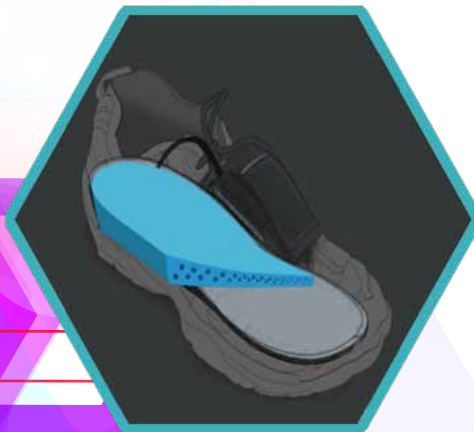


寶峰時尚

boree

2018 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

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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

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

註冊辦事處

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

開曼群島主要股份過戶登記處

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

天健國際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

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Financial Highlights

財務概要

		Six months ended 30 June		
		截至六月三十日止六個月		Increase/
		2018	2017	(decrease)
		二零一八年	二零一七年	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)	101,726	79,328	28.2
Revenue (Boree Products)	收益(寶人牌產品)	2,147	1,528	40.5
Revenue (Graphene-based Products)	收益(石墨烯產品)	2,294	99	2,217.2
Revenue (OEM Business)	收益(OEM業務)	97,285	77,701	25.2
Gross profit	毛利	25,047	19,848	26.2
Loss for the period	期內虧損	(55,001)	(59,384)	(7.4)
Shareholders' equity	股東權益	367,266	788,617	(53.4)

		Six months ended 30 June		
		截至六月三十日止六個月		
		2018	2017	
		二零一八年	二零一七年	
		(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	101.7	79.3	
Gross profit	毛利	25.0	19.8	
Loss for the period	期內虧損	(55.0)	(59.4)	
Profitability ratios (%)	盈利能力比率(%)			
Gross profit margin	毛利率	24.6	25.0	
Net loss margin	淨虧損率	(54.1)	(74.9)	
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	678.1	1,351.3	
Current assets	流動資產	99.0	86.5	
Current liabilities	流動負債	361.3	197.7	
Non-current liabilities	非流動負債	48.5	451.5	
Shareholders' equity	股東權益	367.3	788.6	
Asset and working capital data	資產及營運資金數據			
Current asset ratios (%)	流動資產比率(%)	12.7%	6.0%	
Current ratios (time)	流動比率(倍)	0.3x	0.4x	
Gearing ratios (%)	負債比率(%)	52.5%	44.8%	



During the first half of 2018, Baofeng Modern International Holdings Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) recorded an increase in revenue of approximately RMB22.4 million or 28.2% for the six months ended 30 June 2018 (the “Period”) to approximately RMB101.7 million (2017: RMB79.3 million), which was contributed by the increase in revenue of all operating segments. The Group continued to focus 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 customized graphene-based slippers (“Graphene-based Slippers”). Besides, due to delay of placing orders by some overseas customers at the end of last year, some orders of the Original Equipment Manufacturer (“OEM”) business were delayed to the first half of 2018, which led to an increase in sales of OEM business during the Period.

During the Period, the gross profit margin of the Group slightly decreased to 24.6% (2017: 25.0%), which was mainly attributable to the increase in cost of chemical raw materials.

During the Period, the Group recorded a net loss of approximately RMB55.0 million (2017: RMB59.4 million), which was mainly attributable to (i) amortisation of intangible assets of approximately RMB36.3 million (2017: RMB63.3 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 ethylene-vinyl acetate (“EVA”) foam material, graphene deodorizing and sterilizing chips and graphene-based pressure-sensitive sensors and the exclusive formula (collectively as the “Technology Know-how”) from Bluestone Technologies (Cayman) Limited (“Bluestone”); (ii) share-based payment expenses of approximately RMB8.9 million (2017: RMB4.6 million) in relation to the share options granted by the Company on 10 December 2015, 24 June 2016, 16 December 2016 and 19 June 2018; (iii) impairment loss on trade receivables of approximately RMB6.0 million (2017: reversal of impairment loss on trade receivables of RMB0.7 million); and (iv) the fair value loss on convertible notes at fair value through profit or loss (“FVTPL”) of approximately RMB4.8 million (2017: fair value gain on convertible notes and warrants at FVTPL of RMB33.7 million).

於二零一八年上半年，受惠於所有經營分部的收益增加，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」）於截至二零一八年六月三十日止六個月（「本期間」）錄得收益上升約人民幣22,400,000元或28.2%至約人民幣101,700,000元（二零一七年：人民幣79,300,000元）。本集團繼續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）。此外，由於於去年年底一些海外客戶延遲下訂單，部分原設備製造商（「OEM」）業務的訂單被推遲至二零一八年上半年，導致於本期間OEM業務的銷售上升。

於本期間，本集團的毛利率輕微下跌至24.6%（二零一七年：25.0%），主要是由於化工原料成本上升所致。

於本期間，本集團錄得淨虧損約人民幣55,000,000元（二零一七年：人民幣59,400,000元），主要是由於：(i)有關O2O分銷售貨系統及向藍石科技（開曼）有限公司（「藍石」）收購有關石墨烯應用的若干技術知識，包括有關生產石墨烯乙烯-醋酸乙烯共聚物（「EVA」）發泡材料、石墨烯除臭殺菌芯片及石墨烯壓力傳感器的美利堅合眾國（「美國」）一項專利、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36,300,000元（二零一七年：人民幣63,300,000元）；(ii)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、二零一六年十二月十六日及二零一八年六月十九日授出購股權之以股份支付的開支約人民幣8,900,000元（二零一七年：人民幣4,600,000元）；(iii)有關應收貿易賬款減值虧損約人民幣6,000,000元（二零一七年：應收貿易賬款減值虧損撥回人民幣700,000元）；及(iv)有關按公平值計入損益（「按公平值計入損益」）之可換股票據的公平值損失約人民幣4,800,000元（二零一七年：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人民幣33,700,000元）。

Management Discussion & Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue by Product Category

財務回顧

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		
		2018 二零一八年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 二零一七年 RMB'000 人民幣千元 (unaudited) (未經審核)	Increase 增加 % Change %變動
Revenue (Boree Products)	收益(寶人牌產品)	2,147	1,528	40.5%
Revenue (Graphene-based Products)	收益(石墨烯產品)	2,294	99	2,217.2%
Revenue (OEM Business)	收益(OEM業務)	97,285	77,701	25.2%
Revenue (Total)	收益(總額)	101,726	79,328	28.2%

During the Period, the revenue of the Group increased by approximately RMB22.4 million or 28.2% to approximately RMB101.7 million (2017: RMB79.3 million). Revenue of Boree branded slippers, sandals and casual footwear ("Boree Products") increased by 40.5% to approximately RMB2.1 million during the Period (2017: RMB1.5 million) was due to the increase of online sales. Due to delay of placing orders by some overseas customers at the end of last year, some orders of the OEM business were delayed to the first half of 2018, resulting in an increase in revenue of 25.2% to approximately RMB97.3 million (2017: RMB77.7 million). The recent trade frictions between the US and China have not caused much impact on the OEM business operations. The Company will continue to monitor any further developments as well as any implications which might have on the Company's OEM business operations.

Revenue of graphene-based EVA foam material and slippers with sterilizing, good elasticity and tear resistant functions ("Graphene-based Products") amounted to approximately RMB2.3 million (2017: RMB99 thousand) during the Period. The third generation of the DIY automated vending system started trial run in December 2017 and was fine-tuned based on trial operation data and customer feedback during the Period.

於本期間，本集團收益上升約人民幣22,400,000元或28.2%至約人民幣101,700,000元(二零一七年：人民幣79,300,000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40.5%至約人民幣2,100,000元(二零一七年：人民幣1,500,000元)。由於於去年年底一些海外客戶延遲下訂單，部分OEM業務的訂單被推遲至二零一八年上半年，以致收益上升25.2%至約人民幣97,300,000元(二零一七年：人民幣77,700,000元)。近期發生的中美貿易摩擦，對OEM業務並沒有構成甚麼影響。本公司將繼續監控進一步的發展及其對公司OEM業務營運帶來的影響。

於本期間，具備殺菌、高彈性及抗拉力功能之石墨烯EVA發泡材料及拖鞋(「石墨烯產品」)的收益約人民幣2,300,000元(二零一七年：人民幣99,000元)。第三代DIY自動售貨系統已於二零一七年十二月開始試運行並已於本期間根據試運行數據及客戶反饋作出微調。



Selling and Distribution Expenses

During the Period, selling and distribution expenses increased by 24.6% to approximately RMB5.9 million as compared with that of last corresponding period (2017: RMB4.8 million), which accounted for 5.8% (2017: 6.0%) of the Group's revenue. The increase was in line with the sales growth during the Period.

General and Administrative Expenses

General and administrative expenses recorded an increase of approximately RMB10.0 million or 44.1% to RMB32.7 million for the Period (2017: RMB22.7 million), which was mainly attributable to an increase in share-based payment expenses of approximately RMB4.2 million in relation to the share options granted by the Company on 19 June 2018 and an increase of impairment loss on trade receivables of approximately RMB6.7 million during the Period.

