



BaWang International (Group) Holding Limited 霸王國際(集團)控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code: 01338
股票代码: 01338



Annual Report 2009 2009 年年報

* for identification purposes only
僅供識別



The core of the corporate brand is “**Chinese herbal medicine**”. The core of the corporate culture is “**culture of Chinese herbal medicine**”.

Since the creation of the Bawang brand, with its inherited Chinese herbal medicine, the Group has been using its unique knowledge and experience to spread the culture of Chinese herbal medicine and strengthen its brand to extend the influence of Chinese national brand.

The Group has been focusing on the research, development, manufacture and sales of high quality natural Chinese herbal products with good value. The Group strives to capture the essence of the Chinese herbal medicine with a 5,000-year history and introduce to consumers a natural and healthy lifestyle. The Group is aiming to promote its national brand to the global market.

“**中草藥**”是企業品牌的核心，“**中草藥文化**”是企業的核心文化。

從創立品牌至今，霸王集團利用自身在中草藥方面得天獨厚的知識和經驗，秉承傳統中醫藥精髓，立志於弘揚中國的傳統中草藥文化，以振興中華民族品牌為己任。

致力於高價值、高品質的天然中草藥個人消費品的研發、生產和銷售，霸王集團讓具有五千年歷史的中藥國粹發揚廣大，給消費者帶來全新的、天然的健康生活方式，為民族品牌走向國際市場貢獻自己的力量。



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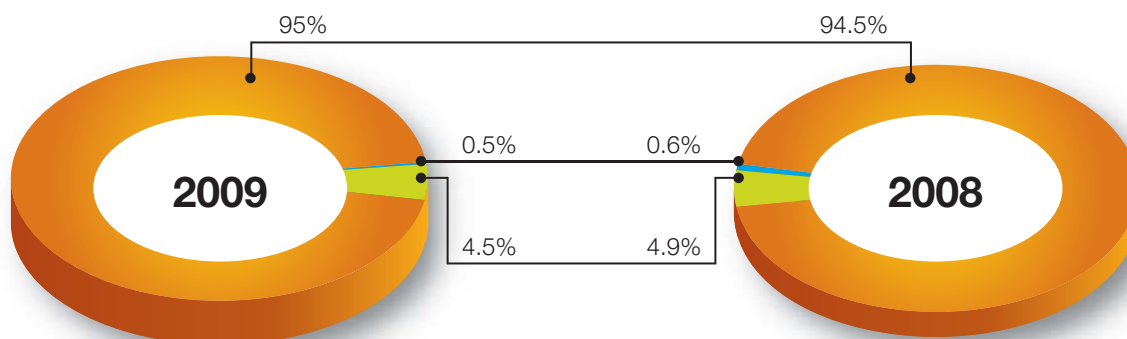
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Financial Highlights

財務摘要

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	% Change 變動%
Revenue	營業額	1,756,001	1,411,248	24.4%
Profit from operations	經營溢利	452,252	341,925	32.3%
Profit for the year attributable to the equity shareholders of the Company	本公司權益持有人應佔年內溢利	364,144	281,774	29.2%
Earnings per share (RMB yuan)	每股盈利(人民幣元)			
Basic	基本	0.15	0.13	15.4%
Diluted	攤薄	0.15	0.13	15.4%
Dividends per share	每股股息			
— Final dividend (HK cents)	— 末期股息(港仙)	4.25	N/A	N/A
— Special dividend (HK cents)	— 特別股息(港仙)	4.25	N/A	N/A
Dividend payout ratio	派息比率	60%	N/A	N/A

Revenue by Product Category 收入按產品類別分析



	2009	2008	Change (%) 變動(%)
(RMB'000) (人民幣千元)	For the year ended 31 December 截至12月31日止年度		
Shampoo & hair-care products 洗髮護髮產品	1,669,025	1,334,142	+ 25.1%
Skincare products 護膚產品	8,049	7,871	+ 2.3%
Other HPC products 其他產品	78,927	69,235	+ 14.0%

Corporate Information

公司資料

Directors

Executive Directors

CHEN Qiyuan (Chairman)
WAN Yuhua
SHEN Xiaodi
WONG Sin Yung

Non-executive Director

GUO Jing

Independent non-executive Directors

NGAI Wai Fung
LI Bida
CHEN Kaizhi

Audit committee

NGAI Wai Fung *CPA, ACCA, FCIS (Chairman)*
LI Bida
CHEN Kaizhi

Remuneration committee

WAN Yuhua *(Chairperson)*
LI Bida
CHEN Kaizhi

Nomination committee

WAN Yuhua *(Chairperson)*
LI Bida
CHEN Kaizhi

Company Secretary

WONG Sin Yung *CPA*

董事

執行董事

陳啟源(主席)
萬玉華
沈小笛
黃善榕

非執行董事

郭晶

獨立非執行董事

魏偉峰
李必達
陳開枝

審核委員會

魏偉峰 *CPA, ACCA, FCIS (主席)*
李必達
陳開枝

薪酬委員會

萬玉華(主席)
李必達
陳開枝

提名委員會

萬玉華(主席)
李必達
陳開枝

公司秘書

黃善榕 *CPA*

Corporate Information

公司資料

Authorized representatives

WAN Yuhua
WONG Sin Yung *CPA*

授權代表

萬玉華
黃善榕 *CPA*

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

Principal place of business in the PRC

8 Huanan Beilu
Baiyun District
Guangzhou
510440
PRC

中國主要營業地點

中國
廣州
白雲區
華南北路8號
郵編：510440

Place of business in Hong Kong

Suite B, 12/F
Ritz Plaza
122 Austin Road
Tsimshatsui
Kowloon
Hong Kong

香港營業地點

香港
九龍
尖沙咀
柯士甸道122號
麗斯中心
12樓B室

Cayman Islands principal share registrar and transfer office

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

開曼群島證券過戶登記總處

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Information

公司資料

Hong Kong Branch share registrar and transfer office

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Auditors

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central
Hong Kong

Legal advisor on Hong Kong law

Herbert Smith
23rd Floor, Gloucester Tower
15 Queen's Road Central
Hong Kong

Compliance advisor

Kingsway Capital Limited
5th Floor, Hutchison House
10 Harcourt Road
Central
Hong Kong

Company's website

www.bawang.com.cn

香港證券登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712–1716室

核數師

畢馬威會計師事務所
執業會計師
香港
中環
遮打道10號
太子大廈8樓

香港法律顧問

史密夫律師事務所
香港
皇后大道中15號
告羅士打大廈23樓

合規顧問

滙富融資有限公司
香港
中環
夏慤道10號
和記大廈5樓

公司網址

www.bawang.com.cn

Corporate Information

公司資料

Stock code

01338

股票代碼

01338

Principal bankers

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

Bank of China Limited
1073 Jichang Road
Guangzhou 510180
PRC

China Merchants Bank Co., Ltd
China Merchants Bank Tower No. 7088
Shennan Boulevard
Shenzhen 518040 PRC

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號

中國銀行股份有限公司
中國
廣州市
機場路1073號
郵編：510180

招商銀行股份有限公司
中國
深圳市
深南大道7088號招商銀行大廈
郵編：518040

Chairman's Statement

主席報告書



Dear Shareholders:

On behalf of the Board, I am pleased to report the audited annual results of the Group for the year ended 31 December 2009.

The successful listing of our shares on 3 July 2009 on The Stock Exchange of Hong Kong Limited of (the "Stock Exchange") was an important milestone in the development of the Group. We are grateful for the fact that our shares were 446 times over-subscribed by the Hong Kong retail investors and also significantly over-subscribed by quality international institutional investors during the midst of the unprecedented global economic crisis. The overwhelming response and interest from our investors made our initial public offering one of the most popular listings in Hong Kong at that time which further enhanced consumers' recognition of our Bawang (霸

各位尊敬的股東：

本人謹代表董事會，欣然向全體股東呈報本集團截至二零零九年十二月三十一日止年度的經審核年度業績。

2009年7月3日，本公司的股票在香港聯合交易所（「聯交所」）的成功上市是本集團發展史上的一個重要里程碑。值得我們高興的是在前所未有的全球經濟低迷的情況下，我們的股票為香港散戶投資者超額認購446倍，為優質的國際投資機構超大大額認購。這種來自投資者的熱烈反應及濃厚興趣，使我們一舉成為當時香港市場首次公開發售最受歡迎的公司之一。與此同時，也進一步提高了消費者對霸王品牌產品的認可度。我們相

Chairman's Statement

主席報告書

王) branded products. We believe that the listing of our shares on the main board of the Stock Exchange will bring significant advantages to the future development of the Group.

Benefited from improved market condition and consumer sentiment in China in the second half of 2009, The Group was able to capture market opportunities and achieved encouraging results in 2009. During the year under review, the Group's turnover increased to RMB1,756.0 million, representing an increase of 24.4% as compared to RMB1,411.2 million in 2008. Gross profit margin increased from 63.9% in 2008 to 66.4% in 2009. Profit attributable to equity shareholders increased to RMB364.1 million in 2009, representing an increase of 29.2% in RMB281.8 million in 2008. Net profit margin increased from 20.0% in 2008 to 20.7% in 2009. The Board recommended the payment of a final dividend for the year ended 31 December 2009 of HK4.25 cents per share and an additional special dividend of HK4.25 cents per share, making a total dividend of HK8.50 cents per share and representing a total dividend payout ratio of 60%. We believe that we should share our achievements with the Shareholders in light of the promising development prospects of the Group.

Looking forward, we will make use of our core competences and specialty in traditional Chinese herbs to develop advanced and competitive Chinese herbal HPC products and beverages. We also aim to inherit the essence of traditional Chinese herbal medicine so as to further enhance the competitiveness of Chinese herbal HPC products in the global market to accelerate the industrialization and internationalization of Chinese herbal products. We will continue to increase and product lines and to implement multi-product and multi-brand strategy, aiming to become a global leader of branded Chinese herbal HPC products operator and to bring the best returns to our investors.

The Board would like to take this opportunity to express its gratitude to the Shareholders, customers, suppliers, banks, professional parties and employees of the Company for their continuous commitment and support.

CHEN Qiyuan

Chairman

Hong Kong, 15 April 2010

信，我們的股票在聯交所主板上市將為本集團未來的發展帶來顯著的優勢。

受惠於2009年下半年中國市場環境及消費氣氛的改善，集團成功把握市場機遇，於2009年取得令人鼓舞的業績。回顧年內，集團的營業額達人民幣1,756.0百萬元，較2008年同期的人民幣1,411.2百萬元，上升24.4%。毛利率由2008年63.9%升至2009年的66.4%。淨利率由2008年的20.0%升至2009年的20.7%。本公司董事會建議就二零零九年十二月三十一日止年度派發末期股息每股股份4.25港仙及特別股息每股股份4.25港仙合共每股股份8.50港仙，派息比率為60%。我們堅信，在本集團良好的發展前景下，應當與股東分享我們的成果。

未來，我們將利用在傳統中草藥方面的核心競爭力和專長，發展先進有競爭力的中草藥家用個人護理產品和飲料。我們亦打算繼承傳統中草藥精華，以進一步提高中草藥個家用個人護理產品在全球市場的競爭力，加快工業化和中草藥產品國際化的步伐。我們將繼續增加產品線，實施多產品、多品牌的策略，矢志成為全球中草藥家用個人護理產品品牌的領軍人物並給我們投資者帶來最好的回報。

董事會謹借此機會向一直關心和支持集團的所有股東、客戶、供應商、銀行、專業團隊及公司員工表示衷心感謝。

陳啓源

主席

香港，二零一零年四月十五日

Management Discussion and Analysis

管理層討論及分析

Business Review

The year of 2009 was a fruitful year for the Group in terms of brand building with the successful implementation of our multi-brand and multi-product strategy.

In May 2009, we successfully launched in China the Royal Wind Chinese herbal anti-dandruff shampoo series (追風系列) which is the first anti-dandruff shampoo with Chinese herbal ingredients. The Royal Wind series (追風系列) consists of three major categories of products including shampoo, hair-care and shower gel products. The Royal Wind series (追風系列) was subsequently launched in Hong Kong in October 2009.

In December 2009, we launched the Herborn Chinese herbal skincare products series (本草堂系列). This series of products aims to target at white-collar females aged between 25 and 45 who possess with high purchasing power and pursue a healthy and natural lifestyle. The Company is making good progress in building up the sales channels for the Herborn series (本草堂系列) in department stores and international supermarkets.

業務回顧

在品牌建設方面，2009年是本集團卓有成效的一年。本集團實施多品牌多產品的戰略計劃進展順利。

2009年5月，本集團在中國市場成功推出了中草藥去屑洗髮水系列「追風」，其為國內第一款使用中草藥成分解決頭皮屑問題的洗髮水。追風系列覆蓋洗髮、護髮和沐浴三種主要品類產品。2009年10月，本集團繼而在香港推出了追風系列。

2009年12月，本集團推出中草藥護膚產品系列——本草堂系列。該系列的目標客戶群是擁有高購買力、崇尚健康自然生活方式、年齡介於25至45歲的白領女性。本公司正在開拓本草堂系列在百貨公司和國際超級市場的銷售渠道進展順利。



Management Discussion and Analysis

管理層討論及分析

To effectively promote these two new series, an internationally renowned singer Ms Faye WONG (王菲) has been invited as the brand ambassador for both Royal Wind product series (追風) and Herborn series (本草堂).

Towards the end of 2009, we further launched Bawang Men's Series (霸王男士系列) products, a new series under our Bawang (霸王) brand. The Bawang Men's Series (霸王男士系列) is the first high-end professional Chinese herbal shampoo and hair-care series in the China market specially designed for men who face different hair-care problems. This series consists of three major categories of products including shampoo, hair-care and shower gel products. To effectively promote the new series as one for "Mature, Successful and True Man", the Group has continued to retain internationally renowned celebrity Mr. Jackie CHAN (成龍) to be the brand ambassador of the Bawang Men's Series (霸王男士系列).

We are pleased to report that the operating results of these three new series were generally in line with the expectations of the management.

In terms of the recognition gained by us in 2009, we were accredited as "China New Hi-Tech Enterprise" by Guangdong Science and Technology Department. With this accreditation, Bawang Guangzhou Company Limited, a wholly-owned subsidiary of the Group will be able to enjoy a preferential corporate income tax rate of 15% (10 percentage points lower than the unified tax rate) in the fiscal year of 2011 following the completion of the prevailing tax holiday. The Directors believe that the preferential tax rate will further enhance our operational competitiveness.

為了有效的推廣上述兩個新系列，國際著名歌手王菲女士被邀請作為追風系列和本草堂系列的形象代言人。

在2009年底，本集團進一步在中國市場推出了霸王品牌旗下一款全新的洗髮護髮系列「霸王男士系列」。霸王男士系列是目前國內市場第一款專門針對男性頭髮問題的高端專業中草藥洗護髮產品，其產品系列涵蓋洗髮、護髮、沐浴三種主要品類產品。為了有效推廣新產品系列，貫徹霸王男士系列「成熟、成功、真男人」的形象，本集團繼續邀請國際巨星成龍先生擔任霸王男士系列的形象代言人。

我們很高興向大家報告，上述三個新系列的經營業績均符合管理層的普通預期。

2009年，我們被廣東省科學技術廳評為「全國高新技術企業」。因獲得該稱號，霸王(廣州)有限公司，本集團的全資附屬子公司，將繼現有稅務優惠期完結後將於2011年財政年度開始享有優惠稅率為15%的企業所得稅(比一般企業低10個百分點)。董事們認為該項稅收優惠將進一步提升本集團的競爭力。

Management Discussion and Analysis

管理層討論及分析

We have obtained “National Outstanding Contribution Award for External Therapy of Traditional Chinese Medicine” in International Conference & Exposition on Traditional Medicine 2009. We have also obtained China New Hi-Tech products certificate from Guangdong Science and Technology Department for the breakthrough in the development of a method to extract stilbene glycosides (二苯乙烯甙) from polygonum (何首烏). All the achievements served as high recognition of our continuous efforts in focusing the Group’s strong capability in the research, development and industrialization of Chinese herbal medicine.

We are in the process of applying for the registration of a number of patents relating to research on the application of Chinese herbs hair blackening. The successful registration of which will be a further testament to our research and development capabilities.

We have been selected as a constituent of Hang Seng Composite Index (HSCI) effective from 8 March 2010. Among the constituents of HSCI, the Group is in the Consumer Goods and the Mid-Cap categories. We are honored to have been selected as one of the HSCI’s constituent stocks. The Directors believe that the selection will not only further enhance Group’s reputation and corporate image in the international capital markets, but will also help investors better assess the huge future development potential of the Group in the sector.

我們在2009年傳統醫藥國際科技大會暨博覽會榮獲「全國中醫外治突出貢獻獎」。我們還獲得由廣東省科學技術廳頒發的高新技術產品證書，表彰我們在開發何首烏二苯乙烯甙產品取得的突破性進展。所有成就是對我們在研究、開發中草藥及中草藥產業化能力的認可。

我們正在申請註冊多個與中草藥烏髮研究相關的專利。成功註冊這些專利將進一步證明我們在研究和開發上的重大突破。

我們於2010年3月8日被列入恒生綜合指數。作為恒生指數之成份股，霸王集團屬於消費品製造業及中型股。我們很榮幸地被選為恒生指數的成份股之一。董事們相信這不僅將進一步加強集團的聲譽和在國際資本市場的企業形象，而且還將幫助投資者更好地評估本集團的未來巨大的發展潛力。

Management Discussion and Analysis 管理層討論及分析

Financial Review

Revenue

During the year under review, the Group's revenue amounted to RMB1,756.0 million, representing an increase of 24.4% as compared with RMB1,411.2 million in 2008. The sales growth in 2009 mainly attributed to the increase in the sales of Bawang branded products and the launch of Royal Wind (追風) hair-care series in May 2009.

The Group's core brand, Bawang (霸王), generated RMB1,411.1 million in revenue, which accounted for 80.4% of the Group's total revenue for 2009, and represented an increase of 4.6% as compared to 2008.

財務回顧

收入

於回顧年度，本集團收入人民幣1,756.0百萬元，較二零零八年同期人民幣1,411.2百萬元增加24.4%。2009年營業額大幅增長的原因歸結於霸王品牌和於2009年5月新推出的追風護髮系列營業額的增長。

本集團核心品牌，霸王品牌的收入佔2009年本集團總營業額的80.4%，達人民幣1,411.1百萬元，比2008年同期增加了4.6%。

强健头皮 黑亮发丝

霸王男士健发黑亮洗发液

- 强健头皮
- 黑亮发丝
- 深层修护
- 乌黑亮泽

够劲! 够爽!

霸王男士劲爽活力去屑洗发液

- 深层洁净
- 激发活力
- 清爽去屑
- 活力焕新

Management Discussion and Analysis 管理層討論及分析



The new branded Chinese herbal anti-dandruff hair-care series, Royal Wind (追風), recorded a revenue of RMB292.6 million since it was launched in May 2009, which accounted for approximately 16.7% of the Group's total revenue for 2009.

Litao (麗濤) and Smerry (雪美人) generated a total revenue of RMB52.0 million, which accounted for approximately 2.9% of the Group's total revenue for 2009.

We sell our products through extensive distribution and retail networks. During the year under review, sales to our distributors and retailers represented approximately 85.7% and 14.3% of total revenue for 2009 respectively.

We launched our products in Hong Kong, Macao, and Singapore in 2008. We further launched our products in Malaysia, Myanmar and Thailand in 2009. The sales to the markets outside the PRC accounted for 4.5% of our total revenue for 2009.



2009年5月新推出的中草藥去屑品牌——追風品牌的營業額佔2009年本集團總營業額的16.7%，達人民幣292.6百萬元。

麗濤和雪美人的收入佔2009年本集團營業額約2.9%，達人民幣52.0百萬元。

我們通過分銷商和零售商網絡銷售我們的產品。於回顧年度內，我們通過分銷商和零售商的營業額分別佔2009年總營業額的85.7%和14.3%。

我們的產品於2008年進入香港、澳門和新加坡市場，並於2009年進入馬來西亞、緬甸和泰國市場。這些海外市場的營業額佔2009年本集團總營業額的4.5%。

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Cost of Sales

During the year under review, the Group's cost of sales for 2009 amounted to RMB590.4 million, representing an increase of 15.9% as compared to RMB509.3 million for 2008. Such increase was primarily due to the increase in production driven by the launch of the three new products, namely Royal Wind (追風) in May 2009, Herborn (本草堂) and Bawang Men's Series (霸王男士系列) in December 2009.

Gross Profit

During the year under review, the Group's profit increased RMB1,165.6 million, representing an increase of 29.2% as compared to RMB901.9 million for 2008. The gross profit margin increased from 63.9% for 2008 to 66.4% for 2009. Such increase was mainly attributable to the change in products mix and the decrease in the percentage of cost of raw materials against revenue.

銷售成本

於回顧年度二零零九年的銷售成本達到人民幣590.4百萬元，較二零零八年同期的人民幣509.3百萬元，上漲了15.9%。銷售成本的上漲主要是因為於業務回顧期內新推出的三種產品(2009年5月推出中草藥去屑品牌追風，2009年12月推出中草藥護膚品牌本草堂和專門針對男士市場的霸王男士系列)而引起生產量的增加。

毛利

於回顧年度二零零九年公司毛利達到人民幣1,165.6百萬元，較二零零八年同期的人民幣901.9百萬元增加了29.2%，而毛利率從二零零八年的63.9%上升到二零零九年的66.4%。毛利率的上升主要是因為產品組合的變化以及原材料成本佔收入比例的降低。



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Selling and Distribution Costs

Selling and distribution costs increased to RMB637.3 million for 2009, representing an increase of 24.4% as compared to that for 2008 because of the increased cost for the launch of our new brand product serie Royal Wind (追風) series in May 2009, Herborn (本草堂) and Bawang Men's Series (霸王男士系列) in December 2009.

Administrative Expenses

Administrative expenses for 2009 amounted to approximately RMB75.8 million, representing an increase of approximately 59.9% as compared with approximately RMB47.4 million in the same period in 2008. Such increase was mainly due to the non-capitalizable listing expenses, administrative staff salaries and other benefits including share-based payments.

Profit from Operations

Profit from operations increased to RMB452.3 million for 2009, representing an increase of 32.3% from RMB341.9 million in 2008. The Group's operating margin increased from 24.2% for 2008 to 25.8% for 2009. The increase was mainly due to the increase in sales and decrease in the percentage of costs of sales against revenue, which was partly offset by the increases in operating expenses as mentioned previously.

銷售及分銷成本

二零零九年度銷售及分銷成本增加至人民幣637.3百萬元，較2008年同期增加約24.4%。增加的原因主要是2009年5月新推出的追風系列和在12月新推出的本草堂和霸王男士系列的上市推廣支出。

行政費用

二零零九年度，本集團的行政費用約為人民幣75.8百萬元，與二零零八年同期的約人民幣47.4百萬元比較增加約59.9%。費用增加的主要原因是費用化的上市費用支出和行政人員的工資及其他福利，包括股份支付。

經營溢利

二零零九年本集團經營溢利為人民幣452.3百萬元，較2008年的人民幣341.9百萬元增加約32.3%。本公司經營利潤率與2008年相比從24.2%增加到25.8%。增加的主要原因是營業額的上升和銷售成本佔收入比例的降低，該影響部分被上述提及的營業成本的增加而抵銷。

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Income Tax

Income tax expenses increased to RMB85.7 million for 2009, representing an increase of 35.4% from RMB63.3 million in 2008. The effective income tax rate increased from 18.3% before tax for 2008 to 19.1% for 2009. This was mainly because more losses incurred in the Company in 2009 due to recognition of the non-capitalisable listing expenses. The Company was incorporated in Cayman Islands and thus is not subject to any income tax.

Profit for the Year Attributable to the Equity Shareholder

Profit attributable to equity shareholder increased to RMB364.1 million for 2009, representing an increase of 29.2% from RMB281.8 million in 2008. Net profit margin increased from 20.0% for 2008 to 20.7% for 2009 as the combined effect of the above analysis.

所得稅

二零零九年本集團所得稅費用為人民幣85.7百萬元，較2008年的人民幣63.3百萬元增加約35.4%。實際所得稅率從二零零八年的18.3%上升到二零零九年的19.1%，其上漲的主要原因是本公司費用化的上市費用支出記錄在損益賬內，使本公司2009年的虧損有所增加。本公司是設立於開曼群島的公司，毋需繳納所得稅。

股東應佔溢利

二零零九年本公司股東應佔溢利為人民幣364.1百萬元，較2008年的人民幣281.8百萬元增長約29.2%。因為上述因素的綜合影響，本公司的淨利潤率從二零零八年的20.0%上升到二零零九年的20.7%。

Outlook

With the gradual stabilization of the global capital and credit markets in early 2009, the second half of 2009 showed a continuation of recovery in business operating environment. We have continued to see business and financial conditions improving, China's economy started to picking up recovery pace, and the fast moving consumer goods sector has shows strong signs of retail consumption after months of volatile market conditions. Nonetheless, the management remain to be cautious for the potential uncertainties that may arise from the potential implementation of any "exit strategies" by various governments of the world.

It is expected that with the continuous development and growth of China's economy, the retail sector will benefit from tremendous market opportunities. The continuous growth of household income has improved the living standards in China, which has at the same time increased the public awareness of personal hygiene. The Directors expect that the needs for quality personal hygiene products would at the same time increase. To capture this exciting opportunity, the Company will continue to offer new brands and new products to maximize such enormous opportunities available in the Chinese markets.

Leveraging on our strong fundamentals, innovation and research and development capabilities, the Directors believe that the Group will be able to sustain its competitiveness in the Chinese HPC products market in China. As part of our development strategy to satisfy the needs of high-end quality HPC products, the Group will continue to develop and offer new brands/products along this line. In 2010, the Group will concentrate on the key initiatives to strengthen its market share, which are set out below.

業務展望

2009年初隨著全球資本和信貸市場的逐步穩定，2009年下半年呈現出經營環境的持續復蘇。我們可以看到經濟和金融環境持續改善，中國經濟邁開了復蘇的步伐，快速消費品行業經過幾個月的市場波動後顯示出強勁的零售消費跡象。儘管如此，在世界各國政府有可能實施「退出戰略」的情況下，管理層仍將保持謹慎的態度以應對對待潛在的不確定因素。

預計隨著中國經濟的不斷發展和持續增長，零售業務將繼續從巨大的市場機遇中獲益。隨著中國家庭收入的增加，人們的生活水平得到不斷的提升。與此同時，公眾對個人衛生的意識亦得到提升。董事們預期市場對優質個人衛生用品的需求也將同步增長。本公司將繼續推出新品牌和新產品，以最大限度把握市場的巨大商機。

憑藉本集團的堅實基礎及創新、研發能力，董事們相信本集團將其能保持在國內中草藥家用個人護理產品市場的競爭力。作為我們發展戰略的一部分，為滿足消費者對高端品質家用個人護理產品的需求，本集團將繼續研發及推出一系列新產品／新品牌。2010年，本集團將集中採取關鍵舉措以鞏固市場份額，其詳細情況載於下文。

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For the Bawang (霸王) branded products, we target to strengthen its leadership in the Chinese herbal shampoo market in China, to further increase the revenue through extensive coverage of our sales and distribution network into new areas, to deepen the penetration of the existing established regional markets, particularly those regions other than Southern China, to uncreate the sales to the same retailer and distributor, and to expand the revenue stream through the launch of new branded products and/or their enhanced product sub-series.

對於霸王品牌產品，我們的目標是加強其在中國中草藥洗髮水市場的領先地位，通過進一步擴展我們的分銷網絡覆蓋面進入新的區域，深化現有市場的滲透力，特別是除華南地區以外的中國區域市場滲透力，提高同一零售商和分銷商的銷售額，推出新品或者新的產品子系列等措施來增加收入。



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For the Royal Wind Chinese herbal anti-dandruff shampoo series (追風系列), the Directors are pleased that we were able to achieve the sales target which had been pre-determined for the first year of launch of the series. We will continue to expand the sales and distribution network for this series of and we target to increase the market share of this series in the Chinese herbal anti-dandruff shampoo market and to build up this brand as another leading Chinese herbal shampoo within the next few years.

For the Herborn Chinese herbal skincare products series (本草堂系列), this new series was launched at the end of 2009. We will continue to establish the sales networks of this series through different sales channels and to enhance the brand image through various brand building programmes. We strive to establish Herborn as a leading brand in the Chinese herbal skincare market so that it becomes one of our major contributor to revenue in near future.

對於中草藥去屑洗髮水系列 — 追風系列，董事們很滿意我們僅在新品推出的第一年就能達成當年預定的銷售目標。我們將繼續擴大該產品系列的分銷網絡。我們的目標是增加該產品系列在中草藥去屑洗髮水市場的份額，並在未來幾年內將此品牌打造成為中草藥洗髮水市場的另一領導品牌。

對於中草藥護膚產品系列 — 本草堂系列，這種新的中藥護膚產品系列是於2009年年底推出的。我們將繼續為這個品牌建立不同渠道的銷售網絡，並通過各種品牌建設活動加強其品牌形象。我們致力於將本草堂打造成為中草藥護膚產品市場的領導品牌，使其成為本集團未來收入的主要來源之一。

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For new products, we plan to launch a new branded herbal drink product series known as “Bawang Herbal Drink” in late April 2010. Mr Ronnie YAN (甄子丹) has been appointed as the brand ambassador of this branded products. We may further launch a new branded Chinese herbal household cleaning product series later this year. Upon successful launching of these two new products series to the market, we would have more comprehensive product portfolio comprising three major categories namely personal care, beverage, and household care products. The Directors believe that such multi-brand and multi-product strategy will enable our Group to offer a variety of choices to satisfy the needs of different market segments and consumers. Upon the successful building of these new brands and products, we would be able to diversify our revenue generators in future.

As disclosed in the prospectus dated 22 June 2009 in relation to the global offering of the Company’s shares (“the Prospectus”), the Group plans to lease a new production premises located in Baiyun District, Guangzhou with an estimated gross floor area of 75,000 square meters. The first phase of the new premises will be available for installation and fittings work the later this year. Once the new facilities of phase I are in operations, we estimate that our annual production capacity for shampoo products, hair-care products, and skincare products will increase by 100,000 metric tons to approximately 200,000 metric tons.

