



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 2014 2014 年中期報告

* for identification purposes only
僅供識別

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Corporate Information

公司資料

DIRECTORS

Executive Directors

CHEN Qiyuan (Chairman)

WAN Yuhua

WONG Sin Yung CPA

Independent non-executive Directors

Dr. NGAI Wai Fung PhD, CPA, FCCA, FCIS, FCS (P.E.)

LI Bida

CHEN Kaizhi

(Resigned on 30 June 2014)

AUDIT COMMITTEE

Dr. NGAI Wai Fung PhD, CPA, FCCA, FCIS, FCS (P.E.) (Chairman)

LI Bida

CHEN Kaizhi

(Resigned on 30 June 2014)

REMUNERATION COMMITTEE

LI Bida (Chairman)

WAN Yuhua

CHEN Kaizhi

(Resigned on 30 June 2014)

NOMINATION COMMITTEE

CHEN Qiyuan (Chairman)

LI Bida

CHEN Kaizhi

(Resigned on 30 June 2014)

COMPANY SECRETARY

WONG Sin Yung CPA

AUTHORISED REPRESENTATIVES

WAN Yuhua

WONG Sin Yung CPA

董事

執行董事

陳啟源(主席)

萬玉華

黃善榕 CPA

獨立非執行董事

魏偉峰博士 PhD, CPA, FCCA, FCIS, FCS (P.E.)

李必達

陳開枝

(於二零一四年六月三十日辭任)

審核委員會

魏偉峰博士 PhD, CPA, FCCA, FCIS, FCS (P.E.) (主席)

李必達

陳開枝

(於二零一四年六月三十日辭任)

薪酬委員會

李必達(主席)

萬玉華

陳開枝

(於二零一四年六月三十日辭任)

提名委員會

陳啟源(主席)

李必達

陳開枝

(於二零一四年六月三十日辭任)

公司秘書

黃善榕 CPA

授權代表

萬玉華

黃善榕 CPA



Corporate Information 公司資料

REGISTERED OFFICE

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

註冊辦事處

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PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")

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中國主要營業地點

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PLACE OF BUSINESS IN HONG KONG

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香港營業地點

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
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183 Queen's Road East
Wanchai
Hong Kong

香港證券過戶登記處

香港中央證券登記有限公司
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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Corporate Information 公司資料

AUDITOR

SHINEWING (HK) CPA Limited
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Causeway Bay
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核數師

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COMPANY'S WEBSITE

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STOCK CODE

01338

股票代碼

01338

PRINCIPAL BANKERS

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主要往來銀行

香港上海滙豐銀行有限公司
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中國銀行股份有限公司
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Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The board (the “**Board**”) of directors (the “**Directors**”) of Bawang International (Group) Holding Limited (the “**Company**”) reports that the total revenue of the continuing business of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2014 was approximately RMB141.7 million, representing a decrease of approximately 41.1% from approximately RMB240.7 million for the same period of 2013. The operating loss from the continuing operations of the Group for the six months ended 30 June 2014 was approximately RMB53.2 million, representing a decrease of approximately 36.1% from approximately RMB83.3 million for the same period of 2013. For the six months ended 30 June 2014, the net loss from the continuing operations of the Group was approximately RMB53.9 million, as compared with the net loss of approximately RMB84.0 million for the same period of 2013.

Since 2013, the Group has exercised stringent cost control measures, along with sales growth operating strategies. Due to the positive impact made on the sustainable development of the Group, the Board decided to continuously adopt the ongoing value-chain-oriented business model known as “Project Win-win (共贏項目)”, performance-based rewards system known as “Job Target and Responsibility Statement (工作目標和職責責任書)”, and the Sales Automation Management System (SAMS). Based on the foregoing, the Group was able to further reduce the operating costs and also improve the operating results of the continuing operations for the first half of 2014.

During the World Cup football tournament finals in June 2014, the Group seized this opportunity to further promote the Bawang anti-hair fall shampoos with its benefits to help relieving the hair-falling problems probably caused by insufficient sleeps, along with the on-going promotion slogan “Scary of hair-fall, use Bawang shampoo”. Mr. Jackie Chan continued to be the brand ambassador of Bawang shampoo during the period under review.

As of 30 June 2014, the Bawang brand distribution network comprised approximately 489 distributors and 39 KA retailers, covering 26 provinces and four municipalities in the PRC. Furthermore, the products of the Group were also sold in Hong Kong, Singapore, Thailand, Malaysia and Cambodia.

業務回顧

霸王國際(集團)控股有限公司(「本公司」)之董事會報告本公司及附屬公司(合稱「本集團」)截至二零一四年六月三十日止的六個月持續經營業務總收入約人民幣141.7百萬元，較二零一三年同期約人民幣240.7百萬元下降了約41.1%。本集團截至二零一四年六月三十日止六個月期間錄得持續經營業務的經營虧損約人民幣53.2百萬元，比二零一三年同期約人民幣83.3百萬元下降了約36.1%。本集團截至二零一四年六月三十日止六個月錄得持續經營業務淨虧損約人民幣53.9百萬元，而二零一三年同期錄得淨虧損約人民幣84.0百萬元。

自二零一三年以來，本集團執行嚴格的成本控制措施並輔以銷售增長的經營策略來經營其業務。這一措施已對本集團的持續性產生積極的影響，董事會決定繼續執行以價值鏈為導向的業務模式「共贏項目」和績效獎勵制度「工作目標和職責責任書」以及銷售自動化管理系统。因此，本集團能夠進一步降低經營成本，也改善了二零一四年上半年的持續經營業務的經營業績。

二零一四年六月世界杯足球賽決賽期間，本集團抓住此機遇，結合持續推廣口號「怕脫髮，用霸王」來推廣霸王防脫洗髮水。霸王防脫洗髮水有助於緩解可能因觀看世界杯足球賽直播導致睡眠不足而引起的脫髮問題。於回顧期間，成龍先生繼續擔任霸王洗髮水的品牌代言人。

截至二零一四年六月三十日，霸王品牌分銷網絡包括大約489個分銷商及39個重點零售商，覆蓋中國26個省份及四個直轄市。此外，該等產品亦已在香港、新加坡、泰國、馬來西亞和柬埔寨市場銷售。

Management Discussion and Analysis 管理層討論及分析

During the period under review, the Group continued to promote the brand image of Royal Wind shampoo with the marketing theme “Anti-dandruff in Speedy and Natural Manner (快速去屑更天然)” through multiple media such as television, internet and public bus light-boxes. Mr. Han Geng was the brand ambassador during the period under review.

As of 30 June 2014, the Royal Wind brand distribution network comprised approximately 450 distributors and 34 KA retailers, covering 26 provinces and four municipalities in the PRC.

The Litao products mainly comprise shower gels targeting consumers living in the second-tier or third-tier cities in China. As of 30 June 2014, the Litao products distribution network comprised approximately 356 distributors covering 26 provinces and four municipalities in the PRC.

The Group’s Herborn Chinese herbal skincare products target white-collar females in the age range of 25 to 45 who have relatively high net income and are dedicated to pursue a healthy and natural lifestyle. As of 30 June 2014, the sales and distribution network for the Herborn Chinese herbal skincare products comprised approximately 88 distributors covering 27 provinces and four municipalities in the PRC. The Group also had about 5,500 counters in cosmetics specialty shops in Mainland China.

During the period under review, we continued to sell our natural plant skincare products series, Smerry which target young female customers in the age range of 18 to 28 who are dedicated to pursue a natural and healthy lifestyle.

The business operations of Bawang Herbal Tea have been discontinued since 1 July 2013. The Group is in the course of following up the matters after the discontinuance of this business. Save as disclosed above, there have been no material changes in the business of the Group since the publication of the Company’s annual report for the year ended 31 December 2013.

In a presentation ceremony for the 18th National Top Selling and Leading Brand Awards held by the Chinese Industrial Information Issuing Centre of the National Bureau of Statistics of China, Bawang branded product was honored as the No. 1 Chinese Herbal Shampoo in China in 2013.

於回顧期內，本集團以「快速去屑更天然」為主題通過多種媒體（如電視、互聯網和公交燈箱）推廣追風品牌產品。於回顧期內，韓庚先生擔任品牌代言人。

截至二零一四年六月三十日，追風品牌分銷網絡包括大約450個分銷商及34個重點零售商，覆蓋中國26個省份及四個直轄市。

麗濤產品主要包括沐浴露，目標市場是二三線城市的消費者。截至二零一四年六月三十日，麗濤品牌分銷網絡包括大約356個分銷商，覆蓋中國26個省份和四個直轄市。

至於中草藥護膚產品一本草堂，其目標客戶群體是擁有相對較高的收入、崇尚健康自然的生活方式、年齡介於25至45歲的白領女性。截至二零一四年六月三十日，本草堂中草藥護膚產品的分銷網絡，包括大約88個分銷商，覆蓋中國27個省份和四個直轄市。中國境內的化妝品專營店專櫃約5,500多家。

於回顧期內，我們繼續銷售我們的天然植物護膚系列產品一雪美人。其目標客戶群體是崇尚天然健康的生活方式、年齡介於18歲至28歲的年輕女性。

本集團涼茶系列產品一霸王飲料的經營業務，自二零一三年七月一日終止。本集團正在處理業務終止之後的後續事項。除了以上披露的信息，自二零一三年十二月三十一日本集團年度報告發佈之日起，本集團業務上沒有實質改變。

在國家統計局中國行業企業信息發佈中心舉辦的第十八屆全國市場銷量領先品牌信息發佈會上，霸王洗髮水再度榮獲二零一三年度全國中藥類防脫髮洗髮水市場同類產品銷量第一名的榮譽。



Management Discussion and Analysis 管理層討論及分析

According to the research reports issued by Euromonitor International Limited in 2014, in terms of sales value, Bawang continued to be the No.1 Chinese herbal shampoo in 2013, which is seven years in a row.

During the period under review, we obtained the recognitions as follows:

- We were accredited as “The 2013 Innovator of the Guangdong Provincial Pharmaceutical Market (2013年度廣東省醫藥行業市場開拓先進單位)” by the Guangdong Pharmaceutical Profession Association in March 2014.
- A number of Bawang and Royal Wind branded shampoos were recognized as “The 2013 New High-tech Products in Guangdong (2013年廣東省高新技術產品)” by the Guangdong Provincial Bureau of Science & Technology in April 2014.

The Board regards these achievements as recognitions of the Group’s continuous effort in research, development and industrialization of Chinese herbal medicine.

From time to time, we make applications for registration of patents relating to our research findings on the application of Chinese herbs in the haircare, skincare and healthcare products. The successful registration of which is a further recognition for our continuous dedication to research and development.

Litigation

The Board considers that the contents of the relevant article published by Next Magazine on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, we commenced legal proceedings in the High Court of Hong Kong in October 2010 against Next Magazine seeking, *inter alia*, damages and an injunction to restrain Next Magazine from publishing such contents or similar contents. The pre-trial review and the trial of this action are scheduled to take place in December 2014 and March 2015, respectively. As of the date of this interim report, the legal proceedings are in progress.

根據歐睿國際有限公司於二零一四年發佈的研究報告，按銷量統計，截至二零一三年霸王在中國中草藥洗髮水市場連續七年處於領先地位。

於回顧期內我們已取得的獎項及認可如下：

- 二零一四年三月，我們被廣東省醫藥行業協會授予「2013年度廣東省醫藥行業市場開拓先進單位」榮譽稱號。
- 二零一四年四月，霸王和追風品牌數款洗髮水被廣東省科學技術廳認證為「2013年廣東省高新技術產品」。

董事會認為這些成就是對本集團的不斷努力研究中草藥開發和產業化的認可。

我們不時提交一些專利註冊申請，這些專利與應用中草藥於護髮、護膚及衛生保健的研究成果有關。成功註冊這些專利將進一步證明我們在研究和開發上不懈努力的認可。

訴訟

董事會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，我們已於二零一零年十月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。案件的審訊前覆核及審訊分別被安排在二零一四年十二月和二零一五年三月進行。截至本中期報告公佈之日，針對壹週刊的司法程序仍在進行中。

Management Discussion and Analysis 管理層討論及分析

A lawsuit was filed by a distributor against Bawang (Guangzhou) Co., Ltd. (“**Bawang Guangzhou**”) in Guangzhou Baiyun District Law Court (the “**District Court**”) whereby the distributor alleged that Bawang Guangzhou was liable to pay an outstanding reimbursement for the promotion fees pursuant to an agreement entered into between it and Bawang Guangzhou on 12 April 2010. On 20 November 2013, the District Court issued a verdict for the lawsuit whereby Bawang Guangzhou was ordered to pay the distributor of an aggregate amount of approximately RMB1.6 million and a legal cost of approximately RMB0.02 million. The distributor subsequently appealed to a higher court and the court dismissed the appeal and maintained the original adjudication.

During 2013 and the first six months of 2014, Bawang Guangzhou was a defendant in a legal action involving the alleged software infringement. Subsequently on 9 July 2014, the District Court issued a verdict for the lawsuit whereby Bawang Guangzhou was ordered to pay the software supplier an aggregate amount of RMB0.08 million.

A lawsuit was filed by a former subcontractor against Bawang (China) Beverage Company Limited (“**Bawang Beverage**”) in People’s Court of Songjiang District of Shanghai (the “**Shanghai Court**”) in respect of a dispute in the material processing contract between the former subcontractor and Bawang Beverage. In 2013, Bawang Beverage received a civil order issued by the Shanghai Court and one of Bawang Beverage’s bank accounts with an amount of approximately RMB0.3 million was frozen. On 20 June 2014, Shanghai No. 1 Intermediate People’s Court gave its final ruling that Bawang Beverage was liable to the former subcontractor for an amount of approximately RMB0.64 million. As of the date of this interim report, Bawang Beverage was in the process of winding-up.

As of the date of this interim report, the Directors are of the view that the above litigations did not and will not have a material adverse effect on the Group’s results of operations or financial condition.

