



# 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  
股票代碼: 01338



## Interim Report 2011 2011 年中期報告

\* for identification purposes only  
僅供識別



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

Ever since the creation of the Bawang (霸王) brand, with the inherited legacy of Chinese herbal medicine, the Group has used its unique knowledge and experience to spread the culture of Chinese herbal medicine and strengthen the brand to make it a Chinese national brand.

The Group has focused its efforts in the research, development, manufacture and sale of good value, high quality natural herbal products. The Group’s products strive to capture the essence of this 5,000 year old Chinese herbal medicine and introduce to global consumers the benefits of this natural and healthy lifestyle. The Group now aims to promote this national brand to the global market!

“**中草藥**”是企業的品牌核心，“**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產品的研發、生產和銷售，霸王集團讓具有五千年歷史的中藥國粹在全世界發揚光大，給全世界的消費者帶來全新的、天然的健康生活方式，為民族品牌走向世界市場貢獻出自己的力量！



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# 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*

#### Authorized representatives

WAN Yuhua  
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*

#### 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

### 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

### 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

## 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

## Company's website

[www.bawang.com.cn](http://www.bawang.com.cn)

## Stock code

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

## 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

## 公司網址

[www.bawang.com.cn](http://www.bawang.com.cn)

## 股票代碼

01338

## 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

# Management Discussion and Analysis

## 管理層討論與分析

### Business Review

The total revenue of the Group for the first half of 2011 ("1H2011") was RMB439.8 million, representing a decrease of 52.7% as compared to the first half of 2010. The Group has recorded a loss of RMB294.9 million for 1H2011 as compared to the profit attributable to the shareholders of RMB147.1 million in 1H2010. Please refer to the Financial Review section of this interim report for details of the operating performance of the Group.

The Directors would like to indicate that in the first half of 2010 ("1H2010"), the Group was operating and developing its businesses under normal conditions. The results that we achieved for 1H2010 were generally in line with the management's expectation. Ever since the dioxane incident in July 2010, the Group has made enormous efforts in an attempt to recover from and mitigate the negative impact on its businesses arising from such incident. Consequently, the operating results of the first six months in 2011 of the Group significantly declined when compared to the same period in 2010.

Towards the end of 2010, the Group started planning for a brand revitalization programme for recapturing brand equity, and identifying and stabling new sources of brand equity for Bawang branded portfolio along the lines of Bawang and Royal Wind branded series (霸王及追風品牌). We started communicating with the distributors and retailers for seeking their inputs, and streamlining the level of the inventories in the channels.



### 業務回顧

本集團二零一一年度上半年(「二零一一年度上半年」)總收入達人民幣439.8百萬元，較二零一零年度上半年下降了52.7%。本集團二零一一年度上半年錄得虧損人民幣294.9百萬元，而二零一零年度上半年錄得盈利人民幣147.1百萬元。有關本集團經營業績詳情，請參閱本中期報告內財務回顧一節。

董事欣然指出，本集團於二零一零年度上半年(「二零一零年度上半年」)是在正常條件下運營發展其業務。二零一零年度上半年我們取得的業績與管理層的預期一致。自二零一零年七月發生二惡烷事件以來，本集團已經做出巨大努力，來試圖恢復及減輕由於該事件對我們業務帶來的負面影響。因此，本集團二零一一年上半年的經營業績與二零一零年同期相比明顯下降。

臨近二零一零年底，本集團開始規劃一個品牌振興計劃來重塑品牌價值、識別霸王品牌組合(包括霸王和追風產品系列)的品牌價值來源。我們開始與分銷商和零售商溝通，了解他們的需求、降低渠道中的存貨水平。



In early 2011, the Group commenced a changeover programme for inventories of three selected Bawang branded (霸王品牌) products series in the channels three phases starting from major retailers and distributors in the modern trade channel to the distributors in the low-tier cities. The programme was almost completed by the end of July.

In June 2011, we announced the launch of three core Bawang branded product series viz. the Enhanced Anti-hair Falling series (升級版防脫系列), Hair Blackening series (烏髮系列) and Nutri-repairing series (滋補系列) respectively, with a theme to promote the proactive concept of “prevention is always better than cure”.

The first one is an enhanced version of Anti-hair Falling series (防脫系列), which has the functionality of preventing young consumers from suffering premature hair falling caused by the increased pressure and pace in life. Mr. Jacky Chan (成龍) has been appointed as the brand ambassador for this series. In addition, Mr. Jacky Chan (成龍) will continue to be the brand ambassador for Bawang brand (霸王品牌) image. In line with the personal image of Mr. Jacky Chan (成龍) as representative of Chinese “Kungfu (功夫)” culture, we believe that he will successfully portray the brand image of Bawang as representative of traditional Chinese herbal medicine.

The remaining two are Hair Blackening series (烏髮系列) and Nutri-repairing series (滋補系列), which mainly target at consumers for the purpose of preventing grey hair and/or relieving problems arising from chemical dyed and permed

從今年開始，本集團選取了三個霸王品牌產品系列分三個階段開展分銷渠道中新老品交替計劃，依次從現代貿易渠道的主要零售商、分銷商開始，逐步擴展到二三線城市的分銷商。截至今年七月底，該計劃已大致完成。

二零一一年六月，我們宣佈推出三個以「預防勝於治療」為概念的霸王品牌核心產品系列，分別是升級版防脫系列、烏髮系列和滋補系列。

第一個是升級版防脫系列產品，側重於預防年輕消費者由於生活節奏的加快和生活壓力的增大而出現的頭髮提早脫落問題。成龍先生被聘為該系列的品牌形象代言人。另外，成龍先生繼續擔任霸王品牌的形象代言人。鑒於成龍先生是中國功夫文化的代表性人物，我們相信他將完美詮釋霸王作為傳統中草藥代表的品牌形象。

另外兩個是烏髮系列和滋補系列，其主要針對消費者預防頭髮灰白和／或修復頭髮因染燙受損的問題。為了有效推廣





hair. To effectively promote and display the natural and healthy image of the two Bawang branded shampoo series (霸王系列), the Group appoints “Korean Top Beauty” movie star Ms. Kim Hui Seon (金喜善) as the brand ambassador for the two brand-new product series. We intend to extend the market to also cover female consumers. The Group also rolls out extensive promotional and publicity programmes through television, newspapers, magazines and the internet.

As of 30 June 2011, the Bawang brand (霸王品牌) distribution network comprised around 577 distributors and 45 KA retailers, covering 27 provinces and four municipalities. Furthermore, the products are sold in Hong Kong, Macau, Singapore, Myanmar, Thailand, Malaysia, Brunei, and the products were also successfully launched in Australia.

Of the four original Royal Wind Chinese herbal anti-dandruff shampoo series (追風系列), we have enhanced one of the series into “Fresh and Energetic Shampoo series (清爽活力洗髮系列)”. We have also rolled out two new product series, namely “Anti-itch Shampoo series (舒緩止癢洗髮系列)” and “Aqua-nourishing shampoo series (多效水潤洗髮系列)”, which are targeted at young and fashionable consumers with dandruff problem. We have appointed new generation pop music singer Mr. Han Geng (韓庚) as the brand ambassador for Royal Wind (追風) brand series for promoting the images of Royal

及展示這兩個霸王洗髮水系列天然、健康的形象，本集團邀請了「韓國第一美女」影星金喜善小姐擔任這兩個全新產品系列的品牌代言人。我們計劃拓展市場以涵蓋女性消費者，並透過各種宣傳渠道包括電視、報紙、雜誌及互聯網等作廣泛推廣。

截至二零一一年六月三十日，霸王品牌分銷網絡包括大約577名分銷商及45名重點零售商，覆蓋27個省份及四個直轄市。此外，該等產品已在香港、澳門、新加坡、緬甸、泰國、馬來西亞及汶萊市場銷售，並已在澳大利亞市場成功推出。

在原有的四個追風中草藥去屑洗髮產品系列，我們推出了一個升級的產品系列—「清爽活力洗髮系列」和兩個新的產品系列—「舒緩止癢洗髮系列」和「多效水潤洗髮系列」，其目標群體是有頭屑困擾的年輕時尚消費者。我們委任新一代流行音樂歌星韓庚先生擔任追風品牌系列代言人，幫助我們提升追風品牌形象。我們相信他積極、健康、時尚的形象將成功塑造個性化的追風品牌形象，



Wind (追風) brand. With his energetic, healthy and fashionable image, we believe that he would successfully portray the brand personality of Royal Wind (追風) and increase its brand awareness and recognition. In line with the brand positioning of Royal Wind (追風), we strategically select the publicity channel through the modern medium such as internet, public transport TV commercials, mobile phone messaging, etc.

As of 30 June 2011, the Royal Wind brand (追風品牌) distribution network comprised approximately 496 distributors and 43 KA retailers, covering 27 provinces and four municipalities. Furthermore, the products are sold in Hong Kong and Singapore.



提高追風品牌的市場認知度。為符合追風品牌的定位，我們將有策略地通過現代媒體播放廣告片，例如：互聯網、公共交通電視和移動手機播報等。

截至二零一一年六月三十日，追風品牌分銷網絡包括大約496名分銷商及43名重點零售商，覆蓋27個省份及四個直轄市。此外，該等產品已在香港和新加坡市場銷售。



As of 30 June 2011, the Litao (麗濤) brand distribution network comprised approximately 416 distributors, covering 26 provinces and four municipalities. The successful launch of the Litao (麗濤) range of enhanced products has signified a successful extension of the Group's shampoo business to the mid-low end segment in the PRC market which satisfies the demands of consumers and achieves the Company's goal to expand the consumer market.

In relation to Chinese herbal skincare products series, Herborn (本草堂), aims at white-collar females aged between 25 and 45 who have high purchasing power and pursue a healthy and natural lifestyle. The internationally renowned celebrity Ms. Faye Wong (王菲) has renewed the contract with the Group as the brand ambassador of Herborn brand (本草堂) and will continue to help us promote the brand image. The

截至二零一一年六月三十日，麗濤品牌分銷網絡包括大約416名分銷商，覆蓋26個省份和四個直轄市。升級版麗濤系列產品的成功推出，標誌著本集團的洗髮水業務覆蓋中國中低端市場，以滿足消費者的不同需求，實現本公司拓展消費者市場的目標。

關於中草藥護膚系列產品 — 本草堂，其目標客戶群體是擁有高購買力、崇尚健康自然的生活方式、年齡介於25至45歲的白領女性。國際著名歌星王菲女士已續簽合約擔任品牌形象大使，將繼續幫助我們提升品牌形象。本集團再度成為世界小姐中國區唯一指定護膚品贊助

Group has been re-appointed as exclusive sponsor of skincare products to the Miss World Pageant China. Apart from providing our Herbora Chinese herbal skincare products (本草堂系列) for the use of the contestants, we also conducted a series of skincare seminars for the contestants to understand the concepts and benefits of traditional Chinese medicine. As of 30 June 2011, the Group successfully set up sales and distribution networks comprised approximately 108 distributors and 14 retailers covering 27 provinces and four municipalities with 86 counters in department stores and/or supermarkets and approximately 2,100 counters in cosmetics specialty shops in China. In addition, the products have exclusively been sold at approximately 270 Mannings Stores in Hong Kong since November 2010.

In relation to Chinese herbal beverage product series — Bawang Herbal Tea (霸王涼茶), the Group continued to expand its sales and distribution network in the first half of 2011. As of 30 June 2011, the distribution network comprised approximately 480 distributors, covering 26 provinces and four municipalities.

The Group has retained Mercer Consulting as our advisor to enhance our business processes, and optimize the supply chain and human resource management since May 2011. The name of the project is known as “Stepping Stone”. The project is in good progress.

So far this year, the Group has taken a series of strategic measures specifically for each of our core brands as described above. The Directors believe that such measures have strengthened the foundation for recovery and development of our business. Please refer to the Outlook section of this interim report for discussions of plans and strategies for the portfolio of our various brands.

According to a research report by Euromonitor in June 2011, our range of products (including Bawang (霸王) and Royal Wind (追風)) continued to hold the largest market share among all Chinese brands in the overall shampoo market in the PRC in terms of retail sales in 2010 of approximately 7.2%. For the Chinese herbal shampoo sub-segment, the market share of our range of products was 35.8% and ranked No.1 in the Chinese herbal shampoo market in the PRC. Accordingly, our range of products has been in the leading position consecutively for five years since 2006.