對於新產品，我們計劃在2010年4月推出一款新的中草藥飲料系列產品——霸王涼茶。甄子丹先生已被指定作為本品牌的形象大使。我們將進一步在今年稍後推出一系列新的中草藥家居清潔產品。當這兩種新產品系列成功推向市場後，我們將擁有由個人護理用品、飲料、家庭護理這三類主要產品組成的綜合產品組。董事們認為，這種多品牌多產品的戰略能夠使集團提供多樣化的選擇以滿足不同的細分市場的需求，我們將在未來獲得多元化的收入。

誠如在2009年6月22日全球發售的招股章程中所披露的，本集團計劃租賃一個位於廣州白雲區建築面積75,000平方米的新生產廠房。第一階段廠房設備爭取在今年晚些時候達到可使用狀態。一旦新的廠房投入使用，我們預計洗髮護髮產品的年生產能力將增加100,000公噸至約200,000公噸。

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The Group has recently leased a piece of land of approximately 500 Chinese acres for Chinese herbal plantation in Guangdong province. The site preparation work is in progress. When the demonstrative plantation of Chinese herbs is in operations in 2011, we will adopt the concept of “Good Agriculture Practices (GAP)” for training and development of sub-contracting farmers which effectively expands the planting area and yield of Chinese herbs. The Group may use Chinese herbs from its own plantations for our production as early as 2011.

Market diversification is another key strategy that the Group pursues. For overseas market development, the Group will enter Brunei and the Middle East market in 2010 and continue to explore potential markets in overseas countries. For domestic market development, the Group has recently expanded geographical coverage into two provinces in the western region namely, Qinghai and Ningxia, making the distribution network of the Group almost covering every province and/or municipality in China.

We will continue to explore business opportunities that may involve potential acquisition of HPC related business either to supplement our existing business and/or fit into our long term business development strategies.

本集團近期在廣東省租用了一塊約500畝的土地用於種植中草藥。該場地的準備工作正在進行中。當2011年開展中草藥種植行動時，我們預將採用「良好農業規範(GAP)」的概念對簽約農民進行培訓和指導藉以有效地擴大種植面積及增加中藥藥材的收割。預計本集團最早可於2011年使用自行種植的中草藥生產。

市場多元化是本集團的另一個主要戰略。對於海外市場的發展，本集團將在2010年進入汶萊和中東市場，並且仍將繼續拓展其他海外國家的潛在市場。對於國內市場的發展，本集團近期將產品銷售至兩個西部省份的地域範圍，即青海和寧夏。本集團經銷網絡幾乎覆蓋國內的每個省和／或自治區。

我們將繼續拓展業務機會，可能涉及潛在收購與家用個人護理產品相關的業務以補充我們現有業務或者適應我們長期業務發展戰略的需要。

Applications of Net IPO Proceeds

The net proceeds from the IPO were approximately RMB1,615 million, after deduction of related expenses. We have utilized such net proceeds in the manner consistent with that disclosed in the Company's prospectus dated 22 June 2009 under the section headed "Futures Plans and Use of Proceeds". Scorchingly, the net proceeds utilized up to 31 December 2009 was as follows:

首次公開招股所得款項淨額用途

上市於扣除有關開支後的所得款項淨額約為1,615百萬人民幣。本公司已按照二零零九年六月二十二日的招股章程「未來計劃及所得款項用途」一節所披露的方式運用這些款項淨額。因此，截止二零零九年十二月三十一日所得款項淨額用途相應如下：

		Net IPO proceeds 首次公開發售所得款項淨額		
		Available 可供動用 (RMB'000) (人民幣千元)	Utilised 已動用 (RMB'000) (人民幣千元)	Unutilised 未動用 (RMB'000) (人民幣千元)
Marketing and promotion	營銷及推廣	484,583	290,117	194,466
Design, Research and development	設計、研究及開發新產品	323,055	3,845	319,210
Expansion of distribution China and overseas network	擴展及加強國內及海外分銷網絡	290,750	879	289,871
Capital expenditure	資本開支	193,833	5,929	187,904
Future strategic acquisition	未來策略性收購	161,528	—	161,528
Working capital and other general corporate purpose	營運資金及其他一般企業用途	161,528	98,139	63,389
Total	合計	1,615,277	398,909	1,216,368

Liquidity, financial resources and capital structure

The Group adopts conservative financial management policies and maintains a good and solid financial position. With the successful listing of our shares on the Main Board of the Stock Exchange of Hong Kong Limited in July 2009 ("IPO") and the raising of gross proceeds of HKD1,915.9 million, the Group continues to fund its business operations and general working capital principally by internally generated resources and the net proceeds from the IPO.

流動資金及財務資源

本集團採用保守的財務管理策略，維持良好穩定的財務狀況。隨著2009年7月我們在香港聯合交易所主板成功上市（「首次公開發售」），並籌集資金港幣1,915.9百萬元，本集團繼續為其業務營運和一般性資本支出提供資金，其資金主要來源於內部收益和上市籌集的資金淨額。

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As at 31 December 2009, the balance of cash and cash equivalent was approximately RMB1,742.5 million as compared with approximately RMB298.1 million as at 31 December 2008. As at 31 December 2009, the total bank and other borrowings of the Group were approximately RMB158.5 million (2008: nil), which were denominated in Hong Kong Dollars. The Group had also access to a standby short-term banking facility of RMB100.0 million. No drawdown of this facility was made as of 31 December 2009.

As at 31 December 2009, the total assets of the Group were RMB2,544.3 million (2008: RMB650.9 million), which included current assets amounted to RMB2,498.9 million (2008: RMB619.4 million). Total liabilities were RMB510.1 million (2008: RMB336.4 million) with bank borrowings amounting to RMB158.5 million (2008: nil). Total equity amounted to RMB2,034.2 million (2008: RMB314.5 million).

The gearing ratio (calculated as interest-bearing borrowings divided by total assets) of the Group as at 31 December 2009 was approximately 6.2% (2008: nil).

Material acquisition and disposal

The Group did not engage in any material acquisitions or disposal of its subsidiaries or associated companies for 2009.

於二零零九年十二月三十一日，現金及現金等價物約為人民幣1,742.5百萬元，而二零零八年約人民幣298.1百萬元。於二零零九年十二月三十一日，本集團銀行及其他借款總額約為人民幣158.5百萬元（二零零八年：無），以港幣記值。本集團取得一份人民幣100.0百萬元的備用短期融資額度。截止二零零九年十二月三十一日，本集團尚未使用這筆融資額度。

於二零零九年十二月三十一日，本集團總資產為人民幣2,544.3百萬元（二零零八年：人民幣650.9百萬元），其中流動資產人民幣2,498.9百萬元（二零零八年：人民幣619.4百萬元）。總負債為人民幣510.1百萬元（二零零八年：人民幣336.4百萬元），其中銀行借款人民幣158.5百萬元（二零零八年：無）。總所有者權益為人民幣2,034.2百萬元（二零零八年：人民幣314.5百萬元）。

本集團於二零零九年十二月三十一日的資產負債比率（按計息借貸除以資產總額計算）約為6.2%（二零零八年：無）。

重大收購及出售

本集團在二零零九年期間並無重大收購或出售其附屬及聯營公司的活動。

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Exposure to fluctuations in exchange rates and related hedge

The operations of the Group are mainly carried out in the PRC, with most transactions settled in Renminbi. The reporting currency of the Group is Renminbi. The Group has exported its goods to Hong Kong and certain Southeast Asian countries. The transactions were settled in either Hong Kong Dollars or United States Dollars. The Group's cash and bank deposits are predominantly denominated in Hong Kong Dollars, Renminbi and United States Dollars. The Company will pay dividends in Hong Kong Dollars if dividends are declared. In addition, the Group paid certain advertising fees in United States Dollars or Hong Kong Dollars. The Directors are of the view that RMB is relatively stable against the other currencies and the Group will closely monitor the fluctuations in exchange rates, and that hedging by means of derivative instruments is therefore not necessary.

Pledge of assets of the group

As at 31 December 2009, the Group had entered into a guarantee contract with a bank for a bank loan of HKD180.0 million, which became effective on 3 July 2009. Pursuant to the guarantee contract, the Group provided time deposits amounted to HKD184.0 million to the bank as a pledge to this bank loan on 22 July 2009.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2009.

Capital commitment

The Group had capital commitment amounting to RMB3.5 million as at 31 December 2009.

匯率波動風險及有關對沖

本集團主要在中國境內經營業務，大部分交易以人民幣結算，本集團的報告貨幣為人民幣。期內，本集團出口產品銷往香港和部份東南亞國家，交易以港幣和美元結算。本集團大部份現金及銀行存款以港幣計值。本公司宣派股息時亦以港元派付。此外，本集團以美元或港幣支付若干廣告費。董事預期人民幣與其他貨幣的兌換比率相對穩定，且本集團將密切注意匯率的變動情況，所以認為無須採用衍生工具進行對沖。

集團資產抵押

截止二零零九年十二月三十一日，本集團與銀行簽訂了一份港幣180.0百萬元擔保貸款合同，而該擔保合同已於二零零九年七月三日生效。根據合同規定，本集團於二零零九年七月二十二日向該銀行提供價值為港幣184.0百萬元的定期存款作為資產抵押。

或然負債

於二零零九年十二月三十一日，本集團並無重大或然負債。

資本承擔

於二零零九年十二月三十一日，本集團資本承擔總額為人民幣3.5百萬元。

Management Discussion and Analysis 管理層討論及分析

Significant investments held

There were no significant investments held by the Company as at 31 December 2009.

Human resources

As at 31 December 2009, the Group had a total of approximately 3,300 employees (including staff members and contract personnel) in the PRC and Hong Kong. For the year ended 31 December 2009, the Group reported staff costs of approximately RMB95.1 million.

The employees' remuneration, promotion and salary review are based on job responsibilities, work performance, professional experiences and the prevailing industry practices.

Our employees in the PRC and Hong Kong joined social insurance contribution plans and mandatory provident fund scheme respectively. Other benefits include performance-based incentive bonus scheme and share options granted or to be granted under the share option schemes.

To enable our employees to reach their full potential, we are committed to staff training and development. In 2009, the Group organized 16 in-house training classes with more than 2,250 participants in aggregate.

The Directors believe that the Group's human resources policies play a crucial part in further development of the Group. Promising career prospects, good staff remuneration and benefits as well as a pleasant working environment are essential factors for maintenance of a stable workforce for the Group.

重大投資事項

於二零零九年十二月三十一日，本集團並無重大投資事項。

人力資源

於二零零九年十二月三十一日，本集團在中國和香港僱有3,300名員工（包括我們的僱員及合約員工），人事開銷達到人民幣95.1百萬元。

本集團員工工資薪酬及晉升是按照各人的工作責任、表現、專業經驗及行業標準來釐定的。

本集團員工分別參加中國的社會保障計劃和香港強制性公積金計劃。其他福利包括按工作表現釐定的獎金、購股權計劃。

為了發掘我們員工的潛力，我們致力新員工培訓和發展。2009年，本集團共組織了16次內部培訓，參與人員約共2,250人次。

董事們深信本集團之人力資源政策對集團未來發展擔當重要角色。良好的職業前景、優厚的員工薪酬福利以及舒適的工作環境，可以使本集團維持一個穩定的工作團隊。

Directors and Senior Management

董事及高層管理人員

Directors

The Board comprises eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. The following table sets forth certain information in respect of our Directors:

Name 姓名	Age 年齡	Position/Title 職位／職銜
Mr. CHEN Qiyuan 陳啟源	48	Chairman and Executive Director 主席兼執行董事
Ms. WAN Yuhua 萬玉華	44	Chief Executive Officer (“CEO”) and Executive Director 首席執行官兼執行董事
Mr. SHEN Xiaodi 沈小笛	44	Vice-CEO and Executive Director 首席副執行官兼執行董事
Mr. WONG Sin Yung 黃善榕	55	Chief Financial Officer and Executive Director 財務總監兼執行董事
Ms. GUO Jing 郭晶	43	Non-executive Director 非執行董事
Mr. NGAI Wai Fung 魏偉峰	48	Independent non-executive Director 獨立非執行董事
Mr. LI Bida 李必達	69	Independent non-executive Director 獨立非執行董事
Mr. CHEN Kaizhi 陳開枝	69	Independent non-executive Director 獨立非執行董事

Executive Directors

Mr. CHEN Qiyuan (陳啟源), aged 48, is the co-founder of our Group, our chairman and has been an executive Director since 12 November 2007. Mr. CHEN is responsible for the overall strategic planning and management of our Group. Mr. CHEN has extensive experience in the Chinese herbal HPC (“Household and Personal Care”) products industry, having been engaged in the consumer chemical product business for over 16 years. Mr. CHEN and Ms. WAN entered into the HPC product business by establishing Guangzhou Bawang Cosmetics Co., Ltd. (the predecessor entity of the Company) in 1994 foreseeing the growth potential of the HPC products business in the PRC. Mr. CHEN was engaged in the trading of pesticides in the PRC before the establishment of Guangzhou Bawang Cosmetics Co., Ltd.. He has been serving as a research fellow in the Public Economics Academy of Peking University 北京大學公共經濟管理研究中心 since 2007. Mr. CHEN is the spouse of Ms. WAN.

董事

董事會由八名董事組成，包括四名執行董事、一名非執行董事及三名獨立非執行董事。下表載列關於董事的若干資料：

執行董事

陳啟源先生，48歲，為本集團共同創辦人、我們的主席，並自二零零七年十一月十二日起出任執行董事。陳先生負責本集團整體策略規劃及管理。陳先生從事日化產品行業方面的業務超過16年，在中草藥家用個人護理產品行業擁有豐富經驗。考慮到家用個人護理產品業務在中國的增長潛力，陳先生及萬女士於一九九四年成立廣州霸王化妝品有限公司(公司的前身實體)以進軍家用個人護理產品業務。在創立廣州霸王化妝品有限公司之前，陳先生曾從事農藥貿易生意。彼自二零零七年始一直擔任北京大學公共經濟管理研究中心研究員。陳先生為萬女士的配偶。

Directors and Senior Management 董事及高層管理人員

Ms. WAN Yuhua (萬玉華), aged 44, is the co-founder of our Group, our CEO and has been our executive Director since 12 November 2007. Ms. WAN is responsible for the overall strategic planning and marketing planning, sales and distribution, and research and development of our Group. Ms. WAN has extensive experience in the Chinese herbal HPC product industry. She has over 15 years experience in the consumer chemical product industry in the PRC. She also has extensive experience in the sales and corporate management. Prior to the establishment of Guangzhou Bawang Cosmetics Co. Ltd. (the predecessor entity of the company), Ms. WAN worked with South China Botanical Garden, Chinese Academy of Sciences 中國科學院華南植物研究所 as an engineer. Ms. WAN has been serving as the deputy head of the Chamber of Beauty Culture & Cosmetics of All-China Federation of Industry & Commerce 中華全國工商業聯合會美容化妝品業商會 since 2008. She was also elected Charismatic Leader in Chinese Herbal Consumer Chemical Industry in China 中國中藥日化行業魅力領軍人物 by The Election Committee of the National Industry Leading Brand 全國行業領先企業品牌推選組委會 in 2008. Ms. WAN obtained Guangzhou Overseas Chinese Entrepreneurship Award 廣州新僑回國創業貢獻獎 in 2008 from Guangzhou Personnel Bureau 廣州人事局, a government body, and Guangzhou Overseas Chinese Federation 廣州市歸國華僑聯合會. Ms. WAN was elected Ten Excellent Entrepreneurs for Chinese Brand Building 中國品牌建設十大優秀企業家 by China Enterprise Culture Improvement Association in 2006. She obtained a bachelor's degree in plant genetics from South China Agricultural University 華南農業大學 in 1998. Ms. WAN is the spouse of Mr. CHEN.

萬玉華女士，44歲，為本集團共同創辦人、我們的首席執行官，並自二零零七年十一月十二日出任執行董事。萬女士負責本集團的整體策略及營銷規劃、銷售和分銷及研究與開發。萬女士在中草藥家用個人護理產品行業擁有豐富經驗。彼在中國日化產品行業方面擁有超過15年經驗。彼對銷售及企業管理有豐富經驗。創立廣州霸王化妝品有限公司前，萬女士在中國科學院華南植物研究所工作，擔任工程師。自二零零八年，萬女士任中華全國工商業聯合會美容化妝品業商會副會長。彼亦於二零零八年獲全國行業領先企業品牌推選組委會選為「中國中藥日化行業魅力領軍人物」。萬女士於二零零八年取得廣州人事局（為政府機關）及廣州市歸國華僑聯合會頒發的「廣州新僑回國創業貢獻獎」。彼於二零零六年更獲中國企業文化促進會選為「中國品牌建設十大優秀企業家」。萬女士於一九九八年在華南農業大學取得植物遺傳學學士學位。萬女士為陳先生的配偶。

Directors and Senior Management 董事及高層管理人員

Mr. SHEN Xiaodi (沈小笛), aged 44, is our vice-CEO and executive Director. Mr. SHEN joined our Group in January 2008 and was appointed as our executive Director on 10 December 2008. Mr. SHEN is responsible for the implementation of our Group's strategic plans and the daily operations and management of our Group. Prior to joining our Group, Mr. SHEN held a number of senior management roles, such as deputy chief engineer in high technology enterprises in the PRC and deputy general manager in asset management companies. He has more than 10 years experience in technology management, introduction of foreign capital and management of enterprises, which could benefit the Group by (i) efficiently and effectively managing the operations of the Group; (ii) implementing the new ERP systems; and (iii) facilitating the Group's future fund-raising activities and strategic investments. Mr. SHEN obtained a bachelor's degree in engineering in 1986 and a master's degree in engineering in 1989, both from Xi'an Jiaotong University 西安交通大學. He also obtained a doctor's degree in engineering and a post-doctor's research certificate in mathematics from Chinese Academy of Sciences 中國科學院 in 1994 and 1995, respectively. He was conferred a professional qualification as a deputy researcher by Institute of Applied Mathematics of Chinese Academy of Sciences 中國科學院應用數學研究所 in 1995. Mr. SHEN is the spouse of Ms. GUO Jing, our non-executive Director.

沈小笛先生，44歲，為我們的首席副執行官兼執行董事。沈先生於二零零八年一月加入本集團，並於二零零八年十二月十日獲委任為我們的執行董事。沈先生負責執行本集團的策略計劃及本集團的日常營運及管理。於加入本集團之前，沈先生曾擔任多個高級管理層職位，例如在中國高科技企業擔任副總工程師及在資產管理公司擔任副總經理。彼在科技管理、外資引入及企業管理方面擁有超過10年的經驗，能通過(i)有效管理本集團的經營；(ii)實施新ERP系統；及(iii)協助本集團日後籌集資金的活動及策略投資而令本集團受益。沈先生於一九八六年取得西安交通大學工學學士學位，並於一九八九年取得西安交通大學工學碩士學位。彼亦分別於一九九四年及一九九五年取得中國科學院工學博士學位及數學學科博士後證書。於一九九五年，彼獲頒授中國科學院應用數學研究所副研究員的專業資格。沈先生為我們的非執行董事郭晶女士的配偶。

Directors and Senior Management

董事及高層管理人員

Mr. WONG Sin Yung (黃善榕), aged 55, is our chief financial officer and executive Director. Mr. WONG joined our Group in April 2008 and was appointed as our executive Director on 10 December 2008. He is responsible for the finance management and control, accounting, auditing, company secretarial and investor relations of our Group. Prior to joining our Group, Mr. WONG was an executive director of (China Ting Group Holdings Limited) 華鼎集團控股有限公司 (03398) from 2005 to 2008. The shares of which are listed on the Stock Exchange. Mr. WONG was the chief accountant and finance manager of Mark Wong & Associates (Industrial Consultants) Limited from 1988 to 1992 and from 1994 to 2003, respectively. He also worked for a certified public accountant firm from 1992 to 1994. Mr. WONG has over 25 years experience in corporate finance, accounting, auditing, corporation administration, and project consulting. He is an associate member of Hong Kong Institute of Certified Public Accountants. Mr. WONG obtained a master's degree in human resource management from Macquarie University in 1996 and a master's degree in business administration from the University of Hong Kong in 1999.

黃善榕先生，55歲，為我們的財務總監兼執行董事。黃先生於二零零八年四月加入本集團，並於二零零八年十二月十日獲委任為我們的執行董事。彼負責本集團的財務管理及監控、會計、審核、公司秘書及投資者關係。加入本集團之前，黃先生於二零零五年至二零零八年曾為華鼎集團控股有限公司(03398)(其股份於聯交所上市)的執行董事。於一九八八年至一九九二年及一九九四年至二零零三年期間，黃先生在 Mark Wong & Associates (Industrial Consultants) Limited 擔任總會計師及財務經理。彼亦於一九九二年在一家執業會計師事務所工作。黃先生在企業融資、會計、審核、公司管理及項目諮詢方面擁有超過25年的經驗。彼為香港會計師公會會員。黃先生於一九九六年獲麥格理大學的人力資源管理碩士學位，於一九九九年獲香港大學工商管理碩士學位。

Directors and Senior Management

董事及高層管理人員

Non-executive Director

Ms. GUO Jing (郭晶), aged 43, was appointed as our non-executive Director on 10 December 2008. Prior to joining our Group, Ms. GUO was a senior accountant in a chartered accountants firm in Canada since 2006. From 2002 to 2005, she was a finance manager of FutureWay Enterprise Services Inc., a company providing business consulting, accounting and taxation services. From 1992 to 2001 Ms. GUO held various senior management positions including finance manager, deputy chief accountant, and chief accountant in Beijing Dali Integrated Business Company 北京市大力綜合商業公司. She has more than 15 years experience in strategic planning, corporate finance, internal financial control and management, professional accounting, and taxation services, which could benefit the Group by offering professional advice to the Board on the overall financial control and management of the Group. Ms. GUO obtained a bachelor's degree in biomedical engineering and instrumentation from Xi'an Jiaotong University 西安交通大學 in 1987 and a master's degree in internal combustion engineering from Beijing Institute of Technology 北京理工大學 in 1992. She was awarded a vocational qualification as an accountant by the PRC Ministry of Finance 中國財政部 in 1997. She is a member of Certified General Accountants Association of Canada. Ms. GUO is the spouse of Mr. SHEN Xiaodi, our executive Director.

非執行董事

郭晶女士，43歲，於二零零八年十二月十日獲委任為我們的非執行董事。在加入本集團前，郭女士自二零零六年起為加拿大一家特許會計師事務所的高級會計師。於二零零二年至二零零五年期間，擔任 FutureWay Enterprise Services Inc. (一家提供業務諮詢、會計及稅務服務的公司) 的財務經理。一九九二年至二零零一年期間，郭女士曾在北京市大力綜合商業公司擔任多項高級管理職位，包括出任財務經理、副總會計師及總會計師。彼於策略規劃、企業財務、內部財務監控及管理、專業會計及稅務服務擁有超過15年經驗，其經驗使彼能就本集團的整體財務監控及管理向董事會提供專業意見，此舉將會令本集團受益。郭女士於一九八七年獲西安交通大學工學學士學位，主修生物醫學工程及儀器專業，並於一九九二年獲北京理工大學工學碩士學位，主修內燃工程專業。一九九七年，彼獲中國財政部頒授的會計師職業資格。彼是加拿大註冊會計師協會會員。郭女士為我們的執行董事沈小笛先生的配偶。

Directors and Senior Management 董事及高層管理人員

Independent Non-executive Directors

Mr. NGAI Wai Fung (魏偉峰), aged 48, was appointed as our independent non-executive Director on 10 December 2008. He is currently the director and head of listing services of KCS Hong Kong Limited (formerly the corporate and commercial divisions of KPMG and Grant Thornton respectively), an independent integrated corporate services provider, a vice president of the Hong Kong Institute of Chartered Secretaries and the chairman of its membership committee. Mr. NGAI is a member of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Institute of Chartered Secretaries and Administrators and a fellow of the Hong Kong Institute of Chartered Secretaries. Mr. NGAI obtained a master's degree in corporate finance from Hong Kong Polytechnic University in 2002 and a master's degree in business administration from Andrews University of Michigan in 1992. He is a doctoral candidate in finance at Shanghai University of Finance and Economics 上海財經大學. Mr. NGAI has over 18 years of senior management experience, most of which is in the areas of finance, accounting, internal control and regulatory compliance for issuers including major red chip companies. Mr. NGAI was an independent non-executive director and a member of the audit committee of China Life Insurance Company Limited 中國人壽保險股份有限公司 (02628) from 2006 to 2009, and is currently an independent non-executive director and a member of the audit committee of China Railway Construction Corporation Limited 中國鐵建股份有限公司 (01186) and Franshion Properties (China) Limited 方興地產(中國)有限公司 (0817) and an independent non-executive director and the chairman of the audit committee of Bosideng International Holdings Limited (03998), Powerlong Real Estate Holdings Limited 寶龍地產控股有限公司 (01238) and Sany Heavy Equipment Holding Limited 重裝國際控股有限公司 (0631), the shares of which are listed on the Stock Exchange and/or the Shanghai Stock Exchange and/or the New York Stock Exchange.

獨立非執行董事

魏偉峰先生，48歲，於二零零八年十二月十日獲委任為我們的獨立非執行董事。彼現任獨立運作綜合企業服務公司 KCS Hong Kong Limited (前身是畢馬威會計師事務所企業服務部及均富會計師行商務部)的董事兼上市服務部主管、香港特許秘書公會副會長及其會籍委員會主席。魏先生為英國特許公認會計師公會會員、香港會計師公會會員、特許秘書及行政人員公會資深會員及香港特許秘書公會資深會員。魏先生於二零零二年取得香港理工大學企業金融學碩士學位，於一九九二年獲得美國密茲根州安德魯大學工商管理碩士學位。彼現正在上海財經大學攻讀金融學博士課程。魏先生擁有超過18年高級管理層經驗，其中絕大部分經驗與上市公司(包括大型紅籌公司)的財務、會計、內部控制與合規工作相關。魏先生於二零零六年至二零零九年曾擔任中國人壽保險股份有限公司(02628)的獨立非執行董事及審核委員會成員，而目前為中國鐵建股份有限公司(01186)及方興地產(中國)有限公司(0817)的獨立非執行董事及審核委員會成員，以及波司登國際控股有限公司(03998)、寶龍地產控股有限公司(01238)及三一重裝國際控股有限公司(0631)的獨立非執行董事及審核委員會主席，上述公司的股份於聯交所及／或上海證券交易所及／或紐約證券交易所上市。

Directors and Senior Management 董事及高層管理人員

Mr. LI Bida (李必達), aged 69, was appointed as our independent non-executive Director on 10 December 2008. Prior to joining our Group, Mr. LI was the head of Department of Lawyers, the Ministry of Justice of the PRC 中國司法部律師司, currently known as Department of Directing Lawyers and Notarization, Ministry of Justice 司法部律師公証工作指導司, from 1988 to 1992. He was also an arbitrator in China International Economics and Trade Arbitration Commission 中國國際經濟貿易仲裁委員會 from 1989 to 1990. From 1992 to 1995, he served as standing deputy head of State Trademark Bureau 國家商標局. From 1992 to 2001, he held various positions in State Administration of Industry and Commerce 國家工商行政管理總局 including the head of the Fair Trading Bureau 公平交易局 and the head of Registration Bureau 企業註冊局. He was a consultant with a number of companies, including Galanz Group 格蘭仕集團 from 2001 to 2003, Perfect (China) Co., Ltd. 完美(中國)日用品有限公司, Nanfong Lee Kum Kee Co., Ltd. 南方李錦記有限公司 from 2001 to 2005, Ricoh China Co., Ltd. 理光(中國)投資有限公司 from 2005 to 2006, and NU Skin (China) Co., Ltd. 如新(中國)日用保健品有限公司 from 2006 to 2007. He is currently a member of the board of directors of Intellectual Property Institute of Peking University 北京大學知識產權學院, professor of Renmin University of China Law School 中國人民大學法律學院 and Capital University of Economics and Business 首都經濟貿易大學. Mr. LI obtained a bachelor's degree in law from Hubei University 湖北大學 in 1965.

Mr. CHEN Kaizhi (陳開枝), aged 69, was appointed as our independent non-executive Director on 8 April 2009. Prior to joining us, he held various positions in the government of Guangdong province from 1964 to 1998. He was promoted to executive vice mayor of Guangzhou in 1992 and deputy secretary of the Leading Party Group of Guangzhou Municipal Government 廣州市政府黨組副書記 in 1993. From 1998 to 2005, he was the chairman and secretary of the Leading Party Group of Guangzhou Political Consultative Conference 廣州市政協主席及黨組書記. Since his retirement from his positions in the government in 2005, he held the position of vice president of China Foundation for Poverty Alleviation 中國扶貧基金會, a charity organization in the PRC. He obtained a bachelor's degree in political education from South China Normal College 華南師範學院, which is the predecessor of South China Normal University 華南師範大學 in 1964.

李必達先生，69歲，於二零零八年十二月十日獲委任為我們的獨立非執行董事。在加入本集團之前，李先生於一九八八年至一九九二年期間為中國司法部律師司司長(現稱為司法部律師公證工作指導司)。彼於一九八九年至一九九零年期間為中國國際經濟貿易仲裁委員會仲裁員。於一九九二年至一九九五年期間，彼任職國家商標局常務副局長。一九九二年至二零零一年期間，彼在國家工商行政管理總局擔任不同職位元，包括公平交易局局長及企業註冊局局長。彼曾為多家公司的顧問，包括二零零一年至二零零三年期間擔任格蘭仕集團的顧問、二零零一年至二零零五年期間擔任完美(中國)日用品有限公司、南方李錦記有限公司的顧問、二零零五年至二零零六年期間擔任理光(中國)投資有限公司的顧問及於二零零六至二零零七年期間擔任如新(中國)日用保健品有限公司的顧問。彼目前擔任北京大學知識產權學院董事會董事、中國人民大學法律學院及首都經濟貿易大學教授。李先生於一九六五年獲湖北大學法學學士學位。

陳開枝先生，69歲，於二零零九年四月八日獲委任為我們的獨立非執行董事。在加入本集團之前，彼於一九六四年至一九九八年期間在廣東省擔任多個政府職位。彼於一九九二年晉升為廣州市常務副市長，並於一九九三年晉升為廣州市政府黨組副書記。自一九九八年至二零零五年，彼為廣州市政協主席及黨組書記。於二零零五年退任政府職位後，彼擔任中國扶貧基金會(一家中國的慈善機構)的副主席。彼於一九六四年取得華南師範學院(華南師範大學前身)政治教育專業學士學位。

Directors and Senior Management 董事及高層管理人員

Senior management

The following table sets forth certain information in respect of our senior management:

高級管理層

下表載列關於我們的高級管理層的若干資料：

Name 姓名	Age 年齡	Position/Title 職位／職銜
Mr. ZHU Liangfeng 朱亮鋒先生	73	Chief Research and Development Officer 研發中心總監
Mr. MA Shaochun 馬少春先生	31	Chief Planning Officer 策劃中心總監
Mr. MO Zhiwen 莫志文先生	40	Sales Manager 銷售經理
Ms. HUANG Weiyan 黃偉燕女士	37	Sales Manager 銷售經理
Ms. CHEN Quan 陳權女士	32	Key Accounts Manager 主要客戶經理
Mr. ZHANG Jialin 張家林先生	48	Manager of Investigation and Supervision Department 監察部經理
Ms. WAN Yuxian 萬玉仙女士	47	Chief Administrative Officer 行政中心總監
Ms. LUO Hailong 羅海龍女士	30	Chief Media and Publicity Officer 媒介中心總監
Mr. LI Yihui 黎藝輝先生	37	Chief Brand Design and Expansion Officer 品牌形象設計及推廣中心總監
Ms. GUO Xiaoping 郭小萍女士	37	Internal Auditor 內部核數師
Ms. HE Xinyi 何欣憐女士	34	Chief Training Officer 培訓中心總監
Mr. ZHU Xiaojun 朱曉俊先生	31	Manager of Design Department 設計部經理

Directors and Senior Management

董事及高層管理人員

Mr. ZHU Liangfeng (朱亮鋒), aged 73, is our chief research and development officer. Mr. ZHU joined our Group in October 2007. He is responsible for overseeing research and development projects for the Group. Mr. ZHU has extensive experience in research and development and refinement of Chinese herbal chemicals. Prior to joining our Group, he was an assistant professor at Harbin University of Science and Technology 哈爾濱理工大學 (formerly known as Harbin Electricity and Engineering College 哈爾濱電工學院) from 1960 to 1963. He began working as a research intern in South China Botanical Garden, Chinese Academy of Sciences 中國科學院華南植物研究所 in 1963. He was promoted to assistant researcher in 1979, deputy researcher and deputy director of the research department in 1987 and was further promoted to a researcher and director of the research department in 1990. From 1989 to 1998, he was the liaison officer for the Asian Pacific Information Network on Medicinal and Aromatic Plants (the "APINMAP") launched by the United Nations Educational, Scientific, and Cultural Organization. During the same period, he was also the responsible person for China National Center of the APINMAP. He obtained his bachelor's degree in chemistry from Sun Yat-Sen University 中山大學 in 1960.

