of grant of the relevant share options (i.e. 26 October 2016) and approximately 3.60% of the issued share capital of the Company as at the date of this report) under the Share Option Scheme to 165 eligible participants.

11. The period within which the options granted under the Share Option Scheme on 26 October 2016 must be exercised to subscribe for Shares:

The options granted are exercisable within the period as notified by the Board to each grantee and in accordance with the following manner:

- (i) upon, among others, the revenue ("revenue") of the Company for the year ending 31 December 2017 increases by no less than 25% as compared with the revenue for the year ended 31 December 2016, up to 40% of the share options granted (rounded down to the nearest whole number) shall be exercisable during the period from 1 April 2018 to 31 December 2018 (both days inclusive);

9. 購股權計劃剩餘年期：

購股權計劃將於自二零一四年十一月十三日起十年期間保持生效。

10. 於二零一六年十月二十六日根據購股權計劃已授出購股權總數：

於二零一六年十月二十六日，本公司根據購股權計劃向165名合資格參與者授出共計39,425,000份購股權，即有關購股權授出之日（二零一六年十月二十六日）本公司已發行股本的約3.78%，及於本報告之日的已發行股本的約3.60%。

11. 於二零一六年十月二十六日根據購股權計劃授出的購股權的認購股份行使期限：

授出的購股權可於董事會知會各承授人的期間內按以下方式行使：

- (i) 待（其中包括）截至二零一七年十二月三十一日止年度本公司之營業收入（「營業收入」）較截至二零一六年十二月三十一日止年度之營業收入增長不低於25%，所授出之最多40%購股權（向下約整至最接近整數）將自二零一八年四月一日至二零一八年十二月三十一日期間（包括首尾兩日）可予行使；

- (ii) upon, among others, the revenue of the Company for the year ending 31 December 2018 recording compound annual growth rate of not less than 25% from the revenue for the year ended 31 December 2016, up to 30% share options granted (rounded down to the nearest whole number) shall be exercisable during the period from 1 April 2019 to 31 December 2019 (both days inclusive); and
- (iii) upon, among others, the revenue of the Company for the year ending 31 December 2019 recording compound annual growth rate of not less than 25% from the revenue for the year ended 31 December 2016, up to 30% share options granted (rounded down to the nearest whole number) shall be exercisable during the period from 1 April 2020 to 31 December 2020 (both days inclusive).
5. The basis of determining the exercise price of share options granted on 26 October 2016:
- The exercise price per Share in respect of the share options granted on 26 October 2016 under the Share Option Scheme is HK\$4.13 per Share.
- (ii) 待（其中包括）截至二零一八年十二月三十一日止之年度營業收入較截至二零一六年十二月三十一日止年度營業收入之年複合增長幅度不低於25%，所授出之最多30%購股權（向下約整至最接近整數）將自二零一九年四月一日至二零一九年十二月三十一日期間（包括首尾兩日）可予行使；及
- (iii) 待（其中包括）截至二零一九年十二月三十一日止之年度營業收入較截至二零一六年十二月三十一日止年度營業收入之年複合增長幅度不低於25%，所授出之最多30%購股權（向下約整至最接近整數）將自二零二零年四月一日至二零二零年十二月三十一日期間（包括首尾兩日）可予行使。
5. 於二零一六年十月二十六日授出購股權之行使價的釐定基準：
- 於二零一六年十月二十六日根據購股權計劃授出的購股權所涉及的每股股份的行使價為每股4.13港元。

B. Pre-IPO Share Option Scheme

1. Purpose of the Pre-IPO Share Option Scheme:

The Pre-IPO Share Option Scheme was a share incentive scheme established to recognise and acknowledge the contributions that the Pre-IPO Eligible Participants (as defined in paragraph 2 below) had made to the Group. The Pre-IPO Share Option Scheme provided the Pre-IPO Eligible Participants with an opportunity to have a personal stake in the Company with a view to achieving the following purposes:

- (i) motivate the Pre-IPO Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain relationships with the Pre-IPO Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

2. Participants of the Pre-IPO Share Option Scheme:

The Board might, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board might determine to the full-time, key employees of the Group who, in the sole opinion of the Board, had contributed to the Company and/or any of the subsidiaries (the "Pre-IPO Eligible Participants").

B. 首次公開發售前購股權計劃：

1. 首次公開發售前購股權計劃的目的：

首次公開發售前購股權計劃旨在嘉許及表揚曾經或可能已對本集團作出貢獻的合資格參與者（定義見下文第2段）。首次公開發售前購股權計劃將向首次公開發售前合資格參與者提供一個於本公司擁有個人權益的機會，以達致下列目標：

- (i) 激勵首次公開發售前購股權計劃合資格參與者為本集團的利益而優化其表現效率；及
- (ii) 吸引及挽留首次公開發售前購股權計劃合資格參與者或與合資格參與者保持持續的業務關係，而該等合資格參與者的貢獻，乃對或將對本集團的長遠發展有利。

2. 首次公開發售前購股權計劃參與者：

首次公開發售前購股權計劃的合資格參與者為董事會全權認為曾對本公司及／或我們的任何附屬公司作出貢獻的本集團主要全職僱員（「首次公開發售前合資格參與者」）。

3. Total number of Shares available for issue under the Pre-IPO Share Option Scheme:

The number of Shares in respect of which options were granted under the Pre-IPO Share Option Scheme is 59,935,000 Shares (representing approximately 5.99% and approximately 5.47% of the issued share capital of the Company immediately following completion of the Global Offering (as defined in the Prospectus) and as at the date of this report). These options were granted on 13 November 2014 to subscribe for 59,935,000 Shares. No further options will be offered or granted under the Pre-IPO Share Option Scheme, as the rights to do so have been terminated.

4. The period within which the options must be exercised under the Pre-IPO Share Option Scheme to subscribe for Shares:

The options granted are exercisable within the period as notified by the Board to each grantee and in accordance with the following manner:

- (i) up to 50% of the Shares that are subject to the option so granted to him/her (rounded down to the nearest whole number) at any time during the year commencing on 1 January 2015 and ending on 31 December 2017;
- (ii) up to 75% of the Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised or lapsed (rounded down to the nearest whole number) at any time during the year commencing on 1 January 2016 and ending on 31 December 2017; and

3. 根據首次公開發售前購股權計劃可供發行股份總數：

首次公開發售前購股權計劃所涉及的股份總數上限為59,935,000股股份，即本公司於全球發售（定義見招股書）完成後的已發行股本的5.99%，及於本報告之日的已發行股本的約5.47%。該等購股權於二零一四年十一月十三日被授予以認購59,935,000股股份。無更多股份將根據首次公開發售前購股權計劃被發行或授予，由於該等權利已被終止。

4. 根據首次公開發售前購股權計劃授出的購股權的認購股份行使期限：

授出的購股權可於董事會知會各承授人的期間內按以下方式行使：

- (i) 自二零一五年一月一日起至二零一七年十二月三十一日止年度，隨時行使獲授購股權認購最多50%所涉及的股份（向下約整至最接近整數）；
- (ii) 自二零一六年一月一日起至二零一七年十二月三十一日止年度，隨時行使獲授購股權認購最多75%所涉及的股份減已獲行使或失效的購股權所涉及的股份數目（向下約整至最接近整數）；及

- (iii) up to 100% of the Shares that are subject to the option so granted to him/her less the number of Shares in respect of which the option has been exercised or lapsed (rounded down to the nearest whole number) at any time during the year commencing on 1 January 2017 and ending on 31 December 2017.

Each option granted under the Pre-IPO Share Option Scheme is exercisable during the years when such option becomes vested.

As of the date of this report, none of share options granted under the Pre-IPO Share Option Scheme remained outstanding, and the Pre-IPO Share Option Scheme had lapsed accordingly.

5. The basis of determining the exercise price:

The exercise price per Share in respect of any particular option granted under the Pre-IPO Share Option Scheme is RMB0.4 per Share.

Except for the above, the principal terms of the Pre-IPO Share Option Scheme, which were confirmed and approved by resolutions in writing of all of the Shareholders passed on 13 November 2014, were substantially the same as the terms of the Share Option Scheme.

- (iii) 自二零一七年一月一日起至二零一七年十二月三十一日止年度，隨時行使獲授購股權認購最多100%所涉及的股份減已獲行使或失效的購股權所涉及的股份數目（向下約整至最接近整數）。

根據首次公開發售前購股權計劃授出的每份購股權可於購股權已歸屬的年度內行使。

於本報告日期，概無根據首次公開發售前購股權計劃授出之購股權尚未獲行使，首次公開發售前購股權計劃已相應失效。

5. 釐定行使價之基準：

根據首次公開發售前購股權計劃授出的任何特定購股權所涉及的每股股份的行使價為每股人民幣0.4元。

除上文所述者外，由所有股東確認及於二零一四年十一月十三日以書面決議案通過的首次公開發售前購股權計劃的主要條款，實質上與購股權計劃的條款相同。

Details of changes during the Year in share options granted under the Pre-IPO Share Option Scheme are as follows:

根據首次公開發售前購股權計劃所授出購股權於年內之變動詳情如下：

Category	Date of grant	Exercise period	Number of underlying Shares comprising share options 購股權涉及之相關股份數目				As at 31 December 2016 於二零一六年 十二月 三十一日
			Outstanding as at 1 January 2016 於二零一六年 一月一日 尚未行使的 購股權	Granted during the Year 期間內授出	Exercised during the Year 期間內行使	Cancelled during the Year 期間內註銷	
Directors 董事							
Wang Jianqiang 王健強	13 November 2014 二零一四年十一月十三日	1 January 2015 to 31 December 2017 二零一五年一月一日至 二零一七年十二月三十一日	5,000,000 5,000,000	- -	(2,500,000) ^{Note 1} (2,500,000) ^{Note 1}	- -	2,500,000 2,500,000
Yang Peikun ^{Note 3} 楊培坤 ^{Note 3}	13 November 2014 二零一四年十一月十三日	1 January 2015 to 31 December 2017 二零一五年一月一日至 二零一七年十二月三十一日	10,000,000 10,000,000	- -	(5,000,000) ^{Note 2} (5,000,000) ^{Note 2}	- -	5,000,000 5,000,000
Hu Sanmu ^{Note 4} 胡三木 ^{Note 4}	13 November 2014 二零一四年十一月十三日	1 January 2015 to 31 December 2017 二零一五年一月一日至 二零一七年十二月三十一日	746,500 746,500	- -	(373,250) ^{Note 1} (373,250) ^{Note 1}	- -	373,250 373,250
			15,746,500	-	(7,873,250)	-	7,873,250
Employees (in total) 僱員 (合計)	13 November 2014 二零一四年十一月十三日	1 January 2015 to 31 December 2017 二零一五年一月一日至 二零一七年十二月三十一日	11,998,500 11,998,500	- -	(5,952,750) ^{Note 1} (5,952,750) ^{Note 1}	- -	5,952,750 5,952,750
Total 總計			27,745,000	-	(13,826,000)	-	(93,000) 13,826,000

Notes:

- The weighted average closing price immediately before the dates on which the share options were exercised was HK\$1.30 per Share.
- The weighted average closing price immediately before the dates on which the share options were exercised was HK\$2.84 per Share.
- Mr. Yang Peikun resigned as an executive director on 8 July 2016.
- Mr. Hu Sanmu was appointed as an executive director on 8 July 2016.
- On 6 January 2017, Mr. Wang Jianqiang exercised 2,500,000 share options, Mr. Hu Sanmu exercised 373,250 share options, Mr. Yang Peikun exercised 5,000,000 share options, and a total of 5,952,750 share options were exercised by the employees on the same date. The weighted average closing price immediately before the date on which the share options were exercised was HK\$4.29 per Share.

附註：

- 行權日上一個營業日的每股加權平均收市價為1.30港元。
- 行權日上一個營業日的每股加權平均收市價為2.84港元。
- 楊培坤先生於二零一六年七月八日辭任執行董事。
- 胡三木先生於二零一六年七月八日獲委任為執行董事。
- 於二零一七年一月六日，王健強先生行使2,500,000股購股權，胡三木先生行使373,250股購股權，楊培坤先生行使5,000,000股購股權，於同日僱員合共行使5,952,750股購股權。行權日上一個營業日的每股加權平均收市價為4.29港元。

Directors' Report

董事會報告

Details of changes during the Year in share options granted under the Share Option Scheme on 26 October 2016 are as follows:

於二零一六年十月二十六日根據購股權計劃所授出購股權於年內之變動詳情如下：

Category	Date of grant	Exercise period	Number of underlying Shares comprising share options 購股權涉及之相關股份數目					As at 31 December 2016 於二零一六年 十二月 三十一日
			Outstanding as at 1 January 2016 於二零一六年 一月一日 尚未行使的 購股權	Granted during the Year 期間內授出	Exercised during the Year 期間內行使	Cancelled during the Year 期間內註銷	Lapsed/ Forfeited during the Year 期間內 失效/沒收	
Directors 董事								
Wang Jianqiang	26 October 2016	please refer to the paragraph under "The period within which the options granted under the Share Option Scheme on 26 October 2016 must be exercised to subscribe for Shares" on pages 66-67	-	1,612,000	-	-	-	1,612,000
王健強	二零一六年十月二十六日	請參閱第66-67頁「於二零一六年十月二十六日根據購股權計劃授出的購股權的認購股份行使期限」段落	-	1,612,000	-	-	-	1,612,000
Hu Sanmu	26 October 2016	please refer to the paragraph under "The period within which the options granted under the Share Option Scheme on 26 October 2016 must be exercised to subscribe for Shares" on pages 66-67	-	1,200,000	-	-	-	1,200,000
胡三木	二零一六年十月二十六日	請參閱第66-67頁「於二零一六年十月二十六日根據購股權計劃授出的購股權的認購股份行使期限」段落	-	1,200,000	-	-	-	1,200,000
			-	2,812,000	-	-	-	2,812,000
Employees (in total)	26 October 2016	please refer to the paragraph under "The period within which the options granted under the Share Option Scheme on 26 October 2016 must be exercised to subscribe for Shares" on pages 66-67	-	36,613,000	-	-	(681,000)	35,932,000
僱員(合計)	二零一六年十月二十六日	請參閱第66-67頁「於二零一六年十月二十六日根據購股權計劃授出的購股權的認購股份行使期限」段落	-	36,613,000	-	-	(681,000)	35,932,000
Total 總計			-	39,425,000	-	-	(681,000)	38,744,000

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Company has established an Audit Committee in accordance with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The annual results of the Group for the Year have been reviewed by the Audit Committee which comprises all the three INEDs, namely Mr. Ng Sui Yin, being the chairman, Ms. Chen Jun and Mr. Chu Chia-Hsiang.

CONTINUING CONNECTED TRANSACTIONS

During the Year, certain related party transactions as set out in note 29 to the consolidated financial statements also constituted continuing connected transactions for the Company under the Listing Rules, and are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules. Save as disclosed in this report, none of the related party transactions constitutes a continuing connected transaction or connected transaction as defined under the Listing Rules.

During the Year, the Group has certain continuing connected transactions which were exempted from the notice and independent Shareholders' approval requirements, but subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules. The details of those transactions are set out below:

購買、出售或贖回上市證券

於本年度內，本公司或其任何附屬公司概無購買、出售或贖回本公司之上市證券。

審核委員會

本公司已遵照載於上市規則附錄十四的企業管治守則之守則條文成立審核委員會。本集團本年度之全年業績已經由審核委員會審閱，而審核委員會由三名獨立非執行董事組成，包括吳瑞賢先生（主席）、陳郡女士和初家祥先生。

持續關連交易

於本年度，於合併財務報表附註29披露的若干關聯方交易根據上述規則亦屬於本公司持續關連交易，及須按照上市規則第十四A章於本報告中披露。除本報告所披露者外，概無關聯方交易構成上市規則所定義的持續關連交易或關聯交易。

於本年度內，本集團進行若干獲豁免通告及獨立股東批准的持續關連交易，惟須遵守上市規則第十四A章的報告、年度檢討及公佈規定。該等交易詳情列載如下：

Purchase Agreement in respect of the purchase of precise connectors from Van Telecom Limited ("Van Telecom PRC")

On 13 November 2014, the Company entered into a purchase agreement (the "Purchase Agreement") with Van Telecom PRC, pursuant to which Van Telecom PRC agreed to supply the precise connectors to the Group for a term from 1 January 2014 to 31 December 2016.

The price for the precise connectors supplied by Van Telecom PRC under the Purchase Agreement was determined by reference to the price at which comparable types of precise connectors that are sold by independent suppliers to the Group under normal commercial terms in the ordinary course of its business and such price shall be no less favourable to the Group than was available from independent suppliers. In considering whether to purchase from Van Telecom PRC, the Group sought quotations from at least two independent third parties offering the same or comparable products. The Group purchased the precise connectors from Van Telecom PRC if the price and quality of the products offered were comparable to or more favourable to the Group than those offered by independent third parties for the same or comparable products.

Van Telecom PRC is wholly owned by CK Telecom Inc. ("CK Telecom"), which is in turn wholly owned by Mr. He Ningning, an executive Director, the chairman and controlling shareholder (as defined in the Listing Rules) of the Company. As such, Van Telecom PRC is a connected person of the Company for the purpose of the Listing Rules.

For the year ended 31 December 2016, the total transaction amount under the Purchase Agreement was RMB nil and the annual cap amount for the Year was RMB300,000.

有關向唯安科技有限公司（「唯安科技中國」）購買精密連接器訂立的採購協議

於二零一四年十一月十三日，本公司與唯安科技中國訂立採購協議（「採購協議」），據此，唯安科技中國同意向本集團供應精密連接器，期限由二零一四年一月一日起至二零一六年十二月三十一日止。

唯安科技中國根據採購協議供應的精密連接器價格乃參考獨立供應商於日常業務過程中按正常商業條款向本集團銷售的同類精密連接器的價格釐定，且向本集團提供的有關價格不得遜於獨立供應商所提供的價格。在考慮是否向唯安科技中國購買時，本集團至少尋求兩家提供相同或同類產品的獨立第三方的報價。如果唯安科技中國所提供產品的價格及質量與提供相同或同類產品的獨立第三方所提供產品相當或對本集團更為有益，則本集團向其購買精密連接器。

唯安科技中國由CK Telecom Inc.（「CK Telecom」）全資擁有，而CK Telecom由執行董事兼主席及本公司控股股東（如上市規則所定義）何寧寧先生全資擁有。因此，唯安科技中國根據上市規則屬本公司關連人士。

截至二零一六年十二月三十一日止年度，根據採購協議進行的交易總額為人民幣零元，本年度之年度交易限額為人民幣300,000元。

On 16 December 2016, the Company and Van Telecom PRC renewed the Purchase Agreement (the “Renewed Purchase Agreement”), pursuant to which, Van Telecom PRC agreed to continue to supply to the Group precise connectors for a term commenced from 1 January 2017 and expiring on 31 December 2019. Please refer to the announcement of the Company dated 16 December 2016 for details.

C-Flex Electronic Purchase Agreement in respect of the purchase of flexible printed circuit board (“FPC”) from C-Flex Electronic (Heyuan) Ltd. (formerly known as C-Flex Electronic (Heyuan) Co., Ltd) (“C-Flex Electronic”)

On 13 November 2014, the Company entered into a purchase agreement (the “C-Flex Electronic Purchase Agreement”) with C-Flex Electronic, pursuant to which C-Flex Electronic agreed to supply the FPCs to the Group for a term from 1 January 2014 to 31 December 2016.

The price for the FPCs supplied by C-Flex Electronic under the C-Flex Electronic Purchase Agreement was determined by reference to the price at which comparable types of FPCs that are sold by independent suppliers to the Group under normal commercial terms in the ordinary course of its business and such price shall be no less favourable to the Group than was available from independent suppliers. In considering whether to purchase from C-Flex Electronic, the Group sought quotations from at least two independent third parties offering the same or comparable products. The Group purchased the FPCs from C-Flex Electronic if the price and quality of the products offered were comparable to or more favourable to the Group than those offered by independent third parties for the same or comparable products.

於二零一六年十二月十六日，本公司與唯安科技中國續期採購協議（「續期採購協議」），據此，唯安科技中國同意向本集團繼續供應精密連接器，期限由二零一七年一月一日起至二零一九年十二月三十一日止，詳見本公司於二零一六年十二月十六日之公告。

有關向河源西普電子有限公司（前稱「西普電子（河源）有限公司」）（「西普電子」）購買柔性印刷電路板（「柔性印刷電路板」）訂立的西普電子採購協議

於二零一四年十一月十三日，本公司與西普電子訂立採購協議（「西普電子採購協議」），據此，西普電子同意向本集團提供柔性印刷電路板，期限由二零一四年一月一日起至二零一六年十二月三十一日止。

西普電子根據西普電子採購協議供應的柔性印刷電路板價格乃參考獨立供應商於日常業務過程中按正常商業條款向本集團銷售的同類柔性印刷電路板的價格釐定，且向本集團提供的有關價格不得遜於獨立供應商所提供者。在考慮是否向西普電子購買時，本集團尋求至少兩家提供相同或同類產品的獨立第三方的報價。如果西普電子所提供產品的價格及質量與提供相同或同類產品的獨立第三方所提供者相當或對本集團更加優惠，則本集團向其購買柔性印刷電路板。

C-Flex Electronic is wholly owned by Shenzhen Handi Venture Capital Investment Co., Ltd. ("Shenzhen Handi"), a wholly-owned subsidiary of Shenzhen Xike Dexin Telecom Equipment Co., Ltd. ("Shenzhen CK") which is in turn owned as to 90.0% by Mr. He Ningning, an executive Director, the Chairman and controlling shareholder (as defined in the Listing Rules) of the Company, and 10.0% by Mr. Wang Jianqiang, an executive Director and the chief executive officer. As such, C-Flex Electronic is a connected person of the Company for the purpose of the Listing Rules.

For the year ended 31 December 2016, the total transaction amount under the C-Flex Electronic Purchase Agreement was approximately RMB6,387,000 and the annual cap amount for the Year was RMB6,500,000.

On 16 December 2016, the Company and C-Flex Electronic renewed the Purchase Agreement (the "Renewed C-Flex Electronic Purchase Agreement"), pursuant to which, C-Flex Electronic agreed to continue to supply to the Group flexible printed circuits and rigid-flex printed circuit boards, for a further term commenced from 1 January 2017 and expiring on 31 December 2019. Please refer to the announcement of the Company dated 16 December 2016 for details.

Supply Agreement and Supplemental Supply Agreement in respect of the supply of camera modules to CK Telecom Limited ("Heyuan CK")

On 13 November 2014, the Company entered into a supply agreement (the "Supply Agreement") with Heyuan CK, pursuant to which the Group agreed to supply the camera modules to Heyuan CK for the production of its products for a term from 1 January 2014 to 31 December 2016. On 29 December 2014, the Company and Heyuan CK entered into a supplemental supply agreement (the "Supplemental Supply Agreement") to revise the annual caps under the Supply Agreement.

西普電子由深圳市漢迪創業投資有限公司（其為深圳市西可德信通信技術設備有限公司（「深圳西可」）之全資子公司）全資擁有，而深圳西可分別由執行董事兼主席及本公司控股股東（如上市規則所定義）何寧寧先生及執行董事兼行政總裁王健強先生擁有90.0%及10.0%權益。因此，西普電子根據上市規則屬本公司關連人士。

截止二零一六年十二月三十一日止年度，根據西普電子採購協議進行的交易總額約為人民幣6,387,000元，本年度之年度交易限額為人民幣6,500,000元。

於二零一六年十二月十六日，本公司與西普電子續期採購協議（「西普電子續期採購協議」），據此，西普電子同意向本集團繼續提供柔性印刷電路板和軟硬結合型印刷電路板，期限由二零一七年一月一日起至二零一九年十二月三十一日止，詳見本公司於二零一六年十二月十六日之公告。

有關向西可通信技術設備（河源）有限公司（「河源西可」）供應攝像頭模組訂立的供貨協議及補充供貨協議

於二零一四年十一月十三日，本公司與河源西可訂立供貨協議（「供貨協議」），據此，本集團同意向河源西可供應攝像頭模組作產品生產用途，期限由二零一四一月一日起至二零一六年十二月三十一日止。於二零一四年十二月二十九日，本公司與河源西可訂立補充供貨協議（「補充供貨協議」）以修訂供貨協議所規定的年度交易限額。

The price for the camera modules supplied by the Group under the Supply Agreement and the Supplemental Supply Agreement was determined by reference to the raw material costs and production costs to be incurred by the Group and the profit margin, which is expected to be comparable with the level of profits derived from the Group's sales to independent customers, subject to adjustments arising from the expected quantity, quality, delivery schedule, specifications and market competition.

Heyuan CK is wholly owned by CK Telecom which is in turn wholly owned by Mr. He Ningning, an executive Director, the Chairman and controlling shareholder (as defined in the Listing Rules) of the Company. As such, Heyuan CK is a connected person of the Company for the purpose of the Listing Rules.

For the year ended 31 December 2016, the total transaction amount under the Supply Agreement and Supplemental Supply Agreement was approximately RMB70,219,000 and the revised annual cap amount for the Year was RMB70,500,000.

On 16 December 2016, the Company and Heyuan CK renewed the Supply Agreement (the "Renewed Heyuan CK Supply Agreement"), pursuant to which, Heyuan CK agreed to continue to purchase from the Group camera modules and fingerprint recognition modules, for a further term commenced from 1 January 2017 and expiring on 31 December 2019. Please refer to the announcement of the Company dated 16 December 2016 for details.

本集團根據供貨協議及補充供貨協議供應的攝像頭模組價格乃參考我們的原材料成本及本集團產生的生產成本以及利潤釐定，而利潤率與向獨立客戶作出的銷售所獲得的溢利水平相當，且根據預計數量、質量、交貨計劃、規格及市場競爭而作出調整。

河源西可由CK Telecom全資擁有，而CK Telecom由執行董事兼主席及本公司控股股東（如上市規則所定義）何寧寧先生全資擁有。因此，河源西可根據上市規則屬本公司關連人士。

截止二零一六年十二月三十一日止年度，根據供貨協議及補充供貨協議進行的交易總額約為人民幣70,219,000元，本年度之經修訂的年度交易限額為人民幣70,500,000元。

於二零一六年十二月十六日，本公司與河源西可續期供貨協議（「河源西可續期供貨協議」），據此，河源西可同意向本集團繼續採購攝像頭模組和指紋識別模組，期限由二零一七年一月一日起至二零一九年十二月三十一日止，詳見本公司於二零一六年十二月十六日之公告。

Property Sub-Lease Agreement entered into by Chengdu QT, an indirect wholly-owned subsidiary of the Company and Chengdu CK Technology Limited (“Chengdu CK”) (“Chengdu CK Sub-Lease Agreement”)

On 6 June 2014, Chengdu QT, an indirect wholly-owned subsidiary of the Company entered into a lease agreement with Chengdu CK (the “Chengdu CK Sub-Lease Agreement”), pursuant to which, Chengdu CK agreed to sub-lease certain portion of the premises situated on the 6th floor, Block 12, Zone C, Tianfu Software Park, No. 219 Tianhua Er Road, Gaoxin District, Chengdu, the PRC (中國成都市高新區天華二路219號天府軟件園C區12棟6層), with total gross area of approximately 242 sq.m. to Chengdu QT for a term from 6 June 2014 to 31 December 2016.

The landlord of the premises sub-leased by Chengdu CK to Chengdu QT is an independent third party, the rent under the Chengdu CK Sub-Lease Agreement paid by Chengdu QT to Chengdu CK was determined with reference to the market rent for similar premises in the vicinity and the rent, utilities and management fees payable by Chengdu CK under the tenancy agreement entered into with the Landlord and on normal commercial terms, and such prices shall be no less favourable to Chengdu QT than is available from independent third parties.

Chengdu CK is a wholly-owned subsidiary of Shenzhen CK, which is in turn owned as to 90.0% by Mr. He Ningning, an executive Director, the chairman and controlling shareholder (as defined in the Listing Rules) of the Company and as to 10.0% by Mr. Wang Jianqiang, an executive Director and the chief executive officer, respectively. As such, Chengdu CK is a connected person of the Company for the purpose of the Listing Rules.

For the year ended 31 December 2016, the total transaction amount under the Chengdu CK Sub-Lease Agreement was approximately RMB128,000 and the annual cap amount for the Year was RMB131,000.

有關本公司之間接全資附屬公司成都丘鈦與成都西可科技有限公司(「成都西可」)訂立的物業轉租協議(「成都西可轉租協議」)

於二零一四年六月六日，本公司之間接全資附屬公司成都丘鈦與成都西可訂立租賃協議(「成都西可轉租協議」)，據此，成都西可同意將位於中國成都市高新區天華二路219號天府軟件園C區12棟6層的物業之若干部分總面積約242平方米轉租予成都丘鈦，期限由二零一四年六月六日起至二零一六年十二月三十一日止。

成都西可轉租予成都丘鈦之物業之業主為獨立第三方，成都丘鈦根據成都西可轉租協議將支付予成都西可的租金乃參考鄰近類似物業之市場租金及成都西可與業主訂立之租賃協議應付之租金、水電及管理費按正常商業條款釐定，向成都丘鈦提供的有關價格不得遜於獨立第三方所提供者。

成都西可為深圳西可之全資子公司，而深圳西可分別由執行董事兼主席及本公司控股股東(如上市規則所定義)何寧寧先生及執行董事兼行政總裁王健強先生擁有90.0%及10.0%權益。因此，成都西可根據上市規則屬本公司關連人士。

截止二零一六年十二月三十一日止年度，根據成都西可轉租協議進行的交易總額約為人民幣128,000元，本年度之年度交易限額為人民幣131,000元。

On 16 December 2016, Chengdu QT and Chengdu CK renewed the Sub-Lease Agreement (“the Renewed Chengdu CK Sub-Lease Agreement”), pursuant to which, Chengdu CK agreed to continue to sub-lease certain portion of the premises situated on the 6th floor, Block 12, Zone C, Tianfu Software Park, No. 219 Tianhua Er Road, Gaoxin District, Chengdu, the PRC (中國成都市高新區天華二路219號天府軟件園C區12棟6層), with total gross area of approximately 242 sq.m. to Chengdu QT, for a term commenced from 1 January 2017 and expiring on 31 December 2019. Please refer to the announcement of the Company dated 16 December 2016 for details.

Property Lease Agreements entered into by Kunshan QT China, an indirect wholly-owned subsidiary of the Company and Van Telecom PRC (the “Van Telecom PRC Property Lease Agreements”)

Kunshan QT China, an indirect wholly-owned subsidiary of the Company entered into two factory building and dormitories lease agreements (collectively the “Van Telecom PRC Property Lease Agreements”) with Van Telecom PRC on 23 June 2016 and 16 September 2016 respectively, pursuant to which, Van Telecom PRC agreed to lease certain factory buildings and worker's dormitories situated on No. 1999 Hanpu Road, Kunshan, Jiangsu Province, the PRC (中國江蘇省昆山市漢浦路1999號) to Kunshan QT China for a term up to 31 December 2018.

The property leased by Van Telecom PRC to Kunshan QT China is its own property, the rent under the Van Telecom PRC Property Lease Agreements paid by Kunshan QT China to Van Telecom PRC was determined with reference to the market rent for similar premises in the vicinity and on normal commercial terms, and such prices offered by Van Telecom PRC shall be no less favourable to Kunshan QT China than is available from independent third parties.

Van Telecom PRC is wholly-owned by CK Telecom, which is in turn wholly-owned by Mr. He Ningning, an executive Director, the chairman and controlling shareholder (as defined in the Listing Rules) of the Company. As such, Van Telecom PRC is a connected person of the Company for the purpose of the Listing Rules.

於二零一六年十二月十六日，成都丘鈦與成都西可續期轉租協議（「成都西可續期轉租協議」），據此，成都西可同意繼續將位於中國成都市高新區天華二路219號天府軟件園C區12棟6層的物業之若干部分總面積約242平方米轉租予成都丘鈦，期限由二零一七年一月一日起至二零一九年十二月三十一日止，詳見本公司於二零一六年十二月十六日之公告。

有關本公司之間接全資附屬公司昆山丘鈦中國與唯安科技中國訂立的物業租賃協議（「唯安科技中國租賃協議」）

本公司之間接全資附屬公司昆山丘鈦中國與唯安科技中國分別於二零一六年六月二十三日及二零一六年九月十六日訂立兩份工業廠房與宿舍租賃協議（統稱為「唯安科技中國租賃協議」），據此，唯安科技中國同意將位於中國江蘇省昆山市漢浦路1999號之若干工業廠房及員工宿舍租賃予昆山丘鈦中國，租賃期限至二零一八年十二月三十一日止。

唯安科技中國租予昆山丘鈦中國之物業為其自有物業，昆山丘鈦中國根據唯安科技中國租賃協議支付予唯安科技中國的租金乃參考鄰近類似物業之市場租金按正常商業條款釐定，唯安科技中國向昆山丘鈦中國提供的有關價格不得遜於獨立第三方所提供者。

唯安科技中國由CK Telecom全資擁有，而CK Telecom由執行董事兼主席及本公司控股股東（如上市規則所定義）何寧寧先生全資擁有。因此，唯安科技中國根據上市規則屬本公司關連人士。

For the year ended 31 December 2016, the total transaction amount under the Van Telecom PRC Property Lease Agreements was approximately RMB588,000 and the annual cap amount for the Year was RMB1,744,325.

On 16 December 2016, Kunshan QT China renewed the lease agreements with Van Telecom PRC (the "Renewed Van Telecom PRC Property Lease Agreement"), pursuant to which, Van Telecom PRC agreed to continue to lease certain factory buildings and worker's dormitories situated on No. 1999 Hanpu Road, Kunshan, Jiangsu Province, the PRC (中國江蘇省昆山市漢浦路1999號) to Kunshan QT China for a term commenced from 1 January 2017 and expiring on 31 December 2019. Please refer to the announcement of the Company dated 16 December 2016 for details.

The INEDs have reviewed the aforesaid continuing connected transactions and confirmed that such transactions have been:

1. entered into in the ordinary and usual course of business of the Group;
2. entered into on normal commercial or better terms; and
3. entered into in accordance with the agreements governing them on terms that are fair and reasonable and in the interests of the Company and Shareholders' as a whole.

The independent auditor of the Company was engaged to report on the Group's 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 by 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 independent auditor of the Company has issued an unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this section in accordance with Rule 14A.56 of the Listing Rules. A copy of the relevant independent auditor's letter has been provided by the Company to the Stock Exchange.

截止二零一六年十二月三十一日止年度，根據唯安科技中國租賃協議進行的交易總額約為人民幣588,000元，本年度之年度交易限額為人民幣1,744,325元。

於二零一六年十二月十六日，昆山丘鈦中國與唯安科技中國續期租賃協議（「唯安科技中國續期租賃協議」），據此，唯安科技中國同意繼續將位於中國江蘇省昆山市漢浦路1999號之若干工業廠房及員工宿舍租賃予昆山丘鈦中國，期限由二零一七年一月一日起至二零一九年十二月三十一日止，詳見本公司於二零一六年十二月十六日之公告。

本公司獨立非執行董事已審閱及確認，本公司的上述持續關連交易：

- (i) 屬於本集團的日常業務；
- (ii) 交易已簽訂正常公允的商業條款或更佳條款；及
- (iii) 按照具有對本公司股東的整體利益公平及合理的條款之協議簽訂。

本公司獨立核數師已獲委聘遵照香港會計師公會頒佈的香港鑒證業務準則第3000號「歷史財務信息審計或審閱以外的鑒證業務」，並參照實務說明第740號「香港上市規則規定的持續性關連交易的審計師函件」，就本集團的持續關連交易作出報告。本公司獨立核數師已根據上市規則第14A.56條的規定發出載有其有關本集團於本章內所披露持續關連交易的發現及結論的無保留意見函件。本公司已將獨立核數師函件副本呈交予聯交所。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

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 as required by the Listing Rules during the Year and up to the latest practicable date prior to the date of this report.

