

寶峰時尚

# boree

## 2016 中期報告 INTERIM REPORT



BAOFENG 1121.HK

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

Stock Code :1121



寶峰時尚國際控股有限公司

(於開曼群島註冊成立的有限公司)

股份代號 :1121

Baofeng Modern International Holdings Company Limited  
(Incorporated in the Cayman Islands with limited liability)

## BOARD OF DIRECTORS

### Executive Directors

Mr. ZHENG Jingdong (Chairman)  
Mr. LEUNG Tsz Chung (Vice-chairman)

### Non-Executive Directors

Ms. LIN Weihuan  
Mr. CHAN Chak Chak Daniel

### Independent Non-Executive Directors

Ms. AN Na  
Mr. CHEN Shaohua  
Professor ZHAO Jinbao

## BOARD COMMITTEES

### Audit Committee

Mr. CHEN Shaohua (Chairperson)  
Professor ZHAO Jinbao  
Ms. AN Na

### Remuneration Committee

Ms. AN Na (Chairperson)  
Professor ZHAO Jinbao  
Mr. CHEN Shaohua

### Nomination Committee

Professor ZHAO Jinbao (Chairperson)  
Mr. CHEN Shaohua  
Ms. AN Na

## COMPANY SECRETARY

Mr. TSANG Wing Pong

## AUTHORISED REPRESENTATIVES

Mr. ZHENG Jingdong  
Mr. LEUNG Tsz Chung

## STOCK CODE

01121

## 董事會

### 執行董事

鄭景東先生 (主席)  
梁子冲先生 (副主席)

### 非執行董事

林煒歡女士  
陳策策先生

### 獨立非執行董事

安娜女士  
陳少華先生  
趙金保教授

## 董事委員會

### 審核委員會

陳少華先生 (主席)  
趙金保教授  
安娜女士

### 薪酬委員會

安娜女士 (主席)  
趙金保教授  
陳少華先生

### 提名委員會

趙金保教授 (主席)  
陳少華先生  
安娜女士

## 公司秘書

曾永邦先生

## 授權代表

鄭景東先生  
梁子冲先生

## 股份代號

01121

# Corporate Information

## 公司資料

### COMPANY WEBSITE

www.baofengmodern.com

### HEAD OFFICE IN THE PRC

Huoju Industrial Zone  
Jiangnan Town  
Licheng District  
Quanzhou City  
Fujian Province  
PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 504, 5/F  
OfficePlus @Sheung Wan  
93-103 Wing Lok Street  
Sheung Wan  
Hong Kong

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4/F, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### AUDITORS

Pan-China (H.K.) CPA Limited

### PRINCIPAL BANKERS

Bank of China (Hong Kong)  
China Construction Bank  
The Hongkong and Shanghai Bank

### 公司網站

www.baofengmodern.com

### 中國總部

中國  
福建省  
泉州市  
鯉城區  
江南鎮  
火炬工業區

### 香港主要營業地點

香港  
上環  
永樂街93-103號  
協成行上環中心  
5樓504室

### 註冊辦事處

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 開曼群島主要股份過戶登記處

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4/F, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### 香港證券登記處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

### 核數師

天健(香港)會計師事務所有限公司

### 主要往來銀行

中國銀行(香港)  
中國建設銀行  
香港上海滙豐銀行

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# Financial Highlights

## 財務摘要

		Six months ended 30 June		
		截至六月三十日止六個月		Increase/
		2016	2015	(decrease)
		二零一六年	二零一五年	增加／(減少)
		RMB'000	RMB'000	% Change
		人民幣千元	人民幣千元	變動百分比
		(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	
Revenue (Total)	收益(總額)	<b>94,854</b>	105,754	(10.3)
Revenue (Boree Products)	收益(寶人牌產品)	<b>710</b>	17,051	(95.8)
Revenue (OEM Business)	收益(OEM業務)	<b>94,144</b>	88,703	6.1
Gross profit	毛利	<b>23,398</b>	30,304	(22.8)
Loss for the period	期內虧損	<b>(27,186)</b>	(25,015)	8.7
Shareholders' equity	股東權益	<b>1,124,718</b>	1,120,229	0.4

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
<b>Profitability data</b>	<b>盈利能力數據</b>		
<b>(RMB million)</b>	<b>(人民幣百萬元)</b>		
Revenue	收益	<b>94.9</b>	105.8
Gross profit	毛利	<b>23.4</b>	30.3
Loss for the period	期內虧損	<b>(27.2)</b>	(25.0)
<b>Profitability ratios (%)</b>	<b>盈利能力比率(%)</b>		
Gross profit margin	毛利率	<b>24.7</b>	28.7
Net loss margin	淨虧損率	<b>(28.7)</b>	(23.7)
<b>Assets and liabilities data</b>	<b>資產及負債數據</b>		
<b>(RMB million)</b>	<b>(人民幣百萬元)</b>		
Non-current assets	非流動資產	<b>1,672.8</b>	124.8
Current assets	流動資產	<b>476.6</b>	1,240.2
Current liabilities	流動負債	<b>501.7</b>	241.7
Non-current liabilities	非流動負債	<b>523.0</b>	3.1
Shareholders' equity	股東權益	<b>1,124.7</b>	1,120.2
<b>Asset and working capital data</b>	<b>資產及營運資金數據</b>		
Current asset ratios (%)	流動資產比率(%)	<b>22.2%</b>	90.9%
Current ratios (time)	流動比率(倍)	<b>0.9</b>	5.1
Gearing ratios (%)	負債比率(%)	<b>47.6%</b>	17.5%

# Management Discussion & Analysis

## 管理層討論及分析

In the first half of 2016, Baofeng Modern International Holdings Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) focused on the graphene technology application and the development of graphene application products and successfully launched a new graphene-based sterilizing foam material product (the “New Product”) in June 2016, the Group therefore spent less effort on the marketing of the own branded products, resulting in a decrease in the sales of own branded products during the six months ended 30 June 2016 (the “Period”) by approximately RMB16.3 million. However, the Group still maintained a mild increase of the revenue in the Original Equipment Manufacturer (“OEM”) business, which contributed the largest portion of revenue of the Group, by approximately RMB5.4 million or 6.1%. Combining the abovementioned effects, the revenue of the Group decreased by approximately RMB10.9 million or 10.3% to approximately RMB94.9 million from the last corresponding period (2015: RMB105.8 million).

During the Period, the gross profit margin of the Group decreased to 24.7% (2015: 28.7%), which was mainly attributable to the reversal of write down of inventories recognised in the last corresponding period. Excluding the write down of inventories for the Period of approximately RMB1.4 million (2015: reversal of write down of inventories of RMB7.0 million), the adjusted gross profit margin improved from 22.0% in the last corresponding period to 26.2% for the Period as a result of improvement of technology.

During the Period, the Group recorded a net loss of approximately RMB27.2 million (2015: RMB25.0 million), which is mainly attributable to (i) share-based payment expenses of approximately RMB11.9 million (2015: Nil) in relation to the share options granted by the Company on 10 December 2015 and 24 June 2016; (ii) amortisation expense of intangible assets of approximately RMB26.4 million (2015: Nil) in relation to the acquisition of certain technological know-how in respect of the application of graphene and includes one patent in the United States of America (“US”) (“US Patent”), four invention patent applications, three utility model patent applications and two utility model patents in the People’s Republic of China (the “PRC”)(collectively as “PRC Patents”), relating to the manufacturing of graphene-based ethylene-vinyl acetate (“EVA”) foam material, graphene deodorizing and sterilizing chips and graphene-based pressure-sensitive sensors and the exclusive formula (collectively as the “Technology Know-how”) from Bluestone Technologies (Cayman) Limited (“Bluestone”) on 16 December 2015; which was offset by (iii) the fair value gain of financial liabilities at fair value through profit or loss (“FVTPL”) of approximately RMB11.3 million (2015: loss of RMB32.3 million).

寶峰時尚國際控股有限公司(「本公司」)及其附屬公司(統稱為「本集團」)在二零一六年上半年致力投入於石墨烯技術之應用及開發石墨烯應用產品，並於二零一六年六月成功推出新款石墨烯殺菌發泡材料之產品(「新產品」)，因此，本集團投入較少精力於營銷自有品牌產品，導致於截至二零一六年六月三十日止六個月(「本期間」)自有品牌產品的銷售額減少約人民幣16,300,000元。然而，本集團仍維持原設備製造商(「OEM」)業務收益(佔本集團收益的最大部分)小幅增加約人民幣5,400,000元或6.1%。綜合上述影響合併後，本集團收益較去年同期減少約人民幣10,900,000元或10.3%至約人民幣94,900,000元(二零一五年：人民幣105,800,000元)。

於本期間，本集團的毛利率下降至24.7%(二零一五年：28.7%)，主要是由於去年同期已確認撥回的存貨撇減所致。排除本期間存貨撇減約人民幣1,400,000元(二零一五年：撥回存貨撇減人民幣7,000,000元)，經調整毛利率將由去年同期的22.0%上升至本期間的26.2%，乃由於技術進步所致。

於本期間，本集團錄得淨虧損約人民幣27,200,000元(二零一五年：人民幣25,000,000元)，主要歸因於：(i)有關本公司於二零一五年十二月十日及二零一六年六月二十四日授出購股權之以股份支付的開支約人民幣11,900,000元(二零一五年：無)；及(ii)有關於二零一五年十二月十六日向藍石科技(開曼)有限公司(「藍石」)收購有關石墨烯應用的若干技術知識，包括有關生產石墨烯乙炔-醋酸乙炔共聚物(「EVA」)發泡材料、石墨烯除臭殺菌芯片及石墨烯壓力傳感器的美利堅合眾國(「美國」)一項專利(「美國專利」、中華人民共和國(「中國」)的四項發明專利申請、三項實用新型專利申請及兩項實用新型專利(統稱為「中國專利」)以及獨家配方統稱為「技術知識」的無形資產之攤銷費用約人民幣26,400,000元(二零一五年：無)，並被(iii)按公平值計入損益(「按公平值計入損益」)之金融負債之公平值收益約人民幣11,300,000元(二零一五年：損失人民幣32,300,000元)所抵銷。



# Management Discussion & Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

### 財務回顧

#### Revenue by Product Category

#### 按產品類別分類的收益

		Six months ended 30 June 截至六月三十日止六個月		
		2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)	Increase/ (decrease) 增加/ (減少) % change 變動百分比
Revenue (Boree Products)	收益(寶人牌產品)	710	17,051	(95.8%)
Revenue (OEM Business)	收益(OEM業務)	94,144	88,703	6.1%
Revenue (Total)	收益(總額)	94,854	105,754	(10.3%)

For the Period under review, the revenue of the Group decreased by 10.3% to approximately RMB94.9 million as compared with that of the last corresponding period (2015: RMB105.8 million). Revenue from Boree Products decreased by 95.8% to approximately RMB0.7 million during the Period (2015: RMB17.1 million), as a result of less selling expenses spent on the marketing of Boree Products. With the help of technology improvement to improve the product quality, the revenue from the OEM business increased by 6.1% to approximately RMB94.1 million (2015: RMB88.7 million).

於回顧期間，本集團的收益較去年同期減少10.3%至約人民幣94,900,000元（二零一五年：人民幣105,800,000元）。由於較少銷售開支用於營銷寶人牌產品，寶人牌產品的收益減少95.8%至本期間約人民幣700,000元（二零一五年：人民幣17,100,000元）。隨著技術進步令產品品質提高，OEM業務的收益增加6.1%至約人民幣94,100,000元（二零一五年：人民幣88,700,000元）。

#### Selling and Distribution Expenses

During the Period, selling and distribution expenses decreased by 22.5% to approximately RMB5.5 million as compared with that of the last corresponding period (2015: RMB7.1 million), which accounted for 5.8% (2015: 6.7%) of the Group's revenue. The decrease was mainly attributable to less marketing activities held for the promotion of Boree Products.

#### 銷售及分銷開支

於本期間，銷售及分銷開支較去年同期減少22.5%至約人民幣5,500,000元（二零一五年：人民幣7,100,000元），佔本集團收益的5.8%（二零一五年：6.7%）。減少主要是由於就推廣寶人牌產品舉行的營銷活動減少。

#### General and Administrative Expenses

General and administrative expenses recorded an increase of approximately RMB13.8 million or 106% for the Period (2015: RMB13.0 million), which was mainly attributable to share-based payment expenses of approximately RMB11.9 million in relation to the share options granted by the Company on 10 December 2015 and 24 June 2016 and more exchange losses incurred during the Period.

#### 一般及行政開支

於本期間，一般及行政開支增加約人民幣13,800,000元或106%（二零一五年：人民幣13,000,000元），主要是由於有關本公司於二零一五年十二月十日及二零一六年六月二十四日授出購股權之以股份支付的開支約人民幣11,900,000元，以及本期間產生的匯兌虧損增加。

# Management Discussion & Analysis

## 管理層討論及分析

### Liquidity and Financial Resources

During the Period, net cash inflow from operating activities of the Group amounted to approximately RMB38.8 million (2015: RMB23.8 million), which was mainly due to the implementation of stricter credit control towards the customers to shorten the trade debt collection cycle. As at 30 June 2016, cash and bank balances were approximately RMB432.7 million, representing a decrease of 45.2% as compared with approximately RMB789.8 million as at 31 December 2015. The decrease was mainly due to the payment for the cash portion of the second instalment of the acquisition of the Technology Know-how of RMB389.4 million. As at 30 June 2016, most of the Group's cash and bank balances, representing over 98% was denominated in Renminbi. As at 30 June 2016, the interest-bearing bank borrowings of the Group were approximately RMB119.0 million (31 December 2015: RMB129.6 million). All bank loans were denominated in Renminbi with fixed interest rates and repayable within one year.

### Capital Structure

As at 1 January 2016, there were 1,067,579,608 shares in issue and the Company carried a share capital of approximately RMB70,555,000. During the Period, the Company issued 16,200,000 shares to share option holders who exercised their share options. As at 30 June 2016, the Company had 1,083,779,608 shares in issue and a paid-up capital of approximately RMB71,610,000.

### Significant Investments, Material Acquisitions and Disposals

Saved for the addition of the Technology Know-how as disclosed in note 10, the Group did not have any other significant investments, material acquisitions and disposals during the Period.

### Pledge of Assets

As at 30 June 2016, the bills payables were secured by a pledge of the Group's time deposits amounting to approximately RMB3.6 million (31 December 2015: RMB2.7 million). The bank borrowings of the Group were also secured by a pledge of the Group's buildings and land use right with a net carrying value of approximately RMB17.3 million (31 December 2015: RMB18.9 million) and approximately RMB33.9 million (31 December 2015: RMB34.3 million) respectively.

### 流動資金及財務資源

於本期間，本集團經營活動之現金淨額流入約人民幣38,800,000元（二零一五年：人民幣23,800,000元），主要由於對客戶實施更嚴格的信貸控制，以縮短交易賬項收款周期。於二零一六年六月三十日，現金及銀行結餘約人民幣432,700,000元，較於二零一五年十二月三十一日約人民幣789,800,000元減少45.2%。減少主要是由於本期間支付收購技術知識的第二批款項之現金部分人民幣389,400,000元。於二零一六年六月三十日，本集團大部分（逾98%）現金及銀行結餘以人民幣計值。於二零一六年六月三十日，本集團計息銀行借貸約人民幣119,000,000元（二零一五年十二月三十一日：人民幣129,600,000元）。所有銀行貸款均以人民幣計值，利率固定及須於一年內償還。

### 資本架構

於二零一六年一月一日，有1,067,579,608股已發行股份，本公司股本約人民幣70,555,000元。於本期間，本公司向已行使購股權之購股權持有人發行16,200,000股股份。於二零一六年六月三十日，本公司有1,083,779,608股已發行股份，繳足股本約人民幣71,610,000元。

### 重大投資、重大收購及出售

除附註10所披露的新增技術知識外，本集團於本期間並無進行任何其他重大投資、重大收購及出售。

### 資產抵押

於二零一六年六月三十日，應付票據透過抵押本集團約人民幣3,600,000元（二零一五年十二月三十一日：人民幣2,700,000元）的定期存款作為擔保。本集團銀行借貸亦透過抵押本集團賬面淨值分別約人民幣17,300,000元（二零一五年十二月三十一日：人民幣18,900,000元）及約人民幣33,900,000元（二零一五年十二月三十一日：人民幣34,300,000元）的樓宇及土地使用權作為擔保。



# Management Discussion & Analysis

## 管理層討論及分析

### Contingent Liabilities

As at 30 June 2016 and 31 December 2015, there were no material contingent liabilities.

### Foreign Exchange Risk

During the Period, the sales of the Group were mainly denominated in US dollars and Renminbi. The cost of sales and operating expenses were mainly denominated in Renminbi. The management of the Group monitors the foreign exchange exposure and will consider hedging significant foreign currency risk exposure if necessary.

### Gearing Ratio

As at 30 June 2016, the gearing ratio of the Group was 47.6% (31 December 2015: 54.2%). Gearing ratio was calculated as total debts divided by the total equity plus total debts. Total debts refer to the total liabilities minus the sum of tax payable, dividend payable and deferred tax liability.

### Human Resources

As at 30 June 2016, the Group had a total of approximately 830 employees (31 December 2015: 900 employees), with total staff costs for the Period, including directors' remuneration, amounted to approximately RMB38,588,000 (2015: RMB25,097,000). The Group's emolument policies are based on the merit, qualifications and competence of individual employee and are reviewed by the remuneration committee periodically. The emoluments of the directors of the Company (the "Directors") are recommended by the remuneration committee and are decided by the board of Directors ("the Board"), having regard to the Group's operating results, individual performance and comparable market statistics. The Company also adopted a share option scheme on 8 January 2011 (the "Share Option Scheme") to motivate and reward its Directors and eligible employees.