Mr. MA Shaochun (馬少春), aged 31, is our chief planning officer. Mr. MA joined our Group as the manager of planning department in April 2004 and was promoted to chief planning officer in September 2007. He is responsible for the design and scheduling of marketing and promotional activities, brand building and management and developing our annual sales and marketing plans. He has extensive experience in brand management and market planning in the HPC product industry in the PRC. Prior to joining our Group, he worked as a market planning specialist with C-bons Group 絲寶集團 from 2000 to 2002. From 2003 to 2004, he worked as a brand manager with Soffto Co.,Ltd. 索芙特股份有限公司. He obtained his bachelor's degree in administrative management from Hubei University in 2000.

朱亮鋒先生，73歲，為我們的研發中心總監。朱先生於二零零七年十月加入本集團，負責監察本集團的研究及發展項目。朱先生對中草藥化學研究及發展和提取擁有豐富經驗。在加入本集團之前，彼於一九六零年至一九六三年期間擔任哈爾濱理工大學(前身為哈爾濱電工學院)助教。彼於一九六三年開始在中國科學院華南植物研究所擔任實習研究員。彼於一九七九年晉升為助理研究員，於一九八七年為副研究員並擔任研究部副主任，並於一九九零年進一步晉升為研究部研究員及主任。彼於一九八九年至一九九八年期間聯合國教科文組織亞太地區藥用與芳香植物情報網絡(「APINMAP」)的聯絡員。同期，彼亦為 APINMAP 的中國國家中心研究所負責人。彼於一九六零年取得中山大學化學學士學位。

馬少春先生，31歲，為我們的策劃中心總監。馬先生於二零零四年四月加入本集團擔任策劃部經理，並於二零零七年九月升任為策劃總監。彼負責設計及策劃營銷與推廣計劃、打造及管理品牌以及發展我們的年度銷售及營銷計劃。彼於中國家用個人護理產品行業的品牌管理及市場策劃擁有豐富經驗。於加入本集團之前，彼曾於二零零零年至二零零二年在絲寶集團擔任營銷策劃專員。於二零零三年至二零零四年期間，彼曾於索芙特股份有限公司擔任品牌經理。彼於二零零零年取得湖北大學學士學位，主修行政管理學。

Directors and Senior Management 董事及高層管理人員

Mr. MO Zhiwen (莫志文), aged 40, is our sales manager. Mr. MO has been with us since the establishment of our Group. He is responsible for our sales and business channel management. He has extensive experience in marketing, sales and business channel development. Prior to joining our Group, he worked as production supervisor in Zhanjiang Yuzhan Oxygen Factory 湛江裕湛聯合製氧廠 from 1995 to 1997. He was the regional sales manager of Exxon Mobile (Yuexi) Engine Oil Center 埃克森美孚(粵西)機油中心 in Zhanjiang from 1998 to 1999.

Ms. HUANG Weiyan (黃偉燕), aged 37, is our sales manager. Ms. HUANG has been with us since the establishment of our Group. She is responsible for the customer service management of our distribution channel. She has extensive experience in sales and customer management. She held various positions in our Group and was promoted to sales manager in June 2006. She completed a business administration program conducted by Guangzhou University 廣州大學 in 2008.

Ms. CHEN Quan (陳權), aged 32, is our key accounts manager. Ms. CHEN joined our Group in June 2005. She is responsible for managing the key retailer accounts and developing the retailer channel of the Group. She has extensive experience in the HPC product industry. Prior to joining our Group, she was a supervisor of major customers in Guangzhou and Shanghai for Xiamen Yinlu Food Industry Co., Ltd., Shenzhen Branch 廈門銀鷺食品有限公司. Ms. CHEN was a sales representative for major customers and the leader of the customer department of Guangzhou Ting Jin Food Co. Ltd. 廣州頂津食品有限公司 from 2001 to 2003. She completed an international economic and trade program conducted by Jinan University 暨南大學 in 1998.

莫志文先生，40歲，為我們的銷售經理。莫先生自本集團成立起即在本集團工作，負責我們的銷售及業務渠道管理。彼對營銷、銷售及業務渠道開發擁有豐富經驗。在加入本集團前，莫先生於一九九五年至一九九七年在湛江裕湛聯合製氧廠擔任生產部主任。於一九九八年至一九九九年期間，擔任埃克森美孚(粵西)機油中心的湛江區銷售部經理。

黃偉燕女士，37歲，為我們的銷售經理。黃女士自本集團成立起已在本集團工作，負責我們分銷管道的客戶服務管理，對銷售及客戶管理擁有豐富經驗。彼在本集團擔任不同職位，並於二零零六年六月晉升為銷售經理。彼於二零零八年完成廣州大學工商管理課程。

陳權女士，32歲，為我們的主要客戶經理。陳女士於二零零五年六月加入本集團，負責管理主要零售商的賬戶及發展本集團的零售管道。彼於家用個人護理產品行業擁有豐富經驗。在加入本集團前，彼為廈門銀鷺食品有限公司深圳分公司的廣州及上海重點客戶主任。陳女士於二零零一年至二零零三年期間曾擔任廣州頂津食品有限公司的重點客戶銷售代表及客戶部組長。彼於一九九八年完成暨南大學的國際經貿課程。

Directors and Senior Management

董事及高層管理人員

Mr. ZHANG Jialin (張家林), aged 48, is the manager of our investigation and supervision department. Mr. ZHANG has been with us since the establishment of our Group. Mr. ZHANG is responsible for the investigation of counterfeit products and monitoring of infringement of our intellectual property. Mr. ZHANG held various positions in the Group over the years including marketing and sales positions. Mr. ZHANG is the spouse of Ms. WAN Yuxian.

Ms. WAN Yuxian (萬玉仙), aged 47, is our chief administrative officer. She is responsible for our human resource management and sales cost auditing. She has been with us since the establishment of our Group. She has extensive experience in accounting and marketing cost control. She held various positions in our Group and was promoted to chief administrative officer in June 2008. She was awarded Outstanding Lady 優秀巾幗金雁 by Baiyun District Committee of Communist Party of China 中國共產黨廣州市白雲區委員會 and People's Government of Baiyun District 廣州市白雲區人民政府 in 2003. She is the elder sister of Ms. WAN and the spouse of Mr. ZHANG Jialin.

Ms. LUO Hailong (羅海龍), aged 30, is our chief media and publicity officer. Ms. LUO joined our Group in February 2005 as the manager of our media department and was promoted to chief media and publicity officer in April 2008. She is responsible for communicating with various media regarding publicity, advertising and press releases. Ms. LUO has extensive experience in the media and advertising industry. Prior to joining our Group, she was the manager of media department of Guangdong Rundu Pharmaceutical Co., Ltd 廣東潤都藥業有限公司 from 2002 to 2004. She was the head of the media department of Shen Zhen Jianong Company Limited 深圳市伽儂企業形象策劃有限公司 from 2001 to 2002. Ms. LUO served as a media specialist with Shenzhen Wanji Pharmaceutical Company Limited 深圳萬基藥業有限公司.

張家林先生，48歲，為我們的監察部經理。張先生自本集團成立起即在本集團工作，負責調查假冒產品，並監察侵犯本公司知識產權的情況。張先生曾在本集團擔任多項職位，包括營銷及銷售職位等。張先生為萬玉仙女士的配偶。

萬玉仙女士，47歲，為我們的行政中心總監，負責我們的人力資源管理及營銷費用審核工作。彼自本集團成立起已在本集團工作，對會計及營銷成本控制擁有豐富經驗。彼等在本集團曾擔任不同職位，並於二零零八年六月晉升為行政中心總監。彼於二零零三年獲中國共產黨廣州市白雲區委員會及廣州市白雲區人民政府授予「優秀巾幗金雁」稱號。彼為萬玉華女士的胞姊及張家林先生的配偶。

羅海龍女士，30歲，為我們的媒介中心總監，羅女士於二零零五年二月加入本集團，擔任媒介部門經理，並於二零零八年四月晉升為媒介中心總監。彼負責就宣傳、廣告和發佈新聞稿等事項與各媒介溝通。羅女士在媒體廣告業擁有豐富經驗，在加入本集團前，彼於二零零二年至二零零四年在廣東潤都藥業有限公司擔任媒介部經理。彼於二零零一年至二零零二年在深圳市伽儂企業形象策劃有限公司擔任媒介部主管。羅女士曾在深圳萬基藥業有限公司擔任媒介專員。

Directors and Senior Management 董事及高層管理人員

Mr. LI Yihui (黎藝輝), aged 37, is our chief brand design and expansion officer. Mr. LI joined our Group in 2004 and was promoted to chief brand design and expansion officer in September 2008. Mr. LI is responsible for the promotion of our corporate and product image, design and planning of our new products and establishing our product display standards and procedures. Mr. LI has extensive experience in the promotion of corporate image and products. Prior to joining our Group, he worked with C-Bons Group 絲寶集團 in Hubei from 1999 to 2004. He worked for Chemical Import and Export Co., Ltd. under the Department of Foreign Trade and Economic Cooperation, Jiangxi 江西省對外經濟貿易合作廳化工進出口公司 from 1993 to 1999 where he was responsible for the promotion of corporate image and products. He obtained a diploma in fine arts from Art College of Jiangxi Normal University 江西師範大學藝術學院 in 1993.

Ms. GUO Xiaoping (郭小萍), aged 37, is our internal auditor. Ms. GUO joined our Group as deputy finance manager in April 2008 and was appointed as our internal auditor in December 2008. She is responsible for assisting the Group's audit committee in reviewing and supervising the Group's financial reporting process and internal control system and provides advice to the Board. She has extensive experience in finance management of listed companies and auditing in accounting firms. Prior to joining our Group, she was the vice-finance manager and finance manager of Guangdong Pharmaceutical Trading Company 廣東省醫藥貿易中心 from 2006 to 2008. From 1999 to 2006, she was the finance manager of Guangxi Beisang Pharmaceutical Group Limited 廣西北生藥業股份有限公司 (Stock Code: 600556), a company listed on the Shanghai Stock Exchange. From 1995 to 1999, she was an auditor and audit manager in Beihai Zhucheng Certified Public Accountants 北海珠城(聯合)會計師事務所. Ms. GUO obtained a diploma in accounting from (Guangxi University) in 1999. She was awarded a vocational qualification as an intermediate accountant by the PRC Ministry of Finance 中國財政部 in 2001. She is a member of the Chinese Institute of Certified Public Accountants and a member of the Chinese Taxation Institute.

黎藝輝先生，37歲，為我們的品牌形象設計及推廣中心總監。黎先生於二零零四年加入本集團合作，並於二零零八年九月晉升至品牌形象設計及推廣中心總監。黎先生負責推廣我們的企業及產品形象、新產品的設計及計劃宣傳，以及設定產品陳列的標準和程式。黎先生對企業形象及產品的推廣擁有豐富經驗，在加入本集團之前，彼於一九九九年至二零零四年期間任職於湖北的絲寶集團，於一九九三年至一九九九年期間任職於江西省對外經濟貿易合作廳化工進出口公司，負責企業形象及產品的推廣工作。彼於一九九三年獲江西師範大學藝術學院頒授美術專業文憑。

郭小萍女士，37歲，為我們的內部核數師。郭女士於二零零八年四月加入本集團為財務副經理，並於二零零八年十二月被委任為我們的內部核數師，負責協助本集團的審核委員會審閱及監督本集團的財務報告程式以及內部控制系統，並向董事會提出建議。彼擁有豐富的上市公司財務管理工作經驗及會計師事務所的審核工作經驗。在加入本集團之前，彼於二零零六年至二零零八年期間在廣東省醫藥貿易中心擔任財務副經理及財務經理。一九九九年至二零零六年期間，彼在廣西北生藥業股份有限公司(股份代碼：600556)(一家在上海證券交易所上市的公司)擔任財務經理。一九九五年至一九九九年期間，彼為北海珠城(聯合)會計師事務所的核數師及審核經理。郭女士於一九九九年取得廣西大學會計文憑，於二零零一年在中國獲中國財政部頒發中級會計師職業資格。彼為中國註冊會計師協會會員及中國註冊稅務師協會會員。

Directors and Senior Management

董事及高層管理人員

Ms. HE Xinyi (何欣憐), aged 34, is our chief training officer. Ms. HE joined our Group in June 2005 as manager of the training department and was promoted to as our chief training officer in June 2008. She is responsible for managing and implementing our training system and organizing training and development programs for our employees. Ms. HE has extensive experience in staff training. Prior to joining our Group, she was the manager of the training department and product planning department of Grandway International Cosmetics Co., Ltd. 雅蘭國際化妝品有限公司 from 1999 to 2003. Ms. HE obtained a diploma in international trade from Huanghe S & T College 黃河科技學院 in 1993.

Mr. ZHU Xiaojun (朱曉俊), aged 31, is the manager of our design department. Mr. ZHU joined our Group in August 2003. Mr. ZHU is responsible for the design of logos, packaging, labels and our marketing materials. He has extensive experience in the advertising and design industry. Prior to joining our Group, Mr. ZHU was a designer and art director with Guangzhou Baiyang Advertising Co., Ltd. 廣州白羊廣告有限公司 from 1998 to 2001.

何欣憐女士，34歲，為我們的培訓中心總監。何女士於二零零五年六月加入本集團，任職培訓部經理，並於二零零八年六月晉升為培訓中心總監，負責管理及實施我們的培訓系統及為員工籌辦培訓及發展計劃。何女士在員工培訓方面擁有豐富經驗。在加入本集團之前，彼於一九九九年至二零零三年期間擔任雅蘭國際化妝品有限公司培訓部及產品策劃部經理。何女士於一九九三年獲黃河科技學院頒授國際貿易文憑。

朱曉俊先生，31歲，為我們的設計部經理。朱先生於二零零三年八月加入本集團。朱先生負責設計標誌、包裝、標籤和營銷物料。彼於廣告設計行業擁有豐富經驗。在加入本集團之前，彼於一九九八年至二零零一年期間在廣州白羊廣告有限公司擔任設計師及美術指導。

Corporate Governance Report

企業管治報告

Code on corporate governance practices

The board of Directors of the Company (the “Board”) is committed to maintaining high standards of corporate governance. It believes that the high standards of corporate governance provide a framework and solid foundation for the Group to manage its business risks, enhance transparency, maintain high standards of accountability and protect shareholders’ interests in general.

The Company has complied with the provisions set out in the Code on Corporate Governance Practices (the “Code”) in Appendix 14 to the Hong Kong Listing Rules for the year ended 31 December 2009.

Directors’ securities transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as contained in Appendix 10 to the Hong Kong Listing Rules as the standards for the directors’ dealings in the securities of the Company. Having made specific enquiry with all directors, the Company confirms that the directors of the Company have complied with the required standard set out in the Model Code for the year ended 31 December 2009.

Board of directors

The Board comprises eight members, including Chairman, Chief Executive Officer (“CEO”), Vice-CEO, Chief Financial Officer, one Executive Directors and three Independent Non-executive Directors. Biographical details of the Directors are set out in the section headed Directors and Senior Management Profiles on pages 26 to 38 of this annual report.

The Board is responsible for approving and monitoring the Group’s strategies and policies, approving annual budgets and business plans, evaluating the performance of the Group and supervising the work of management. The management is responsible for the daily operations of the Group under the leadership of the CEO.

企業管治常規守則

本公司董事會(「董事會」)致力達致高的企業管治水平。本公司相信良好的公司管治能夠提供一個鞏固的基礎使本集團更有效地管理集團的業務風險，增加透明度，促進高水準的問責性及全面保護股東利益。

截至二零零九年十二月三十一日止年度，本公司全年均遵守香港上市規則附錄14中業管治常規守則(「常規守則」)的規定。

董事進行證券交易

本公司已經採用香港上市規則附錄十所載上市公司董事進行證券交易的標準守則(「標準守則」)作為各董事買賣本公司證券的交易標準。本公司在向各董事作出特定查詢後確認，截至二零零九年十二月三十一日止年度，本公司各董事均遵從標準守則訂明的標準。

董事會

董事會由八位成員組成，其中包括主席、首席執行官、首席副執行官、財務總監、一位非執行董事及三位獨立非執行董事。各董事之履歷載於本年報第26頁至第38頁董事及高級管理層簡介。

董事會負責批准及監察本集團的整體策略及政策，批准年度預算及業務計劃，評估本集團表現，以及監督管理層的工作。管理層在首席執行官的領導下，負責集團日常營運。

For a Director to be considered independent, the Board must determine that the Director does not have any direct or indirect material relationship with the Group. The Board follows the requirements set out in the Hong Kong Listing Rules to determine the independence of Directors.

The roles of the Chairman and the CEO are separated in order to reinforce their independence and accountability. The CEO, Ms. WAN is the spouse of Chairman CHEN and Non-executive Director Ms. GUO is the spouse of Vice-CEO Mr. SHEN. Save as disclosed above, the Directors are not otherwise related to each other.

Four board meetings were held in 2009 and all directors attended these meetings.

Remuneration Committee

The remuneration committee comprises our executive Director, Ms. WAN, and our two independent non-executive Directors, Mr. LI Bida and Mr. CHEN Kaizhi. Ms. WAN is the chairperson of the remuneration committee. The primary duties of the remuneration committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review performance based remuneration and ensure none of our Directors determines their own remuneration.

Two remuneration committee meetings were held in 2009. During the meetings, the committee reviewed the Group's remuneration policy and made recommendations to the Board. All committee members attended the meetings.

Nomination Committee

The nomination committee comprises our executive Director, Ms. WAN, and our two independent non-executive Directors, Mr. LI Bida and Mr. CHEN Kaizhi. Ms. WAN is the chairperson of the nomination committee. The primary duties of the nomination committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board and the re-election of Directors.

Two nomination committee meetings were held in 2009. No nomination was made. All committee members attended these meetings.

董事須經董事會確定與集團並無任何直接或間接的重大關係，方會被視為具獨立性。董事會按照上市規則的規定，確定董事的獨立性。

主席及首席執行官職責分開，以加強他們的獨立性和問責性。除首席執行官萬玉華女士是主席陳啟源先生配偶，非執行董事郭晶女士是首席副執行官沈小笛先生配偶外，董事之間概無其他關係。

2009年期間，召開四次董事會會議，所有董事出席。

薪酬委員會

薪酬委員會由我們的執行董事萬女士及兩名獨立非執行董事，即李必達先生及陳開枝先生組成。萬女士為薪酬委員會主席。薪酬委員會的主要職責乃就本集團全體董事及高級管理層人員的整體薪酬政策及架構向董事會作出推薦建議；審閱以表現釐定的薪酬；以及確保我們的董事概無釐訂本身的薪酬。

2009年期間，召開兩次薪酬委員會會議。會議期間，本委員會已審閱本集團薪酬政策對並向董事會提出建議。所有委員出席上述會議。

提名委員會

提名委員會由我們的執行董事萬女士及兩名獨立非執行董事，即李必達先生及陳開枝先生組成。萬女士為提名委員會主席。提名委員的主要職責為就填補董事會空缺向董事會作出推薦建議。

2009年期間，召開兩次提名委員會會議。沒有作出任何任命。所有委員出席上述會議。

Audit Committee

The Audit Committee comprises three Independent non-executive Directors and one of whom possesses the appropriate business and financial experience and skills to understand the accounts of the Group. The Committee is chaired by Mr. NGAI Wai Fung and other members are Mr. LI Bida and Mr. CHEN Kaizhi. The Audit Committee was formed in compliance with Rule 3.21 of the Listing Rules and to review and supervise the financial reporting process and internal controls of the Company.

Under its terms of reference, which were prepared and adopted with reference to the Code and “A Guide for the Formation of an Audit Committee” published by the Hong Kong Institute of Certified Public Accountants, the Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group’s interim and annual results, to review the scope, extent and effectiveness of internal controls of the Group, to review accounting policies and practices adopted by the Group, to engage independent legal or other advisers as it determines necessary and to perform investigations.

During the year, the Audit Committee has performed the following:

- met with the external auditor to discuss the general scope and findings of their annual audit and interim review work;
- reviewed and recommended to the Board for approval of the external auditor’s remuneration;
- made recommendations to the Board on the re-appointment of the external auditor;
- reviewed the external auditor’s independence, objectivity and the effectiveness of the auditing process;
- reviewed the annual and interim reports and annual and interim announcements of the Company;

審核委員會

審核委員會包括三位獨立非執行董事，他們其中一人具備了解財務報表所需的商業與財務技巧與經驗。委員會由魏偉峰先生擔任主席，其他成員為李必達先生與陳開枝先生。審核委員會根據上市條例第3.21條成立，負責審閱及監督本公司財務報告程式及內部監控。

參考常規守則及香港會計師公會發出之「成立審核委員會之指引」而編製和採納的其職權範圍，審核委員會的職責包括監察與外聘核數師的關係、審閱集團的中期業績與年度業績、檢討集團內部控制的範疇、規限與有效性，審閱集團所採用的會計政策及處理方法，在認為有需要時委聘獨立的法律或其他顧問，以及進行調查。

在本年度內，審核委員會進行了下列各項：

- 與外聘核數師討論其年度核數和中期審閱工作的一般範疇和結果；
- 檢討外聘核數師酬金並建議董事會予以批准；
- 就重新委任外聘核數師事宜，向董事會提出建議；
- 檢討外聘核數師的獨立性、客觀性和核數過程的有效性；
- 審閱年報和中期報告以及年度和中期業績公告；

Corporate Governance Report 企業管治報告

- discussed auditing, internal control, risk management and financial reporting matters before recommending them to the Board for approval; and
- reviewed the connected transactions entered into by the Group.

The Audit Committee has reviewed the annual report with the management and the external auditors and recommended its adoption by the Board.

All issues raised by the external auditor and the Audit Committee have been addressed by the senior management of the Company. The work and findings of the Audit Committee have been reported to the Board. During the year, no issues brought to the attention of the senior management of the Company and the Board were of sufficient significance for disclosure in the annual report.

Two audit committee meetings were held in 2009. No nomination was made. All committee members attended these meetings.

Directors' responsibilities for financial statements

The directors acknowledge their responsibility for preparing the financial statements of the Company, and for ensuring that the financial statements are prepared in accordance with applicable statutory requirements and accounting standards.

The statement of the auditor of Company about their reporting responsibilities on the financial statements of the Group is set forth in the auditor's report on page 57 and 58 of this annual report.

Internal control and risk management

The Board and the management of the Group maintain a sound and effective system of internal control of the Group so as to ensure the effectiveness and efficiency of operations of the Group in achieving the established corporate objectives, safeguarding assets of the Group, rendering reliable financial reporting and complying with the applicable laws and regulations.

- 就本公司審核、內部監控、風險管理制度和財務報告事項，於建議董事會予以批准前進行討論；及

- 審閱本集團訂立的關連交易。

審核委員會已與管理層和外聘核數師審閱年度報告，並建議董事會採納。

高級管理層已就外聘核數師和審核委員會提出的所有問題作出回應。審核委員會的工作和結果已經向董事會匯報。本年度內，需要高級管理層和董事會注意的問題之重要性不足以在年報內作出有關披露。

2009年期間，召開兩次審核委員會會議，所有委員出席。

董事對財務報表的責任

董事知悉須負責編製本公司財務報表，確保財務報表遵照適用的法定要求及會計準則編製。

本公司核數師就其對本集團截至二零零九年十二月三十一日止年度合併財務報表的申報責任所作聲明載於本年報第57及58頁。

內部監控及風險管理

本集團董事會與管理層負責維持本集團的內部監控制度穩健妥善而且有效，以確保本集團有效地以高效率營運，藉以達成企業目標、保障本集團資產、提供可靠的財務申報以及遵守使用的法律及規例。

Corporate Governance Report 企業管治報告

The Board is also responsible for making appropriate assertions on the adequacy of internal control and procedures. Through the audit committee of the Group, the Board review the effectiveness of these systems on a regular basis.

Investor relations and communication with shareholders

The Company establishes different communication channels with shareholders and investors: (i) despatching printed copies of corporate communication documents to shareholders; (ii) the annual general meeting provides a forum for shareholders to raise comments and exchange views with the Board; (iii) latest and key information of the Group are available on the website of the Company; (iv) regular press conferences and briefing meetings with investors, shareholders and analysts are set up from time to time on updated information of the Group; and (v) the Company's Registrars serve the shareholders respecting all share registration matters.

Compliance Adviser

For the purpose of and in compliance with Rule 3A.19 of the Listing Rules, the Company has appointed Kingsway Capital Limited as its compliance adviser for the period from 3 July 2009, being the date on which the Shares first commence trading on the Stock Exchange and to the date on which the Company dispatches its annual report in respect its financial results for the first full financial year after the Listing Date.

Independent External Auditor

The remuneration paid/payable to the Company's independent external auditor, KPMG, for the year ended 31 December 2009 in relation to audit service and non-audit assurance service (i.e. professional services for the IPO) are RMB1.1 million and RMB4.5 million respectively.

董事會亦負責對財務申報的內部監控是否充分以及披露監控和程式是否有效，作出適當的聲明，並透過轄下的審核委員會定期檢討該等制度是否有效。

投資者關係及股東通訊

本公司與股東及投資者建立不同的通訊途徑：(i)送遞公司通訊文件之印刷本予股東；(ii)股東可於股東週年大會上發表建議及與董事交換意見；(iii)本公司網頁載有集團之最新及重要資訊；(iv)本公司不時召開新聞發佈會，及投資者、股東和分析員簡佈會以提供本集團最新資料，及(v)本公司之股份過戶處就股份登記事宜為股東提供服務。

合規顧問

為符合上市規則第3A.19條條例的規定，本公司已任命滙富融資有限公司為合規顧問，委任年期將由上市日期（「上市日」）開始，並於本公司派發其於上市日期後開始的首個完整財政年度的年報當日結束。

獨立外部核數師

截至二零零九年十二月三十一日止年度，本公司已付／應付獨立外聘核數師畢馬威會計師事務所有關核數服務及非核數鑒證服務（即首次公開發售的專業服務）的薪酬分別為人民幣1.1百萬元和人民幣4.5百萬元。

Report of the Directors

董事會報告

The Directors are pleased to submit the Report of Directors together with the audited consolidated financial statements for the year ended 31 December 2009.

Principal activities

The principal activities of the Group are the designing, manufacturing, trading and distribution of Chinese herbal products, including shampoo products, hair-care products, skin-care products and cleaning products. The principal activities and other particulars of the subsidiaries are set out on pages 105 and 106 of this annual report.

Results and appropriations

The results of the Group for the year ended 31 December 2009 are set out in the consolidated profit and loss account on page 61 of this annual report.

Proposed dividends

The Board recommended the payment of a final dividend for the year ended 31 December 2009 of HK4.25 cents per share and an additional special dividend of HK4.25 cents per share. Upon the approval being obtained in the forthcoming annual general meeting, the above dividend will be paid on or about Thursday, 10 June 2010 to the Shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 25 May 2010.

Closure of register of members

The Company's Register of Members will be closed from Thursday, 20 May 2010 to Tuesday, 25 May 2010 (both dates inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed dividend and be entitled to attend and vote at the forthcoming annual general meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor Hopewell Centre,

董事欣然呈列董事會報告，連同截至二零零九年十二月三十一日止年度的經審核合併財務報表。

主要業務

本集團之主要業務是設計、生產、銷售中草藥產品，包括洗髮產品、護髮產品、護膚產品以及清潔產品。各附屬公司之主要業務及其他詳情載列於本年報第105和106頁。

業績及分配

本集團截至二零零九年十二月三十一日止年度的業績載於第61頁之合併損益表內。

擬派末期股息

董事會建議就截至二零零九年十二月三十一日止年度派發末期股息每股股份港幣4.25仙及特別股息每股股份港幣4.25仙。末期股息及特別股息一經應屆股東周年大會批准，將於二零一零年六月十日(星期四)或前後向於二零一零年五月二十五日(星期二)營業時間結束時名列於本公司股東名冊上的股東派付。

暫停辦理股東登記

本公司將於二零一零年五月二十日(星期四)至二零一零年五月二十五日(星期二)(包括首尾兩日)暫停辦理股份過戶登記，期間將不會進行任何股份過戶。為符合資格獲得將於應屆股東周年大會上審議的末期股息及特別股息以及取得在即將舉行之股東週年大會之出席及投票資格，所有填妥的過戶表格連同有關股票證明最遲於二零一零年五月十九日(星期三)下午四時三十分前交回本公司

Report of the Directors 董事會報告

183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m on Wednesday, 19 May 2010.

Reserves

Details of the movements in the reserves of the Company and the Group during the financial year 2009 are set forth in note 22(d) to the financial statements of this annual report.

Distributable reserves

As at 31 December 2009, the Company's reserves available for distribution amounted to RMB1,339.4 million.

Major customers and suppliers

During the financial year ended 31 December 2009, sales made to the Group's top five customers and the largest customer accounted for approximately 9.0% and 3.1% of the total sales of the Group. The Group purchased approximately 31.3% and 11.1% of its goods and services from its five largest suppliers and the largest suppliers.