DIRECTORS' COMPETING BUSINESS

A deed of non-competition (the "Deed of Non-Competition") was entered into by Mr. He Ningning, the Chairman and an executive Director and QT Investment (a company wholly-owned by Mr. He Ningning) (collectively, the "Controlling Shareholders") in favour of the Company on 13 November 2014, pursuant to which each of the Controlling Shareholders will not, and will procure its/his close associates (other than members of the Group) not to directly or indirectly be involved in or undertake any business (other than the Group's business) that directly or indirectly competes, or may compete, with the Group's business or undertaking, or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by the Group from time to time except where the Controlling Shareholders hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of the Group and they do not control 10% or more of the composition of the Board.

The Company has received the annual written confirmation from the Controlling Shareholders in respect of the compliance and enforcement of the terms of the Deed of Non-Competition by the Controlling Shareholders during the Year.

優先購買權

根據本公司組織章程細則或開曼群島相關法律，概無條文規定本公司須按比例向現有股東發售新股之優先購買權。

足夠之公眾持股量

根據本公司可從公眾渠道獲得之資料及就董事所知，於本年度至本報告發佈之日之前的最後實際可行日期，本公司一直維持上市規則規定的足夠之公眾持股量。

董事之競爭業務

主席兼執行董事何寧寧先生及丘鈇投資（一間由何寧寧先生全資擁有的公司）（統稱「控股股東」）於二零一四年十一月十三日簽訂了對本公司有利的不競爭契據（「不競爭契據」），據此各控股股東將不會並將促使其緊密聯繫人（本集團成員公司除外）不直接或間接參與或進行任何與我們的業務或事業直接或間接構成競爭或可能構成競爭的業務（我們的業務除外），或於任何直接或間接與本集團不時從事的業務構成競爭的公司或業務持有股份或權益，惟控股股東於任何從事與本集團任何成員公司所從事的任何業務存在或可能存在競爭的業務的任何公司（其股份於聯交所或任何其他證券交易所上市）持有已發行股本總額少於5%，且對我們的董事會組成的控制權未達10%或以上者除外。

於本年度，本公司已收取來自控股股東就控股股東符合及執行不競爭契據之年度書面確認函。

The INEDs have reviewed the Deed of Non-Competition entered into by the Controlling Shareholders as to whether the Controlling Shareholders had abided by the Deed of Non-Competition. The INEDs confirmed that the Controlling Shareholders had not been in breach of the Deed of Non-Competition during the Year.

Apart from the business of the Group, none of the Directors or their respective associates had engaged in or had any interest in any business which competed or might compete with the business of the Group during the Year.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult a professional adviser.

INDEPENDENT AUDITORS

Upon the recommendation of the Audit Committee, the Board has resolved that a resolution will be proposed at the forthcoming AGM to re-appoint Messrs. KPMG as the independent auditor of the Company.

On behalf of the Board
He Ningning
Chairman

Hong Kong, 16 March 2017

獨立非執行董事已就控股股東是否遵守彼等簽訂之不競爭契據審閱不競爭契據。獨立非執行董事確認控股股東於本年度並無違反不競爭契據。

除本集團業務外，本年度概無董事或彼等各自聯繫人參與任何與本集團業務競爭或可能競爭的業務或於其中擁有任何權益。

建議之專業稅務意見

如本公司股東未能確定購買、持有、出售、處理或行使本公司有關股份之任何權利之稅務影響，謹請彼等諮詢專業人士。

獨立核數師

應審核委員會之推薦，董事會決議同意，於應屆股東週年大會上將就續聘畢馬威會計師行為本公司之獨立核數師提呈決議案。

代表董事會
主席
何寧寧

香港，二零一七年三月十六日

The Company is committed to fulfilling its responsibilities to the Company's shareholders (the "Shareholders") and protecting and enhancing Shareholders' value through good corporate governance.

The Directors of the Company recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with all applicable code provisions as set out in the Corporate Governance Code (the "CG Code") as contained in Appendix 14 to the Listing Rules during the Year.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on the Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code during the Year.

本公司致力於履行其對本公司股東（「股東」）應負之責任，透過採用良好的企業管治保障及增加股東價值。

本公司董事認為在本集團管理架構及內部監控程序引進良好企業管治元素乃非常重要，藉以達致有效的問責性。

企業管治常規

本公司於本年度已遵照上市規則附錄十四所載企業管治守則（「企管守則」）所載的所有適用守則條文。

董事進行證券交易

本公司已採納上市規則附錄十所列載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為其董事進行證券交易的行為守則。經本公司向董事作出具體查詢後，全體董事確認彼等於本年度已遵照標準守則所規定之準則。

BOARD OF DIRECTORS

Responsibilities

The board of Directors (the “Board”) is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group’s values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group’s business plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group’s corporate governance and all other functions reserved to the Board under the Company’s articles of association (the “Articles of Association”). The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference which are published on the respective websites of the Stock Exchange and the Company. The Board may from time to time delegate certain functions to management of the Group if and when considered appropriate. The management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

The Directors have full access to information of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company’s expense.

Composition

The Company is committed to the view that the Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

董事會

職責

董事會（「董事會」）主要負責監管及監督本集團之業務事宜管理及整體表現。董事會設定本集團的價值及標準，並確保具備必須的財務及人力資源，使本集團得以實現其宗旨目標。董事會履行的職能包括但不限於制訂本集團業務計劃及策略、決定所有重大財務（包括主要的資本支出）及營運事項，發展、監察及審查本集團的企業管治及所有其他根據本公司組織章程細則（「組織章程細則」）須經由董事會負責的職能。董事會轄下已設立董事委員會，並向該等董事委員會轉授其各自職權範圍載列之各項責任。該等董事會委員各自的職權範圍分別於聯交所及本公司網站刊發。董事會可於其認為適當之時不時授予本集團管理人員若干職能。管理人員主要負責執行董事會採用及並不時獲指派的業務計劃、策略及政策。

董事可於適當之情況下取閱本集團之資料並有權徵詢獨立專業意見，費用由本公司支付。

組成

本公司致力秉持董事會應包括適當比例的執行董事及獨立非執行董事，致使董事會具備高度獨立性以能有效作出獨立判斷。

During the Year and up to the date of this report, the Board comprises the following six Directors:

Executive Directors

Mr. He Ningning (*Chairman*)
Mr. Wang Jianqiang (*Chief Executive Officer*)
Mr. Hu Sanmu (*Vice President of Sales*)
(Appointed on 8 July 2016)
Mr. Yang Peikun
(Resigned as an executive Director and
Chief Executive Officer on 8 July 2016)

Independent Non-executive Directors (the “INEDs”)

Ms. Chen Jun
Mr. Ng Sui Yin
Mr. Chu Chia-Hsiang

The biographical details of each of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report.

Mr. He Ningning, the chairman of the Board (the “Chairman”) and an executive Director, is the step-brother of Mr. Wang Jianqiang, Chief Executive Officer of the Group and an executive Director. Save as aforesaid, there was no financial, business, family or other material relationship among the Directors.

The INEDs have brought a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

Throughout the Year, the Company had three INEDs, representing half of the Board members, which has exceeded the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members, and met the requirement that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

於本年度及直至本報告日期，董事會包括以下六名董事：

執行董事

何寧寧先生 (主席)
王健強先生 (行政總裁)
胡三木先生 (銷售副總裁)
(二零一六年七月八日獲委任)
楊培坤先生
(二零一六年七月八日辭任
執行董事及行政總裁)

獨立非執行董事 (「獨立非執行董事」)

陳郡女士
吳瑞賢先生
初家祥先生

各董事的履歷資料列載於本年度報告「董事及高級管理層之履歷詳情」內。

董事會主席 (「主席」) 兼執行董事何寧寧先生為本集團行政總裁及執行董事王健強先生的繼兄。除上文所述，董事之間並無財務、業務、家族或其他重大關係。

獨立非執行董事為董事會帶來淵博的經營及財務專業知識、經驗及獨立判斷。通過積極參與董事會議，供職於各董事委員會，全體獨立非執行董事將繼續為本公司做出種種貢獻。

本公司於本年度委任三名獨立非執行董事 (相當於一半董事會成員)，並符合上市規則規定，即獨立非執行董事的人數須佔董事會成員人數的至少三分之一，及符合至少有一名獨立非執行董事具備適當專業資格或會計或相關財務管理專業知識的規定。

The Company has received an annual confirmation of independence in writing from each of the INEDs pursuant to Rule 3.13 of the Listing Rules. Based on such confirmation, the Company considers that all the INEDs are independent and have met the independence guidelines set out in Rule 3.13 of the Listing Rules during the Year and up to the date of this annual report.

During the Year, the Chairman has held one meeting with INEDs without the presence of the executive Directors.

Proper insurance coverage in respect of legal actions against the Directors' liability has been arranged by the Company.

Directors' Continuing Professional Development

For the Year, each of the Directors (namely Mr. He Ningning, Mr. Wang Jianqiang, Mr. Hu Sanmu, Ms. Chen Jun, Mr. Ng Sui Yin and Mr. Chu Chia-Hsiang) have complied with the requirements of the Code Provision A6.5 of the CG Code, have participated in relevant continuing professional development and training at the Company's expense, and all Directors have been requested to provide the Company with their training records.

In addition, the Company has from time to time provided briefings to all Directors to develop and refresh their duties and responsibilities.

本公司已收取來自各獨立非執行董事因應上市規則第3.13條規定而以書面形式提交之年度確認書。基於該等確認書，本公司認為，於本年度及直至本報告日期，全體獨立非執行董事均具獨立性且已遵守上市規則第3.13條所設定的獨立指引。

於本年度，主席已與獨立非執行董事舉行一次無執行董事列席之會議。

本公司已就董事可能面對之法律訴訟作適當投保安排。

董事持續專業發展

於本年度，各董事（即何寧寧先生、王健強先生、胡三木先生、陳郡女士、吳瑞賢先生及初家祥先生）均已遵守企管守則條文A6.5條之規定，參與了有關持續專業發展及培訓，費用由本公司承擔及全體董事已被要求向本公司提供其培訓記錄。

此外，本公司已不時向全體董事提供簡報，使董事得以發展及實時瞭解其職責及責任。

Meetings of the Board and Directors' Attendance Records

During the Year, the Board held ten meetings in total (i.e. on 1 February, 24 March, 8 April, 20 May, 8 July, 19 August, 26 October, 1 December, 8 December and 16 December 2016 respectively) with notice given to the Directors at least 14 days in advance. Before each Board meeting, an agenda and the accompanying Board papers have been sent to all Directors at least three days before the intended date of the Board meeting or such other period as agreed in advance. The joint company secretaries of the Company (the "Joint Company Secretaries") are responsible for keeping all Board meeting's minutes. The draft and final versions of the minutes have been circulated to the Directors for comments and record within a reasonable time after each meeting and the final version is open for the Directors' inspection.

The attendance of each Director at the Board meetings and general meeting during the Year is as follows:

董事會會議及董事出席記錄

於本年度，董事會共舉行十次會議，分別於二零一六年二月一日、三月二十四日、四月八日、五月二十日、七月八日、八月十九日、十月二十六日、十二月一日、十二月八日及十二月十六日，並最少於會議十四天前向董事發出通知。於每次董事會會議前，最少於董事會會議預定日期三天前或事前協定期間前向全體董事發出議程及隨附董事會文件。本公司聯席公司秘書（「聯席公司秘書」）負責保管所有董事會會議記錄。於每次會議後，於合理期間內提供記錄稿本及最終定稿予董事傳閱及記錄，以便董事給予意見，而最終確認版本可公開供董事查閱。

各董事於本年度出席董事會及股東大會會議記錄如下：

Name of Directors	董事姓名	Meetings attended/ Eligible to attend 出席次數／有資格出席	
		Board 董事會	General Meeting 股東大會
Executive Directors			
執行董事			
Mr. He Ningning (<i>Chairman</i>)	何寧寧先生 (主席)	10/10	1/1
Mr. Yang Peikun (Resigned on 8 July 2016)	楊培坤先生 (於二零一六年七月八日辭任)	5/5	1/1
Mr. Wang Jianqiang (<i>Chief Executive Officer</i>)	王健強先生 (行政總裁)	10/10	1/1
Mr. Hu Sanmu (<i>Vice President of Sales</i>) (Appointed on 8 July 2016)	胡三木先生 (銷售副總裁) (於二零一六年七月八日 獲委任)	5/5	
Independent Non-executive Directors (the "INEDs")			
獨立非執行董事			
Ms. Chen Jun	陳郡女士	10/10	1/1
Mr. Ng Sui Yin	吳瑞賢先生	10/10	1/1
Mr. Chu Chia-Hsiang	初家祥先生	10/10	1/1

Board Diversity Policy

The Board has adopted a policy of the Board diversity (the “Board Diversity Policy”) with all measurable objectives set for implementing the same.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, language, cultural background, educational background, industry experience and professional experience.

CHAIRMAN AND CHIEF EXECUTIVE

The roles of the Chairman and the Chief Executive Officer are separate and performed by different individuals to ensure a balance of power and authority so that power is not concentrated in any one individual. Mr. He Ningning, Chairman, is responsible for the management of the Board while Mr. Wang Jianqiang, Chief Executive Officer, is responsible for managing the Group’s business and overall operations. There is a clear division of responsibilities between Chairman and Chief Executive Officer.

During the year, Mr. Yang Peikun, previous executive Director and Chief Executive Officer, resigned as an executive Director and Chief Executive Officer due to personal affairs (please refer to the announcement of the Company dated 8 July 2016 for details).

BOARD COMMITTEES

The Board has established four Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee, to oversee particular aspects of the Company’s affairs. The Board committees are provided with sufficient resources to discharge their duties.

董事會多元化政策

董事會採納董事會多元化政策（「董事會多元化政策」），並就推行相同政策討論所有可衡量宗旨。

本公司明白並深信董事會成員多元化之利益，並致力確保董事會具備適用於本公司業務要求的技巧、經驗及思維多元化之平衡配套。董事會所有委任將繼續以沿才委任為基準，兼顧董事會成員多元化之利益，並將根據一系列多元化思維（包括但不限於性別、年齡、語言、文化背景、教育背景、行業經驗及專業經驗）挑選候選人。

主席及行政總裁

主席及行政總裁負責不同任務及由不同人士擔當，以確保權力及授權之平衡，使任何單一人士不能包攬全部權力。主席何寧寧先生負責董事會管理，而行政總裁王健強先生負責管理本集團業務及整體運作。主席與行政總裁各自之責任顯然有別。

於本年度，原執行董事兼行政總裁楊培坤先生因個人事務的原因辭去執行董事及行政總裁職務（詳見本公司於二零一六年七月八日之公告）。

董事會轄下委員會

董事會已設立轄下四個委員會，即審核委員會、薪酬委員會、提名委員會及風險管理委員會，以專門監控本公司不同方面之指定事項。董事會轄下委員會均獲提供履行其各自職責之充分資源。

The written terms of reference for the Board committees are posted on the respective websites of the Stock Exchange and the Company.

Audit Committee

The Audit Committee was established with written terms of reference in compliance with the CG Code. It comprises three INEDs, namely Mr. Ng Sui Yin, Ms. Chen Jun and Mr. Chu Chia-Hsiang. Mr. Ng Sui Yin is the chairman of the Audit Committee.

The principal roles and functions of the Audit Committee include, but are not limited to:

- making recommendations to the Board on the appointment, re-appointment and removal of external auditor, and approving the remuneration and terms of engagement of the external auditor, and handling any questions regarding its resignation or dismissal;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and discussing with the external auditor on the nature and scope of the audit and reporting obligations before the audit commences;
- developing and implementing a policy on engaging an external auditor to supply non-audit services and reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- monitoring the integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgments contained in them;
- reviewing the Company's financial controls, internal control and risk management systems;
- discussing the internal control system with the management to ensure that the management has performed its duty and have an effective internal control system in place;

董事會轄下委員會之書面職權範圍分別刊登於聯交所及本公司網站上。

審核委員會

審核委員會具備書面職權範圍及符合企管守則。審核委員會包括三名獨立非執行董事，即吳瑞賢先生、陳郡女士及初家祥先生。吳瑞賢先生擔任審核委員會主席。

審核委員會的主要角色及職能包括但不限於：

- 就外部核數師的委聘、續聘及解聘向董事會提供建議、批准外部核數師薪酬及聘用條款，及處理任何有關外部核數師辭職或解聘的問題；
- 監察外部核數師之獨立性、客觀性及核數程序依據適用準則之有效性，並於開始核數前與外部核數師商討核數性質與範疇及匯報責任；
- 制定及執行聘任外部核數師之政策，以提供非核數服務，向董事會匯報、並於需要行動或改進時確定及推薦任何事項；
- 審查及監察本公司財務報表、年度報告及賬目、半年度報告及季度報告（如為刊登而擬備）之完整性，並審查其中所載重大財務匯報判斷；
- 審查本公司財務管制、內部控制及風險管理制度；
- 與管理層商討內部控制制度，以確保管理層已履行其職責，提供有效之內部控制制度；

- considering major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
 - ensuring coordination between the internal and external auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
 - reviewing the Group's financial and accounting policies and practices;
 - reviewing the external auditor's management letter, any material queries raised by the auditor to management about the accounting records, financial accounts or systems of control and management's response;
 - reviewing the pricing rules of continuing connected transactions and implementation of transaction caps, etc.;
 - ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter; and
 - considering other topics as defined by the Board.
- 根據董事會轉委或其本身主動提議，審閱對內部控制事項主要調查結果及管理層對有關調查結果之回應；
 - 確保內部與外部核數師之間的協調，使內部核數具備適當充實之功能及於本公司內部有恰當立場，並審查及監察其有效性；
 - 審查本集團財務及會計之政策及慣例；
 - 審查外部核數師之管理函件、核數師向管理層提出之任何會計記錄、財務賬目或管制制度之重大查詢及管理層之回應；
 - 審查持續關連交易之定價規則及交易限額執行等各項情況；
 - 確保董事會將會就外部核數師管理層函件所提出事項及時給予回應；及
 - 研究董事會界定之其他課題。

During the Year, the Audit Committee held two meetings in total (i.e. on 24 March 2016 and 19 August 2016) (the "Audit Committee Meetings") respectively and reviewed the audited consolidated results for the year ended 31 December 2015 and the unaudited consolidated results for the six months ended 30 June 2016 of the Company, respectively, including the accounting principles and practice adopted by the Group, the Company's compliance with the code provisions of the CG Code and disclosure thereof in the relevant annual and interim reports, the effectiveness of the Group's internal control and recommended to the Board for consideration the same and the re-appointment of KPMG, Certified Public Accountants as the Company's external auditor at the annual general meeting of the Company held on 20 May 2016 ("2016 AGM").

於本年度，審核委員會共舉行兩次會議，分別於二零一六年三月二十四日及二零一六年八月十九日（「審核委員會會議」），並分別審查本公司截至二零一五年十二月三十一日止年度經審核合併業績及截至二零一六年六月三十日止六個月未經審閱合併業績，包括本集團所採用會計原則及慣例、本公司遵守企管守則之守則條文及在相關年報及中期報告中披露及本集團內部控制之有效性，並向董事會推薦考慮該等會計原則及慣例及於二零一六年五月二十日舉行之本公司股東週年大會（「二零一六年股東週年大會」）上續聘註冊會計師畢馬威會計師事務所擔任本公司外部核數師。

The attendance of each INED at the Audit Committee Meetings during the Year is as follows:

各董事於本年度出席審核委員會會議記錄如下：

Name of Directors	董事姓名	No. of Attendance (Note)/ No. of Meetings	出席次數 (附註) / 會議次數
Mr. Ng Sui Yin (Chairman)	吳瑞賢先生 (主席)	2/2	2/2
Ms. Chen Jun	陳郡女士	2/2	2/2
Mr. Chu Chia-Hsiang	初家祥先生	2/2	2/2

Note: The Audit Committee Meeting was attended by the INEDs in person, not by an alternate.

附註：所有董事均親身出席審核委員會會議，非由代理人出席。

The Audit Committee held one meeting on 16 March 2017 and reviewed the Company's draft audited consolidated results for the Year, including the accounting principles and practice adopted by the Group, the Company's compliance with the code provisions of the CG Code and disclosure in this report, as well as the effectiveness of the Group's internal control and recommended to the Board for consideration the same and the re-appointment of KPMG, Certified Public Accountants as the Company's external auditor at the AGM.

審核委員會亦於二零一七年三月十六日舉行一次會議，並審查本公司本年度經審核合併業績草稿，包括本集團所採用會計原則及慣例、本公司遵守企管守則之守則條文及在本報告的披露及本集團內部控制之有效性，並向董事會推薦考慮該等會計原則及慣例及在股東週年大會上續聘註冊會計師畢馬威會計師事務所擔任本公司外部核數師。

Remuneration Committee

The Remuneration Committee has been established with written terms of reference in compliance with the CG Code. The Remuneration Committee comprises three INEDs, namely Mr. Chu Chia-Hsiang, Mr. Ng Sui Yin and Ms. Chen Jun. Mr. Chu Chia-Hsiang is the chairman of the Remuneration Committee.

薪酬委員會

薪酬委員會具備書面職權範圍及符合企管守則。薪酬委員會包括三名獨立非執行董事，即初家祥先生、吳瑞賢先生及陳郡女士。初家祥先生擔任薪酬委員會主席。

The principal roles and functions of the Remuneration Committee include, but are not limited to:

- making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
 - reviewing and approving the management's remuneration proposals by reference to the Board's corporate goals and objectives;
 - making recommendations to the Board on the remuneration packages of individual executive Directors and senior management including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - making recommendations to the Board on the remuneration of non-executive Directors;
 - considering salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group;
 - reviewing and approving compensation payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and reasonable and not excessive;
 - reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate; and
 - ensuring that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration.
- 薪酬委員會的主要角色及職能包括但不限於：
- 就本公司關於全體董事與高級管理人員薪酬政策及結構、及就制定薪酬政策而設立正式及透明程序而向董事會提供推薦意見；
 - 於參考董事會企業目標及宗旨後，審查及批准管理層薪酬建議；
 - 就個別執行董事及高級管理人員之薪酬組合向董事會提供推薦意見，包括實物利益、退休金權利及補償付款（包括任何損失或終止其任職或委任之任何應付補償）；
 - 就非執行董事之薪酬向董事會提供推薦意見；
 - 審閱可供比較公司所支付薪金、時間之投放、責任及本集團其他成員之僱用條件；
 - 檢討及批准向執行董事及高級管理人員就喪失或終止其職務或委任有關的賠償，以確保有關賠償按有關合約條款釐定，若未能按有關合約條款釐定，賠償亦須公平合理，不會對公司造成過重負擔；
 - 檢討及批准關於罷免或解聘行為不當董事之補償安排，以確保有關安排按合約條款釐定，若未能按有關合約條款釐定，有關賠償亦須合理適當；及
 - 確保概無董事或其任何聯繫人士（定義見上市規則）參與釐定其本身薪酬。

During the Year, the Remuneration Committee held one meeting on 24 March 2016, and reviewed and recommended to the Board for consideration certain remuneration-related matters of the Directors and senior management, determined the policy for the remuneration of executive Directors, assessed performance of executive Directors and approved the terms of executive Directors' service contracts.

For determining the remuneration packages of each Director, market rates and factors such as each Director's workload and required commitment were taken into account. In addition, factors comprising economic and market situations, individual contributions to the Group's results and development as well as individual's potential were considered when determining the remuneration packages of Executive Directors.

The attendance of each Director at the Remuneration Committee meeting during the Year is as follows:

於本年度，薪酬委員會於二零一六年三月二十四日舉行一次會議，並審查及向董事會推薦建議釐定若干與董事及高級管理人員薪酬有關之事項，決定執行董事的薪酬政策，評估執行董事的績效，及批准執行董事的服務合約。

對於釐定各董事之薪酬待遇，考慮市場水平與各項因素，如董事之工作量及所承擔之責任。此外，當釐定執行董事薪酬待遇時考慮之因素包括：經濟及市場情況、對本集團業績及發展之貢獻，以及個人之潛能等。

各董事於本年度出席薪酬委員會會議記錄如下：

Name of Directors	董事姓名	No. of Attendance (Note)/
		No. of Meetings 出席次數 (附註) / 會議次數
Mr. Chu Chia-Hsiang (<i>Chairman</i>)	初家祥先生 (主席)	1/1
Mr. Ng Sui Yin	吳瑞賢先生	1/1
Ms. Chen Jun	陳郡女士	1/1

Note: The Remuneration Committee Meeting was attended by the relevant Directors in person, not by an alternate.

附註：所有董事均親身出席薪酬委員會會議，非由代理人出席。

The Remuneration Committee also held one meeting on 16 March 2017, and reviewed and recommended to the Board for consideration certain remuneration-related matters of the Directors and senior management.

薪酬委員會亦於二零一七年三月十六日舉行一次會議，並審查及向董事會推薦建議釐定若干與董事及高級管理人員薪酬有關之事項。

Nomination Committee

The Nomination Committee has been established with written terms of reference in compliance with the CG Code. It comprises two INEDs, namely Ms. Chen Jun and Mr. Chu Chia-Hsiang and an executive Director, namely Mr. He Ningning. Mr. He Ningning is the chairman of the Nomination Committee.

提名委員會

提名委員會於具備書面職權範圍及符合企管守則。提名委員會包括兩名獨立非執行董事，即陳郡女士及初家祥先生，及一名執行董事，即何寧寧先生。何寧寧先生擔任提名委員會主席。

The principal roles and functions of the Nomination Committee include, but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of the INEDs;
- reviewing the Board Diversity Policy and reviewing the measurable objectives for implementing such Board Diversity Policy, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience of the Board, and the progress on achieving the objectives; and making disclosure of its progress and its review results in the annual report annually; and
- making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for the Directors, in particular, the Chairman and the chief executives.

During the Year, the Nomination Committee held one meeting on 24 March 2016, and among other things, reviewed the structure, size and composition of the Board, assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of all the retiring Directors as Directors at the 2016 AGM as well as determined the policy for the nomination of Directors.

提名委員會的主要角色及職能包括但不限於：

- 至少每年檢討董事會結構、規模及組成（包括技巧、知識及經驗及觀點多樣性），並就任何建議變動向董事會提供推薦意見，以補充本公司的企業策略；
- 物色具備合適資格可擔任董事之人士，並就挑選提名有關人士出任董事向董事會提供推薦意見；
- 評估獨立非執行董事之獨立性；
- 檢討董事會多元化政策及審查為推行董事會多元化政策（包括但不限於性別、年齡、種族、語言、文化背景、教育背景、行業經驗及專業經驗挑選候選人）所設定可衡量宗旨及實現該等宗旨之進度；並於每年之年度報告披露其進度及審查結果；及
- 就董事委任或重新委任以及董事（尤其是主席及行政總裁）之繼任計劃，向董事會提供推薦意見。

於本年度，提名委員會於二零一六年三月二十四日舉行一次會議，（其中包括）審查董事會的結構、規模及組成，評估獨立非執行董事的獨立性及於二零一六年股東週年大會上向董事會推薦考慮重新委任全體退任董事為董事，以及決定提名董事的政策。

The attendance of each Director at the Nomination Committee meetings during the Year is as follows:

各董事於本年度出席提名委員會會議記錄如下：

Name of Directors	董事姓名	No. of Attendance (Note)/ No. of Meetings 出席次數(附註)/ 會議次數
Mr. He Ningning (<i>Chairman</i>)	何寧寧先生(主席)	1/1
Ms. Chen Jun	陳郡女士	1/1
Mr. Chu Chia-Hsiang	初家祥先生	1/1

Note: The Nomination Committee Meeting was attended by the relevant Directors in person, not by an alternate.

附註：所有董事均親身出席提名委員會會議，非由代理人出席。

The Nomination Committee also held one meeting on 16 March 2017, and among other things, reviewed the structure, size and composition of the Board, assessed the independence of the INEDs and recommended to the Board for consideration the re-appointment of the retiring Directors, namely Mr. Hu Sanmu, Mr. Chu Chia-Hsiang and Ms. Chen Jun as Directors at the AGM as well as reviewed the Board's Diversity Policy.

提名委員會亦於二零一七年三月十六日舉行一次會議，(其中包括)審查董事會的結構、規模及組成，評估獨立非執行董事的獨立性及於股東週年大會上向董事會推薦考慮重新委任退任董事，即胡三木先生、初家祥先生及陳郡女士，為董事，以及審查董事會的多元化政策。

Risk Management Committee

風險管理委員會

The Risk Management Committee has been established with written terms of reference in compliance with the CG Code. The Risk Management Committee comprises three members, namely Ms. Chen Jun and Mr. Ng Sui Yin, both INEDs and Mr. Fan Fuqiang, a Joint Company Secretary of the Company. In particular, two members are our INEDs. Ms. Chen Jun is the chairlady of the Risk Management Committee.

風險管理委員會具備書面職權範圍及符合企管守則。風險管理委員會包括三位成員，即獨立非執行董事陳郡女士、吳瑞賢先生及本公司聯席公司秘書范富強先生。其中兩位成員為我們的獨立非執行董事。陳郡女士擔任風險管理委員會主席。

The principal roles and functions of the Risk Management Committee include, but are not limited to:

風險管理委員會的主要角色及職能包括但不限於：

- reviewing and assessing the Group's investment in wealth management products in terms of whether such investment complies with its treasury and investment policies, the fund safety of and the risks associated with such investment;
- reviewing the remedial actions in respect of policy breaches, if any;

- 審閱及評估本集團在理財產品的投資，內容有關該等投資是否符合其財政及投資政策、該等投資的資金安全及與之相關的風險；
- 審閱有關違反政策的補救措施(如有)；

- reviewing the risks associated with, and approving, the purchase of wealth management products with the transaction amount exceeding RMB10 million as requested from time to time (amended to reviewing the risks associated with, and approving, the purchase of wealth management products with single transaction amount exceeding RMB50 million as requested from time to time, pursuant to the amendments made to the funds management policy at the Risk Management Committee meeting held on 24 March 2016);
 - reviewing and assessing the expected return of the wealth management products with similar principal amount, and the track record of relevant issuers and similar wealth management products previously sold in the market; and
 - considering, reviewing and approving the amendments to the Group's policies and requirements in respect of the operation and risk control of the Group's wealth management products.
- 根據要求不時審閱與交易額超過人民幣1,000萬元之理財產品相關的風險及批准該等購買（已根據風險管理委員會於二零一六年三月二十四日會議上對資金管理制度的修訂，修改為不時應要求審閱購買單筆交易額超過人民幣5,000萬元的理財產品的相關風險，並作出批准）；
 - 審閱及評估本金額相若的理財產品的預期回報，以及相關發行人及過往市場上銷售的類似理財產品的往績；及
 - 考慮、審閱及批准修訂本集團就本集團理財產品之操作及風險管理方面的政策及規定。

During the Year, the Risk Management Committee held four meetings in total (i.e. on 24 March, 20 May, 19 August and 26 October 2016) ("Risk Management Committee Meetings"). At the above meetings, the Risk Management Committee reviewed and assessed the Group's wealth management product investment in terms of whether such investment have complied with the Group's treasury and investment policies, the fund safety of and risks associated with such investment.

The attendance of the Risk Management Committee meetings during the Year is as follows:

於本年度，風險管理委員會共舉行四次會議，分別於二零一六年三月二十四日、五月二十日、八月十九日及十月二十六日（「風險管理委員會會議」）。風險管理委員會於該等會議上審閱及評估本集團的理財產品之投資是否已遵守本集團的理財政策及投資政策、資金安全及與該等投資有關的風險。

各董事於本年度出席風險管理委員會會議記錄如下：

Name of members	成員姓名	No. of Attendance (Note 1)/
		No. of Meetings 出席次數(附註1) / 會議次數
Ms. Chen Jun (<i>Chairman</i>)	陳郡女士 (<i>主席</i>)	4/4
Mr. Ng Sui Yin	吳瑞賢先生	4/4
Mr. Fan Fuqiang (<i>Note 2</i>)	范富強先生 (<i>附註2</i>)	4/4

Note 1: The Risk Management Committee Meeting was attended by the relevant Directors in person, not by an alternate.

Note 2: Mr. Fan Fuqiang is a Joint Company Secretary and Chief Financial Officer of the Company.

The Risk Management Committee also held one meeting on 16 March 2017, and reviewed and assessed the Group's wealth management product investment in terms of whether such investment has complied with the Group's treasury and investment policies, the fund safety of and risks associated with such investment, and also assessed whether the operating cash of the Group is sufficient and the control policies of liquidity risks.

Corporate Governance Functions

The Board recognises that corporate governance should be the collective responsibility of the Directors though having delegated the corporate governance duties to the Audit Committee which include, but are not limited to:

- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company's compliance with the CG Code and disclosure in this report.

附註1: 所有董事均親身出席風險管理委員會會議，非由代理人出席。

附註2: 范富強先生為本公司聯席公司秘書及財務總監。

風險管理委員會亦於二零一七年三月十六日舉行一次會議，審閱及評估本集團的理財產品之投資是否已遵守本集團的理財政策及投資政策、資金安全及與該等投資有關的風險，以及、評估本集團經營性現金是否充裕及流動性風險之管控政策。

企業管治職能

董事會確認企業管治應為董事的集體責任，儘管已向審核委員會授權企業管治職責，其中包括但不限於：

- 制定及檢討公司的企業管治政策及常規及向董事會提出建議；
- 審閱及監察董事及高級管理層之培訓及持續專業發展；
- 審閱及監察本公司遵守法律及監管規定之政策及常規；
- 制定、審閱及監察適用於僱員及董事之行為守則及合規手冊（如有）；及
- 審閱本公司遵守企業管治守則及在本報告中的披露。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors has entered into a service contract with the Company, among which, the term of office for each of Mr. He Ningning and Mr. Wang Jianqiang is 36 months commenced from the month on which the shares of the Company were listed on the Stock Exchange (i.e. December 2014), the term of office for Mr. Hu Sanmu is 36 months commenced from 8 July 2016. Mr. Yang Peikun resigned as an executive Director due to personal affairs (please refer to the announcement of the Company dated 8 July 2016 for details).

Each of the INEDs has signed a letter of appointment with the Company for a term of three years with effect from 2 December 2014, being the date on which the shares of the Company were initially listed on the Stock Exchange.

Save as disclosed aforesaid, none of the Directors has a service contract/letters of appointment with the Company or any of its subsidiaries other than contracts/letters of appointment expiring or determinable by the Company within one year without the payment of compensation (other than statutory compensation).