Liquidity and Financial Resources

During the Period, net cash inflow from operating activities of the Group amounted to approximately RMB12.0 million, representing a decrease of RMB4.4 million or 26.8% compared with that of last corresponding period (2017: RMB16.4 million). As at 30 June 2018, cash and bank balances were approximately RMB5.9 million, similar to approximately RMB5.9 million as at 31 December 2017. As at 30 June 2018, around 52.3% and 40.6% of the Group's cash and bank balances were denominated in Renminbi and US dollars. As at 30 June 2018, the interest-bearing bank borrowings of the Group were approximately RMB111.0 million (31 December 2017: RMB117.0 million). All bank loans were denominated in Renminbi with fixed interest rates and repayable within one year.

Capital Structure

As at 1 January 2018 and 30 June 2018, the Company had 1,084,059,608 shares in issue and a paid-up capital of approximately RMB71,629,000.

銷售及分銷開支

於本期間，銷售及分銷開支較去年同期上升24.6%至約人民幣5,900,000元（二零一七年：人民幣4,800,000元），佔本集團收益的5.8%（二零一七年：6.0%）。增幅與本期間銷售增長一致。

一般及行政開支

於本期間，一般及行政開支錄得約人民幣10,000,000元或44.1%的升幅至人民幣32,700,000元（二零一七年：人民幣22,700,000元），主要是由於有關本公司於二零一八年六月十九日授出購股權之以股份支付的開支增加約人民幣4,200,000元，以及本期間應收貿易賬款減值虧損增加約人民幣6,700,000元所致。

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12,000,000元，較去年同期減少人民幣4,400,000元或26.8%（二零一七年：人民幣16,400,000元）。於二零一八年六月三十日，現金及銀行結餘約人民幣5,900,000元，與二零一七年十二月三十一日約人民幣5,900,000元相約。於二零一八年六月三十日，本集團的現金及銀行結餘約52.3%及40.6%分別以人民幣及美元計值。於二零一八年六月三十日，本集團計息銀行借貸約人民幣111,000,000元（二零一七年十二月三十一日：人民幣117,000,000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

於二零一八年一月一日及二零一八年六月三十日，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。



Management Discussion & Analysis

管理層討論及分析

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 2018, the bills payables were secured by a pledge of the Group's time deposits amounting to approximately RMB4.3 million (31 December 2017: RMB2.1 million). The bank borrowings of the Group were also secured by a pledge of the Group's certain buildings and land use right with net carrying amounts of approximately RMB10.8 million (31 December 2017: RMB12.4 million) and approximately RMB32.2 million (31 December 2017: RMB32.6 million) respectively.

Contingent Liabilities

As at 30 June 2018 and 31 December 2017, 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 2018, the gearing ratio of the Group was 52.5% (31 December 2017: 49.0%). 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.

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

於二零一八年六月三十日，應付票據由本集團定期存款約人民幣4,300,000元（二零一七年十二月三十一日：人民幣2,100,000元）作出抵押。本集團銀行借貸亦由本集團賬面淨值分別約人民幣10,800,000元（二零一七年十二月三十一日：人民幣12,400,000元）及約人民幣32,200,000元（二零一七年十二月三十一日：人民幣32,600,000元）的若干樓宇及土地使用權作出抵押。

或然負債

於二零一八年六月三十日及二零一七年十二月三十一日，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，並將考慮在必要時對沖重大外幣風險敞口。

負債比率

於二零一八年六月三十日，本集團的負債比率為52.5%（二零一七年十二月三十一日：49.0%）。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。



Human Resources

As at 30 June 2018, the Group had a total of approximately 620 employees (31 December 2017: 730 employees), with total staff costs for the Period, including directors' remuneration, amounted to approximately RMB38,594,000 (2017: RMB28,555,000). The Group's emolument policies are based on the merit, qualifications and competence of individual employees 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 (the "Share Option Scheme") on 8 January 2011 to motivate and reward its Directors and eligible employees.

Use of Net Proceeds from the Share Offering

As at 30 June 2018, the Company had unutilised net proceeds from the Initial Public Offering ("IPO") in the amount of approximately RMB1.5 million, representing approximately 0.4% of the total net proceeds from the IPO (the "Unutilised Net Proceeds"). In light of the current market conditions of the 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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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

人力資源

於二零一八年六月三十日，本集團有合共約620名僱員（二零一七年十二月三十一日：730名僱員），本期間的總員工成本（包括董事薪酬）約人民幣38,594,000元（二零一七年：人民幣28,555,000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。

股份發售所得款項淨額用途

於二零一八年六月三十日，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1,500,000元，相當於首次公開發售總所得款項淨額約0.4%（「未動用所得款項淨額」）。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 2018 is set out as follows:

於二零一八年六月三十日，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	17,889
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	386,172



BUSINESS REVIEW AND FUTURE PROSPECTS

The revenue of the Group for the Period was approximately RMB101.7 million, representing an increase of approximately RMB22.4 million in comparison to approximately RMB79.3 million for the corresponding period in 2017, which was contributed by the increase in revenue of all operating segments and particularly the increase in revenue of the OEM business. Due to delay of placing orders by some overseas customers at the end of last year, some orders of the OEM business were delayed to the first half of 2018, resulting to an increase in sales of the OEM business during the Period.

During the Period, the Group continued to focus on the development and improvement of DIY automated vending system, the key machine for the O2O business model, for the sales and distribution of Graphene-based Slippers. In the second half of 2018, by utilizing the resources of distributors, the Group targets to cooperate with young people's favorite brands or brands with numerous stores by placing DIY automated vending system in cooperative stores. In such a way, we can provide customers an interesting on-site customization DIY shopping experience to design their favorite slippers. This cross-over cooperation can reduce the selling cost and can penetrate and expand the PRC market rapidly. Besides, the Group developed graphene-based shoes for pregnant women and targeted to launch to the market in the second half of 2018 by cooperation with hospitals.

Moreover, the Group would continue to develop and launch different types of graphene application products. The sterilizing chips for air purifiers and air conditioners already completed the development stage and launched in the PRC market in the first half of 2018. According to the test reports issued by PRC government accredited testing centre, the sterilizing chips for air purifiers and air conditioners are proved to be highly effective on reducing formaldehyde, toluene, xylene, volatile organic compounds and escherichia coli phage. As the PRC government tightened the environmental protection and control and the public pays more attention to the environmental protection, the Directors believed that there would be a great demand for environmental protection products like air purifiers and the revenue of sterilizing chips from PRC market would increase in the second half of 2018. For the overseas market, the Group already sent samples to an overseas well-known producer of air conditioning system for testing and recognition. After all the tests are completed, sterilizing chips for air purifiers and air conditioners would be launched in the overseas market through cooperation with this producer.

業務回顧及未來前景

本集團於本期間的收益為約人民幣101,700,000元，較二零一七年同期約人民幣79,300,000元上升約人民幣22,400,000元，乃因所有經營分部的收益增加，尤其是OEM業務的收益增加。由於於去年年底一些海外客戶延遲下訂單，部分OEM業務的訂單被推遲至二零一八年上半年，導致於本期間OEM業務的銷售上升。

於本期間，本集團繼續專注於用於銷售及分銷石墨烯拖鞋的DIY自動售貨系統（為O2O業務模式的主要機器）的開發與改進。於二零一八年下半年，利用分銷商資源，本集團通過把DIY自動售貨系統放置於合作商店內，致力與年輕人喜歡的品牌或擁有多家店鋪的品牌合作。憑這種方式，我們可以為客戶提供有趣的現場定制DIY購物體驗以讓他們設計喜愛的拖鞋。這一交互合作可以降低銷售成本以及能快速打入及擴大中國市場。此外，本集團已開發石墨烯孕婦鞋，且計劃於二零一八年下半年透過與醫院合作推出市場。

此外，本集團將繼續研發並推出不同類型的石墨烯應用產品。用於空氣淨化器和空調的殺菌芯片已經完成開發階段並已於二零一八年上半年在中國市場推出。根據中國政府認可的檢測中心發出的測試報告，用於空氣淨化器和空調的殺菌芯片，獲證明對減少甲醛、甲苯、二甲苯、揮發性有機化合物及大腸桿菌噬菌體非常有效。由於中國政府加強環境保護和控制，及公眾更加重視環境保護，董事認為空氣淨化器等環保產品將會有很大的需求，且中國市場的殺菌芯片收益將於二零一八年下半年有所增加。就海外市場而言，本集團已向一家海外知名空調系統製造商寄發樣品，以作測試及獲得認證。於所有測試完成後，用於空氣淨化器和空調的殺菌芯片將透過與該製造商合作推出海外市場。

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

As at 30 June 2018, 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 Director	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%

Long positions in share options of the Company:

Name of Directors	Capacity and nature of interest	Number of share options held ⁽²⁾ 所持購股權數目 ⁽²⁾	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	10,500,000(L)	0.97%
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

於二零一八年六月三十日，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：

於本公司購股權中的好倉：

Notes:

- (1) The percentage has been calculated based on the total number of Shares in issue as at 30 June 2018 (i.e. 1,084,059,608 shares).
- (2) 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.
- (3) The letter "L" denotes a long position in the Shares or underlying Shares.

