

boree

2015 中期報告 INTERIM REPORT



BAOFENG 1121.HK

www.baofengmodern.com

baofeng

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)

Stock Code :1121

BOARD OF DIRECTORS

Executive Directors

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

Non-Executive Directors

Mr. SZE Ching Bor
Mr. CHAN Chak Chak Daniel

Independent Non-Executive Directors

Ms. AN Na
Mr. CHEN Shaohua
Professor ZHAO Jinbao

BOARD COMMITTEES

Audit Committee

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

Remuneration Committee

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

Nomination Committee

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

COMPANY SECRETARY

Mr. KWOK Chi Yin (CPA)

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

史清波先生
陳策策先生

獨立非執行董事

安娜女士
陳少華先生
趙金保教授

董事委員會

審核委員會

陳少華先生(主席)
趙金保教授
安娜女士

薪酬委員會

安娜女士(主席)
趙金保教授
陳少華先生

提名委員會

趙金保教授(主席)
陳少華先生
安娜女士

公司秘書

郭志賢先生(CPA)

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

公司網站

www.baofengmodern.com

HEAD OFFICE IN THE PRC

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

中國總部

中國
福建省
泉州市
鯉城區
江南鎮
火炬工業區

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

REGISTERED OFFICE

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

註冊辦事處

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

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

開曼群島主要股份過戶登記處

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

HONG KONG SHARE REGISTRAR

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

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

AUDITORS

Pan-China (H.K.) CPA Limited

核數師

天健(香港)會計師事務所有限公司

PRINCIPAL BANKERS

Bank of China (Hong Kong)
China Construction Bank

主要往來銀行

中國銀行(香港)
中國建設銀行

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Financial Highlights

財務摘要

		Six months ended 30 June		
		截至六月三十日止六個月		Increase/
		2015	2014	(decrease)
		二零一五年	二零一四年	增加／(減少)
		RMB'000	RMB'000	% Change
		人民幣千元	人民幣千元	變動百分比
		(unaudited)	(unaudited)	
		(未經審核)	(未經審核)	
Revenue (Total)	收益(總額)	105,754	93,228	13.4
Revenue (Boree Products)	收益(寶人牌產品)	17,051	3,832	345.0
Revenue (Baofeng Products)	收益(寶峰牌產品)	–	3	(100.0)
Revenue (Brand Licensee Business)	收益(授權品牌業務)	–	14	(100.0)
Revenue (OEM Business)	收益(OEM業務)	88,703	89,379	(0.8)
Gross profit	毛利	30,304	12,992	133.3
Loss for the period	期內虧損	(25,015)	(27,993)	(10.6)
Shareholders' equity	股東權益	1,120,229	1,094,671	2.3

		Six months ended 30 June		
		截至六月三十日止六個月		
		2015	2014	
		二零一五年	二零一四年	
		(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	105.8	93.2	
Gross profit	毛利	30.3	13.0	
Loss for the period	期內虧損	(25.0)	(28.0)	
Profitability ratios (%)	盈利能力比率(%)			
Gross profit margin	毛利率	28.7	13.9	
Net loss margin	淨虧損率	(23.7)	(30.0)	
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	124.8	134.9	
Current assets	流動資產	1,240.2	1,284.2	
Current liabilities	流動負債	241.7	321.3	
Non-current liability	非流動負債	3.1	3.1	
Shareholders' equity	股東權益	1,120.2	1,094.7	
Asset and working capital data	資產及營運資金數據			
Current asset ratios (%)	流動資產比率(%)	90.9%	90.5%	
Current ratios (time)	流動比率(倍)	5	4	
Gearing ratios (%)	負債比率(%)	17.5%	22.7%	

Management Discussion & Analysis

管理層討論及分析

In the first half of 2015, Baofeng Modern International Holdings Company Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group” or “Baofeng Modern”) improved its sales due to the change of its distribution channel to cooperate with national retail chains instead of single regional distributors starting from 2014. The Group recorded an increase in revenue and gross profit for the six months ended 30 June 2015 (the “Period”), of which the revenue increased by 13.4% to approximately RMB105.8 million from last corresponding period (2014: RMB93.2 million).

As a result of the improvement of technology to reduce production costs, the gross profit margin of the Group for the Period increased by 106% compared with last corresponding period to 28.7% (2014:13.9%).

During the Period, the fair value loss of financial liabilities at fair value through profit or loss was approximately RMB32.3 million (2014: RMB10.8 million). As a result, the Group recorded a net loss of approximately RMB25.0 million for the Period (2014: RMB28.0 million).

於二零一五年上半年，寶峰時尚國際控股有限公司（「本公司」）及其附屬公司（統稱為「本集團」或「寶峰時尚」）銷售有所改善，由於自二零一四年起改變分銷渠道，與全國零售連鎖商合作，而非單一地區分銷商。於截至二零一五年六月三十日止六個月（「本期間」），本集團錄得收益及毛利增加，其中收益與去年同期相比增加13.4%至約人民幣105,800,000元（二零一四年：人民幣93,200,000元）。

由於技術改良使生產成本下降，本集團於本期間之毛利率較去年同期增加106%至28.7%（二零一四年：13.9%）。

於本期間，按公平值計入損益之金融負債之公平值損失約為人民幣32,300,000元（二零一四年：人民幣10,800,000元）。因此，本集團於本期間錄得虧損淨額約人民幣25,000,000元（二零一四年：人民幣28,000,000元）。

FINANCIAL REVIEW

Revenue by Product Category

		Six months ended 30 June		
		截至六月三十日止六個月		
		2015	2014	Increase/
		二零一五年	二零一四年	(decrease)
		RMB'000	RMB'000	增加/
		人民幣千元	人民幣千元	(減少)
		(unaudited)	(unaudited)	% change
		(未經審核)	(未經審核)	變動百分比
Revenue (Boree Products)	收益（寶人牌產品）	17,051	3,832	345.0
Revenue (Baofeng Products)	收益（寶峰牌產品）	—	3	(100.0)
Revenue (Brand Licensee Business)	收益（授權品牌業務）	—	14	(100.0)
Revenue (OEM Business)	收益（OEM業務）	88,703	89,379	(0.8)
Revenue (Total)	收益（總額）	105,754	93,228	13.4

財務回顧

按產品類別分類的收益

Management Discussion & Analysis

管理層討論及分析

For the Period under review, the revenue of the Group increased by 13.4% to approximately RMB105,754,000 as compared with that of the corresponding period last year. Revenue from Boree branded products increased by 345.0% to approximately RMB17,051,000 as compared with that of the corresponding period last year, as a result of the success in the change of the Group's marketing strategy. The performance from the OEM business kept stable, maintaining similar sales level as last corresponding period.

Selling and Distribution Expenses

During the Period, selling and distribution expenses decreased by 32.8% to approximately RMB7,087,000 as compared with that of the corresponding period last year (2014: RMB10,546,000), which accounted for 6.7% (2014: 11.3%) of the Group's revenue. The decrease was due to the suspension of brand licensee business, which incurred more selling and distribution expenses than other business segments, during the Period.

General and Administrative Expenses

General and administrative expenses recorded a decrease of 35.3% to approximately RMB12,979,000 for the Period (2014: RMB20,046,000) as compared with that of the corresponding period last year, which accounted for 12.3% (2014: 21.5%) of the Group's revenue. The decrease was mainly due to the adoption of a series of cost saving plans since the second half of 2014.

Liquidity and Financial Resources

During the Period, net cash inflow from operating activities of the Group amounted to approximately RMB23.8 million (2014: RMB28.0 million). As at 30 June 2015, cash and bank balances were approximately RMB1,168 million, representing a net increase of 1.65% as compared with approximately RMB1,149 million as at 31 December 2014. In the recent years, China implemented a series of economic austerity measures, including adjusting the bank deposit reserve ratio, in order to slow down its overheated economy. In order to maintain a good relationship with banks and have a more favorable term of facilities in the future, the Group maintained the bank borrowings at a certain level even there were substantive cash and bank balances in the Group. The interest-bearing bank borrowings of the Group as at 30 June 2015 was approximately RMB124 million (31 December 2014: RMB122 million). All bank loans were repayable within one year.

於回顧期內，由於本集團成功改變營銷策略，本集團的收益與去年同期相比增加13.4%至約人民幣105,754,000元。來自寶人牌產品的收益與去年同期相比增加345.0%至約人民幣17,051,000元。OEM業務的表現維持穩定，銷售額與去年同期相比維持在相近水平。

銷售及分銷開支

於本期間，銷售及分銷開支與去年同期相比減少32.8%至約人民幣7,087,000元（二零一四年：人民幣10,546,000元），佔本集團收益的6.7%（二零一四年：11.3%）。下降是由於產生銷售及分銷開支高於其他業務分部的授權品牌業務於本期間暫停經營所致。

一般及行政開支

於本期間，一般及行政開支與去年同期相比下降35.3%至約人民幣12,979,000元（二零一四年：人民幣20,046,000元），佔本集團收益的12.3%（二零一四年：21.5%）。下降主要由於自二零一四年下半年起採取一系列成本節省計劃。

流動資金及財務資源

於本期間，本集團經營活動所得現金淨額流入約為人民幣23,800,000元（二零一四年：人民幣28,000,000元）。於二零一五年六月三十日，現金及銀行結餘約為人民幣1,168,000,000元，較二零一四年十二月三十一日約人民幣1,149,000,000元淨增長1.65%。近年來中國實施一系列經濟緊縮措施（包括調整銀行存款儲備率），以放緩過熱的經濟。為維持與銀行的良好關係及於未來取得更有利的融資條款，儘管本集團擁有大量現金及銀行結餘，本集團仍維持一定水平的銀行借款。本集團於二零一五年六月三十日之計息銀行借貸約人民幣124,000,000元（二零一四年十二月三十一日：人民幣122,000,000元）。所有銀行貸款須於一年內償還。

Management Discussion & Analysis

管理層討論及分析

Pledge of Assets

As at 30 June 2015, the bills payables were secured by the Group's pledged deposits amounting to approximately RMB8,224,000 (31 December 2014: RMB5,696,000).

Contingent Liabilities

As at 30 June 2015 and 31 December 2014, the Group had no material contingent liabilities.