方，除了提供本草堂系列中草藥護膚產品給參賽佳麗使用之外，我們也舉辦了一系列的護膚培訓會，讓參賽佳麗瞭解傳統中藥機理及益處。截至二零一一年六月三十日，本集團已成功開拓銷售及分銷網絡，包括大約108名分銷商和14名重點零售商，覆蓋27個省份和四個直轄市，在中國境內擁有百貨及／或超級市場專櫃86家，化妝品專營店專櫃2,100家。此外，自二零一零年十一月起，該等產品已在香港大約270家萬寧商店中獨家銷售。

關於中草藥飲料系列產品 — 霸王涼茶，本集團於二零一一年度上半年繼續擴展其銷售及分銷網絡。截至二零一一年六月三十日，分銷網絡包括大約480名分銷商，覆蓋26個省份及四個直轄市。

二零一一年五月，本集團聘請美世諮詢為我們的顧問，優化我們的業務流程、供應鏈和人力資源的管理。我們將此項目命名為「基石項目」。本項目進展良好。

截至目前為止，本集團針對各個核心品牌已採取了上述一系列的戰略措施。董事們相信，這些措施對我們業務的恢復和發展有加強的作用。關於各品牌的戰略發展計劃，請參見本中期報告內展望一節。

根據Euromonitor於二零一一年六月的研究報告，按零售銷量統計，我們的產品系列(包括霸王和追風)於二零一零年繼續領先所有的中國品牌，佔中國整體洗髮水市場的份額約7.2%。就中草藥洗髮水市場而言，我們產品系列的市場份額佔到35.8%，並且在中國中草藥洗髮水市場排名第一。因此，我們的產品系列名列前茅，且自二零零六年起連續五年高踞首位。

In terms of the recognition gained by the Group, the Guangdong Provincial Department of Science and Technology has awarded the Certificate of New Hi-tech Product series for the following products:

1. Bawang Anti-Hair Fall Shampoo (霸王防脫系列洗髮液)
2. Bawang Hair Blackening Shampoo (霸王烏髮系列洗髮水)
3. Royal Wind Anti-Dandruff Shampoo (追風去屑系列洗髮水)



在獲得榮譽方面，下列三款產品系列榮獲廣東省科學技術廳頒發的高新技術產品證書：

1. 霸王防脫系列洗髮液
2. 霸王烏髮系列洗髮水
3. 追風去屑系列洗髮水



In oversea market, we have consecutively been awarded “Watsons Health, Wellness & Beauty Award” for three years since 2009, and “CozyCot Holy Grail Beauty Awards” in 2011 respectively. Bawang Anti-hair Shampoo was chosen as “Watsons Best Selling TCM Shampoo” and “Watsons Best Herbal Hair Fall Control” in 2010. Bawang Shampoo & Conditioner was chosen as “Watsons Best Herbal Hair-care” in 2010. Royal Wind Hair Fall Control Shampoo was chosen as “Favorite Anti Hair Loss shampoo” in 2011 by CozyCot.

在海外市場，我們自二零零九年起連續三年榮獲「屈臣氏健康美麗大賞」，並於二零一一年榮獲「CozyCot Holy Grail美麗大賞」。二零一零年，霸王防脫洗髮露被評為「屈臣氏最暢銷的中草藥洗髮露」和「屈臣氏最佳中草藥防脫產品」。同年，霸王洗髮水和焗油膏被評為「屈臣氏最佳中草藥頭髮護理產品」。二零一一年，追風控脫髮洗髮水被CozyCot評為「最喜愛的防脫洗髮水」。



## Management Discussion and Analysis 管理層討論與分析

In January 2011, Mr Chen Qiyuan was recognised by the Department of Culture of Guangdong Province in a provincial intangible cultural heritage project as “Representative Successor of Chinese Herbal Tea” (「涼茶項目省級非物質文化遺產代表性傳承人」).

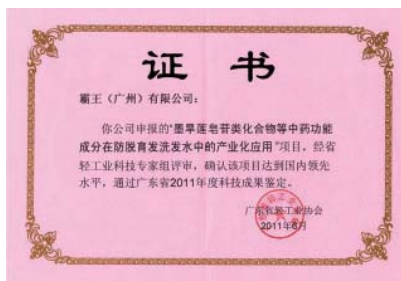
In May 2011, the Group obtained an award of achievement from the Bureau of Science and Information Technology of Guangzhou for an extraction method developed by the Group in dealing with ecliptic (墨旱蓮皂苷類化合物).

In June 2011, the Group obtained a confirmation of attainment of leading level from the Guangdong Light Industry Association for a project in the application of ecliptic (墨旱蓮皂苷類化合物) in the anti-hair falling and hair regrowing into industrialisable products.

二零一一年一月，陳啟源先生榮獲由廣東省文化廳授予的「涼茶項目省級非物質文化遺產代表性傳承人」稱號。

同年五月，本集團因研發了墨旱蓮皂苷類化合物的提取方法而被廣州市科技和信息化局授予廣州科學技術成果獎。

同年六月，本集團的「墨旱蓮皂苷類化合物等中藥功能成份在防脫育發洗髮水中的產業化應用」項目被廣東省輕工業協會確認達到國內領先水平。



The Group has been appointed as a committee member of China Quality Assurance Council for a one year from 8 June 2011 to 7 June 2012.

For good development of the industry, we have established a joint research laboratory with the Guangzhou University of Chinese Medicine to study the pharmacological efficacy of Chinese Herbal Medicine-based consumer products since June 2011.

本集團被委任為「中國質量萬裏行理事委員會委員單位」，自二零一一年六月八日至二零一二年六月七日，任期一年。

為了行業的良好發展，我們於二零一一年六月與廣州中醫藥大學合作成立中草藥藥理藥效研究聯合實驗室。



These achievements serve as recognition of 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 researches about Chinese herbs and hair blackening, the successful registration of which will be a further testament to the recognition and breakthrough in our research and development of the Company.

### Recent Events

We are of the view that the contents in the relevant magazine article published by Next Magazine on 14 July 2010 are defamatory of the Group and/or amount to malicious falsehood. Therefore, we have commenced legal proceedings in the High Court of Hong Kong against Next Magazine seeking, inter alia, damages and an injunction to restrain Next Magazine from publishing such contents or similar contents. The legal proceedings against Next Magazine are still continuing.

## Financial Review

### Revenue

During the period under review, the Group's revenue amounted to RMB439.8 million, representing a decrease of 52.7% as compared to RMB930.8 million in 1H2010. The sales decline in 1H2011 was principally attributable to the substantial decline in the sales of the Group's shampoo products in the first half of 2011 as a result of and in connection with the "dioxane incident" as disclosed in the announcement of the Company dated 14 July 2010. But such sales decline was partially offset by the increase in sales of two branded products, viz. Bawang Herbal Tea (霸王涼茶) and Herborn (本草堂).

The Group's core brand, Bawang (霸王), generated RMB146.7million in revenue, which accounted for 33.4% of the Group's total revenue for 1H2011, and represented a decrease of 79.4% as compared to 1H2010.

這些成就是對本集團在研究、開發中草藥及中草藥產業化方面能力的認可。

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突破。

### 近期事件

我們認為壹週刊於二零一零年七月十四日發表的相關雜誌文章內容均為對本集團的誹謗及／或惡意中傷。因此，我們已在香港高等法院向壹周刊提起法律訴訟。其中，要求壹周刊賠償損失並且禁止出版該內容或類似內容。針對壹週刊的司法程序仍在繼續中。

## 財務回顧

### 收入

於回顧期內，本集團收入達人民幣439.8百萬元，比二零一零年度上半年的人民幣930.8百萬元下降了52.7%。二零一一年度上半年銷售業績大幅下降的主要原因是本公司於二零一零年七月十四日公告中所披露的「二惡烷事件」對本集團二零一一年上半年的洗髮水銷售業績造成了不利影響。上述銷售業績的下降有部分被另外兩個品牌產品上升的銷售所抵銷，即霸王涼茶和本草堂。

本集團核心品牌 — 霸王，其收入達人民幣146.7百萬元，佔二零一一年度上半年本集團總收入的33.4%，比二零一零年度上半年下降了79.4%。

The branded Chinese herbal anti-dandruff hair-care series, Royal Wind (追風), recorded a revenue of RMB84.8 million in 1H2011, which accounted for approximately 19.3% of the Group's total revenue, and represented a decrease of 54.6% as compared to 1H2010.

The branded Chinese herbal drink of the Group, Bawang Herbal Tea (霸王涼茶), recorded a revenue of RMB118.3 million in 1H2011, which represents approximately 26.9% of the Group's total revenue. As Bawang Herbal Tea (霸王涼茶) was launched in April 2010, the total revenue generated for 1H2010 and 1H2011 by this branded products may not be directly comparable.



The branded Chinese herbal skincare series, Herborn (本草堂) generated a total revenue of RMB38.8 million, which accounted for approximately 8.8% of the Group's total revenue for 1H2011, and represented an increase of 2938.0% as compared to 1H2010. Herborn was launched in December 2009.

The nature-based branded shampoo and shower gel products series, Litao (麗濤) generated RMB48.5 million in revenue, which accounted for approximately 11.0% of the Group's total revenue for 1H2011, and represented an increase of 146.2% as compared to 1H2010. As the new product series of Litao (麗濤) were rolled out in October 2010, the total revenue generated for 1H2010 and 1H2011 by this branded products may not be directly comparable.

Smerry (雪美人) generated a total revenue of RMB2.7 million, which accounted for approximately 0.6% of the Group's total revenue for 1H2011.

中草藥去屑品牌—追風，其二零一一年度上半年的收入達人民幣84.8百萬元，約佔本集團總收入的19.3%，比二零一零年度上半年下降54.6%。

本集團的中草藥飲品品牌—霸王涼茶，其二零一一年度上半年的收入達人民幣118.3百萬元，約佔本集團總收入的26.9%。由於霸王涼茶品牌於二零一零年四月才推出，所以不能將二零一零年度上半年和二零一一年度上半年該品牌的總收入進行直接比較。



中草藥護膚品牌—本草堂，其收入達人民幣38.8百萬元，約佔本集團二零一一年度上半年總收入的8.8%，比二零一零年度上半年增長2938.0%。本草堂品牌於二零零九年十二月才推出發售。

以純天然為基礎的洗髮水和沐浴露產品系列—麗濤，其收入達人民幣48.5百萬元，約佔本集團二零一一年度上半年總收入的11.0%，比二零一零年度上半年同期增長了146.2%。由於麗濤品牌於二零一零年十月推出新產品系列，所以不能將二零一零年度上半年和二零一一年度上半年該品牌的總收入進行直接比較。

雪美人的收入達人民幣2.7百萬元，約佔本集團二零一一年度上半年總收入的0.6%。

We were selling our products through extensive distribution and retailer networks. During the period under review, sales to our distributors and retailers represented approximately 86.3% and approximately 13.7% of the Group's total revenue respectively.

Our products are sold in Hong Kong, Macao, Singapore, Myanmar, Thailand, Malaysia and Brunei. Our products were also successfully launched in Australia in 1H2011. The sales to these markets outside the PRC accounted for 2.8% of our total revenue for 1H2011.

### **Cost of Sales**

Cost of sales for 1H2011 amounted to RMB302.8 million, representing a decrease of 2.8% compared to RMB311.7 million for 1H2010. Such change was mainly due to the decrease in sales volume of shampoo products, but partially offset by the increase in sales volume of three branded products, namely Herborn (本草堂), Litao (麗濤) and Bawang Herbal Tea (霸王涼茶), and the provision of RMB74.5 million for write-down of inventories.

### **Gross Profit**

During the period under review, the Group's gross profit decreased to RMB137.0 million, representing a decrease of 77.9% as compared to RMB619.2 million for 1H2010. The gross profit margin decreased from 66.5% for 1H2010 to 31.2% for 1H2011. Such decline was mainly due to the increase in the provision for write-down of inventories, the decrease in the sales of shampoo products to modern trade channel from which the profit margin is generally higher than that of the other channels, and the increased proportion of herbal tea products in the product mix as the profit margin of herbal tea is lower than that of HPC products.

### **Selling and Distribution Costs**

Selling and distribution costs increased to RMB458.6 million for 1H2011, representing an increase of 20.0% as compared to that for 1H2010. Such increase is due to the increased cost for the promotion of our Bawang Herbal Tea (霸王涼茶), the advertising expenses of Royal Wind (追風) and Bawang (霸王) new series, and the additional costs for sales and marketing promotional campaigns in relation to the restoration of consumer's confidence in the Group's products after occurrence of the "dioxane incident".

我們一般通過廣泛的分銷商和零售商網絡銷售我們的產品。於回顧期間內，我們通過分銷商和零售商的銷售額分別約佔本集團總收入的86.3%和13.7%。

我們的產品於二零一一年度上半年已在香港、澳門、新加坡、緬甸、泰國、馬來西亞及汶萊市場銷售，並已在澳大利亞市場成功推出。二零一一年度上半年，這些海外市場的銷售額佔本集團總收入的2.8%。

### **銷售成本**

二零一一年度上半年的銷售成本達人民幣302.8百萬元，相比二零一零年度上半年的人民幣311.7百萬元，下降了2.8%。此項變化的主要原因是洗髮水產品銷售量的下滑，但部分被本草堂、麗濤和霸王涼茶這三個品牌上升的銷售量以及所確認的存貨跌價準備人民幣74.5百萬元抵銷。

### **毛利**

於回顧期內，本集團的毛利下降至人民幣137.0百萬元，與二零一零年度上半年的人民幣619.2百萬元相比下降了77.9%。毛利率從二零一零年度上半年的66.5%下降到二零一一年度上半年的31.2%。毛利率下降的主要原因是存貨跌價準備金額的增加，洗髮水現代貿易渠道銷售的減少因其毛利率高於其他的銷售渠道，以及涼茶產品佔產品組合的比例增加因涼茶產品的毛利率低於家庭個人護理產品。

### **分銷開支**

二零一一年度上半年分銷開支增加至人民幣458.6百萬元，較二零一零年度上半年增長20.0%。其上漲的原因主要是霸王涼茶推廣支出以及追風品牌和霸王新品的廣告費用的增加，以及自「二惡烷事件」發生後為恢復消費者對本集團產品的信心所額外增加的促銷推廣活動費用支出。



### **Administrative Expenses**

Administrative expenses for 1H2011 amounted to approximately RMB44.7 million, representing a decrease of approximately 16.3% as compared with approximately RMB53.4 million in the same period in 1H2010. Such decrease was mainly due to the decrease in non-capitalizable research and development expenditures, option share-based payments, partially offset by the increases in salary, traveling and meeting expenses, and recruitment fee.

### **Loss from Operations**

The Group recorded an operating loss of RMB363.6 million for 1H2011, as compared to the operating profit of RMB186.2 million for 1H2010. The Group's operating margin decreased from 20.0% for 1H2010 to -82.7% for 1H2011. The decrease was mainly due to the decrease in sales, increase in the proportion of costs of sales over the revenue and the increase in operating expenses.