Save as disclosed above, as at 30 June 2018, 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.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR OTHER SIMILAR RIGHTS

All conversion rights attached to the convertible notes in the principal amounts of HK\$110,880,000 and HK\$73,920,000 issued by the Company on 16 December 2015 and 2 February 2016 respectively will mature on 16 December 2018 and 2 February 2019 respectively. There was no conversion of convertible notes during the Period. Details of convertible notes of the Company are shown in note 15 to the condensed consolidated financial statements.

All conversion rights attached to the warrants issued by the Company on 21 June 2012 matured on 22 December 2017. No warrants have been exercised since the issue date of the warrants. Details of warrants of the Company are shown in note 15 to the condensed consolidated financial statements.

Details of share options of the Company are included in the section "Share Option Scheme" below and also shown in note 18 to the condensed consolidated financial statements.

附註：

- (1) 上述百分比乃根據於二零一八年六月三十日的已發行股份總數（即1,084,059,608股）計算。
- (2) 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。
- (3) 字母「L」表示於股份或相關股份的好倉。

除上文所披露者外，於二零一八年六月三十日，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。

可換股票據、購股權、認股權證或其他類似權利

本公司分別於二零一五年十二月十六日及二零一六年二月二日發行本金額為110,880,000港元及73,920,000港元之可換股票據所附之所有轉換權將分別於二零一八年十二月十六日及二零一九年二月二日到期。於本期間概無轉換可換股票據。本公司可換股票據之詳情載於簡明綜合財務報表附註15。

本公司於二零一二年六月二十一日發行之認股權證所附之所有轉換權已於二零一七年十二月二十二日屆滿。自認股權證發行日期起，概無認股權證獲行使。本公司認股權證之詳情載於簡明綜合財務報表附註15。

本公司購股權之詳情載於下文「購股權計劃」一節，且亦載於簡明綜合財務報表附註18。

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 18 to the condensed consolidated financial statements.

The following table discloses the outstanding share options under the Share Option Scheme as at 30 June 2018:

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明綜合財務報表附註18。

下表披露於二零一八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 2018 於二零一八年六月三十日 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 2018 於二零一八年一月一日 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 ZHENG Jingdong	執行董事 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
		19/6/2018	-	300,000	-	-	-	300,000	P	0.54
		19/6/2018	-	200,000	-	-	-	200,000	Q	0.54
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	500,000	-	-	-	14,500,000		
Employees and consultants of the Group in aggregate	本集團僱員及顧問合計	10/12/2015	9,417,000	-	-	-	-	9,417,000	A	0.81
		10/12/2015	13,356,000	-	-	-	-	13,356,000	B	0.81
		10/12/2015	695,000	-	-	-	-	695,000	C	0.81
		10/12/2015	556,000	-	-	-	-	556,000	D	0.81
		10/12/2015	556,000	-	-	-	-	556,000	E	0.81
		24/6/2016	52,140,000	-	-	-	(6,480,000)	45,660,000	F	0.67
		24/6/2016	35,920,000	-	-	-	(4,320,000)	31,600,000	G	0.67
		24/6/2016	2,900,000	-	-	-	-	2,900,000	H	0.67
		24/6/2016	2,320,000	-	-	-	-	2,320,000	I	0.67
		24/6/2016	2,320,000	-	-	-	-	2,320,000	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
		19/6/2018	-	64,680,000	-	-	-	64,680,000	P	0.54
19/6/2018	-	43,120,000	-	-	-	43,120,000	Q	0.54		
Sub-total	小計		129,680,000	107,800,000	-	-	(10,800,000)	226,680,000		
Total	總計		143,680,000	108,300,000	-	-	(10,800,000)	241,180,000		



Notes:

1. The closing prices of the Shares immediately before the date of grant on 10 December 2015, 24 June 2016, 16 December 2016 and 19 June 2018 were HK\$0.79, HK\$0.69, HK\$0.99 and HK\$0.50 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;

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、二零一六年十二月十六日及二零一八年六月十九日前的收市價分別為0.79港元、0.69港元、0.99港元及0.50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；



Other Information

其他資料

N: From 16 December 2019 to 15 December 2021;

O: From 16 December 2020 to 15 December 2021;

P: From 19 June 2018 to 18 June 2023; and

Q: From 19 June 2019 to 18 June 2023.

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.

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.

N: 二零一九年十二月十六日至二零二一年十二月十五日;

O: 二零二零年十二月十六日至二零二一年十二月十五日;

P: 二零一八年六月十九日至二零二三年六月十八日;及

Q: 二零一九年六月十九日至二零二三年六月十八日。

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。

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。

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

As at 30 June 2018, 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:

主要股東及其他人士於股份及相關股份中的權益及淡倉

於二零一八年六月三十日，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：

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 Ching Bor ("Mr. Sze") ⁽¹⁾ 史清波先生 （「史先生」） ⁽¹⁾	Interest in controlled corporation 所控制法團的權益	285,879,975 (L)	26.37%
Ms. Tsang Shuk Ping ⁽²⁾ 曾淑萍女士 ⁽²⁾	Spousal interest 配偶權益	285,879,975 (L)	26.37%
Best Mark International Limited ("Best Mark") ⁽³⁾	Beneficial owner/Other 實益擁有人／其他	240,720,365 (L)	22.20%
Total Shine Investments Limited ("Total Shine") ⁽⁴⁾	Beneficial owner 實益擁有人	233,155,792 (L)	21.51%
Mr. Zhang Honghui ⁽⁴⁾ 張鴻輝先生 ⁽⁴⁾	Interest in controlled corporation 所控制法團的權益	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%



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 240,720,365 Shares and 45,159,610 Shares respectively, representing approximately 22.20% and 4.17%, respectively 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 interested in 233,155,792 Shares. Mr. Zhang Honghui, who wholly owns and controls Total Shine, is deemed to be interested in the Shares in which Total Shine is interested.
- (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 2018 (i.e. 1,084,059,608 shares).
- (7) The letter "L" denotes the person's long position in the Shares or underlying Shares.

Save as disclosed above, as at 30 June 2018, 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.

附註：

- (1) 史先生被視為於Best Mark及Capital Vision International Limited (「Capital Vision」)所持股份中擁有權益。Best Mark及Capital Vision由史先生全資擁有及控制，分別於240,720,365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22.20%及4.17%。
- (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於233,155,792股股份中擁有權益。張鴻輝先生(全資擁有及控制Total Shine)被視為於Total Shine所持股份中擁有權益。
- (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，被視為於藍石所持相關股份中擁有權益。
- (6) 該百分比乃根據於二零一八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」代表該人士所持股份或相關股份的好倉。

除上文所披露者外，於二零一八年六月三十日，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。

CORPORATE GOVERNANCE

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

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

Code Provision A.2.1 stipulates that the roles of the Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. The Company deviates from this provision because Mr. Zheng Jingdong has been performing both the roles of Chairman and Chief Executive Officer. The Directors consider that vesting two roles in the same person provides the Group with strong and consistent leadership in the development and execution of the Group's business strategies and is beneficial to the Group. The balance of power and authorities is ensured by the operation of the senior management and the Board, which comprises experienced and high caliber individuals. The Board currently comprises 2 executive Directors, 1 non-executive Director and 3 independent non-executive Directors and therefore has a strong independence element in its composition.

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.

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。

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。

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 and risk management and internal control systems, 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
30 August 2018

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與風險管理及內部監控體系，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（「中期財務報表」）已由審核委員會審閱。

代表董事會

主席
鄭景東

香港
二零一八年八月三十日

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 2018 截至二零一八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		
		2018	2017	
		二零一八年	二零一七年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
		(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	
REVENUE	收益	4	101,726	79,328
Cost of sales	銷售成本		(76,679)	(59,480)
GROSS PROFIT	毛利		25,047	19,848
Other net income and gains	其他收入及收益淨額	4	1,109	854
Selling and distribution expenses	銷售及分銷開支		(5,946)	(4,772)
General and administrative expenses	一般及行政開支		(32,670)	(22,664)
Amortisation of intangible assets	無形資產攤銷	10	(36,298)	(63,298)
Finance costs	融資成本	5	(2,859)	(3,335)
Fair value (loss)/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(損失)/收益	15	(4,769)	33,747
Fair value gain/(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收益/(損失)	16	742	(18,139)
LOSS BEFORE TAX	除稅前虧損	6	(55,644)	(57,759)
Income tax credit/(expense)	所得稅抵扣/(開支)	7	643	(1,625)
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		(55,001)	(59,384)
LOSS PER SHARE	每股虧損	8		
– Basic (RMB)	– 基本(人民幣)		(0.051)	(0.055)
– Diluted (RMB)	– 攤薄(人民幣)		(0.051)	(0.055)