At no time during the year have the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

Financial summary

A summary of the results and of the assets and liabilities of the Group for the latest four financial years is set out on page 150 of this annual report.

Plant and equipment

Details of the movements in plant and equipment of the Group are set out in note 12 to the financial statements.

Share capital and share options

Details of the movements in the share capital of and the share option granted by the Company are set forth in note 22(a) and note 20 to the financial statements.

股份過戶登記處香港分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號。

儲備

有關本公司及本集團於二零零九年財政年度的儲備變動，詳情載於本年報財務報表附註22(d)。

可供分派儲備

於二零零九年十二月三十一日，本公司的可供分派儲備為人民幣1,339.4百萬元。

主要客戶及供應商

截至二零零九年十二月三十一日止財政年度，本集團向五大客戶及最大客戶銷售所得的銷售額分別佔本集團總銷售額約9.0%及3.1%。本集團向五大供應商及最大供應商採購的貨物及服務佔其採購的31.3%和11.1%。

本公司之董事、彼等之聯繫人士或任何股東(據董事所知持有本公司股本5%以上者)概無於本年度任何時間擁有該等主要客戶或供應商之任何權益。

財務概要

本集團於最近四個財政年度之業績及資產與負債概覽要載於本年報第150頁。

廠房及設備

有關本集團廠房及設備的變動，詳情載於財務報表附註12。

股本及購股權

有關本公司股本及已授出購股權的變動，詳情載於財務報表附註22(a)及附註20。

Report of the Directors

董事會報告

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of Cayman Islands which oblige the Company to offer new shares on a pro rata basis to the existing shareholders.

Purchase, sale or redemption of the company's listed securities

Subsequent to the Listing Date and up to the year ended 31 December 2009, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Sufficiency of public float

Based on the information publicly available to the Company and within the knowledge of the Directors of the Company at the date of this annual report, the Company has maintained the prescribed public float under the Hong Kong Listing Rules for the year ended 31 December 2009 and at any time up to the date of this annual report.

Charitable donations

Charitable donations made by the Group during the year ended 31 December 2009 amounted to RMB1.2 million.

Directors

The Directors during the financial year were:

Executive Directors

Mr. CHEN Qiyuan (*Chairman*)
Ms. WAN Yuhua
Mr. SHEN Xiaodi
Mr. WONG Sin Yung

Non-Executive Directors

Ms. GUO Jing

Independent Non-Executive Directors

Mr. NGAI Wai Fung
Mr. LI Bida
Mr. CHEN Kaizhi

優先購買權

本公司組織章程細則或本公司註冊成立地點開曼群島之法律均無有關優先購買權的規定。

購入、出售或贖回本公司之上市證券

繼我們的股份於香港聯合交易所有限公司主板上市之日(「上市日」)以來截止二零零九年十二月三十一日，本公司或其任何附屬公司概無購入、出售或贖回本公司之任何上市證券。

足夠公眾持股量

截至本年報公佈日，根據本公司可公開取得之資料及就本公司董事會所知，本公司在二零零九年十二月三十一日止年度及截至本年報公佈日前任何時間保持香港上市規則所指定之公眾持股量。

慈善捐款

本集團於2009年度的慈善捐款為1.2百萬人民幣。

董事

於本財政年度內之董事如下：

執行董事

陳啟源先生(主席)
萬玉華女士
沈小笛先生
黃善榕先生

非執行董事

郭晶女士

獨立非執行董事

魏偉峰先生
李必達先生
陳開枝先生

Report of the Directors 董事會報告

Details of the Directors' biographies are set out on pages 26 and 32 of the annual report.

In accordance with articles 84(1) of the Company's articles of association, (the "Articles"), Ms. WAN Yuhua will retire and being eligible, offer herself for re-election at the forthcoming Annual General Meeting.

In accordance with articles 83(3) of the Company's articles of association, (the "Articles"), Mr. SHEN Xiaodi, Mr. WONG Sin Yung, Ms. GUO Jing, Mr. NGAI Wai Fung, Mr. LI Bida, Mr. CHEN Kaizhi will retire and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Directors' Service Contracts

Each of our executive Directors has entered into a director's service agreement with the Company for an initial term of three year commencing from the Listing Date and will continue thereafter until terminated by no less than three months' notice in writing served by either party on the other, which shall not expire until after the fixed term.

Each of our non-executive Director and independent non-executive Directors, has entered into a letter of appointment with our Company. Each letter of appointment is for an initial term of three years commencing from the Listing Date.

Save as disclosed above, none of the Directors of the Company has entered into any service contract with the Company which cannot be terminated by the Company within one year without payment of compensation, other than statutory compensation.

Confirmation of independence

The Company has received from each of the Independent non-Executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and still considers all the Independent Non-Executive Directors to be independent.

本公司董事之履歷詳情載於本年報第26及32頁。

根據本公司組織章程細則第84(1)條，萬玉華女士於應屆股東大會上退任，彼等符合資格並願意應選連任。

根據本公司組織章程細則第83(3)條，沈小笛先生、黃善榕先生、郭晶女士、魏偉峰先生、李必達先生和陳開枝先生於應屆股東大會上退任，彼等符合資格並願意應選連任。

董事服務合約

各執行董事已與本公司訂立董事服務協議，由上市之日起計初步為期三年，由上市日期起開始，並於其後繼續出任董事，直至任何一方向另一方發出不少於三個月書面通知以終止協議為止，該通知不得於固定任期前屆滿。

各非執行董事和獨立非執行董事與本公司已簽訂委任函件。各委任函件由上市日期起計初步為期三年。

概無任何董事與公司簽訂任何服務協議而根據該服務協議公司不能在不付賠償金的情形下(法定賠償除外)於一年內終止該協議。

獨立性之確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。並仍認為全體獨立非執行董事均為獨立。

Report of the Directors

董事會報告

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures

As at 31 December 2009, the Directors and chief executive of the Company had the following interests and short positions 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 (Cap. 571 of the Laws of Hong Kong) (the "SFO"), which were required (a) 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 had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"):

Long Positions in Shares, Underlying Shares and Debentures of the Company

董事及最高行政人員於本公司及其相聯法團的股份、相關股份或債權證中擁有的權益及／或淡倉

截止二零零九年十二月三十一日，董事及本公司行政人員於本公司及其相聯法團（按證券及期貨條例第XV部的涵義的股份、相關股份或債券證中，擁有(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及／或淡倉（包括彼等更具上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），(b)或根據證券及期貨條例第352條規定須登記於需存置的登記冊內的權益及淡倉，(c)或根據上市規則規定須知會本公司及香港聯交所的權益及淡倉如下：

於本公司及其相聯法團的股份和相關股份中之權益

Name of director 董事名稱	Class of Shares 好／淡倉	Nature of interest 權益性質	Number of shares/ underlying shares held 股份及相關 股份數目	Approximate percentage of issued share capital 持股百分比
CHEN Qiyuan 陳啟源	Ordinary 好倉	Corporate (Note 1) 公司(附註1)	2,100,000,000	72.3%
WAN Yuhua 萬玉華	Ordinary 好倉	Corporate (Note 2) 公司(附註2)	2,100,000,000	72.3%
SHEN Xiaodi 沈小笛	Ordinary 好倉	Personal 個人	2,100,000	0.072%
WONG Sin Yung 黃善榕	Ordinary 好倉	Personal 個人	2,100,000	0.072%
GUO Jing 郭晶	Ordinary 好倉	Personal (Note 3) 個人(附註3)	2,100,000	0.072%

Report of the Directors 董事會報告

Notes:

1. CHEN Qiyuan is deemed to be interested in the shares held by Fortune Station Ltd. by virtue of Fortune Station Ltd. being controlled by CHEN Qiyuan and WAN Yuhua. CHEN Qiyuan, the spouse of WAN Yuhua, is deemed to be interested in WAN Yuhua's interests in Fortune Station Ltd.
2. WAN Yuhua is deemed to be interested in the shares held by Fortune Station Ltd. by virtue of Fortune Station Ltd. being controlled by WAN Yuhua and CHEN Qiyuan. WAN Yuhua, the spouse of CHEN Qiyuan, is deemed to be interested in CHEN Qiyuan's interests in Fortune Station Ltd.
3. GUO Jing, the spouse of SHEN Xiaodi, is deemed to be interested in the options granted to SHEN Xiaodi under the Pre-IPO Share Option Scheme.

Other than as disclosed above, as at 31 December 2009, so far as known to any Directors or chief executive of the Company, neither the Directors nor the chief executive, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required (a) 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 had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register that was required to be kept under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and short positions of substantial shareholders

As at 31 December 2009, so far as known to any Director or chief executive of the Company, shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of

附註：

1. 憑藉 Fortune Station Ltd. 為陳啟源及萬玉華所控制，陳啟源被視為擁有 Fortune Station Ltd. 所持有的股份的權益。萬玉華的配偶陳啟源被視為於萬玉華在 Fortune Station Ltd. 的權益中擁有權益。
2. 憑藉 Fortune Station Ltd. 為萬玉華及陳啟源所控制，萬玉華被視為擁有 Fortune Station Ltd. 所持有的股份的權益。陳啟源的配偶萬玉華被視為於陳啟源在 Fortune Station Ltd. 的權益中擁有權益。
3. 沈小笛的配偶郭晶被視為擁有根據首次公開發售前購股權計劃授予沈小笛的購股權的權益。

除上述披露的人員之外，截止二零零九年十二月三十一日，目前所知的任何董事及本公司最高行政管理人員，無論是董事或者是行政人員，於本公司及其相連法團（按證券及期貨條例第XV部的涵義）的股份、相關股份或債券證中，擁有(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及／或淡倉（包括彼等更具上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），(b)或根據證券及期貨條例第352條規定須登記於需存置的登記冊內的權益及淡倉，(c)或根據上市規則規定須知會本公司及香港聯交所的權益及淡倉。

主要股東的權益及淡倉

截止二零零九年十二月三十一日，以下人士（非本公司董事或最高行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公

Report of the Directors

董事會報告

the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO were as follows:

司和聯交所披露的權益或淡倉，或根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉：

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Ltd.	Corporate	2,100,000,000 (L)	72.3%
Fortune Station Ltd.	公司		
CHEN Qiyuan	Corporate (Note 1)	2,100,000,000 (L)	72.3%
陳啟源	公司(附註1)		
WAN Yuhua	Corporate (Note 2)	2,100,000,000 (L)	72.3%
萬玉華	公司(附註2)		
FMR LLC	Corporate (Note 3)	150,770,000 (L)	5.19%
FMR LLC	公司(附註3)		

(L) — Long Position, (S) — Short Position

L — 好倉，S — 淡倉

Notes:

附註：

- CHEN Qiyuan is the beneficial owner of 51.0% of the issued share capital of Fortune Station Ltd. and is deemed to be interested in the shares held by Fortune Station Ltd. CHEN Qiyuan, the spouse of WAN Yuhua, is deemed to be interested in WAN Yuhua's interests in Fortune Station Ltd.
- WAN Yuhua is the beneficial owner of 49.0% of the issued share capital of Fortune Station Ltd. and is deemed to be interested in the shares held by Fortune Station Ltd. WAN Yuhua, the spouse of CHEN Qiyuan, is deemed to be interested in CHEN Qiyuan's interests in Fortune Station Ltd.
- FMR LLC is a privately owned corporation existing under the laws of the State of Delaware, U.S.A. and is the parent company of Fidelity Management & Research Company (FMRCO), Fidelity Management Trust Company (FMTC), Pyramis Global Advisors Trust Company and Pyramis Global Advisors LLC.

- 陳啟源為 Fortune Station Ltd. 已發行股本的 51.0% 實益擁有人，並被視為於 Fortune Station Ltd. 持有的股份中擁有權益。萬玉華的配偶陳啟源被視為於萬玉華在 Fortune Station Ltd. 的權益中擁有權益。
- 萬玉華為 Fortune Station Ltd. 已發行股本的 49.0% 實益擁有人，並被視為於 Fortune Station Ltd. 持有的股份中擁有權益。陳啟源的配偶萬玉華被視為於陳啟源在 Fortune Station Ltd. 的權益中擁有權益。
- FMR LLC 是一家根據美國特拉華州現行法律成立的私有公司，是 Fidelity Management & Research Company (FMRCO), Fidelity Management Trust Company (FMTC), Pyramis Global Advisors Trust Company 和 Pyramis Global Advisors LLC 的母公司。

Report of the Directors 董事會報告

Other than as disclosed above, as at 31 December 2009, the Company has not notified by any person (other than a Director or chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

Share option scheme and Pre-IPO share option scheme

Share Option Scheme

The Company has adopted two share option schemes, namely, the Share Option Scheme and the Pre-IPO Share Option Scheme, the purpose of which is to give the Directors, senior management and employees an opportunity to have a personal stake in the Company and help motivate its employees to optimize their performance and efficiency, and also to retain employees whose contributions are important to the long-term growth and profitability of the Group. As at 31 December 2009, no options have been granted or agreed to be granted by the Company under the Share Option Scheme.

截止二零零九年十二月三十一日，除上文所披露人士之外本公司沒有任何人士（非本公司董事或最高行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公司和聯交所披露的權益或淡倉，或根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉。

購股權計劃及首次公開發售前購股權計劃

購股權計劃

本公司已經採用了兩種股權激勵計劃，也就是購股權計劃和首次公開發售前購股權計劃，目的在於為公司董事、高級管理人員和僱員提供一個機會擁有公司股票，以激勵他們表現地更好及更有效率，並以此挽留那些為集團的長遠增長及盈利能力做出重大貢獻的員工。截至二零零九年十二月三十一日，本公司還沒有根據購股權計劃授予或同意授予任何購股權。

Report of the Directors 董事會報告

Pre-IPO Share Option Scheme

A total of 4,200,000 outstanding pre-IPO share options were granted to two executive Directors of the Company on 8 June 2009, which remained unexpired and unexercised as at 31 December 2009 and the details are as follows:

首次公開發售前購股權計劃

於二零零九年六月八日，公司給與兩名執行董事合共4,200,000股已授出但尚未行使的首次公開發售前購股權，截止二零零九年十二月三十一日，該購股權尚未到期並未被行使，其明細如下：

Name of director 董事名稱	Date of grant 授權日	Exercise price (HKD) 行權價 (港元)	Number of share options 股份期權數目			As at 31 December 2009 截至二零零九年十二月三十一日	Approximate percentage of issued share capital of the Company (%) 佔本公司已發行股本的概約百分比 (%)	Exercise Period 行權期間
			As at 1 January 2009 截至二零零九年一月一日	Granted during the period 授予數目	Exercised during the period 行權數目			
SHEN Xiaodi 沈小笛	8 June 2009 二零零九年六月八日	Par Value 面值	—	420,000	—	2,100,000	0.072	4 July 2010 to 8 June 2019 二零一零年七月四日至二零一九年六月八日
		Par Value 面值		420,000	—			4 July 2011 to 8 June 2019 二零一一年七月四日至二零一九年六月八日
		Par Value 面值		420,000	—			4 July 2012 to 8 June 2019 二零一二年七月四日至二零一九年六月八日
		Par Value 面值		420,000	—			4 July 2013 to 8 June 2019 二零一三年七月四日至二零一九年六月八日
		Par Value 面值		420,000	—			4 July 2014 to 8 June 2019 二零一四年七月四日至二零一九年六月八日
WONG Sin Yung 黃善榕	8 June 2009 二零零九年六月八日	Par Value 面值	—	840,000	—	2,100,000	0.072	4 July 2010 to 8 June 2019 二零一零年七月四日至二零一九年六月八日
		Par Value 面值		315,000	—			4 July 2011 to 8 June 2019 二零一一年七月四日至二零一九年六月八日
		Par Value 面值		315,000	—			4 July 2012 to 8 June 2019 二零一二年七月四日至二零一九年六月八日
		Par Value 面值		315,000	—			4 July 2013 to 8 June 2019 二零一三年七月四日至二零一九年六月八日
		Par Value 面值		315,000	—			4 July 2014 to 8 June 2019 二零一四年七月四日至二零一九年六月八日
Grand Total 授予總數			—	4,200,000	—	4,200,000	0.144	

Report of the Directors 董事會報告

Apart from the above, options totalling 10,332,000 shares under the Pre-IPO Share Option Scheme were granted to 40 employees of the Group on 8 June 2009. Of which, options totalling 210,000 shares previously granted to one employee were forfeited in August 2009. The balance of unexpired and unexercised options of 39 employees as at 31 December 2009 was 10,122,000 shares. Except for the options which had been granted, no further options were granted prior to 3 July 2009, the listing date of our shares on the Main Board of the Stock Exchange of Hong Kong Limited (“the Listing Date”). Details of the valuation of Pre-IPO Share Option Scheme are set out in Note 20 under the section headed “Notes to the Financial Statements” to this annual report. The value of options are subjective and uncertain as such valuers are subject to a number of assumptions and limitations of the valuation model.

Continuing Connected Transactions

For the year ended 31 December 2009, the Group had the following non-exempt connected transactions and had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

1. Production and Office Premises Lease Agreement

Bawang (Guangzhou) Co., Ltd (“Bawang Guangzhou”) entered into a production and office premises lease agreement with Guangzhou Bawang Cosmetics Co., Ltd (“Guangzhou Bawang”) dated 22 January 2008, pursuant to which Bawang Guangzhou agreed to lease from Guangzhou Bawang a production premises and an office premises, both located in Baiyun District, Guangzhou, the PRC. The term of the production and office premises lease agreement is three years from 4 December 2007. The monthly rent is approximately RMB184,083 and is fixed throughout the term of the lease. We have also been granted a right of first refusal to purchase the production premises and office premises under the production and office premises lease agreement. The production and office premises lease agreement is renewable at the option of Bawang Guangzhou by giving one month notice prior to the expiry of the lease.

For the year ended 31 December 2009, pursuant to the Production and Office Premises Lease Agreement, the annual rent paid by Bawang Guangzhou to Guangzhou Bawang was approximately RMB2.2 million.

除此以外，在二零零九年六月八日，根據首次公開發售前購股權計劃，總共有10,332,000股股份的購股權分配給了本集團40名僱員。其中，之前授予一名僱員總共210,000股股份的購股權，在2009年8月被取消。截止二零零九年十二月三十一日，尚未到期並未被行使的購股權餘額是10,122,000股。除了上述已經授出的購股權，截至二零零九年七月三日，即公司股份在香港聯合交易所有限公司主板上市之日（「上市日」），再無任何購股權授出。股份期權計劃的估值詳見財務報告附註20。該估值相當主觀和難以預計，要視乎所用的多項假設，也受計算模式的限制。

持續關聯交易

根據上市規則第14A條，截止二零零九年十二月三十一日，本集團有下列非豁免關聯交易。

1. 生產廠房及辦公樓租賃協議

霸王（廣州）有限公司（以下簡稱「霸王廣州」）於二零零八年一月二十二日與廣州霸王化妝品有限公司（以下簡稱「廣州霸王」）訂立一份生產廠房及辦公樓租賃協議，據此，霸王廣州同意向廣州霸王租用位於中國廣州白雲區的生產廠房及辦公樓，其租期自二零零七年十二月四日起，為期三年。月租約為人民幣184,083元，並在租賃期內保持不變。根據生產廠房及辦公樓租賃協議，我們亦獲授購買生產廠房及辦公樓的優先權。生產廠房及辦公樓租賃協議可由霸王廣州於租賃屆滿前發出一個月通知予以續約。

截至二零零九年十二月三十一日，根據生產廠房及辦公樓租賃協議，霸王廣州支付廣州霸王的年度租金約人民幣2.2百萬元。

Report of the Directors

董事會報告

Mr. CHEN Qiyuan and Ms. WAN Yuhua are directors of the Company. Guangzhou Bawang is company beneficially owned by Mr. CHEN Qiyuan and Ms. WAN Yuhua. The transaction contemplated under the Production and Office Premises Lease Agreement constitutes continuing connected transactions under the Listing Rules.

2. Packaging Material Supply Agreement

On 28 March 2009, Bawang Guangzhou entered into a packaging material supply agreement with Guangzhou Chenming Paper Products Company Limited (“Chenming Paper”), pursuant to which Chenming Paper agreed to supply packaging material to Bawang Guangzhou from time to time at fixed unit prices for a term of three years commencing 1 January 2009. Bawang Guangzhou and Chenming Paper will review the prices offered by Chenming Paper at least once annually to ensure that they are at market prices or at prices no less favorable than those offered to Bawang Guangzhou by independent third-parties.

For the year ended 31 December 2009, pursuant to the Packaging Material Supply Agreement, the annual transaction amount for the supply of packaging material by Chenming Paper to Bawang Guangzhou was approximately RMB9.9 million.

Mr. CHEN Qiyuan is a director of the Company. Chenming Paper is wholly owned by Mr. CHEN Qiwen (Mr. CHEN Qiyuan’s brother). The transaction contemplated under the packaging material supply agreement constitutes continuing connected transactions under the Listing Rules.

3. Toothpaste Container Supply Agreement

On 28 March 2009, Bawang Guangzhou entered into a toothpaste container supply agreement with Guangzhou Qiancai Packaging Material Co., Ltd. (“Qiancai Packaging”), pursuant to which Qiancai Packaging agreed to supply toothpaste containers to Bawang Guangzhou from time to time at fixed unit prices for a term of three years commencing 1 January 2009. Bawang Guangzhou and Qiancai Packaging will review the prices offered by Qiancai Packaging at least once annually to ensure that they are at market prices or at prices no less favorable than those offered to Bawang Guangzhou by independent third-parties.

陳啟源先生和萬玉華女士均是本公司董事，而廣州霸王實質上由陳啟源先生和萬玉華女士共同擁有。根據上市規則規定，該生產廠房及辦公樓租賃協議下進行的交易構成持續關聯交易。

2. 包裝物料供應協議

霸王廣州與廣州晨明紙品有限公司（以下簡稱「晨明紙品」）於二零零九年三月二十八日訂立一份包裝物料供應協議。據此，晨明紙品同意不時以固定單位價格向霸王廣州供應包裝物料，自二零零九年一月一日起，為期三年。霸王廣州及晨明紙品將每年至少一次評審晨明紙品提供的價格，以確保有關價格符合市價或不遜於由獨立第三方向霸王廣州所提供的價格。

截至二零零九年十二月三十一日，根據包裝物料供應協議，霸王廣州與廣州晨明紙品有限公司全年交易額約為人民幣9.9百萬元。

陳啟源先生是本公司的董事，而廣州晨明紙品有限公司由陳啟文先生（陳啟源先生的弟弟）全資擁有。根據上市規則規定，包裝物料供應協議項下進行的交易構成持續關聯交易。

3. 牙膏軟管供應協議

霸王廣州與廣州倩采包裝材料有限公司（以下簡稱「倩采包裝材料」）於二零零九年三月二十八日訂立一份牙膏軟管供應協議。據此，倩采包裝材料同意不時以固定單位價格向霸王廣州供應牙膏軟管，自二零零九年一月一日起，為期三年。霸王廣州及倩采包裝材料將每年至少一次評審倩采包裝材料提供的價格，以確保有關價格乃符合市價或不遜於由獨立第三方向霸王廣州所提供的價格。

Report of the Directors 董事會報告

For the year ended 31 December 2009, the annual transaction amount for the supply of toothpaste containers by Qiancai Packaging to Bawang Guangzhou was approximately RMB4.6 million.

Mr. CHEN Qiyuan is a director of the Company. Qiancai Packaging is wholly owned by Ms. WU Xiaotao (Mr. CHEN's sister-in-law). The transactions contemplated under the toothpaste container supply agreement constitute continuing connected transactions under the Listing Rules.

Confirmations

The Independent Non-executive Directors have reviewed and confirmed that the above continuing connected transactions were entered into in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole, and the respective annual caps are fair and reasonable and in the interests of the Shareholders as a whole.

The auditors of the Company have confirmed that the above transactions have been approved by the Board, that the transactions were entered into in accordance with the terms of the respective agreements governing those transactions, that the transactions did not exceed the respective caps stated in the Prospectus.

Directors' Interests in Contracts of Significance

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the financial year.

Directors' and Controlling Shareholders' Interest in Competing Business

As at 31 December 2009, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders of the Company (as defined in the Listing Rules) had any interest in a business, which competes or may compete with the business of the Group.

截至二零零九年十二月三十一日，根據牙膏軟管供應協議，霸王廣州與倩采包裝材料全年交易額約為人民幣4.6百萬元。

陳啟源先生是本公司的董事，而倩采包裝材料由吳女士(陳啟源先生的弟媳)全資擁有。根據上市規則規定，牙膏軟管供應協議項下進行的交易構成持續關聯交易。

確認

獨立非執行董事認為，上述非豁免持續關連交易乃於本公司的一般及日常業務過程中，按一般商業條款訂立，屬公平合理，並符合股東的整體利益，而相關年度上限為公平及合理，並符合股東的整體利益。

本公司核數師已確認，上述交易已經董事會批准，上述交易乃按照規管這些交易的有關協定的條款進行，上述交易不超過招股書中披露的各自上限金額。

董事之合約權益

本財政年度內，在本公司、其控股公司或其任何附屬公司亦屬訂約方之一的合約中，無任何董事於其中直接或者間接有重大權益。

董事及控股股東於競爭業務的權益

於二零零九年十二月三十一日，董事及其各自的聯繫人(定義見上市規則)或本公司控股股東(定義見上市規則)概無在與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

Report of the Directors

董事會報告

Retirement schemes

The Group participates in several defined contribution retirement plans which cover the Group's eligible employees in the PRC, and a Mandatory Provident Fund scheme for the employees in Hong Kong. Particulars of these retirement plans are set out in note 2(j) to the consolidated financial statements of this annual report.

Corporate Governance

In respect of the year ended 31 December 2009, save as disclosed in the Corporate Governance Report on pages 41 to 45 of the annual report, all the code provisions set out in the Code of Corporate Governance Practices contained in Appendix 14 to the Listing Rules were met by the Company.

Audit Committee

The Company has established the Audit Committee in compliance with the Rule 3.21 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"). The Company has also complied with Rules 3.10(1) and 3.10(2) of the Listing Rules and appointed three independent non-executive Directors including one with financial management expertise. The primary duties of the Audit Committee (inter alia) are to review the financial reporting process and internal control system of the Group. The Audit Committee also provides advice and suggestions to the Board. The Audit Committee has reviewed the audited annual financial statements of the Group contained in this annual report with the management of the Company and the Company's independent auditors and recommended its adoption by the Board.

Auditors

KPMG retired and, being eligible, offered themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

CHEN Qiyuan

Chairman

Hong Kong, 15 April 2010

退休計畫

本集團為本集團之合資格中國員工參與多種定額供款退休計畫及為香港員工參與強制性公積金計畫，該等退休計畫之詳情載於本年報綜合財務報表附註2(j)。

企業管治

於截止二零零九年十二月三十一日止年度，除本年報第41至45頁企業管治報告另有披露外，本公司已遵守上市規則附錄14所載的企業管治常規守則所列的原則。

審核委員會

本公司已按香港聯合交易所有限公司頒佈的證券上市規則(「上市規則」)第3.21條規定成立審核委員會。本公司亦已遵守上市規則第3.10(1)及第3.10(2)條，委任三名獨立非執行董事，其中一位擁有財務管理專業知識。其主要職責包括審查本集團的財務申報程序和內部控制制度並向董事會提供建議及意見。審核委員會已與本公司的管理層及獨立核數師審閱本年報所載的本集團年度經審核的財務報表，並建議董事會將其採納。

核數師

畢馬威會計師事務所任滿告退，惟願應聘連任。在即將召開之股東周年大會上將提呈議案，議決續聘畢馬威會計師事務所為本公司之核數師。

董事會代表

陳啟源

主席

香港，二零一零年四月十五日

Independent Auditor's Report

獨立核數師報告



Independent auditor's report to the shareholders of
BaWang International (Group) Holding Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of BaWang International (Group) Holding Limited (the "company") set out on pages 59 to 146, which comprise the consolidated and company balance sheets as at 31 December 2009, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standard Board and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

致霸王國際(集團)控股有限公司股東之
獨立核數師報告
(於開曼群島註冊成立的有限公司)

我們已審核載於第59至146頁有關霸王國際(集團)控股有限公司(「貴公司」)的合併財務報表，其中包括於二零零九年十二月三十一日的合併及公司資產負債表，以及截至該日止年度的合併損益表、合併綜合收益表、合併權益變動表及合併現金流量表，以及主要會計政策概要及其他說明附註。

董事對財務報表的責任

貴公司董事負責按照國際會計準則委員會頒佈的國際財務報告準則以及香港《公司條例》的披露要求編製及真實公允地呈列財務報表。該等責任包括負責設計、實施及維護與編製及真實公允呈列財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤導致的重大錯誤陳述；選擇及應用適當的會計政策；及在相關情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表發表審核意見，並僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港核數準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存在任何重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 December 2009 and of the group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 April 2010

審核工作包括執程序以獲取有關財務報表所載金額及披露事項的審核憑證。所選擇的程序取決於核數師的判斷，包括對由於欺詐或錯誤而導致財務報表存在重大錯誤陳述風險的評估。在評估該等風險時，核數師考慮與該公司編製及真實公允呈列財務報表相關的內部控制，以設計適當的審核程序，但並非對該公司內部控制的有效性發表意見。審核工作亦包括評估董事所採用的會計政策的恰當性及所作出會計估計的合理性，以及評估財務報表的整體呈列方式。

我們相信，我們獲取的審核憑證是充分及恰當的，為我們的審核意見提供了基礎。

意見

我們認為，該等合併財務報表已按照國際財務報告準則真實公允地反映了貴公司及貴集團於二零零九年十二月三十一日的財務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零一零年四月十五日

Consolidated Income Statement

合併損益表

For the year ended 31 December 2009
(Expressed in Renminbi)
截至二零零九年十二月三十一日止年度
(以人民幣列示)

		Note 附註	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Turnover	營業額	5	1,756,001	1,411,248
Cost of sales	銷售成本		(590,355)	(509,324)
Gross profit	毛利		1,165,646	901,924
Other revenue	其他收益		—	484
Other net losses	其他虧損淨額		(294)	(779)
Selling and distribution costs	銷售及分銷成本		(637,344)	(512,285)
Administrative expenses	行政費用		(75,756)	(47,419)
Profit from operations	經營溢利		452,252	341,925
Finance income	財務收入	6(a)	2,322	3,117
Finance costs	財務費用	6(a)	(4,771)	—
Net finance (costs)/income	財務(費用)/收入淨額		(2,449)	3,117
Profit before taxation	除所得稅前溢利	6	449,803	345,042
Income tax	所得稅	7(a)	(85,659)	(63,268)
Profit for the year attributable to the equity shareholders of the Company	本公司權益持有人應佔年內溢利		364,144	281,774
Earnings per share (RMB yuan)	每股盈利(人民幣元)			
Basic	基本	11(a)	0.15	0.13
Diluted	攤薄	11(b)	0.15	0.13

The notes on pages 67 to 146 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in Note 22(b).