Foreign Exchange Risk

During the Period, the sales of the Group were mainly denominated in United States dollars and Renminbi. The cost of sales and operating expenses were mainly denominated in Renminbi. The 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 2015, the gearing ratio of the Group was 17.5% (31 December 2014: 20.3%). Gearing ratio was calculated as total debts divided by the total equity plus total debts. Total debts refers to the total liability minus the sum of tax payable, dividend payable and deferred tax liability.

Human Resources

As of 30 June 2015, the Group had a total of approximately 840 employees (31 December 2014: approximately 970 employees).

Use of Net Proceeds from the Share Offering

As at 30 June 2015, the Company had unutilised net proceeds from the Initial Public Offering ("IPO") in the amount of approximately RMB145.2 million, representing approximately 37% of the total net proceeds from the IPO (the "Unutilised Net Proceeds"). In light of current market conditions of footwear industry in the People's Republic of China ("PRC"), the Company believes that the use of the Unutilised Net Proceeds under the original intended purpose may no longer meets the Group's imminent business development needs. In order to maximise the benefits of the Company and its shareholders, the Company may change the usage of the Unutilised Net Proceeds from the original intended purposes to working capital and other general corporate purposes of the Group. If this happens, further announcements will be made by the Company as and when appropriate in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

資產抵押

於二零一五年六月三十日，應付票據由本集團已抵押存款約人民幣8,224,000元（二零一四年十二月三十一日：人民幣5,696,000元）作出擔保。

或然負債

於二零一五年六月三十日及二零一四年十二月三十一日，本集團並無重大或然負債。

外匯風險

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

負債比率

於二零一五年六月三十日，本集團的負債比率為17.5%（二零一四年十二月三十一日：20.3%）。負債比率為總債務除以總權益與總債務之和。總債務為總負債減應付稅項、應付股息及遞延稅項負債的總和。

人力資源

於二零一五年六月三十日，本集團共有約840名僱員（二零一四年十二月三十一日：約970名僱員）。

股份發售所得款項淨額用途

於二零一五年六月三十日，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145,200,000元，相當於首次公開發售總所得款項淨額（「未動用所得款項淨額」）約37%。鑒於中華人民共和國（「中國」）鞋履行業當前市況，本公司認為，按照原定用途動用未動用所得款項淨額可能不再符合集團迫切的業務發展需要。為增進本公司及其股東之利益，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。

Management Discussion & Analysis

管理層討論及分析

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

The utilisation of the net proceeds as at 30 June 2015 is set out as follows:

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，本公司自股份發售收到的所得款項淨額為453,570,000港元（約人民幣387,666,000元）（經扣除包銷佣金及相關開支）。

於二零一五年六月三十日，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	增加產能	135,683	87,125
Marketing and advertising expenses	推廣及宣傳開支	96,917	96,917
To acquire other branded product business	收購其他品牌產品業務	58,150	–
To strengthen design capability	增強設計能力	19,383	11,116
To establish flagship shops and showrooms	開設旗艦店及陳列室	19,383	4,090
To strengthen the distribution resource planning system	加強分銷資源計劃系統	19,383	4,409
General working capital	一般營運資金	38,767	38,767
Total	總計	387,666	242,424

BUSINESS REVIEW AND FUTURE PROSPECTS

The Group was successful in adjusting its distribution channel with those national retail chains instead of single regional distributors during the Period, in order to increase the penetration rate of the products of the Group. This resulted in a rebound of the revenue of the Group's own branded business during the Period.

Apart from the change in sales channel, the Group reduced the production costs and greatly improved the gross profit margin. The gross profit margin for the Period increased by 106% compared with last corresponding period, from 13.9% in 2014 to 28.7% in 2015 due to the improvement of technology. During the Period, the Group also put significant resources and effort into the technology research and development of new materials to be used in the manufacture of footwear with higher quality and better features in terms of elasticity, weight, wear-resistance, portability, air permeability and antibacterial effect.

業務回顧及未來前景

本集團於本期間成功調整其分銷渠道至全國零售連鎖商，而非單一地區分銷商，從而增加本集團產品之滲透率。此舉令本集團自有品牌業務於本期間的收益有所反彈。

除了分銷渠道轉變以外，由於技術改良，本集團的生產成本下降，毛利率大幅改善。於本期間，毛利率較去年同期增長106%，由二零一四年之13.9%提高至二零一五年之28.7%。於本期間，本集團亦在用於生產較高質量及更好功能的鞋的新材料研究和開發方面投入大量資源及精力，在質量以及材料的彈性、重量、耐磨性、輕便性、透氣性、抗菌性等性能的提高進行大量技術研發工作。

Management Discussion & Analysis

管理層討論及分析

Except for the existing business, the Group is prudently seeking opportunities to acquire new technologies, such as hi-tech disinfection and deodorization chips and pressure-sensitive sensors for shoes. As detailed in the Group's announcements dated 24 November 2014 and 29 April 2015, the Company entered into the letters of intent with (i) Bluestone Technologies (Cayman) Limited in relation to acquire the proprietary technology of graphene-based disinfection devices and pressure-sensitive sensors for shoes; and (ii) Belleds Technologies LLC in relation to the technology cooperation in the development of low power consumption data gathering and transfer technology for wearable devices, respectively. The terms of the above acquisition and cooperation are still under discussion.

In view of the improved operating results during the Period, the Group is in the right track to diversify its business, which would mitigate operating risk and maximise returns to the shareholders of the Company. The Group expects the production efficiency and competitiveness would be continuously enhanced with the benefit of technology development and introduction of new products in the future.

除現有業務外，本集團審慎物色機會收購新技術，如具有高科技含量的鞋用殺菌除臭晶片及傳感器芯片。如本集團日期為二零一四年十一月二十四日及二零一五年四月二十九日的公佈所詳述，本公司(i)與Bluestone Technologies (Cayman) Limited就收購石墨烯鞋用殺菌及傳感器芯片之專有技術訂立意向書；及(ii)與Belleds Technologies LLC就開發可穿戴式設備方面超低功耗的數據採集及傳輸技術的技術合作訂立意向書。上述收購及合作的條款仍在磋商中。

鑒於本期間的經營業績有所改善，本集團已循正確方向使其業務多元化，從而降低經營風險，並為本公司股東締造最大回報。憑藉技術開發及未來推出的新產品，本集團預期生產效率及競爭力將持續提高。

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其他資料

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

As at 30 June 2015, the interests and short positions of the Directors and chief executive in the share capital and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Interests and short positions in ordinary shares of the Company:

Name of Director	Capacity and nature of interest	Number of shares held	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	所持股份數目	
Mr. Sze Ching Bor 史清波先生	Interest in controlled corporation 所控制法團的權益	519,035,767(L) 233,155,792(S)	48.62% 21.84%

Long positions in share options of the Company:

Name of Director	Capacity and nature of interest	Number of options held ⁽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	所持購股權數目 ⁽²⁾	
Mr. Zheng Jingdong 鄭景東先生	Beneficial owner 實益擁有人	2,750,000	0.26%

Notes:

- (1) The percentage has been calculated based on the total number of shares of the Company in issue as at 30 June 2015 (i.e. 1,067,579,608 shares).
- (2) Mr. Sze Ching Bor ("Mr. Sze") is deemed to be interested in the shares of the Company (the "Shares") held by Best Mark International Limited ("Best Mark") and Capital Vision International Limited ("Capital Vision"). Best Mark and Capital Vision are wholly owned and controlled by Mr. Sze and are interested in 473,876,157 Shares and 45,159,610 Shares respectively, representing approximately 44.39% and 4.23%, respectively of the issued share capital of the Company. Best Mark granted an option to Total Shine Investments Limited ("Total Shine") to acquire 233,155,792 Shares in aggregate, representing 21.84% of the issued share capital of the Company.

董事及主要行政人員於股份及相關股份及債券中的權益及淡倉

於二零一五年六月三十日，董事及主要行政人員於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股本及相關股份及債券中擁有記錄於本公司根據證券及期貨條例第352條須予存置的股東名冊內的權益及淡倉，或根據上市發行人董事進行證券交易的標準守則須另行知會本公司及聯交所的權益及淡倉如下：

於本公司普通股中的權益及淡倉：

於本公司購股權中的好倉：

附註：

- (1) 上述百分比乃根據本公司於二零一五年六月三十日的已發行股份總數（即1,067,579,608股）計算。
- (2) 史清波先生（「史先生」）被視為擁有Best Mark International Limited（「Best Mark」）及Capital Vision International Limited（「Capital Vision」）所持本公司股份（「股份」）之權益。Best Mark及Capital Vision由史先生全資擁有及控制，分別於473,876,157股股份及45,159,610股股份中擁有權益，分別相當於本公司已發行股本約44.39%及4.23%。Best Mark已授予Total Shine Investments Limited（「Total Shine」）一份購股權，以收購合共233,155,792股股份，相當於本公司已發行股本的21.84%。

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- (3) These represent the number of shares which will be allotted and issued to the Director upon the exercise of the share options granted to him under a share option scheme adopted on 8 January 2011 (the "Share Option Scheme").
- (4) The letters "L" and "S" denote the person's long and short positions respectively in the Shares of the Company.

- (3) 上述數額為因根據於二零一一年一月八日採納的購股權計劃（「購股權計劃」）授予董事的購股權獲行使而將向其配發及發行的股份數目。
- (4) 字母「L」及「S」分別代表該人士所持本公司股份的好倉及淡倉。

Save as disclosed above, as at 30 June 2015, none of the Directors and chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

除上文所披露者外，於二零一五年六月三十日，概無董事或主要行政人員在本公司或其任何相聯法團的股份、相關股份或債券中擁有須根據證券及期貨條例第352條記錄的權益或淡倉，或根據上市發行人董事進行證券交易的標準守則須另行知會本公司及聯交所的權益或淡倉。

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 8 January 2011. Details of the Share Option Scheme are set out in note 15 to the financial statements.