### **Income Tax**

The Company had an income tax credit of RMB57.6 million for 1H2011 as compared to income tax expenses of RMB36.1 million for 1H2010.

### **Provision for Inventories**

Our accounting policy prescribes that inventories are stated at the lower of cost and net realizable value ("NRV"). In the event that NRV falls below cost, the difference is taken as provision for inventories. As at 30 June 2011, the amount of provision for write-down of inventories was RMB85.3 million (31 December 2010: RMB10.8 million). The Group recognised a loss of approximately RMB74.5 million for six months ended 30 June 2011 in respect of the write-down of inventories to their net realisable value, which have been included in cost of sales as mentioned above.

### **行政開支**

二零一一年度上半年行政開支約為人民幣44.7百萬元，較二零一零年度上半年同期約人民幣53.4百萬元，下降約16.3%。其下降的主要原因是研發費用支出和購股權股份支付的減少，部分被工資、差旅費、會議開支以及招聘費用的上升所抵銷。

### **經營虧損**

本集團二零一一年度上半年錄得經營虧損人民幣363.6百萬元，而二零一零年度上半年錄得經營盈利人民幣186.2百萬元。本集團二零一零年度上半年經營利潤率從20.0%下降至二零一一年度上半年的-82.7%。其下降的主要原因是營業額的下降、銷售成本佔收入比例的上升以及營業開支的增加。

### **所得稅**

本公司二零一一年上半年所得稅抵扣金額為人民幣57.6百萬元，二零一零年上半年所得稅費用金額為人民幣36.1百萬元。

### **存貨撥備**

根據會計準則規定，存貨核算按成本與可變現淨值（「NRV」）較低者入賬。若可變現淨值低於成本，即按其差額計提存貨跌價準備。於二零一一年六月三十日，為期末存貨餘額計提的存貨跌價準備為人民幣85.3百萬元（二零一零年十二月三十一日：人民幣10.8百萬元）。如上所述，截至二零一一年六月三十日止六個月，本集團在銷售成本中確認的將存貨成本減值至其可變現淨值之損失金額約為人民幣74.5百萬元。

### **Loss for the Period Attributable to the Equity Shareholder**

As a combined effect of the above, the Group recorded an attributable loss of RMB294.9 million for 1H2011, as compared to the attributable profit of RMB147.1 million for 1H2010.

### **Subsequent Events**

On 26 July 2011, the Company has granted the 1,380,000 share options (“Options”) to certain employees to subscribe for an aggregate of 1,380,000 ordinary shares of HK\$0.10 each in the capital of the Company (“Shares”) under its share option scheme (“Scheme”) adopted on 20 May 2009. The Options shall entitle its holders to subscribe for an aggregate of 1,380,000 Shares upon exercise of such Options at an exercise price of HK\$1.310 per share. The Options granted are exercisable in five equal tranches of 20% each per annum. Subject to the terms of the Scheme, the first tranche shall be exercisable anytime after the first anniversary of joining the Group. The remaining four tranches shall be exercisable anytime after the next four successive anniversaries.

### **Outlook**

So far this year, the People’s Bank of China has raised the reserve requirements repeatedly for six times and the benchmark interest rates repeatedly for three times. Nevertheless, China achieved a 9.6% GDP growth in 1H2011. The Directors believe that the Chinese economy is still in good shape. We could see that the consumer sentiment and demand for high quality products are robust and that there is a rising trend that many people are now looking for a natural and healthy lifestyle. Based on our core competences and unique competitive advantages in Chinese herbal shampoo and other Chinese herbal household and personal care products, the Group should be able to take advantages of this opportunity to recover our business, and to increase our revenue by offering high quality premium products to consumers. We have discussed the recovery and development efforts which we have made so far this year. We will continue to execute the plans that we have designed. Below is an outline of our business development plans and strategies for the rest of 2011:

### **權益持有人應佔期內虧損**

因上述因素的綜合影響，本集團二零一一年度上半年錄得應佔虧損人民幣294.9百萬元，而二零一零年度上半年錄得應佔盈利人民幣147.1百萬元。

### **結算日後事項**

於二零一一年七月二十六日，本公司已根據二零零九年五月二十日採納之購股權計劃（「購股權計劃」），向若干僱員授出合共1,380,000份購股權（「購股權」），以認購本公司股本中1,380,000股每股面值為0.10港幣之普通股（「股份」）。購股權賦予獲授人權利，在行使該等購股權後可按行使價每股1.310港元認購合共1,380,000股股份。購股權分五批每年均等行使20%。根據購股權計劃條款規定，首批購股權可於加入本集團之日起第一個周年之日後任何時間予以行使。剩餘四批可依次於下一個周年之日後任何時間予以行使。

### **展望**

今年到目前為止，中國人民銀行已經連續六次提高銀行存款準備金率，三次提高基準利率。儘管如此，在今年上半年，中國國內生產總值（GDP）增長高達9.6%。董事們認為中國經濟仍處於良好的狀態。我們可以看到消費者對於高品質產品的需求和喜愛依然強勁，而且人們追求自然和健康的生活方式的趨勢不斷上升。憑藉本公司的核心競爭力以及在中國中草藥洗髮水和其他中草藥家庭個人護理產品方面擁有的獨一無二的競爭優勢，本集團能夠把握機會，通過給消費者提供高品質產品，來恢復我們的業務、增加我們的收入。我們在前面討論過在年初至今的恢復及發展力量，我們會繼續實行預定計劃。我們二零一一年下半年的業務發展計劃和戰略列示如下：

For Bawang (霸王系列) branded products series, leveraging on various recognitions and accreditations granted to the Group by different government organizations, we will continue our work to strengthen the awareness and understanding of the general public on the profound culture, applications and benefits of traditional Chinese medicine. We will flexibly utilise these publicity and promotional opportunities for the goodwill and brand image of Bawang (霸王). In order to achieve this purpose, we intend to use the commercials which are long enough to deliver the entire message. We will strategically broadcast the commercials through modern medium such as internet, public transport TV, and mobile phone messaging, which helps us reduce advertising costs and at the same time reach our target segment.

The focus of our marketing efforts now turns to growth rate. To optimize the efficiency of our retailers and distributors thereby increasing growth rate, we will make use of the Sales Automation Management System (“SAMS”), which enables the Group to gather the transparent first hand information about the sales trend of our products, monitor the inventory level in the channels, and supervise the activities of our local sales staff.

We will strive to maintain our 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 that have not yet been well explored by the Group, to boost the sales to the same retailer and distributor, and to expand the revenue stream through the launch of enhanced products and/or product series with new brand image so as to expand the coverage of market segments and hence increase sales revenue.

For the Royal Wind Chinese herbal anti-dandruff shampoo series (追風系列), apart from enhancement and expansion of product portfolio as mentioned in the Business Review section, the Group intends to deepen the penetration of the existing established sales channels and to expand the assortment of products at the points of sales so as to increase the market share. We will continue to expand the distribution network for Royal Wind brand (追風) so that the market coverage can be on the same level as the Bawang brand (霸王). We strive to build up this brand as another leading Chinese herbal shampoo within the next few years.

對於霸王品牌產品系列，憑藉不同的政府機構授予本集團的各種榮譽和認可，我們將繼續宣傳推廣傳統中草藥的深厚文化底蘊、應用以及益處，以增強廣大民眾對其的認識和理解。我們將靈活利用這些宣傳推廣機會來恢復霸王品牌形象及聲譽。為了實現這一目標，我們必須製作足夠長的宣傳片來傳遞完整的信息。我們將有策略地通過如互聯網、公共交通電視和移動手機播報的現代媒體播放宣傳片。這種方式有助於我們降低廣告成本，並在同一時間到達我們的目標細分市場。

目前，我們營銷工作的重點轉向增長率。為了優化我們零售商和分銷商的效率，從而提高增長率，我們將採用銷售自動管理系統（「SAMS」）。該系統能讓本集團獲得我們產品銷售動向的第一手信息，監管各渠道的存貨水平，並監督我們當地銷售人員的活動。

我們將致力於維持我們在中國中草藥洗髮水市場的領導地位，通過擴展我們的銷售及分銷網絡至新地區，進一步增加收益，加強對現有已建立的地區市場的滲透，特別是本集團尚未開發的地區，提高現有零售商及分銷商的銷售額，以及通過產品升級和增加新產品和/或產品系列的方式來重塑產品形象、擴大細分市場份額、提升銷售收入。

至於追風中草藥去屑洗髮水系列（追風系列），除了於以上業務回顧中指的產品提升及擴張，本集團將進一步加強現有銷售渠道的滲透，增加銷售網點的產品類別以提升市場份額。我們將繼續擴展追風的分銷網絡，使其市場佔有率與霸王品牌達到同一水平。我們致力於未來數年內將該品牌打造成另一個主要中草藥洗髮水。

For the Herborn Chinese herbal skincare products series (本草堂系列), we can see that Herborn has started building up its brand loyalty among consumers. We will continue to build up its brand image and brand recognition through setting up counters in department stores, hypermarket and dedicated shops. We will continue to invest in advertising and marketing campaigns to strengthen the brand loyalty. To broaden the revenue base, we target to set up around 3,000 counters through our distributors in cosmetics specialty shops on a nationwide basis in the PRC by the end of 2011. We believe that Herborn would become a leading brand in the Chinese herbal skincare market as well as one of our key revenue contributors in the next few years.

For Bawang Herbal Tea (霸王涼茶), we will continue to expand the sales network into new areas and we plan to deepen the penetration of the existing network that has already been established. In the next stage of developing the market, we intend to sell our products through modern trade channels. We also intend to penetrate into new market channels such as restaurants, schools, sports centers and internet café. While we believe that this business segment will become one of our revenue contributors this year, we will strive to further increase the revenue generated from this business segment.

In relation to the launch of new products, the Group will mainly focus its efforts to strengthen its existing portfolio of brands as mentioned above. We would therefore postpone our plans for launching brand new product lines for the time being.

The Group will continue with its plan to lease a new production premises located in Baiyun District, Guangzhou with an estimated site area of 75,000 square meters. Installation and fittings works of phase one are in the final stages of completion. We estimate that the aggregate annual production capacity for shampoo products, hair-care products, and skincare products is approximately 100,000 metric tons upon completion of this phase.



至於本草堂中草藥護膚產品系列，我們可以看到本草堂已經在消費者中建立起品牌忠誠度。我們將繼續通過在百貨商店、超級市場以及化妝品專營店設立專櫃的形式樹立其品牌形象和擴大品牌知名度。我們將繼續通過投放廣告、開展市場營銷活動的方式來加強消費者對品牌的忠誠度。為了擴大收入基礎，我們計劃透過分銷商於二零一一年底在中國境內的化妝品專營店開設大約3,000個專櫃。我們相信本草堂將於未來數年內成為中草藥護膚品市場的主要品牌，也將成為我們主要的收入來源之一。

至於霸王涼茶，我們將進一步擴展銷售網絡至新地區，並計劃滲透現有已建立的市場網絡。在下一個市場拓展階段，我們計劃通過現代銷售渠道銷售我們的產品。我們還計劃開發新的市場渠道，如餐館、學校、體育中心和網吧。同時，我們相信此項業務將成為我們今年的主要收入貢獻者之一。我們將致力於進一步增加此項業務的收入。

對於推出新品方面，本集團將集中力量實施上述提到的現有品牌組合重建。因此，本集團將暫時推遲新產品線面市計劃。

本集團將依照計劃繼續租用位於廣州白雲區預計佔地面積75,000平方米的新生產大樓。第一階段的設備安裝和調試工作已處於最後收尾階段。我們預計該階段完工後，洗髮護髮產品及護膚產品總年產能將達到約100,000公噸。



The Group will continue with its plan to lease another production plant in Huadu District, Guangzhou, for its herbal tea business. The construction work of the site is in progress. We expect that the new plant would be available for our installation and fittings of machinery and equipment around 2013.

The Group set up the Chinese herbal plantation in Guangdong Province in 2010 and it has started receiving its yield of Chinese herbs since 2011. The Group is now replicating its agricultural practices for training and development of farmers on how to maximize output in herbs field cultivation. As the results are satisfactory, the Group is looking for more sites in other places in China for setting up additional herbal plantations.



In terms of our development plan in overseas markets, the Group will continue to explore the possibility with potential distributors for launching our branded products to other countries. Bawang Herbal Tea (霸王涼茶) is expected to be rolled out in Singapore in late 2011 or early 2012. The Group is open to explore all business opportunities with potential overseas distributors.

The Company does not have any outstanding acquisition opportunity in hand. Currently, the Company will not actively explore opportunities that may involve potential acquisition.

The Group will continue its Stepping Stone project to make organization-wide efforts for enhancing its management efficiency and effectiveness so as to lay down a stepping stone for transcending the Group into a new horizon.

本集團將依照計劃繼續租用另一間位於廣州花都區的生產工廠用於涼茶業務。該基地的建設工作正在進行中。我們預計新工廠機器設備的安裝和調試工作將於二零一三年左右進行。

本集團於二零一零年在廣東省內設立了中草藥種植基地，並於二零一一年開始收穫中草藥。本集團正在複製這種農業模式用來培訓和發展農民如何使草藥培育產出達到最大化。因為結果非常令人滿意，本集團現正於中國其他地方尋找更多的場所來增設中草藥種植基地。



根據我們的海外市場發展計劃，本集團將繼續探索與潛在經銷商合作將我們的品牌產品推廣至其他國家的可能性。霸王涼茶預計於二零一一年末或二零一二年初在新加坡市場推出發售。本集團將以開放的態度尋找所有與潛在的海外經銷商合作的商業機會。

本公司並無任何正在洽談處理的收購事宜。目前，本公司將不會積極尋找潛在的收購機會。

本集團將繼續進行基石項目，以提高其管理效率和效益，為提升本集團的業務發展，使其上升到一個全新的領域而打下基礎。

Looking forward, we will make use of our core competencies and specialty in traditional Chinese herbs to research, develop, and design high-end and competitive Chinese herbal HPC products. We will continue to expand and/or optimize our distribution network for our different branded products. We will continue to increase our 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.

