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SuperRobotics Limited **超人智能有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8176)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**” and each, a “**Director**”) of SuperRobotics Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

This announcement, containing the full text of the 2018 Interim Report of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcement of interim results. Printed version of the Company’s 2018 Interim Report will be delivered to the shareholders of the Company and available for viewing on the GEM website at <http://www.hkgem.com> and the Company’s website at <http://www.superrobotics.com.hk> on 13 August 2018.

INTERIM RESULTS

The board of Directors (the “**Board**”) is pleased to present the unaudited condensed consolidated results of the Group for the three months and six months ended 30 June 2018 together with the comparative figures for the corresponding period in 2017 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the three months ended 30 June		For the six months ended 30 June	
		2018	2017	2018	2017
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Turnover	4	14,780	35,228	30,939	46,942
Cost of sales		<u>(16,359)</u>	<u>(26,873)</u>	<u>(25,417)</u>	<u>(42,612)</u>
Gross profit/(loss)		(1,579)	8,355	5,522	4,330
Other income		(690)	251	1,291	2,064
Other gain/(losses), net		1,585	(770)	1,585	(1,683)
Selling and distribution costs		(4,320)	(1,630)	(6,557)	(2,816)
Administrative expenses		<u>(19,377)</u>	<u>(17,413)</u>	<u>(45,851)</u>	<u>(35,085)</u>
Loss from operations	5	(24,381)	(11,207)	(44,010)	(33,190)
Finance costs		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Loss before taxation		(24,381)	(11,207)	(44,010)	(33,190)
Income tax expense	6	<u>(531)</u>	<u>(1,523)</u>	<u>(1,016)</u>	<u>(1,834)</u>
Loss for the period		(24,912)	(12,730)	(45,026)	(35,024)
Other comprehensive income/ (expenses) for the period					
Item that may be subsequently reclassified to profit or loss:					
Exchange differences on translating foreign operations		<u>(5,894)</u>	<u>(1,671)</u>	<u>(806)</u>	319
Total comprehensive expenses for the period		<u>(30,806)</u>	<u>(14,401)</u>	<u>(45,832)</u>	<u>(34,705)</u>

		For the three months ended 30 June		For the six months ended 30 June	
		2018	2017	2018	2017
<i>Notes</i>		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss for the period attributable to:					
Owners of the Company		(26,138)	(13,561)	(47,375)	(36,454)
Non-controlling interests		<u>1,226</u>	<u>831</u>	<u>2,349</u>	<u>1,430</u>
		<u>(24,912)</u>	<u>(12,730)</u>	<u>(45,026)</u>	<u>(35,024)</u>
Total comprehensive expenses for the period attributable to:					
Owners of the Company		(32,015)	(16,073)	(48,186)	(42,144)
Non-controlling interests		<u>1,209</u>	<u>231</u>	<u>2,354</u>	<u>1,596</u>
		<u>(30,806)</u>	<u>(15,842)</u>	<u>(45,832)</u>	<u>(40,548)</u>
Loss per share					
— Basic and diluted	8	<u>HK(5.49) cents</u>	<u>HK(2.98) cents</u>	<u>HK(9.95) cents</u>	<u>HK(8.01) cents</u>

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2018 <i>HK\$'000</i> (unaudited)	At 31 December 2017 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	23,951	22,122
Intangible assets		125,333	128,144
Deposits	10	1,027	2,523
		<u>150,311</u>	<u>152,789</u>
Current assets			
Inventories		23,082	5,915
Tax recoverable		3	—
Trade receivables	11	5,205	14,496
Deposits, prepayments and other receivables	10	23,288	13,301
Financial assets at fair value through profit and loss		4,517	97,627
Restricted bank deposits		18,625	18,727
Cash and cash equivalents		112,765	80,434
		<u>187,485</u>	<u>230,500</u>
Total assets		<u>337,796</u>	<u>383,289</u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to owners of the Company			
Share capital — Ordinary shares	12	47,622	47,622
Share capital — Preferred shares	12	3,000	3,000
Reserves		219,947	264,945
		<u>270,569</u>	<u>315,567</u>
Non-controlling interests		<u>3,134</u>	<u>2,250</u>
Total equity		<u>273,703</u>	<u>317,817</u>

		At 30 June 2018 <i>HK\$'000</i> (unaudited)	At 31 December 2017 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
LIABILITIES			
Current liabilities			
Trade payables	<i>13</i>	13,847	821
Accruals and other payables		10,429	25,151
Other borrowings	<i>14</i>	38	1,568
Tax payables		1,769	360
Deferred revenue		30,468	30,030
		<u>56,551</u>	<u>57,930</u>
Non-current liability			
Deferred taxation		7,542	7,542
Total liabilities		<u>64,093</u>	<u>65,472</u>
Total equity and liabilities		<u>337,796</u>	<u>383,289</u>
Net current assets		<u>130,934</u>	<u>172,570</u>
Net assets		<u>273,703</u>	<u>317,817</u>