廣州白雲區法院(「**地區法院**」)備案了某經銷商要求霸王(廣州)有限公司(「**霸王廣州**」)支付未償付的促銷費用的訴訟案件。原告聲稱根據其與霸王廣州於二零一零年四月十二日簽訂的協議，霸王廣州有責任補償未償付的促銷費用。於二零一三年十一月二十日，地區法院裁定了霸王廣州賠償該經銷商總計約人民幣1.6百萬元以及訴訟費用約人民幣0.02百萬元。該經銷商其後向高級法院提出上訴，而該法院已駁回上訴並維持原判。

在二零一三年及至二零一四年首六個月，霸王廣州於一軟件侵權案件中成為被告。其後於二零一四年七月九日，地區法院裁定了霸王廣州須賠償軟件供應商總金額合計人民幣0.08百萬元。

一名前承包商在上海松江區人民法院(「**上海法院**」)就前承包商及霸王(中國)飲料有限公司(「**霸王飲料**」)之間的原料加工合同糾紛向霸王飲料提起訴訟。於二零一三年，霸王飲料收到了上海法院的民事裁定，霸王飲料一個相關銀行賬戶約人民幣0.3百萬元已被凍結。於二零一四年六月二十日，上海第一中級人民法院對此案做出最終判決，霸王飲料須向前承包商支付約人民幣0.64百萬元。截至本中期報告發佈之日，霸王飲料正在清盤。

截至本中期報告發佈之日，董事們認為上述訴訟沒有亦將不會對本集團的經營業績及財務狀況產生重大不利影響。



FINANCIAL REVIEW

Continuing Operations

Revenue

During the six months ended 30 June 2014, the Group's revenue of the continuing operations amounted to approximately RMB141.7 million, representing a decrease of approximately 41.1% from approximately RMB240.7 million during the same period of 2013. The decrease was primarily attributable to the slowdown of the economy in China and the change in the business model of the traditional trade channel.

During the six months ended 30 June 2014, the Group's core brand, Bawang, generated a revenue of approximately RMB106.7 million, which accounted for approximately 75.4% of the Group's total revenue, and represented an decrease of approximately 30.3%, as compared with the same period of 2013.

During the six months ended 30 June 2014, the Group's branded Chinese herbal anti-dandruff haircare series, Royal Wind, recorded a revenue of approximately RMB18.6 million, which accounted for approximately 13.1% of the Group's total revenue, and represented a decrease of approximately 60.2%, as compared with the same period of 2013.

During the six months ended 30 June 2014, the Group's natural-based branded shampoo and shower gel products series, Litao, generated a revenue of approximately RMB9.8 million, which accounted for approximately 6.9% of the Group's total revenue, and represented a decrease of approximately 53.8%, as compared with the same period of 2013.

During the six months ended 30 June 2014, the Group's branded Chinese herbal skincare series, Herborn, recorded a revenue of approximately RMB5.4 million, which accounted for approximately 3.8% of the Group's total revenue, and represented a decrease of approximately 71.6%, as compared with the same period of 2013.

During the six months ended 30 June 2014, Smerry generated a revenue of approximately RMB1.2 million, which accounted for approximately 0.8% of the Group's total revenue.

財務回顧

持續經營業務

營業額

截至二零一四年六月三十日止六個月，本集團的持續經營業務收入約人民幣141.7百萬元，較二零一三年同期持續經營業務收入的約人民幣240.7百萬元下降了約41.1%。下降的主要原因是受中國經濟市場低迷的影響以及流通渠道經營模式的改變。

截至二零一四年六月三十日止六個月，本集團核心品牌，霸王的收入約人民幣106.7百萬元，約佔本集團總收入的75.4%，較二零一三年同期下降了約30.3%。

截至二零一四年六月三十日止六個月，本集團的中草藥去屑品牌，追風的收入約人民幣18.6百萬元，約佔本集團總收入的13.1%，較二零一三年同期下降了約60.2%。

截至二零一四年六月三十日止六個月，本集團的以純天然為基礎的洗髮水和沐浴露產品系列，麗濤的收入約人民幣9.8百萬元，約佔本集團總收入的6.9%，較二零一三年同期下降了約53.8%。

截至二零一四年六月三十日止六個月，本集團的中草藥護膚品牌，本草堂的收入約人民幣5.4百萬元，約佔本集團總收入的3.8%，較二零一三年同期下降約71.6%。

截至二零一四年六月三十日止六個月，雪美人的收入約人民幣1.2百萬元，約佔本集團總收入的0.8%。

Management Discussion and Analysis 管理層討論及分析

We sell our products through extensive distribution and retail networks. During the six months ended 30 June 2014, sales to our distributors and retailers represented approximately 71.1% and approximately 28.9% respectively of the Group's total revenue.

During the six months ended 30 June 2014, our products were also sold in Hong Kong, Singapore, Thailand, Malaysia and Cambodia. The sales to these overseas markets outside the PRC accounted for approximately 5.8% of our total revenue during the six months ended 30 June 2014.

Cost of Sales

During the six months ended 30 June 2014, cost of sales amounted to approximately RMB89.5 million, representing a decrease of approximately 25.5% from approximately RMB120.1 million during the same period of 2013. Such decrease was primarily due to a decrease in raw materials and package materials consumed and wages, partially offset by the increase in the factory rental.

Gross Profit

During the six months ended 30 June 2014, the Group's gross profit decreased to approximately RMB52.2 million, representing a decrease of approximately 56.7% from RMB120.6 million in the same period of 2013. The gross profit margin for the six months ended 30 June also decreased from approximately 50.1% in 2013 to approximately 36.8% in 2014. The decrease in the gross profit margin was mainly attributable to the increase in cost of sales as a percentage of revenue and the change in the business model of traditional trade channel.

Selling and Distribution Costs

During the six months ended 30 June 2014, selling and distribution costs decreased to approximately RMB78.1 million, representing a decrease of approximately 50.8% as compared with the same period of 2013. Such decrease was primarily due to the effective cost controls leading to decrease in advertising fee, and travelling expenses as well as the saving achieved in promotion fee and salary through optimizing the resources of promotion staff.

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。截至二零一四年六月三十日止六個月，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71.1%和28.9%。

截至二零一四年六月三十日止六個月，我們的產品亦已在香港、新加坡、泰國、馬來西亞和柬埔寨市場上銷售。截至二零一四年六月三十日止六個月，這些海外市場的銷售額約佔本集團總銷售額的5.8%。

銷售成本

截至二零一四年六月三十日止六個月，銷售成本約人民幣89.5百萬元，相比二零一三年同期的約人民幣120.1百萬元，下降了約25.5%。此項變化的主要原因是原材料和包裝材料的耗用減少，以及人員成本下降，但部分被廠房租賃費用上升所抵銷。

毛利

截至二零一四年六月三十日止六個月，本集團的毛利下降至約人民幣52.2百萬元，與二零一三年同期約人民幣120.6百萬元相比下降了約56.7%。截至六月三十日止六個月的毛利率從二零一三年的約50.1%下降到二零一四年的約36.8%。毛利率下降的主要原因是以比對收入百份比計算的銷售成本增加及流通渠道經營模式的改變。

銷售及分銷開支

截至二零一四年六月三十日止六個月，銷售及分銷開支下降至約人民幣78.1百萬元，較二零一三年同期下降約50.8%。其下降的原因主要是成本控制帶來的廣告費及差旅費的減少，以及通過優化促銷人力資源節省了促銷費用和薪資支出。



Management Discussion and Analysis

管理層討論及分析

Administrative Expenses

During the six months ended 30 June 2014, administrative expenses amounted to approximately RMB19.3 million, representing a decrease of approximately 58.2% from approximately RMB46.2 million in the same period of 2013. Such decrease was primarily due to the effective cost controls leading to decrease in salaries and allowances, office rental and meeting expenses.

Loss from Operations

The Group recorded an operating loss from its continuing operations of approximately RMB53.2 million for the six months ended 30 June 2014, as compared with the operating loss of approximately RMB83.3 million for the same period of 2013. The improvement was primarily due to the substantial decrease in the overall selling and administrative expenses. In terms of percentage of revenue, the Group's operating margin for the six months ended 30 June decreased from approximately -34.6% in 2013 to approximately -37.5% in 2014.

Finance Income and Costs

For the six months ended 30 June 2014, finance income of the Group amounted to approximately RMB0.1 million as compared with the finance income of approximately RMB0.6 million for the same period of 2013. The decrease was primarily due to the decrease in average bank balances as compared to that for the six months ended 30 June 2013.

For the six months ended 30 June 2014, the Group's imputed interest on non-interest bearing loans from controlling shareholders amounted to approximately RMB0.7 million. The Group incurred finance costs amounted to approximately RMB0.7 million on bank loans during the six months ended 30 June 2013.

Income Tax Expense

During the six months ended 30 June 2014 and 2013, the Group did not have any income tax expense and/or reversal.

行政費用

截至二零一四年六月三十日止六個月，行政費用約為人民幣19.3百萬元，較二零一三年同期的約人民幣46.2百萬元，下降約58.2%。有關下降的主要原因是成本控制帶來的工資薪金和補貼支出減少，以及辦公室租金和會議費用減少。

經營虧損

本集團截至二零一四年六月三十日止六個月錄得持續經營業務之經營虧損約人民幣53.2百萬元，而二零一三年同期的錄得經營虧損約人民幣83.3百萬元。其改善的主要原因是大量節省銷售及行政費用。以比對收入百份比計算，本集團截至六月三十日止六個月的經營利潤率從二零一三年的約-34.6%下降至二零一四年的約-37.5%。

財務收入及融資成本

截至二零一四年六月三十日止六個月期間，本集團財務收入約為人民幣0.1百萬元，二零一三年同期約為人民幣0.6百萬元。下降的主要原因是因為相應之截至二零一三年六月三十日止六個月之平均銀行存款的減少。

截至二零一四年六月三十日止六個月期間，本集團就控股股東免息貸款而估算的利息約人民幣0.7百萬元。二零一三年同期本集團支付銀行貸款利息費用約人民幣0.7百萬元。

所得稅支出

截至二零一四年及二零一三年六月三十日止六個月期間，本集團未發生任何所得稅支出／抵扣。

Management Discussion and Analysis 管理層討論及分析

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. During the six months ended 30 June 2014, the amount of write-down of inventories and reversal of write-down of inventories were amounted to approximately RMB1.2 million and approximately RMB0.9 million (six months ended 30 June 2013: approximately RMB1.5 million and approximately RMB16.9 million) respectively.

Loss for the Period from Continuing Operations

As a result of the combined effect of the abovementioned factors, the Group recorded loss of approximately RMB53.9 million for the six months ended 30 June 2014, as compared with the loss of approximately RMB84.0 million for the six months ended 30 June 2013.

Discontinued Operation

As a result of the unsatisfactory financial performance of the business of the herbal tea products, the Group discontinued the production and sales of its herbal tea products with effect from 1 July 2013. Since then, the Group is able to focus on the business development of the hair-care and skin-care products. During the six months ended 30 June 2014, this business segment recorded a non-operating profit of approximately RMB2.3 million (six months ended 30 June 2013: operating loss of approximately RMB2.0 million).

Loss for the Period Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded an attributable loss of approximately RMB51.6 million for the six months ended 30 June 2014, as compared with the attributable loss of approximately RMB86.0 million for the six months ended 30 June 2013.

OUTLOOK

With the structural economic reform to focus on domestic consumption rather than investment and export driven, China experienced a relatively mild pace of economic growth in the first half of 2014.

存貨撥備

根據我們的會計準則規定，存貨核算按成本與可變現淨值較低者入賬。若可變現淨值低於成本，即按其差額計提存貨跌價準備。截至二零一四年六月三十日止六個月期間，存貨跌價準備計提和存貨跌價準備撥回之期末餘額分別約人民幣1.2百萬元和約人民幣0.9百萬元(截至二零一三年六月三十日止六個月：約人民幣1.5百萬元和約人民幣16.9百萬元)。

持續經營業務之期內虧損

因上述因素的綜合影響，本集團二零一四年度上半年持續經營業務錄得應佔虧損約人民幣53.9百萬元，而二零一三年度上半年持續經營業務錄得應佔虧損約人民幣84.0百萬元。

已終止經營業務

由於涼茶產品分部經營狀況不理想，本集團已於二零一三年七月一日起停止涼茶分部的生產及銷售。自此以後，本集團可以集中精力開發護髮和護膚類產品。截至二零一四年六月三十日止六個月，涼茶業務獲得非經營利潤約人民幣2.3百萬元(截至二零一三年六月三十日止六個月：經營虧損約人民幣2.0百萬元)。

本公司擁有人應佔期內虧損

因上述因素的綜合影響，本集團二零一四年度上半年錄得應佔虧損約人民幣51.6百萬元，而二零一三年度上半年錄得應佔虧損約人民幣86.0百萬元。

展望

隨著經濟增長方式由投資、出口主導型向消費主導型轉變，在二零一四年上半年，中國經濟經歷了一段較為平緩的發展期。



Management Discussion and Analysis 管理層討論及分析

The first quarter grew 7.4% as compared with the same corresponding period in previous year, which is an 18-month low and 1.4% of which was from the previous quarter. The economic situation in the second quarter improved a bit from the first which adds to market expectations of an economic rebound.

Although the Chinese government has vowed to work out plans to stem any economic downturn during the course of economy transitions to a sustainable growth path and to meet annual targets, which include keeping the growth rate at about 7.5% and creating 10 million job opportunities, the Directors believed that the continuing downward pressure on the economy could not be overlooked.

Given the trend of customers' rising awareness of personal health care and demand for natural products to improve quality of life and promote healthy lifestyle with the acceleration in customers' income growth, which drive the solid development of the household and personal care products market, we believe these provide opportunities for the Company to further market and promote to these customers our herbal and natural base household and personal care products.

For the rest of 2014, the Group will continue to adopt a prudent approach in its business development model, which could sustain the stability of the business of the Group in the medium term.

For Bawang branded products, leveraging on the distinct competitive advantages, the Group plans to promote and publicize the brand image by highlighting our core competence in Chinese herbal shampoo, accredited traditional Chinese medicine family with profound historical background, and prolonged and successful track records in market leadership. To increase the sales revenue, the Group intends to enhance its product offerings with different concepts which satisfy the needs of the various consumer segments. Additionally, the Group will repackage the enhanced product series which serve to retain the existing consumers and to attract new users at the same time.

For Royal Wind branded products, the Group will enhance the brand recognition and image through advertising and publicity campaigns. To cope with the lifestyle of the young consumers, the Group will place emphasis on the commercials of the branded shampoo through internet, smart phone messaging and micro-blogging in addition to the traditional media. To increase the same-store sales growth, the Group will design specific remuneration policy so as to motivate the in-store salespersons and hence sales revenue would be able to increase.