## Liquidity, Financial Resources and Capital Structure

The Group adopts conservative financial management policies and maintains a good and solid financial position. A summary of liquidity and financial resources is set out below:

展望未來，我們將利用我們在傳統中草藥領域的核心競爭力及專長，研發和設計高端的且具有競爭力的中草藥家庭個人護理產品。我們將繼續為我們不同品牌的產品拓展和／或優化我們的分銷網路。我們將繼續增加我們的產品系列及推行品牌和產品多樣化的策略，旨在成為全球中草藥家庭個人護理產品的領軍企業以及為我們的投資者帶來最好的回報。

## 流動資金、財務資源及資本架構

本集團採用保守的理財策略，維持良好穩定的財務狀況。流動資金和財務資源概要列載如下：

	30 June 2011 截至二零一一年 六月三十日 RMB in million 人民幣百萬元	31 December 2010 截至二零一零年 十二月三十一日 RMB in million 人民幣百萬元
Cash and cash equivalents 現金及現金等價物項目	875.0	1,186.5
Total bank and other borrowings <sup>1</sup> 銀行及其他借款總額 <sup>1</sup>	—	209.8
Total assets 總資產	1,497.7	2,033.4
Gearing ratio <sup>2</sup> 資產負債率 <sup>2</sup>	—	10.3%

Note:

1. The borrowings were wholly denominated in US Dollars.
2. Calculate as interest-bearing borrowings divided by total assets.

備註：

1. 借款悉數以美元記值。
2. 按計息借貸除以資產總額計算。

## Material Acquisition and Disposal

The Group did not engage in any material acquisitions or disposal of any its subsidiaries or associated companies during the period under review.

## 重大收購及出售

於回顧期內，本集團並無重大收購或出售其任何附屬或聯營公司的活動。

## 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 mostly denominated in Renminbi. 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 the Group conducts its business transactions principally in Renminbi and thus the exchange risk at the Group's operational level is not significant. As at 30 June 2011, the Group had not issued any material financial instruments or entered into any material contracts for foreign currency hedging purposes. However, the Directors will continue to monitor the foreign exchange exposure and is prepared to take prudent measures such as hedging when required.

## Contingent Liabilities

The Group had no material contingent liabilities as of 30 June 2011.

## Capital Commitment

As of 30 June 2011, the capital commitment of the Group was amounted to RMB86.6 million.

## Pledge of Assets

The Group had no pledge of assets as of 30 June 2011.

## 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。本集團出口產品銷往香港和部份東南亞國家，交易以港幣或美元結算。本集團大部份現金及銀行存款以人民幣計值。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。董事認為本集團從事的業務主要是以人民幣結算的，因此外匯風險對本集團的日常經營影響並不重大。於二零一一年六月三十日，本集團並沒有發行任何重大金融工具或訂立任何重大合約作外匯對沖用途。然而，董事將繼續監察外匯風險，並準備在需要時採取審慎的措施，例如對沖。

## 或然負債

於二零一一年六月三十日，本集團並無重大或然負債。

## 資本承擔

於二零一一年六月三十日，本集團資本承擔總額為人民幣86.6百萬元。

## 資產抵押

於二零一一年六月三十日，本集團並無資產抵押。

## Human Resources

As of 30 June 2011, the Group employed approximately 11,200 employees (including staff members and contract personnel) in the PRC and Hong Kong. Total personnel expenses, comprising wages, salaries and benefits, and equity-settled share-based payments, amounted to RMB114.0 million for 1H2011.

The employees' remuneration, promotion and salary review are based on job responsibilities, work performances, 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.

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 pleasant working environment are essential factors for maintenance of a stable workforce for the Group.

## Management Consulting Company

We have retained Mercer Consulting as the Group's advisor to enhance business processes, optimize the supply chain and human resource management since May 2011.

## 人力資源

於二零一一年六月三十日，本集團在中國和香港僱有約11,200名員工（包括僱員及合約員工），總體人事開支包括工資、薪金、福利及以權益結算的股利支付費用，其於二零一一年度上半年開銷金額達到人民幣114.0百萬元。

本集團員工薪酬、晉升及薪酬複核是按照各人的工作責任、表現、專業經驗及現行的行業標準來釐定的。

本集團員工分別參加中國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及根據購股權計劃授出或將予授出之購股權。

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。

## 管理諮詢公司

於二零一一年五月，我們聘請美世諮詢為集團顧問，以加強業務流程，優化供應鏈及人力資源管理。



# Consolidated Income Statement

## 合併損益表

For the six months ended 30 June 2011 — unaudited  
(Expressed in Renminbi)  
截至二零一一年六月三十日止六個月 — 未經審核  
(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月		
		Note 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>Turnover</b>	<b>營業額</b>	5	<b>439,843</b>	930,810
Cost of sales	銷售成本		<b>(302,826)</b>	(311,658)
<b>Gross profit</b>	<b>毛利</b>		<b>137,017</b>	619,152
Changes in fair value less costs to sell of biological assets	生物資產公允價值減 銷售成本的變動損益		<b>1,596</b>	—
Other revenue	其他收益		<b>1,275</b>	—
Other net (losses)/income	其他(虧損)/收入淨額		<b>(237)</b>	2,534
Selling and distribution costs	銷售及分銷成本		<b>(458,557)</b>	(382,063)
Administrative expenses	行政費用		<b>(44,737)</b>	(53,435)
<b>(Loss)/profit from operations</b>	<b>經營(虧損)/溢利</b>		<b>(363,643)</b>	186,188
Finance income	財務收入	6(a)	<b>14,348</b>	1,712
Finance costs	財務費用	6(a)	<b>(3,154)</b>	(4,717)
<b>Net finance income/(costs)</b>	<b>財務收入/(費用)淨額</b>	6(a)	<b>11,194</b>	(3,005)
<b>(Loss)/profit before taxation</b>	<b>除所得稅前(虧損)/溢利</b>	6	<b>(352,449)</b>	183,183
Income tax credit/(expense)	所得稅抵扣/(支出)	7	<b>57,593</b>	(36,067)
<b>(Loss)/profit for the period attributable to the equity shareholders of the Company</b>	<b>本公司權益持有人應佔 期內(虧損)/溢利</b>		<b>(294,856)</b>	147,116
<b>(Loss)/earnings per share (RMB yuan)</b>	<b>每股(虧損)/盈利 (人民幣元)</b>	8		
Basic	基本		<b>(0.10)</b>	0.05
Diluted	攤薄		<b>(0.10)</b>	0.05

The notes on pages 29 to 62 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 18(a).

第29至62頁的附註為本中期財務報告的一部份。應付本公司權益持有人股息的詳情載於附註18(a)。

# Consolidated Statement of Comprehensive Income

## 合併綜合收益表

For the six months ended 30 June 2011 — unaudited  
(Expressed in Renminbi)  
截至二零一一年六月三十日止六個月 — 未經審核  
(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>(Loss)/profit for the period attributable to the equity shareholders of the Company</b>	本公司權益持有人應佔期內(虧損)/溢利	<b>(294,856)</b>	147,116
<b>Other comprehensive income for the period</b>	期內其他綜合收益		
Exchange differences on translation of the financial statements of the operations outside the PRC	換算中國境外業務之財務報表所產生的滙兌差異	<b>(13,587)</b>	(10,859)
<b>Total comprehensive income for the period attributable to the equity shareholders of the Company</b>	本公司權益持有人應佔期內綜合收益總額	<b>(308,443)</b>	136,257

The notes on pages 29 to 62 form part of this interim financial report.

第29至62頁的附註為本中期財務報告的一部份。

# Consolidated Balance Sheet

## 合併資產負債表

At 30 June 2011 — unaudited  
(Expressed in Renminbi)  
於二零一一年六月三十日 — 未經審核  
(以人民幣列示)

		Note	<b>At 30 June 2011</b>	At 31 December 2010
		附註	於二零一一年 六月三十日	於二零一零年 十二月三十一日
			<b>RMB'000</b>	RMB'000
			人民幣千元	人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	9	<b>149,244</b>	60,136
Prepaid advertising fee	預付廣告費用		<b>8,948</b>	2,437
Biological assets	生物資產	10	<b>2,024</b>	—
Deferred tax assets	遞延稅項資產		<b>80,232</b>	27,089
			<b>240,448</b>	89,662
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	11	<b>121,008</b>	84,216
Biological assets	生物資產	10	<b>190</b>	—
Trade and other receivables	貿易及其他應收款項	12	<b>242,240</b>	440,060
Pledged deposits	抵押存款	13	<b>—</b>	220,000
Cash and cash equivalents	現金及現金等價物	14	<b>875,021</b>	1,186,544
Income tax recoverable	應收即期所得稅		<b>18,794</b>	12,892
			<b>1,257,253</b>	1,943,712
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	15	<b>210,522</b>	228,793
Bank loans and overdrafts	銀行貸款及透支	16	<b>—</b>	209,787
Amounts due to related parties	應付關聯方款項	20(b)(i)	<b>2,486</b>	3,363
			<b>213,008</b>	441,943
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>1,044,245</b>	1,501,769
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>1,284,693</b>	1,591,431

The notes on pages 29 to 62 form part of this interim financial report.

第29至62頁的附註為本中期財務報告的一部份。

## Consolidated Balance Sheet 合併資產負債表

At 30 June 2011 — unaudited  
(Expressed in Renminbi)  
於二零一一年六月三十日 — 未經審核  
(以人民幣列示)

		Note 附註	<b>At 30 June 2011</b> 於二零一一年 六月三十日 <b>RMB'000</b> 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債		<b>2,031</b>	2,031
<b>Net assets</b>	<b>資產淨值</b>		<b>1,282,662</b>	1,589,400
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	18(b)	<b>256,380</b>	256,380
Reserves	儲備	18	<b>1,026,282</b>	1,333,020
<b>Total equity</b>	<b>權益總額</b>		<b>1,282,662</b>	1,589,400

Approved and authorised for issue by the board of directors of the Company on 28 August 2011.

本公司董事會已於二零一一年八月二十八日批准及授權刊發。

Director  
董事  
**CHEN Qiyuan**  
陳啟源

Director  
董事  
**WAN Yuhua**  
萬玉華

The notes on pages 29 to 62 form part of this interim financial report.

第29至62頁的附註為本中期財務報告的一部份。

# Consolidated Statement of Changes in Equity

## 合併權益變動表

for the six months ended 30 June 2011 — unaudited  
(Expressed in Renminbi)  
截至二零一一年六月三十日止六個月 — 未經審核  
(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 股本	Share premium 股本溢價	PRC statutory reserves 中國法定儲備	Capital reserve 資本儲備	Merger reserve 合併儲備	Translation reserve 滙兌儲備	Retained earnings/ (accumulated losses) 留存溢利/ (累計虧損)	Total equity 權益總額
		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	RMB'000 人民幣千元
		(Note 18(b)) (附註18(b))	(Note 18(c)) (附註18(c))	(Note 18(e)) (附註18(e))	(Note 18(d)) (附註18(d))	(Note 18(f)) (附註18(f))	(Note 18(g)) (附註18(g))		
<b>Balance at 1 January 2010</b>	於二零一零年一月一日結餘	256,134	1,342,774	49,887	6,435	8,468	4,846	365,688	2,034,232
<b>Changes in equity for the six months ended 30 June 2010:</b>	截至二零一零年六月三十日止六個月權益變動：								
Total comprehensive income for the period	期內綜合收益總額	—	—	—	—	—	(10,859)	147,116	136,257
Dividends declared during the period (Note 18(a))	期內宣派的股息 (附註18(a))	—	—	—	—	—	—	(216,108)	(216,108)
Equity settled share-based transactions (Note 17)	以權益結算的股份 支付交易 (附註17)	—	—	—	5,393	—	—	—	5,393
<b>Balance at 30 June 2010 and 1 July 2010</b>	於二零一零年六月三十日 及二零一零年七月一日 結餘	256,134	1,342,774	49,887	11,828	8,468	(6,013)	296,696	1,959,774
<b>Changes in equity for the six months ended 31 December 2010:</b>	截至二零一零年十二月三十一日 止六個月權益變動：								
Total comprehensive income for the period	期內綜合收益總額	—	—	—	—	—	(7,638)	(265,087)	(272,725)
Dividend declared during the period	期內宣派的股息	—	—	—	—	—	—	(101,600)	(101,600)
Share issued under share option scheme	根據購股權計劃發行的 股份	246	5,865	—	(5,180)	—	—	—	931
Equity settled share-based transactions (Note 17)	以權益結算的股份 支付交易(附註17)	—	—	—	3,020	—	—	—	3,020
<b>Balance at 31 December 2010 and 1 January 2011</b>	於二零一零年十二月三十一日及 二零一一年一月一日 結餘	256,380	1,348,639	49,887	9,668	8,468	(13,651)	(69,991)	1,589,400
<b>Changes in equity for the six months ended 30 June 2011:</b>	截至二零一一年六月三十日止六個月 權益變動：								
Total comprehensive income for the period	期內綜合收益總額	—	—	—	—	—	(13,587)	(294,856)	(308,443)
Equity settled share-based transactions (Note 17)	以權益結算的股份 支付交易(附註17)	—	—	—	1,705	—	—	—	1,705
<b>Balance at 30 June 2011</b>	於二零一一年六月三十日結餘	256,380	1,348,639	49,887	11,373	8,468	(27,238)	(364,847)	1,282,662

The notes on pages 29 to 62 form part of this interim financial report.