Pursuant to Article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his appointment and shall then be eligible for re-election and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. Hu Sanmu (appointed as an executive Director on 8 July 2016) will retire at the AGM and, being eligible, offer himself for re-election.

委任及重選董事

各執行董事已與本公司訂立服務合約，其中：何寧寧先生和王健強先生的任期分別為自本公司股份於聯交所上市的月份（即二零一四年十二月）起為期三十六個月；胡三木先生的任期為二零一六年七月八日起為期三十六個月。楊培坤先生因個人事務的原因辭任執行董事職位（詳見本公司於二零一六年七月八日之公告）。

各獨立非執行董事已與本公司簽署委任書，任期為自二零一四年十二月二日，即本公司股份首次在聯交所上市日期起三年。

除上文所披露者外，概無董事已與本公司或其任何附屬公司訂立任何不可於一年內由本公司免付賠償（法定賠償除外）而終止的服務合約／委任書。

組織章程細則第83(3)條規定，任何獲董事會委任以填補臨時空缺的董事任期將直至其獲委任後首屆股東大會為止，且屆時將具資格進行再次競選，而任何獲董事會委任或加入現有董事會的董事任期僅至本公司下屆股東週年大會為止，且屆時將具資格進行再次競選。因此，胡三木先生（於二零一六年七月八日獲委任為執行董事）將於股東週年大會上退任並合資格及願意膺選連任。

All the Directors, including the INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Article 84 of Articles of Association. At each AGM, one-third of the Directors for the time being (or if their number is less than three or a multiple of three, then the number nearest to but not less than one-third) will retire from office by rotation provided that every Director will be subject to retirement at the AGM at least once every three years. A retiring Director will be eligible for re-election and will continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation will include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) of Articles of Association shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation. Accordingly, Mr. Chu Chia-Hsiang and Ms. Chen Jun will retire by rotation at the AGM and, being eligible, offer themselves for re-election at the AGM.

全體董事（包括獨立非執行董事）須依據組織章程細則第84條輪席退任及符合重選資格。於每次股東週年大會上，當時三分之一董事（如數目少於三或三之倍數，則最接近之數，但不得少於三分之一）將輪席退任，惟各董事須最少每三年於股東週年大會退任一次。退任董事可膺選連任，並於其退任之整個大會舉行期間仍以董事身份行事。輪席退任之董事包括（就確保輪值退任之董事人數而言）任何擬退任且不願膺選連任之董事。任何其他擬退任之董事指自其上次獲重選或委任以來，服務年期最長之董事，故此，於同一日成為或上次獲重選之行將退任董事將經由抽籤決定（該等董事之間另行作出決定之情況除外）。在決定輪值退任的特定董事或董事數目時，根據組織章程細則第83(3)條獲董事會委任的任何董事不應被考慮在內。因此，初家祥先生及陳郡女士將於股東週年大會輪席退任，且有資格於股東週年大會膺選連任。

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year are set out in note 6 to the consolidated financial statements.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographical Details of Directors and Senior Management" in this annual report for the Year by band is set out below:

	Remuneration band (in RMB) 薪酬組別 (人民幣)	Number of individuals 人士數目	
	Nil to 1,000,000	零至1,000,000元	5

INDEPENDENT AUDITOR'S REMUNERATION

For the Year, KPMG was engaged as the Group's independent auditor.

The remuneration paid/payable to KPMG, the auditor, for the services in respect of the Year is set out below:

Services	服務	Fee paid/payable 已付/應付費用 RMB'000 人民幣千元
Audit and review service for 2016	二零一六年中期審閱及 年度審計服務	1,750*
Environmental, Social and Governance Reporting advisory services	企業環境、社會及管治報告 諮詢服務	240
Total	總計	1,990

* The amount includes service fee of RMB1,651,000 and related VAT of RMB99,000.

董事及高級管理人員薪酬

本年度董事之薪酬詳情列載於合併財務報表附註6內。

根據企管守則第B.1.5條之守則規定，高級管理人員（董事除外）薪酬（其資料按組別列載於本年度年度報告「董事及高級管理層之履歷詳情」內）列載如下：

獨立核數師酬金

本年度，畢馬威會計師事務所獲聘為本集團之獨立核數師。

就本年度提供之服務已付/應付核數師畢馬威會計師事務所之薪酬列載如下：

* 該金額包括服務費用人民幣1,651,000元及相關增值稅人民幣99,000元。

There is no disagreement between the Board and the Audit Committee on the re-appointment of the independent auditor, and they both have agreed to recommend the re-appointment of KPMG as the Company's independent auditor for the ensuing year at the AGM.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group for the Year.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

In addition, KPMG has stated in the independent auditor's report its reporting responsibilities on the Company's consolidated financial statements for the Year.

INTERNAL CONTROL

It is the responsibility of the Board to ensure that the Company maintains sound and effective internal controls to safeguard the Shareholders' investment and the Group's assets at all times. The Company has adopted a series of internal control policies and procedures designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. Highlights of the Group's internal control system include the following:

- Code of Conduct – The Company's code of conduct explicitly communicates to each employee its values, acceptable criteria for decision-making and its ground rules for behaviour.
- Management of related party transactions – The Group will continue to enhance its internal control and only enter into transactions with related parties that are carried out in the ordinary course of its business and on normal commercial terms and are in the interests of the Shareholders as a whole.

董事會與審核委員會在續聘獨立核數師上意見一致，且其均同意推薦於股東週年大會為接下來的一年續聘畢馬威會計師事務所。

董事對財務報表之責任

董事知悉彼等有責任編製本集團本年度之合併財務報表。

董事並無發現有任何重大不肯定因素，可能與影響本公司持續經營能力之重大懷疑之事件或情況有關。

此外，畢馬威會計師事務所已述明對本公司本年度之合併財務報表之獨立核數師報告申報責任。

內部控制

董事會有責任確保本公司一直維持穩健有效的內部控制，以保障股東的投資及本集團的資產。本公司已經採取一系列內部控制政策及程序，旨在為實現高效營運、可靠的財務報告及遵守適用法律及法規等目標提供合理保證。我們內部控制制度的摘要包括以下方面：

- 行為守則—本公司的行為守則明確向每位僱員傳達我們的價值、可接受決策標準及基本行為規範。
- 管理關聯方交易—本集團將繼續提升內部控制，並僅與關聯方訂立在我們日常業務過程中按正常商業條款訂立，且符合我們股東整體利益的交易。

- Internal Audit – The Group’s internal audit function regularly monitors key controls and procedures in order to assure its management and the Board that the internal control system is functioning as intended. The Audit Committee is responsible for supervising the internal audit function.
- Compliance with the Listing Rules and relevant laws and regulations – The Group will continue to monitor its compliance with relevant laws and regulations and its senior management team will work closely with the Group’s employees to implement actions required to ensure compliance with relevant laws and regulations. The Company will also continue to arrange for various trainings to be provided by its Hong Kong legal advisers or other professional parties to the Directors and senior management on the Listing Rules, including but not limited to aspects related to corporate governance and connected transactions, and by its legal advisers in the People’s Republic of China (the “PRC”) on PRC laws and regulations.
- 內部審計—本集團的內部審計部門定期監察主要控制及程序，以向其管理層及董事會保證內部控制制度按計劃運作。審核委員會負責監督內部審計部門。
- 遵守上市規則及相關法律法規—本集團將持續監察遵守相關法律法規的情況，高級管理層團隊將與僱員緊密合作採取所需行動，以確保本集團遵守相關法律法規。本公司亦將繼續安排由香港法律顧問或其他專業機構就上市規則向董事及高級管理層提供的多項培訓，包括但不限於企業管治及關連交易，以及中華人民共和國（「中國」）法律顧問對中國法律及法規等方面的培訓。

The Audit Committee and the Board have conducted a review of the effectiveness of the internal control system of the Group. The Directors (including the INEDs) consider that the internal control measures of the Company are adequate and effective.

審核委員會及董事會已對本集團內部控制系統的有效性開展審核，董事（包括獨立非執行董事）認為本公司的內部控制措施足夠且有效。

JOINT COMPANY SECRETARIES

The Company has appointed Mr. Fan Fuqiang (“Mr. Fan”) as one of the Joint Company Secretaries since 11 June 2014. Mr. Fan joined the Group in July 2011 with sound understanding of the operations of the Board and the Group. He was closely involved in the preparation of the Listing. During the year ended 31 December 2016, Mr. Fan has received more than 15 hours of professional training in compliance with Rule 3.29 of the Listing Rules.

聯席公司秘書

本公司已於二零一四年六月十一日委任范富強先生（「范先生」）擔任本公司之聯席公司秘書之一。范先生於二零一一年七月加入本集團，對董事會及本集團運作有良好理解。彼曾緊密參與籌備上市。於截至二零一六年十二月三十一日止年度，范先生均按照上市規則第3.29條的規定接受了超過15小時的專業培訓。

To uphold good corporate governance of the Company and compliance with the Listing Rules and other relevant laws and regulations, the Company has also appointed Mr. Kwok Siu Man (“Mr. Kwok”), who meets the requirements under Note 1 to Rule 3.28 of the Listing Rules, as the other Joint Company Secretary to work closely with and provide assistance to Mr. Fan in discharge of the latter’s duties and responsibilities as a Joint Company Secretary. Mr. Kwok was nominated by Boardroom Corporate Services (HK) Limited (“Boardroom”) to assume such office and Boardroom has been providing certain corporate secretarial services to the Company pursuant to an engagement letter entered into between the Company and Boardroom. The primary person at the Company with whom Mr. Kwok has been contacting in respect of company secretarial matters is Mr. Fan.

Mr. Kwok resigned as Joint Company Secretary and authorised representative of the Company with effect from 8 April 2016. Ms. Hung Ching Yuen (“Ms. Hung”) was appointed as Joint Company Secretary and authorised representative of the Company on 8 April 2016.

Ms. Hung is an external service provider to the Company and a solicitor practicing 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 is Mr. Fan.

The company secretaries report to the Chairman and/or the Chief Executive Officer. All members of the Board have access to the advice and services of the Joint Company Secretaries. The appointment and removal of the Joint Company Secretaries are subject to Board’s approval.

為維持本公司良好企業管治方面及符合上市規則及其他相關法例及法規之規定，本公司亦已委任郭兆文先生（「郭先生」）擔任聯席公司秘書（郭先生符合上市規則第3.28條註釋1之規定），與范先生一起緊密工作，並協助范先生履行其作為本公司聯席公司秘書之職責及責任。郭先生由寶德隆企業服務（香港）有限公司（「寶德隆」）提名擔任該職位。寶德隆已根據本公司與寶德隆簽訂之聘任函件向本公司提供若干企業秘書服務。郭先生就公司秘書事宜與本公司聯絡之主要人士為范先生。

郭先生自二零一六年四月八日起辭任聯席公司秘書及授權代表職務。洪靜遠女士（「洪女士」）於二零一六年四月八日獲委任為聯席公司秘書及授權代表。

洪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。本公司內部與洪女士之主要聯絡人為范先生。

公司秘書向主席及／或行政總裁匯報，董事會所有成員可獲得聯繫公司秘書之意見及服務。委任及解聘聯席公司秘書須由董事會批准。

SHAREHOLDERS' RIGHTS

Procedures for Putting Forward Proposals at Shareholders' Meetings

There are no provisions allowing Shareholders to make proposals or move resolutions at the annual general meetings under the memorandum of association of the Company and the Articles of Association (the "M&A") or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the "EGM") in accordance with the "Procedures for Shareholders to convene an EGM" set out below.

Procedures for Shareholders to Convene an EGM

Any one or more Shareholders holding at the date of deposit of the requisition not less than ten percent of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to require an EGM to be called by the Board or the Joint Company Secretaries for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned at the principal place of business of the Company in Hong Kong (Room 1715, 17/F, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong) for the attention of the Joint Company Secretaries.

The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

股東權利

在股東大會上提呈建議的程序

根據本公司之組織章程大綱及組織章程細則（「大綱及細則」）或開曼群島法例，概無守則條文允許股東於股東週年大會上提呈建議或作出動議。然而，有意股東可按照下文所載「股東召開股東特別大會的程序」召開股東特別大會（「股東特別大會」）提呈建議或作出動議。

股東召開股東特別大會的程序

於提出要求當日持有本公司附有可於本公司股東大會上投票權利的已繳股本不少於百分之十的任何一名或多名股東（「合資格股東」），將可隨時書面要求董事會或聯席公司秘書召開股東特別大會，以審議要求中所指明的任何事項，包括於股東特別大會提呈建議或作出動議。

有意為提呈建議或作出動議而召開股東特別大會的合資格股東必須將經有關合資格股東簽署的書面要求（「要求書」）遞交至本公司於香港的主要營業地點（地址為香港新界沙田安心街11號華順廣場17樓1715室），收件人為聯席公司秘書。

要求書必須清楚列明有關合資格股東之姓名、其於本公司之股權、召開股東特別大會之原因及建議議程。

The Company will check the Requisition and the identity and shareholding of the Eligible Shareholder(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Joint Company Secretaries will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM within 2 months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of the outcome and accordingly, the Board will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) by the Company.

Procedures for Shareholders to Send Enquires to the Board

Shareholders may send their enquiries and concerns to the Board of the Company by addressing them to the principal place of business of the Company in Hong Kong, at Room 1715, 17/F, Topsail Plaza, 11 On Sum Street, Shatin, New Territories, Hong Kong by post or by email to Ms. Hung Ching Yuen at crystalhung@toclegal.com.hk or Mr. Fan Fuqiang at richard.fan@ck-telecom.com, for the attention of the Joint Company Secretaries.

Upon receipt of the enquiries, the Joint Company Secretaries will forward the communications relating to:

1. matters within the Board's purview to the executive Directors of the Company;
2. matters within a Board committee's area of responsibility to the chairman of the appropriate committee; and
3. ordinary business matters, such as suggestions, enquiries and consumer complaints to the appropriate management of the Company.

本公司將查看要求書，及合資格股東之身份及股權將由本公司的香港股份過戶登記分處核實。若確定要求書為合適及適當，聯席公司秘書將要求董事會於提出要求書後兩個月內召開股東特別大會及／或包括合資格股東於股東特別大會提出之建議或提呈之決議案。相反，倘要求書核實為不適當，則有關合資格股東將獲知會此結果，董事會將不會因而召開股東特別大會及／或包括合資格股東於股東特別大會提出之建議或提呈之決議案。

倘董事會未能在要求書遞交後21天內召開有關股東特別大會，則要求人可自行召開股東特別大會，而本公司須向有關合資格股東償付因董事會未能召開該大會令有關合資格股東產生的所有合理費用。

股東向董事會發出查詢之程序

股東可於任何時間向本公司董事提出問題及顧慮，透過郵件送達本公司之主要營業地點（香港新界沙田安心街11號華順廣場17樓1715室）或透過電郵送達洪靜遠女士(crystalhung@toclegal.com.hk)或范富強先生(richard.fan@ck-telecom.com)，以供聯席公司秘書垂注。

收到該等查詢後，聯席公司秘書將轉發以下有關通訊：

1. 有關董事職權範圍內之事項至本公司之執行董事；
2. 有關董事會轄下委員會職責領域之事項至相應委員會主席；及
3. 一般業務事項（例如建議、問題及客戶投訴）至本公司相應管理層。

COMMUNICATION WITH THE SHAREHOLDERS

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders with equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

Information will be communicated to the Shareholders through the Company's financial reports, AGMs and other general meetings that may be convened as well as all the disclosures submitted to the Stock Exchange.

CONSTITUTIONAL DOCUMENTS

There were no changes in the constitutional documents of the Company during the Year. The M&A is available on the respective websites of the Stock Exchange and the Company.

股東通訊

本公司已採納股東通訊政策，目的為確保股東可平等及及時取得本公司之信息，使股東在知情情況下行使彼等權力以及允許彼等積極參與本公司。

資料將主要透過本公司財務報告、股東週年大會及其他可能召開之股東大會，與向聯交所提交之披露資料知會股東。

憲章文件

本公司於本年度之憲章文件並無改動。本公司已分別於聯交所及本公司網站刊登其大綱及細則。

1 About this Report

Basis of Preparation

This report is the first Environmental, Social and Governance Report of the Group in 2016, which is prepared in accordance with the general disclosure requirements set out in the Environmental, Social and Governance Reporting Guide contained in Appendix 27 of the Listing Rules, and truly reflects the economic, environmental and social responsibilities performed by the Company in 2016.

Business of the Group

The Group is a leading mid-to-high end mobile terminals camera modules and fingerprint recognition modules manufacturer in the PRC, which mainly engages in the manufacturing of camera modules and fingerprint recognition modules used for smart mobile terminals, including mobile phones and tablets.

Scope of the Report

The reporting period of this report is the 2016 financial year (i.e. from 1 January 2016 to 31 December 2016), which focuses only on Kunshan QT China, a wholly-owned subsidiary of the Group, the principal place of business of which is the production base and the headquarters office of the Group located in Kunshan, which is also the location of occurrence of the Group's major business activities. Taken into consideration of the supporting roles of the other operating offices of the Group in Shenzhen, Taiwan and Hong Kong, their economic activities do not constitute any significant threat to the safety of society and environment, therefore are not covered in this report.

1 關於本報告

編製基礎

本報告是本集團二零一六年度第一份環境、社會及管治報告，依循《環境、社會及管治報告指引》上市規則附錄27內的一般披露要求編製，是公司二零一六年度履行經濟、環境和社會三大責任的真實反映。

本集團業務

本集團是中國領先的中高端移動終端攝像頭模組及指紋識別模組製造商，主要經營業務為生產應用於移動智能終端包括手機、平板電腦等的攝像頭模組和指紋識別模組。

報告範圍

本報告的報告期為二零一六年財政年度（即二零一六年一月一日至二零一六年十二月三十一日）。本報告的主體範圍為本集團旗下的全資擁有子公司昆山丘鈦中國，主要經營業務地點為本集團位於昆山的生產基地和總部辦公室，是本集團主要經濟活動的發生地。考慮到本集團位於其他地點如深圳、台灣和香港的辦公室為支援性質的經營分部，其經濟活動對安環方面不構成重大威脅，故此本報告範圍並不覆蓋。

Source of Information

The information disclosed in this report is mainly sourced from the internal documents of the Company, internal data analysis and market public information. The contents of all information are reviewed and confirmed by the management of the Company and responsible departments, and are duly filed. In case of any doubt or opinion regarding the content of the report, you are welcome to contact the Group.

2 Development Strategies of the Group on Environmental, Social and Governance

As a leading camera and fingerprint recognition module manufacturer in the PRC, apart from attaching importance to scientific research innovation, high-efficient production and lean management, the Board believes that it is crucial to business operation to effectively conduct efforts on environmental conservation and improve production consumption resources efficiency, and strives to reduce the hazards affecting the surrounding lands, water sources and other natural resources during production. The Group takes into account the objectives of environmental and social responsibilities as well as the vision of maintaining social harmony in its daily operation, with a view to lead the Group to comply with all the respective regulations, and become a respectable enterprise by customers and the public.

信息來源

本報告內所披露的信息，主要來源為公司內部文件，統計數據匯總和市場公開資料。所有信息內容均經過公司管理層和主管部門審核確認，並正式存檔。如對報告裡的任何內容存有疑問或意見，歡迎與本集團聯絡。

2 本集團對於環境、社會及管治的發展策略

作為一家領先的中國本土攝像頭模組和指紋識別模組製造商，在重視科研創新、高效生產和精細管理外，董事會相信切實做好環保節能，改善生產耗用資源的效率，以及盡力降低生產過程中對附近土地、水源以及其他天然資源做成的災害，是業務營運的重中之重。本集團把環境和社會責任的宗旨，以及維繫社會和諧的理念融入日常營運的決策考慮中，引領本集團不僅遵守所有相關法規，更可成為業內受客戶和社會大眾所尊敬的企業。

2.1 Issues focused on by the Group

The Group is committed to improving the environmental and social responsibility performance in the following aspects:

Environmental protection:

- During the electronic components manufacturing process, it is inevitable to use chemicals and certain volume of waste gas and water would be generated. As a corporate citizen, the Group strives to reduce the discharge of pollutants through highly efficient production and recycling principles to ensure pollutants are discharged and filtered in compliance with relevant laws.
- A certain volume of resources such as electricity and water will be consumed during production and transportation and greenhouse gas will be produced. The Group wishes to make better use of the aforesaid resources through the principle of improving efficiency and reducing consumption.

Social-related:

- A certain headcount of frontline workers are required for manufacturing electronic components, hence, the Group continues to focus on the labour rights, occupational safety and staff welfare issues, and expects to be a good signpost of high and new technology manufacturing enterprises, and earns respect from customers and employees.
- Although our products are not sold directly to retail consumers, the components are end-used in mobile phones and other smart mobile terminals, which are the most important belongings of the general public in their daily lives. Product safety has always been our highest priority and a crucial point for consideration in daily decision making.

2.1 本集團關注的議題

本集團致力提升以下幾方面的環境和社會責任表現：

環境保護：

- 電子產品元器件生產過程中，無可避免地需要使用化學物質，並產生一定程度的廢氣和污水。作為企業公民，本集團致力透過高效生產，以及回收重用原則，減低污染物的排放量，並確保污染物合規地引導和過濾。
- 生產和運輸過程中耗用一定的資源，如電能和水，從而製造溫室氣體。本集團希望透過節省增效的原則，更好的運用上述的資源。

社會相關：

- 電子產品元器件生產需僱用一定數量的前線工人，故此本集團持續關心勞動權益、職業安全、員工福利等議題，期望成為國內高新科技生產企業的榜樣，並得到客戶和員工的尊重。
- 雖然本集團的產品並不直接售予零售消費者，但元器件的最終應用為手機和其他智能終端，都是普羅大眾日常最重要的隨身物品。產品安全性一直是本集團最主要的關注點，並成為日常決策的考慮重點。

- Integrity and honesty is the major principle of business ethics for an enterprise. To create a more equitable competitive environment, the Group regards anti-corruption principle as the priority rule to regulate employee conduct and implements consistently.

2.2 Stakeholder Engagement

In deciding the policies related to environment and social responsibilities, materiality assessment is an important process, which has a guiding effect on future direction and development. Hence, during the Year, the Group engaged an independent third party consultant team to identify important internal stakeholders and conducted one-to-one interview with each of them, so as to understand the key environmental and social responsibilities issues which they considered as important to the Group. The team analyzed the results collected and confirmed issues considered as important, the Group would then decide on the key points to be disclosed in this report according to the assessment results.

2.3 Materiality Analysis

During the interviews with internal stakeholders, they were being invited to give scores on the questionnaire for the various issues on environmental and social responsibility base on materiality. A range of issues that have material impact on the Group will be proposed after further analyzing the opinions collected.

To further strengthen our works, independent third party advisor conducted professional assessment regarding the nature of business, established major key performance indicators that are used for preparing the management policy and target. In this report, in considering the production activities of the Group, the aspects that have material impact on investors and other stakeholders are identified at the environmental level and social level respectively and are summarized as follows:

- 廉潔是企業的主要商業道德原則，為締造更公平的競爭環境，本集團把反貪腐原則放於規範員工行為的首要準則，並貫徹執行。

2.2 利益相關者參與

在決定環境和社會責任相關政策方針時，重要性分析是一個重要的程序，它對未來方向及發展有指導性作用。所以，在年度內本集團邀請了第三方的獨立諮詢團隊，為我們辨認出重要的內部利益相關者並與之進行一對一的訪談，以瞭解他們認為對本集團重要的環境和社會責任議題。該團隊根據收集回來的結果進行分析，確認出具重要性的議題，本集團則根據評估的結果決定本報告的披露重點。

2.3 重要性分析

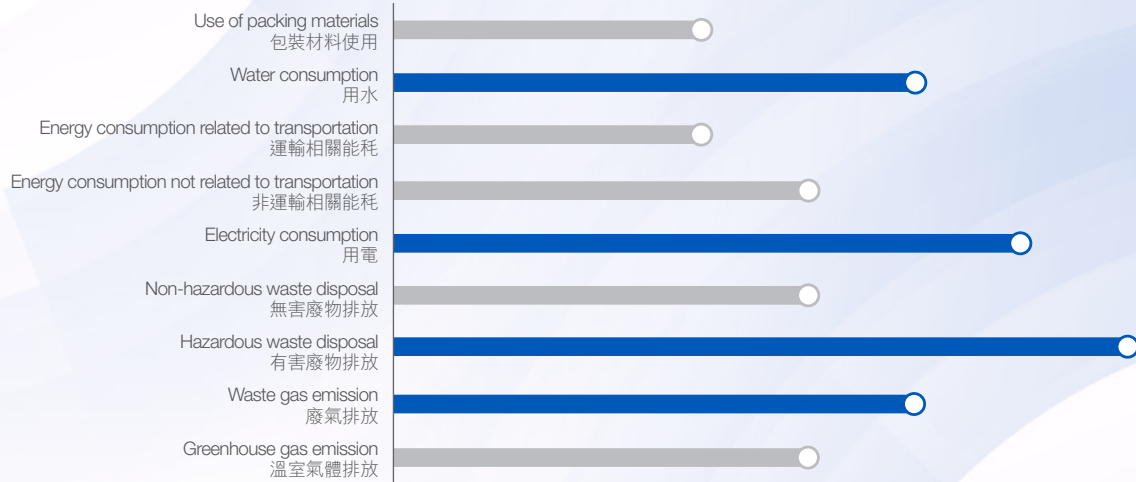
在與內部利益相關者訪談時，被訪者獲邀請在問卷上給各個環境及社會責任議題根據重要的程度打分。所收集到的意見經過進一步的分析後，綜合出一系列對本集團有極其重要影響的議題。

為進一步加強是項工作，獨立第三方顧問就業務的性質進行專業評估，訂下主要的關鍵績效指標，並以此擬訂管理政策和目標。在本報告中，針對本集團主要的生產活動，在環境層面和社會層面分別界定了對投資者及其他利益相關者產生重要影響的範圍，彙報如下：

The results of materiality analysis are as follows:

重要性分析的結果如下：

Stakeholder materiality assessment (environmental) 利益相關者重要性評估（環境）



Stakeholder materiality assessment (social) 利益相關者重要性評估（社會）



Listed below are the key issues related to the Group:

以下將列出與本集團相關的重要議題：

Environmental

環境

Key issues

Respective Stock Exchange requirements

重要議題

與之相關的聯交所要求

Water consumption
Electricity consumption
Hazardous waste disposal
Waste gas emission

A2 Use of Resources
A2 Use of Resources
A1 Emissions
A1 Emissions

用水
用電
有害廢物排放
廢氣排放

A2資源使用
A2資源使用
A1排放物
A1排放物

Social

社會

Key issues

Respective Stock Exchange requirements

重要議題

與之相關的聯交所要求

Anti-corruption
Product responsibility
Supply chain

Child and forced labour
Health and safety

B7 Anti-corruption
B6 Product responsibility
B5 Supply chain management

B4 Labour standards
B2 Health and safety

反貪污
產品責任
供應鏈

B7反貪污
B6產品責任
B5供應鏈管理

僱用童工及勞動剝削
健康與安全

B4勞工準則
B2健康與安全

3. Environmental

3.1 Environmental-related Policies

As a leading camera and fingerprint recognition module manufacturer in the PRC, apart from attaching importance to scientific research innovation, high-efficient production and lean management, the Board believes that it is crucial to business operation to effectively conduct efforts on environmental conservation and improve production consumption resources efficiency, and strives to reduce the hazards affecting the surrounding lands, water sources and other natural resources during production. When formulating its policies, the Group strictly complies with and endeavours to improve compliance with the relevant laws and regulations on environmental protection by local government, regards the performance of corporate citizen responsibilities as its behavior standard, assures sufficient resources are deployed into the environmental protection facilities, enhances the environmental consciousness of management at different-levels and frontline employees, practices what we preach, and reviews operation procedures and the execution of relevant measures from time to time to ensure relevant policies are executed to the end.

For systems regarding environmental production, the Group perfects the respective system process based on international standards, and obtained the qualification certifications such as ISO14001 (environmental management), ISO 9000 (management system), OSHAS 18001 (occupational safety) and ISO 27001 (information security management system), which fully demonstrates the Group's performance on environmental protection and other management systems.

3 環境

3.1 環境相關政策

作為一家領先的中國攝像頭模組和指紋識別模組製造商，在重視科研創新、高效生產和精細管理外，董事會相信切實做好環保節能，改善生產耗用資源的效率，以及盡力降低生產過程中對附近土地、水源以及其他天然資源做成的災害，是業務營運的重中之重。在制訂政策時，本集團不僅一貫嚴格遵守所在地政府實行的環境保護相關法律法規，並精益求精，以履行企業公民責任的最高目標為行為標準，確保有充足的資源投入環保設施，增強不同級別的管理層和前線員工的環保意識，身體力行，不時檢討作業流程和相關措施的執行情況，確保相關政策可實行到底。

在環保生產的系統建設上，本集團以國際標準健全相關制度流程，先後獲頒發了ISO14001（環境管理），ISO 9000（管理體系），OSHAS 18001（職業安全）和ISO 27001（資訊安全管理系統）等資質證明，充分體現了本集團在環境保護和其他管理系統上的工作成效。

Every department head will conduct periodic analysis on the various manufacturing activities and services of the Group, in order to find out potential impact factors to the environment, such as operating procedures of the production workshop, material transportation, optimizing and improving the use of resources. When conducting periodic review, the Group will compare its consumption with industry peers, its own history and average consumption and rectify immediately if any exception is found.

During the precise components production process, the most important part is the monitor of the use of production materials in reduction of the impact on environment. The Group has stringent criterion in selecting material suppliers, all new suppliers are required to sign the Environmental Protection Material Management Agreement, and select environmental materials in accordance with industry's and government's requirements, and ensure not using hazardous materials in the assembling process to avoid relevant risks.

各個部門的領導會定期對本集團的各類生產活動及服務進行分析，找出對環境構成潛在影響的因素如生產車間的作業流程，物料運輸、資源使用等以進行優化及改進。在定期檢討時，本集團與同業、自我歷史、平均用量進行比較，如發現異常，會立即進行改進。

在精密元器件生產的流程中，對生產物料的管控是減低對環境影響的最重要一環。本集團在選擇物料供應商上有嚴格的標準，所有新導入的供應商必須簽署《環保物質管理協議》，並按照行業及國家要求選擇環保材料，確保組裝過程中不會用到含有有害物的物料，以規避相關風險。

According to the materiality analysis results, we concluded the significant environmental issues that are related to the Group's business and listed out their potential impact on the environment and the Group's improvement strategies and measures in the following table:

根據以重要性分析的結果，我們歸納了與本集團業務相關的重要的環保議題並在以下表格中列出它們對環境的潛在影響及本集團的改善策略和措施：

Important

Issues 重要議題	Potential Impact 潛在影響	Improvement Strategies and Measures 改善策略及措施
Electricity consumption 用電	<ul style="list-style-type: none"> Consume natural resources such as coal when generating electricity 在發電過程時所消耗的天然資源，例如煤 Waste gas emission arising from incinerating fossil fuels when generating electricity 在發電過程燃燒化石燃料時所產生的廢氣排放 Greenhouse gas emission 溫室氣體排放 	<ul style="list-style-type: none"> Increase the use of green energy, for example, install solar panels on the rooftop of dormitories and factories 增加綠色能源的使用，例如在宿舍及廠房天臺上加裝太陽能面板 Fully utilize LED lights in the factories offices and advocate exhaust heat reuse 廠房辦公室全面更新使用LED燈具及推廣廢熱氣重用 Set up internal Electricity Resources Management Procedures, optimize production flow, and enhance electricity utilization efficiency 設立內部《電能資源管理程序》，優化生產流程，提升電能使用效率
Water consumption 用水	<ul style="list-style-type: none"> The deterioration of the problem in wastage in natural water resources and its scarcity 天然水資源的浪費及稀少性問題之惡化 Factory sewage flows directly into sewer and affects the surroundings 工業廢水直接流入下水道及影響周邊環境 	<ul style="list-style-type: none"> Optimize water resources utilization, such as recovery, filtering, recycling and reuse of sewage 優化水資源的使用，例如透過廢水回收及過濾處理重用等等 Formulate clear sewage management procedures, conduct periodic review and maintenance of sewage emission system to meet emission standards. 訂立明確的廢水管理程序，對廢水排放系統進行定期檢查及維護，以確保符合排放標準 Collect hazardous materials in special containers and deal with them by qualified third parties 有害毒物收集在專門的容器中，並交由合資格的第三方進行處理

Important Issues

(continued) Potential Impact *(continued)*

重要議題 (續) 潛在影響 (續)

Hazardous waste disposal
有害廢物排放

- Polluting nearby land and water due to improper hazardous waste disposal
- 不當的有害廢物排放對鄰近的土地及水源造成污染

Waste gas emission
廢氣排放

- Waste gas emitted directly without prior treatment, polluting the factories and nearby environment
- 生產過程的廢氣直接排出，污染廠房及附近範圍的環境

Improvement Strategies and Measures *(continued)*

改善策略及措施 (續)

- Formulate clear internal guidelines on procurement, storage, utilization, disposal and emergency treatment of chemicals
- 對化學物的採購、儲存、使用、棄置及應急處理制訂了明確的內部指引
- All chemical waste are treated by third parties approved by government authorities, and make periodic online declaration on the official website of Environmental Protection Administration
- 所有廢化學品均由政府機關認可的第三方處理，並定期在環保局之官方網站作網上申報
- Strictly comply with the state and local relevant environmental protection prevention rules
- 嚴格遵守國家和地區性的相關環保防治條例
- Install various specific waste gas treatment equipment in the factories, such as a 15-meter high waste gas funnel and water curtains etc.
- 在廠房內安裝各種針對性的廢氣處理設備，例如：15米高的廢氣排放筒及水簾等等
- Encourage employees to change their living habits, such as go to work on bicycle and carpooling
- 鼓勵員工改變生活習慣，例如以單車代步及以拼車的方式通勤等等

3.2 Electricity Consumption

During the camera modules and fingerprint recognition modules manufacturing process, the main resources consumed is electricity. Since precision manufacturing procedures required to be conducted in clean room, it has high requirements for the production site, which are mostly clean rooms at class 10 or class 1000 standard and need strong air-conditioning and ventilation system. While in production, spot-welder and oven also need to be driven by more powerful electricity. Therefore, the main measures of the Group to implement low emission and green production are to optimize production procedures, enhance electricity utilization efficiency, execute recycling and reuse measures and even increase green energy such as solar power generation.

The Group established the Electricity Resources Management Procedures, to strengthen energy and resources control, reduce consumption, and conserve energy. The Plant Management Department is responsible for the standardized management of internal electricity usage, conducts periodic review, compare its consumption with industry peers, its own history and average consumption and rectify immediately if any exception is found.

For reducing electricity consumption, factory offices largely use energy-saving LED lights, promote waste heat recycling by reusing the waste heat generated from air compressors and workshops for heating water supply tanks or directly conduct to offices as warm air. In addition, the Group advocates to generate environmental-friendly electricity, installs solar panels in on the rooftops of certain factories and dormitories in Kunshan, complementing the traditional electricity generated by coal burning with an aim to achieve the goal of low emission production.