第一季度同比增長7.4%，創近18個月以來的新低，其中1.4%來自於前一季度。第二季度經濟情況較第一季度有所好轉，市場對經濟反彈預期增強。

中國政府誓言要出台政策來規避經濟轉型期間的經濟衰退，走可持續發展道路，完成保持7.5%的經濟增長率及創造一千萬個工作機會的年度目標。但董事們認為經濟持續下行的壓力不容忽視。

基於消費者對個人健康的注重及天然產品的需求增加的趨勢，達至改善其生活質素及提升健康生活方式，且加上消費者收入增長加速，帶起家居及個人護理產品市場的穩健發展。我們相信此等提供予本公司機遇以使本公司可進一步向消費者推廣及銷售我們的草本和純天然為基礎的家居及個人護理產品。

在二零一四年餘下時間裡，本集團在業務發展模式中將繼續採用謹慎的方法，這將在中期內維持集團業務的穩定。

對於霸王品牌產品，憑藉其獨特的競爭優勢，本集團計劃通過凸顯在中草藥洗髮水市場的核心競爭力，一是公認的傳統中藥世家的深厚歷史背景，二是長久及成功的市場領導地位業績記錄，來推廣和宣傳品牌形象。為了提高銷售收入，本集團擬提供更多不同概念的產品，以滿足各種消費群體的需求。此外，本集團將重新包裝升級產品系列，這有助於留住現有客戶，同時吸引新客戶。

對於追風品牌產品，本集團將通過廣告和宣傳活動來提升品牌認知度和形象。為迎合年輕消費者的生活方式，除了傳統媒體，本集團將著重通過互聯網、智能手機終端及微博來進行廣告宣傳。為了提高同店銷售增長，本集團將設立特定的薪酬政策，激勵門店銷售人員，以提升銷售業績。

Management Discussion and Analysis 管理層討論及分析

For Herborn branded products, the Group will make a combination of efforts to enhance the brand loyalty and to increase the sales revenue of this branded skincare products. The Group will roll out a series of new skincare products with functionalities in anti-aging, whitening and moisturizing with re-designed packing. Additionally, the Group will re-design visual display of the sales counters so as to attract the attention of the consumers. Through the tailor-made herbal skincare seminars for the potential consumers, the Directors expect that these activities would enable the consumers to understand the basic principles and benefits of doing skincare through herbal skincare products, and that it would in turn attract the consumers to use our products resulting in the sales increase.

For Litao branded products, the Group will roll out refreshing shower-gels and plant-oil based laundry detergent and softener which target those consumers who prefer natural and healthy lifestyle.

For Smerry branded products, this mass market brand targets trendy youngsters. We will continue to focus our sales promotional efforts to expand the chain stores and further increase the same-store sales growth. To expand the revenue stream, we will explore internet sales channels which suit the lifestyle of the target consumers.

For production management, the Group intends to improve the gross profit margin by streamlining the workforce and the production process. Additionally, the Group intends to set up a material synchronization system so as to eliminate the spoilage among the production lines. The Group will continue its human resources reform through offering development programs to train up the factory managers and supervisors as “conscious operators”. The Group will also offer the training and guidance programs for the frontline workers to enhance their awareness of the health, safety, and quality of products.

As part of the business expansion plan, the Group will continue to explore the possibility with potential distributors for launching our branded products to other countries. The Group is open to explore further business opportunities with potential overseas distributors.

對於本草堂品牌產品，本集團將集中精力去提升消費者的品牌忠誠度及提高護膚產品的銷售業績。本集團將推出一系列具有抗衰老、美白、保水多種功效的全新包裝的新產品。此外，本集團將重新設計銷售專櫃，以吸引消費者的眼球。通過為潛在消費者量身定制草本護膚講座，董事們期待這些活動令消費者明白中草藥護膚的基本原理，從而吸引消費者購買，提高銷售業績。

對於麗濤品牌產品，本集團將針對喜歡天然和健康生活方式的消費者推出清爽淋浴露和天然植物系列的洗衣液和柔順劑。

對於雪美人這一大眾市場品牌，其目標群體主要是時尚的年輕人。我們將繼續關注集中銷售推廣力度拓展連鎖門店，並進一步提高同店銷售增長。為擴大收入來源，我們將迎合目標消費群體的消費習慣積極開拓網上銷售渠道。

對於生產管理，本集團擬通過精簡僱員和優化生產流程來提高毛利率。另外，本集團擬建立物料平衡系統來控制由生產線造成的損耗。本集團將繼續進行人力資源改革，通過提供發展計劃，將工廠經理和主管培養成為「具有經營者意識」的員工。本集團還將為一線工人提供培訓及引導項目，增強他們的健康意識、安全意識及產品質量意識。

在業務擴展計劃方面，本集團將繼續開發與潛在經銷商合作的可能性，把我們的品牌推廣至其他國家。本集團將以開放的態度尋找與潛在的海外經銷商洽談更多商業合作的機會。

Management Discussion and Analysis 管理層討論及分析

As of the date of this interim report, the Group does not have any outstanding acquisition opportunity in hand, nor explore actively business opportunities that may involve potential acquisition.

Looking forward, the strategic directions to sustain and develop our business in the volatile business environments will focus on two areas. In the short run, the Group intends to continue building up a management team with strong experience in both domestic and global HPC sectors, to regain the sales growth momentum and profitability, and to improve investors' confidence on the Group. In the long run, the Group will continue to focus on strengthening the business model and positioning to increase the market share from domestic and international competitors, maintaining a multi-brand and multi-product strategy in HPC sectors, and becoming a leader in the branded Chinese herbal HPC products.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group adopts conservative financial management policies. A summary of liquidity and financial resources is set out below:

截至本中期報告發佈之日，本集團並無任何正在洽談處理的收購事宜，並且暫時不會積極尋找潛在的收購機會。

展望未來，在不穩定的經營環境中，維持和發展我們業務之戰略方向將集中在以下兩個方面。就短期而言，本集團擬繼續在國內外組建就家庭及個人護理行業擁有豐富經驗的管理團隊，恢復銷售增長，達到盈利，並提高本集團投資者的信心。就長期而言，本集團將繼續鞏固發展模式，迎戰國內外競爭對手以增加市場份額，奉行個人護理產品品牌及產品多樣化的均衡策略，成為全球中草藥家庭及個人護理產品領軍企業。

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。流動資金和財務資源概要列載如下：

		30 June 2014 於二零一四年 六月三十日 RMB in million 人民幣百萬元	31 December 2013 於二零一三年 十二月三十一日 RMB in million 人民幣百萬元
Bank balance and cash	銀行結存及現金	47.6	43.3
Total loans	貸款總額	43.2	—
Total assets	總資產	455.4	490.3
Gearing ratio ^{Note}	資產負債率 ^{備註}	9.5%	—

Note: Calculated as total loans divided by total assets.

備註：按貸款總額除以總資產計算。

MATERIAL ACQUISITION AND DISPOSAL

As of 30 June 2014, the Group has no specific acquisition target.

The Group did not have any material acquisition or disposal of any of its subsidiaries or associated companies during the period under review.

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 Board is 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 of 30 June 2014, 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

As of 30 June 2014, the Group did not have any significant contingent liabilities.

重大收購及出售

截至二零一四年六月三十日，本集團並無明確的收購目標。

於回顧期間，本集團並無重大收購或出售其任何附屬或聯營公司。

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。

董事會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。

截至二零一四年六月三十日，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

截至二零一四年六月三十日，本集團並無任何重大或然負債。

Management Discussion and Analysis 管理層討論及分析

CAPITAL COMMITMENT

As of 30 June 2014, the capital commitment for acquisition of property, plant and equipment of the Group was approximately RMB14.6 million.

PLEDGE OF ASSETS

As of 30 June 2014, the Group had no pledge of assets.

HUMAN RESOURCES

As of 30 June 2014, the Group employed 2,016 employees (30 June 2013: 3,390), consisting of full-time employees and contract personnel in the PRC and Hong Kong. The total personnel expenses, comprising wages, salaries and benefits, and equity-settled share-based payments, amounted to approximately RMB39.5 million for the six months ended 30 June 2014 (30 June 2013: approximately RMB73.2 million).

The following table sets forth a breakdown of the total headcount of our employees and outsourcing personnel as of 30 June 2014 and 30 June 2013, respectively:

		As of 30 June 2014 於二零一四年 六月三十日	As of 30 June 2013 於二零一三年 六月三十日
Full-time employees	全職僱員	285	420
Contract personnel	合約僱員		
— Salespersons	— 促銷員	1,139	1,872
— Others	— 其他	592	1,098
Total employees personnel	總僱員人數	2,016	3,390

資本承擔

截至二零一四年六月三十日，本集團購建物業、廠房及業務資本承擔總額約人民幣14.6百萬元。

資產抵押

截至二零一四年六月三十日，本集團並無資產抵押。

人力資源

截至二零一四年六月三十日，本集團僱用2,016名員工(二零一三年六月三十日：3,390)，其中包括在中國和香港的全職員工以及合約僱員。總人事開支包括工資、薪金和福利以及以權益結算之股份支付款項，截至二零一四年六月三十日止六個月期間約人民幣39.5百萬元(二零一三年六月三十日：約人民幣73.2百萬元)。

下表分別載列截至二零一四年六月三十日及二零一三年六月三十日止六個月我們的全職僱員及合約僱員的人數：

Management Discussion and Analysis 管理層討論及分析

The employees' remuneration, promotion and salary review are based on individual 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 Board believes that the Group's human resources policies play a crucial part in the 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.

本集團的員工薪酬、晉升及薪酬覆核是按照各人的工作責任、表現、專業經驗及行業標準來釐定的。

本集團的中國和香港員工分別參加社會保障計劃和強制性公積金計劃。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。

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。

Other Information 其他資料

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

As of 30 June 2014, 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”), (a) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) as notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed to have under such provisions 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”) in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”):

Long Positions in shares, underlying shares and debentures of the Company

董事及其最高行政人員於本公司及其相聯法團的股份、相關股份或債券中擁有的權益及淡倉

截至二零一四年六月三十日，董事及本公司最高行政人員於本公司及其相聯法團（按香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部的涵義的股份、相關股份或債券證中，擁有(a)根據證券及期貨條例第352條規定須登記於需備存的登記冊內的權益及淡倉，或(b)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香港聯合交易所有限公司（「聯交所」）的權益及淡倉（包括彼等根據上述證券及期貨條例該等條文被視作擁有的權益及淡倉），或(c)根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄10所載上市公司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聯交所如下：

於本公司的股份和相關股份中之權益

Name of director 董事名稱	Long/Short position 好/淡倉	Nature of interest 權益性質	Number of shares/ underlying shares held 股份及相關 股份數目	Approximate percentage of issued share capital 持股百分比
CHEN Qiyuan 陳啟源	Long 好倉	Personal interest/ Interest of spouse/ Interest in controlled corporation (Note 1) 個人權益/配偶權益/ 受控制法團權益 (附註1)	1,900,840,000	65.30%
WAN Yuhua 萬玉華	Long 好倉	Personal interest/ Interest of spouse/ Interest in controlled corporation (Note 2) 個人權益/配偶權益/ 受控制法團權益 (附註2)	1,900,840,000	65.30%
WONG Sin Yung 黃善榕	Long 好倉	Personal interest (Note 3) 個人權益(附註3)	2,100,000	0.07%

Other Information 其他資料

Notes:

1. CHEN Qiyuan is deemed to be interested in the shares of the Company held by Fortune Station Ltd. and WAN Yuhua by virtue of Fortune Station Ltd. being controlled by CHEN Qiyuan and WAN Yuhua, and WAN Yuhua is spouse of CHEN Qiyuan.
2. WAN Yuhua is deemed to be interested in the shares of the Company held by Fortune Station Ltd. and CHEN Qiyuan by virtue of Fortune Station Ltd. being controlled by WAN Yuhua and CHEN Qiyuan and CHEN Qiyuan is spouse of WAN Yuhua.
3. Including 630,000 shares of the Company, which would be allotted and issued to WONG Sin Yung upon the exercise in full of the share options granted to WONG Sin Yung under the Pre-IPO Share Option Scheme of the Company. For details, please refer to section headed "Share Option Scheme and Pre-IPO Share Option Scheme" below.

附註：

1. 憑藉 Fortune Station Ltd. 為陳啟源及萬玉華所控制及萬玉華為陳啟源之配偶，陳啟源被視為擁有 Fortune Station Ltd. 及萬玉華所持有的本公司股份的權益。
2. 憑藉 Fortune Station Ltd. 為萬玉華及陳啟源所控制及陳啟源為萬玉華之配偶，萬玉華被視為擁有 Fortune Station Ltd. 及陳啟源所持有的本公司股份的權益。
3. 包括根據本公司首次公開發售前購股權計劃，於黃善榕全面行使購股權後，將被配發及發行給黃善榕的630,000股本公司股份。有關詳情，請參閱下文「購股權計劃及首次公開發售前購股權計劃」一節。

Long position in shares, underlying shares and debentures of the associated corporations of the Company

於本公司之相關法團的股份和相關股份中之權益

Name of director 董事名稱	Name of associated corporation 相聯法團名稱	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of interest in associated corporation 於相關法團中之權益百分比
CHEN Qiyuan 陳啟源	Fortune Station Ltd. Fortune Station Ltd.	Personal interest 個人權益	5,100	51.00%
WAN Yuhua 萬玉華	Fortune Station Ltd. Fortune Station Ltd.	Personal interest 個人權益	4,900	49.00%

Other than as disclosed above, as of 30 June 2014, 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) (a) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed to have under such provisions of the SFO); or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上述披露的人員之外，截至二零一四年六月三十日，目前所知本公司的任何董事及最高行政人員，無論是本公司董事或者是最高行政人員，都沒有擁有本公司及其相聯法團（按證券及期貨條例第XV部的涵義）的股份、相關股份或債券證中，擁有(a)根據證券及期貨條例第352條規定須登記於需備存的登記冊內的權益及淡倉，或(b)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（包括彼等根據上述證券及期貨條例該等條文被視作擁有的權益及淡倉），或(c)根據標準守則規定須知會本公司及聯交所。

Other Information 其他資料

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As of 30 June 2014, 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	Long/Short position 好/淡倉	Nature of interest 權益性質	Number of shares held 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Ltd.	Long	Beneficial owner (Notes 1 and 2)	1,900,840,000 (L)	65.30%
Fortune Station Ltd.	好倉	實益擁有人 (附註1及2)		

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

Notes:

1. 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.
2. 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.