第67至146頁的附註為本財務報表的一部分。應付本公司權益持有人股息的詳情載於附註22(b)。

Consolidated Statement of Comprehensive Income

合併綜合收益表

For the year ended 31 December 2009
(Expressed in Renminbi)
截至二零零九年十二月三十一日止年度
(以人民幣列示)

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Profit for the year attributable to the equity shareholders of the Company	本公司權益持有人應佔年內溢利	364,144	281,774
Other comprehensive income for the year	年內其他綜合收益		
Exchange differences on translation of subsidiaries' financial statements in foreign currency	換算附屬公司之以外幣列示財務報表的滙兌差異	(103)	4,949
Total comprehensive income for the year attributable to the equity shareholders of the Company	本公司權益持有人應佔年內綜合收益總額	364,041	286,723

The notes on pages 67 to 146 form part of these financial statements.

第67至146頁的附註為本財務報表的一部分。

Consolidated Balance Sheet

合併資產負債表

At 31 December 2009
(Expressed in Renminbi)
於二零零九年十二月三十一日
(以人民幣列示)

		Note 附註	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Plant and equipment	廠房及設備	12	39,330	31,510
Prepaid advertising fee	預付廣告費用		6,081	—
			45,411	31,510
Current assets	流動資產			
Inventories	存貨	14	60,384	51,992
Trade and other receivables	貿易及其他應收款項	15	534,009	136,495
Amounts due from related parties	應收關聯方款項	25(b)(i)	—	132,746
Pledged deposits	抵押存款	16	162,012	—
Cash and cash equivalents	現金及現金等價物	17	1,742,523	298,148
			2,498,928	619,381
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	18	293,839	171,997
Bank loans and overdrafts	銀行貸款及透支	19	158,490	—
Amounts due to related parties	應付關聯方款項	25(b)(ii)	5,896	144,342
Current taxation	應付即期所得稅	21(a)	31,820	13,655
			490,045	329,994
Net current assets	流動資產淨值		2,008,883	289,387
Total assets less current liabilities	總資產減流動負債		2,054,294	320,897

The notes on pages 67 to 146 form part of these financial statements.

第67至146頁的附註為本財務報表的一部分。

Consolidated Balance Sheet (continued)

合併資產負債表(續)

At 31 December 2009
(Expressed in Renminbi)
於二零零九年十二月三十一日
(以人民幣列示)

	Note 附註	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債 21(b)	20,062	6,369
Net assets	資產淨值	2,034,232	314,528
Capital and reserves	資本及儲備		
Share capital	股本 22(c)	256,134	—
Reserves	儲備 22(d)	1,778,098	314,528
Total equity	權益總額	2,034,232	314,528

The notes on pages 67 to 146 form part of these financial statements.

第67至146頁的附註為本財務報表的一部分。

Approved and authorised for issue by the board of directors of the Company on 15 April 2010.

本公司董事會已於二零一零年四月十五日批准及授權刊發。

Director
董事
CHEN Qiyuan
陳啟源

Director
董事
WAN Yuhua
萬玉華

Balance Sheet

資產負債表

At 31 December 2009
(Expressed in Renminbi)
於二零零九年十二月三十一日
(以人民幣列示)

	Note 附註	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司的投資 13	—	—
Current assets	流動資產		
Other receivables	其他應收款項 15	416,051	1,582
Amounts due from related parties	應收關聯方款項	—	194
Pledged deposits	抵押存款 16	162,012	—
Cash and cash equivalent	現金及現金等價物 17	1,031,999	—
		1,610,062	1,776
Current liabilities	流動負債		
Other payables	其他應付款項 18	8,136	25
Amounts due to related parties	應付關聯方款項 25(b)(ii)	—	9,344
		8,136	9,369
Net current assets/(liabilities)	流動資產/(負債)淨值	1,601,926	(7,593)
Total assets less current liabilities	總資產減流動負債	1,601,926	(7,593)
Net assets	資產淨值	1,601,926	(7,593)
Capital and reserves	資本及儲備		
Share capital	股本 22(c)	256,134	—
Reserves	儲備 22(a)	1,345,792	(7,593)
Total equity	權益總額	1,601,926	(7,593)

The notes on pages 67 to 146 form part of these financial statements.

第67至146頁的附註為本財務報表的一部分。

Approved and authorised for issue by the board of directors of the Company on 15 April 2010.

本公司董事會已於二零一零年四月十五日批准及授權刊發。

Director
董事
CHEN Qiyuan
陳啟源

Director
董事
WAN Yuhua
萬玉華

Consolidated Statement of Changes in Equity

合併權益變動表

For the year ended 31 December 2009
(Expressed in Renminbi)
截至二零零九年十二月三十一日止年度
(以人民幣列示)

		Attributable to equity shareholders of the Company							
		本公司權益持有人應佔							
		Share Capital	Share premium	PRC statutory reserves	Capital reserve	Merger reserve	Translation reserve	Retained earnings	Total equity
		股本	股本溢價	中國法定儲備	資本儲備	合併儲備	滙兌儲備	留存溢利	權益總額
		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
		(Note 22 (c))	(Note 22 (d))	(Note 22 (d))	(Note 22 (d))	(Note 22 (d))	(Note 22 (d))	(Note 22 (d))	(Note 22 (d))
		(附註22 (c))	(附註22 (d))	(附註22 (d))	(附註22 (d))	(附註22 (d))	(附註22 (d))	(附註22 (d))	(附註22 (d))
Balance at 1 January 2008	於二零零八年一月一日結餘	—	—	28,722	—	8,468	—	137,038	174,228
Changes in equity for 2008:	二零零八年權益變動：								
Total comprehensive income for the year	年內綜合收益總額	—	—	—	—	—	4,949	281,774	286,723
Appropriation to statutory reserves	轉撥至法定儲備	—	—	21,165	—	—	—	(21,165)	—
Dividend declared during the year (Note 22(b))	年內宣派的股息 (附註22(b))	—	—	—	—	—	—	(146,423)	(146,423)
Balance at 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日及二零零九年一月一日結餘	—	—	49,887	—	8,468	4,949	251,224	314,528
Changes in equity for 2009:	二零零九年權益變動：								
Issue of new shares (Note 22(c))	發行新股(附註22(c))	256,134	1,342,774	—	—	—	—	—	1,598,908
Total comprehensive income for the year	年內綜合收益總額	—	—	—	—	—	(103)	364,144	364,041
Dividends declared during the year (Note 22(b))	年內宣派的股息 (附註22(b))	—	—	—	—	—	—	(249,680)	(249,680)
Equity settled share-based transactions (Note 22(d))	以權益結算的股份支付 交易(附註22(d))	—	—	—	6,435	—	—	—	6,435
Balance at 31 December 2009	於二零零九年十二月三十一日結餘	256,134	1,342,774	49,887	6,435	8,468	4,846	365,688	2,034,232

The notes on pages 67 to 146 form part of these financial statements.

第67至146頁的附註為本財務報表的一部分。

Consolidated Cash Flow Statement

合併現金流量表

For the year ended 31 December 2009
(Expressed in Renminbi)
截至二零零九年十二月三十一日止年度
(以人民幣列示)

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動產生的現金流量		
Profit before taxation	除所得稅前溢利	449,803	345,042
Adjustments for:	經下列各項調整：		
Depreciation	折舊	6,721	4,800
Net loss on disposal of plant and equipment	廠房及設備的處置淨損失	1,415	1,860
Impairment loss for bad and doubtful debts	呆壞賬減值損失	1,549	538
Interest income on bank deposits	銀行存款利息收入	(2,322)	(1,957)
Unrealised foreign exchange losses	未實現滙兌損失	1,987	—
Equity-settled share-based payment transactions	以權益結算的股份支付交易	6,435	—
Investment income	投資收益	—	(484)
Subtotal	小計	465,588	349,799
Change in inventories	存貨變動	(8,392)	(10,009)
Change in trade and other receivables	貿易及其他應收款項變動	(400,165)	6,531
Change in trade and other payables	貿易及其他應付款項變動	114,423	(66,714)
Change in amounts due from related parties	應收關聯方款項變動	132,746	2,451
Change in amounts due to related parties	應付關聯方款項變動	(138,446)	12,637
Change in prepaid advertising fee	預付廣告費變動	(6,081)	—
Cash generated from operating activities	經營活動產生的現金	159,673	294,695
Income tax paid	已付所得稅	(53,802)	(43,244)
Net cash generated from operating activities	經營活動產生的現金淨額	105,871	251,451
Cash flows from investing activities	投資活動產生的現金流量		
Interest received	已收利息	2,322	1,957
Acquisition of plant and equipment	購買廠房及設備	(18,761)	(12,151)
Acquisition of other investments	取得其他投資	—	(410,000)
Proceeds from sales of other investments	出售其他投資的所得款項	—	510,484
Net cash (used)/generated in investing activities	投資活動(所用)/產生現金淨額	(16,439)	90,290

The notes on pages 67 to 146 form part of these financial statements.

第67至146頁的附註為本財務報表的一部分。

Consolidated Cash Flow Statement (continued)

合併現金流量表(續)

For the year ended 31 December 2009
(Expressed in Renminbi)
截至二零零九年十二月三十一日止年度
(以人民幣列示)

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Cash flows from financing activities	融資活動產生的現金流量		
Proceeds from issuing of new shares	發行新股所得款項	1,615,277	—
Payment of share issuing cost	發行股份所支付成本	(5,145)	—
Cash from bank loan and overdraft	銀行貸款及透支所得現金	158,490	—
Increase in pledged deposits	抵押存款增加	(162,012)	—
Dividends paid	已付股息	(249,680)	(146,423)
Net cash generated/(used) in financing activities	融資活動產生/(所用)現金淨額	1,356,930	(146,423)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	1,446,362	195,318
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	298,148	102,830
Effect of exchange rate fluctuations on cash held	滙率波動對持有現金的影響	(1,987)	—
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	1,742,523	298,148

The notes on pages 67 to 146 form part of these financial statements.

第67至146頁的附註為本財務報表的一部分。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

1 Reporting entity

BaWang International (Group) Holding Limited (the “Company”) was incorporated in the Cayman Islands on 11 December 2007 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The consolidated financial statements for the year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as “Group”). The Group is primarily engaged in the manufacturing and sales of household and personal care products.

2 Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”). A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption of the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1 報告實體

霸王國際(集團)控股有限公司(「本公司」)於二零零七年十二月十一日根據開曼群島公司法第22章(一九六一年法例3，經綜合及修訂)在開曼群島註冊成立為獲豁免的有限公司。其註冊辦事處的地址為 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

截至二零零九年十二月三十一日止年度的合併財務報表包括本公司及其附屬公司(統稱「本集團」)。本集團主要從事製造及銷售家用個人護理產品業務。

2 主要會計政策

(a) 合規聲明

本財務報表乃按照國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)編製，國際財務報告準則包括所有適用的個別國際財務報告準則、國際會計準則(「國際會計準則」)及相關詮釋。本財務報表亦符合香港《公司條例》的披露規定及香港聯合交易所有限公司(「香港聯交所」)證券上市規則的適用披露條文。本集團所採用的主要會計政策概述如下。

國際會計準則委員會頒佈了若干新訂及經修訂的國際財務報告準則，這些準則於本集團和本公司本會計期間首次生效或可以提早採納。附註3列示了因首次採用這些與本集團有關的準則而反映於本財務報表當期及以前會計期間的會計政策變更。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(b) Basis of measurement

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity (“functional currency”). The financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand except per share data.

The measurement basis used in the preparation of the financial statements is historical cost basis.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 29.

2 主要會計政策(續)

(b) 計量基準

本集團各公司的財務報表項目以最能反映與該公司相關的事項及環境的經濟特徵之貨幣(「功能貨幣」)計量。除每股股份數據外，財務資料已約整至最接近千元的人民幣(「人民幣」)呈列。

財務報表乃按歷史成本基準編製。

(c) 所用估計及判斷

管理層按照國際財務報告準則編製財務報表時，須作出影響會計政策應用和所呈報資產、負債及收支金額的判斷、估計和假設。該等估計及相關假設乃根據過往經驗及管理層相信於相關情況下屬合理的多項其他因素作出，所得結果乃用作判斷目前顯然無法直接通過其他來源獲得的資產及負債賬面值的基準。實際結果可能有別於該等估計。

本集團會持續審閱各項估計及相關假設。會計估計的修訂會在修訂估計期間及受影響的任何未來期間確認。

管理層應用國際財務報告準則時所作出的對財務報表有重大影響的判斷及據以作出不確定性估計的主要來源於附註29詳述。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to extent that there is no evidence of impairment.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)).

(e) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

2 主要會計政策(續)

(d) 附屬公司

附屬公司乃由本集團控制的實體。若本集團有權直接或間接控制實體的財務及經營政策，並藉此從其業務中取得利益，則該實體將視為受本集團控制。在評估控制權時，會考慮目前可行使的潛在投票權。

於附屬公司的投資自控制開始當日起至控制結束當日止計入合併財務報表。集團內部結餘和交易，以及這些交易所產生的任何未實現利潤，會在編製合併財務報表時予以抵銷。集團內部交易所產生的未實現虧損則僅在無出現減值迹象的情況下以與抵銷未實現利潤相同的方式予以抵銷。

於附屬公司的投資在本公司資產負債表中乃按成本扣除減值虧損列賬(見附註2(i))。

(e) 外幣交易

外幣交易按交易當日匯率換算為本集團各公司的相關功能貨幣。於呈報日期，以外幣計值的貨幣資產及負債則按呈報日匯率重新換算為功能貨幣。重新換算產生的滙兌差額於損益確認。按歷史成本以外幣計值的非貨幣資產及負債按交易日的匯率換算。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(e) Foreign currency transactions

(continued)

The assets and liabilities of operations with functional currency in foreign currency are translated into RMB at the exchange rates ruling at the reporting date. The income and expenses of operations with functional currency in foreign currency are translated to RMB at exchange rates ruling at the dates of the transactions. Foreign currency differences are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve.

(f) Financial instruments

(i) Non-derivative financial assets

A non-derivative financial asset is recognised if the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 主要會計政策(續)

(e) 外幣交易(續)

以外幣作為功能貨幣核算的業務資產及負債按呈報日期的匯率換算為人民幣。以外幣作為功能貨幣核算的業務收支按交易當日的匯率換算為人民幣。匯兌差額確認為其他綜合收益，並在權益中的匯兌儲備呈列。

(f) 金融工具

(i) 非衍生金融資產

非衍生金融資產於本集團成為金融工具合約條文的訂約方時確認。

倘若本集團有關金融資產現金流量的合約權利到期或本集團將該金融資產收取現金流量的合約權利轉讓予另一方，而使該資產所有權上的所有風險及報酬已實質上發生轉移，則終止確認該金融資產。本集團將轉讓金融資產所產生或保留的利益分別確認為資產或負債。

本集團只有在確有法律權利可將金融資產和負債相互抵銷，且擬以淨額償付或同時取得資產和償還債務時，才能將有關的資產和負債相互抵銷後以淨額於資產負債表中呈列。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(f) Financial instruments (continued)

(i) Non-derivative financial assets

(continued)

Non-derivative financial assets of the Group comprise trade and other receivables, amounts due from related parties and cash and cash equivalents.

Trade and other receivables and amounts due from related parties

Trade and other receivables and amounts due from related parties are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see Note 2(i)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

2 主要會計政策(續)

(f) 金融工具(續)

(i) 非衍生金融資產(續)

非衍生金融資產包括貿易及其他應收款項、應收關聯方款項以及現金及現金等價物。

貿易及其他應收款項及應收關聯方款項

貿易及其他應收款項及應收關聯方款項初始按公允價值確認，其後按攤銷成本減呆賬減值撥備列賬（見附註2(i)(i)），但給予關聯方免息及無固定還款期的貸款，或者折現影響不重大的應收款項除外。在此情況下，應收款項則按成本減呆賬減值撥備列賬。

現金及現金等價物

現金及現金等價物包括銀行存款、庫存現金、銀行或其他財務機構的通知存款、及持有期限短、流動性強、易於轉換為已知金額現金、價值變動風險很小、且於購入時起三個月內到期的投資。按通知償還的銀行透支是本集團現金管理的一部分，包括於合併現金流量表中的現金及現金等價物。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Non-derivative financial liabilities

Non-derivative financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: interest-bearing borrowings, trade and other payables, and amounts due to related parties.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

2 主要會計政策(續)

(f) 金融工具(續)

(ii) 非衍生金融負債

非衍生金融負債於本集團成為金融工具合約條文的訂約方時初次確認。

本集團在有關合約責任解除或取消或到期時終止確認金融負債。

本集團只有在確有法律權利可將金融資產和負債相互抵銷，且擬以淨額償付或同時取得資產和償還債務時，才能將有關的資產和負債相互抵銷後以淨額於資產負債表中呈列。

本集團的非衍生金融負債包括付息借貸、貿易及其他應付款項及應付關聯方款項。

付息借貸

付息借貸初始按公允價值減交易成本確認。於初次確認後，付息借貸以攤銷成本列賬，初次確認金額與贖回價值之間的差額跟任何利息及應付費用以實際利率法於借貸期間確認為損益。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(f) Financial instruments (continued)

(ii) Non-derivative financial liabilities

(continued)

Trade and other payables and amounts due to related parties

Trade and other payables and amounts due to related parties are initially recognised at fair value. Trade and other payables and amounts due to related parties are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Ordinary Share

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(g) Plant and equipment

(i) Recognition and measurement

Plant and equipment are measured at cost less accumulated depreciation and impairment losses (Note 2(i)(ii)).

Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

2 主要會計政策(續)

(f) 金融工具(續)

(ii) 非衍生金融負債(續)

貿易及其他應付款項及應付關聯方款項

貿易及其他應付款項及應付關聯方款項以公允價值初次確認，其後按攤銷成本列賬；如折現影響不重大，則可按成本列賬。

(iii) 普通股

普通股作為權益列示。與發行普通股直接相關的成本以及購股權成本在考慮稅務影響後自權益中扣減。

(g) 廠房及設備

(i) 確認及計量

廠房及設備項目按成本減累計折舊及減值虧損(附註2(i)(ii))計量。

成本包括購入資產有關的直接開支。自建資產成本包括材料成本、直接人工費用、任何將資產投入其擬定用途所需的其他直接成本、拆卸及搬遷項目以及恢復資產所在地原貌的成本。如外購的計算機軟件為有關設備不可缺少的組成部分，則其成本作為有關設備價值的一部分。

倘若廠房及設備項目各組成部分的可使用年限不同，則會將廠房及設備項目的這些組成部分(主要部分)分開入賬。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(g) Plant and equipment (continued)

(i) Recognition and measurement

(continued)

Construction in progress represents plant and equipment under construction, and is stated at cost less impairment losses (Note 2(i)(ii)).

Cost comprises direct costs of construction during the construction period. Capitalisation of these costs ceases and the construction in progress is transferred to plant and equipment when all of the activities necessary to prepare the assets for their intended use are substantially complete.

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day serving of plant and equipment are recognised in profit and loss as incurred.

(iii) Depreciation

Depreciation is calculation over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment less their estimated residual value.

The estimated useful lives of plant and equipment are as follows:

- | | |
|----------------------------------|-----------|
| • Machinery | 10 years |
| • Motor vehicles | 5–8 years |
| • Office equipment
and others | 5 years |

2 主要會計政策(續)

(g) 廠房及設備(續)

(i) 確認及計量(續)

在建工程指在建廠房及設備，按成本減減值虧損(附註2(i)(ii))入賬。

成本包括建築期間的直接建築成本。當將資產投入擬定用途所需的所有準備工作大致完成時，該等成本的資本化將終止，而在建工程便會轉入廠房及設備。

(ii) 日後成本

與更換廠房及設備某組成部分相關的支出，如果其日後經濟利益可能流入本集團，且其成本能可靠計量，則該支出計入有關組成部分的賬面值。廠房及設備的日常服務成本於產生時在損益確認。

(iii) 折舊

折舊乃基於可折舊金額計算。可折舊金額指資產的成本或其他可用於替代成本的金額減去剩餘價值。

廠房及設備項目各部分的折舊在其減去估計的剩餘價值後於估計的可使用年限內按直線法於損益確認。

廠房及設備的估計可使用年限如下：

- | | |
|----------------|------|
| • 機器 | 10年 |
| • 運輸工具 | 5至8年 |
| • 辦公室設備
及其他 | 5年 |

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(g) Plant and equipment (continued)

(iii) Depreciation (continued)

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use. Upon completion and commissioning for operation, depreciation will be provided at the appropriate rates specified above.

Depreciation methods, useful life and residual value are reassessed at the reporting date.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of the production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Impairment of assets

(i) Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

2 主要會計政策(續)

(g) 廠房及設備(續)

(iii) 折舊(續)

在建工程不計提折舊，直至當資產實質上達到可使用狀態。當其落成及投入運作時，將按上文所載適當比率開始計提折舊。

本集團會於每個呈報日期審閱折舊方法、可使用年限及進行剩餘價值重估。

(h) 存貨

存貨以成本與可變現淨值的較低者計量。存貨成本按加權平均成本原則計算，並包括購入存貨及將其運送至現有地點及狀況所產生的開支。就製成品及在製品而言，成本包括按正常產能計算，並按照適當比例分配的生產製造費用。可變現淨值為日常業務過程中的估計售價減估計完工成本及銷售開支。

(i) 資產減值

(i) 金融資產

倘若有客觀跡象顯示一項或多項事件對金融資產的估計未來現金流量有負面影響，則該金融資產被視為已減值。

按攤銷成本計量的金融資產減值虧損以其賬面值與按原訂實際利率折現的估計未來現金流量現值的差額計算。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(i) Impairment of assets (continued)

(i) Financial assets (continued)

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

2 主要會計政策(續)

(i) 資產減值(續)

(i) 金融資產(續)

各項主要金融資產會個別接受減值測試。餘下的金融資產則按同類信貸風險特色分類，以進行集體評估。

所有減值虧損均於損益確認。

倘若撥回可客觀地與減值虧損確認後所發生的事件相關連，則可撥回減值虧損。按攤銷成本計量的金融資產，撥回時於損益確認。

(ii) 非金融資產

本集團的非金融資產(存貨除外)的賬面值於各呈報日期進行審閱，以釐定有否減值跡象。如有任何上述跡象，則會估計該資產的可收回金額。

倘若資產或其現金產生單位的賬面值超過其可收回金額，則會確認減值虧損。現金產生單位是最基本的可識別資產類別，所產生的現金流量大致獨立於其他資產及類別。減值虧損於損益確認。就現金產生單位確認的減值虧損會先作分配，以減少該單位獲分配的任何商譽賬面值，然後按比例減少該單位(或一組單位)中的其他資產賬面值。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(i) Impairment of assets (continued)

(ii) Non-financial assets (continued)

The recoverable amount of assets or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the assets.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Employee benefits

(i) Short term employee benefits

Salaries, wages, annual bonuses and staff welfare are accrued in the year in which the associated services are rendered by employees of the Group.

(ii) Defined contribution retirement plans

Obligations for contributions to local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC and Hong Kong are recognised as an expense in profit or loss when they are due, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

2 主要會計政策(續)

(i) 資產減值(續)

(ii) 非金融資產(續)

資產或現金產生單位的可收回金額為其使用價值或公允價值減銷售成本兩者的較高者。評估使用價值時，估計未來現金流量按照可反映當時市場對貨幣時間價值及該資產特有風險的評估的除稅前折現率折現至其現值。

過往期間確認的減值虧損於各呈報日期進行評估以釐定有否任何跡象顯示虧損已減少或不再存在。倘若釐定可收回金額的估計有變時，則撥回減值虧損。減值虧損僅於資產賬面值不超過在並無確認減值虧損的情況下應有的賬面值(已扣除折舊或攤銷)時方可撥回。

(j) 僱員福利

(i) 短期僱員福利

薪金、工資、年度花紅及員工福利均計入本集團僱員提供有關服務的年度內。

(ii) 界定供款退休計劃

根據中國及香港有關勞動規則及規例，對當地界定供款退休計劃的供款責任於到期時在損益中確認為開支，惟已計入尚未確認為開支的存貨成本內則除外。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(j) Employee benefits (continued)

(iii) Share-based payment transactions

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/ credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

2 主要會計政策(續)

(j) 僱員福利(續)

(iii) 以權益結算的股份支付交易

授予僱員的購股權的公允價值確認為僱員成本，並相應增加權益中的資本儲備。公允價值於授予日按二項模型計量，並考慮購股權的授予條款及條件。倘若僱員須符合可行權條件方能無條件地享有購股權，則經考慮購股權可行權的可能性後，購股權的估計公允價值總額會在整個行權等待期內分攤。

於行權等待期內，須審閱預期可行權的購股權數目。除非原有僱員開支合資格確認為資產，否則任何對過往年度已確認累計公允價值所作之調整於審閱當年的損益賬內扣除／計入，同時對資本儲備作出相應調整。於可行權日，已確認為開支的金額會作出調整，以反映購股權的實際行權數目(相應調整資本儲備)，惟僅於未能達到有關本公司股份市價的可行權條件時方會放棄之購股權除外。權益金額於資本儲備確認，直至購股權獲行權(屆時有關金額轉撥至股本溢價賬)或購股權到期(屆時有關金額直接撥至留存溢利)為止。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(k) Provisions and contingent liabilities

Provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(l) Turnover

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding value added tax or other sales taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of contract of sales.

2 主要會計政策(續)

(k) 撥備及或然負債

倘若本集團須就過往事件承擔能可靠估計的法定或推定責任，並且很可能需要經濟利益流出以履行責任，則會確認撥備。撥備按照可反映當時市場對貨幣時間價值及該負債特有風險的評估的除稅前折現率，折現預期未來現金流量來釐定。

如果需要經濟利益流出的可能性較低，或無法可靠估計有關數額，該責任則披露為或然負債，惟倘若經濟利益流出的可能性極低則除外。倘若本集團的責任須視乎一項或多項未來事件是否發生方能確定是否存在，則該責任亦會披露為或然負債，惟倘若經濟利益流出的可能性極低則除外。

(l) 營業額

銷售貨品的收益按已收或應收代價的公允價值，扣除退貨及折讓、銷售折扣及按銷量計算的返利(不包括增值稅或其他銷售稅)計量。當與貨品所有權相關的重大風險及回報轉移至買家，並很大可能收回代價，貨品的有關成本及可能退貨金額能可靠估計且對貨品並無持續監管權時，方會確認收益。

風險及回報的轉移視乎銷售合約的個別條款而有所變化。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(m) Operating lease payment

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

(n) Finance income and finance costs

Finance income comprises interest income on deposits in banks and net foreign exchange gain. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings and net foreign currency losses.

(o) Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

2 主要會計政策(續)

(m) 經營租賃付款

經營租賃付款乃於租期內按直線法在損益確認。已獲得的租金優惠於租期內確認為租金開支總額一部分。

(n) 財務收入及費用

財務收入包括銀行存款的利息收入及滙兌收益淨額。利息收入以實際利率法在應計時確認。

財務費用包括借貸利息支出及滙兌損失淨額。

(o) 研究開發成本

研究成本於其產生期間確認為費用。研發成本包括與研發活動直接相關的成本，或可合理分配至該等活動的一切費用。鑒於本集團研發活動之性質，有關成本一般於項目開發後期方符合資產確認條件，而這時候餘下的開發成本金額並不重大。因此，研究成本及開發成本一般於其產生期間確認為費用。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(p) Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2 主要會計政策(續)

(p) 借貸成本

因收購、建設或生產一項需要相當長時間才可投入擬定用途或出售的資產而直接產生的借貸成本確認作該等資產的部分成本。其他借貸成本於其產生期間確認為費用。

當資產開支、借貸成本已經發生及為使資產達至預定可使用或可銷售狀態所必要的準備工作已經開始進行時，借貸成本即開始資本化作為合資格資產的部份成本。為使資產達至擬定可使用或可銷售狀態的準備工作被中斷或大致完成時，該等借貸成本則停止資本化。

(q) 所得稅開支

所得稅開支包括即期稅項和遞延稅項資產和負債的變動。即期稅項和遞延稅項資產及負債的變動於損益中確認，惟在其他綜合收益或直接在權益中確認的相關項目除外，其相關稅項金額分別在其他綜合收益或在權益中確認。

即期稅項乃按本年度應課稅收入，根據在呈報日期已實施或實質上已實施的稅率計算的預期應付稅項，並加上以往年度應付稅項的任何調整。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(q) Income tax (continued)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary difference arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary difference when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2 主要會計政策(續)

(q) 所得稅開支(續)

遞延稅項以資產負債表方法確認，按財務報告所用資產與負債賬面值與這些資產負債的計稅基礎之間的暫時性差異作出撥備。如果不屬於企業合併交易，在交易發生時既不影響會計利潤，也不影響應納稅所得額，則該交易所產生的資產、負債的初始確認金額與其計稅基礎的暫時性差異，不確認相應的遞延稅項。根據於呈報日已實施或實質上實施的法例，遞延稅項乃按預期於暫時性差異轉回時適用的稅率計量。

在可能獲得未來應課稅溢利以用作抵銷暫時性差異的情況下，方會確認遞延稅項資產。遞延稅項資產於各呈報日期進行審閱，並將扣減已不再可能實現的相關稅項利益。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(r) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (Note 2r(i)) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2 主要會計政策(續)

(r) 關聯方

就本財務報表而言，倘若符合下列條件，則被視為本集團的關聯方：

- (i) 該方能夠直接或透過一家或多家中間企業間接控制本集團，或對本集團的財務及經營決策發揮重大影響力，或共同控制本集團；
- (ii) 本集團與該方受共同控制；
- (iii) 該方為本集團的聯營公司或本集團為合營夥伴的合營企業；
- (iv) 該方為本集團或本集團母公司的主要管理人員，或與該人士關係密切的家庭成員，或為受該等人士控制、共同控制或重大影響的實體；
- (v) 該方是為附註2r(i)所述的人士的關係密切的家庭成員，或受到該等人士控制，共同控制或重大影響的實體；或
- (vi) 該方為本集團或作為本集團關聯方的任何實體的僱員福利而設的離職後福利計劃。

與某人關係密切的家庭成員指與實體的交易中，預期可能會影響該名人士或受其影響的家庭成員。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

2 Significant accounting policies (continued)

(s) Segment reporting

Operation segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type of class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operation segments which are not individually material may be aggregated if they share a majority of these criteria.