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 2018 於二零一八年六月三十日

		30 June 2018 二零一八年 六月三十日	31 December 2017 二零一七年 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			
非流動資產			
Property, plant and equipment		50,818	41,416
Prepaid land lease payments		26,589	26,954
Intangible assets	10	600,690	636,981
		678,097	705,351
CURRENT ASSETS			
流動資產			
Inventories		29,270	36,227
Trade and bills receivables	11	22,600	29,806
Prepayments, deposits and other receivables		10,901	10,321
Pledged deposits		4,284	2,127
Cash and bank balances		5,919	5,888
		72,974	84,369
Assets classified as held for sale	12	26,000	26,000
		98,974	110,369
CURRENT LIABILITIES			
流動負債			
Trade and bills payables	13	47,941	48,001
Contract liabilities		450	-
Deposits received, other payables and accruals		52,332	39,925
Interest-bearing bank borrowings	14	111,000	117,000
Convertible notes	15	149,591	87,002
Income tax payable		-	2,216
		361,314	294,144
NET CURRENT LIABILITIES		(262,340)	(183,775)
TOTAL ASSETS LESS CURRENT LIABILITIES		415,757	521,576
			總資產減流動負債

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2018 於二零一八年六月三十日



		30 June 2018 二零一八年 六月三十日	31 December 2017 二零一七年 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	15	–
Provision for contingent consideration	或然代價撥備	16	57,820
Deferred tax liability	遞延稅項負債		47,272
		3,071	3,071
		48,491	108,163
NET ASSETS	資產淨值	367,266	413,413
EQUITY	權益		
Share capital	股本	17	71,629
Reserves	儲備		341,784
		295,637	71,629
TOTAL EQUITY	權益總額	367,266	413,413

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2017

截至二零一七年六月三十日止六個月

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	期內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

For the six months ended 30 June 2018

截至二零一八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	Accumulated losses	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	累計虧損	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 2018 (audited)	於二零一八年一月一日(經審核)	71,629	416,325	141,376	95,478	155	524	28,284	(340,358)	341,784	413,413
Loss and total comprehensive expense for the Period	本期間虧損及全面開支總額	-	-	-	-	-	-	-	(55,001)	(55,001)	(55,001)
Equity-settled share option arrangements	以股權結算的購股權安排	-	-	-	-	-	-	8,854	-	8,854	8,854
Forfeiture of share options	沒收購股權	-	-	-	-	-	-	(1,781)	1,781	-	-
At 30 June 2018 (unaudited)	於二零一八年六月三十日(未經審核)	71,629	416,325	141,376	95,478	155	524	35,357	(393,578)	295,637	367,266

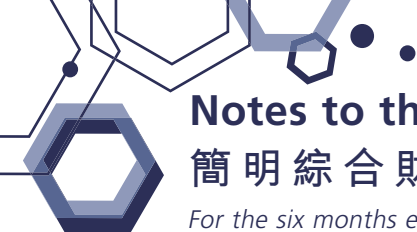
Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2018 截至二零一八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	
		2018	2017
		二零一八年	二零一七年
		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	11,968	16,360
Investing activities	投資活動	(3,078)	(10,812)
Financing activities	融資活動	(8,859)	(6,335)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加／(減少)淨額	31	(787)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	5,888	4,789
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	5,919	4,002
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	5,919	4,002



Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八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 2017, 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」）編製的截至二零一七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 2018 截至二零一八年六月三十日止六個月



2. BASIS OF PREPARATION (continued)

As at 30 June 2018, the Group's current liabilities exceeded its current assets by approximately RMB262,340,000. The Group incurred a loss for the Period of approximately RMB55,001,000. 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 will negotiate with the banks in the PRC 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; and
2. Convertible notes with principal amounts of HK\$110,880,000 and HK\$73,920,000 respectively were issued to Bluestone and will be matured on 16 December 2018 and 2 February 2019 (the "Maturity Dates") respectively. Pursuant to the memorandum signed by Bluestone on 28 March 2018, Bluestone is willing to extend the date of repayment for 1 year from the Maturity Dates in circumstances that i) the convertible notes are not converted into conversion shares before the Maturity Dates; ii) the conversion price per conversion share is higher than the share price of the Company on the Maturity Dates; and iii) Bluestone selects the option to request the Company to repay the principal amount of such convertible notes.

2. 編製基準(續)

於二零一八年六月三十日，本集團的流動負債超出其流動資產約人民幣262,340,000元。本集團於本期間產生了約人民幣55,001,000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. 本集團將與國內銀行磋商，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；及
2. 本金額分別為110,880,000港元及73,920,000港元之可換股票據已發行予藍石並將分別於二零一八年十二月十六日及二零一九年二月二日（「到期日」）到期。根據藍石於二零一八年三月二十八日簽署之備忘錄，於下列情況下藍石願意將償還日期延遲自到期日期起1年：i)可換股票據於到期日之前並未轉換為轉換股份；ii)每股轉換股份之轉換價高於到期日本公司之股價；及iii)藍石選擇要求本公司償還該等可換股票據之本金額。



Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八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 fifteen months from the date of the condensed consolidated statement of financial position. 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 fifteen months from the date of the condensed consolidated statement of financial position. Accordingly, the Directors are of the opinion that it is appropriate to prepare the Interim Financial Statements for the Period 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 2017 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2018 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 2018.

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。現金流量預測涵蓋簡明綜合財務狀況表日起不少於十五個月的期間。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，可於簡明綜合財務狀況表日起未來十五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於本期間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二零一七年度財務報表所採納之相同會計政策編製，惟預期將於二零一八年年度財務報表反映之會計政策變動除外，詳情如下：

本集團已採納下列於本集團自二零一八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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月



2. BASIS OF PREPARATION (continued)

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IFRIC* 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IFRS 15	Clarifications to IFRS 15 Revenue from Contracts with Customers
Amendments to IAS 28	As part of Annual Improvements to IFRSs 2014-2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

* IFRIC represents the International Financial Reporting Standards Interpretation Committee

Except as described below, the application of the new and revised IFRSs have had no material impact on the contents of the Interim Financial Statements.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

Classification and measurement

IFRS 9 contains three principal classification and measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss.

From 1 January 2018, the categories of loans and receivables under IAS 39, including trade and bills receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits and cash and bank balances, were reclassified as financial assets measured at amortised cost.

2. 編製基準(續)

國際財務報告準則第9號	金融工具
國際財務報告準則第15號	客戶合約的收益
國際財務報告準則詮釋委員會 詮釋第22號	外幣交易及預付代價
國際財務報告準則第2號 (修訂本)	以股份為基礎的付款交易之分類及計量
國際財務報告準則第4號 (修訂本)	應用國際財務報告準則第9號金融工具連同國際財務報告準則第4號保險合約
國際財務報告準則第15號 (修訂本)	國際財務報告準則第15號客戶合約的收益之澄清
國際會計準則第28號(修訂本)	作為國際財務報告準則二零一四年至二零一六年周 期年度改進的一部分
國際會計準則第40號(修訂本)	投資物業轉撥

除下文所述者外，應用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。

國際財務報告準則第9號金融工具

國際財務報告準則第9號金融工具取代國際會計準則第39號金融工具：確認及計量，匯集金融工具會計處理的所有三個方面：分類及計量、減值及對沖會計處理。

分類及計量

國際財務報告準則第9號包括三種主要的金融資產分類及計量類別：按經攤銷成本、按公平值計入其他全面收益及按公平值計入損益。

由二零一八年一月一日起，國際會計準則第39號中貸款及應收款項的計量類別，包括應收貿易賬款及應收票據、計入預付款項、按金及其他應收款項的金融資產、已質押存款及現金及銀行結餘被重分類為按經攤銷成本計量之金融資產。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

2. BASIS OF PREPARATION (continued)

IFRS 9 Financial Instruments (continued)

Classification and measurement (continued)

The measurement categories and carrying amounts for all financial assets and financial liabilities at 1 January 2018 have not been impacted by the initial application of IFRS 9.

Impairment

IFRS 9 replaces the “incurred loss” model in IAS 39 with an “expected credit loss” (“ECL”) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises credit losses earlier than under the “incurred loss” model in IAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost, including trade and bills receivables, financial assets included in prepayments, deposits and other receivables, pledged deposits and cash and bank balances.

Under IFRS 9, ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from default events on a financial instrument that are possible within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected life of a financial instrument.

For trade and bills receivables, and financial assets included in prepayments, deposits and other receivables, the Group has measured the loss allowance as an amount equal to lifetime ECLs. For pledged deposits, and cash and bank balances, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The Group has concluded that there is no material impact for the initial application of the new impairment requirements.

2. 編製基準(續)

國際財務報告準則第9號金融工具(續)

分類及計量(續)

初始應用國際財務報告準則第9號對所有金融資產及金融負債於二零一八年一月一日之計量類別及賬面值並無影響。

減值

國際財務報告準則第9號以「預期信貸虧損」(「預期信貸虧損」)模型取代國際會計準則第39號的「已發生虧損」模型。預期信貸虧損模型要求對與金融資產相關的信貸風險進行持續的計量，因此信貸虧損會早於按國際會計準則第39號「已發生虧損」模型確認。

本集團應用新的預期信貸虧損模型於按經攤銷成本計量之金融資產，包括應收貿易賬款及應收票據、計入預付款項、按金及其他應收款項的金融資產、已質押存款及現金及銀行結餘。

根據國際財務報告準則第9號，預期信貸虧損是以以下任何一種基礎計量：

- 12個月預期信貸虧損：金融工具於報告日後12個月內可能發生的違約事項導致之預期虧損；及
- 存續期預期信貸虧損：金融工具的預計存續期內所有可能發生的違約事項導致之預期虧損。

就應收貿易賬款及應收票據、及計入預付款項、按金及其他應收款項的金融資產而言，本集團已按存續期預期信貸虧損計量虧損撥備。就已質押存款、現金及銀行結餘而言，本集團按12個月預期信貸虧損確認虧損撥備，除非自初始確認後金融工具之信貸風險顯著增加，在該等情況下，虧損撥備按存續期預期信貸虧損計量。

本集團認為，初始應用新的減值要求不會產生重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月



2. BASIS OF PREPARATION (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. IFRS 15 introduces a 5-step approach to revenue recognition: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, any entity recognises revenue when a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has assessed the impact of the adoption of IFRS 15, and concluded that the initial application of IFRS 15 does not have a significant impact on the Group’s revenue recognition.