3.2 用電

在攝像頭模組和指紋識別模組的制程中，最主要耗用的資源是電能。由於精密製造流程需要在無塵間進行，對生產場所有極高的要求，大部份的車間均是10級或1000級的無塵間，需設置強力的空調和通風系統；而在生產製程中，點焊機和烤箱亦要求比較大的電能推動，故優化生產流程，提升電能使用的效率，實行回收再利用措施，以至增加綠色能源如太陽能發電等，是本集團推行低排放綠色生產的主要舉措。

本集團確立了《電能資源管理程序》，加強能源與資源管控，降低消耗，節約能源，由廠務部負責內部電能資源的統一管理，定期檢討，與同行業用量、過往歷史用量、平均用量等進行比較，如發現異常，會立即進行改進。

在減低耗電量方面，廠房辦公室大幅度使用較節能的LED燈具，並推廣廢熱回收再用，把空壓機和生產車間產生的廢熱重用，給水箱加熱，或直接引至辦公室作暖氣使用。另外，本集團提倡環保發電，於昆山部份廠房和宿舍範圍的天台加裝太陽能面板，有效地補充傳統煤電的消耗，以達至低排生產的目標。

3.3 Water Consumption

The Group highly focuses on water resources management, including water utilization. It avoids contaminating water sources during production and work process so as to sustain the utilization of water resources. The Group formulated the sewage management procedures, which assures sewage emission to meet the standards through the management and control of sewage generated from production, dormitories and plants, and periodically check and protect the drainage system and emission points to avoid blocking. The plants are equipped with septic tank and sewage treatment system. Sewage must be treated before flowing into municipal pipe network. Pipelines of sewage and rain are segregated strictly to avoid waste oil and chemicals from entering into the sewer.

Moreover, each production department needs to collect hazardous materials into specific containers which must be treated by qualified companies. Factory staff inspects the sewage treatment system every day, records the sewage discharge volume and reports to local safety and environment department monthly for filing.

The Group advocates the recycling of waste water and established the waste water recycling system. It recovers and filters waste water and circulates the output to workshops for revolving use and largely mitigated water consumption.

3.3 用水

本集團高度關注水資源管理，包括水資源的運用，避免生產及作業過程中對水源的污染，確保水資源的可持續利用。本集團制訂了廢水管理程序，通過對生產廢水和宿舍和廠區生活污水的管理和控制，確保廢水排放符合標準，定期檢查和保護排水系統和排放點，以免堵塞。廠區設有化糞池及污水處理系統，污水進入市政管網前必須先進行處理。污水及雨水管道嚴格分開，避免廢油、廢化學品等有害廢物流進下水道。

另外，各個生產部門需要把有害物收集於專門的容器中，並交由合資格的公司進行處理。廠務員每天對廢水處理系統檢查，每月紀錄污水排放流量數據並上報地方安環部門存檔。

本集團提倡廢水循環再用，建立廢水回用系統，把廢水回收過濾處理，循環輸出於生產車間使用，大力減低水資源的耗費。

3.4 Hazardous Waste Disposal

The daily production involves certain volume of chemicals, such as waste bath solutions, organic solutions, waste paint slag, printing ink, dye and coating. The Group has formulated guidelines regarding procurement, storage, utilization, disposal and emergency treatment of such chemicals, and administrative department will contact third party recognized by government authority for specific treatment of such chemicals, and perform online declaration on the official website of local Environmental Protection Administration. Every department head will monitor the entire treatment process, ensure its strict implementation and compliance with the state and local prevention rules related to environmental protection, including but not limited to Solid Waste Environmental Pollution Prevention and Control Law of the People's Republic of China(《中華人民共和國固體廢物污染環境防治法》) and Jiangsu Province Solid Waste Environmental Pollution Prevention Rules(《江蘇省固體廢棄物污染環境防治條例》).

3.5 Waste Gas Emission

There are three main categories of waste gas emission from the Group's factories:

- a. Camera manufacturing: the reflow waste gas generated during the soldering process. As the volume is immaterial, waste gas will be collected and exhaust by a 15-meter high funnel in the form of turbine extraction.

3.4 有害廢物排放

日常生產作業中，會涉及一定程度的化學品，如廢槽液，有機溶液，廢油漆渣，油墨，染料和塗料等。本集團已就該等化學品的採購、儲存、使用、棄置及應急處理制訂指引，由行政部聯繫政府機關認可的第三方專門處理該等化學品，並在本集團所在地環保局之官方網站作網上申報。整個處理流程由各部門主管進行監督，確保如實執行，嚴格遵守國家和地區性的相關環保防治條例，包括但不限於《中華人民共和國固體廢物污染環境防治法》和《江蘇省固體廢棄物污染環境防治條例》等。

3.5 廢氣排放

本集團廠房的廢氣排放最主要有三大類：

- a. 攝像頭生產：焊接的過程中所產生的回流焊接氣。因為量不多，廢氣會通過車間集中，再以渦輪抽風的方式一併通過15米高的排氣筒直接達標外排。

- b. Waste gas generated from coating material in coating workshops: specific waste gas treatment equipment have been established in factories which filters waste gas through water curtain. Particles generated from waste water collection and filtering will be combusted for disposal by RTO heat reserve exhaust air burning oven, and discharges collectively, which will meet the safety and reliability effect without secondary pollution.
- c. Vehicle exhaust emission: the Group advocates less vehicle utilization, and encourages employees to go to work by carpooling and on bicycle or green walking. Furthermore, comprehensive inspection in government's testing centers are conducted at scheduled time each year on the Group's vehicles, and vehicles not conforming to exhaust emission requirements will not be used.

3.6 Others

3.6.1 Noise Control

The Group pays serious attention to the noise effect from plant manufacturing to the surroundings, and formulated the Noise Management Regulation.

The plant engaged a professional third party to conduct a noise monitoring exercise, and assures noise emission is in conformity to statutory emission standards, and put the responsibility on respective departments for the introduction, development, research, application and marketing of new noise abatement technology, enhances employees' training and propaganda. When carrying out construction, maintenance or other activities, noise emission is reduced to the greatest extent possible.

- b. 噴塗車間塗料產生的廢氣：廠房設有專門的廢氣處理設施，以水簾過濾廢氣。廢水收集及過濾後所產生的顆粒物會經過RTO蓄熱式焚燒爐燃燒處理，再集中排放，達到安全可靠而不會產生二次污染的效果。
- c. 汽車尾氣排放：本集團提倡減少汽車的使用，鼓勵員工儘量以拼車的方式通勤，並鼓勵以單車代步，綠色出行。另外，本集團車輛每年按規定時間到政府檢測中心進行全車檢查，不符合尾氣排放要求的車輛不得使用。

3.6 其他

3.6.1 噪音管理

本集團重視廠區生產對附近環境做成的噪音影響，制定了《噪音管理辦法》

廠區每年委託專業第三方機構進行一次噪音的監察，確保廠區噪音排放符合法定排放標準要求，並責成相關部份負責噪音防治新技術的引進、開發、研製、應用和推廣，加強員工的培訓和宣傳，在進行施工、維修或其他活動時，盡可能減少噪音的產生。

3.6.2 Greenhouse gas emission

During the Year, the Group implemented the new Greenhouse Gases Regulations, and preliminarily plans the scope, procedures and tools of greenhouse gas data collection, with a view of effective management of the Group's greenhouse gases in long run, and prepare well for coal and emission reduction.

3.6.3 Non-hazardous waste disposal

The non-hazardous waste emission sources are mainly generated from engineering construction, packaging materials and household waste in dormitories. Before entering into contracts to conduct re-engineering, repairing, new engineering works for equipment and surrounding facilities, contractors must provide respective documents such as Treatment of Waste Regulations (《廢棄物處理作業辦法》) and Environmental Guidelines (《環境方針》) and ensure appropriate treatment of building debris. Daily ordinary waste will adopt the "sort first then treat" principle, for example, waste carton boxes and garbage packaging bags will be segregated, and will be dealt with by professional institution selected by tender.

3.7 Compliance with Rules

During the Year, no breach of any respective environment regulations that has significant impact on the Group was found by the Group.

3.6.2 溫室氣體排放

本集團於本年度新增了《溫室氣體管理辦法》，初步擬訂收集溫室氣體數據的範圍、流程和工具等，為長遠有效地對本集團溫室氣體進行管理，減碳減排作好準備。

3.6.3 無害廢物排放

無害廢物排放的來源主要來自工程建造、包裝物料和宿舍的家居廢物等。在簽約進行設備及外圍設施的改造、修理、新增工程前，承包商必須提供《廢棄物處理作業辦法》和《環境方針》等相關文件，確保建築廢料得到妥善處理。日常廢物則採用先分類後處理的原則，比如廢紙箱，包裝袋之類的垃圾會先隔離起來，以招標的方式挑選專業機構處理。

3.7 符合規定

本年度本集團並沒有發現有違反任何對本集團有重大影響的環境相關法規。

4. Social

4.1 Social-related Policies

The Group has a series of policies in place to manage the issues related to various aspects of the society. The policies are applicable to the following scopes:

- Anti-corruption
- Product responsibility
- Supply chain
- Child and forced labour
- Health and safety
- Staff welfare
- Staff development and training
- Community investment

4 社會

4.1 社會相關政策

本集團設有一系列的政策去管理有關社會各方面的議題，政策適用於以下的範圍：

- 反貪污
- 產品責任
- 供應鏈
- 僱用童工及勞動剝削
- 健康與安全
- 員工福利
- 員工發展及培訓
- 社區投資

4.2 Potential impact of the Group's businesses on social aspects

According to the materiality analysis results, we concluded the significant social issues and listed out their potential impact on the society as well as the Group's improvement strategies and measures in the following table:

Important

Issues 重要議題

Potential Impact 潛在影響

- | | |
|--|--|
| <p>Anti-corruption
反貪污</p> | <ul style="list-style-type: none"> • Corruption behaviour could cause the Group potential legal liability • 貪腐行為導致本集團有機會承擔法律責任 • Corruption behaviour of staff will affect the Group's image • 員工貪污的行為對本集團形象造成影響 |
| <p>Product responsibility
產品責任</p> | <ul style="list-style-type: none"> • Effect of products on customers' health • 產品對顧客健康構成影響 • Customers cast doubts on product quality • 顧客對產品質素存有懷疑 • Customer privacy leakage • 客戶私隱外泄 |

4.2 本集團業務對於社會方面的潛在影響

根據以重要性分析的結果，我們歸納了重要的社會議題並在以下表格中列出它們對社會的潛在影響及本集團的改善策略及措施：

Improvement Strategies and Measures 改善策略及措施

- The Group has established anti-corruption provisions which required that all staff must sign before commencement of employment
- 本集團設立了反貪腐條文，並要求所有員工在入職前必須簽署
- The code of "Sunshine Procurement" is in place to ensure decentralized authority of staff in the sourcing process
- 設有「陽光採購」守則，分散員工在採購過程中擁有之權力
- Suppliers are required to provide inspection report. All products must go through stringent internal inspection before delivery. The Group also entrusts a third party for sample testing in accordance with international and domestic standards from time to time to assure product safety
- 要求供貨商提供檢驗的報告。在出貨前均需通過嚴格的內部檢測，本集團亦不時委託第三方根據國際及國內標準為樣品進行測試，以確保產品安全
- We conduct customer satisfaction survey and customer reviews regularly, and set up management policies to protect customer privacy
- 定期對客戶作出滿意度調查及客戶評價，並設立管理政策保障客戶隱私

Important Issues

(continued) Potential Impact (continued)
重要議題 (續) 潛在影響 (續)

Supply chain
供應鏈

- Environmental and social impact in product supply chain
- 在產品供應鏈中對環境社會方面造成影響

Child and forced labour
僱用童工及勞動剝削

- The issue of forced labour or child labour will affect the image of the Company, or even result in potential legal liability
- 強制勞動或童工問題對公司的形象造成影響，或導致潛在的法律責任

Health and safety
健康與安全

- Staff casualties due to lacking of appropriate protection in working environment
- 員工在工作環境內得不夠適當的保護，因而造成傷亡

Improvement Strategies and Measures (continued)
改善策略及措施 (續)

- Suppliers must sign the environmental protection agreement and social responsibility agreement before commencing cooperation
- 要求合作之供應商必須簽署環保協議和社會責任協議

- Conduct onsite investigations from time to time to check whether suppliers have complied with the relevant agreements
- 不定時進行實地考察，以檢查供貨商是否遵守相關協議

- Formulated clear policies to prohibit forced labour and employment of child labour under 16 years old and review regularly the procedures of engaging agencies
- 訂立了明確防止強制勞動及僱用低於十六歲以下童工的政策，定期檢視僱用代理機構的聘請流程

- Establish a confidential and anonymous complaint mechanism to avoid forced labour
- 建立保密及匿名投訴機制，以避免強制勞動情況出現

- Provide staff who handle chemicals with proper protective gears, such as gloves, masks and protective clothing
- 提供適當的護具予處理化學品的僱員，例如手套、面罩保護衣等

- Comprehensive firefighting and safety management system is in place, and conduct two fire drills every year
- 設有完善的消防及安全管理系統，每年進行兩次的火災演習

4.3 Anti-corruption

Anti-corruption is a major business ethics principle of an enterprise as corruption is detrimental to the environment for fair competition. The Group has formal management policies in place to prevent bribery, blackmail, fraud and money laundering. For instance, all employees must confirm and sign labour contracts with explicit anti-corruption provisions inserted before commencing employment. The Employee Manual also stipulates the code of conduct that employees must follow, which include sections with detailed anti-fraud management and act as guidelines to regulate the behaviour of employees. In addition, relevant trainings are provided to employees before their employment.

In the course of daily business, the Group sets up the code of “Sunshine Procurement”, which requires that two or more employees must be present when conducting price negotiation with suppliers and no employee is allowed to meet customers alone. In evaluating suppliers, the scores are given by several departments and approval and negotiation authority are segregated to avoid concentration of authorities on a few of employees. There is also a direct channel for staff to report non-compliance issues, either via face-to-face reporting or emails. During the Year, there was no non-compliance with relevant regulations that have significant impact on the Group.

4.3 反貪污

反對貪腐是企業主要商業道德原則，破壞社會公平競爭環境。本集團為防止賄賂、勒索、欺詐及洗黑錢事宜設立正式的管理政策，例如所有僱員在勞動合約上有明確反貪腐的條文，僱員入職前必須簽署確認。員工手冊內亦定立了員工必須遵守的行為守則，當中包括詳細的反舞弊管理章節，作為規範員工行為的指引，另外，在僱員入職前均有作相關內容之培訓。

在日常業務交往中，本集團設有「陽光採購」守則，嚴格要求在與供貨商談價格的時候，必須有兩個或以上的員工在場，不允許員工單獨見客。在評估供貨商時，多由多個部門打分決定，並把審批和談判的權力分開，讓權力並不只掌握在少數員工手上。員工有直接的渠道，可以透過當面彙報或電子郵件方式舉報違約行為。本年度本集團並沒有發現有違反任何對本集團有重大影響的相關法規。

4.4 Product responsibility

As the manufacturer of the components of mobile terminals, the Group is not only committed to providing quality services and solutions to customers, but must also ensure end-consumers' access to safe and reliable products. While strictly complying with the Law of the PRC on Product Quality (《中華人民共和國產品質量法》) and other product-related laws to establish formal management policies for the health and safety, advertisement, label and privacy of products, the Group also set up specific policies on process quality control and finished product management.

For raw materials utilization, the Group regularly assesses risks to prevent the outflow of products that are harmful to public health. For example, capacitors in the fingerprint recognition modules generally contain tinning, which is likely to contain lead and benzene that are detrimental to human health. Accordingly, the Group requires materials suppliers to provide an inspection report issued by relevant authorities to ensure their safety. All products of the Group must pass the internal inspection report before delivery. We also entrust a third party to conduct sample testing in accordance with international and domestic standards from time to time. Meanwhile, we conduct regular customer satisfaction survey and customer reviews and strictly implement customer-centered product quality management.

4.4 產品責任

作為移動終端的零部件生產商，本集團不單致力為客戶提供優質服務和解決方案，更必須確保最終使用的消費者可享用到安全和穩定的產品。本集團不單嚴格遵守《中華人民共和國產品質量法》等相關產品法，為產品的健康與安全、廣告、標籤及私隱事宜設立正式的管理政策，同時，亦訂立明確的過程質量控制及成品管理的政策。

在原材料的運用上，本集團定期評估風險，防止對公眾健康構成損害的產品流出，比如在指紋識別模組內的電容器，一般含有鍍錫，而當中容易含有對人體有害的鉛和苯，本集團會要求材料供應商提供權威部門檢驗的報告，確定其安全性。而本集團所有產品出貨前，均需要通過內部檢測報告，我們亦不時委託第三方根據國際及國內標準為樣品進行測試。同時，定期對客戶作出滿意度調查及客戶評價，切實執行以客戶為中心的產品質量管理。

4.5 Supply chain

The Group has relevant policies in place regarding supply chain management, which specify clearly the procedures for supplier selection and approval. Apart from pricing, we will also take into consideration the services, reputation, social responsibility and environmental protection qualification certification (such as ISO9001 and ISO14000) in selecting new suppliers and suppliers must sign environmental protection agreement and social responsibility agreement before commencing cooperation with the Group. The relevant departments will conduct an annual questionnaire survey on suppliers and conduct site investigations from time to time to check whether suppliers have complied with the environmental protection agreement and social responsibility agreement, facilitating them to comply with relevant national requirements.

4.6 Child and forced labour

The Group has always been highly concerned about labor rights and interests. The Group has well-established personnel policies in place, which cover remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversification, anti-discrimination, other benefits and welfares and so on. To maintain transparency, staff benefits and responsibilities are clearly stated in Employees Manual. The Group strictly complies with all national and local labour laws, including Labour Law of the PRC (《中華人民共和國勞動法》), Minors Protection Law (《未成年人保護法》) and other personnel related laws and regulations.

4.5 供應鏈

本集團有就供應鏈管理訂立相關政策，明確供應商的甄選和審批流程，在選擇新供應商時，不單會根據供貨商的價錢，還會詳細考慮服務、聲譽、社會責任以及環保的資質認證（如ISO9001及ISO14000）等等。而供應商在跟本集團合作之前，必須簽定環保協議和社會責任協議。相關部門亦會每年向供貨商進行一次的問卷調查，並不定時進行實地考察，以檢查供貨商是否遵守環保協議和社會責任協議之約定，促使其行為符合國家的相關規定。

4.6 僱用童工及勞動剝削

本集團一貫高度關心勞工權益，設有完善的人事政策，涵蓋了有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利等等，並於員工手冊清楚列出員工的福利及責任，保持透明性。嚴格遵守所有國家和地方的勞工法例，包括《中華人民共和國勞動法》、《未成年人保護法》等人事相關法律法規。

The Group is very concerned about the issues of forced and child labour and therefore formulated policies to clearly prohibit forced labor and employment of child labour under 16 years old. The Group regularly reviews the procedures of recruitment agencies to prevent the occurrence of illegal behaviors. Further, to protect underage workers between 16 and 18 years old, the Group will not arrange them to work night shift nor work in relatively high-polluted painting workshops. With regard to employees' rights and interest protection, the Group set up labour union and established a confidential and anonymous complaints mechanism to avoid forced labour and respects freedom of employment. The Group will not force any employee to work overtime and set a daily overtime working hours cap. Employees can apply to work overtime voluntarily or off duty on time. During the Year, there was no non-compliance with relevant regulations that have significant impact on the Group.

4.7 Health and Safety

Frontline staff will be exposed to risks arising from hazardous chemicals and potential fire hazard during the modules production process. The Group considers staff safety as its first priority. Accordingly, the Group is committed to providing a safe working environment for its staff and strictly complies with the PRC Production Safety Law (《中華人民共和國安全生產法》) and Safe Production Regulations of Jiangsu Province (《江蘇省安全生產條例》), formulated the Chemicals Management Regulations (《化學品管理規定》) to strictly supervise and control the reserve and utilization of chemicals through an inventory in-and-out form and list of chemicals and hazardous goods to prevent misuse (such as storing privately) of dangerous chemicals. Meanwhile, the Group formulated the Emergency Response Plan (《緊急應變計劃》) guidelines and provided chemical management personnel regular trainings on chemical safety instructions to ensure corresponding reasonable treatment measures will be taken in emergencies, so as to prevent casualties resulted from the inappropriate use, reserve and transportation. The Group also provides staff that handles chemicals with proper protective gears, such as gloves, masks and protective clothing. During the Year, there was no non-compliance incident with relevant regulations that have significant impact on the Group.

本集團非常重視勞動剝削和童工等問題，訂立了明確防止強制勞動及僱用低於十六歲以下童工的政策，堅持經常檢視僱用代理機構的聘請流程，以防不法行為發生。此外，為保護16至18周歲的未成年工人，本集團不會安排他們值夜班，以及無須於污染度較高的噴塗車間工作。在員工權益保障上，本集團為工人設立工會，建立保密及匿名投訴機制，以避免強制勞動情況出現，尊重員工的就業自由。本集團不會強迫任何員工加班，他們可自願性申請加班或準點離開，並設定每天加班的時數上限。本年度本集團並沒有發現有違反任何對本集團有重大影響的相關法規。

4.7 健康與安全

前線員工在模組器件的生產過程中，會接觸到危化品及有潛在火災的風險。本集團認為員工的安全應當放於第一位，所以本集團致力於為員工提供安全工作環境，並嚴格遵守《中華人民共和國安全生產法》，《江蘇省安全生產條例》，制訂《化學品管理規定》以化學品危險品的出入記錄表及清單嚴格監控化學品的儲備及利用，防止不當使用（例如私存）相關危化品。同時，制定《緊急應變計劃》指引，定期對化學品管理人員進行化學品安全說明的培訓，確保當發生緊急情況時能採取相應合理的處理措施，防止因不當使用、儲存及搬運等造成傷亡。亦提供適當的護具予處理化學品的僱員，例如手套、面罩保護衣等。本年度本集團並沒有發現有違反任何對本集團有重大影響的相關法規。

For fire disaster prevention, the Group has a complete firefighting and safety management system in place. The Group conducts two fire drills every year, assesses and improves the efficiency and smoothness of the drills, such as emergency evacuation route, whether all staff are in place within time limit, and examines and maintains fire prevention and extinguishing apparatus regularly to create a safe and healthy environment for our staff.

4.8 Others

During materiality assessment, the three aspects in relation to employment conditions and welfare, development and training and community investment are not identified as the most important issues from the internal stakeholders' perspective. However, the Group has established policies and has performed well in these areas, which can be summarized as follows:

4.8.1 Staff welfare

Staff of the Group has equal and fair access to promotion. The Group conducts work review, reporting and KPI analysis every quarter and its remuneration standard is market competitive. As a result, our employees have good impression on the Company as a whole. Last year, the turnover rate was less than 3% for functional staff and 5-8% for frontline staff respectively, a sound and satisfactory level.

而在防止火災方面，本集團設有完善的消防及安全管理系統，每年進行兩次的火災演習，事後評估演習的效率及順暢度並加以改善，例如緊急疏散的路線，人員是否能在時限內全部到位等，定期對防火及滅火裝置進行檢查及維護，為員工締造安全健康的工作環境。

4.8 其他

在重要性評估中，員工的僱傭條件和福利、發展與培訓、以及社區投資等三方面，並非內部利益相關者認為最重要的議題，不過，本集團在這些範疇同樣有既定的政策方針和優秀的表現，簡述如下：

4.8.1 員工福利

本集團員工擁有公平及公正的晉升機會，每個季度均會進行工作審核，述職以及KPI分析，薪酬水平亦具市場競爭力，所以整體員工對公司的印象良好，去年職能類員工離職率在3%以內，前線人員的離職率則在5-8%，屬於較佳水平。

The Group has opinion collection boxes, tea parties, staff complaint hotlines and mailboxes in place to enable staff at all levels to express their opinions as they wish to help improve the operation of the Group. Their opinions will be kept confidential during the entire process. The management advocates the culture of sharing. Technical talents share via sharing sessions, while team heads answer the questions raised by workers at the morning and evening meetings, with a view to improve work quality through concerted efforts. Under the spirit of humanity, the Group has special policy for pregnant staff. For example, for employees who are in her third trimester of pregnancy, no overtime work will be arranged; for employees who are seven- to eight-month pregnant, additional holidays will be arranged; for new mothers, they are entitled for one hour breast-feeding leave every day, in which they come back late to work or get off work early. By implementing family-friendly policies, the Group hopes to better cultivate their sense of belongings and free from any worries, so as to enable them to push forward the development of the Group.

4.8.2 Staff Development and Training

The Group regards staff as an important asset and focuses on improving employee productivity through trainings. The Personnel Department provides no less than 20 hours of external or internal trainings for staff every year and offer relevant courses to different employee groups. For management and knowledge related courses, we engage external lecturers to give training, and for practical and training courses, we organize regular internal training and sharing sessions.

4.8.3 Community Investment

To fulfill corporate citizen responsibility, the Group participates in charity and voluntary works. For instance, employee of the Group has organized a performance in Kunshan Yushan elderly house, and provided gifts for the elderly who lost their family.

本集團常設意見收集箱，茶話會、員工投訴熱線及郵箱等，讓各級別的員工隨心發表意見，協助改善本集團營運，全程保密。管理層提倡分享文化，技術性人才通過分享會的方式，和班長在早晚會解答工人的問題，同心協力，提升工作質素。基於人文精神，本集團對懷孕的員工有特別的政策，例如不安排懷孕三期的員工加班，孕期在7至8個月的員工，有額外的休假安排，剛為人母的，哺乳期每天有一個小時，可以晚來上班或提前下班。藉著推行家庭友好政策，本集團期望培養員工更好的歸屬感，可無後顧之憂，推動本集團發展。

4.8.2 員工發展與培訓

本集團視員工為重要的資產，並著重透過培訓，提升員工的生產力。人事部每年為員工提供不少於20小時的外部或內部培訓，針對不同的員工團體，提供相關課程。管理類及知識類的課程會聘請外部講師進行培訓，實用及實訓類的則定期舉辦內部訓練及分享會。

4.8.3 社區投資

為實踐企業公民責任，本集團不時參與慈善和義務工作。例如去年本集團員工到昆山玉山福利院慰問演出，向孤寡老人送上了慰問禮品。

Index Table of Environmental, Social and Governance Reporting Guide by Hong Kong Stock Exchange

香港聯合交易所《環境、社會及管治報告指引》索引表

Aspects	Corresponding Section	層面	對應章節
A. Environmental		A. 環境	
A1. Emissions	3.3 Water Consumption 3.4 Hazardous Waste Disposal 3.5 Waste Gas Emission 3.6.1 Noise Control 3.6.2 Greenhouse gas emission 3.6.3 Non-hazardous waste disposal	A1. 排放物	3.3 用水 3.4 有害廢物排放 3.5 廢氣排放 3.6.1 噪音管理 3.6.2 溫室氣體排放 3.6.3 無害廢物排放
A2. Use of resources	3.2 Electricity Consumption 3.3 Water Consumption	A2. 資源使用	3.2 用電 3.3 用水
A3. Environment and natural resources	Impacts, policies and management initiatives on the Environment and natural resources has been discussed in aspects A1 and A2.	A3. 環境及天然資源	本公司對環境及天然資源重大的衝擊、管理政策與措施，已體現在A1、A2兩個層面
B. Social		B. 社會	
B1. Employment	4.6 Child and forced labour 4.8.1 Staff welfare	B1. 僱傭	4.6 僱用童工及勞動剝削 4.8.1 員工福利
B2. Health and safety	4.7 Health and Safety	B2. 健康與安全	4.7 健康與安全
B3. Development and training	4.7 Health and Safety 4.8.2 Staff development and training	B3. 發展及培訓	4.7 健康與安全 4.8.2 員工發展及培訓
B4. Labour standards	4.6 Child and forced labour	B4. 勞工準則	4.6 僱用童工及勞動剝削
B5. Supply chain management	4.5 Supply Chain	B5. 供應鏈管理	4.5 供應鏈
B6. Product responsibility	4.4 Product responsibility	B6. 產品責任	4.4 產品責任
B7. Anti-corruption	4.3 Anti-corruption	B7. 反貪污	4.3 反貪污
B8. Community Investment	4.8.3 Community Investment	B8. 社區投資	4.8.3 社區投資

Independent Auditor's Report

獨立核數師報告



Independent auditor's report
to the shareholders of Q Technology (Group) Company Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Q Technology (Group) Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 142 to 248, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

獨立核數師報告
致丘鈦科技(集團)有限公司股東
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第142至248頁的丘鈦科技(集團)有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的合併財務報表。此合併財務報表包括於二零一六年十二月三十一日的合併財務狀況表與截至該日止年度的合併損益表、合併損益及其他全面收益表、合併權益變動表和合併現金流量表,以及合併財務報表附註,包括主要會計政策概要。

我們認為,該等合併財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的《國際財務報告準則》(「國際財務報告準則」)真實而中肯地反映了貴集團於二零一六年十二月三十一日的合併財務狀況,及貴集團截至該日止年度的合併財務表現及合併現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“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”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

意見的基礎

我們已根據香港會計師公會（「香港會計師公會」）頒佈的《香港審計準則》（「香港審計準則」）進行審計。我們就該等準則項下承擔的責任已在本報告「核數師就審計合併財務報表須承擔的責任」一節中詳述。根據香港會計師公會頒佈的《專業會計師道德守則》（「守則」）及開曼群島中任何與我們審計合併財務報表有關的道德要求，我們獨立於貴集團，並已遵循該等道德要求及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證是充足和適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是指根據我們的專業判斷，認為對本期合併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合併財務報表及出具意見時進行處理的。我們不會對該等事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

Timing of revenue recognition

收益確認時點

Refer to note 2 to the consolidated financial statements and the accounting policies 1(t) on page 168.

參閱合併財務報表附註2及第168頁的會計政策1(t)。

The Key Audit Matter

關鍵審計事項

The Group's revenue arises from the sales of camera and fingerprint recognition modules.

貴集團的收益產生自銷售攝像頭及指紋識別模組的銷售。

The Group enters into a framework sales agreement with each major customer and manufactures products based on purchase orders. Products are delivered to a location designated by the respective customer where they undergo a quality examination. After satisfactory completion of the quality examination the risks and rewards of ownership of the products are considered to have been transferred to the respective customer and revenue is recognised.

貴集團與各主要客戶訂立框架銷售協議，並根據客戶的訂單生產。產品交付至相關客戶的指定地點並進行質檢。待質檢完成滿意後，有關產品所有權的風險及回報被視為已轉移至相關客戶，從而確認收益。

How the matter was addressed in our audit

在審計中的處理方法

Our audit procedures to assess the timing of revenue recognition included the following:

我們評估收益確認時點的審計程序包括以下方面：

- inspecting contracts with customers, on a sample basis, to understand the terms of the sale transactions, including the terms of delivery and goods acceptance and any sales return arrangements, to assess the Group's revenue recognition criteria with reference to the requirements of the prevailing accounting standards;
- 抽樣檢查與客戶的合約，了解銷售交易相關的條款，包括貨物運輸及驗收的條款以及任何銷售退回安排，以評估貴集團的收益確認標準是否符合現行會計準則的要求；
- assessing, on a sample basis, whether specific revenue transactions around the financial year end had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the sales contracts by comparing the details in the relevant sales invoices to customers' acceptance documents or customers' inventory records which are available from shared platforms the customers have with the Group;
- 對年末附近的收益交易進行抽樣檢查，將相關發票詳情與客戶驗收的證據，或貴集團與客戶共享平台上的存貨確認紀錄核對，評估收益是否根據合同中的銷售條款確認在恰當的財務期間；

The Key Audit Matter 關鍵審計事項

We identified the timing of revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.

我們將收益確認時點作為關鍵審計事項，是由於收益是衡量貴集團績效的關鍵指標之一，存在管理層為了達到特定目標而操縱收益確認時點的固有風險。

How the matter was addressed in our audit 在審計中的處理方法

- scrutinising the sales ledger after the year end to identify sales returns and inspecting relevant underlying documentation to assess if the related adjustments to revenue had been accounted for in the appropriate financial period; and
- 檢查報告期後的收益確認分錄，識別是否存在銷售退貨，並檢查相關支持性文件，以評估相關的收益調整是否確認在適當的財務期間；及
- scrutinising all the sales journals raised throughout the reporting period and comparing details of a sample of these journals, which met certain risk-based criteria, with relevant underlying documentation.
- 檢查報告期內所有的收益確認分錄，根據特定風險特征選取分錄並核對至相關支持性文件。

Independent Auditor's Report

獨立核數師報告

Recoverability of trade receivables

貿易應收款項的可收回性

Refer to note 15 to the consolidated financial statements and the accounting policies 1(m) on page 162.

參閱合併財務報表附註15及第162頁的會計政策1(m)。

The Key Audit Matter 關鍵審計事項

At 31 December 2016, the Group's gross trade receivables totalled RMB2,376 million, against which allowances for doubtful debts of RMB9.9 million were recorded.

截至二零一六年十二月三十一日，貴集團貿易應收款項總額為人民幣2,376百萬元，針對該餘額累計計提呆賬撥備餘額為人民幣9.9百萬元。

The Group's allowances for doubtful debts are based on management's estimate of the expected credit losses to be incurred, which is estimated by taking into account the ageing of overdue balances, the repayment history of the Group's individual customers, current market conditions and customer-specific conditions, all of which involve a significant degree of management judgement.

管理層基于對預期信用損失的估計計提呆賬撥備。估計的過程考慮了逾期餘額的賬齡，集團各個客戶的還款記錄，現行的市場環境，以及客戶的特定情況，這些考慮均在較大程度上涉及管理層判斷。

How the matter was addressed in our audit 在審計中的處理方法

Our audit procedures to assess the recoverability of trade receivables included the following:

評估貿易應收款項的可收回性的審計程序包括以下方面：

- obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to credit control, debt collection and making allowances for doubtful debts;
- 了解管理層與信貸控制、賬款回收及計提呆賬撥備相關的關鍵內部控制，並評價這些內部控制的設計、執行及運行有效性；
- assessing whether items were correctly categorised in the trade receivables ageing report by comparing a sample of individual items with underlying sales invoices;
- 抽樣檢查貿易應收款項對應的原始發票，以評估貿易應收款項賬齡報告的分佈是否準確；

The Key Audit Matter 關鍵審計事項

We identified the recoverability of trade receivables as a key audit matter because the Group's customers are mainly smartphone manufacturers which are facing challenges in terms of their profitability due to the competitive market environment, which increases the inherent uncertainty in assessing the recoverability of trade receivables, and because determining the level of allowances for doubtful debts requires the exercise of significant management judgement.

