



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 2010 2010 年中期報告

* for identification purposes only
僅供識別



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

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

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

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

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

致力於高價值、高品質的天然中草藥個人消費品的研發、生產和銷售，霸王集團讓具有五千年歷史的中藥國粹在全世界發揚廣大，給全世界的消費者帶來全新的、天然的健康生活方式，為民族品牌走向世界市場貢獻出自己的力量！



Contents

目錄

Corporate Information	2	公司資料
Management Discussion and Analysis	5	管理層討論與分析
Consolidated Income Statement	20	合併損益表
Consolidated Statement of Comprehensive Income	21	合併綜合收益表
Consolidated Balance Sheet	22	合併資產負債表
Consolidated Statement of Changes in Equity	24	合併權益變動表
Condensed Consolidated Cash Flow Statement	25	簡明合併現金流量表
Notes to the Unaudited Interim Financial Report	26	未經審核中期財務報告附註
Report on Review of Interim Financial Information	55	中期財務資料審閱報告
Other Information	57	其他資料

Corporate Information

公司資料

Directors

Executive Directors

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

Non-executive Director

GUO Jing

Independent non-executive Directors

NGAI Wai Fung
LI Bida
CHEN Kaizhi

Audit committee

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

Remuneration committee

WAN Yuhua *(Chairperson)*
LI Bida
CHEN Kaizhi

Nomination committee

WAN Yuhua *(Chairperson)*
LI Bida
CHEN Kaizhi

Company Secretary

WONG Sin Yung *CPA*

Authorized representatives

WAN Yuhua
WONG Sin Yung *CPA*

董事

執行董事

陳啟源 (主席)
萬玉華
沈小笛
黃善榕

非執行董事

郭晶

獨立非執行董事

魏偉峰
李必達
陳開枝

審核委員會

魏偉峰 *CPA, ACCA, FCIS (主席)*
李必達
陳開枝

薪酬委員會

萬玉華 *(主席)*
李必達
陳開枝

提名委員會

萬玉華 *(主席)*
李必達
陳開枝

公司秘書

黃善榕 *CPA*

授權代表

萬玉華
黃善榕 *CPA*

Registered office

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

Principal place of business in the PRC

8 Huanan Beilu
Baiyun District
Guangzhou
510440
PRC

Place of business in Hong Kong

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

Cayman Islands principal share registrar and transfer office

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

Hong Kong Branch share registrar and transfer office

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

註冊辦事處

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

中國主要營業地點

中國
廣州
白雲區
華南北路8號
郵編：510440

香港營業地點

香港
九龍
尖沙咀
柯士甸道122號
麗斯中心
12樓B室

開曼群島證券過戶登記總處

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

香港證券登記處

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

Auditors

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

Legal advisor on Hong Kong law

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

Compliance advisor

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

Company's website

www.bawang.com.cn

Stock code

01338

Principal bankers

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

Bank of China Limited
1073 Jichang Road
Guangzhou 510180
PRC

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

核數師

畢馬威會計師事務所
執業會計師
香港
中環
遮打道10號
太子大廈8樓

香港法律顧問

史密夫律師事務所
香港
皇后大道中15號
告羅士打大廈23樓

合規顧問

滙富融資有限公司
香港
中環
夏慤道10號
和記大廈5樓

公司網址

www.bawang.com.cn

股票代碼

01338

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號

中國銀行股份有限公司
中國
廣州市
機場路1073號
郵編：510180

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

Management Discussion and Analysis

管理層討論與分析

Business review

The Directors are pleased to report that as the economic environment in the People's Republic of China ("China" or "PRC") continued to improve in the first half of 2010 ("1H2010"), the Company was able to capture the opportunities to increase both its revenue and profitability. Consequently, the total revenue for 1H2010 increased by 36.7% from RMB681.1 million to RMB930.8 million. The profit attributable to the shareholders increased to RMB147.1 million, representing an increase of 47.1% from RMB100.0 million in the same period of 2009. Please refer to the Financial Review section of this interim report for details of the operating performance of the Group.

The year of 2010 so far has been very challenging for the Company in both operational and non-operational perspectives, which is probably the most demanding period in the history of the Company. On the one hand, the Group has to deal with the operational aspects of its four newly launched branded products. On the other hand, the Group has to swiftly tackle all the issues of public relations crisis arising from the media articles and/or news reports.

The Group has been able to strengthen our market share and to enhance our competitiveness. According to a research report by Euromonitor in June 2010, our Bawang (霸王) brand continued to hold the largest market share amongst all Chinese brands in the overall shampoo market in the PRC in terms of retail sales in 2009 of approximately 9.6%. For the Chinese herbal shampoo sub-segment, the market share of our Bawang (霸王) brand further increased from 46.3% in 2008 to 52.9% in 2009. Our Bawang (霸王) brand ranked number 1 and has been at the top position consecutively for four years since 2006.