第29至62頁的附註為本中期財務報告的一部份。

# Condensed Consolidated Cash Flow Statement

## 簡明合併現金流量表

For the six months ended 30 June 2011 — unaudited  
(Expressed in Renminbi)  
截至二零一一年六月三十日止六個月 — 未經審核  
(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>Cash generated from operations</b>	經營活動產生的現金	(240,377)	250,669
<b>Income tax paid</b>	已付所得稅	(1,452)	(50,392)
<b>Net cash (used in)/generated from operating activities</b>	經營活動(所用)/產生的現金淨額	(241,829)	200,277
<b>Net cash used in investing activities</b>	投資活動所用現金淨額	(72,775)	(13,617)
<b>Net cash generated from/(used in) financing activities</b>	融資活動產生/(所用)的現金淨額	6,102	(224,158)
<b>Net decrease in cash and cash equivalents</b>	現金及現金等價物減少淨額	(308,502)	(37,498)
<b>Cash and cash equivalents at 1 January</b>	於一月一日的現金及現金等價物	1,186,544	1,742,523
<b>Effect of exchange rate fluctuations on cash held</b>	滙率波動對持有現金的影響	(3,021)	(6,807)
<b>Cash and cash equivalents at 30 June</b>	於六月三十日的現金及現金等價物	875,021	1,698,218

The notes on pages 29 to 62 form part of this interim financial report.

第29至62頁的附註為本中期財務報告的一部份。

# Notes to the Unaudited Interim Financial Report

## 未經審核中期財務報告附註

(Expressed in Renminbi)  
(以人民幣列示)

### 1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”), including compliance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 28 August 2011.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2010 annual financial statements except for the accounting policy changes and the accounting policies for new transactions and events that are expected to be reflected in the 2011 annual financial statements. Details of these changes and the accounting policies for new transactions are set out in Note 2 and Note 3.

The preparation of an interim financial report in conformity with IAS 34 “Interim Financial Reporting” requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (the “Group”) since the 2010 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

### 1 編製基準

本中期財務報告乃根據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編製，包括遵守國際會計準則委員會(「國際會計準則委員會」)頒佈的國際會計準則第34號(「國際會計準則第34號」)[「中期財務報告」]。本中期財務報告已於二零一一年八月二十八日獲批准刊發。

除預期於二零一一年年度財務報表中將反映之會計政策變更及新交易和事項所適用之會計政策外，本中期財務報告乃根據本公司於二零一零年年度財務報表所採納之相同會計政策編製。該等變更及新交易之會計政策之詳情載列於附註2及附註3。

管理層在按照國際會計準則第34號「中期財務報告」編製中期財務報告時，需要就會計政策的應用和本年度截至目前為止所呈報資產、負債及收入和支出金額作出判斷、估計及假設。實際結果可能有別於該等估計。

中期財務報告載有簡明合併財務報表以及經選定之說明附註。該等附註包括了自二零一零年年度財務報表以來對了解本公司及其附屬公司(「本集團」)財務狀況及表現的變動屬重要的事項及交易的說明。簡明合併中期財務報表及有關附註並未包括根據國際財務報告準則(「國際財務報告準則」)編製完整財務報表所需的所有資料。

(Expressed in Renminbi)  
(以人民幣列示)

## 1 Basis of preparation (continued)

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with the Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the financial year ended 31 December 2010 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2010 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 28 March 2011.

## 2 Changes in accounting policies

The IASB has issued a number of amendments to IFRSs and one new Interpretation 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:

- IAS 24 (revised 2009), *Related party disclosures*
- Improvements to IFRSs (2010)

The developments related primarily to clarification of certain disclosure requirements applicable to the Group’s financial statements. These developments have had no material impact on the contents of this interim financial report.

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

## 1 編製基準(續)

本中期財務報告未經審核，但已由畢馬威會計師事務所根據香港會計師公會頒佈的香港審閱工作準則第2410號「實體的獨立核數師對中期財務資料的審閱」進行審閱。

載入本中期財務報告中的屬於之前已呈報資料的截至二零一零年十二月三十一日止財政年度財務資料並不構成本公司該財政年度的法定財務資料，惟乃摘錄自該等財務報表。截至二零一零年十二月三十一日止年度之法定財務報表可從本公司之註冊辦事處索取。核數師於二零一一年三月二十八日出具的報告中，對該等財務報表發表無保留意見。

## 2 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多項國際財務報告準則之修訂以及一項新詮釋。其中，下列會計政策變動與本集團財務報表有關：

- 國際會計準則第24號  
(二零零九年修訂)，  
*關聯方披露*
- 國際財務報告準則的改進  
(二零一零年)

上述變動主要與澄清某些披露要求有關，這些要求適用於本集團的財務報表。此等變動對本中期財務報表的內容沒有重大影響。

本集團並未應用任何於本會計期間尚未生效之新準則或詮釋。



(Expressed in Renminbi)  
(以人民幣列示)

### 3 Accounting policies for new transactions and events

The Group has applied the following accounting policy in accounting for the biological assets in the interim period:

#### Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognized in profit or loss. Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes.

### 4 Segment reporting

The Group manages its business by a mixture of both product lines and geography. 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 presented the following three reportable segments:

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

### 3 新交易及事項的會計政策

本集團於本中中期期間就生物資產之會計處理方法採用以下會計政策：

#### 生物資產

生物資產以公允價值減銷售成本計量，其任何變動均在損益中確認。銷售成本包括直接因為銷售生物資產而所增加的各项費用，不包括財務費用及所得稅。

### 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。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，本集團現識別下列三個可報告分部：

- 護髮產品(中國大陸及海外)
- 護膚及其他家用個人護理產品(中國大陸及海外)
- 涼茶產品(中國大陸)

(Expressed in Renminbi)  
(以人民幣列示)

#### 4 Segment reporting (continued)

##### (a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of herbal tea products, assistance provided by one segment to another, including sharing assets, is not measured.

The measure used for reporting segment profit is "adjusted (loss)/profit from operations". To arrive at adjusted (loss)/profit from operations, the Group's (loss)/profit is further adjusted for the items not specifically attributed to individual segments, such as directors' remuneration and other head office or corporate administration expenses. The Group's senior executive management is provided with segment information concerning segment revenue and segment (loss)/profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

#### 4 分部報告(續)

##### (a) 分部業績，資產及負債

為了評估分部表現及於分部間分配資源，本集團之高級執行管理層會按下列基準監察各可報告分部之業績：

收益及開支乃參考該等分部所產生之銷售及該等分部所產生之開支或該等分部應佔資產折舊或攤銷所產生之其他開支分配至可報告分部。然而，除了所披露的涼茶產品分部間銷售收入外，某一分部向另一分部提供之協助(包括共用資產)並不計算在內。

報告分部溢利的計量方法為「經調整經營(虧損)/溢利」。為達致經調整經營(虧損)/溢利，本集團的(虧損)/溢利就並非指定屬於個別分部的項目作進一步調整，如董事酬金以及其他總部或公司行政開支。本集團高級執行管理層獲提供有關分部收入及分部(虧損)/溢利之分部資料。分部資產及負債並無定期向本集團高級執行管理層報告。

## Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

(Expressed in Renminbi)  
(以人民幣列示)

### 4 Segment reporting (continued)

#### (a) Segment results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the six-month periods ended 30 June 2011 and 2010 is set out as below:

	Hair-care products 護髮產品		Skin-care and other household and personal care products 護膚及其他家用個人護理產品		Herbal tea products 涼茶產品		Total 合計	
	For the six months ended 30 June 截至六月三十日止六個月		For the six months ended 30 June 截至六月三十日止六個月		For the six months ended 30 June 截至六月三十日止六個月		For the six months ended 30 June 截至六月三十日止六個月	
	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>Reportable segment revenue</b>								
Revenue from external customers	248,209	889,669	73,318	32,139	118,316	9,002	439,843	930,810
Inter-segment revenue	1	—	—	—	4,253	—	4,254	—
	<b>248,210</b>	889,669	<b>73,318</b>	32,139	<b>122,569</b>	9,002	<b>444,097</b>	930,810
<b>Reportable segment (loss)/profit</b>								
Adjusted (loss)/profit from operations	(242,075)	206,588	(70,436)	(3,279)	(43,904)	(8,237)	(356,415)	195,072

### 4 分部報告(續)

#### (a) 分部業績，資產及負債(續)

截至二零一一年及二零一零年六月三十日止六個月，有關向本集團高級執行管理層提供之資源分配及分部表現評估之本集團可報告分部之資料分別載列如下：

**Notes to the Unaudited Interim Financial Report**  
未經審核中期財務報告附註

(Expressed in Renminbi)  
(以人民幣列示)

**4 Segment reporting (continued)**

**(b) Reconciliations of reportable segment revenue and results**

**Revenue**

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Reportable segment revenue	可報告分部收入	444,097	930,810
Elimination of inter-segment revenue	抵銷各分部間收入	(4,254)	—
Consolidated turnover	合併營業額	439,843	930,810

**Results**

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Reportable segment (loss)/profit	可報告分部(虧損)/溢利	(356,415)	195,072
Elimination of inter-segment profits	抵銷各分部間溢利	(1,382)	—
Changes in fair value less costs to sell of biological assets	生物資產公允價值減銷售成本的變動損益	1,596	—
Other revenue	其他收益	1,275	—
Other net (losses)/income	其他(虧損)/收入淨額	(237)	2,534
Unallocated head office and corporate expenses	未分攤之總部與公司行政開支	(8,480)	(11,418)
Finance income	財務收入	14,348	1,712
Finance costs	財務費用	(3,154)	(4,717)
Consolidated (loss)/profit before taxation	合併除稅前(虧損)/溢利	(352,449)	183,183

**4 分部報告(續)**

**(b) 可報告分部收入及業績的對賬**

**收入**

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Reportable segment revenue	可報告分部收入	444,097	930,810
Elimination of inter-segment revenue	抵銷各分部間收入	(4,254)	—
Consolidated turnover	合併營業額	439,843	930,810

**業績**

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Reportable segment (loss)/profit	可報告分部(虧損)/溢利	(356,415)	195,072
Elimination of inter-segment profits	抵銷各分部間溢利	(1,382)	—
Changes in fair value less costs to sell of biological assets	生物資產公允價值減銷售成本的變動損益	1,596	—
Other revenue	其他收益	1,275	—
Other net (losses)/income	其他(虧損)/收入淨額	(237)	2,534
Unallocated head office and corporate expenses	未分攤之總部與公司行政開支	(8,480)	(11,418)
Finance income	財務收入	14,348	1,712
Finance costs	財務費用	(3,154)	(4,717)
Consolidated (loss)/profit before taxation	合併除稅前(虧損)/溢利	(352,449)	183,183

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**4 Segment reporting (continued)**

**(c) Geographic information**

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's fixed assets and non-current portion of prepaid advertising fee ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, and the location of the operation to which they are allocated, in the case of the non-current portion of prepaid advertising fee.

**4 分部報告(續)**

**(c) 地區資料**

下表載列(i)本集團來自外部客戶的收入及(ii)本集團的固定資產及非一年內到期部分的預付廣告費用(「指定的非流動資產」)的地區資料。客戶的所在地區乃根據提供服務或交付貨品的位置釐定。指定的非流動資產的地理位置乃根據資產實際所在位置(如屬物業、廠房及設備)及經營業務所在位置(如屬非一年內到期部分的預付廣告費用)而釐定。

		Revenues from external customers 來自外部客戶的收入		Specified non-current assets 指定的非流動資產	
		For the six months ended 30 June 截至六月三十日止六個月		At 30 June 於六月三十日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
PRC (place of domicile)	中國(集團基地)	427,595	888,839	155,226	47,527
Hong Kong	香港	7,591	29,852	2,966	4,301
Singapore	新加坡	709	7,425	—	—
Malaysia	馬來西亞	—	3,131	—	—
Myanmar	緬甸	442	660	—	—
The United Arab Emirates	阿聯酋	—	903	—	—
Thailand	泰國	2,602	—	—	—
Australia	澳大利亞	904	—	—	—
		12,248	41,971	2,966	4,301
		439,843	930,810	158,192	51,828

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### 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. The Group is also engaged in the sales of herbal tea products since June 2010.

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 respective periods is as follows:

### 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。本集團從二零一零年六月起從事中草藥涼茶產品業務。

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。

已於有關期間營業額中確認的各項重大收入類別的金額如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Hair-care products	護髮產品	248,209	889,669
Skin-care and other household and personal care products	護膚及其他家用 個人護理產品	73,318	32,139
Herbal tea products	涼茶產品	118,316	9,002
		<b>439,843</b>	930,810

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**6 (Loss)/profit before taxation**

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

**6 除所得稅前(虧損)/溢利**

除所得稅前(虧損)/溢利已扣除/  
 (計入)下列各項：

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>(a) Finance income and costs:</b>	<b>(a) 財務收入及費用：</b>		
Finance income	財務收入		
Interest income on bank deposits	銀行存款利息收入	(7,216)	(1,712)
Net foreign exchange gains	滙兌收益淨額	(7,132)	—
Subtotal	小計	(14,348)	(1,712)
Finance costs	財務費用		
Interest on bank borrowings	銀行貸款利息	3,154	1,338
Bank charges on bank borrowings	銀行貸款手續費	—	2,016
Net foreign exchange losses	滙兌損失淨額	—	1,363
Subtotal	小計	3,154	4,717
Net finance (income)/costs	財務(收入)/費用淨額	(11,194)	3,005

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**6 (Loss)/profit before taxation (continued)**

**6 除所得稅前(虧損)/溢利  
 (續)**

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>(b) Staff costs:</b>	<b>(b) 員工成本：</b>		
Salaries, wages and other benefits	薪金、工資及其他福利	109,274	52,436
Equity-settled share-based payment expenses (Note 17)	以權益結算的股份支付費用(附註17)	1,705	5,393
Contributions to defined contribution retirement plan	界定供款退休計劃供款	3,045	2,620
		<b>114,024</b>	60,449

Staff costs included directors' remuneration.