### 或然負債

於二零一六年六月三十日及二零一五年十二月三十一日，並無重大或然負債。

### 外匯風險

於本期間，本集團的銷售額主要以美元及人民幣計值。銷售成本及經營開支主要以人民幣計值。本集團管理層監控外匯風險，並將於有需要時考慮對沖重大外幣風險敞口。

### 負債比率

於二零一六年六月三十日，本集團的負債比率為47.6%（二零一五年十二月三十一日：54.2%）。負債比率為總債務除以總權益與總債務之和。總債務為總負債減應付稅項、應付股息及遞延稅項負債的總和。

### 人力資源

於二零一六年六月三十日，本集團有合共約830名僱員（二零一五年十二月三十一日：900名僱員），本期間的員工成本總額（包括董事薪酬）約人民幣38,588,000元（二零一五年：人民幣25,097,000元）。本集團的薪酬政策乃基於個別僱員的長處、資格及能力釐定，並由薪酬委員會定期檢討。本公司之董事（「董事」）酬金由薪酬委員會經參考本集團的營運業績、個別表現及可比較市場統計數據而提出建議，並由董事會（「董事會」）決定。本公司亦於二零一一年一月八日採納一項購股權計劃（「購股權計劃」），以鼓勵及嘉許其董事及合資格僱員。

# Management Discussion & Analysis

## 管理層討論及分析

### Use of Net Proceeds from the Share Offering

As at 30 June 2016, the Company had unutilised net proceeds from the Initial Public Offering (“IPO”) in the amount of approximately RMB142.0 million, representing approximately 36.6% of the total net proceeds from the IPO (the “Unutilised Net Proceeds”). In light of current market conditions of footwear industry in the PRC, the Company believes that the use of the Unutilised Net Proceeds under the original intended purpose may no longer meets the Group’s imminent business development needs. In order to maximise the benefits of the Company and its shareholders, the Company may change the usage of the Unutilised Net Proceeds from the original intended purposes to working capital and other general corporate purposes of the Group. If this happens, further announcements will be made by the Company as and when appropriate in compliance with the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The ordinary shares of the Company (the “Shares”) were listed on the Main Board of the Stock Exchange on 28 January 2011 with net proceeds received by the Company from the share offering of HK\$453,570,000 (approximately RMB387,666,000) (after deducting underwriting commission and related expenses).

The utilisation of the net proceeds as at 30 June 2016 is set out as follows:

### 股份發售所得款項淨額用途

於二零一六年六月三十日，本公司之未動用首次公開發售（「首次公開發售」）所得款項淨額約為人民幣142,000,000元，相當於首次公開發售總所得款項淨額（「未動用所得款項淨額」）約36.6%。鑒於中國鞋履行業當前市況，本公司認為，按照原定用途動用未動用所得款項淨額可能不再符合本集團迫切的業務發展需要。為本公司及其股東締造最大的利益，本公司可能將未動用所得款項淨額之用途由原定用途改為本集團營運資金及其他一般企業用途。如此舉落實，本公司將適時遵照香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）作出進一步公佈。

本公司普通股股份（「股份」）於二零一一年一月二十八日於聯交所主板上市，本公司自股份發售收到的所得款項淨額為453,570,000港元（約人民幣387,666,000元）（經扣除包銷佣金及相關開支）。

於二零一六年六月三十日，所得款項淨額的動用情況載列如下：

Nature 性質		Amount raised	Amount utilised
		所籌金額 RMB'000 人民幣千元	動用金額 RMB'000 人民幣千元
To increase production capacity	增加產能	135,683	88,045
Marketing and advertising expenses	推廣及宣傳開支	96,917	96,917
To acquire other branded product business	收購其他品牌產品業務	58,150	—
To strengthen design capability	增強設計能力	19,383	13,448
To establish flagship shops and showrooms	開設旗艦店及陳列室	19,383	4,090
To strengthen the distribution resource planning system	加強分銷資源計劃系統	19,383	4,409
General working capital	一般營運資金	38,767	38,767
Total:	總計：	387,666	245,676

# Management Discussion & Analysis

## 管理層討論及分析

### Use of Net Proceeds from the Issue of a total of 88,000,000 warrants on 21 April 2015 (the “2015 Warrants”)

The net proceeds from the issue of 2015 Warrants of approximately HK\$6,000,000 was intended to be retained in Hong Kong as general working capital of the Company and its offshore subsidiaries incorporated in Hong Kong and overseas (the “Offshore Group Members”) to settle the expenses such as administrative expenses, the professional fees and the salary expenses incurred by the Offshore Group Members. If the subscription rights attached to the 2015 Warrants are fully exercised, it is expected that an additional net amount of HK\$132,000,000 will be raised and such proceeds will be used for general working capital of the Offshore Group Members and for the promotion and expansion of the sales network and development of the Online-to-Offline (“O2O”) business model for the sales and distribution of the products of the Group in the offshore market. The net proceeds of approximately HK\$6,000,000 from the issue of 2015 Warrants have been fully utilised for general working capital of the Offshore Group Members to settle the expenses such as administrative expenses, the professional fees and the salary expenses incurred by the Offshore Group Members during the year ended 31 December 2015. No warrants from the issue of 2015 Warrants have been exercised as at 30 June 2016.

### BUSINESS REVIEW AND FUTURE PROSPECTS

Sales of the Group for the Period were approximately RMB94.9 million, representing a decrease of approximately 10.3% as compared with approximately RMB105.8 million for the corresponding period in 2015, principally attributable to the decrease in the sales of own branded products during the Period. In the first half of 2016, the Group focused on the graphene technology application and the development of graphene application products and successfully launched the New Product in June 2016. The Group therefore spent less effort on the marketing of the own branded products in the first half of 2016 as compared to the corresponding period in 2015 and plans to gradually replace its existing products with graphene application products.

### 於二零一五年四月二十一日發行的 88,000,000份認股權證（「二零一五年認股權證」）所得款項淨額用途

來於自發行二零一五年認股權證的所得款項淨額約6,000,000港元擬保留於香港，作為本公司以及其於香港及海外成立的離岸附屬公司（「離岸集團成員公司」）的一般營運資金，以償付各項開支，例如離岸集團成員公司所產生的行政開支、專業費用及薪金開支。如二零一五年認股權證附帶的認購權獲悉數行使，預期將籌集額外淨額132,000,000港元，該所得款項將用作離岸集團成員公司的一般營運資金，以及推廣及擴展其銷售網絡與發展本集團產品於離岸市場銷售及分銷之線上線下（「O2O」）業務模式。於截至二零一五年十二月三十一日止之年度，來自發行二零一五年認股權證的所得款項淨額約6,000,000港元已悉數用於一般營運資金，以償付各項開支，例如離岸集團成員公司所產生的行政開支、專業費用及薪金開支。於二零一六年六月三十日，並無來自發行二零一五年認股權證的認股權證已獲行使。

### 業務回顧及未來前景

本集團於本期間的銷售額約為人民幣94,900,000元，與二零一五年同期約人民幣105,800,000元比較下降約10.3%，主要歸因於本期間自有品牌產品的銷售額下降。本集團在二零一六年上半年致力投入於石墨烯技術之應用及開發石墨烯應用產品，並於二零一六年六月成功推出新產品。因此，與二零一五年同期相比，本集團於二零一六年上半年投入較少精力於自有品牌產品的營銷，並計劃逐步以石墨烯應用產品替代現有之產品。

# Management Discussion & Analysis

## 管理層討論及分析

The Group's first graphene application products mass production line was completed and commenced trial production in late May 2016, and mass production has already been commenced in July 2016. The Group has successfully applied the Technology Know-how by applying graphene in the production of graphene-based EVA foam material, shoe mats etc, with sterilizing, good elasticity and tear resistant functions, and will continue to develop more graphene application products. As disclosed in the announcement of the Company dated 22 July 2016, Xinfeng 2D (Fujian) Material Technology Company Ltd., the indirect wholly-owned subsidiary of the Company, has signed a sales contract with a large domestic sportswear brand customer in the PRC for the supply of the New Product. The New Product is the result of the Group's commercialised and extensive use of the Technology Know-how. The Board considers that the entering into of the sales contract is the representation of the recognition of the effect of the application of graphene technology on our products by our customer, and the indication of customer's confidence in the effectiveness of the application of graphene-based EVA foam material in the production of shoes. The Group will continue to expand its business from traditional industries to high technology industries to create long-term benefits for the Group.

Furthermore, to cope with the change of customers' buying habit to online shopping, the Group will develop various distribution channels and focus on the development of the O2O business model for the sales and distribution of its products in the second half of 2016, which will be beneficial to the Group. As disclosed in the announcement of the Company dated 18 July 2016, the Group has engaged a PRC domestic company to design and develop the do-it-yourself ("DIY") automated vending system which is the key machine for the O2O business model. The Directors are of the view that the introduction of the DIY automated vending system will contribute to the Group in the following three areas:

1. Market interaction model: The DIY automated vending system will provide customers with tailor-made interactive and unique shopping experience;
2. Business model: The business model of the DIY automated vending system is likely to replace the traditional shop sales model, establish another essential and effective distribution channel and improve the profitability of the products of the Group;

本集團第一條大規模量產石墨烯應用產品之生產線已於二零一六年五月底建成及成功試產，並已於二零一六年七月份開始量產。本集團成功使用技術知識將石墨烯應用於生產具備殺菌、高彈性、抗拉功能之石墨烯EVA發泡材料、鞋墊等，還將不斷開發更多的石墨烯應用產品。如本公司日期為二零一六年七月二十二日之公佈所披露，本公司之間接全資子公司，福建新峰二維材料科技有限公司已與中國國內一家大型運動品牌客戶就供應新產品簽訂銷售合同。新產品是本集團在商業化大規模使用技術知識之成果。董事會認為簽訂銷售合同代表客戶對石墨烯技術在產品上應用之效果的認同，亦證明客戶對應用石墨烯EVA發泡材料於生產鞋類的功效之信心。本集團將會繼續拓展傳統產業至高科技產業跨界結合，從而為本集團創造長遠利益。

另外，因應客戶的購買習慣改為網上購買，本集團將於二零一六年下半年發展不同類型的分銷渠道並且專注於發展O2O業務模式以銷售及分銷本集團的產品，此舉將有利於本集團。如本公司日期為二零一六年七月十八日之公佈所披露，本集團已委聘一家中國國內公司設計及開發自助（「DIY」）自動售貨系統，此為O2O業務模式之關鍵設備。董事認為，引進DIY自動售貨系統將為本集團帶來以下三方面的貢獻：

- 1、市場互動模式上：DIY自動售貨系統將為客戶提供私人訂制互動及獨特的購物體驗；
- 2、商業模式上：DIY自動售貨系統的商業模式有機會取代傳統門店銷售方式，為本集團的產品建立另一個必要及有效的分銷渠道及提升產品利潤；

## Management Discussion & Analysis

### 管理層討論及分析

3. Product technology: The graphene application products sold by the DIY automated vending system will establish the core technical competitiveness of the Group.

The Group will put more efforts into the marketing of the New Product and own branded products in the second half of 2016. Given its stable OEM business, the commercialization and extensive application of the Technology Know-how, and the development of the O2O business model, the Directors expect that the Group's sales will improve in the second half of 2016.

- 3、產品技術上：於DIY自動售貨系統售賣的石墨烯應用產品能建立本集團之核心技術競爭力。

本集團將於二零一六年下半年投入更多精力於新產品及自有品牌產品的營銷。鑒於穩定的OEM業務，技術知識的商業化和廣泛使用和O2O商業模式的發展，董事預計本集團銷售額將於二零一六年下半年提升。



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

As at 30 June 2016, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### Interests in the Shares and underlying Shares:

Name of Directors	Capacity and nature of interest	Number of Shares/ underlying Shares	Percentage of the Company's issued share capital <sup>(1)</sup>
董事姓名	身份及權益性質	股份／相關股份數目	佔本公司已發行股本百分比 <sup>(1)</sup>
Mr. LEUNG Tsz Chung 梁子冲先生	Beneficial owner 實益擁有人	6,000,000(L)	0.55%
Ms. Lin Weihuan ("Ms. Lin") (Note 2) 林煒歡女士(「林女士」) (附註2)	Interest in controlled corporation 所控制法團的權益	233,155,792(L)	21.51%

#### Long positions in share options of the Company:

Name of Directors	Capacity and nature of interest	Number of share options held <sup>(3)</sup>	Percentage of the Company's issued share capital <sup>(1)</sup>
董事姓名	身份及權益性質	所持購股權數目 <sup>(3)</sup>	佔本公司已發行股本百分比 <sup>(1)</sup>
Mr. ZHENG Jingdong 鄭景東先生	Beneficial owner 實益擁有人	12,750,000(L)	1.18%
Mr. LEUNG Tsz Chung 梁子冲先生	Beneficial owner 實益擁有人	4,000,000(L)	0.37%
Mr. CHAN Chak Chak Daniel 陳策策先生	Beneficial owner 實益擁有人	1,000,000(L)	0.09%

### 董事及主要行政人員於股份、相關股份及債券中的權益及淡倉

於二零一六年六月三十日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及淡倉）；(ii)根據證券及期貨條例第352條須記入該條所述由本公司存置的登記冊的權益及淡倉；或(iii)根據上市規則附錄10所載的標準守則的規定須知會本公司及聯交所的權益及淡倉如下：

#### 於股份及相關股份中的權益：

#### 於本公司購股權中的好倉：

## Other Information

### 其他資料

#### Notes:

- (1) The percentage has been calculated based on the total number of Shares in issue as at 30 June 2016 (i.e. 1,083,779,608 Shares).
- (2) Ms. Lin is deemed to be interested in the Shares in which Total Shine Investments Limited ("Total Shine") is interested. Total Shine is wholly owned and controlled by Ms. Lin and obtained an option granted by Best Mark International Limited ("Best Mark") entitling it to acquire 233,155,792 Shares. Best Mark is wholly owned and controlled by Mr. Sze Ching Bor ("Mr. Sze").
- (3) These represent the number of shares which will be allotted and issued to the respective Directors upon the exercise of the share options granted to each of them under the Share Option Scheme adopted on 8 January 2011. Accordingly, each of them was regarded as interested in the underlying Shares.
- (4) The letter "L" denotes a long position in the Shares or underlying Shares.

Save as disclosed above, as at 30 June 2016, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

#### 附註：

- (1) 該百分比乃根據於二零一六年六月三十日的已發行股份總數（即1,083,779,608股）計算。
- (2) 林女士被視為於Total Shine Investments Limited（「Total Shine」）所持股份中擁有權益。Total Shine由林女士全資擁有及控制，已取得Best Mark International Limited（「Best Mark」）授予的購股權，以收購233,155,792股股份。Best Mark是由史清波先生（「史先生」）全資擁有及控制。
- (3) 上述數額為因根據於二零一一年一月八日採納的購股權計劃授予各董事的購股權獲行使而將向其配發及發行的股份數目。因此，其被視為於相關股份中擁有權益。
- (4) 字母「L」表示於股份或相關股份的好倉。

除上文所披露者外，於二零一六年六月三十日，概無董事或本公司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、相關股份或債權證中，擁有任何(i)根據證券及期貨條例第XV部第7及第8分部的條文須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉）；或(ii)根據證券及期貨條例第XV部第352條須記入該條所述登記冊的權益或淡倉；或(iii)根據上市規則附錄10所載的標準守則的規定須知會本公司及聯交所的權益或淡倉。

### SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 8 January 2011. Details of the Share Option Scheme are set out in note 17 to the condensed consolidated financial statements.