Under IFRS 15, a contract liability, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue, or when the Group receives consideration from a customer and expects to refund some or all of that consideration to the customer (i.e. refund liability). To reflect this change in presentation, contract liabilities, that is receipts in advance from customers, with amount of RMB450,000 are now separately presented in the condensed consolidated statement of financial position at 30 June 2018, as a result of the adoption of IFRS 15.

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)

國際財務報告準則第15號客戶合約的收益

國際財務報告準則第15號取代國際會計準則第18號收益、國際會計準則第11號建設合約及相關詮釋。國際財務報告準則第15號引入五步法確認收益：(i)確定與一名客戶之合約；(ii)確定合約內之履約責任；(iii)釐定交易價格；(iv)將交易價格分攤至合約內之履約責任；及(v)當實體符合履約責任時確認收益。

根據國際財務報告準則第15號，當實體符合履約責任時（即當貨物或服務有關特定履約責任的「控制權」轉移予客戶時）確認收益。

本集團已評估採用國際財務報告準則第15號之影響，結論為初始應用國際財務報告準則第15號不會對本集團收益之確認產生重大影響。

根據國際財務報告準則第15號，當本集團尚未確認相關收益前就客戶支付的對價或客戶按照合約約定應當支付的對價已到期，或當本集團收到來自客戶的對價而預期將退回部分或全部該對價予客戶（即退款負債），予以確認一項合同負債。為列示應用國際財務報告準則第15號帶來的列報變化，於二零一八年六月三十日之簡明綜合財務狀況表單獨列示了總計人民幣450,000元的合同負債，亦即預收客戶款項。

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 2018 截至二零一八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, cash and bank balances and assets classified as held for sale 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、現金及銀行結餘和分類為持有待售的資產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 2018 截至二零一八年六月三十日止六個月



3. SEGMENT INFORMATION (continued)

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

Period ended 30 June 2018

3. 分部資料(續)

由於應付貿易賬款及應付票據、合同負債、部份其他應付款項及應計費用、計息銀行借貸、可換股票據、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。

截至二零一八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 總額 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	2,147	2,294	97,285	101,726
Segment results	分部業績	20	(172)	19,253	19,101
<i>Reconciliation:</i>	<i>對賬：</i>				
Interest income	利息收入				23
Other unallocated net income and gains	其他未分配收入及收益淨額				1,086
Corporate and other unallocated expenses	企業及其他未分配開支				(32,670)
Amortisation of intangible assets	無形資產攤銷				(36,298)
Fair value loss on convertible notes at FVTPL	按公平值計入損益之可換股票據之公平值損失				(4,769)
Fair value gain 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收益				742
Finance costs	融資成本				(2,859)
Loss before tax	除稅前虧損				(55,644)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

As at 30 June 2018

3. 分部資料(續)

於二零一八年六月三十日

		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 總額 RMB'000 人民幣千元 (unaudited) (未經審核)
Segment assets	分部資產	2,993	2,073	25,104	30,170
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	企業及其他未分配資產				720,901
Assets classified as held for sale	分類為持有待售的資產				26,000
Total assets	資產總額				777,071
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				409,505
Total liabilities	負債總額				409,805

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月



3. SEGMENT INFORMATION (continued)

Period ended 30 June 2017

3. 分部資料(續)

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 總額 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 2018 截至二零一八年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

As at 31 December 2017

3. 分部資料(續)

於二零一七年十二月三十一日

		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 總額 RMB'000 人民幣千元 (audited) (經審核)
Segment assets	分部資產	1,885	4,457	33,574	39,916
<i>Reconciliation:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	企業及其他未分配資產				749,804
Assets classified as held for sale	分類為持有待售的資產				26,000
Total assets	資產總額				815,720
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				402,007
Total liabilities	負債總額				402,307

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八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	
		2018	2017
		二零一八年	二零一七年
		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)	6,072	1,629
US	美國	93,022	71,607
South America	南美洲	572	375
Europe	歐洲	314	1,461
South East Asia	東南亞	975	1,945
Other countries	其他國家	771	2,311
		101,726	79,328

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
		2018	2017
		二零一八年	二零一七年
		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)	678,093	705,345

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 2018 截至二零一八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
Customer D	客戶D

* Revenue from Customer B 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	
2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

	57,306	48,152
	–	8,135
	13,931	3,810
	11,951	–

* 於本期間來自客戶B之收益佔本集團總銷售額少於10%。

本集團的主要客戶來自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 2018 截至二零一八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	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Revenue	收益		
Manufacture and sales of goods	生產及銷售貨品	101,726	79,328
Other net income and gains	其他收入及收益淨額		
Interest income	利息收入	23	55
Sales of scrap material	銷售廢料	290	62
Rental income	租金收入	104	171
Subsidy income	補貼收入	576	164
Exchange gain	匯兌收益	116	-
Others	其他	-	402
		1,109	854

5. FINANCE COSTS

5. 融資成本

		Six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Interest on bank loans repayable within five years	須於五年內償還的銀行貸款利息	2,859	3,335

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八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) the following items:

6. 除稅前虧損

本集團的除稅前虧損已扣除/(計入)以下項目：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		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*	77,109	59,499
Depreciation*	折舊*	2,923	3,584
Amortisation of prepaid land lease payments	預付土地租金攤銷	365	422
Amortisation of intangible assets	無形資產攤銷	36,298	63,298
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*	682	211
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	27,606	22,206
Equity-settled share option expenses	以股權結算的購股權開支	8,854	4,629
Staff welfares	僱員福利	634	515
Contributions to retirement benefits schemes	退休福利計劃供款	1,500	1,205
		38,594	28,555
Impairment loss/(reversal of impairment loss) on trade receivables	應收貿易賬款減值虧損/(減值虧損撥回)	6,013	(690)
Reversal of write down of inventories	存貨撇減撥回	(430)	(19)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目虧損	89	108
Exchange (gain)/loss, net	匯兌(收益)/損失淨額	(116)	425
Research and development costs**	研發成本**	3,704	4,615

* The cost of inventories sold for the Period includes approximately RMB20,357,000 (2017: RMB16,563,000) 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" in 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20,357,000元(二零一七年:人民幣16,563,000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 2018 截至二零一八年六月三十日止六個月



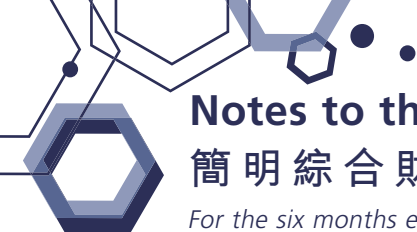
7. INCOME TAX CREDIT/(EXPENSE)

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 (2017: 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. 所得稅抵扣／(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(二零一七年：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	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Current – PRC Enterprise Income Tax	即期－中國企業所得稅		
(Credit)/charge for the period	期內(抵扣)／徵稅	(946)	813
Under-provision in prior years	過往年度撥備不足	303	812
Total tax (credit)/expense for the period	期內稅項(抵扣)／開支總額	(643)	1,625



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簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八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 RMB55,001,000 (2017: RMB59,384,000) and the weighted average number of Shares of 1,084,059,608 (2017: 1,084,059,608) 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 2018 and 30 June 2018.

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

During the periods ended 30 June 2018 and 2017, 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 2017: 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55,001,000元(二零一七年：人民幣59,384,000元)及本期間已發行股份之加權平均股數1,084,059,608股(二零一七年：1,084,059,608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二零一八年一月一日及二零一八年六月三十日已發行的1,084,059,608股股份。

用作計算截至二零一七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。

截至二零一八年及二零一七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(截至二零一七年六月三十日止六個月：零)。

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簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八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 2017	於二零一七年一月一日	1,587,518	60,000	92,378	1,739,896
Addition during the year	年內新增	-	-	150	150
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	1,587,518	60,000	92,528	1,740,046
Addition during the Period	本期間新增	-	-	7	7
At 30 June 2018	於二零一八年六月三十日	1,587,518	60,000	92,535	1,740,053
Accumulated amortisation and impairment:	累計攤銷及減值:				
At 1 January 2017	於二零一七年一月一日	437,518	-	-	437,518
Provided for the year	年內撥備	123,214	4,954	93	128,261
Impairment loss for the year	年內減值虧損	477,786	-	59,500	537,286
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	1,038,518	4,954	59,593	1,103,065
Provided for the Period	本期間撥備	32,940	3,303	55	36,298
At 30 June 2018	於二零一八年六月三十日	1,071,458	8,257	59,648	1,139,363
Net carrying amount:	賬面淨值:				
At 30 June 2018	於二零一八年六月三十日	516,060	51,743	32,887	600,690
At 31 December 2017	於二零一七年十二月三十一日	549,000	55,046	32,935	636,981

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。



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簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八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 15) and provision for contingent consideration at the acquisition date (note 16), and the capitalised transaction costs arising directly from the acquisition 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.