In late April 2010, the Company announced the launch of a new branded herbal drink product series known as "Bawang Herbal Drink". Mr. Donnie Yen (甄子丹) has been appointed as the brand ambassador of this new herbal drink product series. This herbal drink series offers three different flavors including energetic, light sugar and sugar free. The Directors

業務回顧

董事欣然報告，隨著二零一零年上半年（「二零一零年上半年」）中華人民共和國（「中國」）的經濟環境持續改善，本公司抓緊機會增加收入及提升盈利能力。二零一零年上半年的總收入因而從人民幣681.1百萬元增加36.7%至人民幣930.8百萬元。股東應佔溢利增至人民幣147.1百萬元，較二零零九年同期的人民幣100.0百萬元增加47.1%。有關本集團營運表現的詳情，請參閱本中期報告內財務回顧一節。

二零一零年對本公司而言實屬極具挑戰，不論於營運或非營運方面，均可能是本公司歷史上最艱巨的時期。一方面，本集團須處理其四個新推出的品牌產品在運營方面的事宜。另一方面，本集團亦須快速解決媒體文章及／或新聞報導所帶來的危機公關問題。

本集團成功鞏固其市場份額及提高其競爭力。根據 Euromonitor 於二零一零年六月的研究報告，按零售銷量計，我們的霸王品牌於二零零九年繼續領先所有中國品牌，佔中國整體洗髮水市場的最大份額約9.6%。就中草藥洗髮水市場而言，霸王品牌的市場份額由二零零八年的46.3%進一步增至二零零九年52.9%。霸王品牌名列前茅，且自二零零六年起連續四年高踞首位。

於二零一零年四月下旬，本公司宣布推出新的中草藥飲料系列產品「霸王涼茶」。甄子丹先生已被指定作為該新的中草藥飲料系列產品的品牌形象大使。此中草藥飲料系列有三種不同口味，包括活力型、清甜型及無糖型。董事相信，

believe that the variety of series would satisfy the needs of various market segments and consequently drive sales growth. The products have been available for sales since June 2010. After careful selection, the southern China was selected to be the first region to launch the products, the market includes Guangdong, Fujian, Guangxi and Hainan. The successful launch of herbal drink products has signified a successful diversification of the Group into the “health care” segment.

For the new branded Chinese herbal anti-dandruff shampoo series, Royal Wind (追風系列), the Company continued to expand its sales and distribution network in 1H2010. As of 30 June 2010, the network comprised 481 distributors and 44 Key Account (“KA”) retailers, covering 26 provinces and four municipalities. The products were successfully launched in Hong Kong in 2009 and are expected to launch in Singapore in the second half of this year.

In December 2009, we launched the Herborn Chinese herbal skincare products series (本草堂系列). This series of products aims at white-collar females aged between 25 and 45 who have high purchasing power and pursue a healthy and natural lifestyle. As of 30 June 2010, the Company has successfully set up sales channels for the Herborn Chinese herbal skincare products series (本草堂系列) in department stores and foreign supermarkets in four provinces and one municipality.

The internationally renowned celebrity Ms Faye Wong (王菲) has continued to be the brand ambassador to help us promote the images of both Royal Wind (追風) and Herborn (本草堂) brands.

The newly launched Bawang Men’s Series (霸王男士系列), with internationally renowned celebrity Mr. Jackie Chan (成龍) as the brand ambassador, has started to establish its position in the market. We have successfully set up dedicated sales counters for this new branded series in some supermarkets. We are pleased to report that the operating results of the new series were satisfactory.

In 1H2010, our Bawang (霸王) branded products were recognized by the Watsons Group of Singapore as the best

不同系列可兼顧不同市場的需要，從而帶動銷量增長。該產品自二零一零年六月起於市面發售。經細選後，華南為首個推出此產品的地區，市場包括廣東、福建、廣西及海南。成功推出中草藥飲料產品標誌著本集團順利使其業務朝多元化發展，進軍「保健」行業。

至於新推出的中草藥去屑洗髮水系列「追風系列」，本公司於二零一零年上半年不斷拓展其銷售及分銷網絡。截至二零一零年六月三十日，網絡包括481名分銷商及44名重點零售商（「重點零售商」），覆蓋26個省份及四個直轄市。該等產品於二零零九年成功在香港推出，並預期將於下半年推廣至新加坡。

於二零零九年十二月，我們推出中草藥護膚產品系列「本草堂系列」。該系列的目標客戶群是擁有高購買力、崇尚健康自然生活方式、年齡介於25至45歲的白領女性。截至二零一零年六月三十日，本公司已成功開拓本草堂系列在四個省份及一個直轄市內的百貨公司及外資超級市場的銷售渠道。

國際著名歌星王菲女士繼續獲邀作為品牌形象大使，以助我們宣傳追風及本草堂品牌的形象。

新推出的「霸王男士系列」以國際巨星成龍先生作為其品牌形象大使，已開始在市場上確立其地位。我們成功於若干超級市場為此新品牌系列設置銷售專櫃。我們欣然宣布此新系列的營運業績令人滿意。

於二零一零年上半年，霸王品牌產品獲新加坡屈臣氏集團評為最佳傳統中藥

selling traditional Chinese medical shampoo and was also honored with the “Most Wanted Award 2010” in the “Health, Wellness and Beauty” category. This is the second consecutive year that Bawang (霸王) brand has received this award. The Group’s contributions to the cosmetics industry in China has also been recognised, the Group achieved the “China’s Cosmetics Industry Leader Award” from the China Association of Fragrance Flavor and Cosmetic Industry in June 2010.

In relation to research and development work conducted by the Group, following the Group being awarded a new high-tech certificate in 2009 by the Guangdong Science and Technology Bureau for the Group’s breakthrough development in the extraction of contents from a Chinese herb called polygonum (何首烏), another research and development project in polygonum (何首烏) has been admitted in the National Torch Program of China (國家火炬計劃) in 1H2010, which shows that the Group’s contributions in research and development has received further recognition. This national program aims to encourage innovation and to promote the development of high-tech industry in China. The admission to the program would enable the Group to have access to a series of supports provided by the central and local government, including technical support, favorable tax treatment, and protection of intellectual property.