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財務報表附註15。

The following table discloses the outstanding share options under the Share Option Scheme as at 30 June 2015:

下表披露於二零一五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 options 購股權數目					Outstanding as at 30 June 2015 於二零一五年 六月三十日 尚未行使	Exercise price per share period ⁽²⁾ (HK\$) 每股行使價 (港元)
			Outstanding as at 1 January 2015 於二零一五年 一月一日 尚未行使	Granted during the period	Exercised during the period	Cancelled during the period	Forfeited during the period		
Executive Directors	執行董事								
Zheng Jingdong	鄭景東	30/8/2011	2,750,000	-	-	-	2,750,000	A 1.18	
Zhang Aiguo (resigned on 3/2/2015)	張愛國 (於二零一五年 二月三日辭任)	30/8/2011	1,500,000	-	-	(1,500,000)	-	A 1.18	
Sub-total	小計		4,250,000	-	-	(1,500,000)	2,750,000		
Employees of the Group in aggregate	本集團僱員合共								
		30/8/2011	6,000,000	-	-	(4,500,000)	1,500,000	A 1.18	
Total	總計		10,250,000	-	-	(6,000,000)	4,250,000		

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Notes:

1. The closing price of the Company's shares immediately before the date of grant on 30 August 2011 was HK\$1.17.

2. The exercise period of the share options granted is as follow:

A: From 30 August 2012 to 29 August 2016.

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

3. Exercise conditions:

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

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

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

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

附註：

1. 本公司股份於緊接授出日期二零一一年八月三十日前的收市價為1.17港元。

2. 所授出購股權行使期如下：

A: 二零一二年八月三十日至二零一六年八月二十九日。

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：

(i) 購股權承授人於行使其購股權時仍須為董事或本公司或其附屬公司僱員；及

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

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

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

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

As at 30 June 2015, so far as is known to any Director or chief executive of the Company, the following persons or corporations (other than a Director or chief executive of the Company) who had, or were deemed or taken to have an interest and short positions in the Shares or underlying Shares as 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

於二零一五年六月三十日，據本公司董事或主要行政人員所知，以下人士或法團（不包括本公司董事或主要行政人員）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於股份或相關股份中擁有或被視為擁有記錄，列載如下：

於股份及相關股份中的權益及淡倉：

Name	Capacity and nature of interest	Number of shares	Percentage of the Company's issued share capital ⁽⁹⁾
名稱	身份及權益性質	股份數目	佔本公司已發行股本百分比 ⁽⁹⁾
Ms. Tsang Shuk Ping ⁽¹⁾ 曾淑萍女士 ⁽¹⁾	Spousal interest 配偶權益	519,035,767 (L) 233,155,792 (S)	48.62% 21.84%
Best Mark International Limited ⁽²⁾	Beneficial owner/Other 實益擁有人／其他	473,876,157 (L) 233,155,792 (S)	44.39% 21.84%
Haitong International Finance Company Limited 海通國際財務有限公司	Security interest 擔保權益	523,035,767 (L)	48.99%
Haitong International (BVI) Limited ⁽³⁾	Interest in controlled corporation 所控制法團的權益	523,035,767 (L)	48.99%
Haitong International Securities Group Limited ⁽⁴⁾ 海通國際證券集團有限公司 ⁽⁴⁾	Interest in controlled corporation 所控制法團的權益	523,035,767 (L)	48.99%
Haitong International Holdings Limited ⁽⁵⁾ 海通國際控股有限公司 ⁽⁵⁾	Interest in controlled corporation 所控制法團的權益	523,035,767 (L)	48.99%
Haitong Securities Co., Ltd ⁽⁶⁾ 海通證券股份有限公司 ⁽⁶⁾	Interest in controlled corporation 所控制法團的權益	523,035,767 (L)	48.99%
Ms. Lin Weihuan ⁽⁷⁾ Lin Weihuan女士 ⁽⁷⁾	Interest in controlled corporation 所控制法團的權益	233,155,792 (L)	21.84%
Total Shine Investments Limited ⁽⁷⁾	Beneficial owner 實益擁有人	233,155,792 (L)	21.84%
Ms. Ming Chu ⁽⁸⁾ 明珠女士 ⁽⁸⁾	Interest in controlled corporation 所控制法團的權益	68,117,646 (L)	6.38%
Star Sky Entertainment Group Limited ⁽⁸⁾	Beneficial owner 實益擁有人	68,117,646 (L)	6.38%

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Notes:

- (1) Ms. Tsang Shuk Ping, the spouse of Mr. Sze, is deemed to be interested in Mr. Sze's interests in the Company.
- (2) Best Mark is wholly owned and controlled by Mr. Sze.
- (3) Haitong International (BVI) Limited wholly owns Haitong International Finance Company Limited and is deemed to be interested in the Shares in which Haitong International Finance Company Limited is interested for the purpose of Part XV of the SFO.
- (4) Haitong International Securities Group Limited wholly owns Haitong International (BVI) Limited and is deemed to be interested in the Shares in which Haitong International (BVI) Limited is interested for the purpose of Part XV of the SFO.
- (5) Haitong International Holdings Limited owns 66.38% of Haitong International Securities Group Limited and is deemed to be interested in the Shares in which Haitong International Securities Group Limited is interested for the purpose of Part XV of the SFO.
- (6) Haitong Securities Co., Ltd wholly owns Haitong International Holdings Limited and is deemed to be interested in the Shares in which Haitong International Holdings Limited is interested for the purpose of Part XV of the SFO.
- (7) Ms. Lin Weihuan ("Ms. Lin") is deemed to be interested in the Shares held by Total Shine. Total Shine is wholly owned and controlled by Ms. Lin and obtained an option granted by Best Mark entitling it to acquire 233,155,792 Shares.
- (8) Ms. Ming Chu ("Ms. Ming") is deemed to be interested in the shares held by Star Sky Entertainment Group Limited ("Star Sky"). Star Sky is wholly owned and controlled by Ms. Ming. Star Sky is interested in 31,194,997 Shares, representing 2.92% of the issued share capital of the Company. Also, Star Sky is interested in a warrant to subscribe for 36,922,649 Shares.
- (9) The percentage has been calculated based on the total number of shares of the Company in issue as at 30 June 2015 (i.e. 1,067,579,608 shares).
- (10) The letters "L" and "S" denote the person's long and short position respectively in the Shares of the Company.

附註:

- (1) 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。
- (2) Best Mark由史先生全資擁有及控制。
- (3) Haitong International (BVI) Limited全資擁有海通國際財務有限公司，根據證券及期貨條例第XV部被視為於海通國際財務有限公司所持股份中擁有權益。
- (4) 海通國際證券集團有限公司全資擁有Haitong International (BVI) Limited，根據證券及期貨條例第XV部被視為於Haitong International (BVI) Limited所持股份中擁有權益。
- (5) 海通國際控股有限公司擁有海通國際證券集團有限公司的66.38%權益，根據證券及期貨條例第XV部被視為於海通國際證券集團有限公司所持股份中擁有權益。
- (6) 海通證券股份有限公司全資擁有海通國際控股有限公司，根據證券及期貨條例第XV部被視為於海通國際控股有限公司所持股份中擁有權益。
- (7) Lin Weihuan女士（「Lin女士」）被視為於Total Shine所持股份中擁有權益。Total Shine由Lin女士全資擁有及控制，已取得Best Mark授予的購股權，以收購233,155,792股股份。
- (8) 明珠女士（「明女士」）被視為於Star Sky Entertainment Group Limited（「Star Sky」）所持股份中擁有權益。Star Sky由明女士全資擁有及控制。Star Sky於31,194,997股股份中擁有權益，相當於本公司已發行股本的2.92%。此外，Star Sky亦於可認購36,922,649股股份的認股權證中擁有權益。
- (9) 該百分比乃根據本公司於二零一五年六月三十日已發行股份總數（即1,067,579,608股）計算。
- (10) 字母「L」及「S」分別代表該人士所持本公司股份的好倉及淡倉。

Save as disclosed above, as at 30 June 2015, the Directors were not aware of any other person or corporation (other than the Directors and chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in any Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or otherwise notified to the Company.

Interim Dividend

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

Corporate Governance

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

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

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

除上文所披露者外，於二零一五年六月三十日，董事概不知悉任何其他人士或法團（不包括董事及本公司主要行政人員）於任何股份或相關股份中擁有或被視為擁有記錄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或淡倉。

中期股息

董事不建議就本期間派發任何中期股息。

企業管治

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

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

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

Other Information

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Code Provision A.6.7 stipulates that non-executive Directors and independent non-executive Directors should attend annual general meeting and develop a balanced understanding of the views of the shareholders. The Company deviates from this provision because the non-executive Directors, Mr. Sze and Mr. Chan Chak Chak Daniel and an independent non-executive Director, Ms. An Na did not attend the annual general meeting held on 12 June 2015 due to their business commitments.

Code Provision E.1.2 stipulates that the Chairman of the Board should attend the annual general meeting. The Chairman should also invite the chairpersons of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. The chairperson of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that requires independent shareholders' approval. Due to other business commitments, the chairperson of remuneration committee, Ms. An Na was unable to attend the annual general meeting held on 12 June 2015.

Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as the required standard for securities transactions by the Directors. The Company made specific enquiries of all Directors who confirmed that they have complied with the required standards set out in the Model Code throughout the Period under review.

Purchase, Redemption or Sales 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.

守則條文第A.6.7條規定，非執行董事及獨立非執行董事應出席股東週年大會並對股東的意見有公正的瞭解。由於非執行董事史先生及陳策策先生及獨立非執行董事安娜女士因彼等的公務而未能出席於二零一五年六月十二日舉行的股東週年大會，故本公司偏離此條文。

守則條文第E.1.2條規定，董事會主席應出席股東週年大會。主席亦應邀請審核、薪酬、提名及任何其他委員會（如適用）之主席出席。如有關委員會主席缺席，主席應邀請委員會其他成員或當無其他成員能夠出席，有關委員會主席可另委任代表出席。有關人士應可於股東週年大會上回答問題。獨立董事委員會主席（如有）亦應於任何股東大會上回答問題，以批准關連交易或需要獨立股東批准之任何其他交易。薪酬委員會主席安娜女士因其他公務而未能出席於二零一五年六月十二日舉行的股東週年大會。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易之規定準則。本公司已向全體董事作出專門查詢，全體董事確認彼等於整個回顧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 of the Listing Rules. The primary duties of the audit committee are to review and supervise the Group's financial reporting process and internal control system 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. Mr. Chen Shaohua is the Chairman of the audit committee. The unaudited condensed consolidated interim financial statements of the Group for the Period have been reviewed by the audit committee.