我們將貿易應收款項可收回性作為關鍵審計事項，是因為貴集團的客戶主要為智能手機廠商，彼等因激烈的市場競爭而面臨盈利能力方面的挑戰，從而增加了貴集團評估貿易應收款項可收回性的固有不確定性，亦因為釐定呆賬撥備水平須行使重大的管理層判斷。

How the matter was addressed in our audit 在審計中的處理方法

- obtaining an understanding of the basis of management's judgements about the recoverability of individual material and all overdue trade receivable balances and evaluating the allowances for doubtful debts made by management for these balances with reference to the debtors' financial condition, the industry in which the debtors are operating, the ageing of overdue balances and historical and post year end payment records;
- 了解管理層判斷單項重大及所有逾期貿易應收款項餘額的可收回性的基礎，並通過參考債務人的財務狀況、債務人業務所處的行業、逾期餘額的賬齡、過往及期後還款記錄，以評估管理層就該等餘額作出的呆賬撥備；
- assessing the historical accuracy of the estimates made by management for the allowances for doubtful debts by comparing the allowances made by management as at 31 December 2015 with the actual new allowances and recoveries in respect of trade receivables as at 31 December 2015 during the current year; and
- 通過比較管理層於二零一五年十二月三十一日所作出的呆賬撥備與本年度針對二零一五年十二月三十一日貿易應收款項餘額實際新增的呆賬撥備及所收回的款項，評估管理層針對呆賬撥備所作出估計的歷史準確性；及
- inspecting, on a sample basis, cash receipts from customers subsequent to the financial year end relating to trade receivable balances at 31 December 2016.
- 針對二零一六年十二月三十一日貿易應收款項餘額，抽樣檢查客戶期後的回款情況。

Independent Auditor's Report

獨立核數師報告

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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 the directors for the consolidated financial statements

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

合併財務報表及其核數師報告以外的信息

董事須對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表作出的意見並不涵蓋其他信息。我們不對其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所瞭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，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事就合併財務報表須承擔的責任

董事須負責根據國際會計準則委員會頒佈的《國際財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備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控制負責。

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.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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. This report is made solely to you, as a body, 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.

在擬備合併財務報表時，董事須負責評估貴集團的持續經營能力，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。

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

核數師就審計合併財務報表須承擔的責任

我們的目標，是對整體合併財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體股東報告，除此之外本報告不可用作其他用途。我們不會就本報告的內容向任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按《香港審計準則》進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或匯總起來可能影響合併財務報表使用者依賴合併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。

Independent Auditor's Report

獨立核數師報告

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及取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，或凌駕於內部控制之上，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的重大錯誤陳述的風險。
- 了解與審計有關的內部控制，以設計恰當的審計程序，但目的並非對貴集團的內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 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。如果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合併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。
- 評價合併財務報表（包括披露）的整體列報方式、架構和內容，以及合併財務報表是否已中肯地反映交易及事項。

Independent Auditor's Report

獨立核數師報告

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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 the Audit Committee, 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 this independent auditor's report is Siu Chi Hung.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
16 March 2017

- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。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。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，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。

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，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，如果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。

出具本獨立核數師報告的審計項目合夥人為蕭志雄。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓
二零一七年三月十六日

Consolidated Statement of Profit or Loss

合併損益表

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收益	2	4,991,158	2,202,395
Cost of sales	銷售成本		(4,568,721)	(1,961,824)
Gross profit	毛利		422,437	240,571
Other revenue	其他收益	3	18,407	23,622
Other net loss	其他淨虧損	3	(45,172)	(31,476)
Selling and distribution expenses	銷售及分銷開支		(9,662)	(6,237)
Administrative and other operating expenses	行政及其他經營開支		(41,311)	(27,505)
Research and development expenses	研發開支		(124,564)	(74,326)
Profit from operations	經營溢利		220,135	124,649
Finance costs	融資成本	4(a)	(5,548)	(9,948)
Profit before taxation	除稅前溢利	4	214,587	114,701
Income tax	所得稅	5	(23,832)	(12,702)
Profit for the year	年內溢利		190,755	101,999
Attributable to:	歸屬：			
Equity shareholders of the company	本公司股權持有人		190,755	101,999
Profit for the year	年內溢利		190,755	101,999
Earnings per share	每股盈利		RMB Cents 人民幣分	RMB Cents 人民幣分
Basic	基本	9	18.4	10.1
Diluted	攤薄	9	18.1	9.8

The accompanying notes on pages 149 to 248 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 26(b).

第149至248頁的隨附附註構成該等財務報表的一部份。有關應付本公司股權持有人之年內溢利應佔股息之詳情載於附註26(b)。

Consolidated Statement of Profit or Loss and Other Comprehensive Income 合併損益及其他全面收益表

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit for the year	年內溢利	190,755	101,999
Other comprehensive income for the year (after tax and reclassification adjustments):	年內其他全面收益 (除稅及重新分類調整後):		
Items that may be reclassified subsequently to profit or loss:	其後或會重新分類至損益的項目:		
– Exchange differences on translation of the financial statements of subsidiaries outside the Mainland China	– 換算中國內地以外附屬公司財務報表的匯兌差額	8(a) 15,189	23,827
– Available-for-sale financial assets: net movement in the fair value reserve	– 可供出售金融資產: 公平值儲備變動淨額	8(b) –	(2,871)
Other comprehensive income for the year	年內其他全面收益	15,189	20,956
Total comprehensive income for the year	年內全面收益總額	205,944	122,955
Attributable to:	歸屬:		
Equity shareholders of the company	本公司股權持有人	205,944	122,955
Total comprehensive income for the year	年內全面收益總額	205,944	122,955

The accompanying notes on pages 149 to 248 form part of these financial statements.

第149至248頁的隨附附註構成該等財務報表的一部份。

Consolidated Statement of Financial Position

合併財務狀況表

as at 31 December 2016 於二零一六年十二月三十一日
(Expressed in Renminbi) (以人民幣列示)

		Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	720,181	420,670
Lease prepayments	租賃預付款項	12	17,048	17,464
Intangible assets	無形資產	13	1,315	1,476
Deferred tax assets	遞延稅項資產	25(c)	4,287	4,922
Prepayment for acquisition of property, plant and equipment	收購物業、廠房及設備的預付款項		83,354	9,398
			826,185	453,930
Current assets	流動資產			
Inventories	存貨	14	799,246	209,262
Trade and other receivables	貿易及其他應收款項	15	2,606,431	888,786
Other financial assets	其他金融資產	16	–	600
Derivative financial assets	衍生金融資產	17	126,867	–
Current tax assets	即期稅項資產	25(a)	152	10,349
Pledged bank deposits	已抵押銀行存款	18	96,543	145,519
Cash and cash equivalents	現金及現金等價物	19(a)	64,905	282,215
			3,694,144	1,536,731
Current liabilities	流動負債			
Bank borrowings	銀行借款	20	335,432	142,164
Trade and other payables	貿易及其他應付款項	21	2,592,781	622,053
Current tax payable	應付即期稅項	25(a)	10,372	2,095
			2,938,585	766,312
Net current assets	流動資產淨值		755,559	770,419
Total assets less current liabilities	總資產減流動負債		1,581,744	1,224,349

Consolidated Statement of Financial Position

合併財務狀況表

as at 31 December 2016 於二零一六年十二月三十一日
(Expressed in Renminbi) (以人民幣列示)

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Deferred income	遞延收入	22	11,739	4,752
Deferred tax liabilities	遞延稅項負債	25(c)	2,040	2,040
			13,779	6,792
NET ASSETS	資產淨值		1,567,965	1,217,557
CAPITAL AND RESERVES	資本及儲備			
Capital	股本	26	8,605	8,132
Reserves	儲備	26	1,559,360	1,209,425
TOTAL EQUITY	權益總額		1,567,965	1,217,557

Approved and authorised for issue by the board of directors on 16 March 2017.

經董事會於二零一七年三月十六日批准及授權刊發。

He Ningning
Wang Jianqiang

Directors

何寧寧
王健強

董事

The accompanying notes on pages 149 to 248 form part of these financial statements.

第149至248頁的隨附附註構成該等財務報表的一部份。

Consolidated Statement of Changes in Equity

合併權益變動表

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司股權持有人應佔							Total
	Share capital	Share premium	Exchange reserve	PRC statutory reserve	Other reserve	Equity settled share-based payment reserve	Fair value reserve	Retained profits	Total
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Note	附註	附註	附註	附註	附註	附註	附註	附註	附註
	26	26(d)(i)	26(d)(ii)	26(d)(iii)	26(d)(iv)	26(d)(v)	26(d)(vi)	26(d)(vii)	26(d)(viii)
As at 1 January 2015	7,908	652,240	14,740	42,952	66	8,813	2,871	394,698	1,124,288
Changes in equity for 2015:									
Profit for the year	-	-	-	-	-	-	-	101,999	101,999
Other comprehensive income	-	-	23,827	-	-	-	(2,871)	-	20,956
Total comprehensive income for the year	-	-	23,827	-	-	-	(2,871)	101,999	122,955
Equity settled share-based payment transactions	-	-	-	-	-	835	-	-	835
Shares issued under share option scheme	224	16,144	-	-	-	(5,190)	-	-	11,178
Dividend approved in respect of previous year	-	-	-	-	-	-	-	(41,699)	(41,699)
Appropriation to PRC statutory reserves	-	-	-	10,411	-	-	-	(10,411)	-
As at 31 December 2015	8,132	668,384	38,567	53,363	66	4,458	-	444,587	1,217,557
As at 1 January 2016	8,132	668,384	38,567	53,363	66	4,458	-	444,587	1,217,557
Changes in equity for 2016:									
Profit for the year	-	-	-	-	-	-	-	190,755	190,755
Other comprehensive income	-	-	15,189	-	-	-	-	-	15,189
Total comprehensive income for the year	-	-	15,189	-	-	-	-	190,755	205,944
Equity settled share-based payment transactions	-	-	-	-	-	1,658	-	-	1,658
Shares issued under share option scheme	117	7,907	-	-	-	(2,494)	-	-	5,530
Shares issued for the Placement	356	136,920	-	-	-	-	-	-	137,276
Appropriation to PRC statutory reserves	-	-	-	18,714	-	-	-	(18,714)	-
As at 31 December 2016	8,605	813,211	53,756	72,077	66	3,622	-	616,628	1,567,965

The accompanying notes on pages 149 to 248 form part of these financial statements. 第149至248頁的隨附附註構成該等財務報表的一部分。

Consolidated Cash Flow Statement

合併現金流量表

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Operating activities	經營活動			
Cash (used in)/generated from operations	經營(所用)/所得現金	19(b)	(33,891)	361,952
Income tax paid	已付所得稅		(4,723)	(37,953)
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額		(38,614)	323,999
Investing activities	投資活動			
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備付款		(408,893)	(137,145)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		203	2,387
Payment for the purchase of intangible assets	購買無形資產付款		-	(1,587)
Net cash (outflow)/inflow of purchase and redemption of other financial assets	申購及贖回其他金融資產的現金淨(流出)/流入		(25,500)	126,741
(Increase)/decrease in pledged bank deposits	已抵押銀行存款(增加)/減少		(800)	800
Interest received	已收利息		5,279	12,871
Placement of time deposits with maturity over three months	存入到期日超過三個月的定期存款		(26,181)	(66,137)
Withdrawal of time deposits with maturity over three months	提取到期日超過三個月的定期存款		26,181	66,137
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額		(429,711)	4,067

Consolidated Cash Flow Statement

合併現金流量表

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度
(Expressed in Renminbi) (以人民幣列示)

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註		
Financing activities	融資活動			
Proceeds from share issued under shares option scheme	根據購股權計劃發行股份所得款項	26(c)(ii)	5,530	11,178
Proceeds from share issued for the Placement	就配售發行股份所得款項	26(c)(iii)	137,276	-
Proceeds from bank borrowings	銀行借款所得款項		245,746	312,379
Repayment of bank borrowings	償還銀行借款		(270,172)	(966,180)
Decrease in pledged bank deposits	已抵押銀行存款減少		132,684	87,440
Interest paid	已付利息		(5,535)	(13,862)
Dividends paid	已付股息		-	(41,699)
Payment for listing expenses	支付上市開支		-	(6,953)
Net cash generated from/(used in) financing activities	融資活動所得/(所用)現金淨額		245,529	(617,697)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額		(222,796)	(289,631)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物		282,215	553,104
Effect of foreign exchange rate changes	匯率變動的影響		5,486	18,742
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	19(a)	64,905	282,215

The accompanying notes on pages 149 to 248 form part of these financial statements.

第149至248頁的隨附附註構成該等財務報表的一部份。

Notes to the Financial Statements

財務報表附註

31 December 2016 二零一六年十二月三十一日
(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

1 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual IFRSs, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(c) provides information of any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group”).

1 主要會計政策

(a) 合規聲明

該等財務報表乃按照所有適用國際財務報告準則（「國際財務報告準則」）而編製。國際財務報告準則包括由國際會計準則委員會（「國際會計準則委員會」）頒佈的所有適用的個別國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋以及香港公司條例的披露規定。該等財務報表亦符合香港聯合交易所有限公司證券上市規則的適用披露規定。本集團採納的主要會計政策披露如下。

國際會計準則委員會已頒佈若干新訂及經修訂國際財務報告準則，該等準則於本集團及本公司現行會計期間首次生效或可提早採納。因初始應用該等發展而導致的會計政策變動的資料列載於附註1(c)，該等變動與本集團現行及過往會計期間有關並已反映於該等財務報表內。

(b) 編製基準

截至二零一六年十二月三十一日止年度的合併財務報表包括本公司及其附屬公司（統稱為「本集團」）。

Notes to the Financial Statements

財務報表附註

31 December 2016 二零一六年十二月三十一日

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

1 Significant accounting policies (continued)

(b) Basis of preparation (continued)

The financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand unless otherwise indicated as the Group’s principal activities were carried out in the PRC. RMB is the functional currency for the Company’s subsidiary established in the Mainland China. The functional currency of the Company and its subsidiaries outside the Mainland China is US dollars.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Derivative financial instruments (Note 1(e)).
- Other financial assets (Note 1(g)).

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1 主要會計政策 (續)

(b) 編製基準 (續)

由於本集團的主要業務於中國進行，財務報表以人民幣（「人民幣」）呈列，除另有說明外，約整至最接近的千位數。人民幣為本公司於中國內地成立的附屬公司的功能貨幣。本公司及其中國內地以外附屬公司的功能貨幣為美元。

編製財務報表所用計量基準乃歷史成本基準，惟如以下會計政策所解釋的按其公平值呈列的以下資產及負債除外：

- 衍生金融工具（附註1(e)）。
- 其他金融資產（附註1(g)）。

按照國際財務報告準則編製財務報表須管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策應用及所呈報資產、負債、收入及支出金額。該等估計及相關假設乃基於過往經驗及在具體情況下認為合理的多項其他因素作出，所得結果作為判斷難以通過其他來源獲得的資產及負債賬面值的依據。實際結果或會有別於該等估計。

該等估計及相關假設會按持續基準予以檢討。倘會計估計的修訂僅對作出修訂期間有影響，則該修訂於該期間確認，而倘修訂影響當前及未來期間，則於作出修訂期間及未來期間確認。

Notes to the Financial Statements

財務報表附註

31 December 2016 二零一六年十二月三十一日
(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

1 Significant accounting policies (continued)

(b) Basis of preparation (continued)

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 31.

(c) Changes in accounting policies

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

1 主要會計政策 (續)

(b) 編製基準 (續)

管理層運用國際財務報告準則時所作對財務報表具重大影響的判斷及估計不確定因素的主要來源於附註31討論。

(c) 會計政策變動

國際會計準則委員會已頒佈多項對國際財務報告準則的修訂，該等修訂於本集團現行會計期間首次生效。該等變動對本集團當前或過往期間業績及財務狀況之編製或呈列方式並無重大影響。

本集團並無應用於現行會計期間尚未生效的任何新訂準則或詮釋。

(d) 附屬公司

附屬公司指本集團控制的實體。倘本集團擁有或有權支配來自所參與實體的可變回報，並有能力透過對該實體的權力影響該等回報，則本集團控制該實體。評估本集團是否擁有權力時，僅考慮（由本集團及其他方持有的）實質權利。

Notes to the Financial Statements

財務報表附註

31 December 2016 二零一六年十二月三十一日

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

1 Significant accounting policies (continued)

(d) Subsidiaries (continued)

An investment in a subsidiary is consolidated in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 1(k(ii))).

(e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (Note 1(k(ii))).

1 主要會計政策 (續)

(d) 附屬公司 (續)

於附屬公司的投資自開始控制日期起計入合併財務報表，直至失去控制之日止。集團內公司間結餘、交易及現金流量與集團內公司間交易所產生的任何未變現溢利，於編製合併財務報表時悉數對銷。集團內公司間交易所產生的未變現虧損則僅於無減值跡象時按與未變現收益相同的方法對銷。

於本公司的財務狀況表中，於附屬公司的投資乃按成本減減值虧損列賬（見附註1(k(ii))）。

(e) 衍生金融工具

衍生金融工具初始按公平值確認。於各報告期末，公平值重新計量。重新計量公平值產生的收益或虧損即時於損益中確認，除非該衍生工具符合現金流對沖會計或為海外經營業務投資淨額對沖衍生工具，在此情況下，任何因此產生的收益或虧損的確認會視乎該對沖項目的性質而定。

(f) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬（附註1(k(ii))）。

Notes to the Financial Statements

財務報表附註

31 December 2016 二零一六年十二月三十一日
(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

1 Significant accounting policies (continued)

(f) Property, plant and equipment (continued)

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labor, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (Note 1(v)).

No depreciation is provided in respect of construction in progress.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

- Buildings and plant	20 years
- Machinery	3 – 10 years
- Motor vehicles	5 years
- Office and other equipment	3 – 5 years

The residual value rates of each class of fixed assets are as follows:

	<i>Residual value rates (%)</i>
- Buildings and plant	10%
- Machinery	10%
- Motor vehicles	10%
- Office and other equipment	10%

Both the useful life of an asset and its residual value, if any, are reviewed annually.

1 主要會計政策 (續)

(f) 物業、廠房及設備 (續)

自建物業、廠房及設備項目的成本包括物料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地址原貌的成本的初步估計(倘相關)和適當比例的生產經常費用及借款成本(附註1(v))。

在建工程不計提折舊。

物業、廠房及設備項目於其估計可使用年期內按直線法折舊，以撇銷其成本減其估計剩餘價值(如有)，估計可使用年期如下：

- 樓宇及廠房	20年
- 機器	3至10年
- 汽車	5年
- 辦公室及 其他設備	3至5年

各類固定資產的剩餘價值率如下：

	<i>剩餘價值率(%)</i>
- 樓宇及廠房	10%
- 機器	10%
- 汽車	10%
- 辦公室及 其他設備	10%

資產的可使用年期及其剩餘價值(如有)均會每年進行檢討。

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1 Significant accounting policies (continued)

(f) Property, plant and equipment (continued)

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(g) Other financial assets

Other financial assets are initially stated at fair value plus any directly attributable transaction costs. At the end of each reporting period, the fair value is re-measured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. Interest income from these financial assets is recognised using the effective interest method in profit or loss in accordance with the policy set out in Note 1(t)(ii). When these financial assets are derecognised or impaired (Note 1(k)(i)), the cumulative gain or loss is reclassified from equity to profit or loss.

(h) Lease prepayments

Lease prepayments represent cost of acquiring land use rights paid to the PRC's governmental authorities. Land use rights are stated at cost less accumulated amortisation and impairment losses (Note 1(k)(ii)). Amortisation is charged to profit or loss on a straight-line basis over the respective periods of the rights which are 50 years.

1 主要會計政策 (續)

(f) 物業、廠房及設備 (續)

物業、廠房及設備項目報廢或出售所產生的收益或虧損，按出售所得款項淨額與項目賬面值之間的差額釐定，並於報廢或出售日期在損益中確認。

(g) 其他金融資產

其他金融資產初步按公平值加任何直接應佔交易成本列賬。於各報告期末，公平值重新計量，而任何由此產生的盈虧於其他全面收入內確認並於公平值儲備的權益內分開累計。根據附註1(t)(ii)所載的政策，該等金融資產的利息收入按實際利率法於損益內確認。當該等金融資產終止確認或出現減值時（附註1(k)(i)），累計盈虧由權益重新分類至損益。

(h) 租賃預付款項

租賃預付款項指就取得土地使用權支付予中國政府機關的成本。土地使用權按成本減累計攤銷及減值虧損列賬（附註1(k)(ii)）。攤銷於有關權利期間（50年）以直線法在損益中扣除。

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1 Significant accounting policies (continued)

(i) Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (Note 1(k)(ii)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives and impairment losses (see note 1(k)(ii)). Computer software is amortised from the date they are available for the use for 5 years.

Both the useful life and method of amortisation are reviewed annually.

(j) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal installments over the accounting periods covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

1 主要會計政策 (續)

(i) 無形資產

本集團所收購的無形資產乃以成本減累計攤銷(如估計可使用年期有限)及減值虧損(附註1(k)(ii))列賬。

具有限可使用年期的無形資產的攤銷於資產的估計可使用年期及減值虧損(見附註1(k)(ii))內以直線法在損益中扣除。計算機軟件於可供使用當日起計分5年攤銷。

可使用年期及攤銷方法會每年作檢討。

(j) 經營租賃費用

倘本集團有權使用根據經營租賃持有的資產，則根據租賃作出的付款將於租期所覆蓋的會計期間內分期以等額在損益中扣除，惟倘有其他基準更能代表自租賃資產取得的利益模式除外。所獲得的租賃獎勵於損益中確認為已付淨租賃付款總額的一部份。或然租金於其產生的會計期間在損益中扣除。

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1 Significant accounting policies (continued)

(k) Impairment of assets

(i) Impairment of other financial assets and receivables

Current and non-current receivables that are stated at cost or amortised cost and other financial assets are reviewed annually to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of available-for-sale financial asset below its cost.

1 主要會計政策 (續)

(k) 資產減值

(i) 其他金融資產以及應收款項減值

按成本或攤餘成本列示的流動及非流動應收款項以及其他金融資產會每年進行檢討，以確定是否有客觀減值證據。客觀減值證據包括本集團所悉關於下列一項或多項損失事件的可觀察數據：

- 債務人的重大財務困難；
- 違反合約，例如拖欠或無法如期償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 技術、市場、經濟或法律環境出現對債務人不利的重大變化；及
- 可供出售金融資產的公平值大幅或持續下降至低於其成本。

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1 Significant accounting policies (continued)

(k) Impairment of assets (continued)

(i) Impairment of other financial assets and receivables (continued)

If any such evidence exists, any impairment loss is determined and recognized as follows:

- For current receivables carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

1 主要會計政策 (續)

(k) 資產減值 (續)

(i) 其他金融資產以及應收款項減值 (續)

倘存在任何該等證據，則按以下方式釐定及確認任何減值虧損：

- 對於按攤餘成本列示的流動應收款項，減值虧損按資產的賬面值與按金融資產原定的實際利率（即該等資產初步確認時計算的實際利率）折現（如折現影響重大）的估計未來現金流量現值的差額計量。倘該等金融資產具備類似風險特徵，例如類似的逾期情況，且並無個別評估為減值，則有關評估一同進行。一同評估減值的金融資產的未來現金流量乃以與該類資產具有類似信貸風險特徵的資產的過往虧損經驗為基準。

倘於其後期間減值虧損金額減少，且有關減少客觀上與確認減值虧損後發生的事件有關，則有關減值虧損通過損益撥回。減值虧損的撥回不應使資產的賬面值超過以往年度若並無確認減值虧損而原應釐定的金額。

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1 Significant accounting policies (continued)

(k) Impairment of assets (continued)

(i) Impairment of other financial assets and receivables (continued)

- For available-for-sale financial assets, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity instruments are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt instruments are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

1 主要會計政策 (續)

(k) 資產減值 (續)

(i) 其他金融資產以及應收款項減值 (續)

- 對於可供出售金融資產，已於公平值儲備確認的累計虧損重新分類至損益。於損益確認的累計虧損金額為購買成本（扣除任何本金償還及攤銷）與當前公平值的差額減過往於損益確認資產的任何減值虧損。

已於損益確認的可供出售權益工具的減值虧損不會通過損益撥回。有關資產公平值其後的任何增加於其他全面收入確認。

倘公平值的其後增加客觀上與減值虧損確認後發生的事件有關，則撥回可供出售債務工具的減值虧損。於此等情況下撥回的減值虧損於損益確認。

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1 Significant accounting policies (continued)

(k) Impairment of assets (continued)

(i) Impairment of other financial assets and receivables (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade and bills receivables included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade and bills receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets;
- lease prepayments; and
- investments in subsidiaries in the Company's statement of financial position.

1 主要會計政策 (續)

(k) 資產減值 (續)

(i) 其他金融資產以及應收款項減值 (續)

減值虧損直接從相應資產撇銷，惟就計入可收回情況難以預料但並非不可能的貿易及其他應收款項內的貿易應收款項確認的減值虧損除外。在此情況下，呆賬的減值虧損以撥備賬記錄。倘本集團信納不大可能收回，則視為不可收回的金額直接從貿易應收款項及票據撇銷，而撥備賬保留的相關債務金額則撥回。其後所收回先前於撥備賬列支的款項自撥備賬撥回。撥備賬的其他變動及其後收回先前直接撇銷的款項均於損益確認。

(ii) 其他資產減值

內部及外部資料來源會在各報告期予以審閱，以識別有無跡象顯示下列資產可能減值或先前所確認減值虧損不再存在或可能已減少：

- 物業、廠房及設備；
- 無形資產；
- 租賃預付款項；及
- 本公司財務狀況表內的於附屬公司的投資。

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1 Significant accounting policies (continued)

(k) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

1 主要會計政策 (續)

(k) 資產減值 (續)

(ii) 其他資產減值 (續)

倘存在任何該等跡象，則須估計有關資產的可收回金額。

– 計算可收回金額

資產的可收回金額為其公平值減銷售成本與使用價值中的較高者。評估使用價值時，估計未來現金流量乃利用反映資金時間價值的現時市場評估及資產的特定風險的除稅前貼現率貼現至其現值。倘資產所產生的現金流入未能大致獨立於其他資產所產生的現金流入，則釐定可獨立產生現金流入的最小組別資產（即現金產生單位）的可收回金額。

– 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過其可收回金額，則於損益確認減值虧損。就現金產生單位確認的減值虧損首先按比例分配，以減少單位（或單位組別）內其他資產的賬面值，惟資產的賬面值不得減至低於其個別公平值減出售成本（倘可計量）或使用價值（倘可釐定）。

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1 Significant accounting policies (continued)

(k) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Reversals of impairment losses

An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1 主要會計政策 (續)

(k) 資產減值 (續)

(ii) 其他資產減值 (續)

– 撥回減值虧損

倘用於釐定可收回金額的估計出現有利變動，則減值虧損可予撥回。減值虧損的撥回以有關資產過往年度如並無確認減值虧損而原應釐定的賬面值為限。減值虧損的撥回計入確認撥回年度的損益。

(l) 存貨

存貨按成本與可變現淨值的較低者入賬。

成本採用加權平均成本公式計算，並包括所有採購成本、轉換成本及將存貨達致目前地點及狀況產生的其他成本。

可變現淨值為日常業務過程中的估計售價減完成估計成本及作出銷售所需估計成本。

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1 Significant accounting policies (continued)

(l) Inventories (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (Note 1(k)(i)) except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

1 主要會計政策 (續)

(l) 存貨 (續)

於存貨售出時，該等存貨的賬面值確認為於確認有關收益期間的開支。任何存貨撇減至可變現淨值的金額及存貨的所有虧損於撇減或虧損產生期間確認為開支。任何存貨撇減的任何撥回金額確認為撥回發生期間確認為開支的存貨金額的減少。

(m) 貿易及其他應收款項

貿易及其他應收款項初步按公平值確認，其後採用實際利率法按攤銷成本減呆賬減值撥備列賬（附註1(k)(i)），惟應收款項屬提供予關聯方的無固定還款期免息貸款或貼現的影響並不重大時則除外。在此等情況下，該等應收款項按成本減呆賬減值撥備列賬。

(n) 計息借款

計息借款初步按公平值減應佔交易成本確認，其後按攤銷成本入賬，而初步確認的金額與贖回價值之間的差額連同任何利息及應付費用，均採用實際利率法於借款期間在損益內確認。

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1 Significant accounting policies (continued)

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost, except where the payables are interest-free loans made from related parties without any fixed repayment terms or the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to appropriate local defined contribution retirement schemes pursuant to the relevant labor rules and regulations in the PRC are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

1 主要會計政策 (續)

(o) 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認，其後按攤銷成本列賬，惟倘應付款項乃關聯方提供的無固定還款期免息貸款或貼現的影響並不重大，則在此情況下按成本列賬。

(p) 現金及現金等價物

現金及現金等價物包括存入銀行及手頭現金、銀行及其他金融機構活期存款以及可隨時轉換成已知金額現金、價值變動風險不大且購買時到期日不超過三個月的短期高流通投資。

(q) 僱員福利

(i) 短期僱員福利及向界定供款退休計劃供款

薪金、年度花紅、已付年假、界定供款退休計劃供款及非貨幣福利成本於僱員提供相關服務年度計算。倘延遲付款或結算並造成重大影響，則該等金額按其現值列賬。

根據中國相關勞動規章及法規向當地適當的界定供款退休計劃作出的供款，於供款時在損益中確認為開支，但已計入尚未確認為開支的存貨成本內的供款則除外。

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1 Significant accounting policies (continued)

(q) Employee benefits (continued)

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the black-scholes model, taking into account the terms and conditions upon which the share options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the share options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the share options are exercised (when it is transferred to the share premium account) or the share options expire (when it is released directly to retained profits).

1 主要會計政策 (續)

(q) 僱員福利 (續)

(ii) 以股份為基礎的付款

授予僱員的購股權的公平值確認為僱員成本，相應的增加計入權益的資本儲備。公平值經考慮授出購股權所依據的條款及條件後使用柏力克－舒爾斯模型於授出日期計量。倘僱員須滿足歸屬條件方可無條件取得購股權，經考慮購股權是否可能歸屬後，購股權的總估計公平值於歸屬期分攤。

於歸屬期間，會審閱預期歸屬的購股權數目，任何因而導致對過往年度所確認累計公平值的調整於回顧年度在損益內扣除／計入，並相應調整資本儲備，惟原僱員開支符合資產確認的要求除外。於歸屬日期，確認為開支的金額予以調整以反映所歸屬購股權的實際數目（並相應調整資本儲備），惟沒收僅因未達成與本公司股份市價有關的歸屬條件則作別論。權益金額於資本儲備內確認，直至股份獲行使（屆時有關金額轉撥至股份溢價賬）或購股權屆滿（屆時有關金額直接撥入保留溢利）為止。

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1 Significant accounting policies (continued)

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

1 主要會計政策 (續)

(r) 所得稅

年度所得稅包括即期稅項與遞延稅項資產及負債的變動。即期稅項和遞延稅項資產與負債的變動均於損益內確認，惟與其他全面收入或直接於權益確認的項目有關者則除外，在此情況下，有關稅項金額分別於其他全面收入或直接於權益確認。

即期稅項指就年度應課稅收入採用於報告期末已頒佈或實質已頒佈的稅率計算的預期應付稅項，及就過往年度應付稅項作出的任何調整。

可扣稅及應課稅的暫時差額（即資產和負債於財務報告中的賬面值與稅基之間的差額）可產生遞延稅項資產及負債。未動用稅項虧損及未動用稅項抵免亦可產生遞延稅項資產。

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1 Significant accounting policies (continued)

(r) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

1 主要會計政策 (續)

(r) 所得稅 (續)

除若干少數例外情況外，會確認所有遞延稅項負債及所有遞延稅項資產（以可供用於抵扣資產的未來應課稅溢利為限）。可支持確認可扣稅暫時差額所產生遞延稅項資產的未來應課稅溢利包括因撥回現有應課稅暫時差額產生的金額；惟該等差額須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差額預計撥回的同一年間或遞延稅項資產所產生稅項虧損可向後期或向前期結轉的期間撥回。釐定現有應課稅暫時差額是否足以支持確認未動用稅項虧損及稅項抵免產生的遞延稅項資產時，亦採納同一準則，即考慮該等差額是否與同一稅務機關及同一應課稅實體有關，及是否預期於可動用稅項虧損或稅項抵免期間撥回。

已確認的遞延稅項金額按資產與負債賬面值的預期變現或清償方式，以報告期末已頒佈或實質已頒佈的稅率計量。遞延稅項資產及負債均不作貼現。

遞延稅項資產的賬面值於各結算日進行審閱，並在不再可能有足夠的應課稅溢利可用作抵扣相關稅項利益時扣減。倘有可能獲得足夠的應課稅溢利，則扣減金額予以撥回。

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1 Significant accounting policies (continued)

(r) Income tax (continued)

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1 主要會計政策 (續)

(r) 所得稅 (續)

因派發派息產生之額外所得稅於確定支付相關股息之責任時確認。

即期稅項結餘及遞延稅項結餘與其變動將分開呈列，且不會相互抵銷。倘本集團有法定執行權以即期稅項資產抵銷即期稅項負債，且符合下列附帶條件，則即期稅項資產及遞延稅項資產可分別抵銷即期稅項負債及遞延稅項負債：

- 就即期稅項資產及負債而言，本集團計劃按淨額基準結算或同時變現該資產及清償該負債；或
- 就遞延稅項資產及負債而言，該等資產及負債須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 計劃在預期結算或收回大額遞延稅項負債或資產的每個未來期間，按淨額基準或同時變現及清算即期稅項資產及即期稅項負債的不同應課稅實體。

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1 Significant accounting policies (continued)

(s) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

1 主要會計政策 (續)

(s) 撥備及或然負債

如本集團或本公司須就已發生的事件承擔法定或推定責任，並可能需要流出經濟利益以清償有關責任，且可作出合理估計，本集團便會就時間或金額不定的其他負債確認撥備。如果貨幣時間值屬重大，有關撥備按預計清償責任所需開支的現值列賬。

如需要經濟利益流出的可能性不大，或是無法對有關金額作出可靠估計，便會將該責任披露為或然負債，但經濟利益流出的可能性極低的情況除外。如本集團的責任須視乎一宗或多宗未來事件是否發生才能確定是否存在，則亦會披露為或然負債，但經濟利益流出的可能性極低的情況除外。

(t) 收益確認

收益乃按已收或應收代價的公平值計量。如經濟利益可能會流入本集團，而收益及成本（如適用）亦能夠可靠計量時，便會根據下列基準在損益中確認收益：

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1 Significant accounting policies (continued)

(t) Revenue recognition (continued)

(i) Sale of goods

Revenue is recognised when goods are delivered and when the customer has accepted the related risks and rewards of ownership. Revenue excludes value added tax (“VAT”) and is after deduction of any trade discounts.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same year in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised by setting up the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset.

Unconditional discretionary government grants from the government authorities are recognised in the profit or loss as other revenue when the amount is received.

