

寶峰時尚

boree

2017 中期報告 INTERIM REPORT



www.baofengmodern.com
Stock Code :1121

baop

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 Director

Ms. LIN Weihuan

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. IP Pui Sum

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

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

葉沛森先生

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

SMP Partners (Cayman) Limited
Royal Bank House - 3rd Floor
24 Shedden Road, P.O.Box 1586
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

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
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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

SMP Partners (Cayman) Limited
Royal Bank House - 3rd Floor
24 Shedden Road, P.O.Box 1586
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



Contents 目錄

Corporate Information	公司資料	1
Financial Highlights	財務概要	4
Management Discussion and Analysis	管理層討論及分析	5
Other Information	其他資料	13
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	21
Condensed Consolidated Statement of Financial Position	簡明綜合財務狀況表	22
Condensed Consolidated Statement of Changes in Equity	簡明綜合權益變動表	24
Condensed Consolidated Statement of Cash Flows	簡明綜合現金流量表	25
Notes to the Condensed Consolidated Financial Statements	簡明綜合財務報表附註	26

Financial Highlights

財務概要

		Six months ended 30 June		
		截至六月三十日止六個月		Increase/
		2017	2016	(decrease)
		二零一七年	二零一六年	增加/(減少)
		RMB'000	RMB'000	% Change
		人民幣千元	人民幣千元	%變動
		(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	
Revenue (Total)	收益(總額)	79,328	94,854	(16.4)
Revenue (Boree Products)	收益(寶人牌產品)	1,528	710	115.2
Revenue (Graphene-based Products)	收益(石墨烯產品)	99	–	N/A不適用
Revenue (OEM Business)	收益(OEM業務)	77,701	94,144	(17.5)
Gross profit	毛利	19,848	23,398	(15.2)
Loss for the period	期內虧損	(59,384)	(27,186)	118.4
Shareholders' equity	股東權益	788,617	1,124,718	(29.9)

		Six months ended 30 June		
		截至六月三十日止六個月		
		2017	2016	
		二零一七年	二零一六年	
		(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	
Profitability data	盈利能力數據			
(RMB million)	(人民幣百萬元)			
Revenue	收益	79.3	94.9	
Gross profit	毛利	19.8	23.4	
Loss for the period	期內虧損	(59.4)	(27.2)	
Profitability ratios (%)	盈利能力比率(%)			
Gross profit margin	毛利率	25.0	24.7	
Net loss margin	淨虧損率	(74.9)	(28.7)	
Assets and liabilities data	資產及負債數據			
(RMB million)	(人民幣百萬元)			
Non-current assets	非流動資產	1,351.3	1,672.8	
Current assets	流動資產	86.5	476.6	
Current liabilities	流動負債	197.7	501.7	
Non-current liabilities	非流動負債	451.5	523.0	
Shareholders' equity	股東權益	788.6	1,124.7	
Asset and working capital data	資產及營運資金數據			
Current asset ratios (%)	流動資產比率(%)	6.0%	22.2%	
Current ratios (time)	流動比率(倍)	0.4x	0.9x	
Gearing ratios (%)	負債比率(%)	44.8%	47.6%	

Management Discussion & Analysis

管理層討論及分析

During the first half of 2017, Baofeng Modern International Holdings Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) focused on the development of do-it-yourself (“DIY”) automated vending system, the key machine for the Online-to-Offline (“O2O”) business model, for the sales and distribution of own branded automated customised graphene-based slippers (“Graphene-based Slippers”) and decided to mainly use graphene-based ethylene-vinyl acetate (“EVA”) foam material for the production of Graphene-based Slippers and reduce the sales of graphene-based EVA foam material directly to customers. Besides, as some overseas customers try to scale back their shops and control the stock level due to stiff competition from online retailers, the Group recorded a decrease in revenue of approximately RMB15.5 million or 16.4% for the six months ended 30 June 2017 (the “Period”) to approximately RMB79.3 million (2016: RMB94.8 million).

During the Period, the gross profit margin of the Group increased to 25.0% (2016: 24.7%), which was mainly due to the write down of inventories of approximately RMB1.4 million in the last corresponding period in comparison to a reversal of write down of inventories of approximately RMB19 thousand during the Period.

During the Period, the Group recorded a net loss of approximately RMB59.4 million (2016: RMB27.2 million), which is mainly attributable to (i) share-based payment expenses of approximately RMB4.6 million (2016: RMB11.9 million) in relation to the share options granted by the Company on 10 December 2015, 24 June 2016 and 16 December 2016; (ii) amortisation of intangible assets of approximately RMB63.3 million (2016: RMB26.4 million) in relation to the O2O distribution vending system and 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”), four invention patent applications, three utility model patent applications and two utility model patents in the People’s Republic of China (“PRC”), relating to the manufacturing of graphene-based 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; (iii) fair value loss on provision for contingent consideration at fair value through profit or loss (“FVTPL”) of approximately RMB18.1 million (2016: RMB11.4 million); which was offset by (iv) the fair value gain on convertible notes and warrants at FVTPL of approximately RMB33.7 million (2016: RMB22.8 million).

於二零一七年上半年，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」）專注於開發銷售及分銷自有品牌自動售賣私人訂制之石墨烯拖鞋（「石墨烯拖鞋」）的自助（「DIY」）自動售貨系統（為線上線下（「O2O」）業務模式的主要機器），並決定主要使用石墨烯乙炔-醋酸乙炔共聚物（「EVA」）發泡材料生產石墨烯拖鞋，減少直接向客戶銷售石墨烯EVA發泡材料。此外，由於線上零售商激烈競爭，一些海外客戶嘗試縮減其店舖數量及控制存貨水平，於截至二零一七年六月三十日止六個月（「本期間」）本集團錄得收益減少約人民幣15,500,000元或16.4%至約人民幣79,300,000元（二零一六年：人民幣94,800,000元）。

於本期間，本集團的毛利率上升至25.0%（二零一六年：24.7%），主要是由於比較去年同期撇減存貨約人民幣1,400,000元與於本期間撥回存貨撇減約人民幣19,000元所致。

於本期間，本集團錄得淨虧損約人民幣59,400,000元（二零一六年：人民幣27,200,000元），主要是由於：(i)有關本公司於二零一五年十二月十日、二零一六年六月二十四日及二零一六年十二月十六日授出購股權之以股份支付的開支約人民幣4,600,000元（二零一六年：人民幣11,900,000元）；(ii)有關O2O分銷售貨系統及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、中華人民共和國（「中國」）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以及獨家配方（統稱為「技術知識」）的無形資產攤銷約人民幣63,300,000元（二零一六年：人民幣26,400,000元）；(iii)有關按公平值計入損益（「按公平值計入損益」）之或然代價撥備的公平值損失約人民幣18,100,000元（二零一六年：人民幣11,400,000元），被(iv)按公平值計入損益之可換股票據及認股權證的公平值收益約人民幣33,700,000元（二零一六年：人民幣22,800,000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		
		2017 二零一七年 RMB'000 人民幣千元 (unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	Increase/ (decrease) 增加/ (減少) % Change %變動
Revenue (Boree Products)	收益(寶人牌產品)	1,528	710	115.2%
Revenue (Graphene-based Products)	收益(石墨烯產品)	99	–	N/A不適用
Revenue (OEM Business)	收益(OEM業務)	77,701	94,144	(17.5%)
Revenue (Total)	收益(總額)	79,328	94,854	(16.4%)

During the Period, the revenue of the Group decreased by approximately RMB15.5 million or 16.4% to approximately RMB79.3 million (2016: RMB94.8 million). Revenue from Boree branded slippers, sandals and casual footwear ("Boree Products") increased by 115.2% to approximately RMB1.5 million during the Period (2016: RMB0.7 million) was due to the increase of online sales. As the slippers retail industry experiences stiff competition from online retailers, some overseas customers try to scale back their shops and control the stock level and so the orders from the Original Equipment Manufacturer ("OEM") business declined in the Period, resulting in a decrease in revenue of 17.5% to approximately RMB77.7 million (2016: RMB94.1 million).

於本期間，本集團收益減少約人民幣15,500,000元或16.4%至約人民幣79,300,000元(二零一六年：人民幣94,800,000元)。由於線上銷售增加，寶人牌拖鞋、涼鞋及休閒鞋(「寶人牌產品」)的收益於本期間增加115.2%至約人民幣1,500,000元(二零一六年：人民幣700,000元)。由於拖鞋零售行業遭到線上零售商的激烈競爭，一些海外客戶嘗試縮減其店舖數量及控制存貨水平，因此本期間來自原設備製造商(「OEM」)業務的訂單減少，以致收益下跌17.5%至約人民幣77,700,000元(二零一六年：人民幣94,100,000元)。

After the successful launch of graphene-based EVA foam material product in June 2016, though it contributed approximately RMB43.2 million sales revenue to the Group during the second half of 2016 but still under our original expectation and plan. It was mainly due to the unexpected increase in price of chemical raw materials as PRC government started to strengthen the environmental protection and control on the highly polluting industries in the first half of 2016 and the loss of target customers due to the delay of the launch time of graphene-based EVA foam material. Due to the above, the Group reconsidered the positioning of graphene application products. Due to the absence of comparable products in the existing footwear and slippers market, the launch of Graphene-based Slippers can distinguish our slippers from normal slippers and repositioned own branded slippers as slippers with distinctive functions. Besides, as the gross profit margin of Graphene-based Slippers is much higher than the graphene-based EVA foam material, the Group considered that by using graphene-based EVA foam material for the production of Graphene-based Slippers instead of direct sales to customers can generate higher profit for the Group. As a result, the Group focused on the development of DIY automated vending system for the sales and distribution of Graphene-based Slippers and the trial run of the first generation of the DIY automated vending system was completed in the first half of 2017. Therefore, the revenue of graphene-based EVA foam material and slippers with sterilizing, good elasticity and tear resistant functions ("Graphene-based Products") only amounted to approximately RMB99 thousand in the Period (2016: Nil).

Selling and Distribution Expenses

During the Period, selling and distribution expenses decreased by 13.1% to approximately RMB4.8 million as compared with that of last corresponding period (2016: RMB5.5 million), which accounted for 6.0% (2016: 5.8%) of the Group's revenue. The decrease was mainly attributable to less marketing activities held for the promotion of Boree Products.