The Group was approved by the Bureau of Science, Technology, and Information, Development and Reform Commission, and Economic and Trade Commission of Guangzhou Municipality to set up the development and research center for the technologies applied in the key projects in relation to daily-use chemicals made of Chinese herbal medicines in Guangzhou.

All these achievements serve as recognition of the Group’s outstanding capability in the research and development of Chinese herbal medicine and the promotion of its industrialization development.

洗髮水，並榮獲「健康、保健及美容」界別的「二零一零年最喜愛大獎」(Most Wanted Award 2010)。霸王品牌已連續第二年奪得此項殊榮。本集團對中國化妝品行業的貢獻亦獲得認同，於二零一零年六月獲中國化妝品工業論壇組委會頒發「中國化妝品工業領袖獎」(China’s Cosmetics Industry Leader Award)。

至於研發工作方面，本集團繼二零零九年獲廣東省科學技術廳頒發的高新技術產品證書，表彰本集團從中草藥何首烏抽取精華的突破性進展後，另一項何首烏的研發項目於二零一零年上半年獲認可為「國家火炬計劃」項目，亦顯示本集團所作出的研發貢獻受到進一步的肯定。此項國家計劃旨在鼓勵創新及推動中國高科技行業的發展。取得此計劃的認可令本集團可獲得中央及地方政府的一系列支援，包括技術支援、稅務寬減及知識產權保護。

集團經廣州市科技廳、發改委、經貿委獲准建廣州市中草藥日化重點工程技術研究開發中心。

上述所有成就均肯定了本集團於研發中草藥及促進其工業化發展方面的卓越能力。

We are in the process of applying for the registration of a number of patents relating to researches about Chinese herbs and hair blackening. The successful registration of these patents will be a further testament to the significant breakthrough of our research and development work.

Recent events

There were a magazine article and a newspaper article in respect of the product safety and registration issues of the Group's certain products published on 14 July 2010 and 16 July 2010, respectively, which carried allegations that the Company found inaccurate and unfounded. These articles have caused serious damages to the brand image of the Company and the confidence of the customers in the Company's products. If the response was not timely, it would be a serious crisis to the Company.

Following such events, the Company immediately initiated a series of appropriate measures in response to the crisis and successfully prevented from a series of consequences arising therefrom. As a result, no Bawang products were returned from the markets and no removal of Bawang products from the shelves occurred, which was because of the product safety issues. An announcement was issued on 16 July 2010 by the national authority, the State Food and Drug Administration of China, within three days after such event, stating that Bawang's products "will not harm the health of the consumers". The event has come to an end since then.

We are of the view that the contents in the relevant magazine article published by "Next Magazine" are malice and defamatory for the Group. Therefore, we have commenced legal proceeding in the High Court of Hong Kong to seek compensation from "Next Magazine" in relation to this event.

Although the negative effect of such events on customers will certainly affect the sales of products, the management believes that is temporary. If appropriate measures are taken, we believe that we will certainly turn this crisis into an opportunity. Through the widespread and intensive media coverage of this event, the Bawang (霸王) brand name has turned into a

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

近期事件

於二零一零年七月十四日及二零一零年七月十六日，一篇雜誌報導及一篇報章報導分別刊載本公司認為屬失實及欠缺理論支援的說法，內容涉及本集團若干產品的產品安全及註冊事宜。這些報導嚴重的損壞了公司的品牌形象和消費者對於公司產品的信心。如果應對不及時，將對公司是一場嚴重的危機。

事件發生後，公司立即啟動了危機應對機制，採取了一系列恰當的應對措施。結果，沒有因為產品安全問題出現商場退貨和產品下架的一系列情況。三天後，國家權威機構國家食品藥品監督管理局在二零一零年七月十六日發出通告，指霸王產品「不會對消費者健康產生危害」。至此這場風波得以平息。

我們認為《壹週刊》刊登的相關報導，內容對集團帶有惡意及誹謗成分。所以現已入稟香港高等法院，要求《壹週刊》就此作出賠償。

雖然這次事件在消費者心裡造成的負面影響肯定影響到產品的銷售，但是管理層認為這是暫時的。如果我們應對得當，相信一定將這場危機轉為機會。因為通過這次媒體的廣泛和密集報導霸王品牌家喻戶曉，更加出名。我們只要成

household name and even more well-known than the past. As long as we succeed in helping the consumers to scientifically understand 1, 4-dioxane and making the consumers believe that the Bawang products are safe and of high quality, more customers will be attracted to purchase Bawang products to satisfy their pursuit of natural and healthy life style. We believe that we will be able to further enhance the sales and the market share of Bawang shampoo products.

Since 30 June 2010, there was no other important event affecting the Group except the events mentioned in the Recent Events paragraph and the Material Event Since the End of the Financial Period paragraph under the Management Discussion and Analysis section of this report.

Financial review

Revenue

During the period under review, the Group's revenue amounted to RMB930.8 million, representing an increase of 36.7% as compared with RMB681.1 million during the same period in 2009.

The Group's core brand, Bawang (霸王), generated RMB711.8 million in revenue, which accounted for 76.5% of the Group's total revenue for 1H2010 and represented an increase of 13.6% as compared to the corresponding period last year.

The Chinese herbal anti-dandruff hair-care series, Royal Wind (追風), recorded a revenue of RMB186.6 million, which accounted for approximately 20.0% of the Group's total revenue for 1H2010.