Other than as disclosed above, as of 30 June 2014, the Company has not 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.

本公司主要股東的權益及 淡倉

據本公司董事任何董事或最高行政人員，截至二零一四年六月三十日，股東（除本公司董事或最高行政人員外）於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：

L — 好倉 · S — 淡倉

附註：

1. 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。
2. 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。

截至二零一四年六月三十日，除上文所披露人士之外，本公司沒有任何人士（除本公司董事或最高行政人員外）於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。

Other Information 其他資料

SHARE OPTION SCHEME AND PRE-IPO SHARE OPTION SCHEME

The Company has adopted two share option schemes, a share option scheme dated on 20 May 2009 (the “**Share Option Scheme**”) and a pre-IPO share option scheme dated on 10 December 2008 (the “**Pre-IPO Share Option Scheme**”), the purpose of which is to give the Directors, senior management and employees of the Group an opportunity to have a personal stake in the Company and help motivate its employees to optimise their performance and efficiency, and also to retain employees whose contributions are important to the long-term growth and profitability of the Group.

Share Option Scheme

The Share Option Scheme became effective on 20 May 2009 and, unless otherwise cancelled or amended, will remain in force for 10 years from the date.

The maximum number of shares of the Company which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company, must not, in aggregate, exceed 30.0% (or such other percentage as may be allowed under the Listing Rules) of the total number of shares of the Company in issue from time to time. The maximum number of shares of the Company issuable to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1.0% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a connected person (or its associates) of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5.0 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

購股權計劃及首次公開發售前購股權計劃

本公司已經採用了兩種股權激勵計劃，也就是於二零零九年五月二十日採納的購股權計劃（「購股權計劃」）和於二零零八年十二月十日採納的首次公開發售前購股權計劃（「首次公開發售前購股權計劃」），目的在於為公司董事、高級管理人員和僱員提供一個機會擁有公司股票，以激勵他們表現地更好及更有效率，並以此挽留那些為本集團的長遠增長及盈利能力做出重大貢獻的員工。

購股權計劃

購股權計劃於二零零九年五月二十日起生效，除非另行取消或修訂，從已獲接納之日起生效，有效期為10年。

因行使根據購股權計劃及本公司任何其他計劃授出而尚未行使的所有購股權而發行的本公司股份總數，不能超過本公司已發行總股份的30.0%（或根據上市規則可獲准的其他百分比）。購股權計劃的每個合資格參與者在任何十二個月期間內發行本公司股份的最大數目不得超過在任何時間本公司已發行總本公司股份的1.0%。任何授出的購股權超過此限額的須經股東在股東大會上批准。

授予本公司之關連人士（或其聯營公司）或彼等之任何聯繫人之購股權，須事先獲得獨立非執行董事批准。此外，在任何十二個月期間，任何授予本公司主要股東或獨立非執行董事，或彼等之任何聯繫人之購股權超過本公司已發行股份之0.1%的，以及其總價值（以本公司授出之日之股票價格為基礎計算）超過港元5.0百萬的，須經股東在股東大會上事先批准。

Other Information 其他資料

The offer of a grant of share options may be accepted, upon payment of an option price to be determined by the Board from time to time. The exercise period of the share options granted is determinable by the Board, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of grant of the share options.

The exercise price of share options is determinable by the Board, but shall be at least the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; (ii) the average of the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a share of the Company.

As of 30 June 2014, an aggregate of 2,880,000 shares options were granted to three employees by the Company under the Share Option Scheme, and all of them have been forfeited prior to 1 January 2014.

Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme became effective on 10 December 2008. As of 30 June 2014, options to subscribe for an aggregate of 14,532,000 shares of the Company were granted, representing approximately 0.5% of the issued share capital of the Company as at the latest practicable date. No further options will be granted under the Pre-IPO Share Option Scheme.

The above options have been conditionally granted to 42 participants by the Company at a consideration of HK\$1.0 each. The subscription price of the pre-IPO share options would be at par value or at HK\$1.19.

經董事會釐定不時支付之購股權價格後，授出購股權之要約方可被接受。授出購股權的行使期由董事會釐定，並經過一定的行權等待期間開始，但結束日期不能超過授出購股權之日起十年。

購股權之行使價由董事會釐定，但應至少是以下價格之最高者(i)為要約日(必須是一個營業日)當天聯交所每日報價表所列本公司股份之收市價；(ii)要約日前五個營業日聯交所每日報價表所列本公司股份之收市價的平均值；及(iii)本公司股份面值。

截至二零一四年六月三十日，本公司已根據購股權計劃授予三名僱員總共2,880,000股股份的購股權，並已經於二零一四年一月一日前全部取消。

首次公開發售前購股權計劃

首次公開發售前購股權計劃於二零零八年十二月十日起生效。截至二零一四年六月三十日，已授予總共14,532,000公司股份的購股權，大約佔本公司截至最後實際可行日期已發行股份之0.5%。沒有根據首次公開發售前購股權計劃授出的其他購股權。

上述購股權被本公司有條件地以每人港元1.0授予42名參與者，其認購價格分別是面值或港元1.19。

Other Information 其他資料

A total of 4,200,000 pre-IPO share options were granted to two executive Directors on 8 June 2009. Of which, options to subscribe for 2,730,000 shares of the Company had been exercised prior to end of July 2012 and options to subscribe for 840,000 shares of the Company were forfeited in May 2013. Movement of the remaining options to subscribe for 630,000 shares of the Company held by a director of the Company during the six months ended 30 June 2014 are as follows:

於二零零九年六月八日，公司授予兩名執行董事合共4,200,000股的首次公開發售前購股權。其中，總共2,730,000公司股份購股權於二零一二年七月底已被行使，及總共840,000公司股份購股權已於二零一三年五月被取消。餘下董事持有的共630,000公司股份購股權於截至二零一四年六月三十日止六個月明細如下：

Name of director 董事名稱	Date of grant 授權日	Exercise price (HKD) 行權價(港元)	Vesting period 行權等待期	Number of share options 股份期權數目				Outstanding as of 30 June 2014 截至 二零一四年 六月三十日 尚未行使	Approximate percentage of issued share capital of the Company (%) 截至 本公司 已發行股本的 概約百分比(%)	Exercised Period 行權期間
				Outstanding as of 1 January 2014 截至 二零一四年 一月一日 尚未行使	Granted during the period 於期間 授予數目	Exercise during the period 於期間 行權數目	Forfeited during the period 於期間 失效			
WONG Sin Yung 黃善榕	8 June 2009 二零零九年 六月八日	Par Value 面值	4 July 2013 二零一三年 七月四日	315,000	—	—	—	315,000	0.02	4 July 2013 to 8 June 2019 二零一三年七月四日至 二零一四年六月八日
		Par Value 面值	4 July 2014 二零一四年 七月四日	315,000	—	—	—	315,000		4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一四年六月八日
Total 合計				630,000	—	—	—	630,000	0.02	

Other Information 其他資料

Apart from the above, options to subscribe for a total of 10,332,000 Shares under the Pre-IPO Share Option Scheme were granted to 40 employees of the Group on 8 June 2009. Of which, options to subscribe for 4,047,120 Shares granted to 24 employees were forfeited as of 30 June 2014. Movement of the outstanding options during the six months ended 30 June 2014 are as follows:

除此以外，在二零零九年六月八日，根據首次公開發售前購股權計劃，總共有 10,332,000 股股份的購股權分配給了本集團 40 名僱員。其中，截至二零一四年六月三十日之前授予二十四名僱員總共 4,047,120 股股份的購股權已被取消。尚未行使的購股權於截至二零一四年六月三十日止六個月的明細如下：

Date of grant 授權日	Exercise price (HKD) 行權價(港元)	Vesting period 行權等待期	Number of share options 股份期權數目				Outstanding as of 30 June 2014 截至 二零一四年 六月三十日 尚未行使	Approximate percentage of issued share capital of the Company (%) 佔本公司 已發行股本的 概約百分比(%)	Exercised Period 行權期間
			Outstanding as of 1 January 2014 截至 二零一四年 一月一日 尚未行使	Granted during the period 於期間 授予數目	Exercise during the period 於期間 行權數目	Forfeited during the period 於期間 失效			
8 June 2009 二零零九年六月八日	1.19	4 July 2013 二零一三年七月四日	3,825,000	—	—	151,000	3,674,000	0.13	4 July 2013 to 8 June 2019 二零一三年七月四日至 二零一四年六月八日
Total 合計			3,825,000	—	—	151,000	3,674,000	0.13	

Except for the options which had been granted as disclosed above, no further options were granted as of 30 June 2014. Details of Pre-IPO Share Option Scheme are set out in Note 15 under the section headed “Notes to the Condensed Consolidated Financial Statements” to this interim report.

除了上述已經披露授出的購股權，截至二零一四年六月三十日，再無任何購股權授出。首次公開發售前購股權計劃詳見本中期報告簡明綜合財務報告附註 15。

PURCHASE, SALE OR REDEMPTION 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.

購入、出售或贖回本公司之上市證券

於回顧期間，本公司或其任何附屬公司概無購入、出售或贖回本公司之任何上市證券。

CHANGE OF DIRECTORS

On 30 June 2014, Mr. CHEN Kaizhi resigned as the independent non-executive Director and member of audit committee, remuneration committee and nomination committee of the Company.

董事變更

於二零一四年六月三十日，陳開枝先生已辭去本公司獨立非執行董事、審計委員會、薪酬委員會及提名委員會成員之職務。

Other Information 其他資料

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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 Board is of the view that the Company has complied with the applicable code provisions of the Corporate Governance Code as contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2014, save as disclosed below.

On 30 June 2014, Mr. CHEN Kaizhi resigned as the independent non-executive Director and member of audit committee, remuneration committee and nomination committee of the Company. Following the resignation of Mr. CHEN Kaizhi, the Board comprised five Directors and of which two were independent non-executive Directors as of the date of this interim report, thus fell below the following requirements under the Listing Rules:

According to Rule 3.10(1) of the Listing Rules, the Company must appoint at least three independent non-executive directors. The Board currently had two independent non-executive Directors, and thus fell below such requirement.

According to Rule 3.21 of the Listing Rules, the audit committee must comprise a minimum of three members. The audit committee of the Board currently comprised two members and thus fell below such requirement.

According to Rule 3.25 of the Listing Rules, the remuneration committee must comprise a majority of independent non-executive directors. The remuneration committee of the Board currently comprised two members, of which only one is independent non-executive Director and thus fell below such requirement.

According to Code Provision A.5.1 of the Corporate Governance Code in Appendix 14 to the Listing Rules, the nomination committee should comprise a majority of independent non-executive directors. The nomination committee of the Board currently comprised two members, of which only one is independent non-executive Director and thus fell below such requirement.

遵守企業管治守則

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

董事會認為，除下文所披露之偏離情況外，本公司截至二零一四年六月三十日止六個月期間一直遵守上市規則附錄14所載企業管治守則所載適用的守則條文。

於二零一四年六月三十日，陳開枝先生已辭去本公司獨立非執行董事、審計委員會、薪酬委員會及提名委員會成員之職務。繼陳開枝先生辭職後，董事會由五名董事組成，其中兩名是獨立非執行董事。於本中期報告日期，本公司不符合上市規則下列要求：

根據上市規則第3.10(1)條，本公司必須委任至少三名獨立非執行董事。目前，董事會有兩名獨立非執行董事，因此不符合這一要求。

根據上市規則第3.21條，審核委員會須包括最少三名成員組成。目前，董事會審核委員會由兩名成員組成，因此不符合這一要求。

根據上市規則第3.25條，薪酬委員會必須包括大多數獨立非執行董事。目前，董事會薪酬委員會由兩名成員組成，其中只有一個是獨立非執行董事，因此不符合這一要求。

根據上市規則附錄14企業管治守則之守則條文A.5.1，提名委員會應包括大多數獨立非執行董事。目前，董事會提名委員會由兩名成員組成，其中只有一個是獨立非執行董事，因此不符合這一要求。

Other Information 其他資料

The Company is in the course of identifying an appropriate candidate to fill the vacancy of an independent non-executive director of the Company and a member of the audit committee, remuneration committee and nomination committee of the Board to fulfill the requirements under the Listing Rules as soon as practicable and will make further announcement in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the period under review.

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules. The Audit Committee is responsible for, amongst other things, reviewing the financial reporting process and internal control system of the Group. The Audit Committee is also required to oversee the relationship with the independent auditors and to review the accounting policies and practices adopted by the Group. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2014 with the management of the Company and recommended its adoption by the Board.

DIVIDENDS

Following review of the operating results of the Group, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014.