在二零一六年六月成功推出石墨烯EVA發泡材料後，儘管其於二零一六年下半年為本集團貢獻銷售收益約人民幣43,200,000元，但仍低於本集團原定預期及計劃。這主要是由於隨著中國政府於二零一六年上半年開始加強環境保護及對高污染行業的管制，化工原材料的價格意外上升，以及因石墨烯EVA發泡材料的推出時間延遲而喪失目標客戶。由於上文所述，本集團已重新考慮其石墨烯應用產品的定位。由於現有鞋履及拖鞋市場缺少相若產品，推出石墨烯拖鞋可區分本集團的拖鞋與一般拖鞋，並將自有品牌拖鞋重新定位為具有獨特功能的拖鞋。此外，由於石墨烯拖鞋的毛利率遠高於石墨烯EVA發泡材料，本集團考慮使用石墨烯EVA發泡材料生產石墨烯拖鞋（而非直接向客戶銷售），可為本集團帶來更高的利潤。因此，本集團於二零一七年上半年專注於開發銷售及分銷石墨烯拖鞋的DIY自動售貨系統，第一代DIY自動售貨系統的試運行於二零一七年上半年完成。因此，本期間具備殺菌、高彈性、抗拉力功能之石墨烯EVA發泡材料及拖鞋（「石墨烯產品」）的收益僅約人民幣99,000元（二零一六年：無）。

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13.1%至約人民幣4,800,000元（二零一六年：人民幣5,500,000元），佔本集團收益的6.0%（二零一六年：5.8%）。減少主要是由於就推廣寶人牌產品舉行的營銷活動減少。

Management Discussion & Analysis

管理層討論及分析

General and Administrative Expenses

General and administrative expenses recorded a decrease of approximately RMB4.1 million or 15.2% to RMB22.7 million for the Period (2016: RMB26.7 million), which was mainly attributable to a decrease in share-based payment expenses of approximately RMB7.2 million in relation to the share options granted by the Company on 10 December 2015, 24 June 2016 and 16 December 2016 net off by an increase in research and development expenses of approximately RMB3.0 million during the Period.

Liquidity and Financial Resources

During the Period, net cash inflow from operating activities of the Group amounted to approximately RMB16.4 million (2016: RMB38.8 million), which was mainly due to the decrease in trade and bills payables. As at 30 June 2017, cash and bank balances were approximately RMB4.0 million, representing a decrease of 16.4% as compared with approximately RMB4.8 million as at 31 December 2016. As at 30 June 2017, around 63.8% and 26.3% of the Group's cash and bank balances were denominated in Renminbi and US dollars. As at 30 June 2017, the interest-bearing bank borrowings of the Group were approximately RMB121.0 million (31 December 2016: RMB124.0 million). All bank loans were denominated in Renminbi with fixed interest rates and repayable within one year.

Capital Structure

As at 1 January 2017 and 30 June 2017, the Company had 1,084,059,608 shares in issue and a paid-up capital of approximately RMB71,629,000.

Significant Investments, Material Acquisitions and Disposals

During the Period, the Group did not have any significant investments, material acquisitions and disposals.

Pledge of Assets

As at 30 June 2017, the bills payables were secured by a pledge of the Group's time deposits amounting to approximately RMB2.5 million (31 December 2016: RMB4.3 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 RMB14.0 million (31 December 2016: RMB15.7 million) and approximately RMB33.0 million (31 December 2016: RMB33.5 million) respectively.

一般及行政開支

於本期間，一般及行政開支錄得約人民幣4,100,000元或15.2%的跌幅至人民幣22,700,000元（二零一六年：人民幣26,700,000元），主要是由於有關本公司於二零一五年十二月十日、二零一六年六月二十四日及二零一六年十二月十六日授出購股權之以股份支付的開支下降約人民幣7,200,000元，以及被於本期間研發成本增加約人民幣3,000,000元所抵消。

流動資金及財務資源

於本期間，本集團經營活動之現金流入淨額約人民幣16,400,000元（二零一六年：人民幣38,800,000元），主要由於應付貿易賬款及應付票據下降。於二零一七年六月三十日，現金及銀行結餘約人民幣4,000,000元，較於二零一六年十二月三十一日約人民幣4,800,000元減少16.4%。於二零一七年六月三十日，本集團的現金及銀行結餘約63.8%及26.3%分別以人民幣及美元計值。於二零一七年六月三十日，本集團計息銀行借貸約人民幣121,000,000元（二零一六年十二月三十一日：人民幣124,000,000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

於二零一七年一月一日及二零一七年六月三十日，本公司有1,084,059,608股已發行股份及繳足股本約人民幣71,629,000元。

重大投資、重大收購及出售

於本期間，本集團並無進行任何重大投資、重大收購及出售。

資產抵押

於二零一七年六月三十日，應付票據透過抵押本集團約人民幣2,500,000元（二零一六年十二月三十一日：人民幣4,300,000元）的定期存款作為擔保。本集團銀行借貸亦透過抵押賬面淨值分別約人民幣14,000,000元（二零一六年十二月三十一日：人民幣15,700,000元）及約人民幣33,000,000元（二零一六年十二月三十一日：人民幣33,500,000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 2017 and 31 December 2016, 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. Management of the Group monitors the foreign exchange risk and will consider hedging significant foreign currency risk exposure if necessary.

Gearing Ratio

As at 30 June 2017, the gearing ratio of the Group was 44.8% (31 December 2016: 44.6%). 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 2017, the Group had a total of approximately 580 employees (31 December 2016: 840 employees), with total staff costs for the Period, including directors' remuneration, amounted to approximately RMB28,555,000 (2016: RMB38,588,000). 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

於二零一七年六月三十日及二零一六年十二月三十一日，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，並將於有必要時考慮對沖重大外幣風險敞口。

負債比率

於二零一七年六月三十日，本集團的負債比率為44.8%（二零一六年十二月三十一日：44.6%）。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

於二零一七年六月三十日，本集團有合共約580名僱員（二零一六年十二月三十一日：840名僱員），本期間的總員工成本（包括董事薪酬）約人民幣28,555,000元（二零一六年：人民幣38,588,000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 2017, the Company had unutilised net proceeds from the Initial Public Offering (“IPO”) in the amount of approximately RMB3.9 million, representing approximately 1.0% of the total net proceeds from the IPO (the “Unutilised Net Proceeds”). Approximately RMB73.4 million of the Unutilised Net Proceeds were originally intended to be used to acquire other branded product business and establish flagship shops and showrooms. As the Company believed that such intended use no longer met the Group’s imminent business development needs, the Board had resolved to change the proposed use of such RMB73,443,000 and apply them for the partial settlement of the third instalment of the consideration for the acquisition of the Technology Know-how in 2016. Besides, in order to develop and strengthen the selling and distribution system, the proposed use of approximately RMB45,026,000 and RMB14,974,000 was changed from increasing production capacity and strengthening the distribution resource planning system respectively to settle the payment for the design and development of the O2O distribution vending system in 2016. In light of current market conditions of footwear industry in the PRC and the development of the Group, the Company believes that the use of the Unutilised Net Proceeds under the original intended purpose may no longer meet 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 on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

The ordinary shares of the Company (the “Shares”) were listed on the main board of the Stock Exchange on 28 January 2011 (the “Listing Date”) 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).

股份發售所得款項淨額用途

於二零一七年六月三十日，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3,900,000元，相當於首次公開發售總所得款項淨額約1.0%（「未動用所得款項淨額」）。未動用所得款項淨額中約人民幣73,400,000元原擬用作收購其他品牌產品業務以及開設旗艦店及陳列室。由於本公司認為該擬定用途不再符合本集團迫切的業務發展需要，董事會已決議更改該人民幣73,443,000元款項之建議用途，將其用作支付部份於二零一六年收購技術知識的第三期代價。此外，為開發及加強銷售及分銷系統，約人民幣45,026,000元及人民幣14,974,000元的建議用途已於二零一六年分別由增加產能及加強分銷資源計劃系統，更改為結算設計及開發O2O分銷售貨系統的付款。鑒於中國鞋履行業當前市況及本集團發展，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」）於二零一一年一月二十八日（「上市日期」）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）。

Management Discussion & Analysis

管理層討論及分析

The utilisation of the net proceeds as at 30 June 2017 is set out as follows:

於二零一七年六月三十日，所得款項淨額的動用情況載列如下：

Nature 性質		Amount raised 所籌金額 RMB'000 人民幣千元	Amount utilised 動用金額 RMB'000 人民幣千元
To increase production capacity (approximately RMB45,026,000 was changed to "To settle the payment for the design and development of the O2O distribution vending system")	增加產能 (約人民幣45,026,000元已變更為「結算為設計及開發O2O分銷售貨系統的付款」)	135,683	135,683
Marketing and advertising expenses	推廣及宣傳開支	96,917	96,917
To acquire other branded product business (approximately RMB58,150,000 was changed to "To settle the payment of the acquisition of the Technology Know-how")	收購其他品牌產品業務 (約人民幣58,150,000元已變更為「結算收購技術知識的付款」)	58,150	58,150
To strengthen design capability	增強設計能力	19,383	15,521
To establish flagship shops and showrooms (approximately RMB15,293,000 was changed to "To settle the payment of the acquisition of the Technology Know-how")	開設旗艦店及陳列室 (約人民幣15,293,000元已變更為「結算收購技術知識的付款」)	19,383	19,383
To strengthen the distribution resource planning system (approximately RMB14,974,000 was changed to "To settle the payment for the design and development of the O2O distribution vending system")	加強分銷資源計劃系統 (約人民幣14,974,000元已變更為「結算為設計及開發O2O分銷售貨系統的付款」)	19,383	19,383
General working capital	一般營運資金	38,767	38,767
Total:	總計：	387,666	383,804

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. The net proceeds of approximately HK\$6,000,000 from the issue of 2015 Warrants had 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. All warrants from the issue of 2015 Warrants have been expired in 2016. No 2015 Warrants have been exercised since the issue date of 2015 Warrants.

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

來自於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。截至二零一五年十二月三十一日止年度，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。於二零一六年，來自於發行二零一五年認股權證的所有認股權證已屆滿。自二零一五年認股權證發行日期起，概無二零一五年認股權證獲行使。

Management Discussion & Analysis

管理層討論及分析

BUSINESS REVIEW AND FUTURE PROSPECTS

The revenue of the Group for the Period was approximately RMB79.3 million, representing a decrease of approximately RMB15.5 million in comparison to approximately RMB94.8 million for the corresponding period in 2016, principally attributable to the decrease in the revenue of OEM business and the unexpected low contribution from Graphene-based Products. As the slippers retail industry experiences stiff competition from online retailers, both revenue of OEM business and Boree Products were seriously affected. As the Group repositioned Graphene-based Slippers as slippers with distinctive functions like sterilizing, good elasticity and tear resistant, the Group needs to develop a more effective and efficient way of selling and distributing Graphene-based Slippers. As a result, the Group developed the DIY automated vending system which is the key machine for the O2O business model. The Directors consider that the introduction of the DIY automated vending system is an innovative business model which combines the new retail method and customised and personalised features. In view of these distinctive features and low operating cost, the Directors are of the view that the DIY automated vending system is an effective and efficient way of selling the Graphene-based Slippers and can maximise the profit of the Group.