2 主要會計政策(續)

(s) 分部報告

本集團定期向最高級別執行管理層提供有關財務信息，以便其分配資源和評估各項業務和各地區的經營業績。本集團根據上述提供給最高級別執行管理層的財務資料識別出經營分部及每個分部於財務報表所列報的金額。

除非該等分部擁有相類似的經濟特點、產品及服務性質、生產過程、客戶類別、分銷產品或提供服務的方法、所受規管環境的性質，否則個別主要經營分部不會在財務報告中合併呈報。經營分部倘個別而言並不重大，且符合上述大部分條件，則可合併呈報。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

3 Changes in accounting policies

The IASB has issued one new IFRS, a number of amendments to IFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- IFRS 8, Operating segments
- IAS 1 (revised 2007), Presentation of financial statements
- Improvements to IFRSs (2008)

The Improvements to IFRSs (2008) have had no material impact on the Group's financial statements as the amendments were consistent with policies already adopted by the Group.

The presentation of segment information in prior accounting periods was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. IFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The adoption of IFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has resulted in different operating segments being identified (see Note 4).

3 會計政策變更

國際會計準則委員會已頒佈於本集團及本公司本會計期間首次生效之一項新國際財務報告準則、多項國際財務報告準則之修訂以及新詮釋。其中，下列會計政策變動與本集團財務報表有關：

- 國際財務報告準則第8號，經營分部
- 國際會計準則第1號(二零零七年修訂)，財務報表的列報
- 國際財務報告準則的改進(二零零八年)

採用國際財務報告準則的改進(二零零八年)對本集團財務報表並無重大影響，因其修訂與本集團已採納的政策一致。

於過往會計期間，本集團在準備分部信息時，將財務報表根據兩種分類方法進行分析：產品和服務的分部分析和地區分部分析。國際財務報告準則第8號規定，分部披露須按本集團的主要營運決策人考慮及管理本集團的方式進行，各個應呈報分部所報告的數額乃作為呈報予本集團主要營運決策人的衡量標準，以便主要營運決策人評估分部表現及就營運事宜作出決策。採納國際財務報告準則第8號令分部資料的呈列方式與向本集團最高級別執行管理層提供的內部報告更趨一致，並識別出與以往不同的營運分部(請參閱附註4)。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

3 Changes in accounting policies (continued)

As a result of the adoption of IAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

4 Segment reporting

The Group manages its business by a mixture of both product lines and geographical segments. On first-time adoption of IFRS 8, Operating segments and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has the following two operating segments:

- Hair-care products (mainland China and overseas)
- Skin-care and other household and personal care products (mainland China)

3 會計政策變更(續)

採用國際會計準則第1號(二零零七年修訂)後，於經修訂合併權益變動表中，期內由權益持有人交易產生之權益變動詳情已與所有其他收入及開支分開列示。所有其他收入及開支，若被確認為期內損益的，須於合併損益表呈列；否則須於合併綜合收益表(新的主要報表)呈列。相關金額已重列以符合新的呈列方式。此項呈列方式的變動對任何呈列期間所呈報之損益、總收入及開支或淨資產並無影響。

4 分部報告

本集團以產品類別及地區分部的組合來管理其業務。由於首次採納國際財務報告準則第8號「經營分部」，並與應向本集團最高級別執行管理層呈報以作資源分配及業績評估之內部報告之呈列形式一致，本集團現識別下列兩個經營分部：

- 護髮產品(中國大陸及海外)
- 護膚及其他家用個人護理產品(中國大陸)

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

4 Segment reporting (continued)

However, the above operating segments of the Group are not identified as reportable segments for the years ended 31 December 2009 and 2008 as the assets, revenue, and profit for the skin-care and other household and personal care products segment constituted only 2.5% of combined assets of all segments as of 31 December 2009 (as of 31 December 2008: 5.6%), and 4.9%, 1.1% of the combined revenue, combined segment result of all segments for the year then ended (for the year ended 31 December 2008: 5.5% and 7.6%).

Among the hair-care products operating segment, the sales in mainland China and overseas are not reported as sub-segments for the years ended 31 December 2009 and 2008 as the assets, revenue and profit from overseas constituted only 4.6% of combined assets of hair-care products operating segment as of 31 December 2009 (as of 31 December 2008: 0%), and 4.7%, 6.6% of the combined revenue, combined segment result of hair-care products operating segment for the year then ended (for the year ended 31 December 2008: 0.5% and 1.5%).

4 分部報告(續)

然而，由於護膚及其他家用個人護理產品分部資產、收益及溢利僅佔二零零九年十二月三十一日所有分部合併資產2.5%(於二零零八年十二月三十一日：5.6%)以及佔截至該日止年度所有分部合併收益及合併分部業績4.9%及1.1%(截至二零零八年十二月三十一日止年度：5.5%及7.6%)，故上述本集團經營分部並未於截至二零零九年及二零零八年十二月三十一日止年度被識別為可呈報分部。

於護髮產品經營分部中，由於海外資產、收益及溢利僅佔護髮產品經營分部於二零零九年十二月三十一日合併資產4.6%(於二零零八年十二月三十一日：0%)，以及佔護髮產品經營分部截至該日止年度合併收益及合併業績4.7%及6.6%(截至二零零八年十二月三十一日止年度：0.5%及1.5%)，故中國大陸及海外銷售於截至二零零九年及二零零八年十二月三十一日止年度並未以二級分部形式呈列。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

5 Turnover

The Group is principally engaged in the manufacturing and sales of the household and personal care products including hair-care and skin-care products.

Turnover represents the sales value of goods supplied to customers. Turnover excludes value added taxes and other sales taxes and is after deduction of any trade discounts. The amount of each significant category of revenue recognised in turnover during the years is as follows:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Hair-care products	護髮產品	1,669,025	1,334,142
Skin-care and other household and personal care products	護膚及其他家用個人護理產品	86,976	77,106
		1,756,001	1,411,248

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenues.

5 營業額

本集團主要從事製造及銷售家用個人護理產品，包括護髮及護膚產品。

營業額指向客戶供應的貨品的銷售價值。營業額不包括增值稅及其他銷售稅，並已扣除任何銷售折扣。已於本年度營業額中確認的各項重大收入類別的金額如下：

本集團客戶基礎分散，並無與單一客戶的交易佔本集團總營業額10%以上。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

6 Profit before taxation

Profit before taxation is arrived at after charging/
(crediting):

(a) Finance income and costs

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Finance income	財務收入		
Interest income on bank deposits	銀行存款利息收入	(2,322)	(1,957)
Net foreign exchange gain	匯兌收益淨額	—	(1,160)
Subtotal	小計	(2,322)	(3,117)
Finance costs	財務費用		
Interest on bank borrowings	銀行貸款利息	2,231	—
Net foreign exchange losses	匯兌損失淨額	2,540	—
Subtotal	小計	4,771	—
Net finance costs/(income)	財務費用/(收入)淨額	2,449	(3,117)

6 除所得稅前溢利

除所得稅前溢利已扣除/(計入)下列各項：

(a) 財務收入及費用

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

6 Profit before taxation (continued)

(b) Staff costs*

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	84,027	166,404
Equity-settled share-based payment expenses (Note 20(c))	以權益結算的股份支付費用(附註20(c))	6,435	—
Contributions to defined contribution retirement plan	界定供款退休計劃供款	4,627	4,330
		95,089	170,734

Staff costs included directors' remuneration (Note 8(a)).

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiary participates in a defined contribution retirement benefit scheme (the "Scheme") organised by the local authority whereby the PRC subsidiary is required to make contributions to the Scheme based on certain percentages of the eligible employee's salaries. The local government authority is responsible for the entire pension obligations payable to the retired employees.

The Group also maintains a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on the relevant income of the relevant employee and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

6 除所得稅前溢利(續)

(b) 員工成本*

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	84,027	166,404
Equity-settled share-based payment expenses (Note 20(c))	以權益結算的股份支付費用(附註20(c))	6,435	—
Contributions to defined contribution retirement plan	界定供款退休計劃供款	4,627	4,330
		95,089	170,734

員工成本包括董事酬金(附註8(a))。

根據中國有關勞動規則及規例，中國附屬公司參與當地政府部門設立的界定供款退休福利計劃(「該計劃」)，據此，中國附屬公司須按合資格僱員薪金的若干百分比向該計劃作出供款。地方政府部門負責向退休僱員支付全數退休金。

本集團亦向所有香港合資格僱員提供強制性公積金計劃(「強積金計劃」)。根據強制性公積金計劃條例及有關規定，本集團及其僱員均須按相關僱員的相關收入作出供款。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

6 Profit before taxation (continued)

(b) Staff costs* (continued)

The Group has no other obligations for payment of retirement and other post-retirement benefits of employees other than the contribution described above.

(c) Other items

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Depreciation*	折舊*	6,721	4,800
Auditors' remuneration	核數師酬金	4,378	4,294
Cost of inventories*	存貨成本*	590,355	509,324
Impairment loss for bad and doubtful debts (Note 15(b))	呆壞賬減值虧損 (附註15(b))	1,549	538

* Cost of inventories includes RMB31,326,000 (2008: RMB36,611,000) relating to staff costs and depreciation, which amounts are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

6 除所得稅前溢利(續)

(b) 員工成本*(續)

除上述供款外，本集團並無其他為僱員退休及其他退休後福利供款的責任。

(c) 其他項目

* 存貨成本包括與員工成本及折舊有關的款項合共人民幣31,326,000元(二零零八年：人民幣36,611,000元)，有關款項亦已計入上文或附註6(b)個別披露的各類開支總額。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

7 Income tax expense

(a) Income tax expense in the consolidated income statements represents:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Current tax	即期稅項		
— PRC income tax	— 中國所得稅		
Provision for the year	年內撥備	63,731	56,401
Current tax	即期稅項		
— Hong Kong income tax	— 香港利得稅		
Provision for the year	年內撥備	1,866	498
Deferred tax	遞延稅項		
— PRC income tax	— 中國所得稅		
Origination of temporary differences	暫時性差額的產生	20,062	6,369
Income tax expense	所得稅開支	85,659	63,268

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

7 所得稅開支

(a) 合併損益表內的所得稅開支指：

(i) 根據開曼群島及英屬處女群島的規則及規例，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

7 Income tax expense (continued)

(a) Income tax expense in the consolidated income statements represents: (continued)

- (ii) Bawang (Guangzhou) Co., Ltd. (“Bawang Guangzhou”), the PRC subsidiary of the Group, is a production-oriented wholly foreign owned enterprise located in the coastal economy open zone of Guangzhou. Pursuant to the applicable income tax law effective before 2008, Bawang Guangzhou is eligible for the “two-year exemption and three-year 50% reduction” tax holiday from 2006 to 2010.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People’s Congress passed the Corporate Income Tax Law of the PRC (“CIT law”) which started to take effect on 1 January 2008. In December 2007, the Implementation Rules of the CIT Law of the PRC and “Guo Fa 2007 No. 39” were promulgated to specify certain implementation details and grandfathering arrangements of the CIT law. As a result, Bawang Guangzhou is subject to a unified tax rate of 25% from 1 January 2008, but it can continue to enjoy the 50% reduction in its applicable tax rate till the end of the tax holiday, i.e. 2010.

7 所得稅開支(續)

(a) 合併損益表內的所得稅開支指：(續)

- (ii) 本集團的中國附屬公司霸王(廣州)有限公司(「霸王廣州」)是位於廣州沿海經濟開放區的生產型外商獨資企業。根據二零零八年以前適用的所得稅法，霸王廣州可於二零零六年至二零一零年期間享有「兩免三減半」的稅務優惠。

於二零零七年三月十六日，第十屆全國人民代表大會第五次全體會議通過《中國企業所得稅法》(「新稅法」)，新稅法於二零零八年一月一日開始生效。《中國企業所得稅法實施條例》及「國發2007第39號」於二零零七年十二月頒佈，具體說明新稅法若干實施詳情及過渡期安排。因此，霸王廣州自二零零八年一月一日起須按統一稅率25%繳稅，惟其可繼續享有適用稅率50%減免優惠，直至稅務優惠期完結(即二零一零年)為止。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

7 Income tax expense (continued)

(a) Income tax expense in the consolidated income statements represents: (continued)

- (iii) Pursuant to the Implementation Rules of the CIT Law, overseas investors to foreign investment enterprises (“FIEs”) shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which is the beneficiary owner holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. On this basis, the Group has made provision of withholding income tax on the distributable profits generated by Bawang Guangzhou for the year.
- (iv) The provision for Hong Kong Profits Tax was made by Hong Kong Bawang International Trading Limited (“Bawang Trading”) and was calculated at 16.5% of the estimated assessable profits for the year (2008: 16.5%).

7 所得稅開支(續)

(a) 合併損益表內的所得稅開支指：(續)

- (iii) 根據企業所得稅法實施條例，自二零零八年一月一日起，除非獲條約減低稅率，外商投資企業(「外資企業」)的海外投資者須就來自中國附屬公司溢利的股息繳付10%預扣所得稅。根據內地與香港避免雙重徵稅安排，於香港成立的投資者如果持有中國附屬公司不低於25%權益且為受益所有人，則可享受來自中國附屬公司的股息的寬減預扣稅稅率5%。因此，本集團已就本年度霸王廣州所產生的可分派溢利計提預扣所得稅撥備。
- (iv) 香港利得稅撥備乃香港霸王國際貿易有限公司(「霸王貿易」)根據年內估計應課稅溢利的16.5%(二零零八年：16.5%)計提。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

7 Income tax expense (continued)

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	449,803	345,042
Income tax on profit before tax, calculated at the rates applicable to the PRC operations	按適用於中國業務的稅率計算的除稅前溢利的所得稅	112,451	86,261
Effect of withholding income tax (Note 7(a)(iii))	預扣所得稅的影響 (附註7(a)(iii))	21,193	14,189
Effect of the difference in tax rates among the Company and the subsidiaries	本公司與附屬公司不同稅率的影響	10,550	2,306
Effect on deemed taxable income (i)	被視為應課稅收入的影響 (i)	1,377	3,483
Effect of non-deductible expenses	不可扣稅開支的影響	2,688	5,470
Effect of tax concessions (ii)	稅項優惠的影響 (ii)	(62,600)	(48,441)
Income tax expenses	所得稅開支	85,659	63,268

(i) Effect on deemed taxable income represents deemed sales income in respect of promotional goods provided to customers at nil consideration, which is calculated in accordance with the CIT law of the PRC, applicable from 1 January 2008.

7 所得稅開支(續)

(b) 按適用稅率計算的所得稅開支與會計溢利對賬：

(i) 被視為應課稅收入的影響即有關無償向客戶提供推廣貨品的被視為銷售收入，其根據中國新稅法而計算，由二零零八年一月一日起適用。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

7 Income tax expense (continued)

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates: (continued)

- (ii) Effect of tax concessions represents the difference between standard income tax rate and preferential income tax rate enjoyed by the Group as set out in Note 7(a)(ii).

(c) Deferred taxation

The tax effects of temporary differences that give rise to significant portions of the deferred tax liabilities as of 31 December 2009 and 2008 are presented below:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Deferred tax liabilities arising from undistributed earnings of PRC subsidiary since 1 January 2008 (Note 7(a)(iii))	自二零零八年一月一日起中國附屬公司的未分派盈利產生的遞延稅項負債(附註7(a)(iii))	20,062	6,369

7 所得稅開支(續)

(b) 按適用稅率計算的所得稅開支與會計溢利對賬：(續)

- (ii) 稅項優惠的影響指按標準所得稅稅率與按附註7(a)(ii)所載本集團享有的優惠所得稅稅率繳稅的差額。

(c) 遞延稅項

於二零零九年及二零零八年十二月三十一日，導致出現重大遞延稅項負債的暫時性差異的稅務影響呈列如下：

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

8 Directors' remuneration

(a) Details of Directors' remuneration of the Company are set out below:

		Salaries, allowances and Directors' fee	benefits in kind 薪金、 津貼及 袍金	Dis- cretionary bonuses 花紅	Retirement scheme contributions 退休福利 計劃供款	Sub-total 小計	Share- based payments (note(i)) 股份支付 (附註(i))	2009 total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Chairman	主席							
Mr CHEN Qiyuan	陳啟源先生	-	-	-	-	-	-	-
Executive directors	執行董事							
Ms WAN Yuhua	萬玉華女士	-	-	-	-	-	-	-
Mr SHEN Xiaodi	沈小笛先生	-	595	-	5	600	1,029	1,629
Mr WONG Sin Yung	黃善榕先生	-	1,762	-	5	1,767	1,320	3,087
Non-executive director	非執行董事							
Ms GUO Jing	郭晶女士	132	-	-	-	132	-	132
Independent non-executive directors	獨立 非執行董事							
Mr NGAI Wai Fung	魏偉峰先生	308	-	-	-	308	-	308
Mr CHEN Kaizhi	陳開枝先生	132	-	-	-	132	-	132
Mr LI Bida	李必達先生	132	-	-	-	132	-	132
Total	總計	704	2,357	-	10	3,071	2,349	5,420

8 董事酬金

(a) 本公司董事酬金詳情如下：

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

8 Directors' remuneration (continued)

(a) Details of Directors' remuneration of the Company are set out below: (continued)

		Salaries, allowances and benefits in kind 薪金、 津貼及 實物利益	Discretionary bonuses 花紅	Retirement scheme contributions 退休福利 計劃供款	Share-based payments (note(i)) 股份支付 (附註(i))	2008 total 二零零八年 總計
	Directors' fee 袍金	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Chairman	主席					
Mr CHEN Qiyuan	陳啟源先生	—	—	—	—	—
Executive directors	執行董事					
Ms WAN Yuhua	萬玉華女士	—	—	—	—	—
Mr SHEN Xiaodi	沈小笛先生	—	136	—	136	136
Mr WONG Sin Yung	黃善榕先生	—	1,247	—	1,247	1,247
Non-executive director	非執行董事					
Ms GUO Jing	郭晶女士	2	—	—	2	2
Independent non-executive directors	獨立 非執行董事					
Mr NGAI Wai Fung	魏偉峰先生	16	—	—	16	16
Mr CHEN Kaizhi	陳開枝先生	—	—	—	—	—
Mr LI Bida	李必達先生	3	—	—	3	3
Total	總計	21	1,383	—	1,404	1,404

Note:

- (i) These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in Note 2(j)(iii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed in Note 20.

附註：

- (i) 該等為根據本公司購股權計劃授予董事購股權的估計價值。該等購股權的價值乃按照本集團股份支付的交易的會計政策計量，詳見附註2(j)(iii)。

該等實物利益的詳情，包括授出購股權的主要條款及數目，載於附註20。

Notes to the Financial Statements

財務報表附註

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(除另有說明外，概以人民幣列示)

8 Directors' remuneration (continued)

(b) An analysis of directors' remuneration by the number of directors and remuneration range is as follows:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 Number of directors 董事數目	2008 二零零八年 Number of directors 董事數目
Nil to HK\$1,000,000	零至1,000,000港元	6	7
HK\$1,000,001 to 1,500,000	1,000,001至1,500,000港元	—	1
HK\$1,500,001 to 2,000,000	1,500,001至2,000,000港元	1	—
HK\$3,000,001 to 3,500,000	3,000,001至3,500,000港元	1	—
		8	8

9 Individuals with highest emoluments

Of the five individuals with the highest emoluments, three (2008: two) are directors, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the five individuals with highest emoluments are as follows:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他薪酬	2,798	1,751
Share-based payments	股份支付	3,511	—
Contribution to defined contribution retirement plans	界定供款退休計劃供款	50	103
		6,359	1,854

8 董事酬金(續)

(b) 按董事數目及薪酬範圍呈列的董事薪酬分析如下：

9 最高薪酬人士

5位最高薪酬人士中，三位(二零零八年：兩位)為董事，彼等薪酬於附註8披露。五位最高薪酬人士的薪酬總額如下：

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

9 Individuals with highest emoluments

(continued)

An analysis of the emoluments of the five individuals with the highest emoluments is with the following bands:

		For the year ended 31 December 截至十二月三十一日止年度	
		2009 二零零九年 Number of individuals 人數	2008 二零零八年 Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	2	4
HK\$1,000,001 to 1,500,000	1,000,001至1,500,000港元	1	1
HK\$1,500,001 to 2,000,000	1,500,001至2,000,000港元	1	—
HK\$3,000,001 to 3,500,000	3,000,001至3,500,000港元	1	—
		5	5

9 最高薪酬人士(續)

五位最高薪酬人士的薪酬分析如下：

10 Profit attributable to equity shareholders of the Company

The consolidated profit attributable to equity shareholders of the Company includes a loss of RMB30,630,000 (2008 loss: RMB7,517,000) which has been dealt with in the financial statements of the Company.

10 本公司權益持有人應佔溢利

本公司權益持有人應佔綜合溢利包括已計入本公司財務報表內的人民幣30,630,000元的虧損(二零零八年虧損：人民幣7,517,000元)。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

10 Profit attributable to equity shareholders of the Company (continued)

Reconciliation of the above amount to the Company's profit/(loss) for the year:

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Amount of consolidated loss attributable to equity shareholders dealt with in the Company's financial statements	已計入本公司財務報表中的權益持有人應佔虧損金額	(30,630)	(7,517)
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	附屬公司上一個財政年度產生利潤而宣派末期股息，於本年內獲批准及支付	284,490	—
Company's profit/(loss) for the year (Note 22(a))	本公司年內溢利／(虧損)(附註22(a))	253,860	(7,517)

Details of dividends paid and payable to equity shareholders of the Company are set out in Note 22(b).

10 本公司權益持有人應佔溢利(續)

上述金額與本公司年內溢利／(虧損)之間對賬：

已付及應付本公司權益持有人股息的詳情載於附註22(b)。

11 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB364,144,000 (2008: RMB281,774,000) and the weighted average of 2,497,753,425 ordinary shares (2008: assuming 2,100,000,000 ordinary shares were in issue throughout the year) in issue during the year, calculated as follows:

11 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據年內本公司普通股權益持有人應佔溢利人民幣364,144,000元(二零零八年：人民幣281,774,000元)，及已發行普通股加權平均數2,497,753,425股(二零零八年：假設2,100,000,000股普通股於全年已發行)計算如下：

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

11 Earnings per share (continued)

(a) Basic earnings per share (continued)

Weighted average number of ordinary shares:

		At 31 December 於十二月三十一日	
		2009 二零零九年	2008 二零零八年
Issued ordinary shares at 1 January	於一月一日已發行普通股	1	1
Effect of repurchase of existing ordinary shares (Note 22(c)(i))	回購現有普通股的影響(附註22(c)(i))	(1)	(1)
Effect of increase in ordinary shares (Note 22(c)(ii))	增加普通股的影響(附註22(c)(ii))	10,000	10,000
Effect of capitalisation issue (Note 22(c)(iii))	資本化發行的影響(附註22(c)(iii))	2,099,990,000	2,099,990,000
Effect of shares issued upon initial public offering	首次公開發售時發行股份的影響	397,753,425	—
Weighted average number of ordinary shares at 31 December	於十二月三十一日普通股的加權平均數	2,497,753,425	2,100,000,000

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB364,144,000 and the weighted average number of ordinary shares (diluted) of 2,500,976,782 shares.

11 每股盈利(續)

(a) 每股基本盈利(續)

普通股加權平均數：

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司普通股權益持有人應佔溢利人民幣364,144,000元，及普通股加權平均數(已攤薄)2,500,976,782股計算。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

11 Earnings per share (continued)

(b) Diluted earnings per share (continued)

Weighted average number of ordinary shares (diluted) is calculated as:

		31 December 2009 二零零九年 十二月三十一日
Weighted average number of ordinary shares	普通股加權平均數	2,497,753,425
Effect of deemed issue of shares under the Company's share option scheme	本公司購股權計劃中被視為已發行股份的影響	3,223,357
Weighted average number of ordinary shares (diluted) at 31 December 2009	於二零零九年十二月三十一日普通股加權平均數(已攤薄)	2,500,976,782

There were no dilutive potential ordinary shares in issue as at 31 December 2008, and therefore, diluted earnings per share are the same as the basic earnings per share for 2008.

11 每股盈利(續)

(b) 每股攤薄盈利(續)

普通股加權平均數(已攤薄)計算如下：

由於於二零零八年十二月三十一日並無已發行具潛在攤薄影響的普通股，因此二零零八年的每股攤薄盈利與每股基本盈利相同。

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

12 Plant and equipment

The Group

		Machinery 機器	Motor vehicles 運輸工具	Office equipment and others 辦公室設備及 其他	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2008	於二零零八年一月一日	20,441	3,209	4,170	1,080	28,900
Additions	添置	4,426	7,999	1,554	1,620	15,599
Disposal	出售	(1,778)	(4)	(259)	—	(2,041)
Transfer from construction in progress	轉撥自在建工程	2,700	—	—	(2,700)	—
At 31 December 2008 and 1 January 2009	於二零零八年 十二月三十一日及 二零零九年一月一日	25,789	11,204	5,465	—	42,458
Additions	添置	6,526	1,043	6,624	1,763	15,956
Disposals	出售	(1,608)	—	(65)	—	(1,673)
At 31 December 2009	於二零零九年 十二月三十一日	30,707	12,247	12,024	1,763	56,741
Accumulated depreciation:	累計折舊：					
At 1 January 2008	於二零零八年一月一日	(3,898)	(1,565)	(866)	—	(6,329)
Charge for the year	年內計提	(2,848)	(1,196)	(756)	—	(4,800)
Written back on disposals	出售時撥回	133	—	48	—	181
At 31 December 2008 and 1 January 2009	於二零零八年 十二月三十一日及 二零零九年一月一日	(6,613)	(2,761)	(1,574)	—	(10,948)
Charge for the year	年內計提	(3,281)	(2,096)	(1,344)	—	(6,721)
Written back on disposals	出售時撥回	235	—	23	—	258
At 31 December 2009	於二零零九年 十二月三十一日	(9,659)	(4,857)	(2,895)	—	(17,411)
Carrying amount:	賬面值：					
At 31 December 2008	於二零零八年 十二月三十一日	19,176	8,443	3,891	—	31,510
At 31 December 2009	於二零零九年 十二月三十一日	21,048	7,390	9,129	1,763	39,330

All plant and equipment owned by the Group are located in the PRC.

12 廠房及設備

本集團

本集團擁有的全部廠房及設備均位於中國。

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(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

13 Investments in subsidiaries

13 於附屬公司的投資

		The Company 本公司 At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Unlisted shares, at cost (US\$2)	非上市股份， 按成本列值（2美元）	—	—
Less: impairment loss	減：減值損失	—	—
		—	—

At the date of this report, the Company has direct or indirect interests in the following subsidiaries. The class of shares held is ordinary. The particulars of these subsidiaries are set out below:

於本呈報日期，本公司直接或間接擁有以下附屬公司的權益。持有股份類別為普通股。該等附屬公司詳情載列如下：

Name of company 公司名稱	Place of incorporation and operation 成立及經營地點	Particulars of issued and paid up capital 已發行及繳足資本	Group's effective interest 本集團實際權益	Proportion of ownership interest 應佔股本權益		Principal activities 主要業務
				Held by the Company 本公司持有	Held by a subsidiary 由附屬公司持有	
Forever Giants Limited ("Forever Giants")	British Virgin Island ("BVI") 英屬處女群島	US\$1 1美元	100%	100%	—	Marketing and promotion of the household and personal care products 營銷及推廣家用及個人護理產品
Maxford Investments Development Ltd. ("Maxford Investments")	BVI 英屬處女群島	1 share of no par value with US\$1 paid up as consideration 已支付1美元作為代價的1股無面值股份	100%	100%	—	Investment holding 投資控股
Lucky Rich Investments Limited ("Lucky Rich")	BVI 英屬處女群島	10,000 shares of no par value with US\$10,000 paid up as consideration 已支付10,000美元作為代價的10,000股無面值股份	100%	—	100%	Investment holding 投資控股

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

13 Investments in subsidiaries (continued)

13 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation and operation 成立及經營地點	Particulars of issued and paid up capital 已發行及繳足資本	Group's effective interest 本集團實際權益	Proportion of ownership interest 應佔股本權益		Principal activities 主要業務
				Held by the Company 本公司持有	Held by a subsidiary 由附屬公司持有	
Bawang International Investments Limited ("Bawang Investments") 霸王國際投資有限公司(「霸王投資」)	Hong Kong 香港	HK\$1 1港元	100%	—	100%	Investment holding 投資控股
Bawang International Group Holding (HK) Limited ("Bawang Hong Kong") 霸王國際集團控股(香港)有限公司(「霸王香港」)	Hong Kong 香港	HK\$1 1港元	100%	—	100%	Investment holding 投資控股
Hong Kong Bawang International Trading Limited ("Bawang Trading") 香港霸王國際貿易有限公司(「霸王貿易」)	Hong Kong 香港	HK\$1 1港元	100%	—	100%	Trading of household and personal care products 銷售家用及個人護理產品
Bawang (Guangzhou) Co., Ltd. ("Bawang Guangzhou") 霸王(廣州)有限公司(「霸王廣州」)	the PRC 中國	US\$12,500,000 12,500,000美元	100%	—	100%	Manufacturing and trading of household and personal care products 製造及銷售家用及個人護理產品

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

14 Inventories

(a) Inventories in the balance sheet comprise:

		The Group 本集團	
		At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Raw materials	原材料	8,024	4,194
Work in progress	在製品	7,170	4,500
Finished goods	製成品	31,455	32,164
Packing materials	包裝物料	13,735	11,134
		60,384	51,992

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

(b) 已計入損益並確認為費用的存貨金額分析如下：

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨賬面值	590,355	509,324

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

15 Trade and other receivables

15 貿易及其他應收款項

		The Group 本集團		The Company 本公司	
		At 31 December 於十二月三十一日		At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Trade debtors and bills receivable	貿易應收款項及應收票據	376,815	101,874	—	—
Less: allowance for doubtful debts	減：呆賬撥備	(1,650)	(101)	—	—
		375,165	101,773	—	—
Prepayment for purchase of raw materials	購買原材料預付款項	2,017	1,004	—	—
Prepaid advertising fee	預付廣告費用	150,622	26,956	—	—
Amounts due from subsidiaries (Note 15(d))	應收附屬公司款項(附註15(d))	—	—	416,050	—
Other receivables	其他應收款項	6,205	6,762	1	1,582
		534,009	136,495	416,051	1,582

The credit terms granted by the Group to customers generally range from 30 days to 90 days. The Group's credit policy is set out in Note 23(c). Generally, all of the trade and other receivables are expected to be recovered within one year.