By Order of the Board
CHEN Qiyuan
Chairman

Guangzhou, 29 August 2014

本公司目前正在物色適當人選填補陳先生辭任後獨立非執行董事、審核委員會、薪酬委員會及提名委員會之空缺，希望能在實際可行情況下盡快符合上市規則之要求，並適時作進一步公告。

董事進行證券交易的標準守則

本公司已採納標準守則，作為董事進行證券交易的行為守則。向董事進行特定查詢後，所有董事確認於回顧期間一直遵守標準守則所載的規定標準。

審核委員會

本公司已按上市規則第3.21條規定成立審核委員會。除其他事項外，其主要負責審查本集團的財務申報程序和內部控制制度。審核委員會也需要監督本集團與獨立審計師的關係及檢閱本集團所採取的會計政策和實務。審核委員會已與公司管理層審閱本集團截至二零一四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。

派息

根據本集團經營業績的回顧，董事會不建議派發關於截至二零一四年六月三十日止六個月的中期股息。

承董事會命
陳啟源
主席

廣州，二零一四年八月二十九日

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		Notes 附註	2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Continuing operations				
Turnover	持續經營業務 營業額	3	141,689	240,745
Cost of sales	銷售成本		(89,520)	(120,131)
Gross profit	毛利		52,169	120,614
Other income	其他收入		1,394	1,792
Changes in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益		(318)	(510)
Selling and distribution costs	銷售及分銷開支		(78,126)	(158,766)
Administrative expenses	行政費用		(19,282)	(46,244)
Other expenses	其他費用		(9,010)	(226)
Finance costs	融資成本	4	(739)	(653)
Loss before taxation	稅前虧損	5	(53,912)	(83,993)
Income tax expense	所得稅支出	6	—	—
Loss for the period from continuing operations	持續經營業務之期內虧損		(53,912)	(83,993)
Discontinued operation	已終止經營業務			
Profit (loss) for the period from discontinued operation	已終止經營業務之期內盈利(虧損)	7	2,286	(2,019)
Loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損		(51,626)	(86,012)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income 簡明綜合損益及其他全面收益表

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Note 附註	
Other comprehensive (expense) income	其他全面(支出)收益		
Items that may be subsequently reclassified to profit or loss:	可於其後重新分類至損益之項目：		
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異		
		(208)	11,050
Other comprehensive (expense) income for the period	期內其他全面(支出)收益	(208)	11,050
Total comprehensive expense for the period attributable to owners of the Company	本公司擁有人應佔期內全面支出總額	(51,834)	(74,962)
Loss per share	每股虧損		
<i>From continuing and discontinued operations</i>	來自持續經營業務及已終止經營業務	9	
Basic and diluted (RMB)	基本及攤薄(人民幣)	(0.018)	(0.030)
<i>From continuing operations</i>	來自持續經營業務		
Basic and diluted (RMB)	基本及攤薄(人民幣)	(0.019)	(0.029)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2014
於二零一四年六月三十日

		Notes 附註	30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	273,666	294,256
Prepaid advertising fee	預付廣告費用		—	123
Biological assets	生物資產	11	172	170
			273,838	294,549
Current assets	流動資產			
Inventories	存貨		54,457	55,341
Biological assets	生物資產	11	1,026	1,886
Trade and other receivables	貿易及其他應收款項	12	78,144	94,922
Restricted bank balance	受限制銀行存款		309	309
Bank balances and cash	銀行結存及現金		47,614	43,302
			181,550	195,760
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	13	177,756	212,121
Amounts due to related parties	應付關聯方款項	17(a)	2,731	1,514
Income tax payables	應付所得稅		9,650	9,645
Provisions	計提準備		2,135	1,826
			192,272	225,106
Net current liabilities	流動負債淨值		(10,722)	(29,346)
Total assets less current liabilities	資產總值減流動負債		263,116	265,203
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		2,031	2,031
Loans from controlling shareholders	控股股東貸款	17(g)	43,225	—
			45,256	2,031
Net assets	資產淨值		217,860	263,172
Capital and reserves	資本及儲備			
Share capital	股本	14(a)	256,639	256,639
Reserves	儲備	14(b)	(38,779)	6,533
Total equity	權益總額		217,860	263,172

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Share premium	PRC statutory reserves	Capital reserve	Merger reserve	Exchange translation reserve	Other reserve	Accumulated losses	Total equity
		股本	股本溢價	法定儲備	準備儲備	合併儲備	匯兌儲備	其他儲備	累計虧損	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 14(a))	(note 14(b))	(note 14(b))	(note 14(b))	(note 14(b))	(note 14(b))	(note 14(b))	(note 14(b))	(note 14(b))
		(附註14(a))	(附註14(b))	(附註14(b))	(附註14(b))	(附註14(b))	(附註14(b))	(附註14(b))	(附註14(b))	(附註14(b))
At 1 January 2013 (audited)	於二零一三年一月一日 (經審核)	256,639	1,354,742	49,887	8,521	8,468	(19,458)	—	(1,246,130)	412,669
Loss for the period	期內虧損	—	—	—	—	—	—	—	(86,012)	(86,012)
Other comprehensive income for the period	期內其他全面收益	—	—	—	—	—	11,050	—	—	11,050
Total comprehensive income (expense) for the period	其他其他全面收益 (支出)總額	—	—	—	—	—	11,050	—	(86,012)	(74,962)
Recognition of equity-settled share based payments (note 15)	確認以股權結算並以 股份為基礎的付款 (附註15)	—	—	—	(2,085)	—	—	—	2,722	637
At 30 June 2013 (unaudited)	於二零一三年六月三十日 (未經審核)	256,639	1,354,742	49,887	6,436	8,468	(8,408)	—	(1,329,420)	338,344
At 1 January 2014 (audited)	於二零一四年一月一日 (經審核)	256,639	1,354,742	49,887	6,543	8,468	(26,368)	—	(1,386,739)	263,172
Loss for the period	期內虧損	—	—	—	—	—	—	—	(51,626)	(51,626)
Other comprehensive expense for the period	期內其他全面支出	—	—	—	—	—	(208)	—	—	(208)
Total comprehensive expense for the period	期內其他全面支出總額	—	—	—	—	—	(208)	—	(51,626)	(51,834)
Deemed contribution arising from non-interest bearing loans from controlling shareholders	控股股東提供的免息貸款 所產生之視同注資	—	—	—	—	—	—	6,245	—	6,245
Recognition of equity-settled share based payments (note 15)	確認以股權結算並以 股份為基礎的付款 (附註15)	—	—	—	277	—	—	—	—	277
Forfeiture of vested equity-settled share-based payments	取消歸屬的以股權結算並 以股份為基礎的付款	—	—	—	(227)	—	—	—	227	—
At 30 June 2014 (unaudited)	於二零一四年六月三十日 (未經審核)	256,639	1,354,742	49,887	6,593	8,468	(26,576)	6,245	(1,438,138)	217,860

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Net cash used in operating activities	經營活動所用的現金淨額	(42,251)	(50,609)
Net cash used in investing activities	投資活動所用的現金淨額	(1,929)	(7,765)
FINANCING ACTIVITIES	融資活動		
Repayment of secured bank loans	償還抵押的銀行貸款	—	(97,824)
Proceeds from loans from controlling shareholders	控股股東提供的貸款款項	48,483	—
Other financing cash flows	其他融資現金流	—	23,096
Net cash from (used in) financing activities	融資活動產生(所用)的現金淨額	48,483	(74,728)
Net increase (decrease) in cash and cash equivalents	現金及現金等價物增加(減少)淨額	4,303	(133,102)
Cash and cash equivalents at beginning of the period	於期初之現金及現金等價物	43,302	224,608
Effect of foreign exchange rate changes	匯率變動影響	9	(66)
Cash and cash equivalents at end of the period, representing bank balances and cash	於期末之現金及現金等價物 即指銀行結存及現金	47,614	91,440



Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

1. BASIS OF PREPARATION

BaWang International (Group) Holding Limited (the “Company”) was incorporated in the Cayman Islands on 11 December 2007 as an exempted company with limited liability. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacturing and sales of household and personal care products. The Group was also engaged in the sales of herbal tea products before the discontinuation of the segment with effect from 1 July 2013. Further details are set out in note 7.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Group incurred a net loss of approximately RMB51,626,000 and reported a net cash outflow from operating activities of approximately RMB42,251,000 for the six months ended 30 June 2014, and had cumulative losses of approximately RMB1,438,138,000 and net current liabilities of approximately RMB10,722,000 as at 30 June 2014. In view of such circumstances, the Directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

1. 編製基準

霸王國際(集團)控股有限公司(「本公司」)於二零零七年十二月十一日在開曼群島註冊成立為獲豁免的有限公司。本公司及其子公司(統稱為「本集團」)主要從事製造及銷售家庭和個人護理產品業務。本集團亦從事銷售涼茶飲品業務，但已於二零一三年七月一日終止經營。詳細內容可見附註7。

簡明綜合財務報表乃根據國際會計準則委員會頒布的國際會計準則第34號中期財務報告，以及香港聯合交易所有限公司證券上市規則附錄16之適用披露條文編製。

截至二零一四年六月三十日止六個月，本集團錄得經營淨虧損約人民幣51,626,000，經營活動所用淨現金流出約人民幣42,251,000，以及於二零一四年六月三十日的累計虧損約人民幣1,438,138,000和流動負債淨值約人民幣10,722,000。在此情況下，本公司董事已考慮本集團未來資金流動性和業績情況，並評估本集團是否將擁有足夠的財務資源支持其持續經營。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

1. BASIS OF PREPARATION (Continued)

The condensed consolidated financial statements have been prepared on a going concern basis. In the opinion of the Directors of the Company, the Group should be able to continue as a going concern in the coming year taking into consideration of the following:

- (i) The Group had bank balances and cash of approximately RMB47,614,000 as at 30 June 2014.
- (ii) In March 2013, Mr. CHEN Qiyuan and Ms. WAN Yuhua (collectively referred to as the “Controlling Shareholders”) and Guangzhou Bawang Cosmetics Co., Ltd. (“Guangzhou Bawang”), an entity wholly-owned by the Controlling Shareholders, undertook to provide a long-term loan facility to the Group in an amount up to RMB140,000,000 for a period from 15 March 2013 to 31 December 2015. On 23 January 2014 and 26 February 2014, respective amounts of HK\$9,500,000 (equivalent to approximately RMB7,470,000) and USD6,700,000 (equivalent to approximately RMB41,013,000) have been drawn down by the Group. The long-term loans are unsecured, interest-free and repayable by 29 November 2016 or earlier as determined by the Group. As at 30 June 2014, the undrawn facility amounted to approximately RMB91,517,000.

1. 編製基準(續)

簡明綜合財務報表已根據持續經營基準編製。本公司董事考慮以下幾點因素，認為本集團在來年能夠持續經營：

- (i) 本集團於二零一四年六月三十日持有銀行結存及現金約人民幣47,614,000。
- (ii) 在二零一三年三月，陳啟源先生及萬玉華小姐(統稱為「控股股東」)和本集團控股股東全資擁有的廣州霸王化妝品有限公司(「廣州霸王」)已向本集團提供一筆長期貸款融資，金額高達人民幣140,000,000，有效期自二零一三年三月十五日起至二零一五年十二月三十一日止。港元9,500,000(折合相當於約人民幣7,470,000)和美元6,700,000(折合相當於約人民幣41,013,000)的貸款已分別於二零一四年一月二十三日及二零一四年二月二十六日存入本集團銀行賬戶。此長期貸款為無擔保、免息及由本集團決定於二零一六年十一月二十九日或之前償還。截至二零一四年六月三十日止，未動用額度為約人民幣91,517,000。



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For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

1. BASIS OF PREPARATION (Continued)

- (iii) The Directors of the Company have been taking measures to optimise the Group's operations and improve the cost structure, which include the following:
- adopting measures to expand the revenue stream through repackaging the enhanced product series and exploring other sales channels; and
 - adopting various cost control measures to tighten the costs of operations, including but not limited to adopting more cost-effective advertising and promotion channels.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for biological assets which are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new interpretation ("Int") and amendments to International Financial Reporting Standards ("IFRSs") issued by the IASB that are relevant for the preparation of the Group's condensed consolidated financial statements.

1. 編製基準(續)

- (iii) 本集團董事已採取措施，優化本集團的業務及改善成本結構，其中包括：
- 採取措施增加收入來源，包括重新包裝升級系列產品及開拓銷售渠道；及
 - 採取一系列成本控制措施收緊營運成本，包括但不只於採用成本效益更好的廣告及宣傳渠道。

2. 主要會計政策

簡明綜合財務報表是以歷史成本基準編製，唯生物資產是以公允價值計量。

除下文所訴之外，截至二零一四年六月三十日止六個月的簡明綜合財務報表所使用的會計政策及計算方法與本集團編製截至二零一三年十二月三十一日止年度的財務報表所依循者一致。

在本中期期間本集團首次應用以下由國際會計準則委員會頒布之相關新訂之註釋及修訂的國際財務報告準則編製本集團的簡明綜合財務報表。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
International Financial Reporting Interpretation Committee – Int 21	Levies

The application of the above new interpretation and amendments to IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策(續)

國際財務報告 準則第10號、 第12號及國際 會計準則 第27號之 修訂本	投資實體
國際會計準則 第32號之 修訂本	財務資產及 財務負債之 互相抵銷
國際會計準則 第36號之 修訂本	非財務資產 可回收金額 之披露
國際會計準則 第39號之 修訂本	衍生工具之 變更及對沖 會計之延續
國際財務報告 詮釋委員會 — 詮釋第21號	徵費

以上新訂之註釋及修訂之應用並無對本中期之簡明綜合財務報表及／或對該等簡明綜合財務報表所載之披露事項產生任何重大影響。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable of the goods sold to customers, net of discounts allowed, volume rebates and sales related taxes where applicable.

Information reported to the most senior executive management of the Group, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on a mixture of product lines and geography. The segments are managed separately as each operating segment offers different products which require different production information to formulate different strategies. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under IFRS 8 are as follows:

- Hair-care products
- Skin-care products
- Other household and personal care products

An operating segment regarding herbal tea products was discontinued in the year ended 31 December 2013. The segment information reported below does not include any amounts for this discontinued operation, which is described in more detail in note 7.