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Share Capital — ordinary shares <i>HK\$'000</i>	Share Capital — preferred shares <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Share based payment reserve <i>HK\$'000</i>	Sub- Total <i>HK\$'000</i>	Non- Controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 January 2018 (audited)	47,622	3,000	488,163	27,141	9,293	(273,346)	13,694	315,567	2,250	317,817
Profit/(Loss) for the period	—	—	—	—	—	(47,375)	—	(47,375)	2,349	(45,026)
Other comprehensive expenses for the period:										
Exchange differences on translating foreign operations	—	—	—	—	(811)	—	—	(811)	5	(806)
Total comprehensive expenses for the period	—	—	—	—	(811)	(47,375)	—	(48,186)	2,354	(45,832)
Dividend paid to non- controlling interest	—	—	—	—	—	—	—	—	(1,470)	(1,470)
Equity-settled share-based compensation	—	—	—	—	—	—	3,188	3,188	—	3,188
At 30 June 2018 (unaudited)	<u>47,622</u>	<u>3,000</u>	<u>488,163</u>	<u>27,141</u>	<u>8,482</u>	<u>(320,721)</u>	<u>16,882</u>	<u>270,569</u>	<u>3,134</u>	<u>273,703</u>

	Share Capital — ordinary shares <i>HK\$'000</i>	Share Capital — preferred shares <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Share based payment reserve <i>HK\$'000</i>	Sub- Total <i>HK\$'000</i>	Non- Controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 January 2017 (audited)	45,522	3,000	359,013	27,141	(342)	(174,287)	—	260,047	308	260,355
Loss for the period	—	—	—	—	—	(36,454)	—	(36,454)	1,430	(35,024)
Other comprehensive expenses for the period:										
Exchange differences on translating foreign operations	—	—	—	—	319	—	—	319	6	325
Total comprehensive expenses for the period	—	—	—	—	319	(36,454)	—	(36,135)	1,436	(34,699)
Equity-settled share-based compensation	—	—	—	—	—	—	6,770	6,770	—	6,772
At 30 June 2017 (unaudited)	<u>45,522</u>	<u>3,000</u>	<u>359,013</u>	<u>27,141</u>	<u>(23)</u>	<u>(210,741)</u>	<u>6,770</u>	<u>230,682</u>	<u>1,744</u>	<u>232,426</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Net cash (used in)/generated from operating activities	(51,572)	(93,650)
Net cash generated/(used in) investing activities	87,065	(8,256)
Net cash used in financing activities	<u>(1,530)</u>	<u>(394)</u>
Net increase/(decrease) in cash and cash equivalents	33,963	(102,300)
Cash and cash equivalents at beginning of the period	80,434	152,218
Effects of foreign exchange rate changes	<u>(1,632)</u>	<u>848</u>
Cash and cash equivalents at end of the period	<u><u>112,765</u></u>	<u><u>50,766</u></u>
Analysis of the balances of cash and cash equivalents		
Cash at bank and on hand	112,765	50,766
Restricted bank deposits	<u>18,625</u>	<u>13,721</u>
	131,390	64,487
Less: restricted bank deposits	<u>(18,625)</u>	<u>(13,721)</u>
Cash and cash equivalents	<u><u>112,765</u></u>	<u><u>50,766</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands and with effect from 22 April 2014, the Company was deregistered in the Cayman Islands and continued in Bermuda as an exempted company with limited liability and its shares are listed on GEM of the Stock Exchange. The Company's addresses of the registered office and the principal place of business in Hong Kong are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Unit 4702, 47/F., Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong respectively.

The unaudited condensed consolidated financial statements are presented in units of thousands of Hong Kong dollars (HK\$'000), unless otherwise stated, which is the same as the functional currency of the Company.

The Company's principal activity is investment holding and the principal activities of its principal subsidiaries are the provision of engineering products and related services (the "**Engineering Business**") and the sales of beauty products and provision of therapy services (collectively the "**Beauty Business**").

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which is a collective term that includes all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations ("**Int**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), and accounting principles generally accepted in Hong Kong. In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the GEM Listing Rules and the disclosure requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the audited consolidated financial statements for the year ended 31 December 2017.

The HKICPA has issued a number of new and revised standards, amendments to standards and Int (collectively referred to as "**new and revised HKFRSs**"). The Group has adopted the new and revised HKFRSs which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 January 2018. The adoption of these new and revised HKFRSs does not have any significant financial effect on the Group's unaudited results of operations and financial position.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the six months ended 30 June 2018.

3. OPERATING SEGMENTS

The Group's reportable segments have been determined based on the information reported to the Chairman of the Board, being the chief operating decision maker, that are used for performance assessment and to make strategic decisions. The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's reportable segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of other reportable segments. The Group currently has three reportable segments:

- (a) Sale of beauty products
- (b) Provision of therapy services
- (c) Provision of engineering products and related services (*Note*)

Note:

For the engineering products, the Group offers WLAN and WIFI systems, and robotics products. For the provision of engineering related services, the Group provides equipment installation, support and maintenance services for WLAN and WIFI systems as well as robotics and automation systems.

An analysis of the Group's reportable segment results, assets and liabilities and other selected financial information for the six months ended 30 June 2018 and 2017 by operating segments are as follows:

Six months ended 30 June 2018

	Sale of beauty products <i>HK\$'000</i> (unaudited)	Provision of therapy services <i>HK\$'000</i> (unaudited)	Provision engineering products and related services <i>HK\$'000</i> (unaudited)	Consolidated <i>HK\$'000</i> (unaudited)
Revenue				
Segment revenue from external customers	1,962	23,960	5,017	30,939
Results				
Segment profit/(loss)	748	8,500	(37,542)	(28,294)
Unallocated corporate expense				(18,544)
Interest income on bank deposits				313
Financial assets at fair value through profit or loss – fair value losses				1,585
Other income				930
Finance costs				—
Loss before taxation				(44,010)
Income tax expense				(1,016)
Loss for the period				(45,026)