1 主要會計政策 (續)

(t) 收益確認 (續)

(i) 銷售貨物

收益在貨物交付以及客戶接收所有權相關的風險及回報時確認。收益並不包括增值稅(「增值稅」)或其他銷售稅，並已扣除任何交易折扣。

(ii) 利息收入

利息收入於應計提時採用實際利率法確認。

(iii) 政府補助

政府補助將於收到合理保證及本集團將符合附帶條件時，初步於財務狀況表確認。補償本集團所產生開支的補助，於產生開支的相同年度，按系統基準在損益內確認為收入。補償本集團資產成本的補助於資產可使用年期內按系統基準於損益內以將補助設為遞延收入之方式確認。

來自政府機關不帶條件的政府酌情補助於收到款項時在損益中確認為其他收益。

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1 Significant accounting policies (continued)

(u) Translation of foreign currencies

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of operations with functional currency other than Renminbi are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

1 主要會計政策 (續)

(u) 外幣換算

期內外幣交易按交易日的外匯匯率換算。以外幣計值的貨幣資產及負債則按報告期末的外匯匯率換算。匯兌盈虧於損益中確認。

以外幣按歷史成本計量的非貨幣資產及負債使用交易日的外匯匯率換算。

以人民幣以外功能貨幣計值的經營業績按與交易日的外匯匯率相若的匯率換算為人民幣。財務狀況表項目按報告期末的收市外匯匯率換算為人民幣。由此產生的匯兌差額於其他全面收入內確認並單獨於匯兌儲備權益中累計。

(v) 借款成本

凡直接與購置、興建或生產某項資產（該資產必須經過頗長時間籌備以作預定用途或出售）有關的借款成本，均資本化為該資產的部份成本。其他借款成本均於產生期間內支銷。

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1 Significant accounting policies (continued)

(w) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

1 主要會計政策 (續)

(w) 關聯方

- (a) 倘一名人士符合下列情況，其或其近親家屬成員即與本集團有關聯：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司主要管理人員。
- (b) 符合下列條件的實體即與本集團有關聯：
- (i) 該實體與本集團為同一集團的成員（即各自的母公司、附屬公司及同系附屬公司之間有關聯）。
 - (ii) 一實體為另一實體的聯營公司或合營企業（或為另一實體所屬集團旗下成員公司的聯營公司或合營企業）。
 - (iii) 兩實體均為同一第三方的合營企業。
 - (iv) 一實體為一家第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

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1 Significant accounting policies (continued)

(w) Related parties (continued)

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of the Group's various lines of business and geographical locations.

1 主要會計政策 (續)

(w) 關聯方 (續)

- (v) 該實體乃為本集團或本集團關聯實體的僱員福利而設的離職後福利計劃。
- (vi) 該實體受(a)段所指人士控制或共同控制。
- (vii) (a)(i)段所指人士對該實體有重大影響力或身為該實體(或該實體母公司)主要管理人員。
- (viii) 該實體或其所屬集團的任何成員公司向集團或集團母公司提供主要管理人員服務。

有關人士的近親家族成員指在該等成員與實體進行交易時預期可對該人士造成影響或受其影響的家族成員。

(x) 分部報告

經營分部以及財務報表呈報的各分部項目金額，乃根據為本集團各類業務及地理位置分配資源及評估其表現而定期提供予本集團最高行政管理人員的財務報表確定。

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財務報表附註

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

1 Significant accounting policies (continued)

(x) Segment reporting (continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 Revenue and segmental reporting

The principal activities of the Group are manufacturing and sales of camera modules and fingerprint recognition modules for mobile phones and other electronic appliances. No segment information is presented for Group's business segment as the Group is principally engaged in a single line of business.

Revenue represents the sales value of goods sold, excludes VAT and is after deduction of any trade discounts.

The Group's revenue by geographical location is determined by the locations of operations of the contracting parties.

1 主要會計政策 (續)

(x) 分部報告 (續)

就財務報告而言，重要個別經營分部不會合併入賬，除非有關分部的經濟特徵相近，且在產品及服務的性質、生產工序性質、客戶類型或階層、分銷產品或提供服務的方式以及監管環境性質等方面相似。同樣具備上述大部份特質的個別非重大經營分部可合併入賬。

2 收益及分部報告

本集團的主要業務是生產及銷售手機及其他電器的攝像頭模組及指紋識別模組。因本集團主要從事單一的業務，因此並無本集團業務分部的分部資料呈報。

收益指所售貨物的銷售價值，不包括增值稅且扣除任何交易折扣。

本集團按地理位置劃分的收益乃根據各訂約方的經營地點確定。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

2 Revenue and segmental reporting (continued)

2 收益及分部報告 (續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收益		
PRC (including Hong Kong)	中國(包括香港)	4,988,798	2,163,600
Overseas	海外	2,360	38,795
		4,991,158	2,202,395

The Group had two (2015: three) customers with whom transactions had exceeded 10% of the Group's revenue for the year ended 31 December 2016. The aggregate amount of sales to these customers amounted to approximately RMB3,027,256,000 (2015: RMB1,255,948,000) for the year ended 31 December 2016. Details of concentrations of credit risk arising from these customers are set out in Note 27(a).

截至二零一六年十二月三十一日止年度，本集團與兩名(二零一五年：三名)客戶的交易超過其收益的10%。截至二零一六年十二月三十一日止年度，向該等客戶的銷售總額約為人民幣3,027,256,000元(二零一五年：人民幣1,255,948,000元)。該等客戶產生的信貸風險集中的詳情載列於附註27(a)。

For the years ended 31 December 2016 and 2015, certain amounts of revenue are related to sales made to related parties (see Note 29).

截至二零一六年及二零一五年十二月三十一日止年度，若干收益金額乃有關向關聯方作出的銷售(見附註29)。

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3 Other revenue and other net loss

3 其他收益及其他淨虧損

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other revenue	其他收益		
Government grants	政府補助	13,620	5,832
Interest income	利息收入	4,256	11,311
Investment income	投資收入	-	4,741
Others	其他	531	1,738
		18,407	23,622
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other net loss	其他淨虧損		
Net foreign exchange loss	外匯虧損淨額	(64,613)	(30,878)
Net gain on foreign currency forward contracts	外匯遠期合約的收益淨額	-	600
Net gain on foreign currency option contracts	外匯期權合約的收益淨額	19,458	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	(17)	(1,098)
Loss on disposal of intangible assets	出售無形資產的虧損	-	(100)
		(45,172)	(31,476)

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

4 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

4 除稅前溢利

除稅前溢利於扣除／(計入)下列各項後達致：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(a) Finance costs		
Interest expenses	5,548	9,948
(b) Staff costs		
Contributions to defined contribution retirement plans (Note 23)	6,944	5,481
Salaries, wages and other benefits	270,316	144,733
Equity settled share-based payment expenses (Note 24)	1,658	835
	278,918	151,049
(c) Other items		
Depreciation (Note 10)	63,443	41,888
Amortisation		
– lease prepayments (Note 12)	416	416
– intangible assets (Note 13)	161	145
Auditors' remuneration		
– Group audit and review services	1,651	1,698
– Subsidiaries statutory audit services	152	198
Operating lease charges in respect of properties	4,117	1,001
Research and development costs (Note (i))	124,564	74,326
Impairment losses recognised on trade and other receivables	9,400	1
Cost of inventories (Note (ii))	4,641,127	2,001,968

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4 Profit before taxation (continued)

Notes:

- (i) Research and development costs include staff costs of employees in the design, research and development department of RMB43,093,000 for the year ended 31 December 2016 (2015: RMB26,773,000), which are included in the staff costs as disclosed in Note 4(b).

The criteria for the recognition of such costs as an asset are generally not met until late in the development state of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

- (ii) Cost of inventories includes RMB252,230,000 (2015: RMB155,762,000) for the year ended 31 December 2016 relating to staff costs, depreciation and amortisation expenses, which amounts are also included in the respective total amounts disclosed separately above or in Note 4(b) for each of these types of expenses.

4 除稅前溢利 (續)

附註：

- (i) 研發成本包括截至二零一六年十二月三十一日止年度設計、研發部門僱員的員工成本人民幣43,093,000元(二零一五年：人民幣26,773,000元)，計入附註4(b)披露的員工成本。

將該等成本確認為一項資產的標準一般直至項目開發狀態末期餘下開發成本並不重大時才會滿足。因此，研究成本及開發成本一般於其產生期間確認為開支。

- (ii) 截至二零一六年十二月三十一日止年度，存貨成本包括人民幣252,230,000元(二零一五年：人民幣155,762,000元)，分別與員工成本、折舊及攤銷開支有關，該等金額亦計入該等各類別開支在上文單獨披露或於附註4(b)披露的各項總金額。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

5 Income tax in the consolidated statement of profit or loss

(a) Income tax in the consolidated statement of profit or loss represents:

5 合併損益表中的所得稅

(a) 合併損益表中的所得稅指：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current tax	即期稅項		
PRC Corporate Income Tax	中國企業所得稅	25,339	11,971
PRC Dividend Withholding Tax	中國股息預扣稅	-	5,760
Hong Kong Profits Tax	香港利得稅	(2,142)	-
		<u>23,197</u>	<u>17,731</u>
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (Note 25(b))	暫時性差額的產生及撥回 (附註25(b))	635	(5,029)
		<u>23,832</u>	<u>12,702</u>

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5 Income tax in the consolidated statement of profit or loss (continued)

5 合併損益表中的所得稅 (續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 按適用稅率計算的稅務開支與會計溢利的對賬：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	214,587	114,701
Notional tax on profit before taxation, calculated at the rates applicable to the tax jurisdictions concerned	除稅前溢利的名義稅項，按適用於相關稅務管轄權區的稅率計算	52,180	29,946
Tax effect of PRC preferential tax treatments (iii)	中國優惠稅務待遇的稅務影響(iii)	(17,088)	(9,275)
Tax effect of additional deduction on research and development costs	研發成本的額外扣減的稅務影響	(9,207)	(8,389)
Effect of non-deductible expenses	不可扣減開支的影響	89	249
Tax effect of unused tax loss not recognised	未確認未動用稅項虧損的稅務影響	-	171
Over provision in prior years	過往年度超額撥備	(2,142)	-
Actual tax expense	實際稅務開支	23,832	12,702

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.
- (ii) No provision was made for Hong Kong Profits Tax in 2016 as the Group did not earn any assessable profit subject to Hong Kong Profits Tax during 2016 (2015: nil).

附註：

- (i) 根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及法規，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。
- (ii) 由於本集團於二零一六年並無賺得任何須繳納香港利得稅的應課稅溢利，故於二零一六年並無就香港利得稅作出撥備。(二零一五年：無)

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5 Income tax in the consolidated statement of profit or loss *(continued)*

(b) Reconciliation between tax expense and accounting profit at applicable tax rates: *(continued)*

Notes: *(continued)*

- (iii) Effective from 1 January 2008, the PRC statutory income tax rate is 25%. Kunshan Q Technology Limited (“Kunshan QT China”) was qualified as a High and New Technology Enterprise (“HNTE”) in 2009, and had successfully renewed the HNTE qualification on 21 May 2012 and 6 July 2015 respectively and continued to enjoy a preferential income tax rate of 15% for another three years commenced from 1 January 2015.
- (iv) According to the PRC Corporate Income Tax Law and its related regulations, the Group is subject to a withholding tax at 10%, unless reduced by tax treaties or arrangements, for dividends distributed by a PRC enterprise to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempt from such withholding tax. According to the China-HK Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% or more of a PRC enterprise is entitled to a reduced withholding rate of 5%.

5 合併損益表中的所得稅 (續)

(b) 按適用稅率計算的稅務開支與會計溢利的對賬：(續)

附註：(續)

- (iii) 自二零零八年一月一日起，中國的法定所得稅稅率為25%。昆山丘鈦微電子科技有限公司（「昆山丘鈦中國」）於二零零九年獲得高新技術企業（「高新技術企業」）資格，並分別於二零一二年五月二十一日及二零一五年七月六日成功續新高新技術企業資格，自二零一五年一月一日起計另外三年再享有15%的優惠所得稅率。
- (iv) 根據《中華人民共和國企業所得稅法》及其相關規定，本集團須就中國企業自二零零八年一月一日起所產生的盈利向其中國境外直接控股公司分派的股息按10%（惟根據稅收協定或安排調減除外）的稅率繳納預扣稅，於二零零八年一月一日前產生的未分派盈利獲豁免繳納該項預扣稅。根據《中港兩地稅務安排》及其相關規定，身為「實益擁有人」並持有中國企業25%或以上權益的合資格香港稅務居民有權按5%的經調減預扣稅率納稅。

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6 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation are as follows:

Year ended 31 December 2016

6 董事薪酬

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部規定所披露之董事薪酬如下：

截至二零一六年十二月三十一日止年度

	Salaries, allowances and other benefits	Retirement scheme contributions	Discretionary bonuses	Share-based payments	Total			
Fee				(note)				
	薪金、津貼 袍金 及其他福利	退休計劃供款	酌情花紅	以股份為 基礎的付款 (附註)	總計			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元			
Executive directors	執行董事							
Mr. He Ningning	何寧寧先生	322	-	-	322			
Mr. Yang Peikun	楊培坤先生	-	279	19	298			
Mr. Wang Jianqiang	王健強先生	-	195	5	700			
Mr. Hu Sanmu	胡三木先生	-	319	18	707			
Independent non-executive directors	獨立非執行董事							
Mr. Chu Chia Hisang	初家祥先生	-	90	-	90			
Ms. Chen Jun	陳郡女士	-	90	-	90			
Mr. Ng Sui Yin	吳瑞賢先生	-	90	-	90			
Total	總計	322	1,063	42	870	2,297	344	2,641

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6 Directors' emoluments (continued)

Year ended 31 December 2015

	Fee	Salaries, allowances and other benefits	Retirement scheme contributions	Discretionary bonuses	Sub-total	Share-based payments (note)	Total
	袍金	薪金、津貼及其他福利	退休計劃供款	酌情花紅	小計	以股份為基礎的付款 (附註)	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors 執行董事							
Mr. He Ningning 何寧寧先生	295	-	-	-	295	-	295
Mr. Yang Peikun 楊培坤先生	-	375	17	600	992	238	1,230
Mr. Wang Jianqiang 王健強先生	-	120	-	300	420	119	539
Independent non-executive directors 獨立非執行董事							
Mr. Chu Chia Hisang 初家祥先生	-	82	-	-	82	-	82
Ms. Chen Jun 陳郡女士	-	82	-	-	82	-	82
Mr. Ng Sui Yin 吳瑞賢先生	-	82	-	-	82	-	82
Total 總計	295	741	17	900	1,953	357	2,310

Note: These represent the estimated value of share options granted to the directors under the Group's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 1(q)(ii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed in Note 24.

During the year, there were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in Note 7 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any emolument during the year.

6 董事薪酬 (續)

截至二零一五年十二月三十一日止年度

	袍金	薪金、津貼及其他福利	退休計劃供款	酌情花紅	小計	以股份為基礎的付款 (附註)	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
執行董事							
Mr. He Ningning 何寧寧先生	295	-	-	-	295	-	295
Mr. Yang Peikun 楊培坤先生	-	375	17	600	992	238	1,230
Mr. Wang Jianqiang 王健強先生	-	120	-	300	420	119	539
獨立非執行董事							
Mr. Chu Chia Hisang 初家祥先生	-	82	-	-	82	-	82
Ms. Chen Jun 陳郡女士	-	82	-	-	82	-	82
Mr. Ng Sui Yin 吳瑞賢先生	-	82	-	-	82	-	82
Total 總計	295	741	17	900	1,953	357	2,310

附註：該等金額指根據本集團的購股權計劃向董事授出的購股權的估計價值。該等購股權的價值根據附註1(q)(ii)所載本集團以股份為基礎付款的交易的會計政策計量。

該等實物福利的詳情(包括已授出購股權的主要條款及數目)於附註24披露。

於本年度，本集團概無向董事或下文附註7所載任何最高薪人士已付或應付任何款項作為招攬加入本集團或於加入後的獎勵或作為離職的補償。於本年度，概無董事放棄或同意放棄任何薪酬的安排。

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7 Individual with highest emoluments

Of the five individuals with the highest emoluments, two (2015: two) of them are directors for the year ended 31 December 2016, whose emoluments are disclosed in Note 6 above. The aggregate emoluments in respect of the remaining individuals are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他薪酬	915	845
Discretionary bonuses	酌情花紅	1,204	787
Contributions to retirement benefit scheme	退休福利計劃供款	14	15
Share-based payments	以股份為基礎的付款	182	30
		2,315	1,677

The emoluments of the three (2015: three) individuals with the highest emoluments for the year ended 31 December 2016 are within the following bands:

		2016 二零一六年 Number of individuals 人數	2015 二零一五年 Number of individuals 人數
HK\$Nil to HK\$1,000,000	零港元至1,000,000港元	3	3

7 最高薪人士

截至二零一六年十二月三十一日止年度，五名最高薪人士中有兩名（二零一五年：兩名）為董事，其薪酬於上文附註6披露。餘下人士的薪酬總額如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他薪酬	915	845
Discretionary bonuses	酌情花紅	1,204	787
Contributions to retirement benefit scheme	退休福利計劃供款	14	15
Share-based payments	以股份為基礎的付款	182	30
		2,315	1,677

截至二零一六年十二月三十一日止年度，三名（二零一五年：三名）最高薪人士的薪酬介乎以下範圍：

		2016 二零一六年 Number of individuals 人數	2015 二零一五年 Number of individuals 人數
HK\$Nil to HK\$1,000,000	零港元至1,000,000港元	3	3

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8 Other comprehensive income

(a) Tax effects relating to each component of other comprehensive income

	2016 二零一六年			2015 二零一五年		
	Before-tax amount 除稅前金額 RMB'000 人民幣千元	Tax effect 稅務影響 RMB'000 人民幣千元	Net-of-tax amount 除稅後金額 RMB'000 人民幣千元	Before-tax amount 除稅前金額 RMB'000 人民幣千元	Tax effect 稅務影響 RMB'000 人民幣千元	Net-of-tax amount 除稅後金額 RMB'000 人民幣千元
Exchange difference on translation of:						
- financial statements of subsidiaries outside the Mainland China	15,189	-	15,189	23,827	-	23,827
Available-for-sale financial assets:						
- net movement in fair value reserve	-	-	-	(3,378)	507	(2,871)
Other comprehensive income	15,189	-	15,189	20,449	507	20,956

8 其他全面收益

(a) 有關其他全面收益各組成部份的稅務影響

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8 Other comprehensive income (continued)

8 其他全面收益 (續)

(b) Components of other comprehensive income, including reclassification adjustments

(b) 其他全面收益組成部份 (包括重新分類調整)

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Available-for-sale financial assets: 可供出售金融資產：		
Changes in fair value recognised during the year 年內確認的公平值變動	-	1,363
Reclassification adjustments for amounts transferred to profit or loss: 轉撥至損益的款項		
– gains on disposal 重新分類調整：		
– gains on disposal 一出售收益	-	(4,741)
Tax effect of fair value change charged to reserve 公平值變動計入儲備的稅務影響	-	507
Net movement in the fair value reserve during the year recognised in other comprehensive income 於其他全面收入內確認的年內公平值儲備變動淨額	-	(2,871)

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9 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB190,755,000 (2015: RMB101,999,000) and the weighted average of 1,038,359,000 (2015: 1,014,174,000) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Issued ordinary shares at 1 January	於一月一日的 已發行普通股	1,027,945	1,000,000
Effect of share options exercised (Note 26(c)(ii))	已行使的購股權的影響 (附註26(c)(ii))	8,332	14,174
Shares issued for the Placement (Note 26(c)(iii))	配售已發行股份 (附註26(c)(iii))	2,082	-
Weighted average number of ordinary shares at 31 December	於十二月三十一日的 普通股加權平均數	1,038,359	1,014,174

9 每股盈利

(a) 每股基本盈利

每股基本盈利乃以本公司普通股權持有人應佔溢利人民幣190,755,000元(二零一五年：人民幣101,999,000元)及年內已發行普通股的加權平均數1,038,359,000股(二零一五年：1,014,174,000股)為基準計算如下：

普通股加權平均數

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9 Earnings per share (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB190,755,000 (2015: RMB101,999,000) and the weighted average of ordinary shares of 1,056,739,000 shares (2015: 1,046,124,000) calculated as follows:

Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares at 31 December	於十二月三十一日的普通股加權平均數	1,038,359	1,014,174
Effect of deemed issue of shares under the Company's share option schemes	視作根據本公司購股權計劃發行股份的影響	18,380	31,950
Weighted average number of ordinary shares (diluted) at 31 December	於十二月三十一日的普通股加權平均數 (攤薄)	1,056,739	1,046,124

9 每股盈利 (續)

(b) 每股攤薄盈利

每股攤薄盈利乃以本公司普通股權持有人應佔溢利約人民幣190,755,000元(二零一五年:約人民幣101,999,000元)及普通股加權平均數1,056,739,000股(二零一五年:1,046,124,000股)為基準計算如下:

普通股加權平均數 (攤薄)

2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
1,038,359	1,014,174
18,380	31,950
1,056,739	1,046,124

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10 Property, plant and equipment

10 物業、廠房及設備

		Buildings and plant	Machinery	Motor vehicles	Office and other equipment	Sub-total	Construction in progress	Total
		樓宇及廠房 RMB'000 人民幣千元	機器 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	辦公及 其他設備 RMB'000 人民幣千元	小計 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Cost:	成本：							
At 1 January 2015	於二零一五年一月一日	103,242	225,435	689	36,345	365,711	32,881	398,592
Additions	添置	916	65,428	-	28,648	94,992	35,264	130,256
Transfer from construction in progress	轉撥自在建工程	49,774	1,972	-	2,634	54,380	(54,380)	-
Disposals	出售	-	(8,213)	-	(924)	(9,137)	-	(9,137)
At 31 December 2015 and 1 January 2016	於二零一五年 十二月三十一日及 二零一六年一月一日	153,932	284,622	689	66,703	505,946	13,765	519,711
Additions	添置	20,547	188,324	-	58,143	267,014	96,160	363,174
Transfer from construction in progress	轉撥自在建工程	1,741	46,407	-	1,350	49,498	(49,498)	-
Disposals	出售	-	(1,042)	-	(21)	(1,063)	-	(1,063)
At 31 December 2016	於二零一六年 十二月三十一日	176,220	518,311	689	126,175	821,395	60,427	881,822
Accumulated depreciation:	累計折舊：							
At 1 January 2015	於二零一五年一月一日	(9,590)	(39,186)	(214)	(13,815)	(62,805)	-	(62,805)
Charge for the year	年內扣除	(6,536)	(21,451)	(124)	(13,777)	(41,888)	-	(41,888)
Written back on disposals	出售時撥回	-	5,202	-	450	5,652	-	5,652
At 31 December 2015 and 1 January 2016	於二零一五年 十二月三十一日及 二零一六年一月一日	(16,126)	(55,435)	(338)	(27,142)	(99,041)	-	(99,041)
Charge for the year	年內扣除	(9,351)	(31,978)	(124)	(21,990)	(63,443)	-	(63,443)
Written back on disposals	出售時撥回	-	836	-	7	843	-	843
At 31 December 2016	於二零一六年 十二月三十一日	(25,477)	(86,577)	(462)	(49,125)	(161,641)	-	(161,641)
Net book value:	賬面淨值：							
At 31 December 2015	於二零一五年 十二月三十一日	137,806	229,187	351	39,561	406,905	13,765	420,670
At 31 December 2016	於二零一六年 十二月三十一日	150,743	431,734	227	77,050	659,754	60,427	720,181

The buildings held for own use are located in the PRC under medium-term leases.

As at 31 December 2016, the Group was in the process of obtaining the ownership certificate in respect of buildings in the PRC with net book value of RMB24,281,000 (2015: RMB25,415,000).

持作自用的樓宇位於中國，屬中期租約。

於二零一六年十二月三十一日，本集團正在就位於中國之賬面淨值為人民幣24,281,000元（二零一五年：人民幣25,415,000元）之樓宇申領所有權證。

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11 Investments in subsidiaries

The following list contains the particulars of all the subsidiaries of the Company. The class of shares held is ordinary unless otherwise stated.

11 於附屬公司的投資

下表呈列本公司所有附屬公司之資料。除另有說明外，所持股份類別為普通股。

Name of Company 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點及日期	Place of operation 營業地點	Paid up capital/ registered capital 已繳足資本/ 註冊資本	Proportion of equity interest attributable to the Company 本公司應佔股權比例		Principal activities 主要業務
				Direct 直接	Indirect 間接	
Q Technology (Great China) Inc. [#] Q Technology (Great China) Inc. [#]	British Virgin Islands ("BVI")/ 3 July 2007 英屬處女群島 ("英屬處女群島")/ 二零零七年七月三日	BVI 英屬處女群島	US\$10,000 10,000美元	100%	-	Investment holding 投資控股
Kunshan Q Technology Limited* 昆山丘鈦微電子科技有限公司*	People's Republic of China ("PRC")/ 15 October 2007 中華人民共和國 ("中國")/ 二零零七年十月十五日	PRC 中國	US\$75,000,000 75,000,000美元	-	100%	Manufacture and trading of Camera Modules 製造及買賣攝像頭模組
Kunshan Q Technology (Hong Kong) Limited Kunshan Q Technology (Hong Kong) Limited	Hong Kong/15 January 2013 香港/二零一三年一月十五日	Hong Kong 香港	HK\$10,000 10,000港元	-	100%	Trading of Camera Modules 買賣攝像頭模組
Chengdu Q Technology Limited* 成都丘鈦微電子科技有限公司*	PRC/6 June 2014 中國/二零一四年六月六日	PRC 中國	RMB1,000,000 人民幣1,000,000元	-	100%	Research and development of Camera Modules 研發攝像頭模組
Shenzhen Q Technology Limited* 深圳市丘鈦微電子科技有限公司*	PRC/19 June 2015 中國/二零一五年六月十九日	PRC 中國	RMB2,000,000 人民幣2,000,000元	-	100%	Trading of Camera Modules 買賣攝像頭模組
Taiwan Q Technology Limited* 台灣丘鈦微電子科技有限公司*	Taiwan/1 July 2015 台灣/二零一五年七月一日	Taiwan 台灣	TWD 3,000,000 3,000,000新台幣	100%	-	Trading of Camera Modules 買賣攝像頭模組

[#] The entity was previously known as CK Telecom (Great China) Inc. ("CK Great China"), and its name was changed to Q Technology (Great China) Inc. on 2 September 2015.

[#] 該實體原名CK Telecom (Great China) Inc. ("CK Great China")，其名稱於二零一五年九月二日更改為Q Technology (Great China) Inc.。

^{*} The English translation of the companies' names are for reference only. The official names of the companies are in Chinese.

^{*} 該等公司名稱之英文翻譯僅供參考。該等公司的正式名稱為中文。

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11 Investments in subsidiaries (continued)

Notes:

- (i) The entity is a wholly foreign owned enterprise established in the PRC.
- (ii) The two entities are limited liabilities companies established in the PRC.

11 於附屬公司的投資 (續)

附註：

- (i) 該實體為於中國成立的外商獨資企業。
- (ii) 該兩家實體為於中國成立的有限責任公司。

12 Lease prepayments

12 租賃預付款項

RMB'000
人民幣千元

Cost:	成本：	
At 1 January 2015,	於二零一五年一月一日、二零一五年及	
31 December 2015 and 2016	二零一六年十二月三十一日	20,791
Accumulated amortisation:	累計攤銷：	
At 1 January 2015	於二零一五年一月一日	(2,911)
Amortisation for the year	年內攤銷	(416)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及	(3,327)
Amortisation for the year	二零一六年一月一日	(416)
At 31 December 2016	於二零一六年十二月三十一日	(3,743)
Net book value:	賬面淨值：	
At 31 December 2015	於二零一五年十二月三十一日	17,464
At 31 December 2016	於二零一六年十二月三十一日	17,048

Interests in leasehold land represent prepayments of land use rights premium to the PRC authorities by the Group. The Group's leasehold land is located in PRC, on which its manufacturing plants were built. The Group is granted land use rights for a period of 50 years up to 2058.

The amounts include RMB416,000 (2015: RMB416,000) current portion of the lease prepayments as at 31 December 2016.

於租賃土地的權益指本集團向中國機關支付的土地使用權出讓金的預付款項。本集團的租賃土地位於中國，在土地之上建立其製造工廠。本集團獲授土地使用權的期限為50年，至二零五八年到期。

於二零一六年十二月三十一日，該等金額包括人民幣416,000元（二零一五年：人民幣416,000元）的租賃預付款項即期部份。

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13 Intangible assets

13 無形資產

		Computer software 計算機軟件 RMB'000 人民幣千元
Cost:		
At 1 January 2015	成本： 於二零一五年一月一日	152
Addition during the year 2015	於二零一五年度添置	1,587
Disposals	出售	(131)
At 31 December 2015 and 2016	於二零一五年及 二零一六年十二月三十一日	<u>1,608</u>
Accumulated amortisation:		
At 1 January 2015	累計攤銷： 於二零一五年一月一日	(18)
Amortisation for the year	年內攤銷	(145)
Written back on disposals	出售時撥回	31
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	<u>(132)</u>
Amortisation for the year	年內攤銷	<u>(161)</u>
At 31 December 2016	於二零一六年十二月三十一日	<u>(293)</u>
Net book value:		
At 31 December 2015	賬面淨值： 於二零一五年十二月三十一日	<u>1,476</u>
At 31 December 2016	於二零一六年十二月三十一日	<u>1,315</u>

The amortisation charges of the intangible assets for the year are included in "administrative and other operating expenses" in the consolidated statement of profit or loss.

年內無形資產的攤銷開支計入合併損益表中的「行政及其他經營開支」。

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14 Inventories

Inventories in the consolidated statement of financial position comprise:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	227,125	54,800
Work in progress	在製品	272,938	80,715
Finished goods	成品	299,183	73,747
		799,246	209,262

The analysis of amount of inventories as an expenses and included in profit or loss is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount of inventories sold	已出售存貨的賬面值	4,564,809	1,955,929
Carrying amount of inventories recognised as administrative and other operating expenses and research and development expenses	確認為行政及其他經營費用及研發費用的存貨的賬面值	73,843	44,892
Write down of inventories	存貨撇減	2,475	1,147
		4,641,127	2,001,968

14 存貨

合併財務狀況表中的存貨包括：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	227,125	54,800
Work in progress	在製品	272,938	80,715
Finished goods	成品	299,183	73,747
		799,246	209,262

作為開支計入損益中的存貨金額的分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount of inventories sold	已出售存貨的賬面值	4,564,809	1,955,929
Carrying amount of inventories recognised as administrative and other operating expenses and research and development expenses	確認為行政及其他經營費用及研發費用的存貨的賬面值	73,843	44,892
Write down of inventories	存貨撇減	2,475	1,147
		4,641,127	2,001,968

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15 Trade and other receivables

15 貿易及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	貿易應收款項		
– third parties	– 第三方	2,371,648	751,647
– related parties (Note 29(c))	– 關聯方 (附註29(c))	3,894	13,546
Bills receivable	應收票據		
– third parties	– 第三方	169,105	116,670
Trade and bills receivables	貿易應收款項及應收票據	2,544,647	881,863
Less: allowance for doubtful debts	減：呆賬撥備	(9,904)	(504)
Other deposits, prepayments and receivables	其他按金、預付款項及應收款項	2,534,743	881,359
		71,688	7,427
		2,606,431	888,786

All of the trade and other receivables are expected to be recovered or recognised as expense within one year, except for the Group's deposits amounting to RMB264,000 (2015: RMB9,000) as at 31 December 2016, which are expected to be recovered after more than one year.

Bill receivable represented outstanding bank acceptance bills and commercial acceptance bills. As at 31 December 2016, bills receivable amounting to RMB129,225,000 (2015: RMB27,128,000) were pledged as security for bills payable (see Note 21). Bills receivable are due in 3 to 6 months from the date of issue.

所有貿易及其他應收款項預期將於一年內收回或確認為開支，惟於二零一六年十二月三十一日金額為人民幣264,000元（二零一五年：人民幣9,000元）的本集團按金除外，該等金額預期將於超過一年後收回。

應收票據指未到期收款的銀行承兌票據及商業承兌票據。於二零一六年十二月三十一日，人民幣129,225,000元（二零一五年：人民幣27,128,000元）的應收票據已抵押作為應付票據的擔保（見附註21）。應收票據自發行日期起計3至6個月到期。

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15 Trade and other receivables (continued)

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade and bills receivables (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 month	於1個月以內	1,569,991	613,254
More than 1 month but within 3 months	超過1個月但於 3個月以內	902,416	250,927
More than 3 months but within 6 months	超過3個月但於 6個月以內	62,336	17,165
More than 6 months but within 1 year	超過6個月但於 1年以內	-	13
		2,534,743	881,359

15 貿易及其他應收款項 (續)

(a) 賬齡分析

於報告期末，按發票日期劃分及扣除呆賬撥備後的貿易應收款項及應收票據（已計入貿易及其他應收款項）的賬齡分析如下：

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15 Trade and other receivables (continued)

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that the recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly (see Note 1(k)(i)).

The movement in the allowance for doubtful debts during the year is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	504	503
Impairment loss recognised	已確認的減值虧損	9,400	1
At 31 December	於十二月三十一日	9,904	504

As at 31 December 2016, there was an impairment provision of RMB9,904,000 (2015: RMB504,000) related to certain customers which balances were overdue and were individually determined to be impaired. The Group does not hold any collateral over these balances. After taking into account their respective financial condition and the subsequent year end settlements from customers up to the date of these financial statements, the directors considered that such specific provision was adequate but not excessive.

15 貿易及其他應收款項 (續)

(b) 貿易應收款項及應收票據減值

貿易應收款項及應收票據的減值虧損採用撥備賬記錄，除非本集團信納收回有關金額的可能性微乎其微，在此情況下，減值虧損直接與貿易應收款項及應收票據撇銷（見附註1(k)(i)）。

年內呆賬撥備的變動如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	504	503
Impairment loss recognised	已確認的減值虧損	9,400	1
At 31 December	於十二月三十一日	9,904	504

於二零一六年十二月三十一日，有關若干客戶之減值撥備為人民幣9,904,000元（二零一五年：人民幣504,000元），其結餘已逾期並個別釐定為減值。本集團並無持有該等結餘的任何抵押物。經計及該等客戶之財務狀況及其於報告期後至該等財務報表日期間的結算情況，董事認為有關專項撥備充足，但並未超額。

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財務報表附註

31 December 2016 二零一六年十二月三十一日
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15 Trade and other receivables (continued)

(c) Trade and bills receivables that are not impaired

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	既未逾期亦未減值	2,453,442	864,181
Less than 3 months past due	逾期3個月以內	617	17,165
Over 6 less than 12 months past due	逾期超過6個月但少於12個月	-	13
		2,454,059	881,359

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

As at 31 December 2016, receivables that were past due but not impaired related to customers that maintain continuing trading relationships with the Group. Based on past experience and customer's financial condition, management believes that no impairment allowance is necessary as the balances are still considered fully recoverable.

15 貿易及其他應收款項 (續)

(c) 並無減值的貿易應收款項及應收票據

既未個別亦未共同被認為減值的貿易應收款項及應收票據的賬齡分析如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
既未逾期亦未減值的應收款項	2,453,442	864,181
與近期並無拖欠記錄的多類客戶有關。	617	17,165
	-	13
	2,454,059	881,359

既未逾期亦未減值的應收款項與近期並無拖欠記錄的多類客戶有關。

於二零一六年十二月三十一日，已逾期但未減值的應收款項均來自與本集團保持貿易往來的客戶。根據過去的經驗及該等客戶的財務狀況，管理層認為，該等結餘仍可全部收回，故不需要就該等結餘作出減值撥備。

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16 Other financial assets

16 其他金融資產

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Foreign currency forward contracts 外匯遠期合約	-	600

The fair value of the foreign currency forward contracts is measured using the forward exchange rates at the end of the reporting period and comparing to the contractual rates, with the resulting value discounted back to the present value. The terms of the forward contracts are 6 months.