On behalf of the Board

ZHENG Jingdong
Chairman

Hong Kong
28 August 2015

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及內部監控體系以及檢討及監察核數師的委任及其獨立性。

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

代表董事會

主席
鄭景東

香港
二零一五年八月二十八日

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 2015 截至二零一五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		
		2015	2014	
		二零一五年	二零一四年	
		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	105,754	93,228
Cost of sales	銷售成本		(75,450)	(80,236)
GROSS PROFIT	毛利		30,304	12,992
Other net income and gains	其他收入及收益淨額	4	7,814	5,388
Selling and distribution expenses	銷售及分銷開支		(7,087)	(10,546)
General and administrative expenses	一般及行政開支		(12,979)	(20,046)
Finance costs	融資成本	5	(4,691)	(5,205)
Fair value losses on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債之公平值損失	13	(32,342)	(10,828)
LOSS BEFORE TAX	除稅前虧損	6	(18,981)	(28,245)
Income tax (expense)/credit	所得稅(開支)/抵免	7	(6,034)	252
LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔期內虧損及全面開支總額		(25,015)	(27,993)
LOSS PER SHARE	每股虧損	9		
– Basic (RMB)	– 基本(人民幣)		(0.02)	(0.03)
– Diluted (RMB)	– 攤薄(人民幣)		N/A	N/A

Details of the dividends are disclosed in note 8 to the condensed consolidated financial statements.

股息詳情披露於簡明綜合財務報表附註8。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2015 於二零一五年六月三十日

		30 June 2015 二零一五年 六月三十日	31 December 2014 二零一四年 十二月三十一日
	Notes 附註	RMB'000 人民幣千元 (unaudited) (未經審核)	RMB'000 人民幣千元 (audited) (經審核)
NON-CURRENT ASSETS			
Property, plant and equipment		90,842	95,214
Prepaid lease payments		33,908	34,330
		124,750	129,544
CURRENT ASSETS			
Inventories		18,566	30,967
Trade and bills receivables	10	22,291	41,533
Prepayments, deposits and other receivables		23,423	14,034
Income tax recoverable		-	2,151
Pledged deposits		8,224	5,696
Cash and bank balances		1,167,765	1,148,881
		1,240,269	1,243,262
CURRENT LIABILITIES			
Trade and bills payables	11	40,056	48,297
Deposits received, other payables and accruals		33,909	51,051
Interest-bearing bank borrowings	12	123,855	121,884
Convertible notes	13	-	53,123
Warrants	13	40,481	4,137
Income tax payable		3,418	-
		241,719	278,492
NET CURRENT ASSETS		998,550	964,770
TOTAL ASSETS LESS CURRENT LIABILITIES		1,123,300	1,094,314
NON-CURRENT LIABILITY			
Deferred tax liability		3,071	3,071
NET ASSETS		1,120,229	1,091,243
EQUITY			
Share capital	14	70,555	67,258
Reserves		1,049,674	1,023,985
TOTAL EQUITY		1,120,229	1,091,243

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2014

截至二零一四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									Total equity
		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	法定盈餘公積金	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 2014 (audited)	於二零一四年一月一日(經審核)	67,258	350,935	141,376	95,478	155	524	3,770	462,899	1,055,137	1,122,395
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	-	-	-	(27,993)	(27,993)	(27,993)
Equity-settled share option arrangements	以股權結算的購股權安排	-	-	-	-	-	-	269	-	269	269
Transfer upon forfeiture of share options	購股權失效時轉發	-	-	-	-	-	-	(1,801)	1,801	-	-
At 30 June 2014 (unaudited)	於二零一四年六月三十日(未經審核)	67,258	350,935	141,376	95,478	155	524	2,238	436,707	1,027,413	1,094,671

For the six months ended 30 June 2015

截至二零一五年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔									
		Reserves 儲備									Total equity
		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	法定盈餘公積金	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 2015 (audited)	於二零一五年一月一日(經審核)	67,258	350,935	141,376	95,478	155	524	2,879	432,638	1,023,985	1,091,243
Issue of shares upon conversion of convertible notes	於轉換可換股票據時發行股份	3,297	50,704	-	-	-	-	-	-	50,704	54,001
Loss and total comprehensive expense for the period	期內虧損及全面開支總額	-	-	-	-	-	-	-	(25,015)	(25,015)	(25,015)
Equity-settled share option arrangements	以股權結算的購股權安排	-	-	-	-	-	-	(1,730)	1,730	-	-
Transfer to statutory surplus fund	轉撥至法定盈餘公積金	-	-	-	909	-	-	-	(909)	-	-
At 30 June 2015 (unaudited)	於二零一五年六月三十日(未經審核)	70,555	401,639	141,376	96,387	155	524	1,149	408,444	1,049,674	1,120,229

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2015	2014
		二零一五年	二零一四年
		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	23,775	27,990
Investing activities	投資活動	(3,193)	271
Financing activities	融資活動	(1,698)	(21,370)
		<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	18,884	6,891
Cash and cash equivalents at beginning of period	期初現金及現金等價物	1,148,881	1,173,494
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	1,167,765	1,180,385
		<hr/>	<hr/>
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	1,167,765	1,180,385
		<hr/>	<hr/>

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

1. CORPORATE INFORMATION

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

The principal activity of the Company is investment holding. The Group is involved in the manufacture and sales of slippers, sandals and casual footwear. There were no significant changes in the nature of the Group's principal activities during the Period.

In the opinion of the Directors of the Company, 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 unaudited condensed consolidated interim financial statements (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 have been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements as detailed below:

The Group has adopted the following amendments to International Financial Reporting Standards ("IFRSs") which are effective for the Group's financial year beginning on 1 January 2015.

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

本公司的主要業務為投資控股。本集團從事製造及銷售拖鞋、涼鞋及休閒鞋。於本期間，本集團之主要業務的性質並無重大變動。

本公司董事認為，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

未經審核簡明綜合中期財務報表（「中期財務報表」）乃根據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之披露規定所編製。

除了下文所載的預期將在二零一五年度財務報表反映之會計政策變動，中期財務報表已按照二零一四年度財務報表所採納之同一會計政策編製。

本集團已採納以下於本集團自二零一五年一月一日開始的財政年度生效的國際財務報告準則（「國際財務報告準則」）修訂本。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

2. BASIS OF PREPARATION (continued)

- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

These amendments have had no material impact on the contents of this interim financial results.

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

3. SEGMENT INFORMATION

Information reported to the Directors of the Company, 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:

- the Boree branded products segment manufactures and trades Boree branded slippers, sandals and casual footwear ("Boree Products");
- the Baofeng branded products segment manufactures and trades Baofeng branded slippers ("Baofeng Products");
- the Brand Licensee Business segment manufactures and trades licensed slippers ("Brand Licensee Business"); and
- the Original Equipment Manufacturer ("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 resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted result before tax.

2. 編製基準(續)

- 二零一零年至二零一二年周期國際財務報告準則的年度改進
- 二零一一年至二零一三年周期國際財務報告準則的年度改進

有關修訂本對本中期財務業績的內容並無重大影響。

本集團並無就本會計期間採納任何尚未生效的新準則或詮釋。

3. 分部資料

向本公司董事，即主要經營決策者（「主要經營決策者」），呈報以供分配資源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：

- 寶人牌產品分部生產及出售寶人牌拖鞋、涼鞋及休閒鞋（「寶人牌產品」）；
- 寶峰牌產品分部生產及出售寶峰牌拖鞋（「寶峰牌產品」）；
- 授權品牌業務分部生產及出售代理拖鞋（「授權品牌業務」）；及
- 原設備製造商（「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營運分部的業績，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。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

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

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

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

3. 分部資料(續)

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

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

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

Period ended 30 June 2015

截至二零一五年六月三十日止期間

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

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

As at 30 June 2015

3. 分部資料(續)

於二零一五年六月三十日

		Boree Products 寶人牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Baofeng Products 寶峰牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Brand Licensee Business 授權品牌業務 RMB'000 人民幣千元 (unaudited) (未經審核)	OEM RMB'000 人民幣千元 (unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (unaudited) (未經審核)
Segment assets	分部資產	14,108	-	-	15,864	29,972
<i>Reconciliation:</i>	<i>對賬:</i>					
Corporate and other unallocated assets	企業及其他未分配資產					1,335,047
Total assets	資產總額					1,365,019
Segment liabilities	分部負債	150	150	-	15,777	16,077
<i>Reconciliation:</i>	<i>對賬:</i>					
Corporate and other unallocated liabilities	企業及其他未分配負債					228,713
Total liabilities	負債總額					244,790

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

Period ended 30 June 2014

3. 分部資料(續)

截至二零一四年六月三十日止期間

		Brand				
		Boree Products 寶人牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Baofeng Products 寶峰牌產品 RMB'000 人民幣千元 (unaudited) (未經審核)	Licensee Business 授權品牌業務 RMB'000 人民幣千元 (unaudited) (未經審核)	OEM RMB'000 人民幣千元 (unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (unaudited) (未經審核)
Segment revenue	分部收益					
Sales to external customers	向外界客戶銷售	3,832	3	14	89,379	93,228
Segment results	分部業績	(8,242)	(4)	(177)	10,869	2,446
<i>Reconciliation:</i>	<i>對賬:</i>					
Interest income	利息收入					2,421
Other unallocated net income and gains	其他未分配收入及收益淨額					2,967
Corporate and other unallocated expenses	企業及其他未分配開支					(20,046)
Fair value loss on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債之公平值損失					(10,828)
Finance costs	融資成本					(5,205)
Loss before tax	除稅前虧損					(28,245)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

3. SEGMENT INFORMATION (continued)

As at 31 December 2014

3. 分部資料(續)