In the first half of 2017, the trial run of the first generation of the DIY automated vending system was completed and based on the trial run data and feedback from customers, improvement and upgrade on the automated vending system hardware and software was made and the second generation of the DIY automated vending system was launched in July 2017. As the Group targets to greatly increase the number of DIY automated vending system and will launch marketing campaign with more resources on the Graphene-based Slippers in the second half of 2017, the Directors expect that sales of the Group will improve.

Besides, the Group would continue to develop and launch different types of graphene application products, including but not limited to sterilizing chips for air purifiers and air conditioners, pressure-sensitive lighting devices for shoes and energy storage materials for batteries and targets to develop the graphene application products for electronic equipment. In the coming years, the Group would continue deploy more resources on the research and development of graphene application products and would focus on promoting the graphene technology and the development of graphene application products in different fields in order to develop new markets and new business. The Company is now in the process of transforming from a traditional manufacturing company to a high technology company and the Board is of the view that the combination of graphene technology with conventional industry would enhance the competitiveness and long-term development of the Group and help the Group to generate more revenue and profit in the future.

業務回顧及未來前景

本期間本集團收益約人民幣79,300,000元，較二零一六年同期約人民幣94,800,000元減少約人民幣15,500,000元，主要是由於OEM業務收益減少及石墨烯產品的貢獻低於預期。由於拖鞋零售行業面臨線上零售商的激烈競爭，OEM業務及寶人牌產品的收益均受到嚴重影響。隨著本集團將石墨烯拖鞋重新定位為具備殺菌、高彈性、抗拉功能等獨特功能的拖鞋，本集團需要開發更有效且高效的方式來銷售及分銷石墨烯拖鞋。因此，本集團開發出DIY自動售貨系統，該系統為O2O業務模式的主要機器。董事認為，引進DIY自動售貨系統是一個創新的業務模式，將新零售方式與訂制個性化特點相結合。鑒於該等獨有特點及較低的經營成本，董事認為，DIY自動售貨系統是一種有效及高效銷售石墨烯拖鞋的方式，並可令本集團利潤最大化。

於二零一七年上半年，第一代DIY自動售貨系統試運行完成，根據試運行數據及客戶反饋，本集團已改進及升級自動售貨系統硬件及軟件，並於二零一七年七月推出第二代DIY自動售貨系統。由於本集團目標是大幅增加DIY自動售貨系統之數量，並將於二零一七年下半年投入更多資源進行石墨烯拖鞋的營銷活動，董事預期本集團的銷售額將有所改善。

此外，本集團將繼續開發及推出不同類型的石墨烯應用產品，包括但不限於空氣淨化器及空調的殺菌芯片、鞋履壓敏照明裝置及電池儲能材料，並旨在開發電子設備的石墨烯應用產品。於未來幾年，本集團將繼續投入更多資源研發石墨烯應用產品，並將集中推廣石墨烯技術及開發石墨烯應用產品於不同領域，以開發新市場及新業務。本公司正在從一家傳統製造公司轉型為高科技公司，董事會認為，將石墨烯技術與傳統行業結合，將促進本集團的競爭力及長期發展，有助本集團未來產生更多收入及利潤。

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

As at 30 June 2017, the interests and short positions of the Directors and the chief executives 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 for Securities Transactions by Directors of Listed Issuers (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 (other than share options) held 所持股份／ 相關股份（購股權 以外）數目	Percentage of the Company's issued share capital ⁽¹⁾ 佔本公司已發行 股本百分比 ⁽¹⁾
董事姓名	身份及權益性質		
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") ⁽²⁾ 林煒歡女士（「林女士」） ⁽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 ⁽³⁾ 所持購股權數目 ⁽³⁾	Percentage of the Company's issued share capital ⁽¹⁾ 佔本公司已發行股 本百分比 ⁽¹⁾
董事姓名	身份及權益性質		
Mr. ZHENG Jingdong 鄭景東先生	Beneficial owner 實益擁有人	10,000,000(L)	0.92%
Mr. LEUNG Tsz Chung 梁子冲先生	Beneficial owner 實益擁有人	4,000,000(L)	0.37%

董事及主要行政人員於股份、相關股份及債權證中的權益及淡倉

於二零一七年六月三十日，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所載上市發行人董事進行證券交易的標準守則（「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：

Name of Directors	Capacity and nature of interest	Number of Shares/ underlying Shares (other than share options) held 所持股份／ 相關股份（購股權 以外）數目	Percentage of the Company's issued share capital ⁽¹⁾ 佔本公司已發行 股本百分比 ⁽¹⁾
董事姓名	身份及權益性質		
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") ⁽²⁾ 林煒歡女士（「林女士」） ⁽²⁾	Interest in controlled corporation 所控制法團的權益	233,155,792(L)	21.51%

於本公司購股權中的好倉：

Name of Directors	Capacity and nature of interest	Number of share options held ⁽³⁾ 所持購股權數目 ⁽³⁾	Percentage of the Company's issued share capital ⁽¹⁾ 佔本公司已發行股 本百分比 ⁽¹⁾
董事姓名	身份及權益性質		
Mr. ZHENG Jingdong 鄭景東先生	Beneficial owner 實益擁有人	10,000,000(L)	0.92%
Mr. LEUNG Tsz Chung 梁子冲先生	Beneficial owner 實益擁有人	4,000,000(L)	0.37%

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 2017 (i.e. 1,084,059,608 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. Total Shine gave option notice to Best Mark on 12 October 2016 to exercise option to acquire 233,155,792 Shares (the "Option Shares"). According to the memorandum of understanding signed between Best Mark and Total Shine on 12 October 2016 ("Best Mark 2016 MOU"), both Best Mark and Total Shine agreed that the completion date for the transfer of Option Shares would be postponed to 45 working days after discharge of the charge in favour of Haitong International Finance Company Limited (the "Charge") or 3 months after signing of Best Mark 2016 MOU, whichever is earlier, or such other time or date as Best Mark and Total Shine may agree. According to the new memorandum of understanding signed between Best Mark and Total Shine on 30 June 2017 ("Best Mark 2017 MOU"), Best Mark and Total Shine agreed that the completion date for the transfer of the Option Shares would be further postponed to 3 months after discharge of the Charge on 29 June 2017 or such other time or date as Best Mark and Total Shine may agree. 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. 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 2017, none of the Directors and the chief executives 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) 上述百分比乃根據於二零一七年六月三十日的已發行股份總數（即1,084,059,608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。Total Shine於二零一六年十月十二日向Best Mark發出購股權通知，以行使購股權購買233,155,792股股份（「購股權股份」）。根據Best Mark與Total Shine於二零一六年十月十二日簽署的諒解備忘錄（「Best Mark二零一六年諒解備忘錄」），Best Mark與Total Shine協定，轉讓購股權股份的完成日期將延遲至解除向海通國際財務有限公司作出的質押（「質押」）後45個工作日或簽署Best Mark二零一六年諒解備忘錄後3個月（以較早者為準）或Best Mark與Total Shine可能協定的其他日期或時間。根據Best Mark與Total Shine於二零一七年六月三十日簽署的新諒解備忘錄（「Best Mark二零一七年諒解備忘錄」），Best Mark與Total Shine協定，轉讓購股權股份的完成日期將進一步延遲至二零一七年六月二十九日解除質押後3個月或Best Mark與Total Shine可能協定的其他日期或時間。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，於二零一七年六月三十日，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 2017:

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。

下表披露於二零一七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 ⁽¹⁾ 授出日期 ⁽¹⁾	Number of share options 購股權數目					Outstanding as at 30 June 2017 於二零一七年 六月三十日 尚未行使	Exercise period ⁽²⁾ 行使期 ⁽²⁾	Exercise price per share (HK\$) 每股行使價 (港元)
			Outstanding as at 1 January 2017 於二零一七年 一月一日 尚未行使	Granted during the Period 本期間授出	Exercised during the Period 本期間行使	Cancelled during the Period 本期間註銷	Forfeited during the Period 本期間沒收			
Executive Directors	執行董事									
ZHENG Jingdong	鄭景東	10/12/2015	1,500,000	-	-	-	-	1,500,000	A	0.81
		10/12/2015	2,000,000	-	-	-	-	2,000,000	B	0.81
		10/12/2015	2,500,000	-	-	-	-	2,500,000	C	0.81
		10/12/2015	2,000,000	-	-	-	-	2,000,000	D	0.81
		10/12/2015	2,000,000	-	-	-	-	2,000,000	E	0.81
LEUNG Tsz Chung	梁子冲	10/12/2015	4,000,000	-	-	-	-	4,000,000	B	0.81
Sub-total	小計		14,000,000	-	-	-	-	14,000,000		
Employees and consultants of the Group in aggregate	本集團僱員及顧問合計									
		10/12/2015	10,502,000	-	-	-	(45,000)	10,457,000	A	0.81
		10/12/2015	15,176,000	-	-	-	(60,000)	15,116,000	B	0.81
		10/12/2015	2,970,000	-	-	-	(75,000)	2,895,000	C	0.81
		10/12/2015	2,376,000	-	-	-	(60,000)	2,316,000	D	0.81
		10/12/2015	2,376,000	-	-	-	(60,000)	2,316,000	E	0.81
		24/6/2016	52,245,000	-	-	-	-	52,245,000	F	0.67
		24/6/2016	36,060,000	-	-	-	-	36,060,000	G	0.67
		24/6/2016	3,075,000	-	-	-	-	3,075,000	H	0.67
		24/6/2016	2,460,000	-	-	-	-	2,460,000	I	0.67
		24/6/2016	2,460,000	-	-	-	-	2,460,000	J	0.67
		16/12/2016	1,425,000	-	-	-	-	1,425,000	K	0.99
		16/12/2016	1,900,000	-	-	-	-	1,900,000	L	0.99
		16/12/2016	2,375,000	-	-	-	-	2,375,000	M	0.99
		16/12/2016	1,900,000	-	-	-	-	1,900,000	N	0.99
		16/12/2016	1,900,000	-	-	-	-	1,900,000	O	0.99
Sub-total	小計		139,200,000	-	-	-	(300,000)	138,900,000		
Total	總計		153,200,000	-	-	-	(300,000)	152,900,000		

Other Information 其他資料

Notes:

1. The closing prices of the Shares immediately before the date of grant on 10 December 2015, 24 June 2016 and 16 December 2016 were HK\$0.79, HK\$0.69 and HK\$0.99 respectively.
2. The respective exercise periods of the share options granted are as follows:
A: From 10 December 2015 to 9 December 2020;
B: From 10 December 2016 to 9 December 2020;
C: From 10 December 2017 to 9 December 2020;
D: From 10 December 2018 to 9 December 2020;
E: From 10 December 2019 to 9 December 2020;
F: From 24 June 2016 to 23 June 2021;
G: From 24 June 2017 to 23 June 2021;
H: From 24 June 2018 to 23 June 2021;
I: From 24 June 2019 to 23 June 2021;
J: From 24 June 2020 to 23 June 2021;
K: From 16 December 2016 to 15 December 2021;
L: From 16 December 2017 to 15 December 2021;
M: From 16 December 2018 to 15 December 2021;
N: From 16 December 2019 to 15 December 2021; and
O: From 16 December 2020 to 15 December 2021.