外匯遠期合約的公平值乃採用報告期末的遠期匯率計量，並與合約匯率相比，將所得價值貼現至現值。遠期合約的期限為6個月。

17 Derivative financial assets

17 衍生金融資產

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Foreign currency option contracts 外匯期權合約	126,867	-

The Group entered into foreign currency option contracts with bank. As at 31 December 2016, the notional amount of outstanding contracts amounted to USD127,500,000 (2015: nil). All these option contracts are matured within one year.

本集團與一間銀行訂立外匯期權合約。於二零一六年十二月三十一日，未到期合約之名義金額為127,500,000美元（二零一五年：無）。所有該等期權合約均於一年內到期。

The fair value of the foreign currency option contracts is measured using the Black-Scholes-Merton Model. Main parameters used in the model include the spot price of the foreign exchange rates as of the valuation date, strike rates, forward foreign exchange rates, implied volatilities of foreign exchange rates and the risk-free rates.

外匯期權合約的公平值乃採用柏力克-舒爾斯-墨頓模型計量。模型中採用的主要參數包括估值日即期匯率、行權匯率、遠期匯率、外匯匯率的隱含波動率以及無風險利率。

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財務報表附註

31 December 2016 二零一六年十二月三十一日

(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

18 Pledged bank deposits

18 已抵押銀行存款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Pledged for	為以下各項抵押		
– bank borrowings (Note 20)	– 銀行借款 (附註20)	12,000	144,684
– bills payable (Note 21)	– 應付票據 (附註21)	75,493	835
– letter of guarantee	– 擔保函	9,050	–
		<hr/>	<hr/>
Pledged bank deposits	已抵押銀行存款	96,543	145,519

The pledged bank deposits will be released upon the settlement of relevant bank borrowings, bills payable, and the maturity of letter of guarantee.

已抵押銀行存款將於清償相關銀行借款、應付票據及擔保函到期後解除。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

19 Cash and cash equivalents

(a) Cash and cash equivalents comprise:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash in hand	手頭現金	65	51
Cash at bank	銀行存款	64,840	282,164
Cash at bank and in hand	銀行存款及手頭現金	64,905	282,215

As at 31 December 2016, cash and cash equivalents placed with banks in the Mainland China amounted to RMB40,744,000 (2015: RMB234,125,000). Remittance of funds out of the Mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

19 現金及現金等價物

(a) 現金及現金等價物包括：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
手頭現金	Cash in hand	65	51
銀行存款	Cash at bank	64,840	282,164
銀行存款及手頭現金	Cash at bank and in hand	64,905	282,215

於二零一六年十二月三十一日，本集團存入中國大陸銀行的現金及現金等價物為人民幣40,744,000元（二零一五年：人民幣234,125,000元）。將資金匯出中國大陸須遵守中國政府頒佈的相關外匯管制規則及法規。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

19 Cash and cash equivalents (continued)

(b) Reconciliation of profit before taxation to cash generated from operations:

19 現金及現金等價物 (續)

(b) 除稅前溢利與經營所得現金的對賬：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	214,587	114,701
Adjustments for:	就以下各項調整：		
Depreciation	折舊	63,443	41,888
Amortisation of lease prepayments	租賃預付款項攤銷	416	416
Amortisation of intangible assets	無形資產攤銷	161	145
Interest expenses	利息開支	5,548	9,948
Interest income	利息收入	(4,256)	(11,311)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	17	1,098
Loss on disposal of Intangible assets	出售無形資產虧損	-	100
Impairment loss for inventories	存貨減值虧損	2,475	1,147
Impairment loss for trade and other receivables	貿易及其他應收款項減值虧損	9,400	1
Equity-settled share-based payment transactions	以權益結算的股份付款交易	1,658	835
Net gain on foreign currency forward contracts	外匯遠期合約收益淨額	-	(600)
Net gain on foreign currency option contracts	外匯期權合約收益淨額	(19,458)	-
Investment income	投資收入	-	(4,741)
Foreign exchange loss	外匯虧損	20,460	5,087

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19 Cash and cash equivalents (continued)

(b) Reconciliation of profit before taxation to cash generated from operations: (continued)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Changes in working capital:	營運資金變動：		
Increase in inventories	存貨增加	(592,459)	(68,812)
Increase in trade and other receivables	貿易及其他應收款項增加	(2,058,425)	(16,103)
Increase in trade and other payables	貿易及其他應付款項增加	2,362,344	270,656
(Increase)/decrease in pledged deposits with banks	存放於銀行的已抵押存款(增加)/減少	(57,408)	16,159
Decrease/(increase) in amounts due to related parties	應付關聯方款項減少/(增加)	967	(2,442)
Decrease in amounts due from related parties	應收關聯方款項減少	9,652	3
Increase in deferred income	遞延收入增加	6,987	3,777
Cash (used in)/generated from operations	經營(所用)/所得現金	(33,891)	361,952

(c) Major non-cash transactions

Major non-cash transactions during the year included the following items:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Settlements of trade payables directly by the bills endorsement	直接由票據背書結算貿易應付款項	320,705	215,172
Settlements of trade payables directly by the bank through import trade loan facilities	直接由銀行透過進口貿易貸款融資結算貿易應付款項	207,537	83,285
Total	總計	528,242	298,457

19 現金及現金等價物 (續)

(b) 除稅前溢利與經營所得現金的對賬：(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Changes in working capital:	營運資金變動：		
Increase in inventories	存貨增加	(592,459)	(68,812)
Increase in trade and other receivables	貿易及其他應收款項增加	(2,058,425)	(16,103)
Increase in trade and other payables	貿易及其他應付款項增加	2,362,344	270,656
(Increase)/decrease in pledged deposits with banks	存放於銀行的已抵押存款(增加)/減少	(57,408)	16,159
Decrease/(increase) in amounts due to related parties	應付關聯方款項減少/(增加)	967	(2,442)
Decrease in amounts due from related parties	應收關聯方款項減少	9,652	3
Increase in deferred income	遞延收入增加	6,987	3,777
Cash (used in)/generated from operations	經營(所用)/所得現金	(33,891)	361,952

(c) 主要非現金交易

年內，主要非現金交易包括以下項目：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Settlements of trade payables directly by the bills endorsement	直接由票據背書結算貿易應付款項	320,705	215,172
Settlements of trade payables directly by the bank through import trade loan facilities	直接由銀行透過進口貿易貸款融資結算貿易應付款項	207,537	83,285
Total	總計	528,242	298,457

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31 December 2016 二零一六年十二月三十一日
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20 Bank borrowings

As at 31 December 2016, the bank borrowings with effective interest rate of 1.91% (2015: 3.03%) were repayable within one year as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bank borrowings	銀行借款		
– secured (<i>Note</i>)	– 有抵押 (<i>附註</i>)	111,335	142,164
– unsecured	– 無抵押	224,097	–
		335,432	142,164

Note: The bank borrowings were secured by assets of the Group and the carrying amounts of these assets are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Pledged bank deposits (<i>Note 18</i>)	已抵押銀行存款 (<i>附註18</i>)	12,000	144,684

20 銀行借款

於二零一六年十二月三十一日，實際利率為1.91%（二零一五年：3.03%）且須於一年內償還的銀行借款如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
銀行借款			
– 有抵押 (<i>附註</i>)		111,335	142,164
– 無抵押		224,097	–
		335,432	142,164

附註： 銀行借款由本集團的資產作抵押，該等資產的賬面值如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
已抵押銀行存款 (<i>附註18</i>)		12,000	144,684

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21 Trade and other payables

21 貿易及其他應付款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables and accruals	貿易應付款項及應計費用		
– third parties	– 第三方	2,054,547	547,636
– related parties (Note 29(c))	– 關聯方 (附註29(c))	1,170	203
Bills payable (Note (a))	應付票據 (附註(a))		
– third parties	– 第三方	318,154	34,117
Trade and bills payables (Note (b))	貿易應付款項及 應付票據 (附註(b))	2,373,871	581,956
Accrued payroll	應計工資	50,161	24,231
Foreign currency option premium (Note (c))	外匯期權費 (附註(c))	107,409	–
Other payables and accruals	其他應付款項及應計費用	61,340	15,866
		2,592,781	622,053

All of the trade and other payables as at 31 December 2016 are expected to be settled or recognised as income within one year or are repayable on demand.

於二零一六年十二月三十一日的所有貿易及其他應付款項預期於一年內清償或確認為收入或須按要求償還。

(a) Bills payable analysed by type of security

(a) 按抵押類型分析之應付票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bills payable secured by	由以下各項資產抵押而 開具之應付票據		
– Bills receivable	– 應收票據	124,760	25,771
– Pledged bank deposits	– 已抵押銀行存款	102,748	8,346
		227,508	34,117
Bills payable unsecured	無抵押應付票據	90,646	–
		318,154	34,117

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21 Trade and other payables (continued)

(b) An ageing analysis of the trade and bills payables based on the invoice date is as follows:

Within 3 months	於3個月以內
More than 3 months but within 6 months	超過3個月但於 6個月以內
More than 6 months but within 1 year	超過6個月但於 1年以內
More than 1 year	超過1年

As at 31 December 2016, the accrued trade payables which represented the amounts with no invoice received by the end of the year, amounted to RMB142,943,000 (2015: RMB48,857,000).

(c) Foreign currency option premium

Foreign currency option premium represented the amount payable for entering into the foreign currency option contracts (Note 17).

21 貿易及其他應付款項 (續)

(b) 按發票日期劃分之貿易應付款項及應付票據之賬齡分析如下：

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
2,046,742	530,719
182,461	1,464
896	912
829	4
2,230,928	533,099

於二零一六年十二月三十一日，應計貿易應付款項（即年末並無收取發票的款項）為人民幣142,943,000元（二零一五年：人民幣48,857,000元）。

(c) 外匯期權費

外匯期權費指訂立外匯期權合約應付之金額（附註17）。

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22 Deferred income

22 遞延收入

		Government grant 政府補助 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	975
Additions during the year	年內添置	4,980
Amortisation credited to consolidated statement of profit or loss	計入合併損益表的攤銷	(1,203)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	4,752
Additions during the year	年內添置	9,081
Amortisation credited to consolidated statement of profit or loss	計入合併損益表的攤銷	(2,094)
At 31 December 2016	於二零一六年十二月三十一日	11,739

23 Employee retirement benefits

23 僱員退休福利

Defined contribution retirement plans

The PRC subsidiaries of the Group participate in defined contribution retirement benefit schemes (the "Schemes") organised by the PRC municipal and provincial government authorities whereby the PRC subsidiaries are required to make contributions at the rate of 20% starting from 1 December 2011 (before 1 December 2011: 18%) of the eligible employees' salary rate to the Schemes. The Group has accrued for the required contributions which are remitted to the respective local government authorities when the contributions become due. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the Schemes.

界定供款退休計劃

本集團的中國附屬公司參與由中國市級及省級政府機構所成立的界定供款退休福利計劃(「該計劃」)。據此，自二零一一年十二月一日開始，中國附屬公司須以合資格僱員薪金的20% (二零一一年十二月一日前：18%) 的比率向該計劃作出供款。本集團已積累所需供款，於供款到期時匯付予各地方政府機關。地方政府機關就應向該計劃所涉及的退休僱員支付退休金承擔責任。

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23 Employee retirement benefits (continued)

Defined contribution retirement plans (continued)

Starting from 2014, the Group also operates a Mandatory Provident Fund Scheme (the “MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000 (HK\$25,000 prior to June 2014). Contributions to the plan vest immediately.

The Group has no other material obligation for the payment of pension benefits beyond the contributions described above.

24 Equity settled share-based transactions

On 13 November 2014, the Company adopted a pre-IPO share option scheme (the “Pre-IPO Share Option Scheme”) and a share option conversion scheme (the “Conversion Scheme”) and granted a total of 59,935,500 share options under the Pre-IPO Share Option Scheme to the eligible participants with an aim to reward their contribution to the Group made or possibly made. The directors of the Company were authorised, at their discretion, to invite certain employees of the Group, including directors of any company in the Group, to take up options at nil consideration to subscribe for shares of the Company. Details of the Pre-IPO Share Option Scheme are set out in Note 24(a)(i).

On 26 October 2016, the Company granted a total of 39,425,000 share options (the “2016 Share Option Scheme”) to eligible participants to subscribe for a total of 39,425,000 ordinary shares of HK\$0.01 each in the capital of the Company, subject to performance conditions related to certain revenue growth targets of the Group’s 2017, 2018 and 2019 financial years. Details of the three tranches of the 2016 Share Option Scheme are set out in Note 24(a)(ii).

23 僱員退休福利 (續)

界定供款退休計劃 (續)

自二零一四年起，本集團亦根據《香港強制性公積金計劃條例》為於香港《僱傭條例》管轄下僱傭的之前並未納入界定福利退休計劃的僱員實施強制性公積金計劃（「強積金計劃」）。強積金計劃為由獨立受託人管理的界定供款退休計劃。根據強積金計劃，僱主及其僱員須分別向計劃注入有關僱員入息的5%作為供款，每月相關入息的上限為30,000港元（二零一四年六月前為25,000港元）。對計劃作出的供款即時歸屬。

除上述供款以外，本集團就支付退休金福利並無其他重大責任。

24 以權益結算以股份為基礎的交易

於二零一四年十一月十三日，本公司採納了首次公開發售前購股權計劃（「首次公開發售前購股權計劃」）及一項購股權轉換計劃（「轉換計劃」），及根據首次公開發售前購股權計劃向合資格參與者授出共計59,935,500份購股權，旨在獎勵他們曾經或可能已對本集團作出的貢獻。本公司董事獲授權可酌情邀請本集團部份僱員（包括本集團任何公司的董事）以零代價接納購股權認購本公司股份。首次公開發售前購股權計劃的詳情載於附註24(a)(i)。

於二零一六年十月二十六日，本公司向合資格參與者授出合共39,425,000份購股權（「二零一六年購股權計劃」）以認購本公司股本中合共39,425,000股每股面值0.01港元之普通股，惟須待有關本集團二零一七、二零一八及二零一九財政年度之若干收入增長目標之行使條件獲達成後，方可作實。此三批二零一六年購股權計劃之詳情載於附註24(a)(ii)。

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24 Equity settled share-based transactions (continued)

(a) The terms and conditions of the grants are as follows:

24 以權益結算以股份為基礎的交易 (續)

(a) 授出的條款及條件如下：

	Number of instruments 工具數目	Vesting conditions 歸屬條件 Years from the date of grant 自授出日期起計之年限	Contractual life of options 購股權的合約年期
(i) Pre-IPO Share Option Scheme			
(i) 首次公開發售前購股權計劃			
2012			
二零一二年			
Granted to directors: 授予董事：			
– on 1 January 2012 – 於二零一二年一月一日	15,000,000	3 years 3年	6 years 6年
– on 1 January 2012 – 於二零一二年一月一日	7,500,000	4 years 4年	6 years 6年
– on 1 January 2012 – 於二零一二年一月一日	7,500,000	5 years 5年	6 years 6年
Granted to employees: 授予僱員：			
– on 1 January 2012 – 於二零一二年一月一日	11,948,500	3 years 3年	6 years 6年
– on 1 January 2012 – 於二零一二年一月一日	5,974,250	4 years 4年	6 years 6年
– on 1 January 2012 – 於二零一二年一月一日	5,974,250	5 years 5年	6 years 6年
Sub-total for 2012 二零一二年小計	53,897,000		

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24 Equity settled share-based transactions (continued)

(a) The terms and conditions of the grants are as follows: (continued)

24 以權益結算以股份為基礎的 交易 (續)

(a) 授出的條款及條件如下：(續)

	Number of instruments 工具數目	Vesting conditions 歸屬條件 Years from the date of grant 自授出日期起計之年限	Contractual life of options 購股權的合約年期
(i) Pre-IPO Share Option Scheme (continued)			
(i) 首次公開發售前購股權計劃 (續)			
2013			
二零一三年			
Granted to employees:			
授予僱員：			
- on 1 January 2013	2,186,500	2 years	5 years
- 於二零一三年一月一日		2年	5年
- on 1 January 2013	1,093,250	3 years	5 years
- 於二零一三年一月一日		3年	5年
- on 1 January 2013	1,093,250	4 years	5 years
- 於二零一三年一月一日		4年	5年
Sub-total for 2013	4,373,000		
二零一三年小計			

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24 Equity settled share-based transactions (continued)

(a) The terms and conditions of the grants are as follows: (continued)

24 以權益結算以股份為基礎的交易 (續)

(a) 授出的條款及條件如下：(續)

	Number of instruments 工具數目	Vesting conditions 歸屬條件 Years from the date of grant 自授出日期起計之年限	Contractual life of options 購股權的合約年期
(i) Pre-IPO Share Option Scheme (continued)			
(i) 首次公開發售前購股權計劃 (續)			
2014 二零一四年			
Granted to employees: 授予僱員：			
– on 1 January 2014 – 於二零一四年一月一日	832,500	1 years 1年	4 years 4年
– on 1 January 2014 – 於二零一四年一月一日	416,250	2 years 2年	4 years 4年
– on 1 January 2014 – 於二零一四年一月一日	416,250	3 years 3年	4 years 4年
Sub-total for 2014 二零一四年小計	1,665,000		
Total Pre-IPO Share Options granted 已授首次公開發售前 購股權總數	59,935,000		

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24 Equity settled share-based transactions (continued)

(a) The terms and conditions of the grants are as follows: (continued)

24 以權益結算以股份為基礎的交易 (續)

(a) 授出的條款及條件如下：(續)

	Number of instruments 工具數目	Vesting conditions 歸屬條件 Years from the date of grant 自授出日期起計之年限	Contractual life of options 購股權的合約年期
(ii) 2016 Share Option Scheme:			
(ii) 二零一六年購股權計劃：			
Granted to directors: 授予董事：			
- on 26 October 2016 - 於二零一六年十月二十六日	1,124,800	1 years and 5 months 1年零5個月	2 years and 2 months 2年零2個月
- on 26 October 2016 - 於二零一六年十月二十六日	843,600	2 years and 5 months 2年零5個月	3 years and 2 months 3年零2個月
- on 26 October 2016 - 於二零一六年十月二十六日	843,600	3 years and 5 months 3年零5個月	4 years and 2 months 4年零2個月
Granted to employees: 授予僱員：			
- on 26 October 2016 - 於二零一六年十月二十六日	14,645,200	1 years and 5 months 1年零5個月	2 years and 2 months 2年零2個月
- on 26 October 2016 - 於二零一六年十月二十六日	10,983,900	2 years and 5 months 2年零5個月	3 years and 2 months 3年零2個月
- on 26 October 2016 - 於二零一六年十月二十六日	10,983,900	3 years and 5 months 3年零5個月	4 years and 2 months 4年零2個月
Total 2016 Share Options granted 已授二零一六年購股權總數	39,425,000		

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24 Equity settled share-based transactions (continued)

(b) The number and exercise prices of share options are as follows:

(i) Pre-IPO Share Option Scheme

		2016 二零一六年		2015 二零一五年	
		Exercise price 行使價 RMB 人民幣元	Number of options 購股權數目 '000 千份	Exercise price 行使價 RMB 人民幣元	Number of options 購股權數目 '000 千份
Outstanding at the beginning of the year	於年初尚未行使	0.4	27,745	0.4	56,700
Forfeited during the year	於年內已失效	0.4	(93)	0.4	(1,010)
Exercised during the year	於年內已行使	0.4	(13,826)	0.4	(27,945)
Outstanding at the end of the year	於年末尚未行使	0.4	13,826	0.4	27,745
Exercisable at the end of the year	於年末可行使	-	-	-	-

On 13 November 2014, the share options under Employee Share Option Scheme were converted into share options of the Company, with 1 share option under Employee Share Option Scheme being converted into 100,000 share options of the Company, at the same terms and conditions, except that the respective exercise prices were adjusted on a proportionate basis from RMB40,000 to RMB0.4 per share.

於二零一四年十一月十三日，僱員購股權計劃項下之購股權已轉換為本公司之購股權，按相同條款及條件將每1份僱員購股權計劃項下之購股權轉換為100,000份本公司之購股權，惟相關行使價已由人民幣40,000元按比例調整至每股人民幣0.4元。

24 以權益結算以股份為基礎的交易 (續)

(b) 購股權數目及行使價如下：

(i) 首次公開發售前購股權計劃

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24 Equity settled share-based transactions (continued)

(b) The number and exercise prices of share options are as follows: (continued)

(i) Pre-IPO Share Option Scheme (continued)

The 2012 Pre-IPO Share Options outstanding at 31 December 2016 had an exercise price of RMB0.4 (2015: RMB0.4) and a weighted average remaining contractual life of 1 year (2015: 2 years).

The 2013 Pre-IPO Share Options outstanding at 31 December 2016 had an exercise price of RMB0.4 (2015: RMB0.4) and a weighted average remaining contractual life of 1 year (2015: 2 years).

The 2014 Pre-IPO Share Options outstanding at 31 December 2016 had an exercise price of RMB0.4 (2015: RMB0.4) and a weighted average remaining contractual life of 1 year (2015: 2 years).

24 以權益結算以股份為基礎的 交易 (續)

(b) 購股權數目及行使價如下： (續)

(i) 首次公開發售前購股權計劃 (續)

於二零一六年十二月三十一日尚未行使的二零一二年首次公開發售前購股權的行使價為人民幣0.4元(二零一五年：人民幣0.4元)以及加權平均剩餘合約年期為1年(二零一五年：2年)。

於二零一六年十二月三十一日尚未行使的二零一三年首次公開發售前購股權的行使價為人民幣0.4元(二零一五年：人民幣0.4元)以及加權平均剩餘合約年期為1年(二零一五年：2年)。

於二零一六年十二月三十一日尚未行使的二零一四年首次公開發售前購股權的行使價為人民幣0.4元(二零一五年：人民幣0.4元)以及加權平均剩餘合約年期為1年(二零一五年：2年)。

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24 Equity settled share-based transactions (continued)

(b) The number and exercise prices of share options are as follows: (continued)

(ii) 2016 Share Option Scheme

		2016 二零一六年	
		Exercise price 行使價	Number of options 購股權數目
		HKD 港元	'000 千份
Granted during the year	於年內已授出	4.13	39,425
Forfeited during the year	於年內已失效	4.13	(681)
Exercised during the year	於年內已行使	—	—
Outstanding at the end of the year	於年末尚未行使	4.13	38,744
Exercisable at the end of the year	於年末可行使	—	—

24 以權益結算以股份為基礎的 交易 (續)

(b) 購股權數目及行使價如下： (續)

(ii) 二零一六年購股權計劃

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24 Equity settled share-based transactions (continued)

(b) The number and exercise prices of share options are as follows: (continued)

(ii) 2016 Share Option Scheme (continued)

The 2016 Share Options outstanding at 31 December 2016 had an exercise price of HKD 4.13 and a weighted average remaining contractual life of 2.9 years.

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted.

(i) Pre-IPO Share Option Scheme

The estimate of the fair value of the Pre-IPO Share Options granted is measured based on Black-Scholes model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Black-Scholes model.

24 以權益結算以股份為基礎的 交易 (續)

(b) 購股權數目及行使價如下： (續)

(ii) 二零一六年購股權計劃 (續)

於二零一六年十二月三十一日尚未行使的二零一六年購股權的行使價為4.13港元以及加權平均剩餘合約年期為2.9年。

(c) 購股權的公平值及假設

以授出購股權換取的服務的公平值參考授出購股權的公平值計量。

(i) 首次公開發售前購股權計劃

授出首次公開發售前購股權的估計公平值按柏力克－舒爾斯模型計量。購股權的合約年期在該模型中作為輸入數據使用。提早行使的預期已輸入柏力克－舒爾斯模型內。

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24 Equity settled share-based transactions (continued)

(c) Fair value of share options and assumptions (continued)

(i) Pre-IPO Share Option Scheme (continued)

		2012	2013	2014
		Employee Share Options 二零一二年 僱員購股權	Employee Share Options 二零一三年 僱員購股權	Employee Share Options 二零一四年 僱員購股權
Fair value at measurement date	於計量日期的公平值	RMB16,206 人民幣16,206元	RMB25,332 人民幣25,332元	RMB89,705 人民幣89,705元
Spot Price	現貨價	RMB35,394 人民幣35,394元	RMB50,772 人民幣50,772元	RMB123,604 人民幣123,604元
Exercise Price (Note (b))	行使價 (附註(b))	RMB0.4 人民幣0.4元	RMB0.4 人民幣0.4元	RMB0.4 人民幣0.4元
Expected volatility	預期波幅	53.8%	51.3%	47.9%
Option life (expressed as weighted average life used in the modelling)	購股權年期 (以於建模時使用的加權平均年期表示)	4.88	3.88	2.88
Expected Dividend	預期股息	0.00%	0.00%	0.00%
Risk-free interest rate (based on CNY China Government Bond Yield)	無風險利率 (按中國政府人民幣債券收益率計算)	3.27%	3.25%	4.42%

The expected volatility is based on the historic volatility of comparable companies operating in similar industry of the Company, calculated based on the weighted average remaining life of the share options, adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預期波幅以於本公司類似行業運營的可資比較公司的歷史波幅為基準，基於購股權的加權平均剩餘年期計算，並根據公開所得資料就預期未來波幅出現的任何變動作出調整。預期股息乃以歷史股息為基準。主觀輸入數據假設的任何變化可對公平值估計造成重大影響。

24 以權益結算以股份為基礎的交易 (續)

(c) 購股權的公平值及假設 (續)

(i) 首次公開發售前購股權計劃 (續)

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24 Equity settled share-based transactions (continued)

(c) Fair value of share options and assumptions (continued)

(i) Pre-IPO Share Option Scheme (continued)

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

(ii) 2016 Share Option Scheme

The estimate of the fair value of the 2016 Share Options granted is measured based on a Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the model.

24 以權益結算以股份為基礎的 交易 (續)

(c) 購股權的公平值及假設 (續)

(i) 首次公開發售前購股權計劃 (續)

購股權乃根據服務條件授出。計量授出日期所獲服務的公平值時並未考慮該條件。授出購股權並無附帶市場條件。

(ii) 二零一六年購股權計劃

授出二零一六年購股權的估計公平值按二項式期權定價模型計量。購股權的合約年期在該模型中作為輸入數據使用。提早行使的預期已輸入該模型內。

		2016 Employee Share Options 二零一六年 僱員購股權	2016 Employee Share Options 二零一六年 僱員購股權	2016 Employee Share Options 二零一六年 僱員購股權
Vesting date	歸屬日期	01/04/2018	01/04/2019	01/04/2020
Maturity date	到期日	31/12/2018	31/12/2019	31/12/2020
Fair value at measurement date	於計量日期的 公平值	HKD0.48 0.48港元	HKD0.35 0.35港元	HKD0.26 0.26港元
Share price	股價	HKD4.13 4.13港元	HKD4.13 4.13港元	HKD4.13 4.13港元
Exercise price (Note(b)(iii))	行使價 (附註(b)(iii))	HKD4.13 4.13港元	HKD4.13 4.13港元	HKD4.13 4.13港元
Expected volatility	預期波幅	40.86%	40.64%	40.63%
Risk-free interest rate	無風險利率	0.47%	0.51%	0.58%
Expected dividends	預期股息	0.49%	0.49%	0.49%
Forfeiture rate	失效率	2.25%	2.25%	2.25%
Suboptimal early exercise factor	次優提早行使因素	1.85	1.85	1.85

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24 Equity settled share-based transactions (continued)

(c) Fair value of share options and assumptions (continued)

(ii) 2016 Share Option Scheme (continued)

The expected volatility was referenced to the average of daily historical share price volatility of comparable companies operating in similar industry of the Company. Expected dividends are estimated as the average of the Company's historical dividends. The option scheme was granted under a performance condition, and the management of the Company estimates the probability of attaining revenue growth target. Changes in the subjective input assumptions could materially affect the fair value estimate. There were no market conditions associated with the share option grants.

24 以權益結算以股份為基礎的交易 (續)

(c) 購股權的公平值及假設 (續)

(ii) 二零一六年購股權計劃 (續)

預期波幅乃參考於本公司類似行業運營的可資比較公司的日均歷史股價波幅。預期股息估計為本公司歷史股息的平均數。購股權計劃乃根據表現條件及本公司管理層估計取得收入增長目標的可能性而授出。主觀輸入數據假設的任何變化可對公平值估計造成重大影響。授出購股權並無附帶市場條件。

25 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

25 合併財務狀況表中的所得稅

(a) 合併財務狀況表中的即期稅項指：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current tax assets	即期稅項資產		
PRC Corporate Income Tax	中國企業所得稅	152	10,349
Current tax payable	即期應付稅項		
PRC Corporate Income Tax	中國企業所得稅	10,372	-
Hong Kong Profit Tax	香港利得稅	-	2,095
		10,372	2,095

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25 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets and liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

		Fair value change of financial instruments	Undistributed profits of PRC subsidiaries	Unrealised profit arising from intra-group transactions	Impairment on inventories and trade receivables	Deferred income	Accrued expenses	Total
		金融工具 公平值變動 RMB'000 人民幣千元	中國 附屬公司的 未分配溢利 RMB'000 人民幣千元	自集團內 公司間交易 產生的 未變現溢利 RMB'000 人民幣千元	存貨及貿易 應收款項減值 RMB'000 人民幣千元	遞延收入 RMB'000 人民幣千元	應計開支 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	(507)	(7,800)	4,657	148	146	702	(2,654)
Charged/(credited) to consolidated statement of profit or loss (Note 5(a))	扣除自/(計入) 合併損益表 (附註5(a))	-	5,760	(623)	27	567	(702)	5,029
Charged to reserves	自儲備扣除	507	-	-	-	-	-	507
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	-	(2,040)	4,034	175	713	-	2,882
(Credited)/charged to consolidated statement of profit or loss (Note 5(a))	(計入)/扣除自 合併損益表 (附註5(a))	(2,919)	-	(513)	1,749	1,048	-	(635)
At 31 December 2016	於二零一六年十二月三十一日	(2,919)	(2,040)	3,521	1,924	1,761	-	2,247

25 合併財務狀況表中的所得稅 (續)

(b) 已確認的遞延稅項資產及負債：

年內於合併財務狀況表確認的遞延稅項資產及負債的組成部份及變動如下：

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25 Income tax in the consolidated statement of financial position (continued)

25 合併財務狀況表中的所得稅 (續)

(c) Reconciliation to the consolidated statement of financial position:

(c) 合併財務狀況表對賬：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net deferred tax asset recognised in the consolidated statement of financial position 於合併財務狀況表確認的遞延稅項資產淨值	4,287	4,922
Net deferred tax liability recognised in the consolidated statement of financial position 於合併財務狀況表確認的遞延稅項負債淨額	(2,040)	(2,040)
	2,247	2,882

(d) Deferred tax liabilities not recognised

The Group did not recognise deferred tax liabilities in respect of the PRC dividend withholding tax relating to certain undistributed profits of the PRC subsidiaries as at 31 December 2016 since the Group controls the dividend policy of these subsidiaries. Based on the assessment of the management, as of 31 December 2016, the undistributed profits amounted to RMB559,708,000 (2015: RMB388,759,000) will not be distributed in the foreseeable future.

(d) 未確認遞延稅項負債

本集團並無就中國附屬公司於二零一六年十二月三十一日的有關若干未分配溢利所繳納中國股息預扣稅確認遞延稅項負債，原因在於本集團控制該等附屬公司的股息政策。根據管理層評估，截至二零一六年十二月三十一日，未分配溢利金額人民幣559,708,000元（二零一五年：人民幣388,759,000元）將不會於可預見的未來分配。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

26 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		Share capital	Share premium	Exchange reserve	Other reserve	Equity settled share-based payment reserve	Accumulated loss/Retained profits	Total
	Note	股本	股份溢價	匯兌儲備	其他儲備	以權益結算的以股份為基礎的付款儲備	累計虧損/保留溢利	總計
	附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		26d(i)	26d(ii)	26d(iii)	26d(iv)	26d(v)/24		
At 1 January 2015	於二零一五年一月一日	7,908	652,240	(934)	66	8,813	(11,162)	656,931
Share issued under share option schemes	根據購股權計劃發行股份	224	16,144	-	-	(5,190)	-	11,178
Equity settled share-based payment transactions	以權益結算的以股份為基礎付款交易	-	-	-	-	835	-	835
Profit for the year	年內溢利	-	-	-	-	-	58,224	58,224
Dividend approved in respect of the previous year	過往年度批准股息	-	-	-	-	-	(41,699)	(41,699)
Other comprehensive income	其他全面收入	-	-	40,683	-	-	-	40,683
As at 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	8,132	668,384	39,749	66	4,458	5,363	726,152
Share issued under share option schemes	根據購股權計劃發行股份	117	7,907	-	-	(2,494)	-	5,530
Equity settled share-based payment transactions	以權益結算的以股份為基礎付款交易	-	-	-	-	1,658	-	1,658
Shares issued for the Placement	就配售發行股份	356	136,920	-	-	-	-	137,276
Loss for the year	年內虧損	-	-	-	-	-	(2,851)	(2,851)
Other comprehensive income	其他全面收入	-	-	49,844	-	-	-	49,844
As at 31 December 2016	於二零一六年十二月三十一日	8,605	813,211	89,593	66	3,622	2,512	917,609

26 資金、儲備及股息

(a) 權益部份變動

本集團合併權益各部份的年初及年終結餘的對賬載於合併權益變動表。本公司權益個別部份於年初至年終的變動詳情載列如下：

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26 Capital, reserves and dividends (continued) 26 資金、儲備及股息 (續)

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

Final dividend proposed after the end of the reporting period of RMB3.5 cents equivalent to HK3.9 cents (2015: nil)

於報告期結束後建議末期股息為人民幣3.5分（相等於3.9港仙）（二零一五年：零）

The final dividend proposed after the end of the year has not been recognised as a liability as at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year.

Final dividend in respect of the previous financial year, approved and paid during the year (2015: RMB4.06 cents per share)

有關年內已批准及支付之上一個財政年度末期股息（二零一五年：每股人民幣4.06分）

(b) 股息

(i) 年內應付本公司股權持有人股息

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
38,151	-

於報告期末，於本年度結束後建議的末期股息尚未確認為負債。

(ii) 年內已批准及支付之上一個財政年度應付本公司股權持有人股息。

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
-	41,699

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26 Capital, reserves and dividends (continued) 26 資金、儲備及股息 (續)

(c) Share capital

(i) Authorised and issued share capital

		Number of Shares		Amount	
		股份數目		金額	
		'000		HK\$'000	
		千股		千港元	
Authorised:	股本：				
Ordinary shares	每股面值				
of HK\$0.01 each	0.01港元普通股	50,000,000		500,000	
		Number of shares		Nominal value of ordinary shares	
		股份數目		普通股面值	
		'000		HK\$'000	
		千股		千港元	
		Note		RMB'000	
		附註		人民幣千元	
Issued and fully paid:	已發行及繳足：				
At 1 January 2015	於二零一五年一月一日	1,000,000		10,000	7,908
Shares issued under	根據首次公開發售前				
Pre-IPO Share Option Scheme	購股權計劃發行股份	(ii)	27,945	279	224
At 31 December 2015 and	於二零一五年				
1 January 2016	十二月三十一日及				
	二零一六年一月一日	1,027,945		10,279	8,132
Shares issued under	根據首次公開發售前				
Pre-IPO Share Option Scheme	購股權計劃發行股份	(ii)	13,826	138	117
Shares issued for the Placement	就配售發行股份	(iii)	40,000	400	356
At 31 December 2016	於二零一六年				
	十二月三十一日	1,081,771		10,817	8,605

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26 Capital, reserves and dividends (continued) 26 資金、儲備及股息 (續)

(c) Share capital (continued)

(ii) Shares issued under Pre-IPO Share Option Scheme

During the year, options were exercised to subscribe for 13,826,000 ordinary shares in the Company at a consideration of RMB5,530,400 all of which was credited to share premium account (2015: 27,945,000 shares at a consideration of RMB11,178,000). RMB2,494,000 was transferred from the equity settled share-based payment reserve to the share premium account (2015: RMB5,190,000).