本集團一般授予客戶30至90日信用期。本集團的信貸政策載於附註23(c)。一般而言，所有貿易及其他應收款項預期於一年內收回。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

15 Trade and other receivables (continued)

(a) Ageing analysis

Included in trade and other receivables of the Group are trade debtors of the Group and bills receivable (net of allowance for doubtful debts) with the following ageing analysis by due date as of the balance sheet date:

		The Group 本集團	
		At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Current	即期	342,332	72,450
Less than 3 months past due	逾期少於3個月	31,348	27,096
More than 3 months but less than 6 months past due	逾期多於3個月但少於6個月	1,911	2,227
More than 6 months but less than 12 months past due	逾期多於6個月但少於12個月	793	101
More than 12 months past due	逾期多於12個月	431	—
		376,815	101,874
Less: impairment loss for doubtful debts	減：呆賬減值虧損	(1,650)	(101)
		375,165	101,773

15 貿易及其他應收款項(續)

(a) 賬齡分析

本集團貿易及其他應收款項包括本集團的貿易應收款項及應收票據(已扣除呆賬撥備)。於結算日，貿易及其他應收款項按到期日分析的賬齡如下：

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

15 Trade and other receivables (continued)

(b) Impairment of trade debtors and bills receivable

Impairment losses in respect of trade debtors and bills receivable of the Group are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly (see Note 2(i)(i)).

The movement in the allowance for doubtful debts during the year, including mainly the specific losses, is as follows:

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
At 1 January	於一月一日	101	1,501
Impairment loss recognised	已確認減值虧損	1,549	538
Uncollectible amounts written off	沖銷不可收回金額	—	(1,938)
At 31 December	於十二月三十一日	1,650	101

At 31 December 2009, the Group's trade debtors and bills receivable of RMB1,650,000 (2008: RMB101,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that full amount of these receivables cannot be recovered. Consequently full provisions for these doubtful debts were recognised. The Group does not hold any collateral over these balances.

15 貿易及其他應收款項(續)

(b) 貿易應收款項及應收票據的減值

本集團貿易應收款項及應收票據的減值損失計入呆賬撥備。但如果本集團認為收回該款項的機會渺茫，則將減值損失直接沖銷貿易應收款項及應收票據(見附註2(i)(i))。

呆賬撥備(主要包括個別損失)於年內的變動如下：

於二零零九年十二月三十一日，本集團有人民幣1,650,000元(二零零八年：人民幣101,000元)的貿易應收款項及應收票據被個別認為出現減值。該等出現減值的應收款為客戶陷入財政困難及管理層評估為不能全數收回的應收款項。所以，本集團已對該等呆賬作全數撥備。本集團並無就該等結餘持有任何抵押品。

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(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

15 Trade and other receivables (continued)

(c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

		The Group 本集團	
		At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	341,370	72,450
Less than 3 months past due	逾期少於3個月	31,260	27,096
More than 3 months but less than 6 months past due	逾期多於3個月但少於6個月	1,906	2,227
More than 6 months but less than 12 months past due	逾期多於6個月但少於12個月	598	—
More than 12 months but less than 24 months past due	逾期多於12個月但少於24個月	31	—
		33,795	29,323
		375,165	101,773

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

15 貿易及其他應收款項(續)

(c) 無減值的貿易應收款項及應收票據

並無個別或整體地被認為出現減值的貿易應收款項及應收票據的賬齡分析如下：

並無逾期及減值的應收款項屬於為數眾多的客戶，彼等近期並無逾期付款記錄。

逾期但並無作出減值的應收款項與若干獨立客戶有關，該等客戶與本集團的交易記錄良好。由於該等客戶結餘信用質素並無發生重大改變，且該等結餘仍被認為可以全數收回，根據以往經驗，管理層相信無需就該等結餘作減值撥備。本集團並無就該等結餘持有任何抵押品。

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(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

15 Trade and other receivables (continued)

(d) Amounts due from subsidiaries

These amounts due from subsidiaries of the Company are unsecured, non-interest bearing and are expected to be repaid within the next twelve months.

16 Pledged deposits

As at 31 December 2009, the Company pledged bank deposits of HK\$184,000,000 (equivalent to RMB162,012,000) to China Merchants Bank, Co., Ltd. ("China Merchants Bank"), as security for obtaining a short-term loan provided to Bawang Trading by China Merchants Bank (see Note 19).

15 貿易及其他應收款項(續)

(d) 應收附屬公司款項

本公司的應收附屬公司款項為無抵押、免息及預期在未來十二個月內償還。

16 抵押存款

於二零零九年十二月三十一日，本公司有184,000,000港元(相當於人民幣162,012,000元)的銀行存款抵押予招商銀行股份有限公司(「招商銀行」)，作為霸王貿易於招商銀行取得短期貸款的抵押品(見附註19)。

17 Cash and cash equivalents

17 現金及現金等價物

		The Group 本集團		The Company 本公司	
		At 31 December 於十二月三十一日		At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Deposits with banks within three months to maturity when placed	自存款日起三個月 內到期的 銀行定期存款	264,150	150,958	—	—
Cash at bank and in hand	銀行結餘及現金	1,478,373	147,190	1,031,999	—
		1,742,523	298,148	1,031,999	—

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(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

17 Cash and cash equivalents (continued)

As at 31 December 2009, cash and cash equivalents in the amount of RMB416,992,000 (31 December 2008: RMB 147,190,000) are dominated in RMB and are deposited with Bank of China and China Merchants Bank in the PRC in the ordinary course of business. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government.

17 現金及現金等價物(續)

於二零零九年十二月三十一日，本集團有人民幣416,992,000元(二零零八年十二月三十一日：人民幣147,190,000元)的現金及現金等價物以人民幣計值，並已於日常業務過程中存入中國的中國銀行及招商銀行。人民幣並非自由兌換的貨幣，將資金匯出中國境外受中國政府實施的外匯管制所規限。

18 Trade and other payables

		The Group 本集團		The Company 本公司	
		At 31 December 於十二月三十一日		At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Trade payables	貿易應付款項	115,330	60,754	—	—
Receipts in advance	預收款項	30,790	41,669	—	—
Promotion fee payable	應付推廣費用	49,812	20,663	—	—
Accrued payroll	應付工資	11,977	9,848	438	—
Amounts due to subsidiaries	應付附屬公司款項	—	—	149	—
Other payables and accruals	其他應付款項及應計費用	85,930	39,063	7,549	25
		293,839	171,997	8,136	25

18 貿易及其他應付款項

The credit period granted by the suppliers ranges from 30 days to 90 days.

由供應商授予的信用期介乎30日至90日。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

18 Trade and other payables (continued)

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis of the balance sheet date:

		The Group 本集團	
		At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Due within 1 month or on demand	1個月內到期或按通知償還	84,662	39,483
Due after 1 month but within 3 months	1個月後但3個月內到期	30,668	21,271
		115,330	60,754

18 貿易及其他應付款項(續)

貿易及其他應付款項包括貿易應付款項及應付票據，於結算日按到期日分析的賬齡如下：

19 Bank loans and overdrafts

		The Group 本集團	
		At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Secured bank loan within 1 year	1年內到期的有抵押銀行貸款	158,490	—

19 銀行貸款及透支

The balance as at 31 December 2009 mainly represented a short-term loan provided by China Merchants Bank to Bawang Trading, a subsidiary of the Company (2008: nil).

Bawang Trading obtained the loan mainly to settle the amounts due to related parties prior to the listing of the Company. Details of the loan facilities are as follows:

於二零零九年十二月三十一日的結餘主要為招商銀行向本公司的附屬公司霸王貿易提供的短期貸款(二零零八年：無)。

霸王貿易取得該貸款，主要用於償還本公司上市前所欠關聯方款項。該貸款的詳情如下：

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

19 Bank loans and overdrafts (continued)

An agreement was entered into between Bawang Trading and China Merchants Bank on 18 June 2009, pursuant to which China Merchants Bank agreed to provide Bawang Trading with a credit facility of up to HK\$180 million (the “Credit Facility”).

Bawang Trading drew down a loan of HK\$180 million under the Credit Facility agreement on 18 June 2009, at an interest rate of 3-month Hong Kong Interbank Offered Rate plus a margin of 1.5%, with a one-year loan period.

As a condition of the Credit Facility:

- Bawang Group Limited, an entity wholly owned by Mr CHEN Qiyuan and Ms WAN Yuhua (the “Controlling Shareholders” of the Group), entered into a pledge agreement (the “Pledge Agreement I”) with China Merchants Bank on 18 June 2009. According to the Pledge Agreement I, Bawang Group Limited provided a pledge of assets in favour of China Merchants Bank of HK\$184 million on 18 June 2009, including the full amount drawn down under the Credit Facility and the estimated interest expenses. The Pledge Agreement I was terminated upon the listing of the Company’s shares on the Main Board of the SEHK on 3 July 2009.
- The Company entered into a guarantee contract (the “Guarantee Contract”) with China Merchants Bank on 18 June 2009. According to the Guarantee Contract, the Company guaranteed the Credit Facility in favour of China Merchants Bank effective from 3 July 2009. In addition, a pledge agreement (the “Pledge Agreement II”) was entered into by the Company and China Merchants Bank on 22 July 2009. Pursuant to the Pledge Agreement II, the Company provided a pledge of bank deposits amounting to HK\$184 million to China Merchants Bank on 22 July 2009.

19 銀行貸款及透支(續)

霸王貿易與招商銀行於二零零九年六月十八日訂立一份協議，據此，招商銀行同意向霸王貿易提供最多達180,000,000港元的信貸額度(「信貸額度」)。

霸王貿易根據信貸額度協議於二零零九年六月十八日提取貸款180,000,000港元，利息按三個月香港銀行同業拆息加1.5%計算，還款期為一年。

作為信貸額度的條件：

- 陳啟源先生和萬玉華女士(本集團的「控股股東」)全資擁有的霸王集團有限公司於二零零九年六月十八日與招商銀行訂立抵押協議(「抵押協議一」)。根據抵押協議一，霸王集團有限公司於二零零九年六月十八日向招商銀行提供184,000,000港元的資產抵押，包括信貸額度的全額以及估計利息開支。本公司股份於二零零九年七月三日在香港聯交所主板上市，抵押協議一已於同日解除。
- 本公司於二零零九年六月十八日與招商銀行訂立擔保合同(「擔保合同」)。根據擔保合同，本公司向招商銀行就信貸額度提供擔保，自二零零九年七月三日起生效。此外，本公司與招商銀行於二零零九年七月二十二日訂立抵押協議(「抵押協議二」)。根據抵押協議二，本公司於二零零九年七月二十二日向招商銀行提供184,000,000港元的銀行存款抵押。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

19 Bank loans and overdrafts (continued)

Moreover, Bawang Guangzhou obtained a standby short-term bank facility of RMB100 million from Bank of China on 24 April 2009, which was reserved for general capital purpose. There has been no draw-down from this bank facility as of 31 December 2009.

20 Equity settled share-based transactions

The Board of Directors approved a Pre-IPO Share Option Scheme on 10 December 2008. On 8 June 2009, the Company conditionally granted certain Pre-IPO share options to the directors, senior management and employees under this Pre-IPO Share Option Scheme. The exercise of these share options would entitle two of the Company's directors to subscribe for an aggregate of 4,200,000 shares of the Company, and forty of senior management and employees for an aggregate of 10,332,000 shares. According to the grant letters signed by the Company and the beneficial individuals, the exercise price of each share under the Pre-IPO Share Option Scheme is either at par value of HK\$0.1 (four people under this tranche including two directors), or at HK\$1.19, representing a 50% discount to the offer price of HK\$2.38 under the global offering (thirty eight people under this tranche). Each option granted under the Pre-IPO Share Option Scheme has a vesting period of one to five years, commencing from the listing date and the options are exercisable until 8 June 2019.

19 銀行貸款及透支(續)

此外，霸王廣州於二零零九年四月二十四日取得由中國銀行提供的短期備用銀行信貸額度人民幣100,000,000元，預留用作一般營運資金。截至二零零九年十二月三十一日並無提取此項銀行信貸額度。

20 以權益結算的股份支付交易

董事會於二零零八年十二月十日批准首次公開發售前購股權計劃。於二零零九年六月八日，本公司有條件地根據首次公開發售前購股權計劃向董事、高級管理層成員及僱員授予若干首次公開發售前購股權。行使此等購股權賦予本公司兩名董事認購合共4,200,000股本公司股份，以及40名高級管理層和僱員認購合共10,332,000股本公司股份的權利。根據本公司與每個受益人簽訂的授予函件，首次公開發售前購股權計劃項下的每股股份行權價為其面值0.1港元(4人在此列，其中包括兩名董事)或1.19港元，即按全球發售下發售價2.38港元折讓50%(38人在此列)。根據首次公開發售前購股權計劃授出的每份購股權的行權等待期為由上市日期起計一年至五年，所有購股權必須於二零一九年六月八日前行使。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

20 Equity settled share-based transactions (continued)

20 以權益結算的股份支付交易 (續)

(a) The terms and conditions of the grants are as follows:

(a) 授予年期及條件如下：

		Number of instruments 購股權數目	Vesting conditions 行權條件	Contractual life of options 購股權合約期
Options granted to directors:	授予董事的購股權：			
— on 8 June 2009	— 二零零九年六月八日	1,260,000	1 year from 3 July 2009 二零零九年七月三日起計1年	10 years 10年
— on 8 June 2009	— 二零零九年六月八日	735,000	2 years from 3 July 2009 二零零九年七月三日起計2年	10 years 10年
— on 8 June 2009	— 二零零九年六月八日	735,000	3 years from 3 July 2009 二零零九年七月三日起計3年	10 years 10年
— on 8 June 2009	— 二零零九年六月八日	735,000	4 years from 3 July 2009 二零零九年七月三日起計4年	10 years 10年
— on 8 June 2009	— 二零零九年六月八日	735,000	5 years from 3 July 2009 二零零九年七月三日起計5年	10 years 10年
Options granted to employees:	授予僱員的購股權：			
— on 8 June 2009	— 二零零九年六月八日	1,669,920	1 year from 3 July 2009 二零零九年七月三日起計1年	10 years 10年
— on 8 June 2009	— 二零零九年六月八日	1,868,160	2 years from 3 July 2009 二零零九年七月三日起計2年	10 years 10年
— on 8 June 2009	— 二零零九年六月八日	2,066,400	3 years from 3 July 2009 二零零九年七月三日起計3年	10 years 10年
— on 8 June 2009	— 二零零九年六月八日	2,264,640	4 years from 3 July 2009 二零零九年七月三日起計4年	10 years 10年
— on 8 June 2009	— 二零零九年六月八日	2,462,880	5 years from 3 July 2009 二零零九年七月三日起計5年	10 years 10年
Total share options granted	授予購股權總數	14,532,000		

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

20 Equity settled share-based transactions

(continued)

(b) The number and weighted average exercise prices of share options are as follows:

		2009 二零零九年		2008 二零零八年	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均 行使價	購股權數目	加權平均 行使價	購股權數目
		(in RMB) (人民幣)	'000 千	(in RMB) (人民幣)	'000 千
Outstanding at the beginning of the year	於年初時尚未行使	—	—	—	—
Granted during the year	年內授出	0.63	14,532	—	—
Forfeited during the year	年內失效	1.05	(210)	—	—
Outstanding at the end of the year	於年末時尚未行使	0.63	14,322	—	—
Exercisable at the end of the year	於年末時可行使	—	—	—	—

The options outstanding at 31 December 2009 had an exercise price of HK\$0.1 or HK\$1.19 and a weighted average remaining contractual life of 9.43 years.

20 以權益結算的股份支付交易(續)

(b) 購股權數目及加權平均行權價如下：

於二零零九年十二月三十一日尚未行使的購股權的行權價為0.1港元或1.19港元，加權平均剩餘合約年期為9.43年。

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(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

20 Equity settled share-based transactions (continued)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a binomial model. The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions

2009	
Weighted average fair value at measurement date (HK\$)	於計量日的加權平均公允價值(港元)
Share price (HK\$)	股價(港元)
Exercise price (HK\$)	行使價(港元)
Expected volatility	預期波幅
Option life (in years)	購股權年期(年)
Expected dividends	預期股息
Risk-free interest rate	無風險利率

The expected volatility is based on the average of the historical daily volatility of ten comparable companies as of the grant date over the shorter of 10 years and the period up to the listing date. Expected dividends are based on management's best estimate. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

20 以權益結算的股份支付交易(續)

(c) 購股權公允價值及假設

授出購股權換取服務的公允價值參考授出購股權的公允價值計量。授出購股權的公允價值乃使用二項模型估計。購股權的合約年期用作該模型的計算參數。

購股權公允價值及假設

二零零九年
2.0
2.268
0.1 or (或) 1.134
52.8%
10
0%
2.84%

預計波幅乃根據與本集團相若的十家上市公司價格於過去十年或者授出日期至上市日期之間(取其較短者)的過往平均每日波幅釐定。預計股息率乃由管理層作出的最佳估計。主觀因素假設的改變可能對公允價值估計有重大影響。

提供服務為授予購股權的條件。計算所接受的服務於授予日期的公允價值時，並未考慮該條件。市場狀況與授予購股權並無關連。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

20 Equity settled share-based transactions (continued)

(c) Fair value of share options and assumptions (continued)

During the year ended 31 December 2009, equity-settled share-based payments expenses amounted to RMB6,435,000 (2008: nil) were recognised in the consolidated income statement.

20 以權益結算的股份支付交易(續)

(c) 購股權公允價值及假設(續)

於截至二零零九年十二月三十一日止年度，已於合併損益表中確認的以權益結算的股份支付的開支金額為人民幣6,435,000元(二零零八年：無)。

21 Income tax in the balance sheet

(a) Current taxation in the balance sheet represents:

21 資產負債表內的所得稅

(a) 資產負債表內的即期稅項為：

		The Group 本集團	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Provision for PRC income tax for the year (Note 7(a))	年內中國所得稅撥備(附註7(a))	63,731	56,401
Provision for Hong Kong Profits Tax for the year (Note 7(a))	年內香港利得稅撥備(附註7(a))	1,866	498
PRC income tax paid	已付中國所得稅	(33,443)	(43,244)
Hong Kong Profits Tax paid	已付香港利得稅	(334)	—
		31,820	13,655
Balance of PRC income tax and Hong Kong Profits Tax relating to prior years	過往年度的中國所得稅及香港利得稅結餘	—	—
		31,820	13,655

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

21 Income tax in the balance sheet (continued)

(b) Deferred tax liability recognised:

The deferred tax liability recognised in the consolidated balance sheet and the movements during the year are as follows:

		Deferred tax liability arising from undistributed earning of PRC subsidiary 中國附屬公司未分派盈利產生的遞延稅項負債
At 1 January 2008	於二零零八年一月一日	—
Charged to profit or loss	計入損益	6,369
At 31 December 2008	於二零零八年十二月三十一日	6,369
At 1 January 2009	於二零零九年一月一日	6,369
Charged to profit or loss	計入損益	20,062
Payment	本年支付	(6,369)
At 31 December 2009	於二零零九年十二月三十一日	20,062

21 資產負債表內的所得稅 (續)

(b) 已確認的遞延稅項負債

於合併資產負債表內確認的遞延稅項負債及其年內變動如下：

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(除另有說明外，概以人民幣列示)

22 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Note	Share capital	Share premium	Capital reserve	Translation reserve	Retained earnings/ (accumulated losses)	Total equity
	附註	股本 RMB'000 人民幣千元	股本溢價 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	滙兌儲備 RMB'000 人民幣千元	留存溢利/ (累計虧損) RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
Balance at 1 January 2008	於二零零八年一月一日結餘	—	—	—	—	(80)	(80)
Changes in equity for 2008:	二零零八年權益變動：						
Total comprehensive income for the year	年內綜合收益總額	—	—	—	4	(7,517)	(7,513)
Balance at 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日及二零零九年一月一日結餘	—	—	—	4	(7,597)	(7,593)
Changes in equity for 2009:	二零零九年權益變動：						
Dividends approved in respect of the previous year	已批准之上年度股息	—	—	—	—	(249,680)	(249,680)
Purchase of own shares — par value paid	回購自身股份 — 已付面值	—	—	—	—	—	—
Shares issued under initial public offering	首次公開發售發行之股份	256,134	1,342,774	—	—	—	1,598,908
Equity settled share-based transactions	以權益結算的股份 支付交易	—	—	6,435	—	—	6,435
Total comprehensive income for the year	年內綜合收益總額	—	—	—	(4)	253,860	253,856
Balance at 31 December 2009	於二零零九年十二月三十一日結餘	256,134	1,342,774	6,435	—	(3,417)	1,601,926

22 股本、儲備及股息

(a) 權益組成部分的變動

本集團合併權益每個組成部分的期初與期末結餘之間的變動於合併權益變動表中呈列。本公司權益各組成部分的期初與期末結餘之間的變動詳情如下：

本公司

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(除另有說明外，概以人民幣列示)

22 Capital, reserves and dividends (continued)

22 股本、儲備及股息(續)

(b) Dividends

(b) 股息

(i) Dividends payable to equity shareholders of the Company attributable to the year

(i) 本公司權益持有人年內應佔應付股息

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Final dividend proposed after the balance sheet date of HK4.25 cents per ordinary share (2008: RMB0.12 per ordinary share)	108,622	249,680
Special dividend proposed after the balance sheet date of HK4.25 cents per ordinary share (2008: nil)	108,622	—
	217,244	249,680

The final and special dividend proposed after the balance sheet date have not been recognised as a liability at the balance sheet date.

於結算日後擬派發的末期和特別股息並未於資產負債表中確認為負債。

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(ii) 於年內批准並向本公司權益持有人支付的以往財政年度應付股息

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year, approved and paid during the year	249,680	—

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(除另有說明外，概以人民幣列示)

22 Capital, reserves and dividends (continued)

22 股本、儲備及股息(續)

(c) Share capital

(c) 股本

Authorised and issued share capital

法定及已發行股本

		2009 二零零九年		2008 二零零八年	
		No. of shares 股份數目		No. of shares 股份數目	
		('000)	RMB'000	('000)	RMB'000
		(千)	人民幣千元	(千)	人民幣千元
Authorised:	法定：				
Ordinary shares of HK\$0.1 each	每股0.1港元之 普通股	10,000,000	880,500	—	—
Ordinary shares, issued and fully paid:	已發行及繳足 普通股：				
At 1 January	於一月一日	—	—	—	—
Shares repurchased (i)	回購股份(i)	—	—	—	—
Shares issued (i)	增發股份(i)	10	1	—	—
Capitalisation issue (ii)	資本化發行(ii)	2,099,990	185,156	—	—
Shares issued under initial public offering (iii)	首次公開發售 發行之股份(iii)	805,000	70,977	—	—
At 31 December	於十二月三十一日	2,905,000	256,134	—	—

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息，及在本公司會議上獲每股一票投票權。就本公司的剩餘資產而言，所有普通股享有同等權益。

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(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

22 Capital, reserves and dividends (continued)

(c) Share capital (continued)

(i) Increase in authorised share capital and shares repurchased

The share capital as at 1 January 2008 represented the nominal value of the share capital of the Company amounting to US\$1 (equivalent to RMB7 yuan), which consisted of 1 ordinary share. Pursuant to a written resolution of the shareholder of the Company passed on 10 December 2008, the Company repurchased the existing ordinary share in issue at par value (the “Repurchase”) and increased its authorised share capital by HK\$1,000 (equivalent to approximately RMB 882 yuan) by the creation of 10,000 shares of HK\$0.10 par value each, which were issued to its shareholder, Fortune Station Ltd. (the “Issue”). Both the Repurchase and the Issue were settled in April 2009.

(ii) Capitalisation issue

Pursuant to the resolution of the Company’s sole shareholder passed on 20 May 2009, 2,099,990,000 ordinary shares of HK\$0.1 each were issued at par value on 3 July 2009 to the sole shareholder of the Company by way of capitalisation of HK\$209,999,000 from the Company’s share premium account.

22 股本、儲備及股息(續)

(c) 股本(續)

(i) 增加法定股本及回購股份

於二零零八年一月一日的股本指本公司面值1美元的股本(相等於人民幣7元)，其包括1股普通股。根據本公司股東於二零零八年十二月十日通過的書面決議案，本公司按面值回購目前已發行的普通股(「回購」)，並透過增發10,000股每股面值0.10港元的股份(已發行予其股東 Fortune Station Ltd.)(「發行」)，將其法定股本增加1,000港元(相等於約人民幣882元)。回購及發行已於二零零九年四月完成。

(ii) 資本化發行

根據本公司唯一股東於二零零九年五月二十日通過的決議案，本公司透過將本公司股本溢價賬的進賬額209,999,000港元資本化，按面值於二零零九年七月三日向本公司唯一股東發行合共2,099,990,000股每股面值0.1港元的普通股。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

22 Capital, reserves and dividends (continued)

(c) Share capital (continued)

(iii) Initial public offering

The shares of the Company were listed on the Main Board of the SEHK on 3 July 2009, with a total number of 2,800,000,000 shares, among which 700,000,000 shares (25% of the total number of shares of the Company) were issued to the public. The gross proceeds received from the global offering were approximately HK\$1,666 million.

Moreover, the over-allotment option referred to in the prospectus of the Company dated 22 June 2009 (the "Prospectus") in relation to the global offering of the Company's shares was fully exercised on 3 July 2009 in respect of an aggregate of 105,000,000 shares (the "Over-allotment Shares"), representing 15% of the shares initially offered under the global offering before any exercise of the over-allotment option. Immediately after the issue and allotment of the Over-allotment Shares by the Company, approximately 27.7% of the issued share capital of the Company was held by the public. The 105,000,000 Over-allotment Shares were issued and allotted by the Company at HK\$2.38 per share, being the offer price per share in connection with the global offering. The gross proceeds from the global offering after the issue of the Over-allotment Shares were approximately HK\$1,916 million. Listing of and dealing in such Over-allotment Shares commenced on the Main Board of the SEHK on 8 July 2009.

22 股本、儲備及股息(續)

(c) 股本(續)

(iii) 首次公開發售

本公司的股份於二零零九年七月三日在香港聯交所主板上市，合共2,800,000,000股股份中的700,000,000股股份(相當於本公司股份總數的25%)已發行予公眾人士。全球發售所得款項總額約為1,666,000,000港元。

此外，本公司於二零零九年六月二十二日刊發有關全球發售本公司股份的招股章程(「招股章程」)所述的超額配股權已於二零零九年七月三日獲悉數行使，涉及合共105,000,000股股份(「超額配發股份」)，相當於根據全球發售下初步提呈的股份的15%(未行使任何超額配股權前)。緊隨本公司發行及配發超額配發股份後，本公司已發行股本約27.7%由公眾人士持有。本公司按每股2.38港元(即全球發售的每股發售價)發行及配發該105,000,000股超額配發股份。發行超額配發股份後全球發售的所得款項總額約為1,916,000,000港元。該等超額配發股份由二零零九年七月八日起在香港聯交所主板上市及買賣。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

22 Capital, reserves and dividends (continued)

(c) Share capital (continued)

(iv) Terms of unexpired and unexercised share options at balance sheet date

Exercise period	行權期	Exercise price 行權價	2009	2008
			二零零九年 Number 數目	二零零八年 Number 數目
4 July 2010 to 8 June 2019	二零一零年七月四日至 二零一九年六月八日	HK\$0.1	8,400,000	—
		HK\$1.19	5,922,000	—
			14,322,000	—

Each option entitles the holder to subscribe for one ordinary share in the Company. Further details of these options are set out in Note 20(a) to the financial statements.

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account of the Company is governed by the Companies Law (Revised) of the Cayman Islands. The funds in the share premium are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

22 股本、儲備及股息(續)

(c) 股本(續)

(iv) 於結算日未失效及未行使的購股權年期

每份購股權賦予持有人認購本公司一股普通股。購股權進一步的詳情列載於財務報表附註20(a)。

(d) 儲備性質及用途

(i) 股本溢價

本公司股本溢價賬的應用受開曼群島公司法(經修訂)所規管。除非緊隨建議派付股息的日期後，本公司有能力償還日常業務中到期的債務，否則本公司不得自股本溢價賬向股東分派股息。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

22 Capital, reserves and dividends (continued)

(d) Nature and purpose of reserves (continued)

(ii) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(j).

(iii) PRC statutory reserves

PRC statutory reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of the PRC subsidiary of the Group, Bawang Guangzhou. Transfers to the reserves were approved by the board of directors of Bawang Guangzhou.

Bawang Guangzhou, which is a wholly foreign owned enterprise established in the PRC, is required to transfer at least 10% of its net profit (after offsetting prior year losses), as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve balance reaches 50% of the registered capital under the PRC Company Law and the articles of association of the entity. The transfer to this reserve must be made before distribution of dividends to the equity shareholder. As of 31 December 2008, the statutory reserve balance has reached 50% of the registered capital of Bawang Guangzhou, hence, no further transfer to statutory reserves was made since 2008.

Statutory general reserve can be used to make good prior years' losses, if any, and may be converted into share capital by issuing new shares to equity shareholders proportionate to their existing percentage of equity interests provided that the balance after such issue is not less than 25% of the registered capital.

22 股本、儲備及股息(續)

(d) 儲備性質及用途(續)

(ii) 資本儲備

授予本公司僱員的購股權未行使的部份，將其於授予日期的公允價值按照附註2(j)股份支付的會計政策於資本儲備中確認。

(iii) 中國法定儲備

中國法定儲備乃根據有關中國規則及規例以及本集團的中國附屬公司霸王廣州的公司章程設立。轉撥的儲備已獲霸王廣州董事會批准。

霸王廣州乃於中國成立的外商獨資企業，其須根據中國會計規則及規例，轉撥其溢利最少10%的淨溢利(彌補以往年度的虧損後)至一般法定儲備，直至儲備結餘達到中國公司法及該實體的公司章程規定的註冊資本的50%為止。轉撥至該儲備須於向權益持有人分派股息前進行。於二零零八年十二月三十一日，霸王廣州的法定儲備結餘已達至註冊股本的50%，因此從二零零八年起無須再向法定儲備作轉撥。

一般法定儲備可用作彌補以往年度的虧損(如有)，亦可透過按照權益持有人的現有的股權百分比向彼等發行新股，以將有關儲備轉換為股本，惟進行有關發行後的結餘不得少於註冊資本的25%。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

22 Capital, reserves and dividends (continued)

(d) Nature and purpose of reserves

(continued)

(iv) Merger reserve

On 20 December 2007, Bawang Hong Kong, a wholly owned subsidiary of the Company, acquired all the equity interest of Bawang Guangzhou amounting to US\$12,500,000, which was previously held by a company owned by the Controlling Shareholders, at a consideration of the same amount. Accordingly, the share capital of Bawang Guangzhou was eliminated and a merger reserve arose due to foreign exchange differences.

(v) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements in foreign currency.

(vi) Distributability of reserves

The aggregate amount of distributable reserves of the Company as at 31 December 2009 was RMB1,339,357,000. The Company had accumulated losses of RMB7,597,000 as at 31 December 2008.