The vesting period of the share options is from the date of grant until the commencement of the exercise period.
3. Exercise condition: 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.
4. The number and/or exercise price of the share options may be subject to adjustments in the case of rights or bonus issues, or other changes in the Company's share capital.

附註：

1. 股份於緊接授出日期二零一五年十二月十日、二零一六年六月二十四日及二零一六年十二月十六日前的收市價分別為0.79港元、0.69港元及0.99港元。
2. 所授出購股權各自行使期如下：
A：二零一五年十二月十日至二零二零年十二月九日；
B：二零一六年十二月十日至二零二零年十二月九日；
C：二零一七年十二月十日至二零二零年十二月九日；
D：二零一八年十二月十日至二零二零年十二月九日；
E：二零一九年十二月十日至二零二零年十二月九日；
F：二零一六年六月二十四日至二零二一年六月二十三日；
G：二零一七年六月二十四日至二零二一年六月二十三日；
H：二零一八年六月二十四日至二零二一年六月二十三日；
I：二零一九年六月二十四日至二零二一年六月二十三日；
J：二零二零年六月二十四日至二零二一年六月二十三日；
K：二零一六年十二月十六日至二零二一年十二月十五日；
L：二零一七年十二月十六日至二零二一年十二月十五日；
M：二零一八年十二月十六日至二零二一年十二月十五日；
N：二零一九年十二月十六日至二零二一年十二月十五日；及
O：二零二零年十二月十六日至二零二一年十二月十五日。

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. 行使條件：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。
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。

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.

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

As at 30 June 2017, so far as was known to the Directors and the chief executives of the Company, the following persons or corporations (other than the Directors or chief executives 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:

Name	Capacity and nature of interests	Number of Shares/ underlying Shares	Percentage of the Company's issued share capital ⁽⁶⁾ 佔本公司已發行股本 百分比 ⁽⁶⁾
名稱	身份及權益性質	股份／相關股份數目	
Mr. Sze ⁽¹⁾ 史先生 ⁽¹⁾	Interest in controlled corporation 所控制法團的權益	519,035,767 (L) 233,155,792 (S)	47.88% 21.51%
Ms. Tsang Shuk Ping ⁽²⁾ 曾淑萍女士 ⁽²⁾	Spousal interest 配偶權益	519,035,767 (L) 233,155,792 (S)	47.88% 21.51%
Best Mark ⁽³⁾	Beneficial owner/Other 實益擁有人／其他	473,876,157 (L) 233,155,792 (S)	43.71% 21.51%
Total Shine ⁽⁴⁾	Beneficial owner 實益擁有人	233,155,792 (L)	21.51%
Bluestone ⁽⁵⁾ 藍石 ⁽⁵⁾	Beneficial owner 實益擁有人	220,000,000 (L)	20.29%
Mr. Zhuang Chaohui ⁽⁵⁾ 莊朝暉先生 ⁽⁵⁾	Interest in controlled corporation 所控制法團的權益	220,000,000 (L)	20.29%

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、相關股份及債權證中的權益及淡倉」及「購股權計劃」等節所披露者外，於本期間任何時間，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本公司股份或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。

主要股東及其他人士於股份及相關股份中的權益及淡倉

於二零一七年六月三十日，據董事及本公司主要行政人員所知，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：

Other Information 其他資料

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 43.71% 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 approximately 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) 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. Total Shine gave option notice to Best Mark on 12 October 2016 to exercise option to acquire the Option Shares. According to the Best Mark 2016 MOU, both Best Mark and Total Shine agreed that the completion date for the transfer of Option Shares would be postponed to 45 working days after discharge of the Charge or 3 months after signing of Best Mark 2016 MOU, whichever is earlier, or such other time or date as Best Mark and Total Shine may agree. According to the Best Mark 2017 MOU, Best Mark and Total Shine agreed that the completion date for the transfer of the Option Shares would be further postponed to 3 months after discharge of the Charge on 29 June 2017 or such other time or date as Best Mark and Total Shine may agree.
- (5) 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.
- (6) The percentage has been calculated based on the total number of Shares in issue as at 30 June 2017 (i.e. 1,084,059,608 shares).
- (7) The letters "L" and "S" denote the person's long and short position respectively in the Shares or underlying Shares.

附註：

- (1) 史先生被視為為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43.71%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，相當於已發行股份約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) Total Shine由林女士全資擁有及控制，已取得Best Mark授權的購股權，以收購233,155,792股股份。Total Shine於二零一六年十月十二日向Best Mark發出購股權通知，以行使購股權購買購股權股份。根據Best Mark二零一六年諒解備忘錄，Best Mark與Total Shine協定，轉讓購股權股份的完成日期將延遲至解除質押後45個工作日或簽署Best Mark二零一六年諒解備忘錄後3個月（以較早者為準）或Best Mark與Total Shine可能協定的其他日期或時間。根據Best Mark二零一七年諒解備忘錄，Best Mark與Total Shine協定，轉讓購股權股份的完成日期將進一步延遲至二零一七年六月二十九日解除質押後3個月或Best Mark與Total Shine可能協定的其他日期或時間。
- (5) 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，被視為為藍石所持相關股份中擁有權益。
- (6) 該百分比乃根據於二零一七年六月三十日已發行股份總數（即1,084,059,608股）計算。
- (7) 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 2017, none of the Directors and the chief executives of the Company was aware of any other person (other than the Directors or the chief executives of the Company) or corporation which had, or was deemed or taken to have, an interest or short position in the Shares, underlying Shares or debentures 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 comprise experienced and high caliber individuals. The Board currently comprises 2 executive Directors, 1 non-executive Director and 3 independent non-executive Directors and therefore has a strong independence element in its composition.

除上文所披露者外，於二零一七年六月三十日，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，相關股份或債權證的權益或淡倉。

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

董事會及本公司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、一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 as set out in Appendix 10 to the Listing Rules as the required standard for securities transactions by the Directors. The Company has 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 on 8 January 2011 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 (the "Interim Financial Statements") have been reviewed by the audit committee.

On behalf of the Board

ZHENG Jingdong
Chairman

Hong Kong
25 August 2017

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的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，各董事已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於二零一一年一月八日成立審核委員會，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（「中期財務報告」）已由審核委員會審閱。

代表董事會

主席
鄭景東

香港
二零一七年八月二十五日

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 2017 截至二零一七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		
		2017 二零一七年 RMB'000 人民幣千元 (unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)	
		Notes 附註		
REVENUE	收益	4	79,328	94,854
Cost of sales	銷售成本		(59,480)	(71,456)
GROSS PROFIT	毛利		19,848	23,398
Other net income and gains	其他收入及收益淨額	4	854	1,308
Selling and distribution expenses	銷售及分銷開支		(4,772)	(5,489)
General and administrative expenses	一般及行政開支		(22,664)	(26,734)
Amortisation of intangible assets	無形資產攤銷	10	(63,298)	(26,350)
Finance costs	融資成本	5	(3,335)	(4,318)
Fair value gain on convertible notes and warrants at fair value through profit or loss	按公平值計入損益之可換股票據及認股權證之公平值收益	14	33,747	22,757
Fair value loss on provision for contingent consideration at fair value through profit or loss	按公平值計入損益之或然代價撥備之公平值損失	15	(18,139)	(11,448)
LOSS BEFORE TAX	除稅前虧損	6	(57,759)	(26,876)
Income tax expense	所得稅開支	7	(1,625)	(310)
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔期內虧損及期內全面開支總額		(59,384)	(27,186)
LOSS PER SHARE	每股虧損	8		
– Basic (RMB)	– 基本(人民幣)		(0.055)	(0.025)
– Diluted (RMB)	– 攤薄(人民幣)		(0.055)	(0.025)

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 2017 於二零一七年六月三十日

		30 June 2017 二零一七年 六月三十日	31 December 2016 二零一六年 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)
NON-CURRENT ASSETS			
Property, plant and equipment		80,055	82,010
Prepaid land lease payments		32,218	32,640
Intangible assets	10	1,239,090	1,302,378
		1,351,363	1,417,028
CURRENT ASSETS			
Inventories		18,507	24,922
Trade receivables	11	42,078	76,132
Prepayments, deposits and other receivables		19,388	7,437
Pledged deposits		2,498	4,283
Cash and bank balances		4,002	4,789
		86,473	117,563
CURRENT LIABILITIES			
Trade and bills payables	12	38,337	53,889
Deposits received, other payables and accruals		31,166	33,518
Interest-bearing bank borrowings	13	121,000	124,000
Warrants	14	24	5,067
Income tax payable		7,199	8,285
		197,726	224,759
NET CURRENT LIABILITIES		(111,253)	(107,196)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,240,110	1,309,832

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2017 於二零一七年六月三十日

			30 June 2017 二零一七年 六月三十日	31 December 2016 二零一六年 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)
NON-CURRENT LIABILITIES	非流動負債			
Convertible notes	可換股票據	14	166,120	194,824
Provision for contingent consideration	或然代價撥備	15	282,302	268,565
Deferred tax liability	遞延稅項負債		3,071	3,071
			451,493	466,460
NET ASSETS	資產淨值		788,617	843,372
EQUITY	權益			
Share capital	股本	16	71,629	71,629
Reserves	儲備		716,988	771,743
TOTAL EQUITY	權益總額		788,617	843,372

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔									
		Reserves 儲備									
		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	匯兌波動儲備	資本贖回儲備	購股權儲備	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
At 1 January 2016 (audited)	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
At 30 June 2016 (unaudited)	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

For the six months ended 30 June 2017

截至二零一七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 儲備									
		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	匯兌波動儲備	資本贖回儲備	購股權儲備	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
At 1 January 2017 (audited)	於二零一七年一月一日(經審核)	71,629	416,325	141,376	95,478	155	524	25,363	92,522	771,743	843,372
Loss and total comprehensive expense for the Period	本期間虧損及全面開支總額	-	-	-	-	-	-	-	(59,384)	(59,384)	(59,384)
Equity-settled share option arrangements	以股權結算的購股權安排	-	-	-	-	-	-	4,629	-	4,629	4,629
Forfeiture of share options	沒收購股權	-	-	-	-	-	-	(68)	68	-	-
At 30 June 2017 (unaudited)	於二零一七年六月三十日(未經審核)	71,629	416,325	141,376	95,478	155	524	29,924	33,206	716,988	788,617

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2017 截至二零一七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
2017 2016
二零一七年 二零一六年
RMB'000 RMB'000
人民幣千元 人民幣千元
(unaudited) (unaudited)
(未經審核) (未經審核)