The new branded Bawang Herbal Tea (霸王涼茶) generated RMB9.0 million since it was available for sales in June 2010, which accounted for 1.0% of the Group's total revenue for 1H2010.

Herborn (本草堂), Smerry (雪美人) and Litao (麗濤) generated a total revenue of RMB23.4 million or 2.5%.

功地幫助消費者科學地認識二噁烷，認為霸王產品是安全優質的，肯定吸引更多的消費者購買霸王產品來滿足他們追求天然健康的生活方式。我們相信我們能進一步提升霸王洗髮水的銷售額和市場份額。

自二零一零年六月三十日起，除本報告內近期事件及管理層討論及分析一節中的會計期間結束後的重大事件兩段所述的事件外，概無其他影響本集團的重要事件。

財務回顧

收入

於回顧期間，本集團收入為人民幣930.8百萬元，較二零零九年同期人民幣681.1百萬元增加36.7%。

本集團核心品牌 — 霸王的收入佔本集團二零一零年上半年總收入的76.5%，達人民幣711.8百萬元，較去年同期增加13.6%。

中草藥去屑洗髮護髮系列 — 追風的收入佔本集團二零一零年上半年總收入約20.0%，達人民幣186.6百萬元。

新推出的霸王涼茶於二零一零年六月開始於市面銷售，其收入佔本集團二零一零年上半年的總收入的1.0%，達人民幣9.0百萬元。

本草堂、雪美人及麗濤的收入佔總收入的2.5%，達人民幣23.4百萬元。

We generally sell our products through distribution and retail networks. During the period under review, sales to our distributors and retailers represented approximately 81.7% and approximately 18.3% of total revenue respectively.

We also sold our products in Hong Kong, Macao, Singapore, Malaysia, Myanmar, Thailand and United Arab Emirates. The sales to these markets outside the PRC accounted for 4.5% of our total revenue for 1H2010.

Cost of Sales

Cost of sales in 1H2010 amounted to RMB311.7 million, representing an increase of 35.3% as compared to RMB230.4 million for first half of 2009 ("1H2009"). The overall increase in cost of sales was mainly due to the increase in volume of production which was driven by increased product demand.

Gross Profit

Gross profit increased by 37.4%, from RMB450.7 million in 1H2009 to RMB619.2 million in 1H2010. Gross profit margin increased from 66.2% in 1H2009 to 66.5% in 1H2010. Such increase was mainly due to the change in product mix and the decrease in the proportion of the cost of raw materials over total revenue, which was partially offset by the increase in the cost of packaging materials.

Selling and Distribution Costs

Distribution expenses increased by 34.5% to RMB382.1 million in 1H2010 because of the increased advertising fee in promoting our brands and products through various media channels.

Administrative Expenses

Administrative expenses for 1H2010 amounted to approximately RMB53.4 million, representing an increase of approximately 48.3% as compared with approximately RMB36.0 million in the same period in 2009. Such increase was mainly due to the increase in research and development expenses.

我們一般通過分銷商和零售商網絡銷售我們的產品。於回顧期間，我們售貨予分銷商和零售商的銷售額分別佔總收入的約81.7%和約18.3%。

我們的產品亦於香港、澳門、新加坡、馬來西亞、緬甸、泰國及阿拉伯聯合酋長國市場出售。二零一零年上半年，這些海外市場的銷售額佔本集團總收入的4.5%。

銷售成本

二零一零年上半年的銷售成本達到人民幣311.7百萬元，相比二零零九年上半年（「二零零九年上半年」）的人民幣230.4百萬元，增加了35.3%。銷售成本整體上升主要由於產品需求增加帶動產量增加所致。

毛利

二零一零年上半年的毛利達到人民幣619.2百萬元，與二零零九年上半年的人民幣450.7百萬元相比，上升了37.4%。毛利率從二零零九年上半年的66.2%上升到二零一零年上半年的66.5%。毛利上升主要是因為產品組合的變化以及原材料成本佔總收入比例的降低，部分由包裝材料成本增加所抵銷。

銷售及分銷成本

分銷開支上漲34.5%至二零一零年上半年的人民幣382.1百萬元，原因是透過不同媒體渠道宣傳各品牌及產品所產生之廣告費增加。

行政費用

二零一零年上半年的行政費用約為人民幣53.4百萬元，與二零零九年同期的約人民幣36.0百萬元比較增加約48.3%。行政費用增加主要由於研發開支增加。

Profit from Operations

Profit from operations increased by 44.9% from RMB128.5 million in 1H2009 to RMB186.2 million in 1H2010. The Group's operating profit margin increased from 18.9% in 1H2009 to 20.0% in 1H2010. Such increase in profitability was largely due to the increase in sales and the lower proportion of costs of sales and selling and distribution costs over total revenue.

Income Tax

Income tax expenses increased by 23.6%, from RMB29.2 million in 1H2009 to RMB36.1 million in 1H2010. The effective income tax rate decreased from 22.6% in 1H2009 to 19.7% in 1H2010. The main reason for the decreased effective tax rate being that the operating expenses were mostly deductible from the profit before taxation reported by the Group in 1H2010 and that the current effective tax rate reflects the normal tax position of the Group.

Profit for the Period Attributable to the Equity Shareholder

Profit attributable to equity shareholder increased by 47.1%, from RMB100.0 million in 1H2009 to RMB147.1 million in 1H2010. Net profit margin increased from 14.7% in 1H2009 to 15.8% in 1H2010 due to the combined effect of the above factors.

Liquidity, financial resources and capital structure

The Group adopts conservative financial management policies and maintains a good and solid financial position.