Also, the Group's senior executive management is provided with segment information concerning segment revenue and result. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

3. 營業額及分部資料

營業額指本集團出售與客戶的貨物並扣除折扣、銷售返利及相關銷售稅(如適用)後的已收款及應收款。

為注重產品線與區域性而優化分部間資源分配及評估分部表現的基礎上，有關分部訊息已向本集團之高級行政管理人員(即主要經營決策者)報告。各分部是根據其獨特的產品特點和戰略作為單獨經營分部來管理的。本集團之主要運營決策者認為本集團沒有可以合併呈報的經營分部。

根據國際財務報告準則第8號，本集團之可報告的經營分部為：

- 護髮產品
- 護膚產品
- 其他家用及個人護理產品

本集團已於二零一三年終止經營涼茶分部的業務，以下呈報內容不包括此等已終止的產品業務，已終止涼茶產品業務的詳情載於附註7。

本集團的高級行政管理人員獲提供有關分部收入和分部業績的信息，而分部資產和業績的信息則不會定期向本集團高級行政管理人員報告。

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

3. TURNOVER AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the six months ended 30 June 2014

Continuing operations

		Hair-care products	Skin-care products	Other household and personal care products	Total
		護髮產品	護膚產品	其他家用及個人護理產品	合計
		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
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue from external customers	來自外部客戶之收入	129,483	6,596	5,610	141,689
Segment losses	分部虧損	(44,868)	(453)	(3,743)	(49,064)
Change in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益				(318)
Bank interest income	銀行利息收入				106
Other income	其他收入				1,288
Corporate and other unallocated expenses	未分配之總部與其他開支				(5,185)
Finance costs	融資成本				(739)
Loss before taxation from continuing operations	持續經營業務之稅前虧損				(53,912)

3. 營業額及分部資料(續)

以下是本集團按可報告的持續經營分部收入及業績分析：

截至二零一四年六月三十日止六個月

持續經營業務

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

3. TURNOVER AND SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2013

Continuing operations

		Hair-care products	Skin-care products	Other household and personal care products	Total
		護髮產品	護膚產品	其他家用及個人護理產品	合計
		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
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue from external customers	來自外部客戶之收入	194,301	19,941	26,503	240,745
Segment losses	分部虧損	(61,144)	(5,640)	(3,672)	(70,456)
Change in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益				(510)
Bank interest income	銀行利息收入				639
Other income	其他收入				1,153
Corporate and other unallocated expenses	未分配之總部與其他開支				(14,166)
Finance costs	融資成本				(653)
Loss before taxation from continuing operations	持續經營業務之稅前虧損				(83,993)

3. 營業額及分部資料(續)

截至二零一三年六月三十日止六個月

持續經營業務

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

4. FINANCE COSTS

4. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Continuing operations	持續經營業務		
Interest on secured bank loans wholly repayable within five years	五年內到期全數償還的已抵押銀行貸款的借貸利息	—	653
Imputed interest on non-interest bearing loans from controlling shareholders	控股股東提供之免息貸款的估計利息	739	—
		739	653

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

5. LOSS BEFORE TAXATION

Loss before taxation from continuing operations has been arrived at after charging (crediting) the following items:

5. 稅前虧損

持續經營業務之稅前虧損已扣除(計入)下列項目：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Bank interest income	銀行利息收入	(106)	(639)
Depreciation	折舊	13,930	13,153
Impairment loss recognised in respect of biological assets (included in other expenses)	確認生物資產的減值損失(計入其他費用)	726	—
Impairment loss recognised in respect of property, plant and equipment (included in other expenses)	確認物業、廠房及設備的減值損失(計入其他費用)	6,970	—
Impairment loss recognised (reversed) in respect of trade receivables	確認(撥回)貿易應收款項減值損失	1,565	(129)
Net loss (gain) on disposal of property, plant and equipment	處置物業、廠房及設備的淨損失(收益)	14	(391)
Net exchange (gain) loss	匯兌(收益)虧損淨額	(53)	7,043
Redundancy costs	僱員遣散費	844	7,252
Reversal of write-down of inventories (included in cost of sales)	存貨跌價準備撥回(計入銷售成本)	(937)	(16,855)
Write-down of inventories (included in cost of sales)	存貨跌價準備(計入銷售成本)	1,227	1,465
Write-off of inventories (included in cost of sales)	存貨報廢(計入銷售成本)	921	8,222

Notes to the Condensed Consolidated Financial Statements 簡明綜合財務報表附註

For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

6. INCOME TAX EXPENSE

- (i) Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries is 25% from 1 January 2008 onwards.

The PRC EIT Law allows enterprises to apply for the certificates of "High and New Technology Enterprise" ("HNTE") which entitles the qualified companies to a preferential income tax rate of 15%. Bawang (Guangzhou) Co., Ltd. ("Bawang Guangzhou"), a PRC subsidiary of the Group, was qualified as a HNTE in 2009 and the qualification was renewed and valid until 2014. However, Bawang Guangzhou did not have any assessable profits subject to Enterprise Income Tax for the six months ended 30 June 2014 and 2013.

- (ii) No provision for Hong Kong Profits Tax has been provided as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2014 and 2013.
- (iii) Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI for the current and previous interim periods.

6. 所得稅支出

- (i) 根據中國企業所得稅法及企業所得稅法實施條例，本集團於中國註冊的附屬公司自二零零八年一月一日起稅率為25%。

中國企業所得稅法允許企業申請高新技術企業證書，而獲得該資格的企業可以享有15%的優惠稅率。霸王(廣州)有限公司(「霸王廣州」)於二零零九年被認定為高新技術企業，並再次被認定，有效至二零一四年。然而，截至二零一四年及二零一三年六月三十日止六個月，霸王廣州並沒有任何須繳納企業所得稅之應課稅溢利。

- (ii) 截至二零一四年及二零一三年六月三十日止六個月，本集團並沒有任何須繳納香港所得稅之應課稅溢利，所以並無作出香港利得稅撥備。
- (iii) 根據開曼群島及英屬處女群島的規則及條例，本集團無須為以前及本中期繳納開曼群島及英屬處女群島的任何稅項。



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For the six months ended 30 June 2014
截至二零一四年六月三十日止六個月

6. INCOME TAX EXPENSE (Continued)

- (iv) Pursuant to the Implementation Rules of the EIT Law, overseas investors of foreign investment companies 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 the beneficiary owner is 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 2014 and 2013 since the PRC subsidiaries incurred losses in both interim periods.

7. DISCONTINUED OPERATION

During the six months ended 30 June 2013, the Directors of the Company resolved to discontinue the production and sales of its herbal tea products due to the unsatisfactory financial performance of the business of the herbal tea products. Accordingly, herbal tea products segment is presented as discontinued operation.

6. 所得稅支出(續)

- (iv) 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。根據避免中港兩地雙重徵稅安排，於香港創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%。由於中國附屬公司均發生虧損，因此本集團於截至二零一四年及二零一三年六月三十日止六個月並沒有計提預扣所得稅。

7. 已終止經營業務

於截至二零一三年六月三十日止六個月，由於涼茶產品經營狀況不理想，本集團決定停止涼茶產品的生產及銷售。因此，涼茶產品分部會作為已終止業務展示。

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For the six months ended 30 June 2014
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7. DISCONTINUED OPERATION (Continued)

The results of the discontinued herbal tea products operation for the six months ended 30 June 2014 and 2013 are as follows:

7. 已終止經營業務(續)

已終止涼茶產品業務於截至二零一四年及二零一三年六月三十日止六個月的業績如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Turnover	營業額	—	794
Cost of sales	銷售成本	—	(1,521)
Other income	其他收入	2,750	2
Selling and distribution costs	銷售及分銷開支	—	(754)
Administrative expenses	行政費用	(74)	(246)
Other expenses	其他費用	(390)	(294)
Profit (loss) before taxation	稅前盈利(虧損)	2,286	(2,019)
Income tax expense	所得稅支出	—	—
Profit (loss) for the period	期內盈利(虧損)	2,286	(2,019)

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7. DISCONTINUED OPERATION (Continued)

The profit (loss) for the period from discontinued herbal tea products operation includes the following:

7. 已終止經營業務(續)

已終止的涼茶業務的期內盈利(虧損)包括以下各項：

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Bank interest income	銀行利息收入	—	(2)
Depreciation	折舊	16	190
Impairment loss recognised in respect of trade receivables	確認貿易應收款項減值損失	35	—
Net loss on disposals of property, plant and equipment	處置物業、廠房及設備的淨損失	81	11
Provision for litigation (included in other expenses)	訴訟計提費用(計入其他費用)	309	—
Write-back of trade and other payables (included in other income)	貿易及其他應付款項撥回(計入其他收入)	(2,750)	—
Write-off of inventories (included in cost of sales)	存貨報廢(計入銷售成本)	—	335

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7. DISCONTINUED OPERATION (Continued)

Net cash (outflows) inflows on discontinued herbal tea products operation are as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Operating activities	經營活動	(53)	(274)
Investing activities	投資活動	51	5
		(2)	(269)

7. 已終止經營業務(續)

已終止的涼茶業務的淨現金(流出)流入如下:

8. DIVIDENDS

No dividends were paid, declared or proposed during the interim period. The Directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: nil).

8. 股息

中期期間內並無派付、宣派或擬派任何股息。本公司董事不建議派付截至二零一四年六月三十日止六個月的任何中期股息(截至二零一三年六月三十日止六個月: 無)。

9. LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to owners of the Company is based on the loss for the period from continuing and discontinued operations of approximately RMB51,626,000 (six months ended 30 June 2013: approximately RMB86,012,000) and the weighted average number of approximately 2,910,971,000 (six months ended 30 June 2013: approximately 2,910,971,000) ordinary shares in issue during the period.

9. 每股虧損

來自持續經營業務及已終止經營業務

本公司擁有人應佔來自持續經營業務及已終止經營業務之每股基本及攤薄虧損是根據持續經營業務及已終止經營業務之期內虧損約人民幣51,626,000(截至二零一三年六月三十日止六個月: 約人民幣86,012,000)及期內已發行普通股加權平均數約2,910,971,000股(截至二零一三年六月三十日止六個月: 約2,910,971,000股)計算。

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9. LOSS PER SHARE (Continued)

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the loss for the period from continuing operations of approximately RMB53,912,000 (six months ended 30 June 2013: approximately RMB83,993,000) and the weighted average number of approximately 2,910,971,000 (six months ended 30 June 2013: approximately 2,910,971,000) ordinary shares in issue during the period.

From discontinued operation

Basic and diluted earnings (six months ended 30 June 2013: loss) per share for the discontinued operation attributable to owners of the Company is RMB0.001 per share for the six months ended 30 June 2014 (six months ended 30 June 2013: RMB0.001 per share), based on the profit (six months ended 30 June 2013: loss) for the period from the discontinued operation of approximately RMB2,286,000 for the six months ended 30 June 2014 (six months ended 30 June 2013: approximately RMB2,019,000) and the denominators detailed above for both basic and diluted earnings (six months ended 30 June 2013: loss) per share.

For the six months ended 30 June 2014 and 2013, the diluted loss per share is the same as the basic loss per share.

The computation of diluted loss per share for the six months ended 30 June 2014 and 2013 did not assume the exercise of the Company's share options as the effect is anti-dilutive.

9. 每股虧損(續)

來自持續經營業務

本公司擁有人應佔持續經營業務之每股基本及攤薄虧損是根據持續經營業務之期內虧損約人民幣53,912,000(截至二零一三年六月三十日止六個月:約人民幣83,993,000)及期內已發行普通股加權平均數約2,910,971,000股(截至二零一三年六月三十日止六個月:約2,910,971,000股)計算。

來自已終止經營業務

本公司擁有人應佔已終止經營業務之每股基本及攤薄盈利(截至二零一三年六月三十日止六個月:虧損)為每股人民幣0.001(截至二零一三年六月三十日止六個月:每股人民幣0.001),是根據已終止經營業務之期內盈利(截至二零一三年六月三十日止六個月:虧損)約人民幣2,286,000(截止至二零一三年六月三十日止六個月:約人民幣2,019,000)及上文所述之分母計算每股基本及攤薄盈利(截至二零一三年六月三十日止六個月:虧損)。

截至二零一四年及二零一三年六月三十日止六個月的每股攤薄虧損等同每股基本虧損。

由於本公司的購股權具有反攤薄效果,所以在計算截至二零一四年及二零一三年六月三十日止六個月期間每股攤薄虧損時,並無假設行使任何本公司的購股權。

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10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2014, the Group spent approximately RMB568,000 (six months ended 30 June 2013: approximately RMB9,723,000) on construction costs of new production plant and acquisition of machinery.

Property, plant and equipment with a net carrying value of approximately RMB283,000 was disposed of by the Group during the six months ended 30 June 2014 (six months ended 30 June 2013: approximately RMB560,000), resulting in net loss on disposal of approximately RMB95,000 (six months ended 30 June 2013: net gain on disposal of approximately RMB380,000).

During the six months ended 30 June 2014, the management conducted a review of the property, plant and equipment which were used in the continuing operations and determined that those assets were impaired with reference to their value in use. Accordingly, impairment loss of approximately RMB6,970,000 (six months ended 30 June 2013: nil) has been recognised under other expenses in the condensed consolidated statement of profit or loss and other comprehensive income. The value in use calculation is determined based on the financial budgets covering a ten-year period which is reference to the estimated useful life of the assets, and a pre-tax discount rate of 17.18%, approved by the management of the Group.

10. 物業、廠房及設備的變動

截至二零一四年六月三十日止六個月，本集團耗資約人民幣568,000(截至二零一三年六月三十日止六個月：約人民幣9,723,000)於生產廠房建設成本及購買機器。

截至二零一四年六月三十日止六個月，本集團已出售賬面淨值約人民幣283,000的物業、廠房及設備(截至二零一三年六月三十日止六個月：約人民幣560,000)，錄得出售淨損失約人民幣95,000(截至二零一三年六月三十日止六個月：出售淨收益約人民幣380,000)。

截至二零一四年六月三十日止六個月，管理層對用於持續經營業務的物業、廠房及設備進行了檢閱並以該資產的使用價值作為資產減值的參考。減值損失約人民幣6,970,000(截至二零一三年六月三十日止六個月：無)已被確認於簡明綜合損益及其他全面收益表的其他費用內。其資產的使用價值是以集團管理層參考其資產的估計使用年限及稅前折現率17.18%而編製的10年財務預算來計算。

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11. BIOLOGICAL ASSETS

Biological assets represent the growing herbs in the cultivation base located in the PRC.

11. 生物資產

生物資產是指位於中國大陸的種植基地裡種植的中草藥。

		Six months ended 30 June 2014 截至二零一四年 六月三十日 止六個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Year ended 31 December 2013 截至二零一三年 十二月三十一日 止年度 RMB'000 人民幣千元 (Audited) (經審核)
At 1 January 2014/ 1 January 2013	於二零一四年一月一日 ／二零一三年一月一日	2,056	1,978
Changes in fair value less costs to sell	公允價值減銷售成本的 變動損益	(318)	(223)
Plantation expenditure	種植支出	186	410
Impairment loss	減值損失	(726)	—
Herbs harvested during the period/year	期內／年內收穫的中草藥	—	(109)
At 30 June 2014/ 31 December 2013	於二零一四年六月三十日 ／二零一三年十二月三十一日	1,198	2,056
Non-current portion	非流動部分	172	170
Current portion	流動部分	1,026	1,886
At 30 June 2014/ 31 December 2013	於二零一四年六月三十日 ／二零一三年十二月三十一日	1,198	2,056

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

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。

As at 30 June 2014, the Group had 185 hectares (31 December 2013: 375) of growing herbs.