The O2O distribution vending system has definite useful lives and is amortised over 9 years using the straight-line method.

(c) The Directors consider that O2O distribution vending system is a contributory asset necessary to support the earnings associated with the Technology Know-how (collectively “O2O Unit”), being the smallest identifiable group of assets that generates earnings that are largely independent of the earnings from other assets. The Directors conducted an impairment assessment on the O2O Unit and considered that there was no impairment to the carrying amount of the O2O Unit as at 30 June 2018.

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15)及或然代價撥備於收購日期的公平值(附註16)及直接因收購技術知識而產生的資本化交易成本之總額。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。

O2O分銷售貨系統具有有限可使用年期，並以直線法分9年攤銷。

(c) 董事認為，O2O分銷售貨系統屬於一項必要的貢獻性資產以支持與技術知識相關的盈利(統稱「O2O單位」)，即產生基本獨立於其他資產盈利之盈利的最小可識別資產組別。董事已對O2O單位進行減值評估，並認為於二零一八年六月三十日O2O單位的賬面值並無須減值。

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簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月



10. INTANGIBLE ASSETS (continued)

Notes: (continued)

- (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 graphene deodorizing and sterilizing chips ("Sterilizing Chips"), energy storage materials for batteries and pressure-sensitive lighting devices for shoes ("Other Deferred Development Costs"). The Directors seek the opportunities in applying the graphene material in products other than shoes and plan to launch in the future.

The Directors conducted an impairment assessment on the Sterilizing Chips using discounted cash flow approach and considered that no provision for impairment to the carrying amount of the Sterilizing Chips was made at 30 June 2018.

11. TRADE AND BILLS RECEIVABLES

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

10. 無形資產(續)

附註：(續)

- (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石墨烯除臭及殺菌芯片（「殺菌芯片」）、電池儲能材料及鞋履壓敏照明裝置的生產及應用技術（「其他遞延開發成本」）。董事尋求將石墨烯材料應用於鞋履以外的產品之機會，並計劃於未來推出。

董事已使用貼現現金流法對殺菌芯片進行減值評估並認為於二零一八年六月三十日無需就殺菌芯片的賬面值作出減值撥備。

11. 應收貿易賬款及應收票據

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

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簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

11. TRADE AND BILLS RECEIVABLES (continued)

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

11. 應收貿易賬款及應收票據(續)

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

		30 June 2018	31 December 2017
		二零一八年 六月三十日	二零一七年 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 3 months	3個月內	21,586	19,703
4 to 6 months	4至6個月	380	786
7 to 12 months	7至12個月	634	6,405
Over 1 year	1年以上	-	2,912
		22,600	29,806

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簡明綜合財務報表附註

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12. ASSETS CLASSIFIED AS HELD FOR SALE

On 10 October 2017, the Group entered into a sales and purchase agreement with an independent third party at a consideration of RMB26,000,000 to dispose of certain property, plant and equipment with land use right located in PRC. In accordance with IFRS 5, the disposal assets were reclassified as assets held for sale. The Directors consider the completion of the disposal to be within 1 year.

The major classes of assets classified as held for sale as at 30 June 2018 and 31 December 2017 are as follows:

12. 分類為持有待售的資產

於二零一七年十月十日，本集團與一名獨立第三方訂立買賣協議，以代價人民幣26,000,000元出售物業、廠房及設備以及位於中國之土地使用權。根據國際財務報告準則第5號，出售資產重新分類為持有待售的資產。董事認為出售將於一年內完成。

於二零一八年六月三十日及二零一七年十二月三十一日分類為持有待售的資產主要類別如下：

		RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	44,318
Prepaid land lease payments	預付土地租金	4,926
Impairment loss	減值虧損	(23,244)
		<hr/> 26,000 <hr/>

The Group has pledged the land use right with a net carrying amount of approximately RMB4,926,000 (31 December 2017: RMB4,926,000) to secure general banking facilities granted to the Group.

本集團已抵押賬面淨值約人民幣4,926,000元(二零一七年十二月三十一日：人民幣4,926,000元)的土地使用權作為本集團獲授一般銀行融資的擔保。

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簡明綜合財務報表附註

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13. TRADE AND BILLS PAYABLES

An aging 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 2017: six months). The bills payables of RMB14,280,000 (31 December 2017: RMB7,090,000) were secured by the Group's pledged deposits amounting to RMB4,284,000 as at 30 June 2018 (31 December 2017: RMB2,127,000).

13. 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 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
--------------------------------------------------------------------------------	-----------------------------------------------------------------------------------

25,924 29,396

22,017 18,605

47,941 48,001

應付貿易賬款及應付票據不計息，且一般於六個月(二零一七年十二月三十一日：六個月)內償還。於二零一八年六月三十日，本集團通過已質押存款人民幣4,284,000元(二零一七年十二月三十一日：人民幣2,127,000元)為人民幣14,280,000元(二零一七年十二月三十一日：人民幣7,090,000元)的應付票據作出擔保。

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14. INTEREST-BEARING BANK BORROWINGS

14. 計息銀行借貸

	30 June 2018	31 December 2017
	二零一八年 六月三十日	二零一七年 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	111,000	117,000
須於一年內償還的有抵押銀行貸款		
(a) At 30 June 2018 and 31 December 2017, the bank loans were denominated in Renminbi and bore interest rates ranging from:		(a) 於二零一八年六月三十日及二零一七年十二月三十一日，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 2018	5.00% – 5.22% per annum	截至二零一八年六月三十日止六個月 每年5.00%至5.22%
Year ended 31 December 2017	4.35% – 5.00% per annum	截至二零一七年十二月三十一日止年度 每年4.35%至5.00%
(b) At 30 June 2018, the secured bank loans of the Group were secured by a pledge of certain of the Group's buildings and land use right, with carrying amount of approximately RMB10,782,000 (31 December 2017: RMB12,415,000) and approximately RMB32,246,000 (31 December 2017: RMB32,611,000) respectively. In addition, the bank loans were secured by guarantees provided by an independent third party and a director of the Company.		(b) 於二零一八年六月三十日，本集團分別已抵押賬面值約人民幣10,782,000元(二零一七年十二月三十一日：人民幣12,415,000元)的若干樓宇及約人民幣32,246,000元(二零一七年十二月三十一日：人民幣32,611,000元)之土地使用權作為本集團有抵押銀行貸款的擔保。此外，有關銀行貸款由一名獨立第三方及一名本公司董事提供擔保。

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15. CONVERTIBLE NOTES AND WARRANTS

Valuation of the Convertible Notes and the Warrants

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

15. 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	Total 總額 RMB'000 人民幣千元
Fair value at 1 January 2017	於二零一七年一月一日的公平值	116,894	77,930	5,067	199,891
Derecognition during the year	年內終止確認	-	-	(5,067)	(5,067)
Fair value gain credited to profit or loss during the year	年內於損益計入的公平值收益	(29,892)	(20,110)	-	(50,002)
Fair value at 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日的公平值	87,002	57,820	-	144,822
Fair value loss charged to profit or loss during the Period	本期間於損益扣除的公平值損失	3,125	1,644	-	4,769
Fair value at 30 June 2018	於二零一八年六月三十日的公平值	90,127	59,464	-	149,591
Represented by:	由以下各項表示：				
At 30 June 2018	於二零一八年六月三十日				
Current portion	流動部分	90,127	59,464	-	149,591
Non-current portion	非流動部分	-	-	-	-
		90,127	59,464	-	149,591
At 31 December 2017	於二零一七年十二月三十一日				
Current portion	流動部分	87,002	-	-	87,002
Non-current portion	非流動部分	-	57,820	-	57,820
		87,002	57,820	-	144,822

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15. 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 Dates, 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 2018 and year ended 31 December 2017, 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.

15. 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（即發行日期的第三個週年當日）前一日的任何時候，以1,000,000港元的倍數按換股價每股換股股份0.84港元（於若干情況下可予調整）將二零一五年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。

截至二零一八年六月三十日止期間及二零一七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。於首次確認後，可換股票據被指定為按公平值計入損益的金融負債。可換股票據的公平值於各呈報期末重新計量，公平值變動產生的任何盈虧於損益表內確認。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

15. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes and the Warrants (continued)

Notes: (continued)

(a) (continued)

Valuation

As at 30 June 2018 and 31 December 2017, the fair values of the 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:

15. 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

於二零一八年六月三十日及二零一七年十二月三十一日，可換股票據的公平值乃根據艾升評估諮詢有限公司(「艾升」)所進行的估值，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 2018 二零一八年 六月三十日	31 December 2017 二零一七年 十二月三十一日
2015 Convertible Notes	二零一五年可換股票據		
Stock closing price (HK\$)	股票收盤價(港元)	0.53	0.52
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(%)	71.47	84.94
Risk-free rate (% per annum)	無風險利率(%·每年)	1.55	1.04
Expected life (years)	預期年期(年)	0.46	0.96
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 closing price (HK\$)	股票收盤價(港元)	0.53	0.52
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(%)	65.49	79.09
Risk-free rate (% per annum)	無風險利率(%·每年)	1.58	1.07
Expected life (years)	預期年期(年)	0.59	1.09
Expected dividend yield (%)	預期股息收益率(%)	0	0

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15. 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.