NET CASH FLOWS FROM/(USED IN):	所得/(所用)現金流量淨額：		
Operating activities	經營活動	16,360	38,756
Investing activities	投資活動	(10,812)	(392,022)
Financing activities	融資活動	(6,335)	(3,889)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 減少淨額	(787)	(357,155)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	4,789	789,836
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	4,002	432,681
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物 結餘分析		
Cash and bank balances	現金及銀行結餘	4,002	432,681

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七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 and principal places of business of the Company as disclosed in the “Corporate Information” section of the interim report. 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, casual footwear and graphene-based EVA foam material and slippers. An analysis of the Group’s performance for the Period by business segment is set out in note 3 to 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 2016, 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。本公司註冊辦事處及主要營業地點的地址於本中期報告「公司資料」一節披露。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、休閒鞋及石墨烯EVA發泡材料及拖鞋的生產及銷售。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」）編製的截至二零一六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 2017 截至二零一七年六月三十日止六個月

2. BASIS OF PREPARATION (continued)

As at 30 June 2017, the Group's current liabilities exceeded its current assets by approximately RMB111,253,000. The Group incurred a loss for the Period of approximately RMB59,384,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of such circumstances, the Directors have given careful consideration to future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to finance its future working capital and financial requirements. Certain measures have been taken to manage its liquidity needs and to improve its financial position which include, but are not limited to, the followings:

1. The Group obtains facilities from financial institutions to extend existing borrowings upon their maturities. The Group will actively negotiate with the PRC banks for the renewal of the Group's PRC bank borrowings when they fall due to secure necessary facilities to meet the Group's working capital and financial requirements in the near future. The Directors have evaluated all the relevant facts available to them and are of the opinion that the Group has a good track record or relationship with the banks which will enhance the Group's ability to renew the Group's PRC bank borrowings upon expiry;
2. The Group will implement operation plans to control costs and generate adequate cash flows from the Group's operations; and
3. The Group obtained a new facility of RMB40,000,000 from a financial institution in June 2017 which was guaranteed by a subsidiary of the Group.

2. 編製基準(續)

於二零一七年六月三十日，本集團的流動負債超出其流動資產約人民幣111,253,000元。本集團於本期間產生了約人民幣59,384,000元的虧損。這些狀況表明存在重大的不確定性，可能對本集團持續經營的能力產生重大疑問，因此，本集團可能無法於日常業務中變現其資產及清償其負債。

鑒於該等情況，在評估本集團是否有能力滿足未來營運資金及財務需要時，董事已審慎考慮本集團的未來流動資金及表現以及其可用融資來源。已採取若干措施管理其流動資金需要及改善其財務狀況，包括但不限於以下各項：

1. 本集團從金融機構取得融資，以在現有借貸到期時延期。本集團將積極與國內銀行磋商，以在本集團的國內銀行借貸到期時續期，取得必要的融資以滿足本集團近期的營運資金及財務需要。董事已評估其已知的所有事實，並認為本集團具有良好的往績記錄或與銀行關係良好，這將加強本集團在國內銀行借貸到期時續期的能力；
2. 本集團將實施經營計劃，以控制成本及從本集團業務產生足夠的現金流量；及
3. 本集團已於二零一七年六月從一間金融機構取得人民幣40,000,000元的新融資，該融資由本集團一間附屬公司擔保。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

2. BASIS OF PREPARATION (continued)

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the Directors are of the opinion that it is appropriate to prepare the Interim Financial Statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in the Interim Financial Statements.

The Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 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 2017.

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRSs	Annual Improvements to IFRSs 2014-2016 Cycle

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.

2. 編製基準(續)

董事已審閱管理層編製的本集團現金流量預測。現金流量預測涵蓋呈報期末起不少於十二個月的期間。董事認為，經考慮上述計劃及措施，本集團將具有充足的營運資金，可於呈報期末起未來十二個月內為經營提供資金及滿足到期財務責任。因此，董事認為，按持續經營基準編製的中期財務報表屬適當。

如本集團無法繼續持續經營，將須作出調整，以將資產價值撇減至可收回金額，就可能出現的其他負債作出撥備，並將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響並未反映在中期財務報表中。

中期財務報表乃根據二零一六年度財務報表所採納之相同會計政策編製，惟預期將於二零一七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二零一七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。

國際會計準則第7號(修訂本)	披露計劃
國際會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產
國際財務報告準則(修訂本)	國際財務報告準則二零一四年至二零一六年期年度改進

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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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 sells Boree Products;
- (b) the graphene-based products segment applied the Technology Know-how by applying graphene in the production of Graphene-based 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, amortisation of intangible assets, fair value change on convertible notes, warrants and provision for contingent consideration at FVTPL, finance costs as well as corporate and other unallocated expenses.

Segment assets exclude property, plant and equipment, prepaid land 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.

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產品；
- (b) 石墨烯產品分部使用技術知識將石墨烯應用於生產石墨烯產品；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、無形資產攤銷、按公平值計入損益之可換股票據、認股權證及或然代價撥備之公平值變動、融資成本及企業及其他未分配開支。

由於物業、廠房及設備、預付土地租金、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 2017 截至二零一七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 Baofeng branded products segment presented for the period ended 30 June 2016, it is not reported in the Period since it ceased operation in 2016.

Period ended 30 June 2017

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。

就截至二零一六年六月三十日止期間呈報的寶峰牌產品分部而言，由於該分部於二零一六年停止經營，故並無就本期間報告該分部。

截至二零一七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)	Graphene- based Products 石墨烯產品 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)
Segment revenue	分部收益				
Sales to external customers	向外界客戶銷售	1,528	99	77,701	79,328
Segment results	分部業績	(844)	(66)	15,986	15,076
<i>Reconciliation:</i>	<i>對賬：</i>				
Interest income	利息收入				55
Other unallocated net income and gains	其他未分配收入及收益淨額				799
Corporate and other unallocated expenses	企業及其他未分配開支				(22,664)
Amortisation of intangible assets	無形資產攤銷				(63,298)
Fair value gain on convertible notes and warrants at FVTPL	按公平值計入損益之可換股票據及認股權證之公平值收益				33,747
Fair value loss on provision for contingent consideration at FVTPL	按公平值計入損益之或然代價撥備之公平值損失				(18,139)
Finance costs	融資成本				(3,335)
Loss before tax	除稅前虧損				(57,759)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

As at 30 June 2017

3. 分部資料(續)

於二零一七年六月三十日

		Boree Products 寶人牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Graphene- based Products 石墨烯產品 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)
Segment assets	分部資產	4,613	17,889	24,138	46,640
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	企業及其他未分配資產				<u>1,391,196</u>
Total assets	資產總額				<u>1,437,836</u>
Segment liabilities	分部負債	300	-	-	300
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	企業及其他未分配負債				<u>648,919</u>
Total liabilities	負債總額				<u>649,219</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 2017 截至二零一七年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

Period ended 30 June 2016

3. 分部資料(續)

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)	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)
Segment revenue	分部收益			
Sales to external customers	向外界客戶銷售	710	94,144	94,854
Segment results	分部業績	(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			(26,734)
Amortisation of intangible assets	無形資產攤銷			(26,350)
Fair value gain on convertible notes and warrants at FVTPL	按公平值計入損益之可換股票據及認股權證之公平值收益			22,757
Fair value loss on provision for contingent consideration at FVTPL	按公平值計入損益或然代價撥備之公平值損失			(11,448)
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 2017 截至二零一七年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

As at 31 December 2016

3. 分部資料(續)

於二零一六年十二月三十一日

		Boree Products 寶人牌產品 RMB'000 人民幣千元 (audited) (經審核)	Graphene- based Products 石墨烯產品 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)
Segment assets	分部資產	1,497	33,011	48,340	82,848
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	企業及其他未分配資產				1,451,743
Total assets	資產總額				1,534,591
Segment liabilities	分部負債	300	-	-	300
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	企業及其他未分配負債				690,919
Total liabilities	負債總額				691,219

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七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	
		2017	2016
		二零一七年	二零一六年
		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)	1,629	3,160
US	美國	71,607	89,632
South America	南美洲	375	402
Europe	歐洲	1,461	232
South East Asia	東南亞	1,945	258
Other countries	其他國家	2,311	1,170
		79,328	94,854

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
		2017	2016
		二零一七年	二零一六年
		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)	1,351,355	1,417,018

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 2017 截至二零一七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 客戶A
Customer B 客戶B
Customer C 客戶C

* Revenue from Customer C contributed less than 10% of the total sales of the Group for the Period.

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	
2017	2016
二零一七年	二零一六年
RMB'000	RMB'000
人民幣千元	人民幣千元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

48,152	41,836
8,135	13,785
6,695	19,609

* 於本期間來自客戶C之收益佔本集團總銷售額少於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 2017 截至二零一七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	
		2017 二零一七年 RMB'000 人民幣千元 (unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (unaudited) (未經審核)
Revenue	收益		
Manufacture and sales of goods	生產及銷售貨品	79,328	94,854
Other net income and gains	其他收入及收益淨額		
Interest income	利息收入	55	795
Sales of scrap material	銷售廢料	62	258
Rental income	租金收入	171	219
Subsidy income	補貼收入	164	-
Others	其他	402	36
		854	1,308

5. FINANCE COSTS

5. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (unaudited) (未經審核)	2016 二零一六年 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	3,335	4,318

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七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	
		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Cost of inventories sold*	已售存貨成本*	59,499	70,027
Depreciation*	折舊*	3,584	3,992
Amortisation of prepaid land lease payments	預付土地租金攤銷	422	422
Amortisation of intangible assets	無形資產攤銷	63,298	26,350
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*	211	205
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	22,206	24,495
Equity-settled share option expenses	以股權結算的購股權開支	4,629	11,864
Staff welfares	僱員福利	515	614
Contributions to retirement benefits schemes	退休福利計劃供款	1,205	1,615
		28,555	38,588
Reversal of impairment loss on trade receivables	撥回應收貿易賬款減值虧損	(690)	(263)
(Reversal of write down)/write down of inventories	存貨(撇減撥回)/撇減	(19)	1,429
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	108	-
Research and development costs**	研發成本**	4,615	1,571

* The cost of inventories sold for the Period includes approximately RMB16,563,000 (2016: RMB19,536,000) 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.

** 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.

* 本期間已售存貨成本包括約人民幣16,563,000元(二零一六年:人民幣19,536,000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。

** 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 2017 截至二零一七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 (2016: 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

由於本集團自過往年度結轉之稅項虧損超過本期間在香港產生的應課稅溢利，故並無作出香港利得稅撥備(二零一六年：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

		2017 二零一七年 RMB'000 人民幣千元 (unaudited) (未經審核)	2016 二零一六年 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	813	208
Under-provision in prior years	過往年度撥備不足	812	102
Total tax charge for the period	期內稅項費用總額	1,625	310

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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 RMB59,384,000 (2016: RMB27,186,000) and the weighted average number of Shares of 1,084,059,608 (2016: 1,077,726,861) in issue during the Period.