員工成本包括董事酬金。

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in a defined contribution retirement benefit scheme (the "Scheme") organised by the local authority whereby the PRC subsidiaries are 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.

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。

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.

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。



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**6 (Loss)/profit before taxation (continued)**

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

**6 除所得稅前(虧損)/溢利  
(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。

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>(c) Other items:</b>	<b>(c) 其他項目：</b>		
Depreciation	折舊	6,460	3,831
Auditors' remuneration	核數師酬金	300	700
Cost of inventories*	存貨成本*	302,826	311,658
Reversal of impairment loss for bad and doubtful debts	撥回呆壞賬減值虧損	(537)	(286)

\* Cost of inventories includes RMB17,368,000 and RMB19,020,072 for the six months ended 30 June 2011 and 2010 respectively 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.

\* 存貨成本包括截至二零一一年及二零一零年六月三十日止六個月與員工成本及折舊有關的款項分別人民幣17,368,000元及人民幣19,020,072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。

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### 7 Income tax (credit)/expense

Income tax (credit)/expense in the consolidated income statement represents:

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<b>Current tax – PRC income tax</b>	<b>即期稅項 — 中國所得稅</b>		
Provision for the period	期內撥備	—	24,945
Over-provision in respect of prior periods	以往年度多計提的稅額撥備	(509)	—
<b>Current tax – Hong Kong income tax</b>	<b>即期稅項 — 香港利得稅</b>		
Provision for the period	期內撥備	—	2,681
Over-provision in respect of prior periods	以往年度多計提的稅額撥備	(3,942)	—
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination of temporary differences	暫時性差額的產生	(53,142)	8,441
<b>Income tax (credit)/expense</b>	<b>所得稅(抵扣)/開支</b>	<b>(57,593)</b>	<b>36,067</b>

### 7 所得稅(抵扣)/開支

合併損益表內的所得稅(抵扣)/開支指：

- (a) 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.
- (b) Bawang (Guangzhou) Co., Ltd. (“Bawang Guangzhou”), a PRC subsidiary of the Group, is subject to a unified income tax rate of 25% with effect from 1 January 2008.

In accordance with the Implementation Rules and grandfathering arrangements of the Corporate Income Tax Law of the PRC (“CIT Law”) which started to take effect on 1 January 2008, Bawang Guangzhou continued to be eligible for the “two-year exemption and three-year 50% reduction” tax holiday from 2006 to 2010. The applicable income tax rate of Bawang Guangzhou in 2010 was 12.5%.

- (a) 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。
- (b) 自二零零八年一月一日起，本集團的中國附屬公司霸王(廣州)有限公司(「霸王廣州」)適用統一的所得稅稅率25%繳稅。

根據於二零零八年一月一日開始生效的《中國企業所得稅法》(「企業所得稅法」)的實施詳情及過渡期安排，霸王廣州仍可繼續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。二零一零年霸王廣州之適用所得稅稅率為12.5%。

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## 7 Income tax (credit)/expense (continued)

Bawang Guangzhou qualified as a new and high technology enterprise in 2009 and the qualification is valid for three years from 2009 to 2011. Therefore, Bawang Guangzhou is entitled to a preferential income tax rate of 15% in 2011.

- (c) Bawang (China) Beverage Co., Ltd. (“Bawang Beverage”), a PRC subsidiary of the Group, was newly established in Guangzhou in 2010. The applicable income tax rate of Bawang Beverage is 25%.
- (d) Pursuant to the Implementation Rules of the CIT Law, overseas investors to foreign investment companies (“FIE”) 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. The group did not make provision of withholding income tax for the six months ended 30 June 2011 since the PRC subsidiaries, both Bawang Guangzhou and Bawang Beverage, incurred losses during the interim period.
- (e) The provision for Hong Kong Profits Tax was made by Hong Kong Bawang International Trading Limited (“Bawang Trading”). Its applicable income tax rate is 16.5%.

## 7 所得稅(抵扣)/開支(續)

霸王廣州於二零零九年被認定為高新技術企業，該資格於二零零九年至二零一一年三年內有效。因此，霸王廣州於二零一一年享受15%的優惠所得稅稅率。

- (c) 本集團另一間中國附屬公司霸王(中國)飲料有限公司(「霸王飲料」)於二零一零年在廣州成立。霸王飲料之適用所得稅稅率為25%。
- (d) 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，則可享受來自其中國附屬公司的股息的寬減預扣稅稅率5%。由於中國附屬公司(包括霸王廣州及霸王飲料)均產生虧損，因此本集團於截至二零一一年六月三十日止六個月期間並沒有計提預扣所得稅。
- (e) 香港利得稅撥備乃由香港霸王國際貿易有限公司(「霸王貿易」)計提，其適用所得稅稅率為16.5%。

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## 8 (Loss)/earnings per share

### (a) Basic (loss)/earnings per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2011 of RMB294,856,000 (profit for six months ended 30 June 2010: RMB147,116,000) and the weighted average of 2,907,820,720 ordinary shares (six months ended 30 June 2010: 2,905,000,000 ordinary shares) in issue during the interim period.

### (b) Diluted (loss)/earnings per share

The calculation of diluted loss per share for the six months ended 30 June 2011 does not assume the exercise of the Company's share options as the effect is anti-dilutive.

The calculation of diluted earnings per share was based on the profit for six months ended 30 June 2010 of RMB147,116,000 and the weighted average number of ordinary shares (diluted) of 2,914,719,869 after adjusting for the effect of deemed issue of shares under the Group's Pre-IPO Share Option Schemes.

## 8 每股(虧損)/盈利

### (a) 每股基本(虧損)/盈利

每股基本虧損乃根據截至二零一一年六月三十日止六個月期間本公司普通股權益持有人應佔虧損人民幣294,856,000元(截至二零一零年六月三十日止六個月溢利：人民幣147,116,000元)，及期內已發行普通股加權平均數2,907,820,720股計算(截至二零一零年六月三十日止六個月：2,905,000,000股普通股)。

### (b) 每股攤薄(虧損)/盈利

由於本公司的購股權具有反攤薄效果，所以在計算截至二零一一年六月三十日止六個月期間每股攤薄虧損時，並無假定本公司購股權的行權。

每股攤薄盈利乃根據截至二零一零年六月三十日止六個月溢利人民幣147,116,000元，及調整本公司首次公開發售前購股權計劃中被視為已發行股份的影響後的普通股加權平均數(已攤薄)2,914,719,869股計算。

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**9 Property, plant and equipment**

**9 物業、廠房及設備**

		<b>Buildings</b>	<b>Machinery</b>	<b>Motor vehicles</b>	<b>Office equipment and others</b>	<b>Construction in progress</b>	<b>Total</b>
		房屋	機器	運輸工具	辦公室設備及其他	在建工程	總計
		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
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2011	於二零一一年一月一日	5,494	42,725	13,969	22,533	993	85,714
Additions	添置	16	5,455	584	14,572	75,000	95,627
Disposals	報廢	—	—	(466)	(30)	—	(496)
At 30 June 2011	於二零一一年六月三十日	5,510	48,180	14,087	37,075	75,993	180,845
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>						
At 1 January 2011	於二零一一年一月一日	(84)	(12,773)	(7,171)	(5,550)	—	(25,578)
Charge for the period	期內計提	(123)	(2,184)	(1,201)	(2,952)	—	(6,460)
Written back on disposals	報廢時撥回	—	—	419	18	—	437
At 30 June 2011	於二零一一年六月三十日	(207)	(14,957)	(7,953)	(8,484)	—	(31,601)
<b>Carrying amount:</b>	<b>賬面值：</b>						
At 1 January 2011	於二零一一年一月一日	5,410	29,952	6,798	16,983	993	60,136
At 30 June 2011	於二零一一年六月三十日	5,303	33,223	6,134	28,591	75,993	149,244

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### 10 Biological Assets

Biological assets represent the growing herbs in the cultivation base located in mainland China.

		<b>At 30 June 2011</b> 於二零一一年 六月三十日	At 31 December 2010 於二零一零年 十二月三十一日
		<b>RMB'000</b> 人民幣千元	RMB'000 人民幣千元
At 1 January	於一月一日	—	—
Changes in fair value less costs to sell	公允價值減銷售成本的變動損益	<b>1,596</b>	—
Plantation expenditure	種植支出	<b>618</b>	—
At 30 June	於六月三十日	<b>2,214</b>	—
Non-current portion	非流動部份	<b>2,024</b>	—
Current portion	流動部份	<b>190</b>	—
At 30 June	於六月三十日	<b>2,214</b>	—

Plantation expenditure comprises those costs that are directly attributable to the cultivation of herbs including seeds, fertilizers, pesticides, direct labour, operating lease charges on farmland and other direct costs.

Biological assets were stated at fair value less costs to sell as of 30 June 2011 as estimated by an independent appraiser using the net present value approach whereby projected future net cash flows were discounted to provide a current market value of the biological assets.

The discount rates used in the valuation of the biological assets in mainland China as at each balance sheet date were based on the market-determined pre tax rate.

### 10 生物資產

生物資產是指位於中國大陸的種植基地裏種植的中草藥。

種植支出包括可直接歸屬於種植中草藥的成本包括種子、肥料、農藥、直接人工、農田的經營租賃費用以及其他直接成本。

於二零一一年六月三十日的生物資產以公允價值減銷售成本進行計量，其價值是由獨立的評估師以淨現值方法進行估計。該評估師在對生物資產的價值進行評估時，對預測未來淨現金流量進行折現，以計算該生物資產的現行市場價值。

應用於截止每個資產負債表日中國大陸的生物資產評估的折現率，是以由市場決定的稅前利率為基礎來確定的。

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### 10 Biological Assets (continued)

The principal valuation methodology and assumptions adopted are as follows:

- The present condition of a biological asset excludes any increases in value from additional biological transformation and future activities of the Group such as those related to enhancing the future biological transformation, harvesting and selling; and
- Estimated future net cash flows are referenced to past experience from the management and historical records.

### 11 Inventories

#### (a) Inventories in the balance sheet comprise:

		<b>At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元</b>	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元
Raw materials	原材料	<b>25,227</b>	12,552
Work in progress	在製品	<b>14,233</b>	6,229
Finished goods	製成品	<b>57,875</b>	40,987
Packing materials	包裝物料	<b>19,068</b>	19,527
Others	其他	<b>4,605</b>	4,921
		<b>121,008</b>	84,216

### 10 生物資產(續)

評估所採用的主要方法及假設如下：

- 生物資產的目前狀態不包括由於以下情況而引起的任何資產增值，例如額外的生物轉化；或本集團將來可能會進行的與提高未來生物轉化、收穫及銷售有關的活動。
- 未來淨現金流量的預測參考了管理層過去的經驗以及相關的歷史記錄。

### 11 存貨

#### (a) 於結算日的存貨包括：

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**11 Inventories (continued)**

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

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨賬面值	228,289	311,658
Write down of inventories	計提存貨跌價準備	85,348	—
Reversal of write-down inventories	沖回存貨跌價準備	(10,811)	—
		<b>302,826</b>	311,658

**11 存貨 (續)**

**(b) 已計入損益並確認為費用的存貨金額分析如下：**

**12 Trade and other receivables**

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元
Trade debtors and bills receivable	貿易應收款項及應收票據	87,576	314,481
Less: allowance for doubtful debts (Note 12(b))	減：呆賬撥備(附註12(b))	(1,255)	(1,792)
		<b>86,321</b>	312,689
Prepayment for purchase of raw materials	購買原材料預付款項	8,784	2,656
Prepayment for purchase of fixed assets	購買固定資產預付款項	17,477	18,478
Prepaid advertising fee	預付廣告費用	114,510	87,021
Other receivables	其他應收款項	15,148	19,216
		<b>242,240</b>	440,060

**12 貿易及其他應收款項**



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**12 Trade and other receivables (continued)**

The credit terms granted by the Group to customers generally range from 30 days to 90 days. Generally, all of the trade and other receivables are expected to be recovered within one year.

- (a) An ageing analysis of trade debtors and bills receivable by due date is as follows:

		<b>At 30 June 2011</b>	At 31 December 2010
		於二零一一年 六月三十日	於二零一零年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Current	即期	<b>63,374</b>	278,427
Less than 3 months past due	逾期少於3個月	<b>18,704</b>	29,798
More than 3 months but less than 6 months past due	逾期多於3個月但 少於6個月	<b>3,913</b>	5,130
More than 6 months but less than 12 months past due	逾期多於6個月但 少於12個月	<b>1,059</b>	553
More than 12 months past due	逾期多於12個月	<b>526</b>	573
		<b>87,576</b>	314,481
Less: impairment loss for doubtful debts	減：呆賬減值虧損	<b>(1,255)</b>	(1,792)
		<b>86,321</b>	312,689

**12 貿易及其他應收款項(續)**

本集團給予客戶的信用期一般介乎30日至90日。一般而言，所有貿易及其他應收款項預期於一年內收回。

- (a) 按到期日分析的貿易應收款項及應收票據賬齡分析如下：

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### 12 Trade and other receivables (continued)

(b) The movement in the allowance for impairment in respect of trade debtors is as follows:

		<b>At 30 June 2011</b> 於二零一一年 六月三十日 <b>RMB'000</b> 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元
Balance at 1 January	於一月一日的結餘	<b>1,792</b>	1,650
Impairment loss recognised	已確認減值虧損	—	149
Uncollectible amounts written off	沖銷不可收回金額	—	(7)
Reversal	撥回	<b>(537)</b>	—
Balance at 30 June/31 December	於六月三十日/ 十二月三十一日 的結餘	<b>1,255</b>	1,792

### 13 Pledged deposits

The balance as at 31 December 2010 represented the bank deposits of RMB220,000,000 pledged by Bawang Guangzhou in favour of China Merchants Bank Guangzhou Branch ("CMB Guangzhou Branch"), in respect of the bills payable accepted by CMB Guangzhou Branch. Such pledged deposits were released upon the payment of the bills payable by Bawang Guangzhou on 22 June 2011.