15. 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。

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15. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes and the Warrants (continued)

Notes: (continued)

(b) (continued)

On 7 February 2013, the Company 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. 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 transferred from the Subscriber to the Transferees on 29 October 2014.

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 expired on the fifth anniversary from the Warrants Subscription Date (i.e. 22 December 2017).

No warrants have been exercised during the year ended 31 December 2017.

The 2012 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 2012 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.

15. 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。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由認購人於二零一四年十月二十九日轉讓予承讓人。

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。

於截至二零一七年十二月三十一日止年度，概無認股權證獲行使。

二零一二年認股權證分類為衍生工具，於首次確認時入賬列作按公平值計入損益的金融負債，原因是其含有嵌入式外匯衍生工具。二零一二年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。

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16. 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.

16. 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。



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簡明綜合財務報表附註

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16. PROVISION FOR CONTINGENT CONSIDERATION (continued)

Upon fulfilment of the Second Instalment Conditions, the second instalment in the amount of RMB450,000,000 should be payable by the Company, of which (a) RMB389,409,836 should be paid in cash within 6 months after fulfilment of the Second Instalment Conditions; and (b) RMB60,590,164 should 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 should 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 had been fulfilled and the Company had paid RMB389,409,836 by way of cash and RMB60,590,164 by way of issuing the 2016 Convertible Notes (refer to note 15) and RMB270,000,000 by way of cash on 2 February 2016 and 8 September 2016 respectively.

16. 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15)及於二零一六年九月八日以現金支付人民幣270,000,000元。

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簡明綜合財務報表附註

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16. 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”) starting from the year 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.

16. 或然代價撥備(續)

根據收購協議，自第二期條件及第三期條件達成後之年度起，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。

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簡明綜合財務報表附註

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16. PROVISION FOR CONTINGENT CONSIDERATION (continued)

Provision for contingent consideration as at 30 June 2018 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:

16. 或然代價撥備(續)

於二零一八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 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 二零一七年 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	48,302	276,868
Amount incurred during the Period/year	本期間／年內計入金額	-	(8,678)
Fair value gain credited to profit or loss during the Period/year	本期間／年內於損益計入的公平價值收益	(742)	(219,888)
As at the end of the Period/year	於本期間／年末	47,560	48,302
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	(2,140)	(1,030)
Non-current portion	非流動部分	45,420	47,272

The fair value of the provision for contingent consideration is calculated using the discounted cash flow approach (31 December 2017: discounted cash flow approach). The discount rate used in the approach as at 30 June 2018 was ranging from 11.91%-12.06% (31 December 2017: 12.32%-12.54%).

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 2018, with reference to a valuation conducted by Ascent Partners.

或然代價撥備的公平值採用貼現現金流法(二零一七年十二月三十一日：貼現現金流法)計算。於二零一八年六月三十日，該法的貼現率使用範圍為11.91%-12.06%(二零一七年十二月三十一日：12.32%-12.54%)。

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二零一八年六月三十日之或然代價撥備進行公平值評估。

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17. SHARE CAPITAL

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

17. 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 2017, 31 December 2017, 1 January 2018 and 30 June 2018	於二零一七年一月一日、二零一七年十二月三十一日、二零一八年一月一日及二零一八年六月三十日	5,000,000,000	50,000	342,400
Issued:	已發行：			
At 1 January 2017, 31 December 2017, 1 January 2018 and 30 June 2018	於二零一七年一月一日、二零一七年十二月三十一日、二零一八年一月一日及二零一八年六月三十日	1,084,059,608	10,841	71,629

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18. 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 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.

18. 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%及根據於截至及包括授出日期止十二個月期間股份收市價計算之總值超過5,000,000港元，則須經股東於股東大會上事先批准。

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

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18. 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:

18. 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 2018 二零一八年六月三十日 (unaudited) (未經審核)		31 December 2017 二零一七年十二月三十一日 (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	143,680,000	0.73	153,200,000
Granted during the Period/year 本期間/年內授出	0.54	108,300,000	-	-
Forfeited during the Period/year 本期間/年內沒收	0.67	(10,800,000)	0.80	(9,520,000)
At the end of the Period/year 於本期間/年末	0.65	241,180,000	0.73	143,680,000

108,300,000 (31 December 2017: Nil) share options were granted and nil (31 December 2017: Nil) share option were exercised during the Period respectively, and 10,800,000 (31 December 2017: 9,520,000) share options were forfeited during the Period due to cessation of employment of the participant.

於本期間，分別有108,300,000份(二零一七年十二月三十一日：零份)獲授出及零份(二零一七年十二月三十一日：零份)購股權獲行使，因參與者終止僱傭關係而被沒收的購股權為10,800,000份(二零一七年十二月三十一日：9,520,000份)。



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18. SHARE OPTION SCHEME (continued)

The outstanding share options as at 30 June 2018 were vested to the grantees in the following manner:

- 10,917,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.
- 19,356,000 of such share options were vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 3,195,000 of such share options were vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 2,556,000 of such share options will be vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 2,556,000 of such share options will be vested on 10 December 2019 with an exercise period from 10 December 2019 to 9 December 2020.
- 45,660,000 of such share options were vested on 24 June 2016 with an exercise period from 24 June 2016 to 23 June 2021.
- 31,600,000 of such share options were vested on 24 June 2017 with an exercise period from 24 June 2017 to 23 June 2021.
- 2,900,000 of such share options were vested on 24 June 2018 with an exercise period from 24 June 2018 to 23 June 2021.

18. 購股權計劃(續)

於二零一八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10,917,000份已於二零一五年十二月十日歸屬，行使期為二零一五年十二月十日及二零二零年十二月九日。
- 該等購股權的19,356,000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及二零二零年十二月九日。
- 該等購股權的3,195,000份已於二零一七年十二月十日歸屬，行使期為二零一七年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份將於二零一八年十二月十日歸屬，行使期為二零一八年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份將於二零一九年十二月十日歸屬，行使期為二零一九年十二月十日及二零二零年十二月九日。
- 該等購股權的45,660,000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31,600,000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2,900,000份已於二零一八年六月二十四日歸屬，行使期為二零一八年六月二十四日至二零二一年六月二十三日。

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18. SHARE OPTION SCHEME (continued)

- 2,320,000 of such share options will be vested on 24 June 2019 with an exercise period from 24 June 2019 to 23 June 2021.
- 2,320,000 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 were 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.
- 64,980,000 of such share options were vested on 19 June 2018 with an exercise period from 19 June 2018 to 18 June 2023.
- 43,320,000 of such share options will be vested on 19 June 2019 with an exercise period from 19 June 2019 to 18 June 2023.

18. 購股權計劃(續)

- 該等購股權的2,320,000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2,320,000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份已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。
- 該等購股權的64,980,000份已於二零一八年六月十九日歸屬，行使期為二零一八年六月十九日至二零二三年六月十八日。
- 該等購股權的43,320,000份將於二零一九年六月十九日歸屬，行使期為二零一九年六月十九日至二零二三年六月十八日。



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18. SHARE OPTION SCHEME (continued)

The outstanding share options as at 31 December 2017 were vested to the grantees in the following manner:

- 10,917,000 of such share options were vested on 10 December 2015 with an exercise period from 10 December 2015 to 9 December 2020.
- 19,356,000 of such share options were vested on 10 December 2016 with an exercise period from 10 December 2016 to 9 December 2020.
- 3,195,000 of such share options were vested on 10 December 2017 with an exercise period from 10 December 2017 to 9 December 2020.
- 2,556,000 of such share options will be vested on 10 December 2018 with an exercise period from 10 December 2018 to 9 December 2020.
- 2,556,000 of such share options will be vested on 10 December 2019 with an exercise period from 10 December 2019 to 9 December 2020.
- 52,140,000 of such share options were vested on 24 June 2016 with an exercise period from 24 June 2016 to 23 June 2021.
- 35,920,000 of such share options were vested on 24 June 2017 with an exercise period from 24 June 2017 to 23 June 2021.
- 2,900,000 of such share options were vested on 24 June 2018 with an exercise period from 24 June 2018 to 23 June 2021.

18. 購股權計劃(續)

於二零一七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10,917,000份已於二零一五年十二月十日歸屬，行使期為二零一五年十二月十日及二零二零年十二月九日。
- 該等購股權的19,356,000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及二零二零年十二月九日。
- 該等購股權的3,195,000份已於二零一七年十二月十日歸屬，行使期為二零一七年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份將於二零一八年十二月十日歸屬，行使期為二零一八年十二月十日及二零二零年十二月九日。
- 該等購股權的2,556,000份將於二零一九年十二月十日歸屬，行使期為二零一九年十二月十日及二零二零年十二月九日。
- 該等購股權的52,140,000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35,920,000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2,900,000份已於二零一八年六月二十四日歸屬，行使期為二零一八年六月二十四日至二零二一年六月二十三日。

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18. SHARE OPTION SCHEME (continued)

- 2,320,000 of such share options will be vested on 24 June 2019 with an exercise period from 24 June 2019 to 23 June 2021.
- 2,320,000 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 were 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.