The weighted average number of Shares used to calculate the basic loss per share for the Period included the 1,084,059,608 Shares in issue as at 1 January 2017 and 30 June 2017.

The weighted average number of Shares used to calculate the basic loss per share for the period ended 30 June 2016 included the 1,067,579,608 Shares in issue as at 1 January 2016 and 16,200,000 Shares issued on 9 March 2016 in respect of the exercise of share options.

During the periods ended 30 June 2017 and 2016, diluted loss per share does not assume the exercise of the Company's share options and convertible notes as the exercise of the Company's share options and convertible notes would result in a decrease in loss per share, and is regarded as anti-dilutive.

9. DIVIDENDS

The Board did not recommend the payment of an interim dividend for the Period (For the six months ended 30 June 2016: Nil) to the shareholders of the Company.

8. 每股虧損

每股基本虧損乃基於本公司擁有人應佔本期間綜合虧損約人民幣59,384,000元(二零一六年：人民幣27,186,000元)及本期間已發行股份之加權平均股數1,084,059,608股(二零一六年：1,077,726,861股)計算。

用作計算截至本期間的每股基本虧損的股份之加權平均數包括於二零一七年一月一日及二零一七年六月三十日已發行的1,084,059,608股股份。

用作計算截至二零一六年六月三十日止期間的每股基本虧損的股份之加權平均數包括於二零一六年一月一日已發行的1,067,579,608股股份，以及就行使購股權於二零一六年三月九日發行的16,200,000股股份。

截至二零一七年及二零一六年六月三十日止期間，每股攤薄虧損並沒有假設行使本公司的購股權及可換股票據，原因是行使本公司的購股權及可換股票據將導致每股虧損減少及被視為反攤薄。

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(截至二零一六年六月三十日止六個月：零)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

10. INTANGIBLE ASSETS

10. 無形資產

		Technology Know-how (Notes a, c) 技術知識 (附註a, c) RMB'000 人民幣千元	O2O distribution vending system (Notes b, c) O2O分銷售貨系統 (附註b, c) RMB'000 人民幣千元	Deferred development costs (Note d) 遞延開發成本 (附註d) RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Cost:	成本:				
At 1 January 2016	於二零一六年一月一日	1,483,117	-	-	1,483,117
Addition during the year	年內新增	104,401	60,000	92,378	256,779
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	1,587,518	60,000	92,378	1,739,896
Addition during the Period	本期間新增	-	-	10	10
At 30 June 2017	於二零一七年六月三十日	1,587,518	60,000	92,388	1,739,906
Accumulated amortisation and impairment:	累計攤銷及減值:				
At 1 January 2016	於二零一六年一月一日	6,501	-	-	6,501
Provided for the year	年內撥備	105,401	-	-	105,401
Impairment loss for the year	年內減值虧損	325,616	-	-	325,616
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	437,518	-	-	437,518
Provided for the Period	本期間撥備	61,607	1,651	40	63,298
At 30 June 2017	於二零一七年六月三十日	499,125	1,651	40	500,816
Net carrying amount:	賬面淨值:				
At 30 June 2017	於二零一七年六月三十日	1,088,393	58,349	92,348	1,239,090
At 31 December 2016	於二零一六年十二月三十一日	1,150,000	60,000	92,378	1,302,378

Notes:

- (a) It represented the Technology Know-how, which was acquired from Bluestone, an independent third party, in 2015.

附註:

- (a) 指有關於二零一五年向獨立第三方藍石收購的技術知識。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

10. INTANGIBLE ASSETS (continued)

Notes: (continued)

(a) (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 represented the sum of the cash consideration, the fair value of the convertible notes (note 14) and provision for contingent consideration at the acquisition date (note 15), and the capitalised transaction costs arising directly from the acquisition of the Technology Know-how. During 2016, addition of the Technology Know-how represented the capitalisation of imputed interest of discounting the contingent consideration until the commencement of the use of the Technology Know-how. 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 Technology Know-how has definite useful lives and is amortised over 10 years using the straight-line method.

- (b) In July 2016, the Group acquired the design of O2O distribution vending system at the consideration of RMB60,000,000 from two independent third parties. Directors consider that the O2O distribution vending system would provide customers with an interactive and unique shopping experience, enhance the distribution channel of the products made by the Group and establish the core technical competitiveness of the Group.
- (c) The Directors consider that the Technology Know-how and O2O distribution vending system belong to the O2O cash generating unit (the “Cash-generating Unit”), being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. The Directors conducted an impairment assessment on the Cash-generating Unit and considered that there was no impairment to the carrying amount of the Cash-generating Unit as at 30 June 2017.
- (d) In July 2016, the Group engaged several independent third parties in the research and development of manufacturing and application technology of graphene material on sterilizing chips, energy storage materials for batteries and pressure-sensitive lighting devices for shoes. The Directors seek the opportunities in applying the graphene material in products other than shoes and plan to launch in the coming years.

10. 無形資產(續)

附註：(續)

(a) (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，指現金代價、可換股票據(附註14)及或然代價撥備於收購日期的公平值(附註15)及直接因收購技術知識而產生的資本化交易成本之總額。於二零一六年，新增的技術知識指在開始使用技術知識前將貼現或然代價的算定利息資本化。本集團第一條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。

技術知識具有有限可使用年期並以直線法分10年攤銷。

- (b) 於二零一六年七月，本集團向兩名獨立第三方收購O2O分銷售貨系統的設計，代價為人民幣60,000,000元。董事認為，O2O分銷售貨系統為客戶提供互動及獨特的購物體驗，加強由本集團生產之產品的分銷渠道及建立本集團之核心技術競爭力。
- (c) 董事認為，技術知識與O2O分銷售貨系統屬於O2O現金產生單位(「現金產生單位」)，即基本獨立於其他資產之現金流入的可產生現金流入的最小可識別資產組別。董事已對現金產生單位進行減值評估，並認為於二零一七年六月三十日現金產生單位的賬面值並無須減值。
- (d) 於二零一六年七月，本集團聘用數名獨立第三方研發石墨烯材料於殺菌芯片、電池等儲能材料及鞋履壓敏照明裝置的生產及應用技術。董事尋求將石墨烯材料應用於鞋履以外的產品之機會，並計劃於未來幾年推出。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

10. INTANGIBLE ASSETS (continued)

Notes: (continued)

(d) (continued)

The Directors estimated the value in use of the deferred development costs for impairment assessment purpose using discounted cash flow approach and concluded that no provision for impairment to the carrying amount of the deferred development costs was made at 30 June 2017.

11. TRADE 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.

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

Within 3 months	3個月內
4 to 6 months	4至6個月
7 to 12 months	7至12個月

10. 無形資產(續)

附註：(續)

(d) (續)

董事已使用貼現現金流法估計遞延開發成本的使用價值，以進行減值評估，結論是於二零一七年六月三十日並無就遞延開發成本的賬面值作出減值撥備。

11. 應收貿易賬款

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。

於呈報期末，本集團應收貿易賬款扣除呆賬撥備後的按發票日期劃分的賬齡分析如下：

30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
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16,910	38,208
6,903	33,063
18,265	4,861

42,078	76,132
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Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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:

Within 3 months	3個月內
Over 3 months	3個月以上

The trade and bills payables are non-interest-bearing and are normally settled on six months terms (31 December 2016: six months). The bills payables of RMB8,327,000 (31 December 2016: RMB14,277,000) were secured by the Group's pledged deposits amounting to RMB2,498,000 as at 30 June 2017 (31 December 2016: RMB4,283,000).

12. 應付貿易賬款及應付票據

於呈報期末，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：

	30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
	18,505	36,998
	19,832	16,891
	38,337	53,889

應付貿易賬款及應付票據不計息，且一般於六個月(二零一六年十二月三十一日：六個月)內償還。於二零一七年六月三十日，本集團通過已質押存款人民幣2,498,000元(二零一六年十二月三十一日：人民幣4,283,000元)為人民幣8,327,000元(二零一六年十二月三十一日：人民幣14,277,000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 2017 截至二零一七年六月三十日止六個月

13. INTEREST-BEARING BANK BORROWINGS

13. 計息銀行借貸

	30 June 2017	31 December 2016
	二零一七年 六月三十日	二零一六年 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)
Secured bank loans repayable within one year 須於一年內償還的有抵押銀行貸款	121,000	124,000
(a) At 30 June 2017 and 31 December 2016, the bank loans were denominated in Renminbi and bore interest rates ranging from:		(a) 於二零一七年六月三十日及二零一六年十二月三十一日，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 2017 4.35% – 5.06% per annum		截至二零一七年六月三十日止六個月 每年4.35%至5.06%
Year ended 31 December 2016 4.60% – 6.25% per annum		截至二零一六年十二月三十一日止年度 每年4.60%至6.25%
(b) At 30 June 2017, the secured bank loans of the Group were secured by a pledge of the Group's buildings and land use right, amounting to approximately RMB14,046,000 (31 December 2016: RMB15,680,000) and approximately RMB33,034,000 (31 December 2016: RMB33,456,000) respectively. In addition, the bank loans were guaranteed by an independent third party and Mr. Zheng Jingdong.		(b) 於二零一七年六月三十日，本集團分別已抵押約人民幣14,046,000元(二零一六年十二月三十一日：人民幣15,680,000元)的樓宇及約人民幣33,034,000元(二零一六年十二月三十一日：人民幣33,456,000元)的土地使用權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鄭景東先生擔保。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

14. CONVERTIBLE NOTES AND WARRANTS

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

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：

		2015 Convertible Notes 二零一五年 可換股票據 (Note a) (附註a) RMB'000 人民幣千元	2016 Convertible Notes 二零一六年 可換股票據 (Note a) (附註a) RMB'000 人民幣千元	2012 Warrants 二零一二年 認股權證 (Note b) (附註b) RMB'000 人民幣千元	2015 Warrants 二零一五年 認股權證 (Note b) (附註b) RMB'000 人民幣千元	Total 合共 RMB'000 人民幣千元
Fair value at 1 January 2016	於二零一六年一月一日的公平值	91,717	-	11,146	10,444	113,307
Issued during the year	年內發行	-	55,411	-	-	55,411
Fair value loss charged/ (gain credited) to profit or loss during the year	年內於損益扣除的公平值損失/(計入的公平值收益)	25,177	22,519	(6,079)	(10,444)	31,173
Fair value at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日的公平值	116,894	77,930	5,067	-	199,891
Fair value gain credited to profit or loss during the Period	本期間計入損益的公平值收益	(17,222)	(11,482)	(5,043)	-	(33,747)
Fair value at 30 June 2017	於二零一七年六月三十日的公平值	99,672	66,448	24	-	166,144
Represented by: At 30 June 2017	由以下各項表示： 於二零一七年六月三十日					
Current portion	流動部分	-	-	24	-	24
Non-current portion	非流動部分	99,672	66,448	-	-	166,120
		99,672	66,448	24	-	166,144
At 31 December 2016	於二零一六年十二月三十一日					
Current portion	流動部分	-	-	5,067	-	5,067
Non-current portion	非流動部分	116,894	77,930	-	-	194,824
		116,894	77,930	5,067	-	199,891

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

14. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes and the Warrants (continued)

Notes:

- (a) 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 settlement of 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 2015 Convertible Notes and 2016 Convertible Notes (collectively as the "Convertible Notes") entitle the holder to convert them into the Shares at any time from the date of issue of the 2015 Convertible Notes 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 Shares in issue by the Company on the date of such allotment and issue. Also, the Company has a right to redeem the Convertible Notes at any time before the maturity dates of the Convertible Notes.