截至二零一四年六月三十日，本集團擁有185公頃(二零一三年十二月三十一日：375)種植的中草藥。

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11. BIOLOGICAL ASSETS (Continued)

Biological assets are stated at fair value less costs to sell at the end of the reporting period 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 following unobservable inputs were used in level 3 fair value measurements of the Group's biological assets as at 30 June 2014:

11. 生物資產(續)

於呈報期末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。

以下為截至二零一四年六月三十日有關生物資產第三級公允價值計量之不可觀察資料：

Unobservable inputs 不可觀察資料	Range of unobservable inputs (weighted average) 不可觀察資料範圍 (加權平均值)	Relations of unobservable inputs to fair value 不可觀察資料與 公允價值之關係
Growing herbs yield — kg per hectare 種植之中草藥收成 — 每公頃千克	30–750 (649) per year 每年30–750(649)	The higher the growing herbs yield, the higher the fair value 種植之中草藥收成越多，公允價值越高
Growing herbs price 種植之中草藥價格	RMB3–RMB115 (RMB28) per kg 每千克人民幣3–人民幣115 (人民幣28)	The higher the market price, the higher the fair value 種植之中草藥市值越高，公允價值越高
Discount rate 折現率	11% (11%) per annum 每年11% (11%)	The higher the discount rate, the lower the fair value 種植之中草藥折現率越高，公允價值越低

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11. BIOLOGICAL ASSETS (Continued)

The following unobservable inputs were used in level 3 fair value measurements of the Group's biological assets as at 31 December 2013:

Unobservable inputs 不可觀察資料	Range of unobservable inputs (weighted average) 不可觀察資料範圍 (加權平均值)	Relations of unobservable inputs to fair value 不可觀察資料與 公允價值之關係
Growing herbs yield — kg per hectare 種植之中草藥收成 — 每公頃千克	30–750 (665) per year 每年30–750 (665)	The higher the growing herbs yield, the higher the fair value 種植之中草藥收成越多，公允價值越高
Growing herbs price 種植之中草藥價格	RMB4–RMB100 (RMB19) per kg 每千克人民幣4–人民幣100 (人民幣19)	The higher the market price, the higher the fair value 種植之中草藥市值越高，公允價值越高
Discount rate 折現率	11% (11%) per annum 每年11% (11%)	The higher the discount rate, the lower the fair value 種植之中草藥折現率越高，公允價值越低

The discount rates used in the valuation of the biological assets in the PRC at the end of the reporting period were based on the market-determined pre-tax rate.

There has been no change from the valuation technique used in the prior year. In estimating the fair value of the biological assets, the highest and best use of the biological assets is their current use.

11. 生物資產(續)

以下為截至二零一三年十二月三十一日有關生物資產第三級公允價值計量之不可觀察資料：

於呈報期末，為於中國種植的生物資產估值使用之折現率是基於市場釐定之稅前利率。

估值技術較上一年度所用者並無改變。就計量生物資產之公允價值而言，生物資產之最有效使用值為其現時之使用值。

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11. BIOLOGICAL ASSETS (Continued)

Reconciliation of Level 3 fair value measurements of growing herbs on recurring basis:

		Six months ended 30 June 2014 截至二零一四年 六月三十日 止六個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Year ended 31 December 2013 截至二零一三年 十二月三十一日 止年度 RMB'000 人民幣千元 (Audited) (經審核)
At 1 January 2014/ 1 January 2013	於二零一四年一月一日/ 二零一三年一月一日	2,056	1,978
Addition	添置	186	410
Change in fair value due to transformation	因形態轉變而產生之公允 價值變動	(318)	(223)
Impairment loss	減值損失	(726)	—
Transfer to inventory	轉至存貨	—	(109)
At 30 June 2014/ 31 December 2013	於二零一四年六月三十日/ 二零一三年十二月三十一日	1,198	2,056

The above change in fair value recognised in profit or loss of approximately RMB318,000 (year ended 31 December 2013: approximately RMB223,000) is presented on the face of the condensed consolidated statement of profit or loss and other comprehensive income and is attributable to the change in unrealised gains or losses relating to biological assets held at the end of the reporting period.

11. 生物資產(續)

生物資產之循環性第三級公允價值計量對賬：

以上於損益中確認之公允價值變動約人民幣318,000(截至二零一三年十二月三十一日止年度：約人民幣223,000)已於簡明綜合損益及其他全面收益表上呈現，及該變動乃歸於與報告期末持有生物資產相關之未實現利潤或虧損之變動。

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12. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 to 90 days to its trade customers.

The following is an analysis of trade and bills receivables, net of impairment, presented based on the due date at the end of the reporting period:

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Current	即期	35,315	56,742
Less than 3 months past due	逾期少於3個月	28,239	20,937
More than 3 months but less than 6 months past due	逾期超過3至6個月	8,097	7,225
More than 6 months but less than 12 months past due	逾期超過6至12個月	2,753	1,056
More than 12 months past due	逾期多於12個月	4,362	3,977
		78,766	89,937
Less: allowance for doubtful debts	減：壞賬準備	(6,205)	(4,640)
		72,561	85,297

12. 貿易及其他應收款項

本集團給予其貿易客戶的平均信貸期為30至90日。

根據到期日呈列之貿易應收款項及應收票據(扣除減值)於呈報期末的分析如下：

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13. TRADE AND OTHER PAYABLES

The following is an analysis of trade payables by age, presented based on the due date:

	30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Due within 1 month or on demand 1個月內到期或按通知償還	35,263	42,963
Due after 1 month but within 3 months 1個月後但於3個月內到期	2,963	5,908
	38,226	48,871

13. 貿易及其他應付款項

根據到期日呈列之貿易應付款項的賬齡分析如下：

14. SHARE CAPITAL AND RESERVES

(a) Share capital

		Number of shares 股份數目 '000 千	Amount 金額 HK\$'000 港元千元	Amount as presented 報告金額 RMB'000 人民幣千元
Ordinary shares of HK\$0.1 each	每股港元0.1之普通股			
Authorised:	法定：			
At 1 January 2013, 31 December 2013 and 30 June 2014	於二零一三年一月一日， 二零一三年十二月三十一日 及二零一四年六月三十日	10,000,000	1,000,000	
Issued and fully paid:	已發行及已付訖：			
At 1 January 2013, 31 December 2013 and 30 June 2014	於二零一三年一月一日， 二零一三年十二月三十一日， 二零一四年六月三十日	2,910,971	291,097	256,639

14. 股本及儲備

(a) 股本

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14. SHARE CAPITAL AND RESERVES (Continued)

(b) Nature and purpose of reserves

(i) Share premium

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

(ii) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with accounting policy adopted in the 2013 annual financial statements.

(iii) PRC statutory reserves

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

Bawang Guangzhou and Bawang (China) Beverage Company Limited (“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.

14. 股本及儲備(續)

(b) 儲備性質及用途

(i) 股本溢價

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

(ii) 資本儲備

授予本公司僱員的購股權未行使的部分，將其授於授予日期的公允價值按照二零一三年年報披露的會計政策於資本儲備中確認。

(iii) 中國法定儲備

中國法定儲備乃根據有關中國規則及規例以及本集團中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(中國)飲料有限公司(「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。

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14. SHARE CAPITAL AND RESERVES (Continued)

(b) Nature and purpose of reserves (Continued)

(iii) PRC statutory reserves (Continued)

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

(iv) Merger reserve

On 20 December 2007, Bawang International Group Holding (HK) Limited, 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 of the Group, at a consideration of the same amount. Accordingly, the share capital of Bawang Guangzhou was eliminated and a merger reserve arose due to foreign exchange differences.

(v) Translation reserve

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

(vi) Other reserve

The other reserve represents the deemed contribution by the Controlling Shareholders in the form of non-interest bearing loans to a subsidiary. The amounts are estimated by discounting the nominal value of the non-interest bearing loans to the subsidiary at an effective interest rate.

14. 股本及儲備(續)

(b) 儲備性質及用途(續)

(iii) 中國法定儲備(續)

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,以將有關發現後的結餘不得少於註冊資本的25%。

(iv) 合併儲備

與二零零七年十二月二十日,本公司全資附屬公司霸王國際集團控股(香港)有限公司以同等價格收購美元12,500,000的霸王廣州全部權益(之前由本集團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,抵銷時的匯兌差額產生合併儲備。

(v) 匯兌儲備

匯兌儲備包括換算中國境外業務之財務報表所產生的全部匯兌差額。

(vi) 其他儲備

其他儲備是指控股股東借給子公司的免息貸款所產生之視同注資。該數額由以實際利率折現的借給子公司之免息貸款的賬面價值來估算。



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15. EQUITY SETTLED SHARE-BASED TRANSACTIONS

Pre-IPO Share Option Scheme

The Directors of the Company 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 the 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.

15. 以股權結算並以股份為 基礎的交易

首次公開發售前購股權計劃

本公司董事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，以及四十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港元0.1（四人在此列，其中包括兩名董事）或港元1.19，即按全球發售下發售價港元2.38折讓50%（三十八人在此列）。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，所有購股權必須於二零一四年六月八日前行使。

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15. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

Pre-IPO Share Option Scheme (Continued)

The following table discloses movements of the Company's share options held by Directors and employees during the current and prior periods:

Option type	Outstanding at 1 January 2013 於二零一三年 一月一日 尚未行使	Forfeited during the year 年內被取消	Outstanding at 31 December 2013 於二零一三年 十二月三十一日 尚未行使	Forfeited during the period 期內被取消	Outstanding at 30 June 2014 於二零一四年 六月三十日 尚未行使
購股權類型					
Pre-IPO Share Option Scheme 首次公開發售前購股權	5,846,000	(2,021,000)	3,825,000	(151,000)	3,674,000
Weighted average exercise price 加權平均行使價	HK\$0.60 港元0.60	HK\$0.74 港元0.74	HK\$0.51 港元0.51	HK\$1.19 港元1.19	HK\$0.50 港元0.50

At 30 June 2014, 2,150,000 share options were exercisable (31 December 2013: 2,251,000).

For the six months ended 30 June 2014, the Group recognised total expenses of approximately RMB277,000 (six months ended 30 June 2013: approximately RMB637,000) in relation to the fair value of the share options granted by the Company.

16. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Group's financial instruments, including the loans and receivables (including trade and other receivables, restricted bank balance and bank balances and cash) and financial liabilities (including trade and other payables, amounts due to related parties and loans from controlling shareholders), are recorded at amortised cost. The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

15. 以股權結算並以股份為基礎的交易(續)

首次公開發售前購股權計劃(續)

下表披露董事及僱員在當期和以前期間擁有本公司購股權的變動情況：

於二零一四年六月三十日，2,150,000份購股權於期末時可行使。(二零一三年十二月三十一日：2,251,000)

截至二零一四年六月三十日止六個月，本集團確認已授出的購股權公允價值總開支約人民幣277,000(截至二零一三年六月三十日止六個月：約人民幣637,000)。

16. 財務工具的公允價值計量

本集團的財務工具包括貸款、應收款項(包括貿易及其他應收款項、受限制銀行存款、銀行結存及現金)及財務負債(包括貿易及其他應付款項、應付關聯方款項及控股股東貸款)，以攤薄成本記錄。本公司董事認為以攤薄成本計量於簡明綜合財務報表的金融資產和金融負債的賬面價值接近其公允價值。

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17. RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following transactions and balances with related parties during the period:

- (a) The following balances were outstanding at the end of the reporting period:

17. 關聯方交易

除簡明綜合財務報表披露外，本集團已於期內進行下列關聯方交易及結餘：

- (a) 於呈報期末尚未償付之結餘如下：

		Amounts due to related parties 應付關聯方款項	
		30 June 2014 二零一四年六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-trade related	非貿易相關		
Guangzhou Bawang (note (i))	廣州霸王(附註(i))	1,950	68
Trade related	貿易相關		
Guangzhou Chenming Paper Products Company Limited ("Guangzhou Chenming") (note (ii))	廣州晨明紙品有限公司(「廣州晨明」)(附註(ii))	716	1,374
Guangzhou Qiancai Packaging Materials Co., Ltd. ("Guangzhou Qiancai") (note (ii))	廣州市倩采包裝材料有限公司(「廣州倩采」)(附註(ii))	65	72
		2,731	1,514

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17. RELATED PARTY TRANSACTIONS (Continued)

(a) (Continued)

Notes:

- (i) Guangzhou Bawang was effectively 100% owned by the Controlling Shareholders of the Company. As at 30 June 2014 and 31 December 2013, the balance due from Guangzhou Bawang mainly represented rental payable. The balance was unsecured, interest-free and repayment on demand.
 - (ii) Guangzhou Chenming and Guangzhou Qiancai were under the control of the close family members of the Controlling Shareholders of the Company. The credit term granted by Guangzhou Chenming and Guangzhou Qiancai is 30 days.
- (b) During the six months ended 30 June 2014, raw materials were purchased from Guangzhou Chenming amounting to approximately RMB2,901,000 (six months ended 30 June 2013: approximately RMB5,363,000). The Directors of the Company have confirmed that the basis of consideration for the purchase of raw materials is the prevailing market price.
- (c) During the six months ended 30 June 2014, raw materials were purchased from Guangzhou Qiancai amounting to approximately RMB55,000 (six months ended 30 June 2013: approximately RMB31,000). The Directors of the Company have confirmed that the basis of consideration for the purchase of raw materials is the prevailing market price.
- (d) During the six months ended 30 June 2014, utilities expenses were paid on behalf of the Group by Guangzhou Bawang amounting to approximately RMB483,000 (six months ended 30 June 2013: approximately RMB1,763,000).