At 30 June 2018

	Sale of beauty products <i>HK\$'000</i> (unaudited)	Provision of therapy services <i>HK\$'000</i> (unaudited)	Provision engineering products and related services <i>HK\$'000</i> (unaudited)	Consolidated <i>HK\$'000</i> (unaudited)
Assets				
Segment assets for reportable segments	345	68,059	253,758	322,162
Unallocated corporate assets				15,634
Consolidated total assets				337,796

Liabilities				
Segment liabilities for reportable segments	63	31,497	30,162	61,722
Unallocated corporate liabilities				2,371
Consolidated total liabilities				64,093

For six months ended 30 June 2018

	Sale of beauty products <i>HK\$'000</i> (unaudited)	Provision of therapy services <i>HK\$'000</i> (unaudited)	Provision engineering products and related services <i>HK\$'000</i> (unaudited)	Unallocated <i>HK\$'000</i> (unaudited)	Consolidated <i>HK\$'000</i> (unaudited)
Amounts included in the measure of segment (loss)/profit and segment assets					
Additions to property, plant and equipment	—	713	3,378	783	4,874
Additions to other intangible assets	—	—	—	—	—
Amortisation of other intangible assets	—	—	2,811	—	2,811
Depreciation of property, plant and equipment	—	361	1,601	402	2,364

Six months ended 30 June 2017

	Sale of beauty products <i>HK\$'000</i> (unaudited)	Provision of therapy services <i>HK\$'000</i> (unaudited)	Provision engineering products and related services <i>HK\$'000</i> (unaudited)	Consolidated <i>HK\$'000</i> (unaudited)
Revenue				
Segment revenue from external customers	2,317	22,459	22,166	46,942
Results				
Segment profit/(loss)	(223)	3,404	(29,908)	(26,727)
Unallocated corporate expense				(6,848)
Interest income on bank deposits				166
Financial assets at fair value through profit or loss – fair value losses				(1,683)
Other income				1,902
Finance costs				—
Loss before taxation				(33,190)
Income tax expense				(1,834)
Loss for the period				<u><u>(35,024)</u></u>

At 31 December 2017

	Sale of beauty products <i>HK\$ '000</i> (unaudited)	Provision of therapy services <i>HK\$ '000</i> (unaudited)	Provision engineering products and related services <i>HK\$ '000</i> (unaudited)	Consolidated <i>HK\$ '000</i> (unaudited)
Assets				
Segment assets for reportable segments	61	46,466	286,874	333,401
Unallocated corporate assets				49,888
Consolidated total assets				<u>383,289</u>
Liabilities				
Segment liabilities for reportable segments	354	31,989	28,967	61,310
Unallocated corporate liabilities				4,162
Consolidated total liabilities				<u>65,472</u>

For six months ended 30 June 2017

	Sale of beauty products <i>HK\$ '000</i> (unaudited)	Provision of therapy services <i>HK\$ '000</i> (unaudited)	Provision engineering and related services <i>HK\$ '000</i> (unaudited)	Unallocated <i>HK\$ '000</i> (unaudited)	Consolidated <i>HK\$ '000</i> (unaudited)
Amounts included in the measure of segment (loss)/profit and segment assets					
Additions to property, plant and equipment	—	—	2,068	965	3,033
Additions to other intangible assets	—	—	179	—	179
Amortisation of other intangible assets	—	—	3,967	—	3,967
Depreciation of property, plant and equipment	<u>—</u>	<u>682</u>	<u>453</u>	<u>863</u>	<u>1,998</u>

Geographical information

The Group mainly operates in Hong Kong, Mainland China and Canada. The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	For the six months ended 30 June 2018	For the six months ended 30 June 2017	For the six months ended 30 June 2018	For the year ended 31 December 2017
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (audited)
Hong Kong	25,922	24,776	22,829	23,341
Mainland China	3,720	22,166	19,371	13,490
Canada	1,297	—	108,111	115,958
	<u>30,939</u>	<u>46,942</u>	<u>150,311</u>	<u>152,789</u>

4. TURNOVER

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	2018	2017
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Sale of beauty products	1,186	2,030	1,962	2,317
Provision of therapy services	12,248	11,032	23,960	22,459
Provision of engineering products and related services	1,346	22,166	5,017	22,166
	<u>14,780</u>	<u>35,228</u>	<u>30,939</u>	<u>46,942</u>

5. LOSS FROM OPERATIONS

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss from operations has been arrived at after charging:				
Depreciation on property, plant and equipment	1,938	1,206	3,019	1,998
Operating lease rentals in respect of rented premises	2,849	1,600	4,930	3,457
Staff costs including directors' emoluments				
— salaries and other allowances	6,854	4,289	13,688	7,517
— contributions to retirement benefits scheme	1,421	592	2,659	934

6. INCOME TAX

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax expense				
— Hong Kong Profits Tax	(531)	(384)	(1,016)	(695)
— China Corporate Income Tax	—	(1,139)	—	(1,139)
	<u>(531)</u>	<u>(1,523)</u>	<u>(1,016)</u>	<u>(1,834)</u>

Hong Kong profits tax has been provided for at the rate of 16.5% (six months ended 30 June 2017: 16.5%) on the estimated assessable profit for the period. The Group's subsidiaries in Mainland China are subject to the China corporate income tax at a rate of 25% on the estimated assessable profit (six months ended 30 June 2017: Nil). No income tax has been provided for the subsidiary in Canada since the subsidiary has no assessable profit for the six months ended 30 June 2018.