於二零一四年十二月三十一日

		Boree Products 寶人牌產品 RMB'000 人民幣千元 (audited) (經審核)	Baofeng Products 寶峰牌產品 RMB'000 人民幣千元 (audited) (經審核)	Brand Licensee Business 授權品牌業務 RMB'000 人民幣千元 (audited) (經審核)	OEM RMB'000 人民幣千元 (audited) (經審核)	Total 總計 RMB'000 人民幣千元 (audited) (經審核)
Segment assets	分部資產	2,318	-	-	51,045	53,363
<i>Reconciliation:</i>	<i>對賬:</i>					
Corporate and other unallocated assets	企業及其他未分配資產					1,319,443
Total assets	資產總額					1,372,806
Segment liabilities	分部負債	850	850	-	15,777	17,477
<i>Reconciliation:</i>	<i>對賬:</i>					
Corporate and other unallocated liabilities	企業及其他未分配負債					264,086
Total liabilities	負債總額					281,563

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五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	
		2015	2014
		二零一五年	二零一四年
		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)	18,691	7,267
United States of America	美國	81,153	80,717
South America	南美洲	1,786	1,664
Europe	歐洲	2,360	1,198
South East Asia	東南亞	1,403	469
Other countries	其他國家	361	1,913
		105,754	93,228

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
		2015	2014
		二零一五年	二零一四年
		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)	124,721	129,498

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 2015 截至二零一五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

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

2015	2014
二零一五年	二零一四年
RMB'000	RMB'000
人民幣千元	人民幣千元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

40,722	44,145
16,456	14,593

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:

Revenue
Manufacture and sales of goods

Other net income and gains

Interest income
Sales of scrap material
Rental income
Subsidy income
Others

收益
生產及銷售貨品

其他收入及收益淨額

利息收入
銷售廢料
租金收入
補貼收入
其他

105,754	93,228
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7,814	5,388
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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

2015	2014
二零一五年	二零一四年
RMB'000	RMB'000
人民幣千元	人民幣千元
(unaudited)	(unaudited)
(未經審核)	(未經審核)

105,754	93,228
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2,157	2,421
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1,381	776
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231	125
-----	-----

400	548
-----	-----

3,645	1,518
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7,814	5,388
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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 2015 截至二零一五年六月三十日止六個月

5. FINANCE COSTS

5. 融資成本

	Six months ended 30 June 截至六月三十日止六個月	
	2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)	2014 二零一四年 RMB'000 人民幣千元 (unaudited) (未經審核)
Interest on bank loans repayable within five years 須於五年內償還的銀行貸款利息	4,691	5,205

6. LOSS BEFORE TAX

6. 除稅前虧損

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

本集團的除稅前虧損已扣除/(計入):

	Six months ended 30 June 截至六月三十日止六個月	
	2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)	2014 二零一四年 RMB'000 人民幣千元 (unaudited) (未經審核)
Cost of inventories sold* 已售存貨成本*	75,450	80,236
Depreciation* 折舊*	4,980	4,941
Amortisation of prepaid lease payments 預付租金攤銷	422	52
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*	3,254	4,103
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	23,087	23,748
Equity-settled share option expense 以股權結算的購股權開支	-	269
Staff welfares 僱員福利	756	875
Contributions to retirement benefits schemes 退休福利計劃供款	1,254	1,222
	25,097	26,114
Impairment loss on trade receivables (Reversal of write down)/write down of inventories 計提應收貿易賬款減值虧損(撥回)/存貨撇減	18	2,659
	(6,994)	3,081
Loss on disposal of items of property, plant and equipment 出售物業、廠房及設備項目虧損	57	3
Research and development costs** 研發成本**	1,319	1,037

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

6. LOSS BEFORE TAX (continued)

* The cost of inventories sold for the Period includes approximately RMB22,264,000 (2014: RMB22,189,000) relating to direct staff costs, depreciation of manufacturing facilities and operating lease payments in respect of land and buildings, which are also included in the respective total amounts disclosed above for each of these types of expenses.

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

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for the Period (2014: 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.

6. 除稅前虧損(續)

* 本期間已售存貨成本包括約人民幣22,264,000元(二零一四年:人民幣22,189,000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」。

7. 所得稅

由於本集團於本期間在香港並無產生任何應課稅溢利,故並無作出香港利得稅撥備(二零一四年: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

2015 二零一五年 RMB'000 人民幣千元 (unaudited) (未經審核)	2014 二零一四年 RMB'000 人民幣千元 (unaudited) (未經審核)
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Current – PRC	即期 – 中國		
Charge for the period	期內徵稅	3,610	146
Under/(over) provision in prior years	過往年度撥備不足/ (超額撥備)	2,424	(398)
Total tax charge/(credit) for the period	期內稅項費用/(抵免)總額	6,034	(252)

8. DIVIDENDS

The Board did not recommend the payment of an interim dividend for the Period (For the six months ended 30 June 2014: Nil) to the shareholders of the Company.

8. 股息

董事會不建議向本公司股東派付本期間的中期股息(截至二零一四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 2015 截至二零一五年六月三十日止六個月

9. 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 RMB25,015,000 (2014: RMB27,993,000) and the weighted average number of ordinary shares of 1,019,312,623 (2014: 1,013,720,833) in issue during the Period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 June 2015 and 30 June 2014 in respect of a dilution as the exercise price of the share options and warrants and the conversion price of the convertible notes of the Company outstanding during the Period were higher than the average market price of the Company's ordinary shares for the Period and accordingly, there is no dilutive effect on the basic loss per share.

10. 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.

9. 每股虧損

每股基本虧損乃基於本公司擁有人應佔期內綜合虧損約人民幣25,015,000元(二零一四年：人民幣27,993,000元)及期內已發行普通股之加權平均股數1,019,312,623股(二零一四年：1,013,720,833股)計算。

由於本公司於截至二零一五年六月三十日及二零一四年六月三十日止期間尚未行使的購股權及認股權證的行使價及尚未行使的可換股票據的換股價高於期內本公司普通股的平均市價，因而對每股基本虧損並無攤薄影響，故並無就同期所呈列的每股基本虧損金額作出任何攤薄調整。

10. 應收貿易賬款及應收票據

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

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

10. TRADE AND BILLS RECEIVABLES (continued)

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

		30 June 2015 二零一五年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 3 months	3個月內	16,759	28,969
4 to 6 months	4至6個月	5,293	6,176
7 to 12 months	7至12個月	239	6,388
		22,291	41,533

11. TRADE AND BILLS PAYABLES

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

		30 June 2015 二零一五年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within 3 months	3個月內	23,986	33,930
Over 3 months	3個月以上	16,070	14,367
		40,056	48,297

The trade and bills payables are non-interest-bearing and are normally settled on six months terms (31 December 2014: six months). The bills payables of RMB26,582,000 (31 December 2014: RMB18,986,000) were secured by the Group's pledged deposits amounting to RMB8,224,000 as at 30 June 2015 (31 December 2014: RMB5,696,000).

10. 應收貿易賬款及應收票據(續)

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

11. 應付貿易賬款及應付票據

於報告期末，本集團應付貿易賬款及應付票據按發票日期劃分的賬齡分析如下：

應付貿易賬款及應付票據不計息，且一般於六個月(二零一四年十二月三十一日：六個月)內結算。於二零一五年六月三十日，本集團通過抵押存款人民幣8,224,000元(二零一四年十二月三十一日：人民幣5,696,000元)為人民幣26,582,000元(二零一四年十二月三十一日：人民幣18,986,000元)的應付票據作出擔保。

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簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

12. INTEREST-BEARING BANK BORROWINGS

12. 計息銀行借貸

	30 June 2015	31 December 2014
	二零一五年 六月三十日	二零一四年 十二月三十一日
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(unaudited)	(audited)
	(未經審核)	(經審核)
Secured bank loans repayable within one year 須於一年內償還的有抵押銀行貸款	123,855	121,884
(a) At 30 June 2015 and 31 December 2014, the bank loans were denominated in RMB and bore interest rates ranging from:		(a) 於二零一五年六月三十日及二零一四年十二月三十一日，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 2015	5.100% – 7.950% per annum	截至二零一五年六月三十日止六個月 每年5.100%至7.950%
Year ended 31 December 2014	5.600% – 7.950% per annum	截至二零一四年十二月三十一日止年度 每年5.600%至7.950%
(b) At 30 June 2015, the secured bank loans of the Group were secured by a pledge of the Group's buildings and land use right, amounting to approximately RMB27,101,000 (31 December 2014: RMB22,210,000) and approximately RMB34,724,000 (31 December 2014: RMB35,146,000) respectively. In addition, the bank loans were guaranteed by two independent third parties.		(b) 於二零一五年六月三十日，本集團約人民幣27,101,000元(二零一四年十二月三十一日：人民幣22,210,000元)的樓宇及約人民幣34,724,000元(二零一四年十二月三十一日：人民幣35,146,000元)之土地使用權已抵押作為本集團有抵押銀行貸款的擔保。此外，有關銀行貸款已獲兩名獨立第三方擔保。

13. CONVERTIBLE NOTES AND WARRANTS

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

13. 可換股票據及認股權證

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

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簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

13. CONVERTIBLE NOTES AND WARRANTS

(continued)

At the same time, Best Mark International Limited (the "Stock Lender"), a substantial shareholder of the Company, entered into a stock borrowing agreement (the "Stock Borrowing Agreement") with the Subscriber, pursuant to which the Stock Lender lent the Subscriber 32,000,000 ordinary shares of the Company on the Issuance Date at nil consideration (see "Stock Borrowing" below).

Convertible Notes

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

The Company shall redeem the principal amount of the Convertible Notes in equal installments of HK\$16,000,000 (i.e. RMB13,043,000) on each of dates falling six, nine, twelve, fifteen, eighteen, twenty-one, twenty-four, twenty-seven, thirty, thirty-three, and thirty-six months after the Issuance Date (each a "Repayment Date") and the first Repayment Date being the 180th day following the Issuance Date.

If on any date (the "Call Exercise Date") after the Issuance Date, the volume weighted average price per share, is greater than 160% of the reference market price as mentioned in the Subscription Agreement for each of the 20 consecutive trading days immediately preceding the Call Exercise Date and provided that certain standard equity conditions are and remain satisfied during such period, the Company may issue a call exercise notice to require the Subscriber to exercise the right of conversion attached to the Convertible Notes in whole or in part.