As at 30 June 2010, the balance of cash and cash equivalent was approximately RMB1,698.2 million as compared with approximately RMB1,742.5 million as at 31 December 2009.

經營溢利

經營溢利從二零零九年上半年的人民幣128.5百萬元增加到二零一零年上半年的人民幣186.2百萬元，增加了44.9%。本集團經營利潤率從二零零九年上半年的18.9%增加到二零一零年上半年的20.0%。盈利能力提升主要是因為銷售額增加和銷售成本及銷售及分銷成本佔總收入比例降低所致。

所得稅

二零一零年上半年，所得稅費用支出比二零零九年上半年上升了23.6%，從人民幣29.2百萬元增加至人民幣36.1百萬元。實際所得稅率從二零零九年上半年的22.6%下跌到二零一零年上半年的19.7%，其下跌的主要原因是本集團於二零一零年上半年的大部分營業費用可於除稅前溢利中扣除，因此現時實際稅率反映本集團的正常稅務狀況。

權益持有人應佔期內溢利

權益持有人應佔溢利從二零零九年上半年的人民幣100.0百萬元，增加到二零一零年上半年的人民幣147.1百萬元，升幅達到47.1%。因為上述因素的綜合影響，本公司的淨利潤率從二零零九年上半年的14.7%上升到二零一零年上半年的15.8%。

流動資金、財務資源及資本架構

本集團採用保守的理財策略，維持良好穩定的財務狀況。

於二零一零年六月三十日，現金及現金等價物結餘約為人民幣1,698.2百萬元，二零零九年十二月三十一日則約為人民幣1,742.5百萬元。

As at 30 June 2010, the total bank and other borrowings of the Group were approximately RMB211.3 million (31 December 2009: RMB158.5 million), which were wholly denominated in US Dollars with an interest rate of 3.3% per annum. The bank borrowing will be due on 22 June 2011.

As at 30 June 2010, the total assets of the Group were RMB2,508.1 million (31 December 2009: RMB2,544.3 million), which includes current assets of RMB2,456.3 million (31 December 2009: RMB2,498.9 million). Total liabilities were RMB548.3 million (31 December 2009: RMB510.1 million), with bank borrowings amounting to RMB211.3 million (31 December 2009: RMB158.5 million). Total equity amounted to RMB1,959.8 million (31 December 2009: RMB2,034.2 million).

The gearing ratio (calculated as interest-bearing borrowings divided by total assets) of the Group as at 30 June 2010 was approximately 8.4% (31 December 2009: 6.2%).

Material acquisition and disposal

The Group did not engage in any material acquisitions or disposal of any of its subsidiaries or associated companies for 1H2010.

Exposure to fluctuations in exchange rates and related hedge

The operations of the Group are mainly carried out in the PRC, with most transactions settled in Renminbi. The reporting currency of the Group is Renminbi. The Group has exported its goods to Hong Kong and certain Southeast Asian countries. The transactions were settled in either Hong Kong Dollars or United States Dollars. The Group's cash and bank deposits are predominantly denominated in Hong Kong Dollars, Reminbi and United States Dollars. The Company will pay dividends in

於二零一零年六月三十日，本集團的銀行及其他借款總額約為人民幣211.3百萬元(二零零九年十二月三十一日：人民幣158.5百萬元)，悉數以美元記值，年利率為3.3%。該筆銀行借貸將於二零一一年六月二十二日到期。

於二零一零年六月三十日，集團總資產為人民幣2,508.1百萬元(二零零九年十二月三十一日：人民幣2,544.3百萬元)，其中流動資產為人民幣2,456.3百萬元(二零零九年十二月三十一日：人民幣2,498.9百萬元)。總負債為人民幣548.3百萬元(二零零九年十二月三十一日：人民幣510.1百萬元)，其中銀行借款為人民幣211.3百萬元(二零零九年十二月三十一日：人民幣158.5百萬元)。總權益為人民幣1,959.8百萬元(二零零九年十二月三十一日：人民幣2,034.2百萬元)。

本集團於二零一零年六月三十日的資產負債比率(按計息借貸除以資產總額計算)約為8.4%(二零零九年十二月三十一日：6.2%)。

重大收購及出售

本集團在二零一零年上半年期間並無重大收購或出售其任何附屬及聯營公司的活動。

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。本集團現金及銀行存款主要以港幣、人民幣和美元計值。本公司宣派股息時亦以港幣派付。此外，本集團以美元或港幣支付若干廣告費。人民幣兌換

Hong Kong Dollars if dividends are declared. In addition, the Group paid certain advertising fees in United States Dollars or Hong Kong Dollars. The value of RMB against HK\$ and other foreign currencies may fluctuate and is affected by factors such as changes in the PRC's political and economic conditions. The Directors are of the view that the Group conducts its business transactions principally in Renminbi, and thus the exchange risk at the Group's operational level is not significant. However, the Directors will continue to monitor the foreign exchange exposure and is prepared to take prudent measures such as hedging when required.

Pledge of assets of the Group

As at 30 June 2010, the Group had pledged bank deposits of RMB220.0 million in favour of China Merchants Bank Guangzhou Branch ("CMB Guangzhou Branch"), in respect of the bills payable accepted by CMB Guangzhou Branch. Payment of the bills will be due on 22 June 2011.

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2010.

Capital commitment

The Group had capital commitment amounting to RMB2.6 million as at 30 June 2010.