### 12 貿易及其他應收款項(續)

(b) 有關貿易應收款項的減值撥備變動如下：

### 13 抵押存款

於二零一零年十二月三十一日的結餘指霸王廣州以招商銀行廣州分行(「招商銀行廣州分行」)為受益人，就該分行承兌的票據所抵押的銀行存款人民幣220,000,000元。該抵押於二零一一年六月二十二日由霸王廣州支付有關應付票據後解除。

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**14 Cash and cash equivalents**

**14 現金及現金等價物**

		<b>At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元</b>	At 31 December 2010 於二零一零年 十二月三十一日 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	<b>414,503</b>	614,976
Deposits with banks within six months to maturity when placed	自存款日起六個月內到期的銀行定期存款	—	60,000
Cash at bank and in hand	銀行結餘及現金	<b>460,518</b>	511,568
		<b>875,021</b>	1,186,544

**15 Trade and other payables**

**15 貿易及其他應付款項**

		<b>At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元</b>	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元
Trade payables	貿易應付款項	<b>42,040</b>	58,673
Receipts in advance	預收款項	<b>49,079</b>	57,460
Promotion fee payable	應付推廣費用	<b>36,036</b>	33,092
Accrued payroll	應付工資	<b>18,859</b>	18,525
Derivative financial instruments	衍生金融工具	—	3,757
Other payables and accruals	其他應付款項及應計費用	<b>64,508</b>	57,286
		<b>210,522</b>	228,793

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### 15 Trade and other payables (continued)

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

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

		<b>At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元</b>	At 31 December 2010 於二零一零年 十二月三十一日 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	<b>32,069</b>	40,390
Due after 1 month but within 3 months	1個月後但3個月內到期	<b>9,971</b>	18,283
		<b>42,040</b>	58,673

### 16 Bank loans and overdrafts

The balance as at 31 December 2010 mainly represented a short-term loan provided by China Merchants Bank Hong Kong Branch to Bawang International Group Holding (HK) Limited ("Bawang Hong Kong") at an interest rate of 3.3% per annum. The loan was repaid on 22 June 2011.

### 15 貿易及其他應付款項(續)

由供應商授予的信用期介乎30日至90日。

貿易及其他應付款項中包括的貿易應付款項，於結算日按到期日分析的賬齡如下：

### 16 銀行貸款及透支

於二零一零年六月三十日的結餘主要為招商銀行香港分行向霸王國際集團控股(香港)有限公司(「霸王香港」)提供的年利率為3.3%的短期貸款。本集團已於二零一一年六月二十二日償還該貸款。

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## 17 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.

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

Weighted average fair value at measurement date (HK\$)	於計量日的加權平均公允價值(港元)	2.0
Share price (HK\$)	股價(港元)	2.268
Exercise price (HK\$)	行使價(港元)	0.1 or (或) 1.134
Expected volatility	預期波幅	52.8%
Option life (in years)	購股權年期(年)	10
Expected dividends	預期股息	0%
Risk-free interest rate	無風險利率	2.84%

## 17 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出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使價為其面值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。

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

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## 17 Equity settled share-based transactions (continued)

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

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.

During the six months ended 30 June 2011, equity-settled share-based payment expenses amounting to RMB1,705,000 (six months ended 30 June 2010: RMB5,393,000) were recognised in the consolidated income statement.

## 17 以權益結算的股份支付 交易(續)

### 購股權公允價值及假設(續)

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。

於截至二零一一年六月三十日止六個月，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1,705,000元(截至二零一零年六月三十日止六個月：人民幣5,393,000元)。

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**18 Capital, reserves and dividends**

**(a) Dividends**

- (i) Dividends payable to equity shareholders of the Company attributable to the interim period

**18 股本、儲備及股息**

**(a) 股息**

- (i) 歸屬於本中期期間應付本公司權益持有人的股息

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
No interim dividend recommended and declared after the interim period for the six months ended 30 June 2011 (for the six months ended 30 June 2010: HK\$1.5 cents per ordinary share)	於本中期結算日後並無提議及宣告截至二零一一年六月三十一日止六個月期間的中期股息 (截至二零一零年六月三十日止六個月：每股普通股港幣1.5仙)	—	38,063
No special dividend recommended and declared after the interim period for the six months ended 30 June 2011 (for the six months ended 30 June 2010: HK\$2.5 cents per ordinary share)	於本中期結算日後並無提議及宣告截至二零一一年六月三十日止六個月期間的特別股息 (截至二零一零年六月三十日止六個月：每股普通股港幣2.5仙)	—	63,437
		—	101,500

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**18 Capital, reserves and dividends (continued)**

**(a) Dividends (continued)**

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

**18 股本、儲備及股息(續)**

**(a) 股息(續)**

- (ii) 於中期期間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

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
No final dividend in respect of the previous financial year, approved and paid during the interim period for the six months ended 30 June 2011 (for the six months ended 30 June 2010: HK\$4.25 cents per ordinary share)	截至二零一一年六月三十日止六個月的中期期間無批准及支付的以往財政年度年末股息 (截至二零一零年六月三十日止六個月：每股普通股港幣4.25仙)	—	108,054
No special dividend in respect of the previous financial year, approved and paid during the following interim period for the six months ended 30 June 2011 (for the six months ended 30 June 2010: HK\$4.25 cents per ordinary share)	截至二零一一年六月三十日止六個月的中期期間無批准及支付的以往財政年度特別股息 (截至二零一零年六月三十日止六個月：每股普通股港幣4.25仙)	—	108,054
		—	216,108



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## 18 Capital, reserves and dividends (continued)

### (b) Share capital

Details of share capital are as follows:

		No. of shares 股份數目 (‘000) (千)	Nominal value 面值 RMB’000 人民幣千元
<b>Authorised:</b>	<b>法定：</b>		
Ordinary shares of HK\$0.1 each at 30 June 2011 and 31 December 2010	於二零一一年六月 三十日及二零一零年 十二月三十一日 每股0.1港元 之普通股	10,000,000	880,500
<b>Ordinary shares of HK\$0.1 each issued and fully paid:</b>	<b>已發行及繳足每股0.1港元 之普通股：</b>		
At 30 June 2011 and 31 December 2010	於二零一一年六月 三十日及二零一零年 十二月三十一日	2,907,821	256,380

### (c) 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.

### (d) 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 in the 2010 annual financial statements.

## 18 股本、儲備及股息(續)

### (b) 股本

股本詳情如下：

### (c) 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。

### (d) 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二零一零年年度財務報表所採用的會計政策於資本儲備中確認。

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## 18 Capital, reserves and dividends (continued)

### (e) PRC statutory reserves

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

Bawang Guangzhou and Bawang Beverage, which are wholly foreign owned enterprises established in the PRC, are required to transfer at least 10% of their 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.

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 the 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.

### (f) 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.

## 18 股本、儲備及股息(續)

### (e) 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。

霸王廣州及霸王飲料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。

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%。

### (f) 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。

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(Expressed in Renminbi)  
 (以人民幣列示)

**18 Capital, reserves and dividends (continued)**

**(g) Translation reserve**

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the operations outside the PRC.

**19 Commitments**

**(a) Capital commitments outstanding at 30 June 2011 not provided for in the financial statements were as follows:**

	<b>At 30 June 2011</b>	At 31 December 2010
	於二零一一年 六月三十日	於二零一零年 十二月三十一日
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元
Contracted for 已簽約	<b>86,619</b>	27,923

**(b) At 30 June 2011, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:**

	<b>At 30 June 2011</b>	At 31 December 2010
	於二零一一年 六月三十日	於二零一零年 十二月三十一日
	<b>RMB'000</b>	RMB'000
	人民幣千元	人民幣千元
Leases expiring: 租約於下列期間到期：		
Within 1 year 1年內	<b>2,526</b>	3,224
Between 1 and 2 years 1至2年	<b>2,343</b>	3,048
Between 2 and 3 years 2至3年	<b>1,030</b>	2,864
Between 3 and 6 years 3至6年	<b>327</b>	814
Over 6 years 6年以上	<b>1,640</b>	1,694
Total 總計	<b>7,866</b>	11,644

**18 股本、儲備及股息(續)**

**(g) 匯兌儲備**

匯兌儲備包括換算以外幣計量的財務報表所產生的全部匯兌差異。

**19 承擔**

**(a) 於二零一一年六月三十日並無在財務報表中反映的資本承擔如下：**

**(b) 於二零一一年六月三十日，本集團不可撤銷經營租賃應付的未來最低租金總額如下：**

(Expressed in Renminbi)  
 (以人民幣列示)

## 19 Commitments (continued)

**(b) At 30 June 2011, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows: (continued)**

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 20(a)(i).

## 20 Material related party transactions

During the six months ended 30 June 2011, the directors are of the view that related parties of the Group include the following individuals/companies:

**Name of related party**

關聯方名稱

Mr CHEN Qiyuan  
 陳啟源先生

Ms WAN Yuhua  
 萬玉華女士

Guangzhou Qiancai Packaging  
 Materials Co., Ltd.  
 廣州市倩采包裝材料有限公司

Guangzhou Chenming Paper  
 Products Company Limited  
 廣州晨明紙品有限公司

Guangzhou Bawang Cosmetics Co., Ltd.  
 ("Guangzhou Bawang")  
 廣州霸王化妝品有限公司(「廣州霸王」)

Guangzhou Bawang International Hotel Co., Ltd.  
 ("Bawang Hotel")  
 廣州霸王國際大酒店有限公司(「霸王大酒店」)

**Relationship with the Group**

與本集團的關係

Controlling Shareholder  
 控股股東

Controlling Shareholder  
 控股股東

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

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

Effectively 100% owned by the  
 Controlling Shareholders  
 由控股股東100%有效擁有

Effectively 100% owned by the  
 Controlling Shareholders  
 由控股股東100%有效擁有

## 19 承擔(續)

**(b) 於二零一一年六月三十日，本集團不可撤銷經營租賃應付的未來最低租金總額如下：(續)**

經營租賃項下的主要租賃安排包括載於附註20(a)(i)的向廣州霸王化妝品有限公司租用的生產廠房及辦公室。

## 20 重大關聯方交易

截至二零一一年六月三十日止六個月，董事認為本集團的關聯方包括以下人士／公司：

(Expressed in Renminbi)  
 (以人民幣列示)

## 20 Material related party transactions (continued)

### (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.

On 21 January 2011, Bawang Guangzhou and Guangzhou Bawang entered into an agreement pursuant to which the production premise and office lease agreement was renewed for a term of three years commencing from 4 December 2010, at a fixed monthly rental of RMB184,083.

#### (ii) Purchase of raw materials from related parties

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 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	690	1,896
Guangzhou Chenming Paper Products Company Limited	廣州晨明紙品有限公司	4,254	6,348

## 20 重大關聯方交易(續)

### (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。

霸王廣州及廣州霸王於二零一一年一月二十一日就租賃該物業重續租約，租期自二零一零年十二月四日起為期三年，租金為每個月人民幣184,083元。

#### (ii) 向關聯方購買原材料

(Expressed in Renminbi)  
 (以人民幣列示)

**20 Material related party transactions**  
 (continued)

**(a) Transactions with related parties**  
 (continued)

**(iii) Utilities expenses paid on behalf of the Group**

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Guangzhou Bawang	廣州霸王	1,613	2,626

**(iv) Meeting and catering services provided by related party**

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Bawang Hotel	霸王大酒店	2,242	—

**20 重大關聯方交易 (續)**

**(a) 與關聯方的交易 (續)**

**(iii) 代本集團支付的水電費**

**(iv) 由關聯方提供的會議及餐飲服務**

(Expressed in Renminbi)  
(以人民幣列示)

## 20 Material related party transactions (continued)

### (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 payables

		At 30 June 2011 於二零一一年 六月三十日 RMB'000 人民幣千元	At 31 December 2010 於二零一零年 十二月三十一日 RMB'000 人民幣千元
<b>Non-trade related</b>	<b>非貿易相關</b>		
Guangzhou Bawang	廣州霸王	863	1,978
Bawang Hotel	霸王大酒店	1,291	—
<b>Trade related</b>	<b>與貿易相關</b>		
Guangzhou Qiancai Packaging Materials Co., Ltd.	廣州市倩采包裝 材料有限公司	44	290
Guangzhou Chenming Paper Products Company Limited	廣州晨明紙品 有限公司	288	1,095
Total	總計	<b>2,486</b>	3,363

The above non-trade related balances are unsecured, interest free and have no fixed terms of repayment. As at 30 June 2011, the balance due to Guangzhou Bawang mainly represented the rental payable for the production premise and the payable for utility expenses due to Guangzhou Bawang from May to June 2011. The balance due to Bawang Hotel mainly represented the payable for meeting and catering services rendered by Bawang Hotel.