13. 可換股票據及認股權證(續)

同時，本公司主要股東Best Mark International Limited(「借股人」)與認購人訂立一份借股協議(「借股協議」)。據此，借股人於發行日期以零代價向認購人借出本公司32,000,000股普通股(見下文「借股」)。

可換股票據

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

本公司將於發行日期後滿六、九、十二、十五、十八、二十一、二十四、二十七、三十、三十三及三十六個月當日(各為「償還日期」)按分期等額贖回本金額16,000,000港元(即人民幣13,043,000元)的可換股票據，第一個償還日期為發行日期後第180日。

倘於發行日期後的任何日期(「要求行使日期」)，緊接要求行使日期前20個連續交易日每日每股股份的交易量加權平均價超逾認購協議所載參考市價的160%，惟前提是若干標準股權條件於有關期間持續獲達成，則本公司可發出要求行使通知，要求認購人全部或部分行使可換股票據所附的換股權。

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For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

13. CONVERTIBLE NOTES AND WARRANTS

(continued)

Convertible Notes (continued)

The Company is obliged to pay interest on the Convertible Notes at a rate of 7% per annum on each Repayment Date. Interest is computed on the basis of a 360-day year for the actual number of days lapsed.

The principal repayment amount and accrued but unpaid interest thereto shall be payable either (i) in whole in cash; (ii) in whole in shares; or (iii) in a combination of cash and shares, provided that the Company may only pay such installments in shares, in accordance with certain terms and conditions as mentioned in the Subscription Agreement.

Upon the occurrence of any events of defaults or certain events as mentioned in the Subscription Agreement, the Notes Holder may elect to require the Company to redeem all of the outstanding principal amount under the Convertible Notes. As long as the Notes Holder does not elect to require the Company to redeem the Convertible Notes before the Maturity Date due to the occurrence of the events aforementioned, the Company is obliged to pay interest at 7% per annum until the Convertible Notes are converted or redeemed, whichever date is earlier.

In the event where the Company fails or is unable to deliver shares of the Company upon the exercise of any right to convert attached to any Convertible Notes due to any restriction on the allotment or issuance of shares, the Company shall (i) deliver the maximum number of share permitted to be allotted or issued by the Company to the Notes Holder (the "Shortfall Shares") and (ii) pay such Notes Holder an amount in cash to be calculated by: $120\% \times (\text{number of shares required to be delivered by the Company} - \text{the Shortfall Shares}) \times \text{the volume weighted average price per share as of the date of the relevant convertible notes conversion notice}$.

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

13. 可換股票據及認股權證 (續)

可換股票據 (續)

本公司須於各償還日期按年利率7%支付可換股票據的利息。計算利息時以一年360日為基準，按所涉實際日數釐定。

本金償還金額及其應計但未付利息須(i)全部以現金；(ii)全部以股份；或(iii)以現金與股份結合的方式支付，惟根據認購協議所載的若干條款及條件，本公司僅可以股份支付有關分期款項。

於發生任何違約事件或認購協議提述的若干事件時，票據持有人可選擇要求本公司贖回可換股票據項下所有尚未償還本金額。只要票據持有人並無因發生上述事件而選擇要求本公司於到期日前贖回可換股票據，本公司有責任按年利率7%支付相關利息，直至可換股票據獲兌換或贖回(以較早者為準)。

倘本公司因股份配售或發行的任何限制，而未能於行使可換股票據附帶的任何兌換權利後交還本公司股份，則本公司會(i)向票據持有人交還本公司可配售或發行股份的最高數目(「差額股份」)及(ii)以現金向該等票據持有人支付一筆款項，該款項按以下方法計算： $120\% \times (\text{本公司將須交還的股份數目} - \text{差額股份}) \times \text{於相關可換股票據兌換通知日期的每股股份的交易量加權平均價}$ 。

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

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For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

13. CONVERTIBLE NOTES AND WARRANTS

(continued)

Convertible Notes (continued)

On 7 December 2012, the Company had redeemed the first outstanding installment of HK\$16,000,000 of the Convertible Notes and the accrued interest of HK\$6,160,000 (up to the first Repayment Date) by issuing 21,806,833 ordinary shares with a nominal value of US\$0.01 each at a price of approximately HK\$1.02 per share to the Subscriber for the first repayment due on 21 December 2012 (the "First Repayment"). The fair value of the first outstanding installment redeemed was RMB14,475,000 at the First Repayment Date on 21 December 2012, with reference to the valuations performed by BMI Appraisals Limited, an independent firm of professionally qualified valuers.

During the year ended 31 December 2013, the Group repaid part of the principal amount of Convertible Notes of RMB50,560,000 and accrued interest of RMB5,829,000 by cash.

During the year ended 31 December 2014, the Group repaid part of the principal amount of Convertible Notes of RMB25,315,000 and accrued interest of RMB4,409,000 by cash up to 21 June 2014. Subsequent to 21 June 2014, the Group did not make any payment of principals and interests (the "Non-Payments") in accordance with the payment schedule as stated in the Subscription Agreement as the Subscriber was negotiating with three independent third parties (the "Transferees") to dispose (the "Disposal") of the Convertible Notes in the aggregate principal amount of HK\$64,000,000 representing the entire outstanding principal amount of the Convertible Notes.

The terms and conditions of the Disposal was finally concluded and the agreement (the "Disposal Agreement") was entered amongst the Subscriber and the Transferees on 29 October 2014. The Transferees agreed that the Non-Payments had not constituted any breach of the terms and conditions as stated in Subscription Agreement and waived the Group's obligation to make payment of the Non-Payments and the remaining installment until the Maturity Date.

13. 可換股票據及認股權證(續)

可換股票據(續)

於二零一二年十二月七日，本公司就首次償還(「首次償還」)於二零一二年十二月二十一日通過向認購人以每股約1.02港元發行21,806,833股每股面值0.01美元的普通股，贖回可換股票據的第一期尚未償還分期款項16,000,000港元及應計利息6,160,000港元(直至首次償還日期)。經參考獨立專業合資格估值師中和邦盟評估有限公司所作的估值，於首次償還日期二零一二年十二月二十一日，已贖回的第一期尚未償還分期款項的公平值為人民幣14,475,000元。

截至二零一三年十二月三十一日止年度，本集團以現金償還可換股票據的部份本金額人民幣50,560,000元及應計利息人民幣5,829,000元。

截至二零一四年十二月三十一日止年度，本集團截至二零一四年六月二十一日已償還可換股票據的部份本金額人民幣25,315,000元及應計利息人民幣4,409,000元。由於認購人與三名獨立第三方(「承讓人」)磋商出售(「出售事項」)本金總額為64,000,000港元之可換股票據(為可換股票據之全部未償還本金額)，於二零一四年六月二十一日後，本集團並無按照認購協議所述付款計劃支付任何本金及利息(「未付款」)。

於二零一四年十月二十九日，認購人與承讓人最終達成出售事項之條款及條件並訂立協議(「出售協議」)，承讓人同意未付款不構成違反認購協議所述條款及條件，並豁免本集團直至到期日前，償還未付款及餘下償還日期的款項之義務。

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簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

13. CONVERTIBLE NOTES AND WARRANTS

(continued)

Convertible Notes (continued)

During the Period, the Group received a total of three conversion notices from all Notes Holders of the Conversion Notes in respect of the exercise of the Conversion Rights attached to the Conversion Notes in the aggregate principal amount of HK\$64,000,000 together with aggregate accrued interests of HK\$4,400,647 held by the Notes Holders at the Conversion Price of HK\$1.27 per share. As a result of this conversion, the Company allotted and issued a total of 53,858,775 shares to the Notes Holders in June 2015 and no Conversion Notes remain outstanding.

The Convertible Notes included a debt instrument with embedded derivatives. Upon initial recognition, the Convertible Notes are designated as financial liabilities at fair value through profit or loss. The fair value of the Convertible Notes is remeasured at the end of each reporting period and any gains or losses arising from change in fair value are recognised in the statement of profit or loss.

Warrants

The Warrants initially gives the holder of the Warrants (the "Warrants Holder") the rights to subscribe for 62,026,431 new shares of the Company's ordinary shares. The initial subscription price of the 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 Warrants. The subscription period of the Warrants commences from 6 months after the Issuance Date (i.e. 22 December 2012) (the "Warrants Subscription Date"), and will mature on the fifth anniversary from the Warrants Subscription Date (i.e. 22 December 2017).

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

13. 可換股票據及認股權證 (續)

可換股票據 (續)

於本期間，本集團收到由所有票據持有人就以每股股份1.27港元之換股價，行使持有本金總額64,000,000港元及應計利息4,400,647港元之可換股票據所附的換股權而發出合共三份換股通知。由於本次換股，本公司於二零一五年六月配發及發行合共53,858,775股股份予票據持有人，並無可換股票據仍未償還。

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報告期末重新計量，公平值變動產生的任何盈虧於損益表內確認。

認股權證

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

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

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13. CONVERTIBLE NOTES AND WARRANTS

(continued)

Warrants (continued)

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

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

On 13 March 2015, the Company entered into a new warrant subscription agreement (the "New Warrant Subscription Agreement") with two warrant subscribers (the "New Warrant Subscribers") in relation to the issue of a total of 88,000,000 warrants (the "New Warrant") to the New Warrant Subscribers at the issue price of HK\$0.07 per New Warrant.

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

Upon full subscription of the Warrants and New Warrants, a total of 151,691,570 new shares will be issued and the net proceeds upon full subscription are approximately HK\$226,900,000 (i.e. RMB178,940,000).

No warrants have been exercised during year ended 31 December 2014 and the Period.