The following table discloses the outstanding share options under the Share Option Scheme as at 30 June 2016:

### 購股權計劃

本公司於二零一一年一月八日採納購股權計劃。購股權計劃的詳情載於簡易綜合財務報表附註17。

下表披露於二零一六年六月三十日購股權計劃項下的尚未行使購股權：

Name or Category of participants	參與人的姓名或類別	Date of grant <sup>(1)</sup>	Number of options 購股權數目					Outstanding as at 30 June 2016 於二零一六年六月三十日 尚未行使	Exercise period <sup>(2)</sup>	Exercise price per share (HK\$) 每股行使價 (港元)
			Outstanding as at 1 January 2016 於二零一六年一月一日 尚未行使	Granted during the Period 期內授出	Exercised during the Period 期內行使	Cancelled during the Period 期內註銷	Forfeited during the Period 期內沒收			
<b>Executive Directors</b>	<b>執行董事</b>									
ZHENG Jingdong	鄭景東	30/8/2011	2,750,000	-	-	-	-	2,750,000	A	1.18
		10/12/2015	1,500,000	-	-	-	-	1,500,000	B	0.81
		10/12/2015	2,000,000	-	-	-	-	2,000,000	C	0.81
		10/12/2015	2,500,000	-	-	-	-	2,500,000	D	0.81
		10/12/2015	2,000,000	-	-	-	-	2,000,000	E	0.81
		10/12/2015	2,000,000	-	-	-	-	2,000,000	F	0.81
LEUNG Tsz Chung	梁子冲	10/12/2015	6,000,000	-	(6,000,000)	-	-	-	B	0.81
		10/12/2015	4,000,000	-	-	-	-	4,000,000	C	0.81
<b>Non-executive Directors</b>	<b>非執行董事</b>									
CHAN Chak Chak Daniel	陳策策	10/12/2015	150,000	-	-	-	-	150,000	B	0.81
		10/12/2015	200,000	-	-	-	-	200,000	C	0.81
		10/12/2015	250,000	-	-	-	-	250,000	D	0.81
		10/12/2015	200,000	-	-	-	-	200,000	E	0.81
		10/12/2015	200,000	-	-	-	-	200,000	F	0.81
Sub-total	小計		23,750,000	-	(6,000,000)	-	-	17,750,000		
<b>Employees and consultants of the Group in aggregate</b>	<b>本集團僱員及顧問合計</b>									
		30/8/2011	1,500,000	-	-	-	-	1,500,000	A	1.18
		10/12/2015	21,000,000	-	(10,200,000)	-	-	10,800,000	B	0.81
		10/12/2015	15,200,000	-	-	-	-	15,200,000	C	0.81
		10/12/2015	3,000,000	-	-	-	-	3,000,000	D	0.81
		10/12/2015	2,400,000	-	-	-	-	2,400,000	E	0.81
		10/12/2015	2,400,000	-	-	-	-	2,400,000	F	0.81
		24/6/2016	-	52,245,000	-	-	-	52,245,000	G	0.67
		24/6/2016	-	36,060,000	-	-	-	36,060,000	H	0.67
		24/6/2016	-	3,075,000	-	-	-	3,075,000	I	0.67
		24/6/2016	-	2,460,000	-	-	-	2,460,000	J	0.67
		24/6/2016	-	2,460,000	-	-	-	2,460,000	K	0.67
Sub-total	小計		45,500,000	96,300,000	(10,200,000)	-	-	131,600,000		
Total	總計		69,250,000	96,300,000	(16,200,000)	-	-	149,350,000		

## Other Information 其他資料

### Notes:

1. The closing prices of the Shares immediately before the date of grant on 30 August 2011, 10 December 2015 and 24 June 2016 were HK\$1.17, HK\$0.79 and HK\$0.69 respectively.

2. The respective exercise periods of the share options granted are as follows:

A: From 30 August 2012 to 29 August 2016;

B: From 10 December 2015 to 9 December 2020;

C: From 10 December 2016 to 9 December 2020;

D: From 10 December 2017 to 9 December 2020;

E: From 10 December 2018 to 9 December 2020;

F: From 10 December 2019 to 9 December 2020;

G: From 24 June 2016 to 23 June 2021;

H: From 24 June 2017 to 23 June 2021;

I: From 24 June 2018 to 23 June 2021;

J: From 24 June 2019 to 23 June 2021; and

K: From 24 June 2020 to 23 June 2021.

The vesting period of the share options is from the date of grant until the commencement of the exercise period.

### 附註：

1. 股份於緊接授出日期二零一一年八月三十日、二零一五年十二月十日及二零一六年六月二十四日前的收市價分別為1.17港元、0.79港元及0.69港元。

2. 所授出購股權各自行使期如下：

A：二零一二年八月三十日至二零一六年八月二十九日；

B：二零一五年十二月十日及二零二零年十二月九日；

C：二零一六年十二月十日及二零二零年十二月九日；

D：二零一七年十二月十日及二零二零年十二月九日；

E：二零一八年十二月十日及二零二零年十二月九日；

F：二零一九年十二月十日及二零二零年十二月九日；

G：二零一六年六月二十四日至二零二一年六月二十三日；

H：二零一七年六月二十四日至二零二一年六月二十三日；

I：二零一八年六月二十四日至二零二一年六月二十三日；

J：二零一九年六月二十四日至二零二一年六月二十三日；及

K：二零二零年六月二十四日至二零二一年六月二十三日。

該等購股權的歸屬期為自授出日期起直至行使期開始止。

3. Exercise conditions:
- (i) Provided always that a grantee of share options shall remain as a Director, an employee or a consultant of the Company or its subsidiaries, at the time of exercise of his or her share options; and

- (ii) Performance target for share options with exercise period A: the Company's Profit (as defined below) for the year ended 31 December 2011 is higher than RMB150,000,000.

"Profit" is defined as the Company's consolidated net profit attributable to owners of the Company as shown in the audited accountant's report for the corresponding fiscal year, excluding the impact of (i) after-tax employee expenses arising from the grant of the share options and (ii) non-operating gains and losses.

4. The number and/or exercise price of the options may be subject to adjustments in the case of rights or bonus issues, or other changes in the Company's share capital.

### ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section of "Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures" and "Share Option Scheme" above, at no time during the Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

3. 行使條件：

- (i) 購股權承授人於行使其購股權時仍須為本公司或其附屬公司的董事、僱員或顧問；及

- (ii) A行使期購股權的績效目標：本公司截至二零一一年十二月三十一日止年度的溢利（定義見下文）超過人民幣150,000,000元。

「溢利」界定為相應財政年度經審核會計師報告所示本公司擁有人應佔本公司綜合淨利潤，不包括(i)因授出購股權引致的除稅後僱員開支及(ii)非經營性損益的影響。

4. 購股權的數目及／或行使價或會在供股或紅股發行或本公司股本出現其他變動時予以調整。

### 董事購買股份或債權證的安排

除上文「董事及主要行政人員於股份、相關股份及債券中的權益及淡倉」及「購股權計劃」等節所披露者外，於期內任何時間，並無授予任何董事或彼等各自的配偶或未成年子女透過收購股份或本公司債權證而獲得利益之權利，彼等亦概無行使任何相關權利；且本公司、其控股公司或其任何附屬公司及同系附屬公司概無訂立令董事可獲得任何其他法人團體的相關權利之任何安排。



## Other Information

### 其他資料

#### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2016, so far as is known to the Directors and the chief executive of the Company, the following persons or corporations (other than the Directors or chief executive of the Company) who had, or were deemed or taken to have interests and short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and be recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

#### Interests and short positions in the Shares and underlying Shares:

#### 主要股東及其他人士於股份及相關股份中的權益及淡倉

於二零一六年六月三十日，據本公司董事及主要行政人員所知，以下人士或法團（董事或本公司主要行政人員除外）於股份或相關股份中擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露及登記於根據證券及期貨條例第336條須予存置的登記冊或須另行知會本公司之權益及淡倉如下：

#### 於股份及相關股份中的權益及淡倉：

Name	Capacity and nature of interests	Number of Shares/ underlying Shares	Percentage of the Company's issued share capital <sup>(12)</sup> 佔本公司已發行股本 百分比 <sup>(12)</sup>
名稱	身份及權益性質	股份／相關股份數目	
Mr. Sze <sup>(1)</sup>	Interest in controlled corporation	519,035,767 (L)	47.89%
史先生 <sup>(1)</sup>	所控制法團的權益	233,155,792 (S)	21.51%
Ms. Tsang Shuk Ping <sup>(2)</sup>	Spousal interest	519,035,767 (L)	47.89%
曾淑萍女士 <sup>(2)</sup>	配偶權益	233,155,792 (S)	21.51%
Best Mark <sup>(3)</sup>	Beneficial owner/Other	473,876,157 (L)	43.72%
	實益擁有人／其他	233,155,792 (S)	21.51%
Haitong International Finance Company Limited <sup>(4)</sup>	Security interest	523,035,767 (L)	48.26%
海通國際財務有限公司 <sup>(4)</sup>	擔保權益		
Haitong International (BVI) Limited <sup>(5)</sup>	Interest in controlled corporation	523,035,767 (L)	48.26%
	所控制法團的權益		
Haitong International Securities Group Limited <sup>(6)</sup>	Interest in controlled corporation	523,035,767 (L)	48.26%
海通國際證券集團有限公司 <sup>(6)</sup>	所控制法團的權益		
Haitong International Holdings Limited <sup>(7)</sup>	Interest in controlled corporation	523,035,767 (L)	48.26%
海通國際控股有限公司 <sup>(7)</sup>	所控制法團的權益		

## Other Information 其他資料

Name	Capacity and nature of interests	Number of Shares/ underlying Shares	Percentage of the Company's issued share capital <sup>(12)</sup> 佔本公司已發行股本 百分比 <sup>(12)</sup>
名稱	身份及權益性質	股份／相關股份數目	
Haitong Securities Co., Ltd <sup>(8)</sup> 海通證券股份有限公司 <sup>(8)</sup>	Interest in controlled corporation 所控制法團的權益	523,035,767 (L)	48.26%
Total Shine <sup>(9)</sup>	Beneficial owner 實益擁有人	233,155,792 (L)	21.51%
Bluestone <sup>(10)</sup> 藍石 <sup>(10)</sup>	Beneficial owner 實益擁有人	220,000,000 (L)	20.30%
Mr. Zhuang Chaohui <sup>(10)</sup> 莊朝暉先生 <sup>(10)</sup>	Interest in controlled corporation 所控制法團的權益	220,000,000 (L)	20.30%
Ms. Ming Chu <sup>(11)</sup> 明珠女士 <sup>(11)</sup>	Interest in controlled corporation 所控制法團的權益	68,117,646 (L)	6.29%
Star Sky Entertainment Group Limited <sup>(11)</sup>	Beneficial owner 實益擁有人	68,117,646 (L)	6.29%

Notes:

- (1) Mr. Sze is deemed to be interested in the Shares held by Best Mark and Capital Vision International Limited ("Capital Vision"). Best Mark and Capital Vision are wholly owned and controlled by Mr. Sze and are interested in 473,876,157 Shares and 45,159,610 Shares respectively, representing approximately 43.72% and 4.17%, respectively of the issued Shares. Best Mark has granted an option to Total Shine, a company wholly owned and controlled by Ms. Lin, to acquire 233,155,792 Shares in aggregate, representing 21.51% of the issued Shares.
- (2) Ms. Tsang Shuk Ping, the spouse of Mr. Sze, is deemed to be interested in Mr. Sze's interests in the Company.
- (3) Best Mark is wholly owned and controlled by Mr. Sze.
- (4) Among the security interest in 523,035,767 Shares held by Haitong International Finance Company Limited, the security interest in 519,035,767 Shares is related to the pledge of an aggregate of 519,035,767 Shares by Best Mark and Capital Vision to Haitong International Finance Company Limited.
- (5) Haitong International (BVI) Limited wholly owns Haitong International Finance Company Limited and is deemed to be interested in the Shares in which Haitong International Finance Company Limited is interested.

附註：

- (1) 史先生被視為於Best Mark及Capital Vision International Limited (「Capital Vision」)所持股份中擁有權益。Best Mark及Capital Vision由史先生全資擁有及控制，分別於473,876,157股股份及45,159,610股股份中擁有權益，分別相當於已發行股份約43.72%及4.17%。Best Mark已授予Total Shine，由林女士全資擁有及控制之公司一份購股權，以收購合共233,155,792股股份，相當於已發行股份的21.51%。
- (2) 史先生之妻曾淑萍女士被視為擁有史先生所持本公司之權益。
- (3) Best Mark由史先生全資擁有及控制。
- (4) 在海通國際財務有限公司於523,035,767股股份持有的擔保權益中，519,035,767股股份的擔保權益涉及Best Mark及Capital Vision抵押予海通國際財務有限公司合共519,035,767股股份。
- (5) Haitong International (BVI) Limited全資擁有海通國際財務有限公司，被視為於海通國際財務有限公司所持股份中擁有權益。

## Other Information

### 其他資料

- (6) Haitong International Securities Group Limited wholly owns Haitong International (BVI) Limited and is deemed to be interested in the Shares in which Haitong International (BVI) Limited is interested.
- (6) 海通國際證券集團有限公司全資擁有 Haitong International (BVI) Limited，被視為於 Haitong International (BVI) Limited 所持股份中擁有權益。
- (7) Haitong International Holdings Limited owns 66.38% of Haitong International Securities Group Limited and is deemed to be interested in the Shares in which Haitong International Securities Group Limited is interested.
- (7) 海通國際控股有限公司擁有海通國際證券集團有限公司的66.38%權益，被視為於海通國際證券集團有限公司所持股份中擁有權益。
- (8) Haitong Securities Co., Ltd wholly owns Haitong International Holdings Limited and is deemed to be interested in the Shares in which Haitong International Holdings Limited is interested.
- (8) 海通證券股份有限公司全資擁有海通國際控股有限公司，被視為於海通國際控股有限公司所持股份中擁有權益。
- (9) Total Shine is wholly owned and controlled by Ms. Lin and obtained an option granted by Best Mark entitling it to acquire 233,155,792 Shares.
- (9) Total Shine由林女士全資擁有及控制，已取得Best Mark授予的購股權，以收購233,155,792股股份。
- (10) Bluestone is interested in 220,000,000 underlying Shares under the convertible notes which was issued to it pursuant to the terms of the acquisition agreement as detailed in the circular dated in 25 November 2015. Mr. Zhuang Chaohui, who wholly owns and controls Bluestone, is deemed to be interested in the underlying Shares in which Bluestone is interested.
- (10) 藍石於根據收購協議之條款（詳情載於日期為二零一五年十一月二十五日之通函）已經向其發行的可換股票據下220,000,000股相關股份中擁有權益。莊朝暉先生全資擁有及控制藍石，被視為於藍石所持相關股份中擁有權益。
- (11) Ms. Ming Chu (“Ms. Ming”) is deemed to be interested in the shares held by Star Sky Entertainment Group Limited (“Star Sky”). Star Sky is wholly owned and controlled by Ms. Ming. Star Sky is interested in 31,194,997 Shares, representing 2.88% of the issued share capital of the Company. Also, Star Sky is interested in a warrant to subscribe for 36,922,649 Shares.
- (11) 明珠女士（「明女士」）被視為於Star Sky Entertainment Group Limited（「Star Sky」）所持股份中擁有權益。Star Sky由明女士全資擁有及控制。Star Sky於31,194,997股股份中擁有權益，相當於本公司已發行股本的2.88%。此外，Star Sky亦於可認購36,922,649股股份的認股權證中擁有權益。
- (12) The percentage has been calculated based on the total number of Shares in issue as at 30 June 2016 (i.e. 1,083,779,608 shares).
- (12) 該百分比乃根據於二零一六年六月三十日已發行股份總數（即1,083,779,608股）計算。
- (13) The letters “L” and “S” denote the person’s long and short position respectively in the Shares or underlying Shares.
- (13) 字母「L」及「S」分別代表該人士所持股份或相關股份的好倉及淡倉。

Save as disclosed above, as at 30 June 2016, none of the Directors and the chief executive of the Company was aware of any other person (other than the Directors or the chief executive of the Company) or corporation which had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and be recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company.

### INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the Period.

### CORPORATE GOVERNANCE

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value.

Throughout the Period, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules, save for the deviations as detailed below. The Company periodically reviews its corporate governance practices to ensure its continuous compliance.

Code Provision A.2.1 stipulates that the roles of the Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The Company deviates from this provision because Mr. Zheng Jingdong has been performing both the roles of Chairman and Chief Executive Officer. The Directors consider that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group. The balance of power and authorities is ensured by the operation of the senior management and the Board, which comprises experienced and high caliber individuals. The Board currently comprises 2 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors and therefore has a strong independence element in its composition.

除上文所披露者外，於二零一六年六月三十日，董事及本公司主要行政人員概不知悉任何其他人士（董事或本公司主要行政人員除外）或法團擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露及記錄於根據證券及期貨條例第336條須予存置的登記冊或另外通知本公司的股份或相關股份的權益或淡倉。

### 中期股息

董事不建議就本期間派發任何中期股息。

### 企業管治

本公司董事會及管理層致力於維持良好之企業管治常規及程序。本公司相信，良好之企業管治將為實施有效管理、培養健康公司文化、成功獲得業務增長及提升股東價值提供不可或缺之架構。

於本期間，除下文詳述的偏離外，本公司一直遵守上市規則附錄十四包括的企業管治守則（「企業管治守則」）所載守則條文。本公司定期檢討企業管治常規，以確保持續合規。

守則條文第A.2.1條規定，主席與行政總裁的職能應予以區分，不應由同一人士兼任。本公司就本條文有所偏離，因鄭景東先生兼任主席及行政總裁職位。董事相信，一人兼任兩個職位可為本集團提供強大一致的領導，方便本集團業務策略的發展及執行，對本集團有利。職權平衡由高級管理層及董事會（由資深且富有才幹的人士組成）運作而保證。董事會現時包括兩名執行董事、兩名非執行董事及三名獨立非執行董事，因此其構成具有較強的獨立元素。

## Other Information

### 其他資料

#### MODEL CODE FOR 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 the required standard for securities transactions by the Directors. The Company made specific enquiries of all the Directors and each of them confirmed that they have complied with the required standards set out in the Model Code during the Period.

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

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

#### AUDIT COMMITTEE

The audit committee was established by the Board with written terms of reference in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise our Group's financial reporting process, risk management and internal control systems, review the effectiveness of the Group's internal audit function and review and monitor appointment of the auditors and their independence.

The audit committee comprises three independent non-executive Directors, namely Mr. Chen Shaohua, Professor Zhao Jinbao and Ms. An Na, and Mr. Chen Shaohua is the chairperson of the audit committee. The unaudited condensed consolidated interim financial statements of the Group for the Period have been reviewed by the audit committee.