Human resources

As at 30 June 2010, the Group had a total of approximately 3,795 employees (including staff members and contract personnel) in the PRC and Hong Kong. The Group reported staff costs of approximately RMB60.4 million for 1H2010.

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

港幣或其他外幣間之價值或會波動，且受中國政治及經濟條件改變等因素所影響。由於本集團主要以人民幣進行業務交易，因此本集團於營運上的滙率風險輕微。然而，管理層將繼續監察外滙風險，並已作好準備於有需求時採取審慎措施，例如進行對沖。

集團資產抵押

於二零一零年六月三十日，本集團以招商銀行廣州分行（「招商銀行廣州分行」）為受益人，就招商銀行廣州分行所承兌的票據抵押銀行存款人民幣220.0百萬元。該票據將於二零一一年六月二十二日到期支付。

或然負債

於二零一零年六月三十日，本集團並無重大或然負債。

資本承擔

於二零一零年六月三十日，本集團資本承擔總額為人民幣2.6百萬元。

人力資源

於二零一零年六月三十日，本集團在中國和香港僱有約3,795名員工（包括僱員及合約員工）。在二零一零年上半年期間，人事開銷達到約人民幣60.4百萬元。

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

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

To enable our employees to reach their full potential, we are committed to staff training and development. In 1H2010, the Group organized 11 in-house training classes with more than 600 participants in aggregate.

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

Interim dividend

The Board recommends and declares a special interim dividend of HK2.5 cent for each Share in addition to an interim dividend of HK1.5 cents for each Share for the six months ended 30 June 2010 to shareholders whose names appear on the register of members of the Company on Friday, 17 September 2010. The Directors expect the interim dividend to be payable on or about Tuesday, 28 September 2010.

Closure of register of members

The register of members of the Company will be closed from Monday, 13 September 2010 to Friday, 17 September 2010, both days inclusive, during which no transfer of Shares will be registered. To qualify for the interim dividend and the special dividend (which will be payable on or about Tuesday, 28 September 2010), shareholders of the Company must ensure that all transfer documents accompanied by the relevant Share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Friday, 10 September 2010.

本集團員工分別參加中國的社會保障計劃和香港強制性公積金計劃。其他福利包括按工作表現釐定的獎金及根據購股權計劃授出或將予授出之購股權。

為了發掘我們員工的潛力，我們致力員工培訓和發展。於二零一零年上半年，本集團共組織了11次內部培訓，參與人員合共超過600人次。

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

中期股息

除截至二零一零年六月三十日止六個月的中期股息每股股份港幣1.5仙外，董事會建議及宣佈向於二零一零年九月十七日(星期五)名列本公司股東名冊的股東宣派特別中期股息每股股份港幣2.5仙。董事預期中期股息將於二零一零年九月二十八日(星期二)或前後派付。

暫停辦理股東登記

本公司將於二零一零年九月十三日(星期一)至二零一零年九月十七日(星期五)(包括首尾兩日)暫停辦理股份過戶登記，期間將不會進行任何股份過戶。為符合資格獲得中期股息及特別股息(其將於二零一零年九月二十八日(星期二)或前後派付)，本公司股東應確保所有過戶文件連同有關股票最遲於二零一零年九月十日(星期五)下午四時三十分前交回本公司股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號。

Significant investments held

There were no significant investments held by the Company as at 30 June 2010.

Directors' rights to acquire shares or debentures

During the six months ended 30 June 2010, the Directors did not at any time receive shares, debt securities including debentures of the Company or any of its subsidiaries by means of acquisition.

Material event since the end of the financial period

On 14 July 2010 and 16 July 2010, a magazine article and a newspaper article were respectively published which carried, in the Company's views, inaccurate and unfounded allegations in relation to the product safety and the registration of certain products of the Group. Although the Company promptly published clarification announcements on the even dates and communicated with our distributors and customers via our sales channels, the said publications had a negative impact on our business operations and brand images. The Directors are of the view that such adverse impact may continue for an extended period of time and the Company is planning to utilise all efforts to restore normal business operations as soon as possible.

On 21 July 2010, the Company commenced an action in the Hong Kong High Court against Next Magazine Publishing Limited in respect of the article published in Next Magazine on 14 July 2010 concerning the Company's products. The Company will be seeking damages and compensation for loss of sales from Next Magazine Publishing Limited for defamation, malicious falsehood and slander of goods.

Apart from the events above, there has been no other important event affecting the Group since 30 June 2010.

重大投資事項

於二零一零年六月三十日，本公司並無重大投資事項。

董事購買股份或債券的權利

截至二零一零年六月三十日止六個月，董事未在任何時間通過收購的方式取得本公司或其任何附屬公司的股份、證券包括債券。

會計期間結束後的重大事件

於二零一零年七月十四日及二零一零年七月十六日，一份雜誌及一份報章載有本公司認為對本集團若干產品的產品安全及註冊之失實及未有理據支持的報導。儘管本公司已於同日即時刊發澄清公佈及透過銷售渠道與我們的分銷商及客戶溝通，上述報導對我們的業務營運及品牌形象仍造成負面影響。董事認為該不利影響或會持續一段時間，本公司正計劃致力盡快恢復正常業務營運。

於二零一零年七月二十一日，本公司於香港高等法院就於二零一零年七月十四日刊登於《壹週刊》有關本公司產品的報導控告壹傳媒有限公司。本公司將向壹傳媒有限公司就誹謗、惡意虛假及中傷產品尋求有關銷量損失之損害賠償。

除了上述事件，自二零一零年六月三十日後沒有其他重大事件影響本集團。

Business outlook

The global economies and industries have continued to recover from the financial crisis which started in 2008. With the benefits of the PRC government's stimulus package, the Chinese economy has moved in a fast pace and has come out of recession faster than other economies in the world. The economic recovery has also triggered an increase in household income in China and accelerated urbanization. The Directors believe that such development will generate an increase in the consumer's demand in high-end quality HPC products. The Directors are confident that with the Company's leading position in the Chinese herbal shampoo market in China and its unique marketing positioning in Chinese herbal HPC products in the PRC, the Company should be able to take advantages of any opportunities to increase our revenue and our market shares. In view of this, the Directors would be prepared to deal with any uncertainties which may arise from the government's measures to cool off the property market in China and the volatile economic conditions in the western countries. We set out below our business development plans and strategies for the rest of this year.