13. 可換股票據及認股權證 (續)

認股權證 (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認股權證的條款及條件獲認購人（作為認股權證的唯一持有人）批准。根據補充認股權證文據，本公司及認購人同意，倘就認購價所作的任何調整等於或超過0.01港元，則有關調整須生效。因此，由於本公司派付二零一二年中期股息每股普通股2.5港仙，故認購價自二零一二年十月十二日起由1.53港元調整至1.49港元。

根據出售協議，認股權證亦由認購人於二零一四年十月二十九日轉讓予承讓人。

於二零一五年三月十三日，本公司與兩名認股權證認購人（「新認股權證認購人」）訂立一份新認股權證認購協議（「新認股權證認購協議」），內容有關按發行價每份新認股權證0.07港元向新認股權證認購人發行合共88,000,000份認股權證（「新認股權證」）。

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

認股權證及新認股權證獲悉數認購後，將發行合共151,691,570股新股份，而悉數認購後的所得款項淨額約為226,900,000港元（即人民幣178,940,000元）。

於截至二零一四年十二月三十一日止年度及本期間，概無認股權證獲行使。

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For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

13. CONVERTIBLE NOTES AND WARRANTS

(continued)

Warrants (continued)

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

Stock Borrowing

At the same time of the Subscriber entering into the Subscription Agreement, the Stock Lender, a substantial shareholder of the Company, entered into a Stock Borrowing Agreement with the Subscriber, pursuant to which the Stock Lender lent 32,000,000 of the Company's ordinary shares to the Subscriber on the Issuance Date with no interest, consideration and collateral. The legal title of the shares will be returned to the Stock Lender on the second business day following the later of (i) the date on which the principal and interest of the Convertible Notes have been redeemed and paid in full by the Company or (ii) the date on which all Warrants have been exercised or expired.

The stock borrowing arrangement (the "Stock Borrowing Arrangement") is considered as a deemed capital contribution to the Company from a shareholder and accounted for as an equity component. Upon initial recognition, the value of such contribution from the substantial shareholder is accounted for as a deemed contribution in the shareholder's equity. The carrying amount of such contribution from the substantial shareholder is not remeasured in subsequent years.

Since 27 July 2012, the shares of the Company are no longer within the definition of "Designated Security" under the Rules of the Stock Exchange. At the request of the Subscriber, on 10 September 2012, the Stock Lender and the Subscriber entered into an amendment agreement (the "Amendment Agreement") to amend the Stock Borrowing Agreement. Pursuant to the Amendment Agreement, the terms in the Stock Borrowing Agreement has been modified to a share transfer agreement (the "Share Transfer Agreement"), pursuant to which 32,000,000 of the Company's ordinary shares were sold by the Stock Lender to the Subscriber at HK\$32,320,000 (the "Consideration"). The Stock Lender is no longer entitled to the redelivery of the respective shares or their equivalent under the Share Transfer Agreement.

13. 可換股票據及認股權證 (續)

認股權證 (續)

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

借股

於認購人訂立認購協議之時，借股人（本公司的主要股東）與認購人訂立一份借股協議，據此，借股人於發行日期向認購人借出32,000,000股本公司普通股（無利息、代價及抵押）。該等股份的法定所有權將於以下較遲日期後第二個營業日歸還予借股人：(i)本公司悉數贖回及支付可換股票據本金及利息之日或(ii)所有認股權證獲行使或屆滿之日。

借股安排（「借股安排」）被視為視作股東向本公司注資，並入賬列作權益部份。於首次確認後，有關主要股東注資的價值入賬列作股東權益項下的視作注資。有關主要股東注資的賬面值於其後年度不予重新計量。

自二零一二年七月二十七日起，本公司股份不再屬於聯交所規則項下「指定證券」的界定範圍內。應認購人之要求，於二零一二年九月十日，借股人與認購人訂立一份修訂協議（「修訂協議」），以修訂借股協議。根據修訂協議，借股協議之條款已修訂為一份股份轉讓協議（「股份轉讓協議」），據此，借股人以32,320,000港元（「代價」）向認購人出售本公司32,000,000股普通股。根據股份轉讓協議，借股人不再享有交還股份或其等值物的權利。

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簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

13. CONVERTIBLE NOTES AND WARRANTS

(continued)

Stock Borrowing (continued)

On 10 September 2012, the Stock Lender and the Subscriber entered into a letter agreement (the "Call and Put Option Confirmation") pursuant to which the Subscriber had granted to the Stock Lender the right to purchase 32,000,000 of the Company's ordinary shares at a strike price of HK\$1.01 (the "Call Option") and the Stock Lender has granted the Subscriber the right to require the Stock Lender to purchase 32,000,000 of the Company's ordinary shares at the same strike price (the "Put Option"). The Stock Lender may exercise the Call Option at any time and from time to time during the period between (i) the later of (a) the date on which the principal and interest of the Convertible Notes and all other sums outstanding and payable by the Company under the Amendment Agreement have been redeemed and/or paid in full by the Company; and (b) the date on which all Warrants have been exercised or expired (the "Expiration Date") and (ii) 60 days after the Expiration Date (both dates inclusive), unless any of the events as stipulated under the Call and Put Option Confirmation occur earlier than the Expiration Date, which will then entitle the Stock Lender to exercise the Call Option earlier. The Subscriber may exercise the Put Option at any time and from time to time between the date on which the Amendment Agreement became effective and 60 days after the Expiration Date (both dates inclusive).

Pursuant to the Call and Put Option Confirmation, the Stock Lender shall pay the aggregate strike price payable upon exercise of the Put Option in full to the Subscriber as credit support for its obligations in relation to the Put Option, which has been satisfied by offsetting against the Subscriber's obligation to pay the Consideration of HK\$32,320,000 to the Stock Lender.

As details set out in the Company's announcement dated 19 December 2014, 32,000,000 of the Company's ordinary shares had been transferred by the Subscriber to the Stock Lender and the transaction set out in the Call and Put Option Confirmation was terminated.

13. 可換股票據及認股權證(續)

借股(續)

於二零一二年九月十日，借股人與認購人訂立一份協議書(「認購及認沽期權確認書」)，據此，認購人向借股人授出以行使價1.01港元購買本公司32,000,000股普通股的權利(「認購期權」)，而借股人向認購人授出要求借股人以相同行使價購買本公司32,000,000股普通股的權利(「認沽期權」)。借股人可於(i)(a)本公司悉數贖回及／或支付修訂協議項下可換股票據的本金額及利息以及本公司尚未償還及應付的全部其他款項之日；及(b)全部認股權證已獲行使或到期之日(「到期日」)(以(a)與(b)之較後者為準)起至(ii)到期日後60日(包括首尾兩天)止期間，隨時及不時行使認購期權，除非認購及認沽期權確認書規定的任何事項早於到期日發生，在該情況下，則可賦予借股人權利提早行使認購期權。認購人可於修訂協議生效之日起至到期日後60日(包括首尾兩天)隨時及不時行使認沽期權。

根據認購及認沽期權確認書，借股人須於悉數行使認沽期權後就其於認沽期權的責任向認購人支付應付的總行使價作為信貸支持，而該責任已透過認購人向借股人支付代價32,320,000港元的責任時抵銷。

按照本公司日期為二零一四年十二月十九日之公佈所載詳情，32,000,000股本公司普通股已由認購人轉讓予借股人，認購及認沽期權確認書所載交易已獲終止。

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13. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes, Warrants and New Warrants

The movement of the Convertible Notes, Warrants and New Warrants were as follows:

13. 可換股票據及認股權證 (續)

可換股票據、認股權證及新認股權證估值

可換股票據、認股權證及新認股權證的變動如下：

		Convertible Notes 可換股票據 RMB'000 人民幣千元	Warrants 認股權證 RMB'000 人民幣千元	New Warrants 新認股權證 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Fair value at 1 January 2014	於二零一四年一月一日的 公平值	79,946	3,019	-	82,965
Repayment during the year	年內償還	(29,724)	-	-	(29,724)
Fair value loss charged to profit or loss during the year	年內於損益扣除的公平值損失	2,901	1,118	-	4,019
Fair value at 31 December 2014	於二零一四年十二月三十一日 的公平值	53,123	4,137	-	57,260
Fair value at issuance date	於發行日期的公平值	-	-	4,880	4,880
Conversion of convertible notes	轉換可換股票據	(54,001)	-	-	(54,001)
Fair value loss charged to profit or loss during the Period	期內於損益扣除的公平值損失	878	15,422	16,042	32,342
Fair value at 30 June 2015	於二零一五年六月三十日的 公平值	-	19,559	20,922	40,481

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簡明綜合財務報表附註

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13. CONVERTIBLE NOTES AND WARRANTS

(continued)

Valuation of the Convertible Notes, Warrants and New Warrants (continued)

For the Period, the fair value of Warrants and New Warrants were based on the valuation performed by Asset Appraisal Limited, an independent firm of professional qualified valuers and calculated using the binomial model and the inputs into the model were as follows:

13. 可換股票據及認股權證(續)

可換股票據、認股權證及新認股權證估值(續)

於本期間，認股權證及新認股權證的公平值乃根據獨立專業合資格估值師中誠達資產評估顧問有限公司採用二項模式計算估值，該模式的輸入值如下：

		30 June 2015 二零一五年 六月三十日	31 December 2014 二零一四年 十二月三十一日
Convertible Notes			
可換股票據			
Stock price (HK\$)	股價(港元)	N/A	0.560
Principal amount (HK\$'000)	本金額(千港元)	N/A	64,000
Coupon rate (%)	票面利率(%)	N/A	7.000
Conversion price (HK\$)	換股價(港元)	N/A	1.270
Volatility (%)	波幅(%)	N/A	83.600
Risk-free rate (% per annum)	無風險利率(%·每年)	N/A	0.060
Expected life (years)	預期年期(年)	N/A	0.470
Expected dividend yield (%)	預期股息收益率(%)	N/A	0
Warrants			
認股權證			
Stock price (HK\$)	股價(港元)	1.170	0.560
Exercise price (HK\$)	行使價(港元)	1.490	1.490
Volatility (%)	波幅(%)	66.569	59.310
Risk-free rate (% per annum)	無風險利率(%·每年)	0.570	0.980
Expected life (years)	預期年期(年)	2.482	2.975
Expected dividend yield (%)	預期股息收益率(%)	0	0
New Warrants			
新認股權證			
Stock price (HK\$)	股價(港元)	1.170	N/A
Exercise price (HK\$)	行使價(港元)	1.500	N/A
Volatility (%)	波幅(%)	75.719	N/A
Risk-free rate (% per annum)	無風險利率(%·每年)	0.240	N/A
Expected life (years)	預期年期(年)	1.310	N/A
Expected dividend yield (%)	預期股息收益率(%)	0	N/A

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簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