On behalf of the Board

**ZHENG Jingdong**  
Chairman

Hong Kong  
26 August 2016

#### 董事進行證券交易的標準守則

本公司已採納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」）作為董事進行證券交易之規定準則。本公司已向全體董事作出專門查詢，各董事確認彼等於本期間已遵守標準守則所載之規定準則。

#### 購買、贖回或出售本公司上市證券

於本期間，本公司及其任何附屬公司概無購買、贖回或出售任何本公司已上市證券。

#### 審核委員會

董事會已遵照上市規則附錄十四所載企業管治守則成立審核委員會，並制訂書面職權範圍。審核委員會的主要職責為檢討及監督本集團的財務報告程序、風險管理及內部監控體系，檢討本集團內部審計職能的成效以及檢討及監察核數師的委任及其獨立性。

審核委員會由三名獨立非執行董事陳少華先生、趙金保教授及安娜女士組成。陳少華先生為審核委員會主席。本集團於本期間的未經審核簡明綜合中期財務報表已由審核委員會審閱。

代表董事會

主席  
**鄭景東**

香港  
二零一六年八月二十六日



# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元 (unaudited) (未經審核)	RMB'000 人民幣千元 (unaudited) (未經審核)
	Notes 附註		
<b>REVENUE</b>	<b>收益</b>	<b>4</b>	
Cost of sales	銷售成本	<b>94,854</b>	105,754
		<b>(71,456)</b>	(75,450)
<b>GROSS PROFIT</b>	<b>毛利</b>	<b>23,398</b>	30,304
Other net income and gains	其他收入及收益淨額	4	7,814
Selling and distribution expenses	銷售及分銷開支	<b>(5,489)</b>	(7,087)
General and administrative expenses	一般及行政開支	<b>(26,734)</b>	(12,979)
Amortisation expense of intangible assets	無形資產攤銷費用	10	–
Finance costs	融資成本	5	(4,691)
Fair value gain/(loss) on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負 債之公平值收益/(損失)		<b>11,309</b>
			(32,342)
<b>LOSS BEFORE TAX</b>	<b>除稅前虧損</b>	<b>6</b>	<b>(26,876)</b>
Income tax expense	所得稅開支	7	(18,981)
			<b>(310)</b>
<b>LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>本公司擁有人應佔期內虧損 及全面開支總額</b>		<b>(27,186)</b>
			(25,015)
<b>LOSS PER SHARE</b>	<b>每股虧損</b>	<b>8</b>	
– Basic (RMB)	– 基本(人民幣)		<b>(0.025)</b>
			(0.025)
– Diluted (RMB)	– 攤薄(人民幣)		<b>N/A 不適用</b>
			N/A 不適用

Details of the dividends are disclosed in note 9 to the condensed consolidated financial statements.

股息詳情披露於簡明綜合財務報表附註9。

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

As at 30 June 2016 於二零一六年六月三十日

		<b>30 June 2016</b>	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
	Notes 附註	<b>RMB'000</b> 人民幣千元 <b>(unaudited)</b> (未經審核)	RMB'000 人民幣千元 (audited) (經審核)
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	<b>85,069</b>	87,341
Prepaid lease payments	預付租金	<b>33,063</b>	33,485
Intangible assets	無形資產	<b>1,554,667</b>	1,476,616
		<b>1,672,799</b>	1,597,442
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Inventories	存貨	<b>14,919</b>	31,366
Trade and bills receivables	應收貿易賬款及應收票據	<b>18,809</b>	39,034
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	<b>6,576</b>	7,451
Pledged deposits	已質押存款	<b>3,615</b>	2,723
Cash and bank balances	現金及銀行結餘	<b>432,681</b>	789,836
		<b>476,600</b>	870,410
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Trade and bills payables	應付貿易賬款及應付票據	<b>36,163</b>	38,679
Deposits received, other payables and accruals	已收按金、其他應付款項及應計費用	<b>338,414</b>	630,259
Interest-bearing bank borrowings	計息銀行借貸	<b>119,000</b>	129,570
Warrants	認股權證	<b>6,883</b>	21,590
Income tax payable	應付所得稅項	<b>1,261</b>	1,640
		<b>501,721</b>	821,738
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<b>流動(負債)/資產淨值</b>	<b>(25,121)</b>	48,672
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	<b>1,647,678</b>	1,646,114

# Condensed Consolidated Statement of Financial Position

## 簡明綜合財務狀況表

As at 30 June 2016 於二零一六年六月三十日

			30 June 2016 二零一六年 六月三十日	31 December 2015 二零一五年 十二月三十一日
		Notes 附註	RMB'000 人民幣千元 (unaudited) (未經審核)	RMB'000 人民幣千元 (audited) (經審核)
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Convertible notes	可換股票據	14	139,078	91,717
Provision for contingent consideration	或然代價撥備	15	380,811	422,285
Deferred tax liability	遞延稅項負債		3,071	3,071
			<b>522,960</b>	517,073
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>1,124,718</b>	1,129,041
<b>EQUITY</b>	<b>權益</b>			
Share capital	股本	16	71,610	70,555
Reserves	儲備		1,053,108	1,058,486
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>1,124,718</b>	1,129,041

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the six months ended 30 June 2015

截至二零一五年六月三十日止六個月

Attributable to owners of the Company

本公司擁有人應佔

		Reserves									
		Share capital	Share premium	Contributed surplus	Statutory surplus fund	Exchange fluctuation reserve	Capital redemption reserve	Share options reserve	Retained profits	Total reserves	Total equity
		股本	股份溢價	實繳盈餘	法定盈餘	匯兌波動	資本贖回	購股權	保留溢利	儲備總額	權益總額
		RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元
<b>At 1 January 2015 (audited)</b>	於二零一五年一月一日(經審核)	67,258	350,935	141,376	95,478	155	524	2,879	432,638	1,023,985	1,091,243
Issue of shares upon conversion of convertible notes	於轉換可換股票據時發行股份	3,297	50,704	-	-	-	-	-	-	50,704	54,001
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	-	-	-	(25,015)	(25,015)	(25,015)
Equity-settled share option arrangements	以股權結算的購股權安排	-	-	-	-	-	-	(1,730)	1,730	-	-
Transfer to statutory surplus fund	轉撥至法定盈餘公積金	-	-	-	909	-	-	-	(909)	-	-
<b>At 30 June 2015 (unaudited)</b>	於二零一五年六月三十日(未經審核)	70,555	401,639	141,376	96,387	155	524	1,149	408,444	1,049,674	1,120,229

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

Attributable to owners of the Company

本公司擁有人應佔

		Reserves									
		Share capital	Share premium	Contributed surplus	Statutory surplus fund	Exchange fluctuation reserve	Capital redemption reserve	Share options reserve	Retained profits	Total reserves	Total equity
		股本	股份溢價	實繳盈餘	法定盈餘	匯兌波動	資本贖回	購股權	保留溢利	儲備總額	權益總額
		RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元
<b>At 1 January 2016 (audited)</b>	於二零一六年一月一日(經審核)	70,555	401,639	141,376	96,338	155	524	10,688	407,766	1,058,486	1,129,041
Issue of shares upon exercise of share options	於行使購股權時發行股份	1,055	14,435	-	-	-	-	(4,491)	-	9,944	10,999
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	-	-	-	(27,186)	(27,186)	(27,186)
Equity-settled share option arrangements	以股權結算的購股權安排	-	-	-	-	-	-	11,864	-	11,864	11,864
<b>At 30 June 2016 (unaudited)</b>	於二零一六年六月三十日(未經審核)	71,610	416,074	141,376	96,338	155	524	18,061	380,580	1,053,108	1,124,718

# Condensed Consolidated Statement of Cash Flows

## 簡明綜合現金流量表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
<b>NET CASH FLOWS FROM/(USED IN):</b>	<b>所得/(所用)現金流量淨額：</b>		
Operating activities	經營活動	<b>38,756</b>	23,775
Investing activities	投資活動	<b>(392,022)</b>	(3,193)
Financing activities	融資活動	<b>(3,889)</b>	(1,698)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物 (減少)/增加淨額</b>	<b>(357,155)</b>	18,884
Cash and cash equivalents at beginning of period	期初現金及現金等價物	<b>789,836</b>	1,148,881
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>期末現金及現金等價物</b>	<b>432,681</b>	1,167,765
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物 結餘分析</b>		
Cash and bank balances	現金及銀行結餘	<b>432,681</b>	1,167,765

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's principal places of business are located in Huoju Industrial Zone, Jiangnan Town, Licheng District, Quanzhou City, Fujian Province, the PRC and Room 504, 5/F, OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong. The shares of the Company were listed on the Main Board of the Stock Exchange on 28 January 2011.

The principal activity of the Company is investment holding. The Group is involved in the manufacture and sale of slippers, sandals and casual footwear. An analysis of the Group's performance for the Period by business segment is set out in note 3 to the unaudited condensed consolidated interim financial statements for the Period (the "Interim Financial Statements").

In the opinion of the Directors, the immediate holding company and the ultimate holding company of the Company is Best Mark, which was incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Sze.

### 2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting issued by the International Accounting Standards Board and the disclosure requirements under Appendix 16 to the Listing Rules.

The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

### 1. 公司資料

本公司為於開曼群島註冊成立的有限責任公司。本公司註冊辦事處的地址位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司主要營業地點位於中國福建省泉州市鯉城區江南鎮火炬工業區及香港上環永樂街93-103號協成行上環中心5樓504室。本公司股份於二零一一年一月二十八日於聯交所主板上市。

本公司的主要業務為投資控股。本集團從事拖鞋、涼鞋及休閒鞋的生產及銷售。本集團於本期間按業務分部劃分的表現分析載列於本期間的未經審核簡明綜合中期財務報表(「中期財務報表」)附註3。

董事認為，本公司的直接控股公司及最終控股公司為於英屬處女群島註冊成立的Best Mark，其最終控制人為史先生。

### 2. 編製基準

中期財務報表乃按照國際會計準則理事會頒佈的國際會計準則(「國際會計準則」)第34號中期財務報告及上市規則附錄十六的披露規定編製。

中期財務報表應連同按照國際財務報告準則(「國際財務報告準則」)編製的截至二零一五年十二月三十一日止年度的年度財務報表一併閱讀。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 2. BASIS OF PREPARATION (continued)

As at 30 June 2016, the Group's current liabilities exceeded its current assets by approximately RMB25,121,000. Included in the Group's current liabilities was the fair value of provision for contingent consideration that will only be settled after fulfilment of Third Instalment Conditions of RMB259,056,000 and under the earnings before interest, taxes, depreciation and amortisation ("EBITDA") Sharing Mechanism of RMB60,364,000, as explained in note 15. The Directors consider that, the settlement of financial obligation under EBITDA Sharing Mechanism, which will be based on actual outcome of operating cash flow generated from certain subsidiary of the Company, would not create any impact on cash outflows in the foreseeable future. After taking out the effect of the fair value of provision for contingent consideration for the portion of EBITDA Sharing Mechanism included in the current liabilities, which has no cash flow impact as at 30 June 2016, the Group would have demonstrated a net current asset status of RMB35,243,000. Accordingly, the Directors consider that it is appropriate to prepare the Interim Financial Statements on a going concern basis.

The Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 annual financial statements as detailed below:

The Group has adopted the following new and revised IFRSs which are effective for the Group's financial year beginning on 1 January 2016.

IFRS 14	Regulatory Deferral Accounts
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 16 and IAS 41	Agriculture – Bearer Plants
Amendments to IAS 27	Equity Method in Separate Financial Statements
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to IAS 1	Disclosure Initiative
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle

### 2. 編製基準(續)

於二零一六年六月三十日，本集團的流動負債超出其流動資產約人民幣25,121,000元。本集團的流動負債中包括僅會於第三期條件達成後結算的或然負債撥備的公平值人民幣259,056,000元及根據未計利息、稅項、折舊及攤銷前盈利(「EBITDA」)分成機制的公平值人民幣60,364,000元(如附註15所解釋)。董事認為，EBITDA分成機制下須償還之財務責任將基於本公司若干附屬公司的經營所得現金流量實際結果，並不會在可見的將來對現金流出造成任何影響。撇除已計入流動負債的EBITDA分成機制部份的或然代價撥備公平值影響(於二零一六年六月三十日並無現金流影響)後，本集團將呈現人民幣35,243,000元的流動資產淨額狀況。因此，董事認為按持續經營基準編製中期財務報表屬適當。

中期財務報表乃根據二零一五年年度財務報表所採納之相同會計政策編製，惟預期將於二零一六年年度財務報表反映之會計政策變動除外，詳情如下：

本集團已採納下列於本集團自二零一六年一月一日起的財政年度生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第14號	監管遞延賬戶
國際財務報告準則第11號(修訂本)	收購合資經營權益的會計處理
國際會計準則第16號及國際會計準則第38號(修訂本)	澄清折舊及攤銷的可接受方法
國際會計準則第16號及國際會計準則第41號(修訂本)	農業—生產性植物
國際會計準則第27號(修訂本)	獨立財務報表的權益法
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號(修訂本)	投資實體：應用綜合入賬的例外情況
國際會計準則第1號(修訂本)	披露計劃
國際財務報告準則(修訂本)	國際財務報告準則二零一二年至二零一四年周期年度改進

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 2. BASIS OF PREPARATION (continued)

These new and revised IFRSs have had no material impact on the contents of the Interim Financial Statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group's reportable and operating segments are as follows:

- (a) the Boree branded products segment manufactures and trades Boree branded slippers, sandals and casual footwear ("Boree Products");
- (b) the Baofeng branded products segment manufactures and trades Baofeng branded slippers ("Baofeng Products"); and
- (c) the OEM segment produces slippers for branding and resale by others.

CODM monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted result before tax.

The segment profit or loss represents the profit earned by or loss from each segment without allocation of interest income, other unallocated net income and gains, fair value gain/loss on financial liabilities at FVTPL, finance costs as well as corporate and other unallocated expenses.

Segment assets exclude property, plant and equipment, prepaid lease payments, intangible assets, raw materials, work in progress, prepayments, deposits and other receivables, pledged deposits and cash and bank balances as these assets are managed on a group basis.

### 2. 編製基準(續)

該等新訂及經修訂國際財務報告準則對中期財務報表的內容並無重大影響。

本集團並無應用本會計期間尚未生效之任何新準則或詮釋。

### 3. 分部資料

向董事，即主要經營決策者（「主要經營決策者」），呈報以供資源分配及評估分部表現的資料乃集中於所交付或所提供的貨品或服務類別。具體而言，本集團的可呈報及經營分部如下：

- (a) 寶人牌產品分部生產及出售寶人牌拖鞋、涼鞋及休閒鞋（「寶人牌產品」）；
- (b) 寶峰牌產品分部生產及出售寶峰牌拖鞋（「寶峰牌產品」）；及
- (c) OEM分部生產品牌拖鞋以供轉售。

主要經營決策者獨立監察本集團各經營分部的業績，以便決定資源分配及評估表現。分部表現按可呈報分部業績評估，亦會用於計量經調整除稅前業績。

分部溢利或虧損指各分部賺取的溢利或產生的虧損，惟並無分配利息收入、其他未分配收入及收益淨額、按公平值計入損益之金融負債之公平值收益／損失、融資成本及企業及其他未分配開支。

由於物業、廠房及設備、預付租金、無形資產、原材料、在製品、預付款項、按金及其他應收款項、已質押存款和現金及銀行結餘均為按集團層面管理的資產，故不計入分部資產。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 3. SEGMENT INFORMATION (continued)

Segment liabilities exclude trade and bills payables, certain other payables and accruals, interest-bearing bank borrowings, convertible notes, warrants, income tax payable, deferred tax liability and provision for contingent consideration as these liabilities are managed on a group basis.

Regarding the brand licensee business segment presented for the period ended 30 June 2015, it is not reported in the current period since it ceased operation in 2015.