For the Bawang (霸王) branded products, the publication of the magazine article by Next Magazine in mid-July 2010 has interrupted our business operations and harmed our brand images. While we consider that such negative effects may continue for an extended period of time, we believe that once we have succeeded in helping the consumers to have a scientific understanding on the nature and effect of 1,4-dioxane, the recovery momentum may be faster than we anticipated because the events have caused widespread concern of the society which has made Bawang (霸王) brand name known to all walks of life. We aim to make every effort to restore normal business operations, to turn the crisis into opportunity, and to minimize the impact associated with such matter as soon as possible. In particular, we will take a series of recovery plans for the rest of 2010 as follows:

1. To reinforce and strengthen the image of Bawang (霸王) branded products;

業務展望

全球經濟和各行各業相繼自二零零八年開始的金融危機中復甦，受惠於中國政府的經濟刺激措施，中國經濟得以以較其他經濟體系快速的經濟步伐發展及走出經濟衰退。經濟復甦同時推動中國家庭收入上升，加速城市化。董事相信，此等發展將令消費者對優質家用個人護理產品的需求增加，董事堅信，憑藉本公司於中國中草藥洗髮液市場的領先位置，加上其於中國中草藥家用個人護理產品市場的特有定位，本公司應可把握任何機會提升收益及市場佔有率。有鑑於此，董事將作好準備，應對政府為物業市場降溫實施的措施和西方國家經濟狀況不穩所帶來的不明朗因素。下列為本年餘下時間的業務發展計劃及策略。

就霸王品牌產品而言，自二零一零年七月中旬《壹週刊》的報導刊登後，有關誹謗實際上令我們的業務營運中斷，損害我們的品牌形象。儘管我們認為有關負面影響或會延續一段時間，我們相信，一旦我們成功地幫助消費者對二噁烷的性質和影響有了科學的理解，業務恢復的動力有可能較我們所預期的更快，此乃由於此次事件引起社會廣泛關注，令普羅大眾認識霸王這個品牌。我們銳意恢復正常業務運作，轉危為機，並且盡快盡量減低此次事件所帶來的影響，特別是我們將於二零一零年餘下時間採取下列一連串業務恢復計劃：

1. 鞏固及加強霸王品牌產品的形象；

2. To re-train sales representatives and promotion staff on the revised sales techniques for this 1,4-dioxane incident;
3. To re-educate our retailers, distributors and consumers on how to scientifically understand the nature and effect of 1,4-dioxane;
4. To re-design the packaging of the existing product series; and
5. To launch new and/or enhanced product series under the Bawang (霸王) brand.

Notwithstanding the Group being affected by negative events, we will strive to maintain our leadership in the Chinese herbal shampoo market in China, to further increase the revenue through extensive coverage of our sales and distribution network in new areas, to deepen the penetration of the existing established regional markets, particularly those regions other than Southern China, to increase our sales to the same retailer and distributor, and to expand the revenue stream through the launch of new branded products and/or enhanced product sub-series.

For the Royal Wind Chinese herbal anti-dandruff shampoo series (追風系列), the Directors are pleased that its sales performance is generally in line with the pre-determined sales target and that the brand has successfully established its distribution network in 26 provinces and four municipalities within one year of its launch. We aim to deepen the penetration of the existing established channels so as to increase the market share of this product in the Chinese herbal antidandruff shampoo market. We strive to build up this brand as another leading Chinese herbal shampoo within the next few years.

For the Herborn Chinese herbal skincare products series (本草堂系列) branded products, we have introduced four new sub-series into its product portfolio since the end of 2009. We are selling the products through department stores, hypermarket and dedicated shops. We will continue to expand the sales network of this brand. We plan to set up approximately 2,000

2. 針對此次二噁烷事件修訂銷售技巧，重新培訓銷售代表及宣傳人員；
3. 重新教育零售商、分銷商及消費者如何科學地理解二噁烷的性質及影響；
4. 重新設計現有產品系列的包裝；及
5. 以霸王品牌推出全新及／或升級版產品系列。

雖然本集團受到負面事件影響，我們將竭力維持我們於中國中草藥洗髮液市場的領導地位，透過擴展全面的銷售及分銷網絡至新地區，進一步增加收益，加強滲透現有已建立的地區市場，尤其是華南以外的地區，提高現有零售商及分銷商的銷售額，以及推出新品牌產品及／或加強產品支線以開拓收益流。

至於追風中草藥去屑洗髮液系列，董事對於其銷售業績一般達到預定銷售目標及品牌成功於推出一年內在26個省份及4個直轄市建立分銷網絡感到滿意。我們旨在加強現有已建立銷售渠道的滲透率，務求提高該產品於中國中草藥去屑洗髮液市場的市場佔有率，我們致力於未來數年將這個品牌打造成另一主要中草藥洗髮液。

就本草堂中草藥護膚品系列而言，自二零零九年底，我們已推出四條新產品支線。我們的產品於百貨公司、大型超級市場及指定商舖發售，我們將繼續擴展這個品牌的銷售網絡，計劃於中國全國的化妝品專門店開設約2,000個化妝品專

counters in cosmetics specialty shops on a nationwide basis in the PRC. In line with the plans to expand sales channels we will enhance the brand image and recognition through various advertising and promotion programmes. We believe that Herborn would become a leading brand in the Chinese herbal skincare market as well as one of our key revenue contributors in two years' time.