During the period ended 30 June 2017 and year ended 31 December 2016, the Convertible Notes holder did not convert any Convertible Notes.

The Convertible Notes included a debt instrument with embedded derivatives. Upon initial recognition, the Convertible Notes are designated as financial liabilities at FVTPL since it contains embedded foreign exchange derivatives. The fair values of the Convertible Notes 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)

可換股票據及認股權證估值 (續)

附註:

- (a) 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。作為結算或然代價的一部分，本公司亦於二零一六年二月二日發行本金額為73,920,000港元之零票息無抵押可換股票據（「二零一六年可換股票據」）。

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」）賦予持有人權利可於二零一五年可換股票據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）前一日之任何時候，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）將二零一五年可換股票據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股份具有同等地位。本公司亦有權於可換股票據到期日前任何時間贖回可換股票據。

截至二零一七年六月三十日止期間及二零一六年十二月三十一日止年度，可換股票據持有人並無兌換任何可換股票據。

可換股票據包含附帶嵌入式衍生工具的債務工具。於初次確認後，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 2017 截至二零一七年六月三十日止六個月

14. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes and the Warrants (continued)

Notes: (continued)

(a) (continued)

Valuation

As at 30 June 2017 and 31 December 2016, the fair values of the 2015 Convertible Notes and 2016 Convertible Notes were based on the valuations performed by Ascent Partners Valuation Service Limited ("Ascent Partners"), an independent firm of professionally qualified valuers and calculated using the binomial model and the inputs into the model 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 (續)

附註: (續)

(a) (續)

估值

於二零一七年六月三十日及二零一六年十二月三十一日，二零一五年可換股票據及二零一六年可換股票據的公平值乃根據艾升評值諮詢有限公司(「艾升」)所進行的估值計算，該公司為獨立專業合資格估值師並採用二項模式計算，該模式的輸入數據如下：

		30 June 2017 二零一七年 六月三十日	31 December 2016 二零一六年 十二月三十一日
2015 Convertible Notes	二零一五年可換股票據		
Stock price (HK\$)	股價 (港元)	0.87	0.99
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 (%)	53.21	81.76
Risk-free rate (% per annum)	無風險利率 (% 每年)	0.64	1.07
Expected life (years)	預期年期 (年)	1.46	1.96
Expected dividend yield (%)	預期股息收益率 (%)	0	0
2016 Convertible Notes	二零一六年可換股票據		
Stock price (HK\$)	股價 (港元)	0.87	0.99
Principal amount (HK\$'000)	本金額 (千港元)	73,920	73,920
Coupon rate (%)	票面利率 (%)	0	0
Conversion price (HK\$)	換股價 (港元)	0.84	0.84
Volatility (%)	波幅 (%)	57.06	80.88
Risk-free rate (% per annum)	無風險利率 (% 每年)	0.68	1.10
Expected life (years)	預期年期 (年)	1.59	2.09
Expected dividend yield (%)	預期股息收益率 (%)	0	0

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

14. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes and the Warrants (continued)

Notes: (continued)

- (b) 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"). No 2012 Convertible Notes remained outstanding as at 31 December 2015. 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.

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).

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.

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)

附註：(續)

- (b) 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」)。於二零一五年十二月三十一日，概無二零一二年可換股票據仍未行使。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。

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。

於發生任何違約事件或認購協議所述的若干事件後，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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

14. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes and the Warrants (continued)

Notes: (continued)

(b) (continued)

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 agreement amongst the Subscriber and three independent third parties (the "Transferees") on 29 October 2014, the 2012 Warrants were also transferred from the Subscriber to the Transferees on 29 October 2014.

On 13 March 2015, the Company entered into a 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. The subscription rights attaching to the 2015 Warrants was expired on 20 October 2016.

Upon full subscription of the 2012 Warrants, a total of 63,691,570 new Shares will be issued and the net proceeds upon full subscription are approximately HK\$94,900,000 (i.e. RMB82,366,000).

No warrants have been exercised during the period ended 30 June 2017 and year ended 31 December 2016.

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)

附註: (續)

(b) (續)

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。

根據認購人與三名獨立第三方（「承讓人」）於二零一四年十月二十九日訂立的協議，二零一二年認股權證亦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。二零一五年認股權證隨附的認購權於二零一六年十月二十日屆滿。

二零一二年認股權證獲悉數認購後，將發行合共63,691,570股新股份，而悉數認購後的所得款項淨額約為94,900,000港元（即人民幣82,366,000元）。

於截至二零一七年六月三十日止期間及二零一六年十二月三十一日止年度，概無認股權證獲行使。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

14. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes and the Warrants (continued)

Notes: (continued)

(b) (continued)

The 2012 Warrants and 2015 Warrants (collectively as the "Warrants") are classified as derivatives and are accounted for as financial liabilities at FVTPL upon initial recognition since it contains embedded foreign exchange derivatives. The fair values 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.

Valuation

As at 30 June 2017 and 31 December 2016, the fair values of the 2012 Warrants were based on the valuations performed by Asset Appraisal Limited, which is an independent firm of professionally qualified valuers and calculated using the binomial model and the inputs into the model were as follows:

2012 Warrants

Stock price (HK\$)
Exercise price (HK\$)
Volatility (%)
Risk-free rate (% per annum)
Expected life (years)
Expected dividend yield (%)

二零一二年認股權證

股價(港元)
行使價(港元)
波幅(%)
無風險利率(%·每年)
預期年期(年)
預期股息收益率(%)

0.59
1.49
51.26
0.36
0.48
0

0.99
1.49
55.71
0.85
0.98
0

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)

附註:(續)

(b) (續)

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」)分類為衍生工具,於初次確認時入賬列作按公平值計入損益的金融負債,原因是其含有嵌入式外匯衍生工具。認股權證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。

估值

於二零一七年六月三十日及二零一六年十二月三十一日,二零一二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,該公司為獨立專業合資格估值師並採用二項模式計算,該模式的輸入數據如下:

30 June 2017 二零一七年 六月三十日	31 December 2016 二零一六年 十二月三十一日
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Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七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.

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

“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.

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。

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：

「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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

15. PROVISION FOR CONTINGENT CONSIDERATION (continued)

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.

“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.

Second Instalment Conditions and Third Instalment Conditions have been fulfilled and the Company has paid RMB389,409,836 by way of cash and RMB60,590,164 by way of issuing the 2016 Convertible Notes (refer to note 14) and RMB270,000,000 by way of cash on 2 February 2016 and 8 September 2016 respectively.

15. 或然代價撥備(續)

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。

「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。

第二期條件及第三期條件已達成，本公司分別於二零一六年二月二日以現金支付人民幣389,409,836元及透過發行二零一六年可換股票據支付人民幣60,590,164元(請參閱附註14)及於二零一六年九月八日以現金支付人民幣270,000,000元。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

15. PROVISION FOR CONTINGENT CONSIDERATION (continued)

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 earnings before interests, taxes, depreciation and amortisation ("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").

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.

15. 或然代價撥備(續)

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)除利息、稅項、折舊及攤銷前盈利(「EBITDA」)的35%，惟最高分成金額為人民幣630,000,000元(「EBITDA分成機制」)。

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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

15. PROVISION FOR CONTINGENT CONSIDERATION (continued)

Provision for contingent consideration as at 30 June 2017 represented the contingent cash consideration payable to Bluestone or its nominee(s) under the EBITDA Sharing Mechanism.

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

		30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2016 二零一六年 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	於本期間／年初	276,868	1,029,203
Settlement during the Period/year	本期間／年內結算	-	(610,420)
Fair value loss charged/(gain credited) to profit or loss during the Period/year	本期間／年內於損益扣除的公平值損失／(計入的公平值收益)	18,139	(141,915)
As at the end of the Period/year	於本期間／年末	295,007	276,868
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	(12,705)	(8,303)
Non-current portion	非流動部分	282,302	268,565

The fair value of the provision for contingent consideration is calculated using the discounted cash flow approach. The discount rate used in the approach as at 30 June 2017 was ranging from 12.42%-12.53% (31 December 2016: 12.15%-12.69%).

The provision for contingent consideration is classified as a financial liability which will then be measured at fair value and any changes in fair value will be recognised in the consolidated statement of profit or loss.

The Directors conducted a fair value assessment of the provision for contingent consideration as at 30 June 2017, with reference to a valuation conducted by Ascent Partners.

15. 或然代價撥備(續)

於二零一七年六月三十日的或然代價撥備指根據EBITDA分成機制應付藍石或其提名人的或然現金代價。

或然代價撥備之變動如下：

		30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
於本期間／年初		276,868	1,029,203
本期間／年內結算		-	(610,420)
本期間／年內於損益扣除的公平值損失／(計入的公平值收益)		18,139	(141,915)
於本期間／年末		295,007	276,868
計入已收按金、其他應付款項及應計費用之流動部分		(12,705)	(8,303)
非流動部分		282,302	268,565

或然代價撥備的公平值採用貼現現金流法計算。於二零一七年六月三十日，該法的貼現率使用範圍為12.42%-12.53%(二零一六年十二月三十一日：12.15%-12.69%)。

或然代價撥備被分類為金融負債，然後將按公平值計量，任何公平值變動將於綜合損益表內確認。

董事已參考艾升作出之估值對二零一七年六月三十日之或然代價撥備進行公平值評估。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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
Authorised:	法定：			
At 1 January 2016, 31 December 2016, 1 January 2017 and 30 June 2017	於二零一六年一月一日、二零一六年十二月三十一日、二零一七年一月一日及二零一七年六月三十日	5,000,000,000	50,000	342,400
Issued:	已發行：			
At 1 January 2016	於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	16,480,000	165	1,074
At 31 December 2016, 1 January 2017 and 30 June 2017	於二零一六年十二月三十一日、二零一七年一月一日及二零一七年六月三十日	1,084,059,608	10,841	71,629

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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 share 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 share 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)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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七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 2017 二零一七年六月三十日 (unaudited) (未經審核)		31 December 2016 二零一六年十二月三十一日 (audited) (經審核)	
	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of share options 購股權數目
At the beginning of the Period/ year 於本期間/年初	0.73	153,200,000	0.83	69,250,000
Granted during the Period/year 本期間/年內授出	-	-	0.70	105,800,000
Forfeited during the Period/year 本期間/年內沒收	0.81	(300,000)	1.10	(5,370,000)
Exercised during the Period/year 本期間/年內行使	-	-	0.81	(16,480,000)
At the end of the Period/year 於本期間/年末	0.73	152,900,000	0.73	153,200,000

Nil (31 December 2016: 105,800,000) share option and nil (31 December 2016: 16,480,000) share option were granted and exercised during the Period respectively, and 300,000 (31 December 2016: 5,370,000) share options were forfeited during the Period due to cessation of employment of the participant.