(iii) Shares issued for the Placement

On 12 December 2016, an aggregate of 40,000,000 shares were allotted and issued to Value Partners Hong Kong Limited and The People's Insurance Company (Group) of China Limited at HKD3.90 per share. The net proceeds after deducting placing commission, professional fees and all related expenses, is approximately RMB137,276,000.

(d) Nature and purpose of reserves

(i) Share premium

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of Company provided that immediately following the date on which the dividends is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(c) 股本 (續)

(ii) 根據首次公開發售前購股權計劃發行股份

年內，購股權獲行使以按代價人民幣5,530,400元認購本公司13,826,000股普通股，代價均計入股份溢價賬（二零一五年：按代價人民幣11,178,000元認購27,945,000股股份）。自以股權結算以股份為基礎付款儲備人民幣2,494,000元轉撥至股份溢價賬（二零一五年：人民幣5,190,000元）。

(iii) 就配售發行股份

於二零一六年十二月十二日，合共40,000,000股股份以每股股份3.90港元配發及發行予惠理基金管理香港有限公司及中國人民保險集團股份有限公司。所得款項淨額（經扣除配售佣金、專業費及全部相關開支後）約為人民幣137,276,000元。

(d) 儲備的性質及用途

(i) 股份溢價

根據開曼群島公司法（經修訂），本公司股份溢價賬上的資金可分派予本公司股東，前提為緊隨建議派發股息當日之後，本公司仍有能力在日常業務過程中清償到期欠債。

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26 Capital, reserves and dividends (continued)

(d) Nature and purpose of reserves (continued)

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of financial statements of operations outside Mainland China which are dealt with in accordance with the accounting policies as set out in Note 1(u).

(iii) PRC Statutory reserve

As stipulated by regulations in the PRC, the Company's subsidiaries established and operated in the Mainland China are required to appropriate 10% of their after-tax-profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of profits to parent companies.

The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the subsidiary, provided that the balance after such issue is not less than 25% of its registered capital.

(iv) Other reserve

The other reserve of the Group as at 31 December 2016 and 2015 represents the difference between (i) the carrying amount of share capital of QT Great China; and (ii) the nominal value of the share issued by the Company in exchange for all the issued share capital of QT Great China under the reorganisation of the Group completed on 26 June 2014.

26 資金、儲備及股息 (續)

(d) 儲備的性質及用途 (續)

(ii) 匯兌儲備

匯兌儲備包括換算中國內地以外業務的財務報表所產生的一切外匯差異，該儲備乃根據附註1(u)所載會計政策處理。

(iii) 中國法定儲備

按中國的法規規定，本公司於中國內地成立及營運的附屬公司須將其按中國會計規則及法規釐定的除稅後溢利的10%（經抵銷往年虧損後）撥入法定盈餘儲備，直至儲備結餘達註冊資本的50%為止。撥款予該儲備須於向母公司分派溢利前進行。

法定儲備待相關機構批准後方可用以抵銷累計虧損或增加附屬公司的資本，惟於有關使用後的結餘不低於其註冊資本的25%。

(iv) 其他儲備

本集團於二零一六年及二零一五年十二月三十一日的其他儲備指(i)QT Great China的股本賬面值；與(ii)根據本集團於二零一四年六月二十六日完成的重組以本公司所發行股份面值交換QT Great China全部已發行股本之間的差額。

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26 Capital, reserves and dividends (continued) 26 資金、儲備及股息 (續)

(d) Nature and purpose of reserves (continued)

(v) Equity settled share-based payment reserve

The equity settled share-based payment reserve comprises the portion of the grant date fair value of unexercised shares options granted to the directors and employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 1(q)(ii).

(vi) Fair value reserve

The fair value reserve comprises the cumulative net changes in the fair value of other financial assets held by the Group as at the year end dates net of deferred tax, and is dealt with in accordance with the accounting policies in Notes 1(g) and 1(k)(i).

(vii) Distributability of reserves

At 31 December 2016, the aggregate amount of reserves (including share premium and retained profits) available for distribution to equity shareholders of the Company was RMB815,723,000 (2015: RMB673,747,000).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholder and benefits for other stakeholders, by pricing products commensurately with the level of risk and by securing access to finance at a reasonable cost.

(d) 儲備的性質及用途 (續)

(v) 以權益結算以股份為基礎的付款儲備

以權益結算以股份為基礎的付款儲備包括根據如附註1(q)(ii)所載就以股份為基礎的付款採納的會計政策確認授予本集團董事及僱員之未行使購股權的授出日期公平值部份。

(vi) 公平值儲備

公平值儲備包括本集團所持其他金融資產於年結日的公平值累計變動淨額(扣除遞延稅項)，並按照附註1(g)及1(k)(i)所載會計政策處理。

(vii) 儲備的分派能力

於二零一六年十二月三十一日，可供分派予本公司股權持有人的儲備(包括股份溢價及保留溢利)總額為人民幣815,723,000元(二零一五年：人民幣673,747,000元)。

(e) 資本管理

本集團管理資本的首要目標為保障本集團持續經營的能力，透過因應風險水平為產品定價以及以合理成本取得融資，繼續為股東帶來回報及為其他權益持有人帶來利益。

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26 Capital, reserves and dividends (continued)

(e) Capital management (continued)

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure with reference to its debt position. The Group's strategy is to maintain the equity and debt in a balanced position and ensure there are adequate working capital to service its debt obligations. The Group's gearing ratio was 21.4% at 31 December 2016 (2015: 11.7%).

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

27 Financial risk management and fair values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and deposits with banks. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

26 資金、儲備及股息 (續)

(e) 資本管理 (續)

本集團積極定期審視及管理其資本架構，以期在爭取在更高水平的借款下可能實現的更高股東回報與維持穩健資本狀況的好處及安全之間維持平衡，並且因應經濟情況的變化調整資本架構。

本集團參照其債務情況來監察資本架構。本集團的策略是保持權益與債務的適當平衡，確保有足夠營運資金支付債務。於二零一六年十二月三十一日，本集團的資本負債比率為21.4%（二零一五年：11.7%）。

本公司及其任何附屬公司均不受外界施加的資本規定所限制。

27 金融風險管理及公平值

本集團於日常業務過程中產生信貸、流動資金、利率及貨幣風險。下文說明本集團面臨該等風險的狀況及本集團管理該等風險所採用的金融風險管理政策及慣例。

(a) 信貸風險

本集團的信貸風險主要歸因於貿易及其他應收款項及銀行存款。管理層已實施信貸政策，並且持續監察該等信貸風險。

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27 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(i) Trade and other receivables

For the year ended 31 December 2016, certain amounts of sales were related directly to the related parties (Note 29(b)).

The management considers that related parties are under influence of the Group's Controlling Shareholder, hence no material credit risk exists on sales to related companies.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit terms. These evaluations focus on the customer's history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. These trade receivables are due within 30 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 December 2016, 32.49% (2015: 16.88%) of the total trade and bills receivables were due from the Group's largest customer, and 58.13% (2015: 61.12%) of the total trade and bills receivables were due from the Group's five largest customers.

27 金融風險管理及公平值 (續)

(a) 信貸風險 (續)

(i) 貿易及其他應收款項

截至二零一六年十二月三十一日止年度，若干銷售款項與直接向關聯方的銷售有關(附註29(b))。

管理層認為關聯方乃受本集團的控股股東影響，故向關聯公司的銷售並不存在重大信貸風險。

就貿易及其他應收款項而言，對所有要求信用期的客戶進行個別信用評估。該等評估的重點在於客戶於到期時支付的記錄及現時的支付能力並考慮客戶以及有關客戶經營所在經濟環境的特定資料。該等貿易應收款項自開票日期起30至90天內到期。本集團一般不會向客戶收取抵押品。

本集團面臨的信貸風險主要受各客戶個人特徵的影響，因此倘本集團面臨個別客戶的重大風險，則會發生高度集中的信貸風險。於二零一六年十二月三十一日，貿易應收款項及應收票據總額的32.49% (二零一五年：16.88%) 應收自本集團最大客戶，而貿易應收款項及應收票據總額的58.13% (二零一五年：61.12%) 應收自本集團五大客戶。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

27 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(i) Trade and other receivables (continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Note 15.

The Group derecognised bills receivable when it transferred bank acceptance bills to suppliers through endorsement. Bill holders in due course preserve right of recourse against the Group in case of dishonor of the bills. As at 31 December 2016, the outstanding balance of bills endorsed with recourse totaled RMB65,099,000 (2015:RMB60,144,000), which represents the Group's exposure to credit risk. All of these bills are due within one year.

The Group only accepts bank acceptance bills issued by major banks or banks with qualified rating in the PRC and thus considers that the credit risk associated with such bank acceptance bills to be insignificant. The Group had not suffered any losses in this respect during the year.

The Group does not provide financial guarantee which would expose the Group to credit risk.

27 金融風險管理及公平值 (續)

(a) 信貸風險 (續)

(i) 貿易及其他應收款項 (續)

最高信貸風險指經扣除任何減值撥備後合併財務狀況表內各金融資產的賬面值。

有關本集團面臨的來自貿易及其他應收款項的信貸風險進一步定量披露載於附註15。

本集團於以背書形式轉讓銀行承兌票據予供應商時終止確認應收票據。倘票據遭拒付，則票據持有人適時維護對本集團的追索權。於二零一六年十二月三十一日，附追索權背書之票據的未償還餘額合共為人民幣65,099,000元（二零一五年：人民幣60,144,000元），其代表本集團面臨的信貸風險。該等票據均於一年內到期。

本集團僅接納中國主要銀行或評級合格的銀行出具的銀行承兌票據，因而認為與該等銀行承兌票據有關的信貸風險並不重大。年內，本集團並無因此遭受任何損失。

本集團未提供將使本集團面臨信貸風險的任何財務擔保。

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27 Financial risk management and fair values (continued)

(a) Credit risk (continued)

(ii) Deposits with banks

The Group mitigates its exposure to credit risk by placing deposits with financial institutions with established credit ratings. Given the high credit ratings of the banks, management does not expect any counterparty to fail to meet its obligations.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the board of directors when the borrowings exceed certain predetermined levels of authority.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

All non-interest bearing financial liabilities of the Group are carried at amount not materially different from their contractual undiscounted cash flow and all the financial liabilities are with maturities within one year or repayable on demand as at 31 December 2016.

27 金融風險管理及公平值 (續)

(a) 信貸風險 (續)

(ii) 銀行存款

本集團透過在信貸評級卓著的金融機構存款減低信貸風險。鑑於銀行的信貸評級良好，管理層預計任何對手方均不會不履行其責任。

(b) 流動資金風險

本集團內的個別經營實體負責其本身的現金管理，包括現金盈餘的短期投資及募集貸款以應付預期的現金需求，惟倘借款超出若干預定的授權水平，則須取得董事會批准。

本集團的政策乃定期監察流動資金需求及其借貸契諾的遵守情況，以確保其維持充裕現金儲備及取得主要金融機構提供足夠的承諾資金，以應付短期及長期的流動資金需求。

由於所有金融負債於一年內屆滿或須於二零一六年十二月三十一日應要求償還，故本集團的所有免息金融負債均按與其合約未貼現現金流量相近的金額計算。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

27 Financial risk management and fair values (continued)

(b) Liquidity risk (continued)

The following tables show the remaining scheduled maturities at the end of reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period):

		Total contractual undiscounted cash flow/ within 1 year or on demand 合約未貼現 現金流量總額/ 一年內或應要求 RMB'000 人民幣千元	Total contractual undiscounted cash flow/ more than 1 year but less than 2 years 合約未貼現 現金流量總額/ 超過一年 但不到兩年 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Bank borrowings	銀行借款	336,665	-	335,432
Trade and other payables	貿易及其他應付款項	2,592,781	-	2,592,781
At 31 December 2016	於二零一六年 十二月三十一日	2,929,446	-	2,928,213
Bank borrowings	銀行借款	143,110	-	142,164
Trade and other payables	貿易及其他應付款項	622,053	-	622,053
At 31 December 2015	於二零一五年 十二月三十一日	765,163	-	764,217

27 金融風險管理及公平值 (續)

(b) 流動資金風險 (續)

下表列示本集團於報告期末按合約未貼現現金流量的金融負債(包括按合約利率或(如屬浮息)根據於報告期末通行的利率計算的利息付款)餘下的預定到期詳情:

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27 Financial risk management and fair values (continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings. As at 31 December 2016 and 31 December 2015, the Group does not obtain any bank borrowings at variable interest rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Details of the interest rates and terms of bank borrowings are disclosed in Note 20.

(d) Currency risk

The Group is exposed to currency risk primarily through bank borrowings, and sales and purchases which give rise to loan balances, cash balances, receivables, and payables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD and RMB.

(i) Exposure to currency risk

The following table details the Group's major exposure at the end of each reporting period to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the Group to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the end of each reporting period.

27 金融風險管理及公平值 (續)

(c) 利率風險

本集團的利率風險主要來自銀行借款。於二零一六年十二月三十一日及二零一五年十二月三十一日，本集團並無按浮動利率取得任何銀行借款。按固定利率發行的借款令本集團面臨公平值利率風險。利率的詳情及銀行借款的條款於附註20披露。

(d) 貨幣風險

本集團所面對的貨幣風險主要來自產生貸款結餘、現金結餘、應收款項、及應付款項的以外幣（即與交易有關的業務的功能貨幣以外的貨幣）計值的銀行借款以及銷售及採購。引致此項風險的貨幣主要為美元及人民幣。

(i) 貨幣風險承擔

下表詳列本集團於各報告期末所承受的主要貨幣風險，該等貨幣風險乃因已確認資產及負債以與其有關的本集團的功能貨幣以外的貨幣計值而產生。就呈報目的而言，風險額以人民幣列示，並以各報告期末的即期匯率換算。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

27 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(i) Exposure to currency risk (continued)

		USD 美元		RMB 人民幣	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	625	42,961	881	6,165
Pledged bank deposits	已抵押銀行存款	-	-	-	-
Trade and other receivables	貿易及其他應收款項	66,384	-	-	-
Trade and other payables	貿易及其他應付款項	(1,656,508)	(555,070)	-	-
Bank loans and borrowings	銀行貸款及借款	(20,395)	(88,164)	(50,000)	(54,000)
Gross exposure to currency risk	貨幣風險承擔總額	(1,609,894)	(600,273)	(49,119)	(47,835)
Notional amounts of exchange rate derivatives	匯率衍生業務的 名義金額	901,810	147,311	-	-
- Forward contracts	- 遠期合約	17,342	147,311	-	-
- Option contracts	- 期權合約	884,468	-	-	-
Net exposure to currency risk	貨幣風險承擔淨額	(708,084)	(452,962)	(49,119)	(47,835)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax (and retained profits) and other component of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

27 金融風險管理及公平值 (續)

(d) 貨幣風險 (續)

(i) 貨幣風險承擔 (續)

(ii) 敏感度分析

下表詳列本集團除稅後溢利 (及保留溢利) 及將產生合併權益其他部份 (倘本集團外匯匯率於報告期末因該利率於該日變動而存在重大風險，假設所有其他風險變量保持不變) 的即時變動。

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27 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

		2016 二零一六年			2015 二零一五年		
		Increase/ (decrease) in foreign exchange rates 外匯匯率 上升/ (下降) %	Effect on profit after tax 對除稅後 溢利影響 RMB'000 人民幣千元	Effect on other component of equity 對權益 其他部分的 影響 RMB'000 人民幣千元	Increase/ (decrease) in foreign exchange rates 外匯匯率 上升/ (下降) %	Effect on profit after tax 對除稅後 溢利影響 RMB'000 人民幣千元	Effect on other component of equity 對權益 其他部分的 影響 RMB'000 人民幣千元
USD	美元	5 (5)	(30,094) 30,094	- -	5 (5)	(25,512) 25,512	- -
RMB	人民幣	5 (5)	(2,051) 2,051	- -	5 (5)	(1,958) 1,958	- -

Results of the analysis above represent an aggregation of the instantaneous effects on the Group's profit after tax and retained profits measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling as at the end of the respective reporting periods for presentation purposes.

上述分析的結果總結了本集團以相關功能貨幣計量的除稅後溢利及保留溢利的即時影響，有關影響以各報告期末的現行匯率換算為人民幣，以供呈列之用。

27 金融風險管理及公平值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

27 Financial risk management and fair values (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency at the end of the respective reporting periods, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the group's presentation currency. The analysis has been performed on the same basis for 2015.

(e) Fair value

(i) Financial instruments carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

27 金融風險管理及公平值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

上述敏感度分析乃假設外幣匯率的變動已用於重新計量本集團於各報告期末所持使本集團面臨外匯風險的金融工具，包括本集團內公司間應付款項及應收款項，有關款項以貸款人或借款人功能貨幣以外的貨幣列值。分析並不包括因海外業務財務報表兌換為本集團呈列貨幣產生的差額。分析乃以與二零一五年相同的基準進行。

(e) 公平值

(i) 按公平值列賬的金融工具

下表呈列本集團金融工具的公平值，該等金融工具於報告期末按經常性基準計量，並分類為國際財務報告準則第13號公平值計量所界定的三級公平值架構。將公平值計量分類的等級乃經參考如下估值方法所用輸入數據的可觀察性及重要性後釐定：

- 層級1估值：僅使用層級1輸入數據（即於計量日相同資產或負債於活躍市場的未經調整報價）計量的公平值

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27 Financial risk management and fair values (continued)

(e) Fair value (continued)

(i) Financial instruments carried at fair value (continued)

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team headed by the assistant chief financial officer performing valuations for the financial instruments, including other financial assets which are categorised into Level 2 of the fair value hierarchy. The team reports directly to the chief financial officer. A valuation report with analysis of changes in fair value measurement is prepared at the end of each reporting period, and is reviewed and approved by the chief financial officer.

27 金融風險管理及公平值 (續)

(e) 公平值 (續)

(i) 按公平值列賬的金融工具 (續)

- 層級2估值：使用層級2輸入數據（即未能達到層級1的可觀察輸入數據）且並未使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據為無市場數據的輸入數據
- 層級3估值：使用重大不可觀察輸入數據計量的公平值

本集團有一隊由財務總監助理帶領的團隊對金融工具（包括分類至公平值等級中層級2的其他金融資產）進行估值。該團隊直接向財務總監報告。於各報告期末編製附有公平值計量變動分析的估值報告，並由財務總監審閱及批准。

	Fair value measurement as at 31 December 2016 categorised into 於二零一六年十二月三十一日的 公平值計量分類為			
	2016 二零一六年 RMB'000 人民幣千元	Level 1 層級1 RMB'000 人民幣千元	Level 2 層級2 RMB'000 人民幣千元	Level 3 層級3 RMB'000 人民幣千元
Assets:				
Derivative financial assets				
- Foreign currency option contracts	126,867	-	126,867	-
資產：				
衍生金融資產				
- 外匯期權合約	126,867	-	126,867	-

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27 Financial risk management and fair values (continued)

(e) Fair value (continued)

(i) Financial instruments carried at fair value (continued)

Assets:

Other financial assets
– Foreign currency
forward contracts

資產：

其他金融資產
– 外匯遠期合約

2015 二零一五年 RMB'000 人民幣千元	Level 1 層級1 RMB'000 人民幣千元	Level 2 層級2 RMB'000 人民幣千元	Level 3 層級3 RMB'000 人民幣千元
600	-	600	-

The fair value of foreign currency forward contracts in Level 2 is determined by using the forward exchange rates at the end of the reporting period and comparing to the contractual rates, with the resulting value discounted back to the present value.

The fair value of foreign exchange option contracts in Level 2 is determined by using the Black-Scholes-Merton model. The observable inputs for valuation were described in Note 17.

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2016.

27 金融風險管理及公平值 (續)

(e) 公平值 (續)

(i) 按公平值列賬的金融工具 (續)

Fair value measurement as at
31 December 2015 categorised into
於二零一五年十二月三十一日的
公平值計量分類為

2015 二零一五年 RMB'000 人民幣千元	Level 1 層級1 RMB'000 人民幣千元	Level 2 層級2 RMB'000 人民幣千元	Level 3 層級3 RMB'000 人民幣千元
600	-	600	-

層級2外匯遠期合約的公平值乃通過採用報告期末遠期匯率釐定，並與合約匯率相比，將所得價值貼現至目前價值。

層級2外匯期權合約的公平值採用柏力克-舒爾斯-墨頓模型釐定。估值的可觀察輸入數據載於附註17。

(ii) 並非按公平值列賬的金融資產及負債的公平值

本集團按成本或攤銷成本入賬的金融工具的賬面值與其於二零一六年十二月三十一日的公平值並無重大差別。

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31 December 2016 二零一六年十二月三十一日
(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

28 Commitments

(a) Capital commitments

Capital commitments outstanding at 31 December 2016 not provided for in the financial statements were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contracted for	已訂約	51,103	58,915

(b) Operating lease payments

As at 31 December 2016, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	1年內	1,969	595
After 1 year but within 5 years	1年後但於5年內	1,477	696
		3,446	1,291

The Group leases a number of properties under operating leases. The leases typically run for an initial period of 1 to 2 years, at the end of which period all terms are renegotiated. None of the leases includes contingent rentals.

28 承擔

(a) 資本承擔

於二零一六年十二月三十一日尚未償還且於財務報表並無計提撥備的資本承擔如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contracted for	已訂約	51,103	58,915

(b) 經營租賃付款

於二零一六年十二月三十一日，根據不可撤銷經營租約應付的未來最低租賃付款總額如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	1年內	1,969	595
After 1 year but within 5 years	1年後但於5年內	1,477	696
		3,446	1,291

本集團根據經營租約租賃多項物業。租約一般初步為期1至2年，所有條款可於租約期末重新磋商。租約均不包括或然租金。

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29 Material related party transactions

In addition to the related party information disclosed elsewhere in these financial statements, the Group entered into the following significant related party transactions:

Name of related parties

關聯方姓名／名稱

Relationship with the Group

與本集團的關係

– Heyuan CK* (“西可通信技術設備(河源)有限公司” – 河源西可(「西可通信技術設備(河源)有限公司」)	Controlled by Mr. He Ningning 由何寧寧先生控制
– Guangzhou CK Telecom Limited (“Guangzhou CK” (“廣州西可通信技術設備有限公司” – 廣州西可通信技術設備有限公司(「廣州西可」)	Controlled by key management of the Group 由本集團主要管理人員控制
– Van Telecom Limited (“Van Telecom PRC” (“唯安科技有限公司” – 唯安科技有限公司(「唯安科技中國」)	Controlled by Mr. He Ningning 由何寧寧先生控制
– C-Flex Electronic (Heyuan) Ltd.* (“C-Flex Electronic” (“西普電子(河源)有限公司” – 西普電子(河源)有限公司(「西普電子」)	Controlled by Mr. He Ningning 由何寧寧先生控制
– CK Telecom Asia Pacific Ltd – CK Telecom Asia Pacific Ltd	Controlled by Mr. He Ningning 由何寧寧先生控制
– Chengdu CK Technology Limited* (“Chengdu CK” (“成都西可科技有限公司” – 成都西可科技有限公司(「成都西可」)	Controlled by Mr. He Ningning 由何寧寧先生控制

* The English translation of the companies’ names is for reference only. The official names of these companies are in Chinese.

29 重大關聯方交易

除此等財務報表其他部份披露的關聯方資料外，本集團訂立以下重大關聯方交易：

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29 Material related party transactions (continued)

(a) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company's directors.

Remuneration for key management personnel of the group, including amounts paid to the Company's directors as disclosed in note 6 and certain of the highest paid employees as disclosed in note 7, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	5,146	3,880
Post-employment benefits	離職後福利	69	45
Equity compensation benefits	股權補償福利	609	407
		5,824	4,332

The above remuneration to key management personnel is included in "staff costs" (Note 4(b)).

29 重大關聯方交易 (續)

(a) 主要管理人員薪酬

主要管理人員指擔任直接或間接擁有規劃、指導及控制本集團活動的權利與責任之職務的人士，包括本公司董事。

本集團主要管理人員薪酬包括已付本公司董事（如附註6所披露）及若干最高薪酬僱員（如附註7所披露）金額如下：

上述主要管理人員薪酬載於「員工成本」（附註4(b)）。

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29 Material related party transactions (continued)

(b) Transactions with related parties

29 重大關聯方交易 (續)

(b) 與關聯方的交易

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of products to – Heyuan CK	產品售予 – 河源西可	70,219	69,158
Purchases of products from – C-Flex Electronic	產品購自 – 西普電子	6,387	1,701
Service fee to – Guangzhou CK	支付服務費予 – 廣州西可	–	84
Rental expenses to – Chengdu CK – Van Telecom PRC	支付租賃開支予 – 成都西可 – 唯安科技中國	128 588	131 –
		716	131

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

29 Material related party transactions (continued)

(c) Balances with related parties

At 31 December 2016, the Group had the following balances with related parties.

(i) Due from related parties

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade-related	貿易相關		
Trade receivables	貿易應收款項		
– Heyuan CK	– 河源西可	3,894	13,546

(ii) Due to related parties

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade-related	貿易相關		
Trade and bills payable	貿易應付款項及應付票據		
– C-Flex Electronic	– 西普電子	1,170	–
– Van Telecom PRC	– 唯安科技中國	–	203
		1,170	203

The amounts due from/to related parties as at 31 December 2016 and 31 December 2015 were expected to be recovered/repaid within one year.

29 重大關聯方交易 (續)

(c) 與關聯方結餘

於二零一六年十二月三十一日，本集團與關聯方有以下結餘。

(i) 應收關聯方

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade-related		
Trade receivables		
– Heyuan CK	3,894	13,546

(ii) 應付關聯方

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade-related		
Trade and bills payable		
– C-Flex Electronic	1,170	–
– Van Telecom PRC	–	203
	1,170	203

於二零一六年十二月三十一日及二零一五年十二月三十一日，應收／應付關聯方款項預期將於一年內收回／償還。

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

29 Material related party transactions (continued)

(d) Operating lease payments

As at 31 December 2016, the total future minimum lease payments under non-cancellable operating leases are payable to Chengdu CK and Van Telecom PRC as follows:

Within 1 year	1年內
After 1 year but within 5 years	1年後但於5年內

The Group leases a number of properties under operating leases. The leases typically run for an initial period of 1 to 2 years, at the end of which period all terms are renegotiated. None of the leases includes contingent rentals.

(e) Applicability of the Listing Rules relating to continuing connected transactions

The transactions in relation to sales of products to Heyuan CK, purchases of products from Van Telecom PRC and C-Flex Electronic as disclosed above constitute connected transaction or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The disclosures required by Chapter 14A of the Listing Rules are provided in the section headed "Continuing Connected Transactions" of the Directors Report.

29 重大關聯方交易 (續)

(d) 經營租賃付款

於二零一六年十二月三十一日，根據不可撤銷經營租約應付成都西可及唯安科技中國的未來最低租賃付款總額如下：

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
1,062	595
1,193	696
2,255	1,291

本集團根據經營租約租賃多項物業。租約一般初步為期1至2年，所有條款可於租約期末重新磋商。租約均不包括或然租金。

(e) 與持續關連交易相關的上市規則的適用性

上文所披露之關於向河源西可銷售產品、向唯安科技中國及西普電子購買產品的交易構成香港聯合交易所有限公司證券上市規則（「上市規則」）第14A章所定義的關連交易或持續關連交易。上市規則第14A章所規定之披露載於董事會報告「持續關連交易」一節。

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財務報表附註

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30 Company level statement of financial position

30 公司層面財務狀況表

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		
Non-current assets	非流動資產		
Investments in subsidiaries	投資附屬公司	11,965	10,307
Amount due from a subsidiary	應收一間附屬公司款項	554,987	519,513
		566,952	529,820
Current assets	流動資產		
Amount due from a subsidiary	應收一間附屬公司款項	351,258	189,925
Cash and cash equivalents	現金及現金等價物	4,357	7,827
		355,615	197,752
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	4,958	1,420
Net current assets	流動資產淨值	350,657	196,332
Total assets less current liabilities	總資產減流動負債	917,609	726,152
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	26(c) 8,605	8,132
Reserves	儲備	26(a) 909,004	718,020
TOTAL EQUITY	權益總額	917,609	726,152

Approved and authorised for issue by the board of directors on 16 March 2017.

He Ningning
Wang Jianqiang

Directors

董事會於二零一七年三月十六日核准並許可刊發。

何寧寧
王健強

董事

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31 December 2016 二零一六年十二月三十一日

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31 Significant accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing these financial statements. The principal accounting policies are set forth in Note 1. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of these financial statements.

(a) Impairment of trade and other receivables

The Group estimates the impairment allowances for trade and other receivables by assessing the recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgements. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of trade and other receivables and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment allowances annually.

31 重大會計估計及判斷

估計及判斷會以經驗及其他因素（包括因應當時情況認為屬對未來事件的合理預期）為基準持續評估。

重要會計政策的選擇、影響該等政策應用的判斷及其他不明朗因素以及所呈報業績對條件及假設變動的敏感度均為審閱此等財務報表時所考慮的因素。主要會計政策載列於附註1。本集團相信，以下重要會計政策涉及編製此等財務報表所使用的最為重要的判斷及估計。

(a) 貿易及其他應收款項減值

本集團通過基於信貸歷史及目前市況評估貿易及其他應收款項的可收回性估計其減值撥備。這需要使用估計及判斷。倘有事件出現或情況變動顯示結餘或不可收回，則就貿易及其他應收款項計提撥備。倘預期與初步估計有所不同，則有關差額將影響貿易及其他應收款項的賬面值，繼而影響估計變動期間的減值虧損。本集團每年重新評估減值撥備。

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31 Significant accounting estimates and judgements (continued)

(b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's net assets value. The Group reassesses these estimates annually.

(c) Impairment of property, plant and equipment

If circumstances indicate that the carrying value of an asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in profit or loss. The carrying amounts of assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

31 重大會計估計及判斷 (續)

(b) 存貨的可變現淨值

存貨的可變現淨值乃於日常業務過程中的估計售價減估計完成的成本及進行銷售所需的估計成本。該等估計乃基於目前市況及銷售類似性質產品的過往經驗。假設的任何變動將增加或減少過往年度作出的存貨撇減的金額或有關撇減撥回，並影響本集團的資產淨值。本集團每年重新評估該等估計。

(c) 物業、廠房及設備減值

倘情況顯示資產的賬面值可能無法收回，則該資產可能被視為「已減值」，並可在損益中確認減值虧損。資產的賬面值會定期進行審閱，以評估可收回金額是否已下跌至低於賬面值。當事件或情況變動顯示該等資產的記錄賬面值可能無法收回時，有關資產會進行減值測試。倘出現上述下跌，賬面值會減至可收回金額。

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31 Significant accounting estimates and judgements (continued)

(c) Impairment of property, plant and equipment (continued)

The recoverable amount is the greater of the fair value less costs to sell and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to level of sales volume, sales revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of sales volume, sales revenue and amount of operating costs.

(d) Depreciation and amortisation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. Intangible assets are amortised on a straight-line basis over the estimated useful lives. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation expenses to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expenses for future periods are adjusted prospectively if there are significant changes from previous estimates.

31 重大會計估計及判斷 (續)

(c) 物業、廠房及設備減值 (續)

可收回金額為公平值減出售成本與使用價值兩者中的較高者。在釐定使用價值時，資產產生的預期現金流量會折現至其現值，而這需要對銷售額、銷售收入及經營成本作出重大判斷。本集團在釐定與可收回金額相若的合理數額時會採用所有可供使用的資料，包括根據對銷售額、銷售收入及經營成本的合理且可以證據支持的假設和預測作出的估計。

(d) 折舊及攤銷

物業、廠房及設備乃經計及估計殘值後以直線法於其估計可使用年期折舊。無形資產以直線法於其估計可使用年期攤銷。本集團定期審閱資產的估計可使用年期，以釐定於任何報告期內記錄的折舊及攤銷開支金額。可使用年期乃根據本集團對類似資產的過往經驗，並計及預計的技術變化後得出。倘過往估計出現重大變動，未來期間的折舊及攤銷開支則會作預早調整。

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32 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

32 截至二零一六年十二月三十一日止年度已頒佈惟尚未生效的修訂、新訂準則及詮釋的可能影響

截至此等財務報表刊發日期，國際會計準則委員會已頒佈多項修訂及新訂準則。該等修訂及新訂準則於截至二零一六年十二月三十一日止年度尚未生效，故於此等財務報表並未採用，其中包括以下可能與本集團相關者。

Effective for accounting periods beginning on or after
於下列日期或之後開始的會計期間生效

Amendments to IAS 7, <i>Disclosure initiative</i> 國際會計準則第7號(修訂本)，披露計劃	1 January 2017 二零一七年一月一日
Amendments to IAS 12, <i>Income taxes – Recognition of deferred tax assets for unrealised losses</i> 國際會計準則第12號(修訂本)， 所得稅—就未變現虧損確認遞延稅項資產	1 January 2017 二零一七年一月一日
IFRS 15, <i>Revenue from contracts with customers</i> 國際財務報告準則第15號，與客戶訂立合約的收益	1 January 2018 二零一八年一月一日
IFRS 9, <i>Financial Instruments (2014)</i> 國際財務報告準則第9號，金融工具(二零一四年)	1 January 2018 二零一八年一月一日
Amendments to IFRS 2, <i>Classification and measurement of share-based payment transactions</i> 國際財務報告準則第2號(修訂本)， 以股份為基準的付款交易的分類及計量	1 January 2018 二零一八年一月一日
IFRS 16, <i>Leases</i> 國際財務報告準則第16號，租賃	1 January 2019 二零一九年一月一日

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(Expressed in Renminbi unless otherwise indicated) (除另有指明外，以人民幣列示)

32 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 *(continued)*

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

33 Immediate and ultimate controlling party

As at 31 December 2016, the directors consider the immediate controlling party of the Group to be QT Investment, which is incorporated in the BVI, and the ultimate controlling party of the Group to be Mr. He Ningning.

32 截至二零一六年十二月三十一日止年度已頒佈惟尚未生效的修訂、新訂準則及詮釋的可能影響 (續)

本集團正評估此等修訂及新訂準則於首次應用期間將帶來的預期影響。迄今得出的結論為採納此等修訂及新訂準則不大可能對合併財務報表造成重大影響。

33 直接及最終控股方

於二零一六年十二月三十一日，董事認為本集團的直接控股方為於英屬處女群島註冊成立的丘鈦投資，而本集團的最終控股方為何寧寧先生。