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

8. LOSS PER SHARE

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss for the period attributable to owners of the Company	<u>(26,138)</u>	<u>(13,561)</u>	<u>(47,375)</u>	<u>(36,454)</u>
	Number of ordinary shares			
	'000	'000	'000	'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Weighted average number of shares for the purpose of basic and diluted loss per shares	<u>476,220</u>	<u>455,219</u>	<u>476,220</u>	<u>455,219</u>

Diluted loss per share for the three months ended and six months ended 30 June 2018 and 2017 were the same as the basic loss per share as there were no dilutive event.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired certain items of property, plant and equipment in an aggregate cost of approximately HK\$4,874,000 (six months ended 30 June 2017: HK\$3,033,000).

10. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	At 30 June 2018 HK\$'000 (unaudited)	At 31 December 2017 HK\$'000 (audited)
Non-current assets		
Deposits	<u>1,027</u>	<u>2,523</u>
Current assets		
Deposits paid	1,411	457
Prepayments	10,194	8,298
Other receivables	<u>258,826</u>	<u>251,830</u>
Less: Provision for impairment of other receivables	<u>(247,143)</u>	<u>(247,284)</u>
	<u>23,288</u>	<u>13,301</u>
	<u>24,315</u>	<u>15,824</u>

11. TRADE RECEIVABLES

The Group assesses the credit status and imposes credit limits for the customers in accordance with the Group's credit policy. The credit limits are closely monitored and subject to periodic reviews. The Group allows credit period ranging from 0 day to 120 days to its customers. Details of the ageing analysis of trade receivables that are not considered to be impaired and based on the past due days are as follows:

	At 30 June 2018 <i>HK\$'000</i> (unaudited)	At 31 December 2017 <i>HK\$'000</i> (audited)
Current	5,205	14,496
1 – 30 days	—	—
31 – 60 days	—	—
61 – 90 days	—	—
Over 90 days	756	756
	<u>5,205</u>	<u>15,252</u>
<i>Less:</i> Provision for impairment of trade receivables	<u>(756)</u>	<u>(756)</u>
	<u><u>5,205</u></u>	<u><u>14,496</u></u>

12. SHARE CAPITAL

	Number of shares '000 (unaudited)	Amount <i>HK\$'000</i> (unaudited)
Ordinary shares of HK\$0.10 each (2017: HK\$0.10 each)		
<i>Authorised:</i>		
At 31 December 2017 and 30 June 2018	<u>4,950,000</u>	<u>495,000</u>
<i>Issued and fully paid:</i>		
At 31 December 2017 and 30 June 2018	<u>476,220</u>	<u>47,622</u>
Preferred shares of HK\$0.10 each (2017: HK\$0.10 each)		
<i>Authorised:</i>		
At 31 December 2017 and 30 June 2018	<u>50,000</u>	<u>5,000</u>
<i>Issued and fully paid:</i>		
At 31 December 2017 and 30 June 2018	<u>30,000</u>	<u>3,000</u>

13. TRADE PAYABLES

The trade payables as at 30 June 2018 and 31 December 2017 are unsecured and repayable within one year.

	At 30 June 2018 HK\$'000 (unaudited)	At 31 December 2017 HK\$'000 (audited)
0 – 30 days	4,962	821
31 – 60 days	—	—
61 – 90 days	552	—
Over 90 days	8,333	—
	<u>13,847</u>	<u>821</u>

14. OTHER BORROWINGS

Other borrowings as at 30 June 2018 and 31 December 2017 are non-interest bearing, unsecured and repayable within one year.

15. COMMITMENTS

Lease commitments

The Group as lessee

At the end of the reporting periods, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	At 30 June 2018 HK\$'000 (unaudited)	At 31 December 2017 HK\$'000 (audited)
Within one year	2,781	4,880
In the second to fifth year inclusive	4,258	4,249
	<u>7,039</u>	<u>9,129</u>

Operating lease payments represent rentals paid or payable by the Group for its office premises. Leases are mainly negotiated for an average terms of one to three years.

Capital Commitment

The Group does not have significant capital commitment as at 30 June 2018 and 31 December 2017.

16. MATERIAL RELATED PARTY TRANSACTIONS

The Group did not have material related party transactions during the financial period ended 30 June 2018 and the financial year ended 31 December 2017.

Key management compensation

Key management personnel are the Company's executive directors. Details of compensation of key management personnel for the six months ended 30 June 2018 and 2017, is as follows:

	For the six months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries and allowances	3,779	4,287
Contributions to retirement benefits scheme	—	—
	<u>3,779</u>	<u>4,287</u>

17. CONTINGENT LIABILITIES

The Group does not have significant contingent liability as at 30 June 2018.

18. EVENTS AFTER REPORTING PERIOD

The group has no significant event after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group is principally engaged in the provision of engineering products and related service (the “**Engineering Business**”), as well as the sale of beauty products and provision of therapy services (collectively, the “**Beauty Business**”).