於本期間，分別有零份(二零一六年十二月三十一日：105,800,000份)及零份(二零一六年十二月三十一日：16,480,000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300,000份(二零一六年十二月三十一日：5,370,000份)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

17. SHARE OPTION SCHEME (continued)

The outstanding share options as at 30 June 2017 were vested to the grantees in the following manner:

- 11,957,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.
- 21,116,000 of such share options were vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 5,395,000 of such share options will be vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 4,316,000 of such share options will be vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 4,316,000 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 were vested on 24 June 2016 with an exercise period from 24 June 2016 to 23 June 2021.
- 36,060,000 of such share options were 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)

於二零一七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11,957,000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二零二零年十二月九日。
- 該等購股權的21,116,000份已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二零二零年十二月九日。
- 該等購股權的5,395,000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二零二零年十二月九日。
- 該等購股權的4,316,000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二零二零年十二月九日。
- 該等購股權的4,316,000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二零二零年十二月九日。
- 該等購股權的52,245,000份已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份已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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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.
- 1,425,000 of such share options were vested on 16 December 2016 with an exercise period from 16 December 2016 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2017 with an exercise period from 16 December 2017 to 15 December 2021.
- 2,375,000 of such share options will be vested on 16 December 2018 with an exercise period from 16 December 2018 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2019 with an exercise period from 16 December 2019 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2020 with an exercise period from 16 December 2020 to 15 December 2021.

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。
- 該等購股權的1,425,000份已於二零一六年十二月十六日歸屬，行使期為二零一六年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零一七年十二月十六日歸屬，行使期為二零一七年十二月十六日至二零二一年十二月十五日。
- 該等購股權的2,375,000份將於二零一八年十二月十六日歸屬，行使期為二零一八年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零一九年十二月十六日歸屬，行使期為二零一九年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零二零年十二月十六日歸屬，行使期為二零二零年十二月十六日至二零二一年十二月十五日。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

17. SHARE OPTION SCHEME (continued)

The outstanding share options as at 31 December 2016 were vested to the grantees in the following manner:

- 12,002,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.
- 21,176,000 of such share options were vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 5,470,000 of such share options will be vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 4,376,000 of such share options will be vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 4,376,000 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 were vested on 24 June 2016 with an exercise period from 24 June 2016 to 23 June 2021.
- 36,060,000 of such share options were 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12,002,000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二零二零年十二月九日。
- 該等購股權的21,176,000份已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二零二零年十二月九日。
- 該等購股權的5,470,000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二零二零年十二月九日。
- 該等購股權的4,376,000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二零二零年十二月九日。
- 該等購股權的4,376,000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二零二零年十二月九日。
- 該等購股權的52,245,000份已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份已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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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.
- 1,425,000 of such share options were vested on 16 December 2016 with an exercise period from 16 December 2016 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2017 with an exercise period from 16 December 2017 to 15 December 2021.
- 2,375,000 of such share options will be vested on 16 December 2018 with an exercise period from 16 December 2018 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2019 with an exercise period from 16 December 2019 to 15 December 2021.
- 1,900,000 of such share options will be vested on 16 December 2020 with an exercise period from 16 December 2020 to 15 December 2021.

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。
- 該等購股權的1,425,000份已於二零一六年十二月十六日歸屬，行使期為二零一六年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零一七年十二月十六日歸屬，行使期為二零一七年十二月十六日至二零二一年十二月十五日。
- 該等購股權的2,375,000份將於二零一八年十二月十六日歸屬，行使期為二零一八年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零一九年十二月十六日歸屬，行使期為二零一九年十二月十六日至二零二一年十二月十五日。
- 該等購股權的1,900,000份將於二零二零年十二月十六日歸屬，行使期為二零二零年十二月十六日至二零二一年十二月十五日。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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 2017

二零一七年六月三十日

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
9,500,000	0.99	16 December 2016 to 15 December 2021 二零一六年十二月十六日至二零二一年十二月十五日
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
47,100,000	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

31 December 2016

二零一六年十二月三十一日

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
9,500,000	0.99	16 December 2016 to 15 December 2021 二零一六年十二月十六日至二零二一年十二月十五日
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
47,400,000	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

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 RMB8,532,000 and RMB525,000 during the year ended 31 December 2016 and the Period respectively.

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)，其中本集團於截至二零一六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8,532,000元及人民幣525,000元。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

17. SHARE OPTION SCHEME (continued)

The fair values of the share options granted on 24 June 2016 ("Jun 2016") and 16 December 2016 ("Dec 2016") were HK\$18,960,000 (equivalent to RMB16,204,000) and HK\$3,924,000 (equivalent to RMB3,510,000) of which the Group recognised share option expenses of RMB3,373,000 (31 December 2016: RMB11,774,000) and RMB731,000 (31 December 2016: RMB406,000) during the Period respectively.

The fair value of equity-settled share options granted during the years ended 31 December 2015 and 2016 was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the share options were granted respectively. The following table lists the inputs to the model used:

		Dec 2016 二零一六年 十二月	Jun 2016 二零一六年 六月	2015 二零一五年
Dividend yield (%)	股息收益率(%)	0	0	0
Volatility (%)	波幅(%)	65.40	64.65	65.20
Risk-free interest rate (%)	無風險利率(%)	1.56	0.69	0.99
Expected life of share 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)	0.99	0.67	0.81

The expected life of the share 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 share options granted was incorporated into the measurement of fair value.

During the year ended 31 December 2016, 16,480,000 of exercised share options with fair value of approximately RMB4,563,000 which previously recognised in share options reserve have been transferred to share premium.

17. 購股權計劃(續)

於二零一六年六月二十四日(「二零一六年六月」)及二零一六年十二月十六日(「二零一六年十二月」)授出的購股權公平值分別為18,960,000港元(相當於人民幣16,204,000元)及3,924,000港元(相當於人民幣3,510,000元)，其中本集團於截至本期間分別確認購股權開支人民幣3,373,000元(二零一六年十二月三十一日：人民幣11,774,000元)及人民幣731,000元(二零一六年十二月三十一日：人民幣406,000元)。

截至二零一五年及二零一六年十二月三十一日止年度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，並分別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。

截至二零一六年十二月三十一日止年度，16,480,000份已行使購股權原於購股權儲備確認的公平值約人民幣4,563,000元已轉撥至股份溢價。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

17. SHARE OPTION SCHEME (continued)

During the Period, 300,000 (31 December 2016: 5,370,000) of forfeited share options with fair value of approximately RMB68,000 (31 December 2016: RMB1,474,000) which previously recognised in share options reserve had been transferred to retained profits.

As at 30 June 2017, the Company had 152,900,000 (31 December 2016: 153,200,000) share options outstanding under the Share Option Scheme, which represented approximately 14.1% (31 December 2016: 14.1%) 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 152,900,000 (31 December 2016: 153,200,000) additional Shares and additional share capital and share premium of approximately HK\$11,934,000 (equivalent to RMB10,358,000) (31 December 2016: HK\$11,881,000 equivalent to RMB10,628,000) and approximately HK\$100,143,000 (equivalent to RMB86,916,000) (31 December 2016: HK\$100,439,000 equivalent to RMB89,844,000), 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)

於本期間，300,000份(二零一六年十二月三十一日：5,370,000份)已沒收購股權原於購股權儲備確認的公平值約人民幣68,000元(二零一六年十二月三十一日：人民幣1,474,000元)已轉撥至保留溢利。

於二零一七年六月三十日，本公司於購股權計劃項下擁有152,900,000份(二零一六年十二月三十一日：153,200,000份)尚未行使的購股權，佔於該日期已發行股份約14.1%(二零一六年十二月三十一日：14.1%)。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152,900,000股(二零一六年十二月三十一日：153,200,000股)股份及額外股本及股份溢價(未扣除發行開支)分別約11,934,000港元(相當於人民幣10,358,000元)(二零一六年十二月三十一日：11,881,000港元，相當於人民幣10,628,000元)及約100,143,000港元(相當於人民幣86,916,000元)(二零一六年十二月三十一日：100,439,000港元，相當於人民幣89,844,000元)。

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 2017 截至二零一七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 2017 於二零一七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, RMB166,120,000 負債， 人民幣166,120,000元	Level 3 第三級	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, RMB24,000 負債， 人民幣24,000元	Level 3 第三級	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 或然代價撥備	Liabilities, RMB295,007,000 負債， 人民幣295,007,000元	Level 3 第三級	Discounted Cash Flow Approach The key inputs are set out in note 15 貼現現金流法 主要輸入值載於附註15

There were no transfers in or out of level 3 for the Period and year ended 31 December 2016.

於本期間及截至二零一六年十二月三十一日止年度，第三級並無轉入或撥出。

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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

As at 30 June 2017

18. 金融工具的公平值計量(續)

公平值等級

於二零一七年六月三十日

		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	-	-	166,120	166,120
Warrants	認股權證	-	-	24	24
Provision for contingent consideration	或然代價撥備	-	-	295,007	295,007

As at 31 December 2016

於二零一六年十二月三十一日

		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	-	-	194,824	194,824
Warrants	認股權證	-	-	5,067	5,067
Provision for contingent consideration	或然代價撥備	-	-	276,868	276,868

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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 one 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:

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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)
Within one year	一年內	508	398
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)	750	940
		1,258	1,338

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一至五年。

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：

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:

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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)
Contracted for capital commitment in respect of investment in a subsidiary	有關於附屬公司投資的訂約資本承擔	128,171	128,171
Contracted for commitments in respect of:	有關以下項目的訂約承擔：		
– advertising and consultancy services	– 廣告及諮詢服務	462	147
– research and development contract	– 研發合約	60	60
– property, plant and equipment	– 物業、廠房及設備	13,970	1,200
		14,492	1,407

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：

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七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	
		2017	2016
		二零一七年	二零一六年
		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	1,011	981
Contributions to retirement benefits schemes	退休福利計劃供款	16	15
		1,027	996

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 25 August 2017.

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二零一七年八月二十五日經董事會批准及授權發佈。

寶峰時尚

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2017 中期報告 INTERIM REPORT



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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)