#### Period ended 30 June 2016

### 3. 分部資料(續)

由於應付貿易賬款及應付票據、部份其他應付款項及應計費用、計息銀行借貸、可換股票據、認股權證、應付所得稅項、遞延稅項負債及或然代價撥備均為按集團層面管理的負債，故不計入分部負債。

就截至二零一五年六月三十日止期間呈報的授權品牌業務分部而言，由於該分部於二零一五年停止經營，故並無就本期間報告該分部。

#### 截至二零一六年六月三十日止期間

		Boree Products 寶人牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Baofeng Products 寶峰牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	OEM RMB'000 人民幣千元 (unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (unaudited) (未經審核)
<b>Segment revenue</b>	<b>分部收益</b>				
Sales to external customers	向外界客戶銷售	710	-	94,144	94,854
<b>Segment results</b>	<b>分部業績</b>	(2,561)	-	20,470	17,909
<i>Reconciliation:</i>	<i>對賬：</i>				
Interest income	利息收入				795
Other unallocated net income and gains	其他未分配收入及收益淨額				513
Corporate and other unallocated expenses	企業及其他未分配開支				(53,084)
Fair value gain on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債之公平值收益				11,309
Finance costs	融資成本				(4,318)
Loss before tax	除稅前虧損				(26,876)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 3. SEGMENT INFORMATION (continued)

As at 30 June 2016

### 3. 分部資料(續)

於二零一六年六月三十日

		Boree Products 寶人牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Baofeng Products 寶峰牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	OEM RMB'000 人民幣千元 (unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (unaudited) (未經審核)
<b>Segment assets</b>	<b>分部資產</b>	<b>2,165</b>	<b>-</b>	<b>20,011</b>	<b>22,176</b>
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	企業及其他未分配資產				<u>2,127,223</u>
Total assets	資產總額				<u><b>2,149,399</b></u>
<b>Segment liabilities</b>	<b>分部負債</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>300</b>
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	企業及其他未分配負債				<u>1,024,381</u>
Total liabilities	負債總額				<u><b>1,024,681</b></u>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 3. SEGMENT INFORMATION (continued)

Period ended 30 June 2015

### 3. 分部資料(續)

截至二零一五年六月三十日止期間

		Boree Products 寶人牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Baofeng Products 寶峰牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	OEM RMB'000 人民幣千元 (unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (unaudited) (未經審核)
<b>Segment revenue</b>	<b>分部收益</b>				
Sales to external customers	向外界客戶銷售	17,051	–	88,703	105,754
<b>Segment results</b>	<b>分部業績</b>	7,267	–	15,950	23,217
<i>Reconciliation:</i>	<i>對賬:</i>				
Interest income	利息收入				2,157
Other unallocated net income and gains	其他未分配收入及收益淨額				5,657
Corporate and other unallocated expenses	企業及其他未分配開支				(12,979)
Fair value loss on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債之公平值損失				(32,342)
Finance costs	融資成本				(4,691)
Loss before tax	除稅前虧損				(18,981)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 3. SEGMENT INFORMATION (continued)

As at 31 December 2015

### 3. 分部資料(續)

於二零一五年十二月三十一日

		Boree Products 寶人牌產品 RMB'000 人民幣千元 (audited) (經審核)	Baofeng Products 寶峰牌產品 RMB'000 人民幣千元 (audited) (經審核)	OEM RMB'000 人民幣千元 (audited) (經審核)	Total 總計 RMB'000 人民幣千元 (audited) (經審核)
<b>Segment assets</b>	<b>分部資產</b>	9,734	–	42,940	52,674
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	企業及其他未分配資產				2,415,178
Total assets	資產總額				2,467,852
<b>Segment liabilities</b>	<b>分部負債</b>	150	150	–	300
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	企業及其他未分配負債				1,338,511
Total liabilities	負債總額				1,338,811



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 3. SEGMENT INFORMATION (continued)

#### Geographical information

##### (a) Revenue from external customers

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
PRC (principal place of operations)	中國(主要經營地點)	3,160	18,691
US	美國	89,632	81,153
South America	南美洲	402	1,786
Europe	歐洲	232	2,360
South East Asia	東南亞	258	1,403
Other countries	其他國家	1,170	361
		<b>94,854</b>	<b>105,754</b>

The revenue information above is based on the locations of the customers.

以上收益資料乃基於客戶位置劃分。

##### (b) Non-current assets

		30 June	31 December
		2016	2015
		二零一六年	二零一五年
		六月三十日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(audited)
		(未經審核)	(經審核)
PRC (principal place of operations)	中國(主要經營地點)	1,672,783	1,597,420

The non-current assets information above is based on the locations of the assets.

以上非流動資產資料乃基於資產位置劃分。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 3. SEGMENT INFORMATION (continued)

#### Information about major customers

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

Customer A  
Customer B  
Customer C\*

客戶A  
客戶B  
客戶C\*

\* Revenue from Customer C contributed less than 10% of the total sales of the Group for the six months ended 30 June 2015.

The Group's major customers are in the OEM segment.

### 3. 分部資料(續)

#### 主要客戶的資料

於相關期間，來自客戶之收益佔本集團總銷售額10%以上者如下：

#### Six months ended 30 June

截至六月三十日止六個月

2016	2015
二零一六年	二零一五年
RMB'000	RMB'000
人民幣千元	人民幣千元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

41,836	40,722
19,609	16,456
13,785	9,539

\* 截至二零一五年六月三十日止六個月來自客戶C之收益佔本集團總銷售額不到10%。

本集團的主要客戶位於OEM分部。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 4. REVENUE, OTHER NET INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other net income and gains is as follows:

### 4. 收益、其他收入及收益淨額

收益亦即本集團的營業額，相當於已扣除退貨及貿易折扣撥備的已售貨品發票淨額。

收益、其他收入及收益淨額的分析如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)
<b>Revenue</b>	<b>收益</b>		
Manufacture and sales of goods	生產及銷售貨品	<b>94,854</b>	105,754
<b>Other net income and gains</b>	<b>其他收入及收益淨額</b>		
Interest income	利息收入	<b>795</b>	2,157
Sales of scrap material	銷售廢料	<b>258</b>	1,381
Rental income	租金收入	<b>219</b>	231
Subsidy income	補貼收入	–	400
Others	其他	<b>36</b>	3,645
		<b>1,308</b>	7,814

### 5. FINANCE COSTS

### 5. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)
Interest on bank loans repayable within five years	須於五年內償還的銀行貸款利息	<b>4,318</b>	4,691

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

### 6. 除稅前虧損

本集團的除稅前虧損已扣除/(計入):

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)
Cost of inventories sold*	已售存貨成本*	70,027	82,444
Depreciation*	折舊*	3,992	4,980
Amortisation of prepaid lease payments	預付租金攤銷	422	422
Minimum lease payments under operating leases in respect of land and buildings*	根據土地及樓宇經營租約的最低租金付款*	205	3,254
Employee benefit expenses (including directors' remuneration)*:	僱員福利開支(包括董事薪酬)*:		
Wages and salaries	工資及薪金	24,495	23,087
Equity-settled share option expense	以股權結算的購股權開支	11,864	-
Staff welfares	僱員福利	614	756
Contributions to retirement benefits schemes	退休福利計劃供款	1,615	1,254
		<b>38,588</b>	25,097
(Reversal of impairment loss)/impairment loss on trade receivables	(撥回)/計提應收貿易賬款減值虧損	(263)	18
Write down/(reversal of write down) of inventories	存貨撇減/(撇減撥回)	1,429	(6,994)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	-	57
Research and development costs**	研發成本**	1,571	1,319

\* The cost of inventories sold for the Period includes approximately RMB19,536,000 (2015: RMB22,264,000) relating to direct staff costs, depreciation of manufacturing facilities and operating lease payments in respect of land and buildings, which are also included in the respective total amounts disclosed above for each of these types of expenses.

\* 本期間已售存貨成本包括約人民幣19,536,000元(二零一五年:人民幣22,264,000元)的直接僱員成本、生產設施折舊以及土地及樓宇經營租約付款,此等項目亦已計入上文所披露各類開支的相關總額。

\*\* The research and development costs are included in "General and administrative expenses" on the face of the condensed consolidated statement of profit or loss and other comprehensive income.

\*\* 研發成本已計入簡明綜合損益及其他全面收益表的「一般及行政開支」。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 7. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group's tax losses brought forward from prior years exceeded the assessable profits arising in Hong Kong for the Period (2015: Nil). Taxes on profits assessable in the PRC have been calculated at the prevailing rates, based on existing legislation, interpretations and practices in respect thereof.

### 7. 所得稅開支

由於本集團結轉自過往年度的稅務虧損超出期內於香港產生的應課稅溢利，故並無作出香港利得稅撥備(二零一五年：零)。中國的應課稅溢利稅項乃根據相關的現行法例、詮釋及常規按適用稅率計算。

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)
Current – PRC	即期－中國		
Charge for the period	期內徵稅	208	3,610
Under-provision in prior years	過往年度撥備不足	102	2,424
Total tax charge for the period	期內稅項費用總額	310	6,034

### 8. LOSS PER SHARE

The calculation of basic loss per share is based on the consolidated loss for the Period attributable to owners of the Company of approximately RMB27,186,000 (2015: RMB25,015,000) and the weighted average number of ordinary shares of 1,077,726,861 (2015: 1,019,312,623) in issue during the Period.

The weighted average number of ordinary shares used to calculate the basic loss per share for the Period included the 1,067,579,608 ordinary shares in issue, and 16,200,000 ordinary shares issued on 9 March 2016 in respect of the exercise of share options.

The weighted average number of ordinary shares used to calculate the basic loss per share for the period ended 30 June 2015 included the 1,013,720,833 ordinary shares in issue, and 31,194,997 ordinary shares and 22,663,778 ordinary shares issued on 8 June 2015 and 18 June 2015 in respect of the exercise of the conversion rights attached to the convertible notes.

### 8. 每股虧損

每股基本虧損乃基於本公司擁有人應佔期內綜合虧損約人民幣27,186,000元(二零一五年：人民幣25,015,000元)及期內已發行普通股之加權平均股數1,077,726,861股(二零一五年：1,019,312,623股)計算。

計算本期間每股基本虧損使用的普通股加權平均數包括1,067,579,608股已發行普通股，以及於二零一六年三月九日發行的有關行使購股權之16,200,000股普通股。

計算截至二零一五年六月三十日止期間的每股基本虧損使用的普通股加權平均數包括1,013,720,833股已發行普通股，以及於二零一五年六月八日及二零一五年六月十八日有關行使可換股票據附帶的換股權時發行的31,194,997股普通股及22,663,778股普通股。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 8. LOSS PER SHARE (continued)

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 June 2016 and 30 June 2015 in respect of a dilution as the exercise prices of the share options and warrants and the conversion price of the convertible notes of the Company outstanding during the Period were higher than the average market price of the Company's ordinary shares for the Period and accordingly, there is no dilutive effect on the basic loss per share.

### 9. DIVIDENDS

The Board did not recommend the payment of an interim dividend for the Period (For the six months ended 30 June 2015: Nil) to the shareholders of the Company.

### 10. INTANGIBLE ASSETS

### 8. 每股虧損(續)

由於本公司於截至二零一六年六月三十日及二零一五年六月三十日止期間尚未行使的購股權及認股權證的行使價及尚未行使的可換股票據的換股價高於期內本公司普通股的平均市價，因而對每股基本虧損並無攤薄影響，故並無就同期所呈列的每股基本虧損金額作出任何攤薄調整。

### 9. 股息

董事會不建議向本公司股東派付本期間的中期股息(截至二零一五年六月三十日止六個月：零)。

### 10. 無形資產

		<b>Technology Know-how</b> 技術知識 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>	
At 1 January 2015	於二零一五年一月一日	-
Addition during the year	年內新增	1,483,117
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	1,483,117
Addition during the Period	期內新增	104,401
At 30 June 2016	於二零一六年六月三十日	1,587,518
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>	
At 1 January 2015	於二零一五年一月一日	-
Provided for the year	年內撥備	6,501
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	6,501
Provided for the Period	期內撥備	26,350
At 30 June 2016	於二零一六年六月三十日	32,851
<b>Net carrying amount:</b>	<b>賬面淨值：</b>	
At 30 June 2016	於二零一六年六月三十日	1,554,667
At 31 December 2015	於二零一五年十二月三十一日	1,476,616



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 10. INTANGIBLE ASSETS (continued)

The intangible assets of the Group as at 30 June 2016 and 31 December 2015 represented the Technology Know-how acquired from Bluestone, an independent third party, during the year ended 31 December 2015 for a total maximum consideration of RMB1,800 million, which comprises of a maximum of RMB1,648,524,590 in cash; and issuance of convertible notes with a maximum aggregate principal amount of HK\$184,800,000 (equivalent to RMB151,475,410).

As at 31 December 2015, the above consideration includes initial consideration of RMB450 million ("Initial Consideration") and contingent consideration up to a maximum of RMB1,350 million ("Contingent Consideration") which comprise of:

(a) Initial Consideration

- (i) RMB359,114,754 in cash; and
- (ii) issue convertible notes with principal amount of HK\$110,880,000 (equivalent to RMB90,885,246).

(b) Contingent Consideration

- (i) a maximum of approximately RMB1,289,409,836 in cash; and
- (ii) issue convertible notes with principal amount of HK\$73,920,000 (equivalent to RMB60,590,164).

### 10. 無形資產(續)

本集團於二零一六年六月三十日及二零一五年十二月三十一日之無形資產指於截至二零一五年十二月三十一日止年度以最高總代價人民幣1,800,000,000元(包括現金最多為人民幣1,648,524,590元及發行最高本金總額為184,800,000港元(相當於人民幣151,475,410元)的可換股票據)向獨立第三方藍石收購的技術知識。

於二零一五年十二月三十一日,上述代價包括初步代價人民幣450,000,000元(「初步代價」)及最高為人民幣1,350,000,000元的或然代價(「或然代價」),當中包括:

(a) 初步代價

- (i) 現金人民幣359,114,754元;及
- (ii) 發行本金額為110,880,000港元(相當於人民幣90,885,246元)的可換股票據。

(b) 或然代價

- (i) 現金最多約人民幣1,289,409,836元;及
- (ii) 發行本金額為73,920,000港元(相當於人民幣60,590,164元)的可換股票據。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 10. INTANGIBLE ASSETS (continued)

The completion date of the transaction ("Completion Date") was 16 December 2015. The cost of the Technology Know-how was determined by the Directors and represents the sum of the cash consideration, the fair value of the convertible notes (note 14) and Contingent Consideration (note 15) at the acquisition date, and the capitalised transaction costs arising directly from the acquisition of the Technology Know-how. During the Period, addition of the intangible assets represented the capitalisation of imputed interest of discounting the Contingent Consideration until the commencement of the use of the Technology Know-how. The Technology Know-how has definite useful lives and is amortised over 10 years using the straight-line method from the use of the Technology Know-how.

### 11. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period offered to its customers is generally for a period of three months. The Group seeks to apply strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

### 10. 無形資產(續)

交易之完成日期(「完成日期」)為二零一五年十二月十六日。技術知識的成本由董事釐定，並指現金代價、可換股票據(附註14)及或然代價(附註15)於收購日期的公平值及直接因收購技術知識而產生的資本化交易成本之總額。於本期間，新增無形資產指在開始使用技術知識前將或然代價貼現的算定利息資本化。技術知識具有有限可使用年期並自開始使用技術知識起以直線法分10年攤銷。

### 11. 應收貿易賬款及應收票據

本集團與客戶的貿易條款主要以信貸進行。向客戶提供的信貸期一般為三個月。本集團致力嚴格監控未償還的應收款項，並設有信貸監控部門，以減低信貸風險。高級管理層定期檢討逾期結餘。基於上文所述，且本集團的應收貿易賬款與大量不同的客戶有關，故並無重大集中信貸風險。本集團並無就其應收貿易賬款結餘持有任何抵押品或其他提升信貸的項目。應收貿易賬款均不計息。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 11. TRADE AND BILLS RECEIVABLES (continued)

An aged analysis of the Group's trade and bills receivables, net of allowance for doubtful debts as at the end of the reporting period, based on the invoice date, is as follows:

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 3 months	3個月內	11,075	32,845
4 to 6 months	4至6個月	5,255	1,935
7 to 12 months	7至12個月	2,479	4,254
		<b>18,809</b>	<b>39,034</b>

### 12. TRADE AND BILLS PAYABLES

An aged analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 3 months	3個月內	19,531	24,240
Over 3 months	3個月以上	16,632	14,439
		<b>36,163</b>	<b>38,679</b>

The trade and bills payables are non-interest-bearing and are normally settled on six months terms (31 December 2015: six months). The bills payables of RMB12,047,000 (31 December 2015: RMB7,825,000) were secured by the Group's pledged deposits amounting to RMB3,615,000 as at 30 June 2016 (31 December 2015: RMB2,723,000).

### 11. 應收貿易賬款及應收票據(續)

於報告期末，本集團應收貿易賬款及應收票據扣除呆賬撥備後的按發票日期劃分的賬齡分析如下：

### 12. 應付貿易賬款及應付票據

於報告期末，本集團應付貿易賬款及應付票據按發票日期劃分的賬齡分析如下：

應付貿易賬款及應付票據不計息，且一般於六個月(二零一五年十二月三十一日：六個月)內結算。於二零一六年六月三十日，本集團通過抵押存款人民幣3,615,000元(二零一五年十二月三十一日：人民幣2,723,000元)為人民幣12,047,000元(二零一五年十二月三十一日：人民幣7,825,000元)的應付票據作出擔保。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 13. INTEREST-BEARING BANK BORROWINGS

### 13. 計息銀行借貸

	<b>30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)</b>	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Secured bank loans repayable within one year 須於一年內償還的有抵押銀行貸款	<b>119,000</b>	129,570
(a) At 30 June 2016 and 31 December 2015, the bank loans were denominated in Renminbi and bore interest rates ranging from:		(a) 於二零一六年六月三十日及二零一五年十二月三十一日，銀行貸款均以人民幣計值，並按以下範圍的息率計息：
Six months ended 30 June 2016 4.60% – 7.58% per annum		截至二零一六年六月三十日止六個月 每年4.60%至7.58%
Year ended 31 December 2015 1.51% – 7.57% per annum		截至二零一五年十二月三十一日止年度 每年1.51%至7.57%
(b) At 30 June 2016, the secured bank loans of the Group were secured by a pledge of the Group's buildings and land use right, amounting to approximately RMB17,311,000 (31 December 2015: RMB18,945,000) and approximately RMB33,879,000 (31 December 2015: RMB34,301,000) respectively. In addition, the bank loans were guaranteed by an independent third party and the Director of the Company.		(b) 於二零一六年六月三十日，本集團約人民幣17,311,000元(二零一五年十二月三十一日：人民幣18,945,000元)的樓宇及約人民幣33,879,000元(二零一五年十二月三十一日：人民幣34,301,000元)之土地使用權已抵押作為本集團有抵押銀行貸款的擔保。此外，有關銀行貸款已獲一名獨立第三方及本公司一名董事擔保。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 14. CONVERTIBLE NOTES AND WARRANTS

Pursuant to a subscription agreement entered into with Asia Equity Value Ltd (the “Subscriber”) on 8 June 2012 (the “Subscription Agreement”), the Company issued a 7% senior guaranteed convertible notes with a principal amount of HK\$176,000,000 (i.e. RMB143,470,000) (the “2012 Convertible Notes”) to the Subscriber on 21 June 2012 (the “Issuance Date”). In addition, pursuant to the Subscription Agreement, the Company also issued to the Subscriber warrants (the “2012 Warrants”) which carry the rights to subscribe for 62,026,431 new Shares as a condition to the issuance of the 2012 Convertible Notes.