For the engineering products, the Group offers in-flight WLAN and WIFI systems, and robotic products. For the provision of engineering related services, the Group provides equipment installation, support and maintenance services for in-flight WLAN and WIFI systems as well as robotics and automation systems. During the financial year of 2017, the Group has completed the acquisition of Shenzhen Anzer Intelligent Engineering Co. Ltd (“**Anzer**”) and has been expanding its production capacity for its robotics products. Following the acquisition of Anzer, in addition to the development of their own technology and product advantages, the Group has taken an active role in strengthening specialized technology cooperation with other platforms whereas a strategic cooperation framework agreement was entered into with the Chinese Academy of Medical Science

Biomedical Engineering Research Institute (中國醫學科學院生物醫學工程研究院) in late February 2017. On 19 April 2017, the Group also entered into a strategic joint development framework agreement (the “**Framework Agreement**”) with 蘇州景昱醫療器械有限公司 (Suzhou Jingyu Medical Device Co. Ltd). Pursuant to the Framework Agreement, the parties agreed to jointly research and develop surgery assisting robots for the implantation of deep brain stimulation system with nuclear magnetic resonance apparatus. On 28 July 2017, to step up its marketing effects to promote robotic products, the Group held a global robotics conference in Shenzhen to launch more than ten new products for police use, commercial use and civilian use. Those products have received wide positive feedback from the participants of the conference. For the robotics products, the Company has rolled out a full-scale trial of its products to the target industry customers and improved the product design based on the customer feedbacks on a continuous basis, gradually entering the phase of actual sales. At present, the preliminary agent and distributor system has been established in the market of the mainland China, laying a solid pipeline foundation for the large-scale business development in the future. On 8 December 2017, Anzer has entered into an agency cooperation agreement with 江蘇德僑裝備製造有限公司 (Jiangsu Deqiao Equipment Manufacturing Co., Ltd) to expand sales channels of our robotics products. The Group is in the midst of construction of production plant at Shenzhen, the PRC. As at 30 June 2018, the construction of production plant has been substantailly completed, which enables the Group to commence mass production of certain types of robotic products. Upon the completion of the entire plant, the Group will be able to commence mass production of its various robotics products.

For the sale of beauty products, the Group offers a variety of beauty products under the brand name “Evidens de Beauté”, and a variety of medical skincare products, including the brand “Activa”. For the provision of therapy services, the Group operates a medical skincare centre located at Soundwill Plaza in Causeway Bay. Despite facing increased competition in the Hong Kong market, the performance of the Beauty Business as a whole has met the expectation of the Board.

Financial review

During the period under review, the Group recorded a turnover of approximately HK\$30.9 million, representing a decrease of approximately 34.1% as compared with the corresponding period in 2017, of which approximately HK\$2.0 million (2017: approximately HK\$2.3 million), approximately HK\$23.9 million (2017: approximately HK\$22.4 million) and approximately HK\$5.0 million (2017: HK\$22.2) were generated from the sale of beauty products, provision of therapy services and sale of robotic products respectively.

The positive gross margin was approximately 17.8% (2017: positive gross margin of approximately 9.2%). The improvement in gross margin is mainly due to improvement in the gross margin of the Beauty Business, which has increased to 46% for the financial period ended 30 June 2018 from 38% for the corresponding period in 2017.

Other income of approximately HK\$1.3 million (2017: approximately HK\$2.1 million) was mainly contributed by interest income from bank deposits and wealth management products.

Other gain/(losses) of approximately HK\$1.6 million (2017: approximately a loss of HK\$1.7 million) is due to the change in fair value of investment in listed securities.

Selling and distribution costs were approximately HK\$6.6 million for the six months ended 30 June 2018 (2017: approximately HK\$2.8 million), representing an increase of more than 100% than the corresponding period in 2017. Such increase was mainly attributed to the advertising and promotion expenses of approximately HK\$4.0 million (2017: approximately HK\$0.8 million) and approximately HK\$2.6 million (2017: approximately HK\$1.9 million) incurred by the Beauty Business and the Engineering Business respectively during the period under review. During the current financial period, the Group has stepped up its marketing efforts to promote its robotics products. As such, the marketing expense has increased significant as compared with the corresponding period in 2017.

Administrative expenses were approximately HK\$45.9 million for the six months ended 30 June 2018 (2017: approximately HK\$35.1 million), representing an increase of 30.5% over the last corresponding period. Such increase was mainly attributed to the (i) increase in rental expense of HK\$1.4 million; (ii) increase in staff cost of HK\$4.1 million; (iii) increase in amortization and depreciation expense of HK\$1.1 million and (iv) increase in research and development expense of HK\$7.6 million. The increase in administration expense is partially offset by a decrease in amortization of equity-settled share-based payment of HK\$3.6 million.

Consolidated loss attributable to owners of the Company amounted to approximately HK\$47.4 million for the six months ended 30 June 2018 (2017: approximately HK\$36.5 million). The increase in consolidated loss was mainly due to the decrease in gross loss incurred by the Engineering Business.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2018, the Group had total assets of approximately HK\$337.8 million (31 December 2017: approximately HK\$383.3 million), including cash and cash equivalents of approximately HK\$112.7 million (31 December 2017: approximately HK\$80.4 million).

USE OF NET PROCEEDS FROM ISSUANCE OF ORDINARY SHARES

Net proceeds from the allotment and issue of 345,000,000 new shares and 30,000,000 convertible preferred shares of the Company, which was completed on 6 November 2015, were approximately HK\$135.0 million and, as at 31 December 2017, the Company had utilised approximately HK\$31.7 million for acquiring in-flight WIFI and connection equipment and approximately HK\$92.6 million for the development of the Engineering Business. The Company intends to apply the remaining balance of approximately HK\$10.7 million as general working capital.