18. 購股權計劃(續)

- 該等購股權的2,320,000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2,320,000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份已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。

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18. 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 2018

二零一八年六月三十日

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
108,300,000	0.54	19 June 2018 to 18 June 2023 二零一八年六月十九日至二零二三年六月十八日
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
84,800,000	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
38,580,000	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 2017

二零一七年十二月三十一日

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
95,600,000	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
38,580,000	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 RMB860,000 and RMB294,000 during the year ended 31 December 2017 and the Period respectively.

18. 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)，其中本集團於截至二零一七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860,000元及人民幣294,000元。

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For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月



18. SHARE OPTION SCHEME (continued)

The fair values of the share options granted on 24 June 2016 and 16 December 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 RMB4,551,000 and RMB464,000 during the year ended 31 December 2017 and the Period respectively.

The fair value of the share options granted on 19 June 2018 was HK\$17,289,000 (equivalent to RMB14,576,000) of which the Group recognised share option expenses of RMB8,096,000 during the Period.

The fair value of equity-settled share options granted during the period ended 30 June 2018 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:

Dividend yield (%)	股息收益率(%)	0
Volatility (%)	波幅(%)	70.79
Risk-free interest rate (%)	無風險利率(%)	2.27
Expected life of share options (year)	購股權預期年期(年)	5
Exercise price (HK\$ per share)	行使價(每股港元)	0.54

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.

18. 購股權計劃(續)

於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),其中本集團於截至二零一七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4,551,000元及人民幣464,000元。

於二零一八年六月十九日授出的購股權公平值為17,289,000港元(相當於人民幣14,576,000元),其中本集團於本期間確認購股權開支人民幣8,096,000元。

截至二零一八年六月三十日止期間已授出的以股權結算的購股權公平值採用二項模式於授出日期進行估算,並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:

Jun 2018
二零一八年六月

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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月

18. SHARE OPTION SCHEME (continued)

During the Period, 10,800,000 (31 December 2017: 9,520,000) of forfeited share options with fair value of approximately RMB1,781,000 (31 December 2017: RMB2,490,000) which previously recognised in share options reserve had been transferred to retained profits.

As at 30 June 2018, the Company had 241,180,000 (31 December 2017: 143,680,000) share options outstanding under the Share Option Scheme, which represented approximately 22.2% (31 December 2017: 13.3%) 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 241,180,000 (31 December 2017: 143,680,000) additional Shares and additional share capital and share premium of approximately HK\$18,928,000 (equivalent to RMB15,958,000) (31 December 2017: HK\$11,231,000 equivalent to RMB9,388,000) and approximately HK\$137,025,000 (equivalent to RMB115,526,000) (31 December 2017: HK\$93,476,000 equivalent to RMB78,137,000), before issue expenses.

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

Some of the Group's financial assets and 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 assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

18. 購股權計劃(續)

於本期間，10,800,000份(二零一七年十二月三十一日：9,520,000份)已沒收購股權原於購股權儲備確認的公平值約人民幣1,781,000元(二零一七年十二月三十一日：人民幣2,490,000元)已轉撥至保留溢利。

於二零一八年六月三十日，本公司於購股權計劃項下擁有241,180,000份(二零一七年十二月三十一日：143,680,000份)尚未行使的購股權，佔於該日期已發行股份約22.2%(二零一七年十二月三十一日：13.3%)。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241,180,000股(二零一七年十二月三十一日：143,680,000股)股份及額外股本及股份溢價(未扣除發行開支)分別約18,928,000港元(相當於人民幣15,958,000元)(二零一七年十二月三十一日：11,231,000港元，相當於人民幣9,388,000元)及約137,025,000港元(相當於人民幣115,526,000元)(二零一七年十二月三十一日：93,476,000港元，相當於人民幣78,137,000元)。

19. 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資產及金融負債的公平值

於各呈報期末，本集團的若干金融資產及金融負債按公平值計量。下表呈列該等金融資產及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。

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簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月



19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

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

19. 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資產及金融負債的公平值(續)

Financial liabilities	Fair value as at 30 June 2018 於二零一八年六月三十日的公平值	Fair value hierarchy 公平值等級	Significant unobservable inputs 重大不可觀察輸入值	Range 範圍	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, RMB149,591,000 負債， 人民幣149,591,000元	Level 3 第三級	Volatility 波幅	65.49%-71.47% (31 December 2017: 79.09%-84.94%) 65.49%-71.47% (二零一七年 十二月三十一日： 79.09%-84.94%)	Binomial Model The key inputs are set out in note 15 二項模式 主要輸入值載於附註15
Provision for contingent consideration 或然代價撥備	Liabilities, RMB47,560,000 負債， 人民幣47,560,000元	Level 3 第三級	Discount rate 貼現率	11.91%-12.06% (31 December 2017: 12.32%-12.54%) 11.91%-12.06% (二零一七年 十二月三十一日： 12.32%-12.54%)	Discounted Cash Flow Approach The key inputs are set out in note 16 貼現現金流法 主要輸入值載於附註16

There were no transfers in or out of level 3 for the Period and year ended 31 December 2017.

於本期間及截至二零一七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 2018 截至二零一八年六月三十日止六個月

19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy
As at 30 June 2018

19. 金融工具的公平值計量(續)

公平值等級
於二零一八年六月三十日

		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	-	-	149,591	149,591
Provision for contingent consideration	或然代價撥備	-	-	47,560	47,560

As at 31 December 2017

於二零一七年十二月三十一日

		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	-	-	144,822	144,822
Provision for contingent consideration	或然代價撥備	-	-	48,302	48,302

Reconciliation of Level 3 fair value measurements

第三級公平值計量的對賬

		Convertible notes 可換股票據 RMB'000 人民幣千元 (note 15) (附註15)	Provision for contingent consideration 或然代價撥備 RMB'000 人民幣千元 (note 16) (附註16)
As at 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	144,822	48,302
Fair value loss charged/(gain credited) to profit or loss during the Period	本期間於損益扣除的公平值損失/(計入的公平值收益)	4,769	(742)
As at 30 June 2018	於二零一八年六月三十日	149,591	47,560

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2018 截至二零一八年六月三十日止六個月



20. OPERATING LEASE ARRANGEMENTS

The Group leases a production plant and premises under operating lease arrangements. Leases for these properties are negotiated for average terms of three months 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:

Within one year	一年內
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)

30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
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655	397
370	560

1,025	957
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21. COMMITMENTS

In addition to the operating lease commitments detailed in note 20 above, the Group had the following commitments at the end of the reporting period:

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
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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
– construction in progress	– 在建工程
– research and development contract	– 研發合約
– property, plant and equipment	– 物業、廠房及設備

30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
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128,171	128,171
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351	571
–	149
360	685
6,668	7,539

7,379	8,944
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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 2018 截至二零一八年六月三十日止六個月

22. RELATED PARTY TRANSACTIONS

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

22. 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	
		2018	2017
		二零一八年	二零一七年
		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	964	1,011
Contributions to retirement benefits schemes	退休福利計劃供款	15	16
		979	1,027

23. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 30 August 2018.

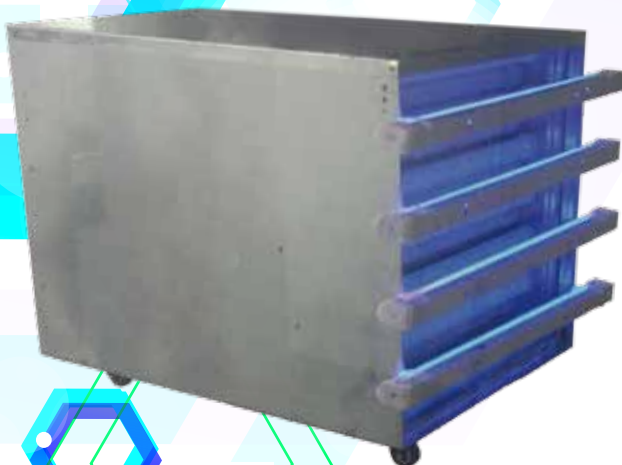
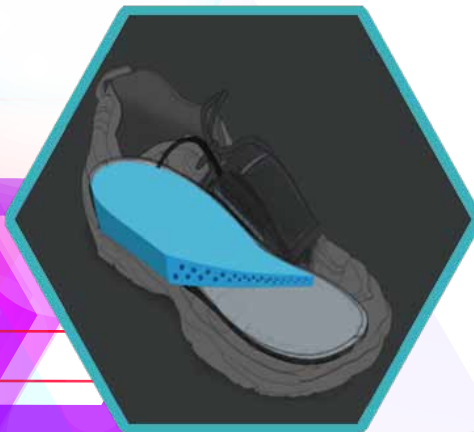
23. 簡明綜合中期財務報表之批准

簡明綜合中期財務報表於二零一八年八月三十日經董事會批准及授權發佈。

寶峰時尚

boree

2018 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)