In connection with the acquisition of the Technology Know-how as explained in note 10, the Company issued zero-coupon unsecured convertible notes (the “2015 Convertible Notes”) with principal amount of HK\$110,880,000 as part of the Initial Consideration on 16 December 2015. As a part of Contingent Consideration, the Company also issued zero-coupon unsecured convertible notes (the “2016 Convertible Notes”) with principal amount of HK\$73,920,000 on 2 February 2016.

The 2012 Convertible Notes, 2015 Convertible Notes and 2016 Convertible Notes (collectively as the “Convertible Notes”) included a debt instrument with embedded derivatives. Upon initial recognition, the Convertible Notes are designated as financial liabilities at FVTPL. The fair value of the Convertible Notes is remeasured at the end of each reporting period and any gains or losses arising from changes in fair value are recognised in the statement of profit or loss.

### 14. 可換股票據及認股權證

根據於二零一二年六月八日與Asia Equity Value Ltd(「認購人」)訂立的認購協議(「認購協議」),本公司於二零一二年六月二十一日(「發行日期」)向認購人發行本金額為176,000,000港元(即人民幣143,470,000元),按7%計息的優先有擔保可換股票據(「二零一二年可換股票據」)。此外,根據認購協議,本公司亦向認購人發行認股權證(「二零一二年認股權證」),作為發行二零一二年可換股票據的條件,認股權證附有權利可認購62,026,431股新股份。

就附註10所述有關收購技術知識而言,本公司於二零一五年十二月十六日發行本金額為110,880,000港元之零票息無抵押可換股票據(「二零一五年可換股票據」),作為部分的初步代價。作為或然代價的一部分,本公司亦於二零一六年二月二日發行本金額為73,920,000港元的零票息無抵押可換股票據(「二零一六年可換股票據」)。

二零一二年可換股票據、二零一五年可換股票據及二零一六年可換股票據(統稱為「可換股票據」)包含附帶嵌入式衍生工具的債務工具。於首次確認後,可換股票據被指定為按公平值計入損益的金融負債。可換股票據的公平值於各呈報期末重新計量,公平值變動產生的任何盈虧於損益表內確認。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 14. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### 2012 Convertible Notes

The 2012 Convertible Notes give the holders of the 2012 Convertible Notes (the "Notes Holders") the right (the "Conversion Right") to convert all or any part of the outstanding principal amount of the 2012 Convertible Notes into fully paid ordinary shares of US\$0.01 each of the Company at HK\$1.31 per share (the "Conversion Price"). The Conversion Price is subject to anti-dilution adjustment for stock dividends, stock splits, dilutive securities issuances and other customary adjustment events from time to time in accordance with the terms and conditions of the 2012 Convertible Notes. The Notes Holders can exercise the Conversion Right from time to time during the conversion period from the Issuance Date to the maturity date. The 2012 Convertible Notes shall mature on the third anniversary of the Issuance Date (i.e. 21 June 2015) (the "Maturity Date").

The Conversion Price of the 2012 Convertible Notes had been adjusted from HK\$1.31 to HK\$1.27 in accordance with the terms and conditions of the 2012 Convertible Notes with effect from 12 October 2012 as the Company declared and announced the 2012 interim dividend of HK2.5 cents per ordinary share on 31 August 2012.

During the year ended 31 December 2014, the Subscriber negotiated with three independent third parties (the "Transferees") to dispose of the 2012 Convertible Notes in the aggregate principal amount of HK\$64,000,000, representing the entire outstanding principal amount of the 2012 Convertible Notes, and the agreement (the "Disposal Agreement") was entered amongst the Subscriber and the Transferees on 29 October 2014.

During the year ended 31 December 2015, the Group received a total of three conversion notices from all Notes Holders of the 2012 Convertible Notes in respect of the exercise of the remaining Conversion Rights attached to the 2012 Convertible Notes in the aggregate principal amount of HK\$64,000,000 together with aggregate accrued interests of HK\$4,400,647 held by the Notes Holders at the Conversion Price of HK\$1.27 per share. As a result of this conversion, the Company allotted and issued a total of 53,858,775 ordinary shares to the Notes Holders in June 2015 with additional share capital and share premium of approximately HK\$4,175,629 (equivalent to RMB3,296,534) and approximately HK\$64,225,018 (equivalent to RMB50,703,725). No 2012 Convertible Notes remain outstanding at the end of 2015.

### 14. 可換股票據及認股權證 (續)

#### 二零一二年可換股票據

二零一二年可換股票據賦予二零一二年可換股票據持有人(「票據持有人」)權利(「換股權」),以每股1.31港元(「換股價」)將二零一二年可換股票據的全部或任何部份未兌換本金額兌換為本公司每股面值0.01美元的繳足普通股。換股價須根據二零一二年可換股票據的條款及條件,不時因應股票股息、股票拆分、攤薄證券發行及其他慣常調整事件而予以反攤薄調整。票據持有人可於自發行日期起至到期日止的換股期間內不時行使換股權。二零一二年可換股票據將於發行日期的第三個週年當日(即二零一五年六月二十一日)(「到期日」)到期。

由於本公司於二零一二年八月三十一日宣派及公佈二零一二年中期股息每股普通股2.5港仙,自二零一二年十月十二日起,二零一二年可換股票據的換股價已按照二零一二年可換股票據的條款及條件由1.31港元調整至1.27港元。

截至二零一四年十二月三十一日止年度,認購人與三名獨立第三方(「承讓人」)磋商出售本金總額為64,000,000港元(為二零一二年可換股票據的全部未償還本金額)的二零一二年可換股票據,認購人與承讓人於二零一四年十月二十九日訂立協議(「出售協議」)。

截至二零一五年十二月三十一日止年度,本集團收到由二零一二年可換股票據所有票據持有人就以每股股份1.27港元之換股價,行使持有本金總額64,000,000港元及應計利息總額4,400,647港元之二零一二年可換股票據餘下所附的換股權而發出的合共三份換股通知。由於本次換股,本公司於二零一五年六月配發及發行合共53,858,775股普通股予票據持有人,附帶約4,175,629港元(相當於人民幣3,296,534元)及約64,225,018港元(相當於人民幣50,703,725元)之額外股本及股份溢價。於二零一五年末,並無二零一二年可換股票據仍未兌換。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 14. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### 2015 Convertible Notes and 2016 Convertible Notes (“2015 and 2016 Convertible Notes”)

The 2015 and 2016 Convertible Notes entitle the holder to convert them into the Shares at any time from the date of issue of the 2015 and 2016 Convertible Notes to the date immediately prior to the maturity date on 16 December 2018 and 2 February 2019 respectively, being the third anniversary of the date of issue, in multiples of HK\$1,000,000 at a conversion price of HK\$0.84 per conversion share subject to adjustments in certain events. The shares to be allotted and issued upon conversions shall rank pari passu in all respects among themselves and with all other ordinary shares in issue by the Company on the date of such allotment and issue. Also, the Company has a right to redeem the 2015 and 2016 Convertible Notes at any time before the maturity date of the 2015 and 2016 Convertible Notes.

During the Period and the year ended 31 December 2015, the 2015 and 2016 Convertible Notes holder did not convert any 2015 and 2016 Convertible Notes.

#### Warrants

The 2012 Warrants initially give the holder of the 2012 Warrants (the “Warrants Holder”) the rights to subscribe for 62,026,431 new Shares. The initial subscription price of the 2012 Warrants is HK\$1.53 per share (the “Subscription Price”), subject to anti-dilution adjustment for stock dividends, stock splits, dilutive securities issuances and other customary adjustment events from time to time in accordance with the terms and conditions of the 2012 Warrants. The subscription period of the 2012 Warrants commences from 6 months after the Issuance Date (i.e. 22 December 2012) (the “Warrants Subscription Date”), and will mature on the fifth anniversary from the Warrants Subscription Date (i.e. 22 December 2017).

### 14. 可換股票據及認股權證 (續)

二零一五年可換股票據及二零一六年可換股票據(「二零一五年及二零一六年可換股票據」)

二零一五年及二零一六年可換股票據賦予持有人權利可於二零一五年及二零一六年可換股票據發行日期起至緊接到期日分別為二零一八年十二月十六日及二零一九年二月二日(即發行日期的第三個週年當日)前一日的任何時候,以1,000,000港元的倍數按換股價每股換股股份0.84港元(於若干情況下可予調整)將二零一五年及二零一六年可換股票據轉換為股份。於換股後將予配發及發行之股份於各方面在彼此之間及與本公司於有關配發及發行日期已發行的所有其他普通股具有同等地位。本公司亦有權於二零一五年及二零一六年可換股票據到期日前任何時間贖回二零一五年及二零一六年可換股票據。

於本期間及截至二零一五年十二月三十一日止年度,二零一五年及二零一六年可換股票據持有人並無兌換任何二零一五年及二零一六年可換股票據。

#### 認股權證

二零一二年認股權證初步賦予二零一二年認股權證持有人(「認股權證持有人」)權利,可認購62,026,431股新股份。二零一二年認股權證的初步認購價為每股1.53港元(「認購價」),須根據二零一二年認股權證的條款及條件不時受股票股息、股票分拆、攤薄證券發行及其他慣常調整事件而予以反攤薄調整。二零一二年認股權證的認購期間自發行日期後六個月(即二零一二年十二月二十二日)(「認股權證認購日期」)開始直至認股權證認購日期起計滿五週年當日(即二零一七年十二月二十二日)屆滿。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 14. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### Warrants (continued)

Upon the occurrence of any events of defaults or certain events as mentioned in the Subscription Agreement, the Warrants Holder may elect to require the Company to redeem or repurchase all or a portion of its 2012 Warrants at a price equal to the Black Scholes Value in respect of the relevant 2012 Warrants as mentioned in the Subscription Agreement.

On 7 February 2013, the Company had entered into a supplemental instrument with the Subscriber to amend certain major terms and conditions of the 2012 Warrants (the "Supplemental Warrants Instrument"). The Supplemental Warrants Instrument had been approved by the Subscriber as the sole holder of the 2012 Warrants in accordance with the terms and conditions of the 2012 Warrants. In accordance with the Supplemental Warrants Instrument, the Company and the Subscriber agreed that any adjustments to the Subscription Price should take effect if the adjustment is HK\$0.01 or more. As a result of the above, the Subscription Price had been adjusted from HK\$1.53 to HK\$1.49 with effect from 12 October 2012 as a result of the distribution of the 2012 interim dividend of HK2.5 cents per ordinary share by the Company.

According to the Disposal Agreement, the 2012 Warrants were transferred from the Subscriber to the Transferees on 29 October 2014.

On 13 March 2015, the Company entered into a new warrants subscription agreement (the "2015 Warrants Subscription Agreement") with two warrants subscribers (the "2015 Warrants Subscribers") in relation to the issue of the 2015 Warrants to the 2015 Warrants Subscribers at the issue price of HK\$0.07 per 2015 Warrant.

### 14. 可換股票據及認股權證 (續)

#### 認股權證 (續)

於發生任何違約事件或認購協議提述的若干事件後，認股權證持有人可選擇要求本公司按認購協議規定的價格（相當於相關二零一二年認股權證的布萊克-斯科爾斯值）贖回或購回其全部或部份二零一二年認股權證。

於二零一三年二月七日，本公司與認購人訂立補充文據，以修訂二零一二年認股權證的若干主要條款及條件（「補充認股權證文據」）。補充認股權證文據已根據二零一二年認股權證的條款及條件獲認購人（作為二零一二年認股權證的唯一持有人）批准。根據補充認股權證文據，本公司及認購人同意，倘就認購價所作的任何調整等於或超過0.01港元，則有關調整須生效。因此，由於本公司派付二零一二年中期股息每股普通股2.5港仙，故認購價自二零一二年十月十二日起由1.53港元調整至1.49港元。

根據出售協議，二零一二年認股權證由認購人於二零一四年十月二十九日轉讓予承讓人。

於二零一五年三月十三日，本公司與兩名認股權證認購人（「二零一五年認股權證認購人」）訂立一份新認股權證認購協議（「二零一五年認股權證認購協議」），內容有關按發行價每份二零一五年認股權證0.07港元向二零一五年認股權證認購人發行二零一五年認股權證。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 14. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### Warrants (continued)

The 2015 Warrants entitle the 2015 Warrants Subscribers to subscribe for 88,000,000 shares (the "New Shares") of initially HK\$1.5 per New Share (subject to adjustments in accordance with the terms of the 2015 Warrants) for a period of eighteen months commencing from the date of issue of the 2015 Warrants, i.e. 21 April 2015.

Upon full subscription of the 2012 Warrants and 2015 Warrants (collectively as the "Warrants"), a total of 151,691,570 new shares will be issued and the net proceeds upon full subscription are approximately HK\$226,900,000 (i.e. RMB193,925,000).

No warrants have been exercised during the Period and the year ended 31 December 2015.

The Warrants are classified as derivatives and are accounted for as financial liabilities at FVTPL upon initial recognition. The fair value of the Warrants are remeasured at the end of each reporting period and any gains or losses arising from changes in fair value are recognised in the statement of profit or loss.

### 14. 可換股票據及認股權證 (續)

#### 認股權證 (續)

二零一五年認股權證賦予二零一五年認股權證認購人權利，以於二零一五年認股權證發行日期(即二零一五年四月二十一日)起十八個月期間初步以每股新股份1.5港元(可按照二零一五年認股權證之條款作出調整)認購88,000,000股股份(「新股份」)。

二零一二年認股權證及二零一五年認股權證(統稱為「認股權證」)獲悉數認購後，將發行合共151,691,570股新股份，而悉數認購後的所得款項淨額約為226,900,000港元(即人民幣193,925,000元)。

於本期間及截至二零一五年十二月三十一日止年度，概無認股權證獲行使。

認股權證分類為衍生工具，於首次確認時入賬列作按公平值計入損益的金融負債。認股權證的公平值於各呈遞期末重新計量，公平值變動產生的任何盈虧於損益表內確認。

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## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 14. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### Valuation of the Convertible Notes and the Warrants

The movements of the Convertible Notes and the Warrants were as follows:

### 14. 可換股票據及認股權證 (續)

#### 可換股票據及認股權證估值

可換股票據及認股權證的變動如下：

		2012 Convertible Notes 二零一二年 可換股票據 RMB'000 人民幣千元	2015 Convertible Notes 二零一五年 可換股票據 RMB'000 人民幣千元	2016 Convertible Notes 二零一六年 可換股票據 RMB'000 人民幣千元	2012 Warrants 二零一二年 認股權證 RMB'000 人民幣千元	2015 Warrants 二零一五年 認股權證 RMB'000 人民幣千元	Total 合共 RMB'000 人民幣千元
Fair value at 1 January 2015	於二零一五年一月一日的 公平值	53,123	-	-	4,137	-	57,260
Issued during the year	年內發行	-	91,717	-	-	4,880	96,597
Converted during the year	年內轉換	(54,001)	-	-	-	-	(54,001)
Fair value loss charged to profit or loss during the year	年內於損益扣除的公平值 損失	878	-	-	7,009	5,564	13,451
Fair value 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 一月一日的公平值	-	91,717	-	11,146	10,444	113,307
Issued during the Period	期內發行	-	-	55,411	-	-	55,411
Fair value gain credited to profit or loss during the Period	期內計入損益的公平值收 益	-	(8,050)	-	(4,264)	(10,443)	(22,757)
Fair value at 30 June 2016	於二零一六年六月三十日 的公平值	-	83,667	55,411	6,882	1	145,961
Represented by:	由以下各項表示：						
Current portion	流動部分	-	-	-	6,882	1	6,883
Non-current portion	非流動部分	-	83,667	55,411	-	-	139,078
		-	83,667	55,411	6,882	1	145,961

As at 30 June 2016 and 31 December 2015, the fair values of the 2012 and 2015 Warrants were based on the valuations performed by Asset Appraisal Limited. The fair value of the 2015 and 2016 Convertible Notes was based on the valuations performed by Ascent Partners Valuation Service Limited ("Ascent Partners"). Both valuers are independent firms of professionally qualified valuers and calculated using the binomial model and the inputs into the model were as follows:

於二零一六年六月三十日及二零一五年十二月三十一日，二零一二年及二零一五年認股權證的公平值乃根據中誠達資產評估顧問有限公司所進行的估值計算。二零一五年及二零一六年可換股票據的公平值乃根據艾升評估諮詢有限公司(「艾升」)所進行的估值計算。兩名估值師均為獨立專業合資格估值師並採用二項模式計算估值，該模式的輸入數據如下：

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## 簡明綜合財務報表附註

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### 14. CONVERTIBLE NOTES AND WARRANTS

(continued)