Net proceeds from the placing of 35,416,666 new shares, which was completed on 14 December 2016 were approximately HK\$166.2 million and, as at 31 December 2017, the Company had utilised approximately HK\$46.3 million to settle the shareholder's loan due by Engineering Services Inc. ("ESI"). Other than the settlement of the shareholder's loan due by ESI, the Company also utilised HK\$75.3 million and HK\$21.0 million for the general working capital of the Beauty Business and the Engineering Business and the purchase of components and material for the Engineering Business respectively. The Company intends to apply the remaining balance of approximately HK\$23.6 million as general working capital.

Net proceeds from the Subscription which was completed on 4 August 2017 were HK\$130.0 million and, as at 31 December 2017, the Company had utilised approximately HK\$20.2 million and HK\$77.8 million for construction and renovation of production plants and general working capital respectively. The Company intends to apply the remaining balance of approximately HK\$32.0 million for construction of production plants and general working capital.

BORROWINGS

As at 30 June 2018, the total borrowings of the Group amounted to approximately HK\$38,000 (as at 31 December 2017: approximately HK\$1.6 million), representing a borrowing from Koffman Investment Limited, which is unsecured, non-interest bearing and repayable within one year.

SHARE CAPITAL

During the six months ended 30 June 2018, there was no movement in the Company's issued share capital.

GEARING RATIO

The gearing ratio, expressed as percentage of total borrowings over total assets, was less than 0.1% as at 30 June 2018 (as at 31 December 2017: approximately 0.8%).

PLEDGE OF ASSETS

As at 30 June 2018, the Group's restricted bank deposits of approximately HK\$18.6 million (as at 31 December 2017: approximately HK\$18.7 million) were deposits held at banks in respect of credit card and instalment sales arrangement of its sale of beauty products and provision of therapy services business.

FOREIGN EXCHANGE RISK

The Group has not used any foreign currency derivative instruments to hedge its exposure to foreign exchange risk. However, the management monitors closely the exposures and will consider hedging the exposures should the need arise.

COMMITMENTS

As at 30 June 2018, the Group had operating lease commitments of approximately HK\$7.0 million (as at 31 December 2017: approximately HK\$9.1 million).

EMPLOYEES

As at 30 June 2018, the Group had 238 employees. Total staff costs for the six months ended 30 June 2018 amounted to approximately HK\$20.4 million (for the six months ended 30 June 2017: approximately HK\$24.4 million). Their remuneration, promotion and salary are assessed based on job responsibilities, work performance, professional experiences and the prevailing industry practices. The employees in Hong Kong joined the mandatory provident fund scheme and the employees in the PRC joined the national statutory social security insurance scheme.

SIGNIFICANT INVESTMENT

The Group did not have any significant investment during the six months ended 30 June 2018.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND AFFILIATED COMPANIES

There was no material acquisition and disposal of subsidiaries, associates and affiliated companies during the six months ended 30 June 2018.

OUTLOOK

China's robotics research and development started in the 1970s whereas the robotics market reached RMB14 billion in 2016 with a 56% year-on-year growth in annual sales. Lately, as announced by President Xi Jinping during his important speech at the 19th Communist Party of China National Congress, initiatives including aiming at technological fronts, ramping up disruptive technological innovations, and providing a reinforced underpinning for evolving into a nation with superb scientific and technological power, a digitalized China, and a smart society are to be taken. To facilitate the transition of technological results, the upcoming few years represent a pivotal moment for the tremendous development of robotics in the PRC, particularly the market of robotics which specialises in special services. The rapid popularization of the Internet, the emerging and flourishing artificial intelligence, and the speedy development of information technologies all present new opportunities for the high-speed development of robotics in the PRC. The robotics market would grow by leaps and bounds in a straight-line trajectory, and the whole robotics market is expected to reach approximately RMB20 billion in 2017. Looking ahead, the Group believes there will be enormous potential for market development for the robotics market in the PRC. On the back of artificial intelligence techniques, the next five years would witness the development of a smart city in full swing. The application of intelligent robotics for public services and the modes of services would grow relentlessly. As forecasted by the Report on the Development of the Robotics Industry in China, the global market of robotics would reach USD6.9 billion in the next five years.

The Group will continue to focus on three robotic production lines: police use, commercial use and civilian use, in accordance with market conditions and the status of product development. The Group will also incorporate its experience in diversified robotic technology so as to commit itself to producing customised robots and providing total mechatronic solutions for customers across various industries. Meanwhile, in view of the unstable supplies from suppliers during the third quarter, the Group will improve its communication with our suppliers, expand procurement channels and actively examine replacement components in the future to reduce uncertainties in supply chain. In the second half of the year, the Company will put great effort into streamlining the product lines of intelligent robots, with its resources focus on high-growth and high-value-added product categories, entering certain rising industries swiftly and achieving the leading position in the niche market.

In October 2017, the fifth amendment to the “Operation Certification Rules for Civil Aviation Transportation Carriers with Large Airplanes” promulgated by the Civil Aviation Administration of China officially came into effect, which relaxed the rules on using portable electronic devices on flights and delegated the authority on access to WIFI services to each civil airline. The Board is of the view that such delegation implies that each civil airline is to bear corresponding safety responsibilities on their own. It is estimated that the speed of launching such service may vary among civil airlines and some small and medium-sized civil airlines may not offer WIFI services at present. Therefore, the Board is prudent and concerned about the prospect of in-flight WIFI services.