14. SHARE CAPITAL

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

14. 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 2014, 31 December 2014, 1 January 2015 and 30 June 2015	於二零一四年一月一日、 二零一四年十二月 三十一日、二零一五年 一月一日及二零一五年 六月三十日	5,000,000,000	50,000	342,400
Issued:	已發行：			
At 1 January 2014, 31 December 2014 and 1 January 2015	於二零一四年一月一日、 二零一四年十二月 三十一日及二零一五年 一月一日	1,013,720,833	10,137	67,258
Issue of shares upon conversion of convertible notes	於轉換可換股票據時發行 股份	53,858,775	539	3,297
At 30 June 2015	於二零一五年六月三十日	1,067,579,608	10,676	70,555

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簡明綜合財務報表附註

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

15. SHARE OPTION SCHEME

On 8 January 2011, the Company operates a share option scheme (the "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 Scheme include, among others, the Company's 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 Scheme became effective on 28 January 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

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

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

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

15. 購股權計劃

於二零一一年一月八日，本公司運作一項購股權計劃（「該計劃」），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。該計劃合資格參與者包括（其中包括）本公司董事（包括獨立非執行董事）、本集團僱員、產品或服務供應商、客戶、顧問、本公司股東及本公司附屬公司之任何非控股股東。該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。

根據該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，合共不得超過本公司於上市日期已發行股份之10%。於任何十二個月期間內，根據該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本公司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本公司之已發行股份0.1%或根據於截至及包括授出日期止十二個月期間本公司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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簡明綜合財務報表附註

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15. SHARE OPTION SCHEME (continued)

The exercise price of share options is determinable by the directors of the Company, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer and (iii) the nominal value of the Company's 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 Scheme during the Period:

15. 購股權計劃(續)

購股權之行使價由本公司董事釐定，惟不得低於以下之較高者(i)本公司股份於購股權要約日期在聯交所之收市價；(ii)本公司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)本公司股份的面值。

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，根據該計劃尚未行使的購股權如下：

		30 June 2015 二零一五年六月三十日 (unaudited) (未經審核)		31 December 2014 二零一四年十二月三十一日 (audited) (經審核)	
		Weighted average exercise price 加權平均 行使價	Number of options 購股權數目	Weighted average exercise price 加權平均 行使價	Number of options 購股權數目
At the beginning of the reporting period/year	於呈報期／年度初	1.18	10,250,000	1.18	13,950,000
Forfeited during the period	期內沒收	1.18	(6,000,000)	1.18	-
Cancelled during the year	年內註銷	1.18	-	1.18	(3,700,000)
At the end of the reporting period/year	於呈報期／年度末	1.18	4,250,000	1.18	10,250,000

No share options were granted and exercised, and 6,000,000 (Year ended 31 December 2014: nil) share options were forfeited during the Period due to cessation of employment of the participants.

In addition, nil (Year ended 31 December 2014: 3,700,000) share options were cancelled as the Group failed to meet the performance target as set out in the Scheme during the Period. Details of the performance target have been set out in Company's announcement dated 30 August 2011.

於本期間，概無購股權獲授出及行使，另有6,000,000份(截至二零一四年十二月三十一日止年度：零份)購股權因參與者終止僱傭關係而被沒收。

此外，於本期間本集團因未能符合計劃所載表現目標而註銷的購股權為零份(截至二零一四年十二月三十一日止年度：3,700,000份)。有關表現目標之詳情載於本公司日期為二零一一年八月三十日之公佈內。

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簡明綜合財務報表附註

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15. SHARE OPTION SCHEME (continued)

The outstanding share options as at 30 June 2015 were vested to the grantees in the following manner:

- 4,250,000 of such share options were vested on 30 August 2012 with an exercise period from 30 August 2012 to 29 August 2016.

The outstanding share options as at 31 December 2014 were vested to the grantees in the following manner:

- 10,250,000 of such share options were vested on 30 August 2012 with an exercise period from 30 August 2012 to 29 August 2016.

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

30 June 2015

二零一五年六月三十日

Number of options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
4,250,000	1.18	30 August 2012 to 29 August 2016 二零一二年八月三十日至二零一六年八月二十九日

31 December 2014

二零一四年十二月三十一日

Number of options 購股權數目	Exercise price HK\$ per share 行使價每股港元	Exercise period 行使期
10,250,000	1.18	30 August 2012 to 29 August 2016 二零一二年八月三十日至二零一六年八月二十九日

The fair value of the share options granted during the year ended 31 December 2011 was HK\$12,880,000 (equivalent to RMB10,549,000).

15. 購股權計劃(續)

於二零一五年六月三十日尚未行使購股權按下列方式歸屬予承授人：

- 該等購股權的4,250,000份已於二零一二年八月三十日歸屬，行使期為二零一二年八月三十日至二零一六年八月二十九日。

於二零一四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10,250,000份已於二零一二年八月三十日歸屬，行使期為二零一二年八月三十日至二零一六年八月二十九日。

於呈報期末尚未行使的購股權的行使價及行使期如下：

截至二零一一年十二月三十一日止年度已授出的購股權公平值為12,880,000港元(相當於人民幣10,549,000元)。

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15. SHARE OPTION SCHEME (continued)

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

		2011 二零一一年
Dividend yield (%)	股息收益率(%)	1.80
Volatility (%)	波幅(%)	47.42
Risk-free interest rate (%)	無風險利率(%)	0.79
Expected life of options (year)	購股權預期年期(年)	5
Weighted average share price (HK\$ per share)	加權平均股價(每股港元)	1.18

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

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

During the Period, 6,000,000 of forfeited share options with fair value of approximately RMB1,730,000 which previously recognised in share options reserve have been transferred to retained profit.

During the year ended 31 December 2014, 3,700,000 of cancelled share options with fair value of approximately RMB891,000 which previously recognised in share options reserve had been transferred to retained profits.

15. 購股權計劃(續)

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

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

計量公平值時並無計及已授出購股權的其他特徵。

於本期間，原於購股權儲備確認的公平值約人民幣1,730,000元的6,000,000份已沒收購股權已轉撥至保留溢利。

截至二零一四年十二月三十一日止年度，原於購股權儲備確認的公平值約人民幣891,000元的3,700,000份已註銷購股權已轉撥至保留溢利。

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For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

15. SHARE OPTION SCHEME (continued)

As at 30 June 2015, the Company had 4,250,000 (31 December 2014: 10,250,000) share options outstanding under the Scheme, which represented approximately 0.4% (31 December 2014: 1.0%) of the Company's 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 4,250,000 (31 December 2014: 10,250,000) additional ordinary shares of the Company and additional share capital and share premium of approximately HK\$331,500 (equivalent to RMB261,000) (31 December 2014: HK\$800,000 equivalent to RMB655,000) and approximately HK\$4,683,500 (equivalent to RMB3,693,000) (31 December 2014: HK\$11,295,000 equivalent to RMB9,250,000), before issue expenses.

16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

Financial liabilities	Fair value as at 30 June 2015 於二零一五年六月三十日的公平值	Fair value hierarchy	Valuation technique(s) and key input(s)
金融負債		公平值等級	估值方法及主要輸入值
Warrants	Liabilities, RMB40,481,000	Level 2	Binomial Model The key inputs are set out in note 13
認股權證	負債， 人民幣40,481,000元	第二級	二項式模式 主要輸入值載於附註13

There were no transfers between Level 1 and 2 for the Period and year ended 31 December 2014.

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

15. 購股權計劃(續)

於二零一五年六月三十日，本公司於該計劃項下擁有4,250,000份(二零一四年十二月三十一日：10,250,000份)尚未行使的購股權，佔本公司於該日期已發行股份約0.4%(二零一四年十二月三十一日：1.0%)。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4,250,000股(二零一四年十二月三十一日：10,250,000股)本公司的普通股及額外新增股本及股份溢價分別約331,500港元(相當於人民幣261,000元)(二零一四年十二月三十一日：800,000港元，相當於人民幣655,000元)及約4,683,500港元(相當於人民幣3,693,000元)(二零一四年十二月三十一日：11,295,000港元，相當於人民幣9,250,000元)(未扣除發行開支)。

16. 金融工具的公平值計量

本集團根據經常性基準按公平值計量的金融負債的公平值

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

於本期間及截至二零一四年十二月三十一日止年度，第一級與第二級之間並無轉撥。

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。

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16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy
As at 30 June 2015

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Warrants	認股權證	-	40,481	-	40,481

As at 31 December 2014

		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	-	53,123	-	53,123
Warrants	認股權證	-	4,137	-	4,137

16. 金融工具的公平值計量(續)

公平值等級
於二零一五年六月三十日

17. 經營租約安排

17. OPERATING LEASE ARRANGEMENTS

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

本集團根據經營租約安排租賃生產廠房及辦公室。該等物業的租期經協商定為二至四年。

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

		30 June 2015 二零一五年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Within one year	一年內	378	3,936
In the second to fifth years, inclusive	第二至五年(包括首尾兩年)	813	523
		1,191	4,459

At the end of the reporting period, the Company did not have any significant operating lease arrangements.

於呈報期末，本公司並無任何重大經營租約安排。

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簡明綜合財務報表附註

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18. COMMITMENTS

In addition to the operating lease commitments detailed in note 17 above, the Group had the following commitments at the end of the reporting period:

18. 承擔

除上文附註17所詳述的經營租約承擔外，本集團於呈報期末有以下承擔：

	30 June 2015 二零一五年 六月三十日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2014 二零一四年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Contracted for capital commitment in respect of investment in a subsidiary	128,171	128,171
Contracted for commitments in respect of:		
– advertising and consultancy services	37	159
– property, plant and equipment	215	515
– product licences	–	800
	252	1,474

At the end of the reporting period, the Company did not have any significant commitments.

於呈報期末，本公司並無任何重大承擔。

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For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月

19. RELATED PARTY TRANSACTIONS

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

19. 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	
		2015	2014
		二零一五年	二零一四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Fees	袍金	-	-
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	1,066	680
Contributions to retirement benefits schemes	退休福利計劃供款	17	8
		1,083	688

20. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 28 August 2015.

20. 簡明綜合中期財務報表之批准

簡明綜合中期財務報表於二零一五年八月二十八日經董事會批准及授權發佈。

The logo for Baofeng Modern, featuring the stylized lowercase letters 'baofeng' in a white, rounded font, followed by the Chinese characters '宝峰' in a bold, white, sans-serif font. A small white leaf-like shape is positioned above the 'o' in 'baofeng'.

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