上述與非貿易有關的結餘為無抵押、免息且無固定還款期。於二零一一年六月三十日，應付廣州霸王的結餘主要為二零一一年五月至六月本集團租用生產場所而應付廣州霸王的水電費及應付廣州霸王的水電費。應付霸王大酒店的結餘主要為應付霸王大酒店的會議及餐飲服務費。

## 20 重大關聯方交易(續)

### (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) 貿易及其他應付款項

(Expressed in Renminbi)  
 (以人民幣列示)

## 20 Material related party transactions (continued)

### (c) Key management personnel compensation

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Group's directors.

Remuneration for key management personnel of the Group is as follows:

		For the six months ended 30 June 截至六月三十日止六個月	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	3,138	1,706
Contribution to defined contribution retirement plans	界定供款退休計劃供款	72	60
Equity compensation benefits	股份支付福利	876	3,625
<b>Total</b>	<b>總計</b>	<b>4,086</b>	<b>5,391</b>

Total remuneration is included in "staff costs" (See Note 6(b)).

## 20 重大關聯方交易(續)

### (c) 主要管理人員薪酬

主要管理人員為於擔任附有權力的職位以及負責規劃、指引和直接或間接控制本集團活動的人士，包括本集團的董事。

本集團主要管理人員的薪酬如下：

薪酬總額計入「員工成本」(見附註6(b))。





**Review report to the board of directors of  
BaWang International (Group) Holding Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

## Introduction

We have reviewed the interim financial report set out on pages 23 to 62, which comprises the consolidated balance sheet of BaWang International (Group) Holding Limited as of 30 June 2011 and the related consolidated income statement, statement of comprehensive income and statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” promulgated by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34 “Interim Financial Reporting”.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**致霸王國際(集團)控股有限公司董事會  
之審閱報告**

*(於開曼群島註冊成立的有限公司)*

## 引言

我們已審閱列載於第23頁至第62頁霸王國際(集團)控股有限公司的中期財務報告，此中期財務報告包括於二零一一年六月三十日的合併資產負債表與截至該日止六個月期間的合併損益表、合併綜合收益表、合併權益變動表和簡明合併現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》，上市公司必須符合上市規則中的相關規定和國際會計準則委員會採用的《國際會計準則》第34號(「《國際會計準則》第34號」)「中期財務報告」的規定編製中期財務報告。董事須負責根據《國際會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。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。

## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34 “Interim Financial Reporting”.

### **KPMG**

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

28 August 2011

## 審閱範圍

我們已根據香港會計師公會頒佈的《香港審閱工作準則》第2410號「實體的獨立核數師對中期財務資料的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事項的人員詢問，並實施分析和其他審閱程序。由於審閱的範圍遠較按照《香港核數準則》進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

## 結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於二零一一年六月三十日的中期財務報告在所有重大方面沒有按照《國際會計準則》第34號「中期財務報告」的規定編製。

### **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

二零一一年八月二十八日

# Other Information

## 其他資料

### Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 30 June 2011, 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 that was 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的股份、相關股份及債權證中擁有的權益及淡倉

截至二零一一年六月三十日，董事及本公司行政人員於本公司或其任何相聯法團（按證券及期貨條例（香港法例第571章）（「證券及期貨條例」）第XV部的涵義）的股份、相關股份及債券證中，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淡倉（包括彼等根據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條規定須登記於本公司需存置的登記冊內的權益及淡倉，(c)或根據上市發行人董事進行證券交易的標準守則（「標準守則」）規定須知會本公司及香港聯交所的權益及淡倉如下：

### 於本公司的股份、相關股份及債權證中之好倉

Name of director 董事名稱	Class of Shares 股份類別	Nature of interest 權益性質	Number of shares/ underlying share 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 普通股	Corporate (Note 1) 公司（附註1）	1,900,840,000	65.37%
WAN Yuhua 萬玉華	Ordinary 普通股	Corporate (Note 2) 公司（附註2）	1,900,840,000	65.37%
SHEN Xiaodi 沈小笛	Ordinary 普通股	Personal 個人	1,680,000	0.06%
WONG Sin Yung 黃善榕	Ordinary 普通股	Personal 個人	1,260,000	0.04%
GUO Jing 郭晶	Ordinary 普通股	Personal (Note 3) 個人（附註3）	1,680,000	0.06%

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 30 June 2011, so far as known to any Directors or chief executive of the Company, neither the Directors nor the chief executive of the Company, 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 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.

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，截至二零一一年六月三十日，據本公司任何董事或最高行政人員所知，無論是董事或者是本公司最高行政人員，並無於本公司或其任何相聯法團（按證券及期貨條例第XV部的涵義）的股份、相關股份或債權證中，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或淡倉（包括彼等根據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條規定須登記於本公司需存置的登記冊內的權益或淡倉，(c)或根據標準守則規定須知會本公司及香港聯交所的權益或淡倉。

## Interests and Short Positions of Substantial Shareholders of the Company

As at 30 June 2011, 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 the Company as recorded in the register that was required to be kept pursuant to Section 336 of the SFO were as follows:

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of issued share capital 持股份百分比
Fortune Station Ltd. Fortune Station Ltd.	Corporate 公司	1,900,840,000(L)	65.37%
CHEN Qiyuan 陳啟源	Corporate (Note 1) 公司 (附註1)	1,900,840,000(L)	65.37%
WAN Yuhua 萬玉華	Corporate (Note 2) 公司 (附註2)	1,900,840,000(L)	65.37%
FIL Limited FIL Limited	Corporate (Note 3) 公司 (附註3)	182,414,000(L)	6.27%

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

Notes:

- 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.
- FIL Limited is the parent company of non-U.S. investment advisors, including Fidelity Investments Management (Hong Kong) Limited.

## 本公司主要股東的權益及淡倉

截至二零一一年六月三十日，據本公司任何董事或最高行政人員所知，以下股東（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有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 股份數目	Approximate percentage of issued share capital 持股份百分比
Fortune Station Ltd. Fortune Station Ltd.	Corporate 公司	1,900,840,000(L)	65.37%
CHEN Qiyuan 陳啟源	Corporate (Note 1) 公司 (附註1)	1,900,840,000(L)	65.37%
WAN Yuhua 萬玉華	Corporate (Note 2) 公司 (附註2)	1,900,840,000(L)	65.37%
FIL Limited FIL Limited	Corporate (Note 3) 公司 (附註3)	182,414,000(L)	6.27%

L — 好倉，S — 淡倉

附註：

- 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。
- FIL Limited 是一家非美國投資顧問的母公司，包括富達基金（香港）有限公司。

Other than as disclosed above, as at 30 June 2011, the Company has not been notified by any person (other than a Director or chief executive of the Company) who had interests or short positions 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, a share option scheme dated on 8 June 2009 (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 30 June 2011, no options have been granted or agreed to be granted by the Company under the Share Option Scheme.

截至二零一一年六月三十日，除上文所披露人士之外，本公司沒有任何人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有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購股權計劃，也就是於二零零九年六月八日授出的購股權計劃（「購股權計劃」）和首次公開發售前購股權計劃，目的在於為董事、高級管理人員和僱員提供一個機會擁有本公司股票，及激勵僱員表現更好及更有效率，並以此挽留那些為本集團的長遠增長及盈利能力做出重大貢獻的員工。截至二零一一年六月三十日，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。

## Other Information 其他資料

### 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 30 June 2011. The details are as follows:

Name of director 董事名稱	Date of grant 授權日	Exercise price (HKD) 行使價 (港元)	Number of share options 股份期權數目			As at 30 June 2011 截至 二零一一年 六月三十日	Approximated percentage of of the Company (%) 佔本公司已發行股本 的百分比(%)	Exercise Period 行使期間	
			As at 1 January 2011 截至 二零一一年 一月一日	Granted during the period 授予數目 期間	Exercised during the period 行使數目 期間				
SHEN Xiaodi 沈小笛	8 June 2009 二零零九年 六月八日	Par Value 面值	420,000	—	—	1,680,000	0.06%	4 July 2011 to 8 June 2019 二零一一年七月四日至 二零一一年六月八日	
		Par Value 面值	420,000						4 July 2012 to 8 June 2019 二零一二年七月四日至 二零一一年六月八日
		Par Value 面值	420,000						4 July 2013 to 8 June 2019 二零一三年七月四日至 二零一一年六月八日
		Par Value 面值	420,000						4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一一年六月八日
WONG Sin Yung 黃善榕	8 June 2009 二零零九年 六月八日	Par Value 面值	315,000	—	—	1,260,000	0.04%	4 July 2011 to 8 June 2019 二零一一年七月四日至 二零一一年六月八日	
		Par Value 面值	315,000						4 July 2012 to 8 June 2019 二零一二年七月四日至 二零一一年六月八日
		Par Value 面值	315,000						4 July 2013 to 8 June 2019 二零一三年七月四日至 二零一一年六月八日
		Par Value 面值	315,000						4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一一年六月八日
Grand Total 授予總數			2,940,000	—	—	2,940,000	0.10%		

### 首次公開發售前購股權計劃

於二零零九年六月八日，本公司給與兩名執行董事合共4,200,000股的首次公開發售前購股權，截至二零一一年六月三十日，該等購股權尚未到期及未被行使，其明細如下：

Apart from the above, options totaling 10,332,000 shares under the Pre-IPO Share Option Scheme were granted to 40 employees of the Group on 8 June 2009. As of 30 June 2011, options totaling 1,843,800 shares had been cancelled as the grantees of those cancelled options ceased to be employees of the Group. Of which, options totalling 1,423,800 shares had been cancelled during the period under review. As at 30 June 2011, there was a balance of unexpired and unexercised options to subscribe for 6,927,480 Shares. Except for the options which had been granted, no further options were granted as at 30 June 2011. Details of the valuation of Pre-IPO Share Option Scheme are set out in Note 17 under the section headed "Notes to the Unaudited Interim Financial Report" to this interim report. The value of options are subjective and uncertain as such values are subject to a number of assumptions and limitations of the valuation model.

### **Purchase, Sales or Redemption on of the Company's Listed Securities**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period under review.

### **The Code on Corporate Governance Practices**

The Company is committed to enhancing the corporate governance of the Group, and the Board reviews and updates all such necessary measures in order to promote good corporate governance.

The Company has adopted and complied with the provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to Listing Rules during the period under review.

Refer to the announcement of the Company dated 25 February 2011 with respect to certain previous continuing connected transactions of the Company. In order to prevent

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股股份的購股權被授予本集團40名僱員。截至二零一一年六月三十日，總共1,843,800股股份的購股權，因為該等被取消購股權與授權者不再是本集團的僱員。其中於回顧期內，總共1,423,800股股份的購股權被取消。截至二零一一年六月三十日，尚未到期並未被行使之購股權餘額是6,927,480股。除了上述已經授出的購股權，截至二零一一年六月三十日，再無任何購股權授出。首次公開發售前購股權計劃的估值詳見本中期報告標題為「未經審核中期財務報告」附註17。該估值相當主觀和難以預計，要視乎所用的多項假設，也受估值模式的限制。

### **購買、出售或贖回本公司的上市證券**

於回顧期間，本公司或其任何附屬公司概無買賣或贖回本公司任何上市證券。

### **企業管治常規守則**

本公司致力提高本集團的企業管治水平，而董事會審閱及更新為促進良好企業管治的一切必要措施。

於回顧期內，本公司一直採納及遵守上市規則附錄14所載企業管治常規守則的適用守則條文。

茲提述本公司於二零一一年二月二十五日所公佈的過往持續關聯交易。為防止類似事件的再次發生，本公司已採取措



the occurrence of similar incidents in the future, the Company has taken steps to strengthen the internal controls over the procurement, accounting and payment cycles of all transaction with connected persons and to conduct training sessions for its management teams so as to reinforce the importance of compliance with the requirements of the Listing Rules governing connected transactions.

### **Changes to Information in respect of Directors**

In accordance with Rules 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) of Rule 13.51(2) since publication of the Company's Annual Report 2010 up to 28 August 2011 (being the date of approval of the Company's Interim Report 2011) are set out as below:

#### **Change in experience including other major appointments**

Mr. Chen Qiyuan has ceased to be 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 17 August 2010.

施加強關聯人士所有交易相關之採購、入賬及付款流程的內部控制，及對管理團隊進行培訓，以加強對遵守關聯交易的相關上市規則的重要性。

### **董事資料的變動**

根據《香港聯合交易所有限公司證券上市規則》(「《上市規則》」)第13.51B(1)條，自刊發本公司2010年報起直至2011年8月28日(為通過本公司2011中期報告當天)期間，董事按第13.51(2)條第(a)至(e)段及第(g)段規定披露資料的變動如下：

#### **有關擔任其他主要任命的變動**

陳啟源先生於2010年8月17日起停任北京大學公共經濟管理研究中心資深研究員。

## 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 “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 interim results of the Group for the six months ended 30 June 2011 contained in this report with the management of the Company and the Company’s independent auditors and recommended its adoption by the Board. In addition, the Group’s independent auditor, KPMG, has carried out a review of the Group’s unaudited interim results for six months ended 30 June 2011 in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

## 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。審核委員會的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。審核委員會已與公司管理層及公司獨立核數師審閱本報告所載的本集團截至二零一一年六月三十日止六個月之中期業績，並建議董事會將其採納。此外，本集團的獨立核數師畢馬威會計師事務所已按香港會計師公會所頒佈的香港審閱工作準則第2410號「實體的獨立核數師對中期財務資料的審閱」對本集團截至二零一一年六月三十日止六個月的未經審核中期業績進行審閱。



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