The directors do not expect any significant growth in the Group’s Beauty Business.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 30 June 2018, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or as otherwise were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules were as follows:

Long and short positions in the ordinary shares and underlying shares of the Company

Name of Director/ chief executive	Nature of interests	Notes	Interest in shares (Note 1)	Interest in underlying shares (Note 1)	Total interest in shares (Note 1)	Approximate percentage of shareholding (Notes 1 and 3)
Mr. Su Zhituan	Interest of controlled corporation	2	110,425,197(L)	30,000,000(L)	140,425,197(L)	29.49%(L)
Andrew Avi Goldenberg	Interest of controlled corporation	3	31,486,971(L)	—	31,486,971(L)	6.61%(L)

Notes:

1. “L” represents long position in shares or underlying shares of the Company and “S” represents short position in shares or underlying shares of the Company.
2. Tai Dong New Energy Holding Limited (“**Tai Dong**”) is ultimately owned as 100% by Mr. Su Zhituan and holds long positions in 110,425,197 shares and 30,000,000 convertible preferred shares of the Company. Accordingly, Mr. Su Zhituan is deemed to be interested in the long positions in 110,425,197 shares and 30,000,000 preferred shares of the Company.
3. KE10MA Holdings Inc. (“**KE10MA Holdings**”) is interested in 31,486,971 shares of the Company. KE10MA Holdings is 50%-owned by Dr. Andrew Avi Goldenberg and 50%-owned by Mrs. Aviva C Goldenberg. As Dr. Andrew Ari Goldenberg holds 50% of the issued share capital of KE10MA Holdings and Mrs. Aviva C Goldenberg is the spouse of Dr. Andrew Avi Goldenberg, Dr. Andrew Avi Goldenberg is deemed to be interested in such 31,486,971 shares of the Company.
4. The percentage is calculated on the basis of 476,219,666 shares of the Company in issue as at 30 June 2018.

Save as disclosed above, as at 30 June 2018, so far as is known to any Directors or chief executive of the Company, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDER’S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2018, so far as is known to the Directors and the chief executive of the Company, the interests and shorts positions of the persons or corporations (other than the Directors and the chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Interests and short positions in the ordinary shares or underlying ordinary shares of the Company

Name of shareholder	Nature of interests	Notes	Interest in shares of the Company (Note 1)	Interest in underlying shares of the Company (Note 1)	Total interest in shares of the Company (Note 1)	Approximate percentage of shareholding (Notes 1 and 7)
Tai Dong	Beneficial owner	2	110,425,197(L)	30,000,000(L)	170,425,197(L)	24.49%(L)
Hong Kong Bridge Investments Limited	Beneficial owner	3	41,666,666(L)	—	41,666,666(L)	9.15%(L)
HKBridge Absolute Return Fund L.P	Beneficial owner	4	64,148,063(L)	—	64,148,063(L)	13.47%(L)
On Top Global Limited	Beneficial owner	5	36,697,946(L)	—	36,697,946(L)	7.71%(L)
China HKBridge Holdings Limited	Interest of controlled corporation	3, 4, 5	142,512,675(L)	—	142,512,675(L)	29.93%(L)
Bloom Right Limed	Beneficial owner	6	10,870,000(L)	—	10,870,000(L)	2.28%(L)
Ample Key Investments Limited	Security interest	6	64,148,063(L)	—	64,148,063(L)	13.47%(L)
Allied Year Limited	Security interest	6	41,666,666(L)	—	41,666,666(L)	8.75%(L)
中國華融資產管理股份有限公司 (China Huarong Asset Management Co., Ltd.)	Interest of controlled corporation	6	116,684,729(L)	—	116,684,729(L)	24.50%(L)
Su Capital Holding Limited	Beneficial Owner	7	31,486,971(L)	—	31,486,971(L)	6.61%(L)
Su Zhenbang	Interest of controlled corporation	7	31,486,971(L)	—	31,486,971(L)	6.61%(L)
KE10MA Holdings	Beneficial Owner	8	31,486,971(L)	—	31,486,971(L)	6.61%(L)
Aviva C Goldenberg	Interest of controlled corporation	8	31,486,971(L)	—	31,486,971(L)	6.61%(L)
Yuen Hoi Po	Beneficial owner		45,000,000(L)	—	45,000,000(L)	9.45%(L)

Notes:

1. “L” represents long position in shares or underlying shares of the Company and “S” represents short position in shares or underlying shares of the Company.
2. Tai Dong is interested in 110,425,197 shares and 30,000,000 preferred shares of the Company. As Tai Dong is ultimately wholly-owned by Mr. Su Zhituan, Mr. Su Zhituan is deemed to be interested in such 110,425,197 shares and 30,000,000 preferred shares of the Company.
3. Hong Kong Bridge Investments Limited (“**Hong Kong Bridge Investments**”) is interested in 41,666,666 shares of the Company. As Hong Kong Bridge Investments is a wholly-owned subsidiary of China HKBridge Holdings Limited (“**China HKBridge**”), China HKBridge is deemed to be interested in such 41,666,666 shares of the Company.
4. HKBridge Absolute Return Fund, L.P. (“**HKBridge Absolute**”), a Cayman Islands exempted limited partnership, the general partner of which is HKBridge (Cayman) GP2 Limited, a Cayman Islands limited liability company, is interested in 64,148,063 shares of the Company. As the entire issued share capital of the general partner of HKBridge Absolute is indirectly owned by China HKBridge, China HKBridge is deemed to be interested in such 64,148,063 shares of the Company.
5. On Top Global Limited (“**On Top Global**”) is interested in 36,697,946 shares of the Company. As On Top Global is a wholly-owned subsidiary of Hong Kong Bridge High-Tech Investment Fund L.P. (“**Hong Kong Bridge High-Tech**”), Hong Kong Bridge High-Tech is deemed to be interested in such 36,697,946 shares. Hong Kong Bridge High-Tech, a Cayman Islands exempted limited partnership, the general partner of which is Hong Kong Bridge High-Tech Investment G.P Limited, a Cayman Islands limited liability company. As the entire issued share capital of the general partner of the Hong Kong Bridge High-Tech is indirectly owned by China HKBridge, China HKBridge is deemed to be interest in such 36,697,946 shares of the Company.
6. China Huarong Asset Management Co., Ltd. (“**China Huarong**”) indirectly owns 50.99% equity interest in Bloom Right Limited (“**Bloom Right**”) and Ample Key Investments Limited (“**Ample Key**”). Bloom Right was directly interested in 10,870,000 shares of the Company, while Ample Key had a security interest over 64,148,063 shares of the Company. China Huarong also indirectly owned 51% equity interest in Allied Year Limited, which had a security interest over 41,666,666 shares of the Company. China Huarong is therefore deemed to be interested in 116,684,729 shares of the Company.
7. Su Capital Holding Limited (“**Su Capital**”) is interested in 31,486,971 shares of the Company. As Su Capital is ultimately wholly-owned by Mr. Su Zhenbeng. Mr. Su Zhenbeng is deemed to be interested in such 31,486,971 shares of the Company. Mr. Su Zhenbeng is a son of Mr. Su Zhituan
8. KE10MA Holdings is interested in 31,486,971 shares of the Company. KE10MA Holdings is 50%-owned by Dr. Andrew Avi Goldenberg and 50%-owned by Mrs. Aviva C Goldenberg. As Mrs. Aviva C Goldenberg holds 50% of the issued share capital of KE10MA Holdings and Mrs. Aviva C Goldenberg is the spouse of Dr. Andrew Avi Goldenberg, Dr. Andrew Avi Goldenberg is deemed to be interested in such 31,486,971 shares of the Company.
9. The percentage is calculated on the basis of 476,219,666 shares of the Company in issue as at 30 June 2018

Save as disclosed above, as at 30 June 2018, so far as is known to the Directors and the chief executive of the Company, and based on the public records filed on the website of the Stock Exchange and records kept by the Company, no other persons or corporations (other than the Directors and the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own codes of conduct regarding Directors' and relevant employees' securities transactions, namely "Code for Securities Transactions by Directors" and "Code for Securities Transactions by Relevant Employees", both of which apply to all Directors and relevant employees of the Company on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry with each of the Directors, all Directors have confirmed that they have complied with such code and the required standard of dealings on Directors' securities transactions during the six months ended 30 June 2018.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed by the shareholders of the Company on 7 November 2014, the Company adopted a new share option scheme to replace the share option scheme adopted on 30 January 2002. The principal terms of the share option scheme were disclosed in the Company's 2017 annual report. Details of movements in the Company's share options during the six months ended 30 June 2018 are set out as follows:

	Number of share options				
	Outstanding at 1 January 2018	Granted during the period (Note)	Exercised during the period	Lapsed during the period	Outstanding at 30 June 2018
Senior management and employees	7,383,000	—	—	(507,000)	6,876,000
Total	<u>7,383,000</u>	<u>—</u>	<u>—</u>	<u>(507,000)</u>	<u>6,876,000</u>
Exercisable at the end of the period					<u>6,876,000</u>

Note:

A total of 7,480,000 share options were granted on 3 January 2017, with an exercise price of HK\$8.9 and exercise period from 3 January 2017 to 2 January 2022, of which (i) 25% of the share options are exercisable from 3 January 2018 to 2 January 2022; (ii) 25% of the share options are exercisable from 3 January 2019 to 2 January 2022; (iii) 25% of the share options are exercisable from 3 January 2020 to 2 January 2022; and (iv) 25% of the share options are exercisable from 3 January 2021 to 2 January 2022. A total of 97,000 share options were lapsed during the year 31 December 2017. During the current financial period, a total of 507,000 share options have lapsed due to resignation of several senior management and employees of the Group.

COMPETING INTERESTS

As at 30 June 2018, none of the Directors, substantial shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause any significant competition with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company did not redeemed any of its listed shares during the six months ended 30 June 2018. Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2018.

AUDIT COMMITTEE

The Board has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely, Mr. Chu Kin Wang, Peleus (chairman), Mr. Tam B Ray, Billy and Mr. Tse Joseph. The Audit Committee has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2018 and has provided advice and comments thereon.

CORPORATE GOVERNANCE CODE

The Board believes that corporate governance is essential to the success of the Company. The Board is committed to maintaining corporate governance with high standard and ensuring compliance of the legal and regulatory requirements. The Company has put in place governance practices with emphasis on the integrity, quality of disclosures, transparency and accountability for the shareholders of the Company.

Throughout the 2018 Interim Period, the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules.

By Order of the Board
SuperRobotics Limited
Su Zhituan
Chairman and Executive Director

Hong Kong, 13 August 2018

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Su Zhituan, Mr. Chen Min, Mr. Zhang Chong and Dr. Andrew Goldenberg; and three independent non-executive Directors, namely Mr. Tam B Ray, Billy, Mr. Chu Kin Wang, Peleus and Mr. Tse Joseph.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for a minimum period of 7 days from the date of its publication and on the Company’s website at <http://www.superrobotics.com.hk>.