#### Valuation of the Convertible Notes and the Warrants (continued)

### 14. 可換股票據及認股權證 (續)

#### 可換股票據及認股權證估值(續)

		30 June 2016 二零一六年 六月三十日	31 December 2015 二零一五年 十二月三十一日
<b>2015 Convertible Notes</b>		<b>二零一五年可換股票據</b>	
Stock price (HK\$)	股價(港元)	0.66	0.77
Principal amount (HK\$'000)	本金額(千港元)	110,880	110,880
Coupon rate (%)	票面利率(%)	0	0
Conversion price (HK\$)	換股價(港元)	0.84	0.84
Volatility (%)	波幅(%)	79.27	74.08
Risk-free rate (% per annum)	無風險利率(%·每年)	0.51	0.74
Expected life (years)	預期年期(年)	2.46	3.00
Expected dividend yield (%)	預期股息收益率(%)	0	0
<b>2016 Convertible Notes</b>		<b>二零一六年可換股票據</b>	
Stock price (HK\$)	股價(港元)	0.66	N/A不適用
Principal amount (HK\$'000)	本金額(千港元)	73,920	N/A不適用
Coupon rate (%)	票面利率(%)	0	N/A不適用
Conversion price (HK\$)	換股價(港元)	0.84	N/A不適用
Volatility (%)	波幅(%)	76.43	N/A不適用
Risk-free rate (% per annum)	無風險利率(%·每年)	0.52	N/A不適用
Expected life (years)	預期年期(年)	2.59	N/A不適用
Expected dividend yield (%)	預期股息收益率(%)	0	N/A不適用
<b>2012 Warrants</b>		<b>二零一二年認股權證</b>	
Stock price (HK\$)	股價(港元)	0.66	0.78
Exercise price (HK\$)	行使價(港元)	1.49	1.49
Volatility (%)	波幅(%)	87.94	82.61
Risk-free rate (% per annum)	無風險利率(%·每年)	0.36	0.36
Expected life (years)	預期年期(年)	1.48	1.98
Expected dividend yield (%)	預期股息收益率(%)	0	0
<b>2015 Warrants</b>		<b>二零一五年認股權證</b>	
Stock price (HK\$)	股價(港元)	0.66	0.78
Exercise price (HK\$)	行使價(港元)	1.50	1.50
Volatility (%)	波幅(%)	43.24	105.99
Risk-free rate (% per annum)	無風險利率(%·每年)	0.16	0.11
Expected life (years)	預期年期(年)	0.31	0.81
Expected dividend yield (%)	預期股息收益率(%)	0	0

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## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 15. PROVISION FOR CONTINGENT CONSIDERATION

In connection with the acquisition of the Technology Know-how as explained in note 10, provision for contingent consideration as at 31 December 2015 represented the acquisition-date fair value of contingent consideration of i) a maximum of approximately RMB1,289,409,836 in cash ("Cash Consideration"); and ii) the contingent convertible notes ("Contingent CNs") with principal amount of HK\$73,920,000 (equivalent to approximately RMB60,590,164), which will be issued by the Company after fulfilment of certain conditions specified in the acquisition agreement signed on 14 October 2015 ("Acquisition Agreement"), as part of the consideration for the acquisition of the Technology Know-how, which was appraised in accordance with the valuation report issued by Ascent Partners.

The provision for contingent consideration is classified as a financial liability as it is resulted from a contract that will or may be settled in the Company's own equity instruments and is a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. The amount will then be measured at fair value and any changes in fair value will be recognised in the statement of profit or loss.

The settlement of Cash Consideration and the Contingent CNs is subject to the following conditions:

### 15. 或然代價撥備

就附註10所述有關收購技術知識而言，於二零一五年十二月三十一日的或然代價撥備指i)現金最多約人民幣1,289,409,836元(「現金代價」)；及ii)本金額73,920,000港元(相當於約人民幣60,590,164元)之或然可換股票據(「或然可換股票據」)之或然代價於收購日期之公平值，該等可換股票據將於二零一五年十月十四日簽訂之收購協議(「收購協議」)指定的若干條件達成後由本公司發行，作為收購技術知識之部分代價，乃按照艾升出具之估值報告評估。

或然代價撥備被分類為金融負債，原因是其源自一項將或可以本公司本身之股本工具結算之合約，並為一項將或可以固定金額的現金或另一金融資產代替該實體本身固定數目之股本工具以外方式結算之衍生工具。然後該金額將按公平值計量，而任何公平值變動將於損益表內確認。

現金代價及或然可換股票據之結算須待以下條件達成後，方可作實：



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## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 15. PROVISION FOR CONTINGENT CONSIDERATION (continued)

“Second Instalment Conditions” refer to (a) the registration of the transfer of the PRC Patents and the US Patent having been completed in the State Intellectual Property Office of the PRC and the United States Patent and Trademark Office respectively, such that the Company having become the applicant of the PRC Patents (or if the PRC Patents are granted, the Company having become the PRC Patents owner) under the record of the State Intellectual Property Office of the PRC, and the Company having become the US Patent owner under the record of the United States Patent and Trademark Office; and (b) the training provided by Bluestone to the technicians of the Group and its contracted parties having been completed, such that the Group and its contracted parties having been able to produce graphene-based EVA foam material and graphene deodorizing and sterilizing chips based on the Technology Know-how independently, and the graphene-based EVA foam material and graphene deodorizing and sterilizing chips produced having been certified by an independent technical organisation at provincial level or above to meet the inspection standard as stipulated under the Acquisition Agreement.

Upon fulfilment of the Second Instalment Conditions, the second instalment in the amount of RMB450,000,000 shall be payable by the Company, of which (a) RMB389,409,836 shall be paid in cash within 6 months after fulfilment of the Second Instalment Conditions; and (b) RMB60,590,164 shall be satisfied by issuing the convertible notes with principal amount of HK\$73,920,000 to Bluestone or its nominee(s) within 15 business days after the fulfilment of the Second Instalment Conditions.

Bluestone should procure the Second Instalment Conditions to be fulfilled within 6 months after the Completion Date.

During the Period, the Company has paid RMB389,409,836 by way of cash and RMB60,590,164 by way of issuing the convertible notes with principal amount of HK\$73,920,000 as the second instalment of the Contingent Consideration on 2 February 2016.

### 15. 或然代價撥備(續)

「第二期條件」指(a)中國專利及美國專利的轉讓已經分別於中國國家知識產權局及美國專利及商標局完成登記，因此本公司已於中國國家知識產權局記錄中成為中國專利的申請人(或如中國專利已獲授出，則本公司成為中國專利的擁有人)及已於美國專利及商標局的記錄中成為美國專利的擁有人；及(b)藍石向本集團及其合約方的技術人員提供的培訓已完成，而令本集團及其合約方能夠獨立使用技術知識生產石墨烯EVA發泡材料和石墨烯除臭殺菌芯片，且所產生的石墨烯EVA發泡材料和石墨烯除臭殺菌芯片已獲得省級或以上獨立技術認證機構作出技術認證，符合收購協議規定的驗收標準。

於第二期條件達成後，第二期金額人民幣450,000,000元須由本公司支付，其中(a)人民幣389,409,836元須於第二期條件達成後6個月內以現金支付；及(b)人民幣60,590,164元須於第二期條件達成後15個營業日內透過向藍石或其提名人發行本金額為73,920,000港元的可換股票據而支付。

藍石應促使第二期條件於完成日期後6個月內達成。

於本期間，本公司於二零一六年二月二日透過現金方式支付人民幣389,409,836元，並透過發行本金額為73,920,000港元之可換股票據方式支付人民幣60,590,164元，作為第二期或然代價。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 15. PROVISION FOR CONTINGENT CONSIDERATION (continued)

“Third Instalment Conditions” refer to (a) the accumulated turnover of a special purpose vehicle (“SPV”) to be established by the Group for the sales of graphene-based EVA foam material, graphene deodorizing and sterilizing chips and graphene-based wearable devices manufactured using the Technology Know-how and/or any other companies (other than companies of the Group) authorised to use the Technology Know-how having reached RMB40,000,000; and (b) the sales volume of graphene-based EVA foam material having reached 20,000 cubic meters, each within 9 months after the Completion Date (or such later date as the Company may agree).

Upon fulfilment of the Second Instalment Conditions and the Third Instalment Conditions, the third instalment in the amount of RMB270,000,000 shall be payable by the Company in cash to Bluestone or its nominee(s) within 15 business days after the fulfilment of the Third Instalment Conditions.

Bluestone should procure the Third Instalment Conditions to be fulfilled within 9 months after the Completion Date (or such later date as the Company may agree). In the event that (i) the Second Instalment Conditions cannot be fulfilled within 6 months after the Completion Date (or such later date as the Company may agree), or (ii) the Third Instalment Conditions cannot be fulfilled within 9 months after the Completion Date (or such later date as the Company may agree), the Company is not obligated to pay the third instalment of the consideration of RMB270,000,000.

Pursuant to the Acquisition Agreement, upon fulfilment of the Second Instalment Conditions and the Third Instalment Conditions, Bluestone is entitled to share 35% of the EBITDA of the SPV for the 6-month period ended 30 June or 31 December of each year (“Interim Financial Period”) during which the Second Instalment Conditions and the Third Instalment Conditions are fulfilled and each subsequent Interim Financial Period (until the end of the sixth financial year ending 31 December from the Completion Date), subject to a maximum sharing amount of RMB630,000,000 (the “EBITDA Sharing Mechanism”).

### 15. 或然代價撥備(續)

「第三期條件」指於完成日期後9個月內(或本公司同意的較遲日期)(a)本集團將就銷售使用技術知識生產的石墨烯EVA發泡材料、石墨烯除臭殺菌芯片及石墨烯可穿戴裝置而成立的特殊目的公司(「SPV」)及/或獲授權使用技術知識的任何其他公司(不包括本集團各公司)累計營業額已達人民幣40,000,000元;及(b)石墨烯EVA發泡材料銷量已達20,000立方米。

於第二期條件及第三期條件達成後，第三期金額人民幣270,000,000元須由本公司於第三期條件達成後15個營業日內以現金支付予藍石或其提名人。

藍石應促使第三期條件於完成日期後9個月內(或本公司同意的較遲日期)達成。如(i)第二期條件未能於完成日期後6個月內(或本公司同意的較遲日期)達成，或(ii)第三期條件未能於完成日期後9個月內(或本公司同意的較遲日期)達成，本公司毋須支付第三期代價人民幣270,000,000元。

根據收購協議，於第二期條件及第三期條件達成後，藍石有權分佔SPV於第二期條件及第三期條件達成的截至各年六月三十日或十二月三十一日止六個月期間(「中期財務期間」)及此後每個中期財務期間(直至完成日期起第六個截至十二月三十一日止財政年度完結為止)EBITDA的35%，惟最高分成金額為人民幣630,000,000元(「EBITDA分成機制」)。

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## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 15. PROVISION FOR CONTINGENT CONSIDERATION (continued)

For the avoidance of doubt, the financial year in which the Completion Date ending on would be considered as the first financial year for the purpose of the EBITDA Sharing Mechanism. During the period under the EBITDA Sharing Mechanism, for each Interim Financial Period, the Company should appoint an independent auditor to issue a certificate for the EBITDA of the SPV during the relevant Interim Financial Period within 4 months from the end of such Interim Financial Period, and the sharing amount shall be paid by the Company in cash to Bluestone or its nominee(s) within 15 business days after the issuance of such certificate. Any license fees for the Technology Know-how payable by the SPV to the Group will be disregarded in the calculation of the EBITDA.

If the accumulated EBITDA of the SPV during the period under the EBITDA Sharing Mechanism is less than RMB1,800,000,000 (for the purpose, if the SPV records a loss in any Interim Financial Period, the EBITDA of the SPV of that Interim Financial Period would be regarded as zero in calculating the accumulated EBITDA), the total sharing amount under the EBITDA Sharing Mechanism will be less than RMB630,000,000 and the Company is not obligated to pay the shortfall between RMB630,000,000 and 35% of the actual accumulated EBITDA of the SPV during the period under the EBITDA Sharing Mechanism.

As at 30 June 2016, provision for contingent consideration represented the fair value of contingent consideration of a maximum of approximately RMB900,000,000 in cash after fulfilment of the Third Instalment Conditions and under the EBITDA Sharing Mechanism, which was appraised by Ascent Partners.

### 15. 或然代價撥備(續)

為免疑慮，就EBITDA分成機制而言，完成日期所屬的財政年度將被視為第一個財政年度。於EBITDA分成機制期間，就每個中期財務期間而言，本公司應委任一名獨立核數師於相關中期財務期間完結後4個月內就SPV於該中期財務期間的EBITDA出具一份證書，本公司須於該證書出具後15個營業日內以現金向藍石或其提名人支付分成款項。計算EBITDA時將不會考慮SPV就技術知識應向本集團支付的任何許可費。

如SPV於EBITDA分成機制下期間的累計EBITDA低於人民幣1,800,000,000元(就此而言，如SPV於任何中期財務期間錄得虧損，計算累計EBITDA時，SPV於該中期財務期間的EBITDA應當被視為零)，EBITDA分成機制下的總分成金額將低於人民幣630,000,000元，本公司亦毋須支付人民幣630,000,000元與SPV於該EBITDA分成機制下期間的實際累計EBITDA之35%之間的差額。

於二零一六年六月三十日，或然代價撥備指於第三期條件達成後以現金支付及根據EBITDA分成機制的最高約人民幣900,000,000元的或然代價之公平值，經艾升評估。

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## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 15. PROVISION FOR CONTINGENT CONSIDERATION (continued)

The movements of the provision for contingent consideration were as follows:

### 15. 或然代價撥備(續)

或然代價撥備之變動如下：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
As at the beginning of the Period/year	於期/年初	1,029,203	-
Acquired on acquisition of the Technology Know-how during the year	年內於收購技術知識時獲得	-	1,029,203
Settlement during the Period	期內結算	(340,420)	-
Fair value loss charged to profit or loss during the Period	期內於損益扣除之公平值損失	11,448	-
As at the end of the Period/year	於期/年末	700,231	1,029,203
Current portion included in deposits received, other payables and accruals	計入已收按金、其他應付款項及應計費用之流動部分	(319,420)	(606,918)
Non-current portion	非流動部分	380,811	422,285

The fair value of the provision for contingent consideration is calculated using the binomial model. The inputs into the model as at 30 June 2016 and 31 December 2015 were as follows:

或然代價撥備的公平值採用二項模式計算。於二零一六年六月三十日及二零一五年十二月三十一日，該模式的輸入數據如下：

		30 June 2016 二零一六年 六月三十日	31 December 2015 二零一五年 十二月三十一日
Stock price (HK\$)	股價(港元)	N/A 不適用	0.77
Coupon rate (%)	票面利率(%)	N/A 不適用	0
Conversion price (HK\$)	換股價(港元)	N/A 不適用	0.84
Expected dividend yield (%)	預期股息收益率(%)	N/A 不適用	0
Expected volatility (%) (note a)	預期波幅(%) (附註a)	N/A 不適用	70.14
Expected life (years) (note b)	預期年期(年) (附註b)	N/A 不適用	3.54
Risk free rate (% per annum) (note c)	無風險利率(%, 每年) (附註c)	N/A 不適用	0.83
Discount rate	貼現率	16.53-16.73%	18.78%

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## 簡明綜合財務報表附註

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### 15. PROVISION FOR CONTINGENT CONSIDERATION (continued)

- (a) Expected volatility for the Contingent CNs was determined by calculating the historical volatility of the Company's share price.
- (b) Expected life was the expected remaining life of the Contingent CNs.
- (c) The risk free rate for the Contingent CNs is determined by reference to the yield of the Hong Kong Generic Bond.
- (d) All Contingent CNs have already been issued as at 30 June 2016.

### 15. 或然代價撥備(續)

- (a) 或然可換股票據之預期波幅乃透過計算本公司過往股價波幅而釐定。
- (b) 預期年期為或然可換股票據之預期餘下年期。
- (c) 或然可換股票據之無風險利率乃參考香港一般債券之收益率而釐定。
- (d) 於二零一六年六月三十日，所有或然可換股票據已發行。

### 16. SHARE CAPITAL

The details of the authorised and issued share capital of the Company are as follows:

### 16. 股本

本公司法定及已發行股本之詳情如下：

		Number of ordinary shares of US\$0.01 each 每股面值0.01美元的普通股數目	Nominal value of ordinary shares 普通股面值 US\$'000 千美元	Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元
<b>Authorised:</b>	<b>法定：</b>			
At 1 January 2015, 31 December 2015, 1 January 2016 and 30 June 2016	於二零一五年一月一日、二零一五年十二月三十一日、二零一六年一月一日及二零一六年六月三十日	5,000,000,000	50,000	342,400
<b>Issued:</b>	<b>已發行：</b>			
At 1 January 2015	於二零一五年一月一日	1,013,720,833	10,137	67,258
Issue of shares upon conversion of convertible notes	於轉換可換股票據時發行股份	53,858,775	539	3,297
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	1,067,579,608	10,676	70,555
Issue of shares upon exercise of share options	於行使購股權時發行股份	16,200,000	162	1,055
At 30 June 2016	於二零一六年六月三十日	1,083,779,608	10,838	71,610

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## 簡明綜合財務報表附註

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### 17. SHARE OPTION SCHEME

On 8 January 2011, the Company operates the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Share Option Scheme include, among others, the Directors, including independent non-executive directors, employees, suppliers of goods or services, customers, consultants of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Share Option Scheme became effective on 28 January 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of the Group shall not in aggregate exceed 10% of the Shares in issue at the Listing Date (the "Scheme Mandate Limit") and at the date of approval by the shareholders of the Company in general meeting where the Scheme Mandate Limit is refreshed. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the Shares in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of grant) in excess of HK\$5 million, in the 12-month period up to and including the date of grant, are subject to shareholders' approval in advance in a general meeting.

An offer of the grant of share options may be accepted within 28 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and which shall not exceed 10 years after the date on which the share options are granted and accepted. The exercise of any option may be subject to a vesting schedule to be determined by the Board.