(e) Capital management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Group defines the capital of the Group as the total shareholders' equity.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

22 股本、儲備及股息(續)

(d) 儲備性質及用途(續)

(iv) 合併儲備

於二零零七年十二月二十日，本公司全資附屬公司霸王香港以同等價格收購12,500,000美元的霸王廣州全部權益(之前由控股股東擁有的一家公司持有)。因此霸王廣州的股本被抵銷，抵銷時的滙兌差額產生合併儲備。

(v) 匯兌儲備

滙兌儲備包括換算以外幣計量的財務報表所產生的全部滙兌差額。

(vi) 可供分派儲備

於二零零九年十二月三十一日，本公司的可供分派儲備合共人民幣1,339,357,000元。本公司於二零零八年十二月三十一日的累計虧損為人民幣7,597,000元。

(e) 資本管理

本集團的政策旨在維持穩健資本基礎，以保持債權人及市場信心，以及支持日後的業務發展。本集團將資本定義為股東權益總額。

本公司及其任何附屬公司概不受外界資本規定限制。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

23 Financial risk management and fair values

The Group has exposure to the following risks in the normal course of business:

- Foreign currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Foreign currency risk

The Group is exposed to currency risk primarily through sales and purchases and other transactions which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate.

23 金融風險管理及公允價值

本集團於日常業務過程中承受以下風險：

- 外匯風險
- 利率風險
- 信貸風險
- 流動資金風險

本附註呈列有關本集團承受的上述風險、本集團評估及管理風險的目標、政策及程序。

董事會全權負責建立及監督本集團的風險管理架構。

本集團制定風險管理政策，以識別及分析本集團所面臨的風險、設立適當的風險上限及控制措施，以及監控風險並將其維持在上限以內。本集團定期檢討風險管理政策及系統，以反映市場狀況及本集團業務的變動。本集團旨在透過培訓及管理準則與程序，發展具紀律且積極的監控環境，讓所有僱員了解彼等的職能及責任。

(a) 外匯風險

本集團承受的外幣風險主要源自買賣及其他交易產生的以外幣列值的應收款、應付款及現金結餘，即交易以經營實體功能貨幣以外的貨幣進行。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

23 Financial risk management and fair values (continued)

(a) Foreign currency risk (continued)

Included in assets and liabilities are the following amounts denominated in a currency other than the functional currency of the entity to which they relate:

		At 31 December 於十二月三十一日	
		2009 二零零九年	2008 二零零八年
Cash and cash equivalents	現金及現金等價物		
HK\$ ('000)	港元(千元)	1,686,944	146,729
US\$ ('000)	美元(千元)	302	3,000
SG\$ ('000)	新加坡元(千元)	—	180
Prepayment	預付款項		
US\$ ('000)	美元(千元)	1,777	1,559
Trade and other receivables	貿易及其他應收款項		
HK\$ ('000)	港元(千元)	19,905	7,477
Bank loans and overdraft	銀行貸款及透支		
HK\$ ('000)	港元(千元)	(180,000)	—
Trade and other payables	貿易及其他應付款項		
HK\$ ('000)	港元(千元)	(5,728)	(2,156)
US\$ ('000)	美元(千元)	(1,105)	(167)
Amounts due to related parties	應付關聯方款項		
HK\$ ('000)	港元(千元)	—	(9,534)
US\$ ('000)	美元(千元)	—	(18,471)
Current tax payables	應付即期稅項		
HK\$ ('000)	港元(千元)	(1,740)	(566)

23 金融風險管理及公允價值 (續)

(a) 外匯風險 (續)

計入資產及負債且以實體功能貨幣以外貨幣計值的款項如下：

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

23 Financial risk management and fair values (continued)

(a) Foreign currency risk (continued)

The Group is exposed to foreign currency risk on the bank deposits, prepayment, trade and other receivables, amounts due from related parties, bank loans and overdraft, other payables, the amounts due to related parties and current tax payables. The currencies giving rise to this risk are primarily Hong Kong Dollars (“HKD”) and United States Dollars (“USD”).

Sensitivity analysis

The foreign currency sensitivity is calculated based on the major net foreign currency exposure of the Group as at the balance sheet dates, assuming 5% shift of RMB against HKD and USD are as follows:

Results from a 5% strengthening of the RMB against HKD and USD on the profit after tax and retained profits at 31 December 2009 are shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

		Increase/(decrease) on profit after tax and retained profit 除稅後溢利及留存溢利增加/(減少)	
		31 December 2009 於二零零九年十二月三十一日 RMB'000 人民幣千元	31 December 2008 於二零零八年十二月三十一日 RMB'000 人民幣千元
Effect in RMB'000	以人民幣千元列值		
HK\$	港元	(66,891)	(6,260)
US\$	美元	(332)	4,811
SG\$	新加坡元	—	(43)

A 5% weakening of the RMB against the above currencies at 31 December 2009 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

23 金融風險管理及公允價值 (續)

(a) 外匯風險 (續)

本集團在銀行存款、預付款項、貿易及其他應收款項、應收關聯方款項、銀行貸款及透支、其他應付款項、應付關聯方款項及應付即期稅項方面承受外匯風險。導致此風險的貨幣主要為港元(「港元」)及美元(「美元」)。

敏感度分析

根據本集團於結算日的主要外匯淨風險計算的外匯敏感度分析如下(假設人民幣兌港元及美元匯率調整5%)：

於二零零九年十二月三十一日的人民幣兌港元及美元升值5%導致除稅後溢利及保留溢利變動如下。該分析假設所有其他變量(尤其是利率)保持不變。

假設所有其他變量保持不變，於二零零九年十二月三十一日人民幣兌上述貨幣貶值5%會對上文所示貨幣金額產生等額但相反的影響。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

23 Financial risk management and fair values (continued)

(b) Interest rate risk

Cash and cash equivalents, pledged bank deposits and interest-bearing short-term loan are the major types of the Group's financial instruments subject to interest rate risk.

The Group does not anticipate significant impact to cash and cash equivalent dominated in Hong Kong Dollars because the interest rates of these cash and cash equivalents are not expected to change significantly.

The Group's interest risk primarily arises from cash and cash equivalent dominated in Renminbi as well as the short-term loan granted to Bawang Trading at an interest rate of 3-month Hong Kong Interbank Offered Rate plus a margin of 1.5% (Note 19). Borrowings at variable rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively.

At 31 December 2009, it is estimated that a general increase of 25 basis points in interest rates, with all other variables held constant, would increase the Group's profit before tax by approximately RMB650,000 (2008: nil).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date. The 25 basis points increase represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date.

23 金融風險管理及公允價值 (續)

(b) 利率風險

現金及現金等價物、抵押存款和附息短期銀行貸款是本集團主要的受利率風險影響的金融工具。

本集團並未預見任何對以港幣計值的現金及現金等價物的重大影響，因為預期中該等現金及現金等價物的利率不會有重大波動。

本集團承受利率風險主要源自以人民幣計值的現金及現金等價物，以及霸王貿易取得的短期貸款，因其利息按三個月香港銀行同業拆息加1.5%計算(附註19)。本集團由於按不同利率計息的借貸而分別承受現金流利率風險及公允價值利率風險。

於二零零九年十二月三十一日，若利率普遍上升25個基點而所有其他可變因素維持不變，則本集團的除稅前溢利將會增加約人民幣650,000元(二零零八年：零)。

上述敏感度分析乃假設利率變動於結算日出現。25個基點的增加代表管理層對於利率在本期間直至下一個年度結算日之間合理的可能變動而評估。

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財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

23 Financial risk management and fair values (continued)

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which credit evaluations are performed on all customers requiring credit. These receivables are generally due within 30-90 days from the date of billing. Credit limit is established for each customer which represents the maximum open amount or credit term without requiring approval from the Board of Directors, these limits are reviewed annually. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis. The Group chases the customers to settle the due balances and monitors the settlement progress on an ongoing basis. The Group does not collect collateral in respect of trade and other receivables.

The Group has a concentration of credit risk of the total trade receivables due from the Group's largest customer and the five largest customers as follows:

		At 31 December 於十二月三十一日	
		2009 二零零九年	2008 二零零八年
Due from	應收以下人士款項		
— largest customer	— 最大客戶	6%	13%
— five largest customers	— 前五大客戶	15%	37%

23 金融風險管理及公允價值 (續)

(c) 信用風險

信用風險指倘若客戶或金融工具交易方無法履行其合約責任而導致本集團蒙受財務虧損的風險，有關風險主要來自本集團的貿易及其他應收款項。管理層已建立一套信用政策，並持續監察該等信用風險。

本集團的信貸風險主要受各個客戶的個別情況影響。本集團已建立一套信用政策，據此對所有需要信用的客戶進行信用評估。該等應收款項一般於賬單發出日期後30至90日內到期。為各個客戶所設的信用限額指毋須經董事會批准的最高信用額度或信用期，有關限額須每年檢討。不符合本集團信用標準的客戶可以預付形式與本集團交易。本集團向客戶追收到期結餘，並持續監察付款情況。本集團並無就貿易及其他應收款項收取抵押品。

本集團有一定程度的信用集中風險，以下為本集團最大客戶及五大客戶的貿易應收款項總額：

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

23 Financial risk management and fair values (continued)

(c) Credit risk (continued)

The maximum exposure of credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet. The Group does not provide guarantees which would expose the Group to the credit risk.

Other than those trade and other receivables that impairment losses have been made for (Note 15(b)), there are no other significant credit risks identified.

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it maintains sufficient reserves of cash on demand to meet its liquidity requirement in the short and longer term; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(e) Fair value

The carrying amounts of all financial assets and liabilities approximate their respective fair values as at 31 December 2009 due to the short maturities of these instruments.

23 金融風險管理及公允價值 (續)

(c) 信用風險 (續)

最高信用風險為合併資產負債表內各項金融資產的賬面值。本集團不會就所承受的信貸風險提供擔保。

除已作出減值虧損的貿易及其他應收款項(附註15(b))外，並無識別出其他重大信用風險。

(d) 流動資金風險

流動資金風險指本集團無法履行到期的財務責任的風險。本集團管理流動資金風險的方法，為盡量確保在一般及緊急情況下備有足夠的流動資金應付到期的負債，使本集團毋須承擔不能接受的虧損或聲譽受損的風險。

本集團確保在需要時保持足夠現金儲備，以滿足其短期及長期流動資金需求，惟不包括無法合理預計的特殊情況(如自然災害)的潛在影響。

(e) 公允價值

由於全部金融資產及負債均於短期內到期，故該等金融工具於二零零九年十二月三十一日的賬面值與其公允價值相若。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

24 Commitments

(a) Capital commitments outstanding at 31 December 2009 not provided for in the financial statements were as follows:

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Contracted for 已簽約	3,503	—

(b) At 31 December 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		The Group 本集團 At 31 December 於十二月三十一日	
		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Leases expiring:	租約於下列期間到期：		
Within 1 year	1年內	2,777	3,952
Between 1 and 2 years	1至2年	686	2,777
Between 2 and 3 years	2至3年	730	686
Between 3 and 6 years	3至6年	1,217	1,947
Total	總計	5,410	9,362

The significant leasing arrangements under operating leases include the lease of the production premises and office from Guangzhou Bawang Cosmetics Co., Ltd. as set out in Note 25(a).

經營租賃項下的主要租賃安排（包括向廣州霸王化妝品有限公司租用生產廠房及辦公室）載於附註25(a)。

24 承擔

(a) 於二零零九年十二月三十一日並無在財務報表中反映的資本承擔如下：

(b) 於二零零九年十二月三十一日，本集團不可撤銷經營租賃應付的未來最低租金總額如下：

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

25 Material related party transactions

During the year ended 31 December 2009, the directors are of the view that related parties of the Group include the following individuals/companies:

25 重大關聯方交易

截至二零零九年十二月三十一日止年度，董事認為本集團的關聯方包括以下人士／公司：

Name of related party 關聯方名稱	Relationship with the Group 與本集團的關係
Mr CHEN Qiyuan 陳啟源先生	Controlling Shareholder 控股股東
Ms WAN Yuhua 萬玉華女士	Controlling Shareholder 控股股東
Actual Reality Inc.	100% owned by the Controlling Shareholders 由控股股東100%擁有
Guangzhou Qiancai Packaging Materials Co., Ltd. 廣州市倩采包裝材料有限公司	Under the control of Controlling Shareholders' close family member 受控股股東關係密切的家庭成員控制
Guangzhou Chenming Paper Products Company Limited 廣州晨明紙品有限公司	Under the control of Controlling Shareholders' close family member 受控股股東關係密切的家庭成員控制
Guangzhou Bawang Comsmetics Co., Ltd. ("Guangzhou Bawang") 廣州霸王化妝品有限公司（「廣州霸王」）	Effectively 100% owned by the Controlling Shareholders 由控股股東100%有效擁有

(a) Transactions with related parties

(i) Production premises and office lease agreements

Bawang Guangzhou, a wholly owned subsidiary of the Company, and Guangzhou Bawang entered into a production premise and office lease agreement on 22 January 2008, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production premise and office building with a total floor area of 16,735 square metres. The term of the lease under the agreement is 3 years with a fixed monthly rental payable of RMB184,083, commencing from 4 December 2007.

(a) 與關聯方的交易

(i) 生產廠房及辦公室租賃協議

霸王廣州(本公司的全資附屬公司)及廣州霸王於二零零八年一月二十二日訂立生產廠房及辦公室租賃協議，據此，霸王廣州向廣州霸王租用總樓面積16,735平方米的生產廠房及辦公室樓宇。此協議項下的租期由二零零七年十二月四日起生效，為期三年，每月應付固定租金為人民幣184,083元。

Notes to the Financial Statements
財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

25 Material related party transactions
(continued)

25 重大關聯方交易 (續)

(a) Transactions with related parties
(continued)

(a) 與關聯方的交易 (續)

(ii) Purchase of raw materials from related parties

(ii) 向關聯方購買原材料

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Guangzhou Qiancai Packaging Materials Co., Ltd. 廣州市倩采包裝材料有限公司	4,624	4,268
Guangzhou Chenming Paper Products Company Limited 廣州晨明紙品有限公司	9,925	6,902

The directors have confirmed that the basis of consideration for the above purchase of raw materials from related parties is the prevailing market price.

董事已確認，上述向關聯方購買原材料的定價考慮基準為現行市價。

(iii) Utilities expenses paid on behalf of the Group

(iii) 代本集團支付的水電費

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Guangzhou Bawang 廣州霸王	5,733	—

The directors are of the opinion that the above transactions set out in Note 25(a)(i), 25(a)(ii) and 25(a)(iii) with related parties were conducted on normal commercial terms in the ordinary course of business.

董事認為，以上附註 25(a)(i)、25(a)(ii)及25(a)(iii)所列與關聯方的交易乃在日常業務過程中按正常商業條款進行。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

25 Material related party transactions

(continued)

(a) Transactions with related parties

(continued)

(iv) (Repayment of)/payment of advertising fee paid by a related party on behalf of the Group

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Actual Reality Inc.	(42,891)	4,225

(v) Repayment of trade receivables collected by the Controlling Shareholders

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
CHEN Qiyuan 陳啟源	—	(2,505)

(vi) Net short-term advances from/(repayment of advances to) Controlling Shareholders and Guangzhou Bawang

	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
CHEN Qiyuan 陳啟源	(104,318)	11,188
Guangzhou Bawang 廣州霸王	—	(5,016)

25 重大關聯方交易(續)

(a) 與關聯方的交易(續)

(iv) (向關聯方償還其代本集團支付的廣告費用)/由關聯方代本集團支付的廣告費用

(v) 控股股東所償還其代收的貿易應收款項

(vi) 來自控股股東及廣州霸王的短期墊款/(向控股股東及廣州霸王償還墊款)淨額

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

25 Material related party transactions

(continued)

(a) Transactions with related parties

(continued)

(vii) Sale of non-household and personal care products business related equipment to Guangzhou Bawang

		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guangzhou Bawang	廣州霸王	—	691

(viii) Short-term advance to Guangzhou Bawang

		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guangzhou Bawang	廣州霸王	834	20,213

(ix) Repayment of advance from Guangzhou Bawang

		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guangzhou Bawang	廣州霸王	888	20,850

25 重大關聯方交易(續)

(a) 與關聯方的交易(續)

(vii) 向廣州霸王出售非與家用個人護理產品業務相關的設備

		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guangzhou Bawang	廣州霸王	—	691

(viii) 向廣州霸王支付的短期墊款

		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guangzhou Bawang	廣州霸王	834	20,213

(ix) 廣州霸王償還墊款

		2009	2008
		二零零九年	二零零八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guangzhou Bawang	廣州霸王	888	20,850

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

25 Material related party transactions

(continued)

(a) Transactions with related parties

(continued)

(x) Pledge of assets provided by Bawang Group Limited in relation to a short-term loan

According to the Pledge Agreement I entered into by Bawang Group Limited and China Merchants Bank, Bawang Group Limited provided a pledge of assets in favor of China Merchants Bank of HK\$184 million on 18 June 2009, including the full amount of the loan borrowed under the Credit Facility of HK\$180 million granted to Bawang Trading and the estimated interest expenses. Such pledge was released upon the listing of the Company's shares on the Main Board of the SEHK on 3 July 2009. Please refer to Note 19 for details.

(b) Balances with related parties

As at the respective balance sheet dates, the Group had the following balances with related parties:

(i) Trade and other receivables

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Non-trade related	非貿易相關		
CHEN Qiyuan	陳啟源	—	132,692
Guangzhou Bawang	廣州霸王	—	54
		—	132,746

25 重大關聯方交易(續)

(a) 與關聯方的交易(續)

(x) 霸王集團有限公司就短期貸款提供的資產抵押

根據霸王集團有限公司與招商銀行訂立的抵押協議，於二零零九年六月十八日，霸王集團有限公司就霸王貿易被授予的信貸額度項下的全額貸款180,000,000港元及估計利息開支，以招商銀行為受益人提供184,000,000港元的資產抵押。有關抵押其後於本公司股份在二零零九年七月三日於香港聯交所主板上市時予以解除。詳情請參閱附註19。

(b) 與關聯方的結餘

於各結算日，本集團與關聯方的結餘如下：

(i) 貿易及其他應收款項

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Non-trade related	非貿易相關		
CHEN Qiyuan	陳啟源	—	132,692
Guangzhou Bawang	廣州霸王	—	54
		—	132,746

Notes to the Financial Statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有說明外，概以人民幣列示)

25 Material related party transactions (continued)

(b) Balances with related parties (continued)

(ii) Trade and other payables

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Non-trade related	非貿易相關		
CHEN Qiyuan	陳啟源	—	104,317
Actual Reality Inc.	Actual Reality Inc.	—	36,792
Guangzhou Bawang	廣州霸王	2,657	134
Trade related	與貿易相關		
Guangzhou Qiancai Packaging Materials Co.,Ltd.	廣州市倩采包裝材料 有限公司	1,136	601
Guangzhou Chenming Paper Products Company Limited	廣州晨明紙品 有限公司	2,103	2,498
Total	總計	5,896	144,342

The above non-trade related balances are unsecured, interest free and have no fixed terms of repayment. With the exception of the amounts due to Guangzhou Bawang, all these were collected/settled before the listing of the Company's shares on the Main Board of the SEHK. As at 31 December 2009, the balance due to Guangzhou Bawang mainly represented the utility expenses paid by Guangzhou Bawang on behalf of the Group from August to December 2009.

The amounts due to related parties by the Company as of 31 December 2008 represented the expenses paid by Controlling Shareholders on the Company's behalf.

25 重大關聯方交易(續)

(b) 與關聯方的結餘(續)

(ii) 貿易及其他應付款項

上述與非貿易有關的結餘為無抵押、免息且無固定還款期。除應付廣州霸王的款項外，上述所有與非貿易有關的結餘均於本公司股份在香港聯交所主板上市前全數收回/清償。於二零零九年十二月三十一日，應付廣州霸王的結餘主要為廣州霸王由二零零九年八月至十二月代本集團支付的水電費。

於二零零八年十二月三十一日應付關聯方款項乃指控股股東代本公司支付的費用。

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財務報表附註

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(除另有說明外，概以人民幣列示)

25 Material related party transactions

(continued)

(c) Key management personnel compensation

Remuneration for key management personnel, including the amounts paid to the Group's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	3,004	2,408
Contributions to defined contribution retirement plan	界定供款退休計劃供款	207	287
Equity compensation benefits	股份支付福利	4,296	—
Total	總計	7,507	2,695

Total remuneration is included in "staff costs" (Note 6(b)).

26 Non-adjusting post balance sheet events

On 14 April 2010, the Board has resolved to propose a final and a special dividend to the shareholders whose names on the register of members of the Company at close of business on 25 May 2010. Details are disclosed in Note 22(b).

27 Comparative figures

As a result of the application of IAS 1 (revised 2007), Presentation of financial statements, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in Note 3.

25 重大關聯方交易(續)

(c) 主要管理人員薪酬

主要管理人員薪酬包括附註8所載的支付予本集團董事及附註9所載數位最高薪僱員的金額，概括如下：

薪酬總額計入「員工成本」(見附註6(b))。

26 非調整結算日後事項

於二零一零年四月十四日，董事會作出決議向於二零一零年五月二十五日營業時間結束時登記在冊的股東派發年末和特別股息。詳情參見附註22(b)。

27 比較數字

採用國際會計準則第1號(二零零七年修訂)財務報告列報後，若干上年度比較數字已調整至符合本年度的呈報方式，且對於二零零九年首次披露的項目，亦已呈列上年度比較數字。有關該等變動詳情參見附註3。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

28 Immediate and ultimate controlling party

At 31 December 2009, the directors consider the immediate parent and ultimate controlling party of the Group to be Fortune Station Ltd., which is incorporated under the laws of BVI with limited liability and beneficially owned by Mr. CHEN Qiyuan and Ms. WAN Yuhua. This entity does not produce financial statements available for public use.

29 Significant accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the financial statements. The following principal accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

(a) Depreciation

Plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future years is adjusted if there are significant changes from previous estimation.

28 直屬及最終控制方

於二零零九年十二月三十一日，董事認為本集團直屬母公司及最終控制方為Fortune Station Ltd.。該公司乃根據英屬處女群島法律成立的有限公司，由陳啟源先生及萬玉華女士實益擁有。該公司並無編製可供公眾使用的財務報表。

29 主要會計估計及判斷

估計及判斷會持續接受評估，並以過往經驗及其他因素為基礎，包括預期日後會出現的在相關情況下相信屬合理的事件。

選擇重要會計政策、判斷及影響該等政策的應用的其他不明朗因素，以及呈報結果對情況及假設變動影響的敏感程度，均為審閱財務報表時將予考慮的因素。下列主要會計政策涉及編製財務報表時所採用的最重要判斷及估計。

(a) 折舊

經考慮預計的剩餘價值後，廠房及設備在估計可使用年期內以直線法折舊。本集團每年檢討資產的可使用年期及剩餘價值(如有)。倘若過往估計出現重大變動，則調整日後年度的折舊開支。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

29 Significant accounting estimates and judgments (continued)

(b) Impairments

- (i) In considering the impairment losses that may be required for certain plant and equipment, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs.
- (ii) Impairment loss for bad and doubtful debts are assessed and provided based on the directors' regular review of aging analysis and evaluation of collectability. A considerable level of judgment is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer.

An increase or decrease in the above impairment loss would affect the net profit in future years.

29 主要會計估計及判斷(續)

(b) 減值

- (i) 考慮若干廠房及設備可能須作出的減值虧損時，須釐定該等資產的可收回金額。可收回金額為淨售價與使用價值兩者的較高者。由於未必能取得該等資產的既有市場報價，故難以精確估計售價。釐定使用價值時，有關資產預期產生的現金流量會折現至其現值，此舉須對營業額水平及營運成本等項目作出重大判斷。本集團會運用一切可得資料，以釐定可收回金額的合理約數，包括根據對營業額及營運成本等項目的合理且可以證據支持的假設及預測作出的估計。
- (ii) 呆壞賬減值虧損按董事定期檢討的賬齡分析及可收回程度評估進行評估及計提撥備。董事在評估各個別客戶的信用評級及過往收賬記錄時作出大量判斷。

上述減值虧損的任何增減均會影響未來年度的淨溢利。

Notes to the Financial Statements

財務報表附註

(Expressed in Renminbi unless otherwise indicated)

(除另有說明外，概以人民幣列示)

30 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2009

Up to the date of issue of these financial statements, the IASB has issued the following amendments, new standards and Interpretation which are not yet effective for the year ended 31 December 2009 and which have not been adopted in these financial statements.

30 於截至二零零九年十二月三十一日止年度已頒佈但尚未生效的修訂、新訂準則及詮釋的潛在影響

截至本財務報表刊發日期，國際會計準則委員會已頒佈多項於截至二零零九年十二月三十一日止年度尚未生效，且本財務報表並無採納的修訂、新訂準則及詮釋。

	Effective for accounting periods beginning on or after 於下列日期或之後 開始的會計期間生效
Amendments to IAS 27, <i>Consolidated and separate financial statements</i> 國際會計準則第27號（修訂本），合併及個別財務報表	1 July 2009 二零零九年七月一日
Improvements to IFRSs 2009 二零零九年國際財務報告準則之改進	1 July 2009 or 1 January 2010 二零零九年七月一日或 二零一零年一月一日

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

本集團正評估該等修訂於其初始應用期間預期會產生的影響。直至目前為止，本集團認為採用上述修訂不太可能對本公司的經營業績及財務狀況構成重大影響。

Four Years Summary

四年財務概要

(Expressed in RMB)
(以人民幣列示)

		2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元	2007 二零零七年 RMB'000 人民幣千元	2006 二零零六年 RMB'000 人民幣千元
Results	業績				
Turnover	營業額	1,756,001	1,411,248	921,680	392,369
Profit from operations	經營溢利	452,252	341,925	182,453	118,557
Net finance (costs) / income	財務(費用)/收入淨額	(2,449)	3,117	(436)	(664)
Profit before taxation	除所得稅前溢利	449,803	345,042	182,017	117,893
Income tax	所得稅	(85,659)	(63,268)	(672)	(1,934)
Profit for the year attributable to the equity shareholders of the Company	本公司權益持有人應佔年內溢利	364,144	281,774	181,345	115,959
Assets and liabilities	資產及負債				
Plant and equipment	廠房及設備	39,330	31,510	22,571	23,949
Lease prepayments	租賃預付款項	—	—	—	4,756
Prepaid advertising fee	預付廣告費用	6,081	—	—	—
Net current assets	流動資產淨值	2,008,883	289,387	151,657	129,943
Total assets less current liabilities	總資產減流動負債	2,054,294	320,897	174,228	158,648
Deferred tax liabilities	遞延稅項負債	20,062	6,369	—	—
Net assets	資產淨值	2,034,232	314,528	174,228	158,648
Capital and reserves	資本及儲備				
Share capital/Paid-in capital	股本/實繳股本	256,134	—	—	118,813
Reserves	儲備	1,778,098	314,528	174,228	39,835
Total equity	權益總額	2,034,232	314,528	174,228	158,648
Earnings per share (RMB yuan)	每股盈利(人民幣元)				
Basic	基本	0.15	0.13	0.09	0.06
Diluted	攤薄	0.15	0.13	0.09	0.06

Four Years Summary (continued)

四年財務概要(續)

(Expressed in RMB)

(以人民幣列示)

Notes:

1. The Company was incorporated in the Cayman Islands on 11 December 2007 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company became the holding company of the companies now comprising the Group on 31 December 2007 ("Reorganisation"). Further details of the Reorganisation are set out in the Prospectus of the Company dated 22 June 2009.
2. Although the Reorganization as referred to in the Prospectus has not been completed until 31 December 2007, the Group is regarded as a continuing group resulting from the Reorganization. The consolidated financial statements have been prepared as a business combination under common control and have been prepared using the principles of merger accounting as if the household and personal care products business ("HPC Products Business") of the Predecessor Entity as referred to in the Prospectus had been operated by the companies now comprising the Group and the group structure immediately after the Reorganization had been in existence since 1 January 2006. Accordingly, the consolidated income statements of the Group for the years ended 31 December 2006 and 2007 include the results of the companies now comprising the Group and the operations of the HPC Products Business of the Predecessor Entity. The consolidated income statements for the years ended 31 December 2008 and 2009 only include the results of the companies now comprising the Group. The consolidated balance sheet as at 31 December 2006 presents the state of affairs of the companies now comprising the Group and the HPC Products Business of the Predecessor Entity. The Consolidated balance sheets as at 31 December 2007, 2008 and 2009 only present the state of affairs of the companies now comprising the Group as at these dates.
3. The calculation of basic earnings per share for the three years ended 31 December 2008 is based on the profit attributable to equity holders of the Company and the 2,100,000,000 ordinary shares, which comprise 10,000 ordinary shares in issue as at the date of the Prospectus and 2,099,990,000 ordinary shares issued on 3 July 2009 by way of capitalisation from the Company's share premium account, as if the shares were outstanding throughout the entire period.
4. The summary above does not form part of the audited consolidated financial statements.

附註：

1. 本公司於二零零七年十二月十一日根據開曼群島公司法第22章(一九六一年法例3,經綜合及修訂)在開曼群島註冊成立為獲豁免的有限公司。於二零零七年十二月三十一日,本公司成為現時組成本集團的公司之控股公司(「重組」)。關於重組的詳情載於本公司於二零零九年六月二十二日的招股章程。
2. 儘管於招股章程所述的重組直至二零零七年十二月三十一日方告完成,但本集團被視為由重組而一直持續存在的集團。合併財務報表視同受共同控制的業務合併而編製,並且採用合併會計法,將招股章程所述的前身實體的家用個人護理產品業務視同一直由現時組成本集團的公司經營,並將重組完成後的本集團架構視同自二零零六年一月一日起一直存在。因此,本集團截至二零零六年及二零零七年十二月三十一日止年度的合併損益表包括了現時組成本集團的公司以及前身實體的家用個人護理產品業務的業績。本集團截至二零零八年及二零零九年十二月三十一日止年度的合併損益表僅包括現時組成本集團的公司的業績。本集團於二零零六年十二月三十一日的合併資產負債表呈列了現時組成本集團的公司以及前身實體的家用個人護理產品業務的財務狀況。本集團於二零零七年、二零零八年及二零零九年十二月三十一日的合併資產負債表僅呈列現時組成本集團的公司於該等日期的財務狀況。
3. 截至二零零八年十二月三十一日止三個年度的每股基本盈利乃根據各年度本公司權益持有人應佔溢利,並假設於這三個年度已發行2,100,000,000股普通股(包括於招股章程日期已發行的10,000股普通股以及於二零零九年七月三日將本公司股本溢價賬資本化而發行的2,099,990,000股普通股)而計算。
4. 上述概要並不組成經審核合併財務報表的一部分。

BaWang International (Group) Holding Limited
霸王國際(集團)控股有限公司*

* for identification purposes only
僅供識別