17. 關聯方交易(續)

(a) (續)

附註：

- (i) 廣州霸王由本公司控股股東100%有效擁有。於二零一四年六月三十日和二零一三年十二月三十一日，廣州霸王的期末結餘主要為應付租金。有關結餘無抵押、免息並按要求償還。
 - (ii) 廣州晨明和廣州倩采是由本公司控股股東關係密切的家庭成員控制的。由廣州晨明和廣州倩采給予的信貸期為30日。
- (b) 截至二零一四年六月三十日止六個月，向廣州晨明購買的原材料之金額約人民幣2,901,000(截至二零一三年六月三十日止六個月：約人民幣5,363,000)。本公司董事確認上述原材料的購買是以現行市價為考慮基準。
- (c) 截至二零一四年六月三十日止六個月，向廣州倩採購買的原材料之金額約人民幣55,000(截至二零一三年六月三十日止六個月：約人民幣31,000)。本公司董事確認上述原材料的購買是以現行市價為考慮基準。
- (d) 截至二零一四年六月三十日止六個月，廣州霸王代本集團支付的水電費合共約人民幣483,000(截至二零一三年六月三十日止六個月：約人民幣1,763,000)。

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17. RELATED PARTY TRANSACTIONS (Continued)

- (e) During the six months ended 30 June 2014, meeting and catering services were provided to the Group by Guangzhou Bawang International Hotel Co., Ltd. amounting to approximately RMB578,000 (six months ended 30 June 2013: approximately RMB814,000). Guangzhou Bawang International Hotel Co., Ltd. was effectively 100% owned by the Controlling Shareholders of the Company. The Directors of the Company are of the opinion that the above transactions were conducted on normal commercial terms in the ordinary course of business.
- (f) The Group and Guangzhou Bawang had entered into the following lease agreements in relation to rental of production premises and office building:
- (i) On 21 January 2011, Bawang Guangzhou and Guangzhou Bawang entered into a renewed production premise and office lease agreement, 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 2010. During the six months ended 30 June 2013, approximately RMB552,000 (six months ended 30 June 2014: nil) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income and the lease agreement was terminated on 9 August 2013.

17. 關聯方交易 (續)

- (e) 截至二零一四年六月三十日止六個月，廣州霸王國際大酒店有限公司向本集團提供的會議及餐飲服務費用總計人民幣約578,000(截至二零一三年六月三十日止六個月：約人民幣814,000)。廣州霸王國際大酒店有限公司由本公司控股股東100%有效擁有。本公司董事認為上述交易乃在日常業務過程中按正常商業條款進行的。
- (f) 本集團與廣州霸王已訂立下列有關租賃生產廠房及辦公室樓宇的租賃協議：
- (i) 霸王廣州與廣州霸王於二零一一年一月二十一日續簽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面積16,735平方米的生產廠房和辦公室樓宇。此協議項下租期自二零一零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。截至二零一三年六月三十日止六個月，約人民幣552,000(截至二零一四年六月三十日止六個月：無)已於簡明綜合損益及其他全面收益表內確認，而該協議已於二零一三年八月九日終止。

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17. RELATED PARTY TRANSACTIONS (Continued)

(f) (Continued)

- (ii) On 28 December 2011, Bawang Guangzhou and Guangzhou Bawang entered into an office premise lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the office premise with a total floor area of 4,916 square metres. The term of the lease under the agreement is 3 years with a fixed monthly rental payable of RMB182,000 commencing from 1 January 2012. During the six months ended 30 June 2013, approximately RMB1,092,000 (six months ended 30 June 2014: nil) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income and the lease agreement was terminated on 9 August 2013.
- (iii) On 1 August 2012, Bawang Guangzhou and Guangzhou Bawang entered into a production premise lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production premise with a total floor area of 123,000.1 square metres at nil consideration. The term of the lease under the agreement is from 1 August 2012 until it is replaced by a revised lease agreement. On 9 August 2013, the lease agreement was terminated.

17. 關聯方交易(續)

(f) (續)

- (ii) 霸王廣州與廣州霸王於二零一一年十二月二十八日訂立辦公室租賃協議。據此，霸王廣州向廣州霸王租用總樓面面積4,916平方米的辦公室。此協議自二零一二年一月一日起生效，為期三年。每月應付固定租金人民幣182,000。截至二零一三年六月三十日止六個月，約人民幣1,092,000(截至二零一四年六月三十日止六個月：無)已於簡明綜合損益及其他全面收益表內確認，而上述協議已於二零一三年八月九日終止。
- (iii) 霸王廣州與廣州霸王於二零一二年八月一日訂立生產廠房租賃協議。據此，霸王廣州以無代價向廣州霸王租用總樓面面積123,000.1平方米的生產廠房。此協議自二零一二年八月一日起生效，直到重新簽訂新租賃協議。上述協議已於二零一三年八月九日終止。



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17. RELATED PARTY TRANSACTIONS (Continued)

(f) (Continued)

- (iv) On 9 August 2013, Bawang Guangzhou and Guangzhou Bawang entered into lease agreements, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production plant and office premises at fixed monthly rental of RMB1,120,000 and RMB92,800, respectively. The terms of the lease under the agreements are 3 years from 9 August 2013. Details of which were set out in the Company's announcement dated 9 August 2013. During the six months ended 30 June 2014, approximately RMB7,277,000 (six months ended 30 June 2013: nil) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

17. 關聯方交易(續)

(f) (續)

- (iv) 霸王廣州與廣州霸王於二零一三年八月九日訂立租賃協議。據此，霸王廣州向廣州霸王租用生產廠房和辦公場所，每月支付固定租金分別為人民幣1,120,000和人民幣92,800。此協議自二零一三年八月九日起生效，為期三年。本公司已於二零一三年八月九日披露該協議。截至二零一四年六月三十日止六個月，約人民幣7,277,000(截至二零一三年六月三十日止六個月：無)已於簡明綜合損益及其他全面收益表內確認。

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17. RELATED PARTY TRANSACTIONS (Continued)

- (g) As disclosed in note 1, the Controlling Shareholders and Guangzhou Bawang undertook to provide a long-term loan facility to the Group in an amount up to RMB140,000,000 for a period from 15 March 2013 to 31 December 2015. As at 30 June 2014, the Group had drawn down HK\$9,500,000 (equivalent to approximately RMB7,470,000) (31 December 2013: nil) and USD6,700,000 (equivalent to approximately RMB41,013,000) (31 December 2013: nil) under the facility. The long-term loans are unsecured, interest-free and repayable by 29 November 2016 or earlier as determined by the Group. As at 30 June 2014, the carrying amount of the loans from Controlling Shareholders was RMB43,225,000 (31 December 2013: nil). The effective interest rate of the loans from Controlling Shareholders was 5% (31 December 2013: nil) per annum.

- (h) The Controlling Shareholders and Guangzhou Bawang, jointly provided a financial guarantee to secure for the banking facility of RMB80,000,000 granted to Bawang Guangzhou for a period from 21 August 2012 to 7 August 2013. The banking facility was lapsed following the settlement of the bank loan during the year ended 31 December 2013.

17. 關聯方交易(續)

- (g) 如附註1，控股股東及廣州霸王承諾向集團提供一筆長期貸款融資，金額高達人民幣140,000,000，有效期自二零一三年三月十五日至二零一五年十二月三十一日。於二零一四年六月三十日，港元9,500,000(折合約人民幣7,470,000)(二零一三年十二月三十一日：無)及美元6,700,000(折合約人民幣41,013,000)(二零一三年十二月三十一日：無)已存入本集團銀行賬戶。此長期貸款為無擔保、免息及由本集團決定於二零一六年十一月二十九日或之前償還。截至二零一四年六月三十日，控股股東貸款賬面價值為人民幣43,225,000(二零一三年十二月三十一日：無)。控股股東貸款的實際年利率為5%(二零一三年十二月三十一日：無)。

- (h) 控股股東及廣州霸王共同擔保，由銀行提供融資人民幣80,000,000予霸王廣州，有效期自二零一二年八月二十一日至二零一三年八月七日。截至二零一三年十二月三十一日止年度內償還銀行貸款後，此銀行融資已經過期失效。

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17. RELATED PARTY TRANSACTIONS (Continued)

- (i) The remuneration of Directors of the Company and other members of key management personnel during the reporting periods was as follows:

		Six months ended 30 June 截至六月三十日止六個月	
		2014 二零一四年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 二零一三年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利	933	2,155
Contribution to defined contribution retirement plans	定期供款退休福利計劃供款	96	96
Equity compensation benefits	股份支付福利	164	538
		1,193	2,789

18. COMMITMENTS

Capital commitments for acquisition of property, plant and equipment outstanding at the end of reporting periods not provided for in the condensed consolidated financial statements were as follows:

		30 June 2014 二零一四年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2013 二零一三年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Contracted for	已簽約	14,574	14,764

17. 關聯方交易 (續)

- (i) 本公司董事及其他主要管理層成員於期內的酬金如下：

18. 承擔

於呈報期間未就收購物業、廠房及設備已訂約但未在簡明綜合財務報表撥備的資本承擔如下：

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19. LITIGATION

- (a) The Directors of the Company considered that the contents of the relevant article published by a media company on 14 July 2010 were defamatory to the Group and/or amount to malicious falsehood. Therefore, the Group commenced legal proceedings in the High Court of Hong Kong in October 2010 against the media company seeking, inter alia, damages and an injunction to restrain the media company from publishing such contents or similar contents. As of the date of this report, the legal proceedings are in progress.
- (b) A lawsuit was filed by a distributor against Bawang Guangzhou in Guangzhou Baiyun District Law Court (the "District Court") whereby the distributor alleged that Bawang Guangzhou was liable to pay an outstanding reimbursement for the promotion fees of approximately RMB6,413,000 pursuant to an agreement entered into between it and Bawang Guangzhou on 12 April 2010.

On 20 November 2013, the District Court issued a verdict for the lawsuit whereby Bawang Guangzhou was ordered to pay the distributor of an aggregate amount of approximately RMB1,606,000 and a legal cost of approximately RMB20,000. The distributor subsequently appealed to a higher court and the court dismissed the appeal and maintained the original adjudication. As at 31 December 2013 and 30 June 2014, an aggregate provision of approximately RMB1,626,000 was recorded in the condensed consolidated financial statements.

19. 法律訴訟

- (a) 公司董事們認為一間傳媒公司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，本集團已於二零一零年十月在香港高等法院向該傳媒公司提起法律訴訟。其中，要求該傳媒公司賠償損失並且禁止出版該內容或類似內容。截至本報告公報日，司法程序仍在進行中。
- (b) 廣州白雲區法院（「地區法院」）備案了某經銷商要求霸王廣州支付未償付的促銷費用共約人民幣6,413,000的訴訟案件。原告聲稱根據其與霸王廣州於二零一零年四月十二日簽訂的協議，霸王廣州有責任補償未償付的促銷費用。

於二零一三年十一月二十日，地區法院裁定了霸王廣州賠償該經銷商總計約人民幣1,606,000以及訴訟費用約人民幣20,000。該經銷商已向廣州市高級法院提出上訴，而該法院已駁回上訴並維持原判。於二零一三年十二月三十一日及二零一四年六月三十日，本集團已在綜合財務報告中對此案件計提總數約人民幣1,626,000的費用。

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19. LITIGATION (Continued)

- (c) During the year ended 31 December 2013 and six months ended 30 June 2014, Bawang Guangzhou was a defendant in a legal action involving the alleged software infringement. According to the legal opinion, the total expected monetary compensation amounted to approximately RMB200,000 which Bawang Guangzhou was probable to be liable. Accordingly, provision of RMB200,000 was recorded as at 31 December 2013 and 30 June 2014 in the condensed consolidated financial statements.

Subsequent on 9 July 2014, the District Court issued a verdict for the lawsuit whereby Bawang Guangzhou was ordered to pay the software supplier of an aggregate amount of RMB80,000.

- (d) In prior years, a lawsuit was filed by a former subcontractor against Bawang Beverage in People's Court of Songjiang District of Shanghai (the "Shanghai Court") in respect of a dispute in the material processing contract between the former subcontractor and Bawang Beverage.

During the year ended 31 December 2013, Bawang Beverage received a civil order issued by the Shanghai Court, which accepted the application by the former subcontractor for property attachment prior to lawsuit to freeze Bawang Beverage's bank accounts in the amount of approximately RMB873,000 or other assets under the name of Bawang Beverage. In connection with the lawsuit, one of Bawang Beverage's bank accounts with an amount of approximately RMB309,000 was frozen. No accrual has been recorded by the Group as at 31 December 2013 based on the opinion provided by the PRC legal counsel acting on behalf of Bawang Beverage.

19. 法律訴訟(續)

- (c) 截至二零一三年十二月三十一日止年度及截止至二零一四年六月三十日止六個月，霸王廣州於一軟件侵權案件中成為被告。根據相關法律意見，由於霸王廣州可能須就此案負債並作出賠償，霸王廣州預計要支付總計約人民幣200,000的賠償金，本集團已於二零一三年十二月三十一日及二零一四年六月三十日的簡明綜合財務報表中對此案件計提了法律訴訟準備人民幣200,000。

其後於二零一四年七月九日，地區法院裁定了霸王廣州須賠償軟件供應商總金額合計人民幣80,000。

- (d) 在以往年度，一名前分銷商在上海松江區人民法院(下稱「上海法院」)就前分銷商及霸王飲料之間的原料加工合同糾紛向霸王飲料提起訴訟。

截至二零一三年十二月三十一日，霸王飲料收到了上海法院的民事判決書，上海法院受理了前分銷商的訴前財產保全申請，凍結了霸王飲料銀行賬戶約人民幣873,000或霸王飲料名下的其他資產。在此訴訟中，霸王飲料其中一個銀行賬戶被凍結了約人民幣309,000。基於由代表霸王飲料的中國法律顧問提供的意見，截至二零一三年十二月三十一日，本集團尚未對此計提任何準備。

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19. LITIGATION (Continued)

(d) (Continued)

On 20 June 2014, Shanghai No. 1 Intermediate People's Court gave its final ruling that Bawang Beverage was liable to the former subcontractor for an amount of approximately RMB643,000. As at 30 June 2014, provision, limited to the restricted bank balance in amount of RMB309,000 held by Bawang Beverage, was recorded in the condensed consolidated financial statements. As at the date of this interim report, Bawang Beverage was in the process of winding-up.

19. 法律訴訟(續)

(d) (續)

上海第一中級人民法院於二零一四年六月二十日作出最終裁決，霸王飲料須向前分銷商支付約人民幣643,000的賠償金。於二零一四年六月三十日，限於霸王飲料持有的受限制銀行存款餘額約人民幣309,000之計提已記錄於簡明綜合財務報表。截至本中期報告發佈之日，霸王飲料正在清盤。

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