### 17. 購股權計劃

於二零一一年一月八日，本公司運作購股權計劃，旨在向為本集團業務之成功作出貢獻之合資格參與者提供獎勵及報酬。購股權計劃合資格參與者包括(其中包括)本公司董事(包括獨立非執行董事)、本集團僱員、產品或服務供應商、客戶、顧問、本公司股東及本公司附屬公司之任何非控股股東。購股權計劃由二零一一年一月二十八日起生效，除非獲取消或修訂，否則將由該日起計十年內保持有效。

根據購股權計劃及本集團任何其他計劃授出的所有購股權獲行使時可予發行的股份最高數目，合共不得超過於上市日期及本公司股東於股東大會上批准更新計劃授權限額當日已發行股份之10%（「計劃授權限額」）。於任何十二個月期間內，根據購股權計劃授予各合資格參與者之購股權可予發行之最高股份數目以任何時候已發行股份之1%為限。授出超過此限制之任何其他購股權均須獲股東於股東大會上批准。

授予本公司董事、主要行政人員或主要股東或彼等任何聯繫人士之購股權須經獨立非執行董事事先批准。此外，於授出日期起的十二個月期間內，倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人士之任何購股權超逾已發行股份0.1%或根據於截至及包括授出日期止十二個月期間股份收市價計算之總值超過5,000,000港元，則須經股東於股東大會上事先批准。

授出購股權之要約可於要約日期起計二十八天內由承授人支付名義代價1港元後予以接納。所授出購股權之行使期乃由董事釐定，不得超過購股權授出及獲接納日期後10年。任何購股權之行使可能受限於董事會釐定之歸屬期。

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For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 17. SHARE OPTION SCHEME (continued)

The exercise price of share options is determinable by the Directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Shares for the five trading days immediately preceding the date of offer and (iii) the nominal value of the Shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Share Option Scheme during the Period:

### 17. 購股權計劃(續)

購股權之行使價由董事釐定，惟不得低於以下之較高者(i)股份於購股權要約日期在聯交所之收市價；(ii)股份於緊接要約日期前五個交易日在聯交所之平均收市價及(iii)股份的面值。

購股權並不賦予持有人收取股息或於股東大會投票之權利。

於本期間，根據購股權計劃尚未行使的購股權如下：

	30 June 2016 二零一六年六月三十日 (unaudited) (未經審核)		31 December 2015 二零一五年十二月三十一日 (audited) (經審核)	
	Weighted average exercise price 加權平均 行使價	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價	Number of share options 購股權數目
At the beginning of the Period/ year 於期/年初	0.83	69,250,000	1.18	10,250,000
Granted during the Period/year 期/年內授出	0.67	96,300,000	0.81	65,000,000
Exercised during the Period 期內行使	0.81	(16,200,000)	-	-
Forfeited during the year 年內沒收	-	-	1.18	(6,000,000)
At the end of the Period/year 於期/年末	0.73	149,350,000	0.83	69,250,000

96,300,000 (year ended 31 December 2015: 65,000,000) share options and 16,200,000 (year ended 31 December 2015: nil) share options were granted and exercised during the Period respectively, and nil (Year ended 31 December 2015: 6,000,000) share options were forfeited during the Period due to cessation of employment of the participants.

於本期間，分別有96,300,000份(截至二零一五年十二月三十一日止年度：65,000,000份)及16,200,000份(截至二零一五年十二月三十一日止年度：零份)購股權獲授出及行使，因參與者終止僱傭關係而被沒收的購股權為零份(截至二零一五年十二月三十一日止年度：6,000,000份)。



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### 17. SHARE OPTION SCHEME (continued)

The outstanding share options as at 30 June 2016 were vested to the grantees in the following manner:

- 4,250,000 of such share options were vested on 30 August 2012 with an exercise period from 30 August 2012 to 29 August 2016.
- 12,450,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.
- 21,400,000 of such share options will be vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 5,750,000 of such share options will be vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 4,600,000 of such share options will be vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 4,600,000 of such share options will be vested on 10 December 2019 with an exercise period from 10 December 2019 to 9 December 2020.
- 52,245,000 of such share options will be vested on 24 June 2016 with an exercise period from 24 June 2016 to 23 June 2021.
- 36,060,000 of such share options will be vested on 24 June 2017 with an exercise period from 24 June 2017 to 23 June 2021.
- 3,075,000 of such share options will be vested on 24 June 2018 with an exercise period from 24 June 2018 to 23 June 2021.

### 17. 購股權計劃(續)

於二零一六年六月三十日尚未行使購股權按下列方式歸屬予承授人：

- 該等購股權的4,250,000份已於二零一二年八月三十日歸屬，行使期為二零一二年八月三十日至二零一六年八月二十九日。
- 該等購股權的12,450,000份已於二零一五年十二月十日歸屬，行使期為二零一五年十二月十日至二零二零年十二月九日。
- 該等購股權的21,400,000份將於二零一六年十二月十日歸屬，行使期為二零一六年十二月十日至二零二零年十二月九日。
- 該等購股權的5,750,000份將於二零一七年十二月十日歸屬，行使期為二零一七年十二月十日至二零二零年十二月九日。
- 該等購股權的4,600,000份將於二零一八年十二月十日歸屬，行使期為二零一八年十二月十日至二零二零年十二月九日。
- 該等購股權的4,600,000份將於二零一九年十二月十日歸屬，行使期為二零一九年十二月十日至二零二零年十二月九日。
- 該等購股權的52,245,000份將於二零一六年六月二十四日歸屬，行使期為二零一六年六月二十四日至二零二一年六月二十三日。
- 該等購股權的36,060,000份將於二零一七年六月二十四日歸屬，行使期為二零一七年六月二十四日至二零二一年六月二十三日。
- 該等購股權的3,075,000份將於二零一八年六月二十四日歸屬，行使期為二零一八年六月二十四日至二零二一年六月二十三日。



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### 17. SHARE OPTION SCHEME (continued)

- 2,460,000 of such share options will be vested on 24 June 2019 with an exercise period from 24 June 2019 to 23 June 2021.
- 2,460,000 of such share options will be vested on 24 June 2020 with an exercise period from 24 June 2020 to 23 June 2021.

The outstanding share options as at 31 December 2015 were vested to the grantees in the following manner:

- 4,250,000 of such share options were vested on 30 August 2012 with an exercise period from 30 August 2012 to 29 August 2016.
- 28,650,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.
- 21,400,000 of such share options will be vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 5,750,000 of such share options will be vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 4,600,000 of such share options will be vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 4,600,000 of such share options will be vested on 10 December 2019 with an exercise period from 10 December 2019 to 9 December 2020.

### 17. 購股權計劃(續)

- 該等購股權的2,460,000份將於二零一九年六月二十四日歸屬，行使期為二零一九年六月二十四日至二零二一年六月二十三日。
- 該等購股權的2,460,000份將於二零二零年六月二十四日歸屬，行使期為二零二零年六月二十四日至二零二一年六月二十三日。

於二零一五年十二月三十一日尚未行使購股權按下列方式歸屬予承授人：

- 該等購股權的4,250,000份已於二零一二年八月三十日歸屬，行使期為二零一二年八月三十日至二零一六年八月二十九日。
- 該等購股權的28,650,000份已於二零一五年十二月十日歸屬，行使期為二零一五年十二月十日及二零二零年十二月九日。
- 該等購股權的21,400,000份將於二零一六年十二月十日歸屬，行使期為二零一六年十二月十日及二零二零年十二月九日。
- 該等購股權的5,750,000份將於二零一七年十二月十日歸屬，行使期為二零一七年十二月十日及二零二零年十二月九日。
- 該等購股權的4,600,000份將於二零一八年十二月十日歸屬，行使期為二零一八年十二月十日及二零二零年十二月九日。
- 該等購股權的4,600,000份將於二零一九年十二月十日歸屬，行使期為二零一九年十二月十日及二零二零年十二月九日。

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### 17. SHARE OPTION SCHEME (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

#### 30 June 2016

二零一六年六月三十日

Number of share options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
96,300,000	0.67	24 June 2016 to 23 June 2021 二零一六年六月二十四日至二零二一年六月二十三日
48,800,000	0.81	10 December 2015 to 9 December 2020 二零一五年十二月十日 至二零二零年十二月九日
4,250,000	1.18	30 August 2012 to 29 August 2016 二零一二年八月三十日至二零一六年八月二十九日

#### 31 December 2015

二零一五年十二月三十一日

Number of share options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
65,000,000	0.81	10 December 2015 to 9 December 2020 二零一五年十二月十日 至二零二零年十二月九日
4,250,000	1.18	30 August 2012 to 29 August 2016 二零一二年八月三十日至二零一六年八月二十九日

The fair value of the share options granted during the year ended 31 December 2011 was HK\$12,880,000 (equivalent to RMB10,549,000) of which full share option expense had been recognised by the Group in prior years.

The fair value of the share options granted during the year ended 31 December 2015 was HK\$24,872,000 (equivalent to RMB20,837,000) of which the Group recognised share option expenses of RMB9,466,000 and RMB4,414,000 during the year ended 31 December 2015 and the Period respectively.

The fair value of the share options granted during the Period was HK\$18,960,000 (equivalent to RMB16,204,000) of which the Group recognised a share option expense of RMB7,450,000 during the Period.

### 17. 購股權計劃(續)

於呈報期末尚未行使的購股權的行使價及行使期如下：

截至二零一一年十二月三十一日止年度已授出的購股權公平值為12,880,000港元(相當於人民幣10,549,000元)，其中全部購股權開支已由本集團於過往年度確認。

截至二零一五年十二月三十一日止年度已授出購股權的公平值為24,872,000港元(相當於人民幣20,837,000元)，其中本集團於截至二零一五年十二月三十一日止年度及本期間分別確認購股權開支人民幣9,466,000元及人民幣4,414,000元。

本期間已授出購股權的公平值為18,960,000港元(相當於人民幣16,204,000元)，其中本集團於本期間確認購股權開支人民幣7,450,000元。

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## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 17. SHARE OPTION SCHEME (continued)

The fair value of equity-settled share options granted during the year ended 31 December 2011 and 2015 and the Period was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

		2016 二零一六年	2015 二零一五年	2011 二零一一年
Dividend yield (%)	股息收益率(%)	0	0	1.80
Volatility (%)	波幅(%)	64.65	65.20	47.42
Risk-free interest rate (%)	無風險利率(%)	0.69	0.99	0.79
Expected life of options (year)	購股權預期年期(年)	5	5	5
Exercise price (HK\$ per share)	行使價(每股港元)	0.67	0.81	1.18

The expected life of the options is based on the historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

During the Period, 16,200,000 of exercised share options with fair value of approximately RMB4,491,000 which previously recognised in share options reserve have been transferred to share premium.

During the year ended 31 December 2015, 6,000,000 of forfeited share options with fair value of approximately RMB1,657,000 which previously recognised in share options reserve had been transferred to retained profits.

### 17. 購股權計劃(續)

截至二零一一年及二零一五年十二月三十一日止年度及本期間已授出的以股權結算的購股權公平值採用二項模式於授出日期進行估算，並計及授出該等購股權的條款及條件。下表列示使用該模式時的數據：

購股權預期年期乃根據歷史數據釐定，未必代表可能出現的行使模式。預期波幅乃假設歷史波幅可代表未來趨勢，但未必為實際結果。

計量公平值時並無計及已授出購股權的其他特徵。

於本期間，原於購股權儲備確認的公平值約人民幣4,491,000元的16,200,000份已行使購股權已轉撥至股份溢價。

截至二零一五年十二月三十一日止年度，6,000,000份已沒收購股權原於購股權儲備確認的公平值約人民幣1,657,000元已轉撥至保留溢利。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 17. SHARE OPTION SCHEME (continued)

As at 30 June 2016, the Company had 149,350,000 (31 December 2015: 69,250,000) share options outstanding under the Share Option Scheme, which represented approximately 13.78% (31 December 2015: 6.5%) of the Shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 149,350,000 (31 December 2015: 69,250,000) additional Shares and additional share capital and share premium of approximately HK\$11,588,000 (equivalent to RMB9,904,000) (31 December 2015: HK\$5,367,000 equivalent to RMB4,496,000) and approximately HK\$97,476,000 (equivalent to RMB83,310,000) (31 December 2015: HK\$52,298,000 equivalent to RMB43,814,000), before issue expenses.

### 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

### 17. 購股權計劃(續)

於二零一六年六月三十日，本公司於購股權計劃項下擁有149,350,000份(二零一五年十二月三十一日：69,250,000份)尚未行使的購股權，佔於該日期已發行股份約13.78%(二零一五年十二月三十一日：6.5%)。根據本公司現時資本架構，悉數行使該等尚未行使的購股權將導致額外發行149,350,000股(二零一五年十二月三十一日：69,250,000股)股份及額外新增股本及股份溢價分別約11,588,000港元(相當於人民幣9,904,000元)(二零一五年十二月三十一日：5,367,000港元，相當於人民幣4,496,000元)及約97,476,000港元(相當於人民幣83,310,000元)(二零一五年十二月三十一日：52,298,000港元，相當於人民幣43,814,000元)(未扣除發行開支)。

### 18. 金融工具的公平值計量

#### 本集團根據經常性基準按公平值計量的金融負債的公平值

於各呈報期末，本集團的若干金融負債按公平值計量。下表呈列該等金融負債公平值釐定方式(尤其是所用的估值方法及輸入值)的相關資料。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis (continued)

### 18. 金融工具的公平值計量(續)

本集團根據經常性基準按公平值計量的金融負債的公平值(續)

Financial liabilities 金融負債	Fair value as at 30 June 2016 於二零一六年六月三十日的公平值	Fair value hierarchy 公平值等級	Valuation technique(s) and key input(s) 估值方法及主要輸入值
Convertible notes 可換股票據	Liabilities, RMB139,078,000 負債 人民幣139,078,000元	Level 2 第二級	Binomial Model The key inputs are set out in note 14 二項式模式 主要輸入值載於附註14
Warrants 認股權證	Liabilities, RMB6,883,000 負債, 人民幣6,883,000元	Level 2 第二級	Binomial Model The key inputs are set out in note 14 二項式模式 主要輸入值載於附註14
Provision for Contingent Consideration (Note) 或然代價撥備(附註)	Liabilities, RMB700,231,000 負債 人民幣700,231,000元	Level 3 第三級	Binomial Model The key inputs are set out in note 15 二項式模式 主要輸入值載於附註15

Note: Refer to note 15 for the fair value reconciliation of Provision for Contingent Consideration for the Period.

附註：有關本期間或然代價撥備之公平值對賬，請參閱附註15。

There were no transfers between all levels for the Period and year ended 31 December 2015.

於本期間及截至二零一五年十二月三十一日止年度，各級之間並無轉撥。

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

董事認為，於簡明綜合財務報表確認的金融資產及金融負債的賬面值與其公平值相若。

#### Fair value hierarchy

#### 公平值等級

As at 30 June 2016

於二零一六年六月三十日

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Convertible Notes 可換股票據		–	139,078	–	139,078
Warrants 認股權證		–	6,883	–	6,883
Provision for Contingent Consideration 或然代價撥備		–	–	700,231	700,231

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

#### Fair value hierarchy

As at 31 December 2015

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Convertible Notes	可換股票據	–	91,717	–	91,717
Warrants	認股權證	–	21,590	–	21,590
Provision for contingent consideration	或然代價撥備	–	–	1,029,203	1,029,203

### 18. 金融工具的公平值計量(續)

#### 公平值等級

於二零一五年十二月三十一日

### 19. OPERATING LEASE ARRANGEMENTS

The Group leases a production plant and office premises under operating lease arrangements. Leases for these properties are negotiated for terms of two to five years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

### 19. 經營租約安排

本集團根據經營租約安排租賃生產廠房及辦公室。該等物業的租期經協商定為二至五年。

於呈報期末，本集團根據不可撤銷經營租約於下列日期屆滿的未來最低租金付款總額如下：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within one year	一年內	503	406
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)	1,130	617
		<b>1,633</b>	<b>1,023</b>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 20. COMMITMENTS

In addition to the operating lease commitments detailed in note 19 above, the Group had the following commitments at the end of the reporting period:

### 20. 承擔

除上文附註19所詳述的經營租約承擔外，本集團於呈報期末有以下承擔：

	<b>30 June 2016</b> 二零一六年 六月三十日 <b>RMB'000</b> 人民幣千元 <b>(unaudited)</b> (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Contracted for capital commitment in respect of investment in a subsidiary	<b>170,671</b>	128,171
Contracted for commitments in respect of:		
– advertising and consultancy services	–	37
– property, plant and equipment	<b>215</b>	281
– research and development contract	<b>120</b>	410
	<b>335</b>	728



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

### 21. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group is as follows:

### 21. 關連人士交易

本集團主要管理人員的酬金如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Fees	袍金	-	-
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	981	1,066
Contributions to retirement benefits schemes	退休福利計劃供款	15	17
		<b>996</b>	<b>1,083</b>

### 22. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 26 August 2016.

### 22. 簡明綜合中期財務報表之批准

簡明綜合中期財務報表於二零一六年八月二十六日經董事會批准及授權發佈。

寶峰時尚

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## 2016 中期報告 INTERIM REPORT



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Stock Code :1121



寶峰時尚國際控股有限公司  
(於開曼群島註冊成立的有限公司)  
股份代號 :1121

Baofeng Modern International Holdings Company Limited  
(Incorporated in the Cayman Islands with limited liability)