For the new branded herbal tea product series Bawang Herbal Tea (霸王涼茶), we plan to enhance brand recognition through the assistance of our brand ambassador, Mr. Donnie Yen (甄子丹). Leveraging on the successful establishment of sales network in four provinces in southern China so far, we plan to further expand the sales network into the other 18 provinces in five different regions throughout the PRC by the end of this year. We believe that we would run the herbal tea segment on full scale starting from the beginning of 2011, and that the segment will become one of our key revenue contributors as early as next year.

In relation to new products, we may further launch a new branded Chinese herbal household cleaning product series later this year, which depends on the sales performance of the new product lines that we have earlier launched.

The Group will continue with its plan to lease new production premises located in Baiyun District, Guangzhou with an estimated site area of 75,000 square meters. The construction of the first phase of the new premises has already been completed. It will be available for the installation and fittings work in the later part of this year. Once the new facilities of phase I are in operations, we estimate that our annual production capacity for shampoo products, hair-care products, and skincare products will increase by 100,000 metric tons to approximately 200,000 metric tons.

The Group leased a piece of land of approximately 500 Chinese acres in 2009 for Chinese herbal plantation in Guangdong province. The site preparation work has been completed and the seeds of the herbs have been sown. Under the current plan, the Group may get the first yield of Chinese herbs from its own plantations for production of our herbal

賣櫃。為配合擴展銷售渠道的計劃，我們將透過多個廣告及宣傳活動，提升品牌形象和認知度。我們相信，本草堂將成為中草藥護膚品市場的主要品牌，並且將於兩年內為我們帶來主要收益。

至於新推出的涼茶產品系列霸王涼茶，我們計劃藉著品牌大使甄子丹先生的推廣，提高品牌認知度。憑藉目前於華南四個省份成功建立銷售網絡，我們計劃在年底前進一步將銷售網絡伸展至全國五個不同地區的其他18個省份。我們相信，我們將於二零一一年初全面開展營運涼茶業務，此部分將最早至明年起為我們帶來主要收益。

新產品方面，視乎我們早前推出的新產品系列的銷售業績，我們或於今年稍後進一步推出新品牌的中草藥家用清潔用品系列。

本集團將繼續其計劃，租用位於廣州白雲區估計地盤面積達75,000平方米的新生產大樓，新大樓的第一階段工程經已竣工，可於本年下半年進行安裝及裝置工作。第一階段新設施投產後，我們估計，洗髮液產品、護髮產品及護膚品的年產能將可增加100,000公噸至約200,000公噸。

本集團於二零零九年租用廣東省一幅佔地約500畝的土地以種植中草藥，預備工作已經完成，並已為草藥撒種。根據現行計劃，本集團可能最早可於二零一零年年底自其種植園獲得第一次中草藥收成，以供生產草藥家用個人護理產品。

HPC products as early as the end of 2010. The Group is looking for additional sites in other places in China for Chinese herbal plantation.

In line with the market diversification strategy, the Group will continue to pursue in overseas market development. The Group will enter Brunei later this year and will continue to explore potential markets in other overseas countries. For domestic market development, Bawang (霸王) brand has recently expanded its geographical coverage to Tibet, enabling the distribution network of the Group to cover every province and/or municipalities in China. The Group will continue to expand the distribution network of the Royal Wind brand so that its market coverage can match that of Bawang (霸王) brand.

We will continue to explore business opportunities that may involve acquisition of HPC related business, which either complement our existing business and/or in line with our long term business development strategies.

Looking forward, we will make use of our core competencies and expertise in traditional Chinese herbs to research, develop, and design advanced and competitive Chinese herbal HPC products. We will continue to expand and/or optimize our distribution network for our different branded products. We will continue to increase our product lines and to implement the multi-product and multi-brand strategy, aiming to become a global leader amongst the branded Chinese herbal HPC products operators and to bring the best returns to our investors.

本集團現正於中國其他地方物色其他地點，以種植中草藥。

為配合市場多元化策略，本集團將繼續尋求海外市場發展。本集團將於今年下半年進軍汶萊，並繼續於海外國家開拓有潛力的市場。國內市場發展方面，霸王品牌的地區發展近日伸延至西藏，令本集團的分銷網絡覆蓋全國每個省份及／或直轄市。本集團將繼續拓展追風品牌的分銷網絡，務求令市場覆蓋率能與霸王品牌的市場覆蓋率相若。

我們將繼續發掘商機，收購可輔助我們現有業務及／或配合我們長期業務發展策略的家用個人護理相關業務。

展望將來，我們將善用我們於中草藥的核心能力及專長，研究、開發及設計先進且具競爭力的中草藥家用個人護理產品。我們將繼續擴展及／或優化我們不同品牌產品的分銷網絡，繼續增加產品系列及實行多產品及多品牌策略，力求成為全球品牌中草藥家用個人護理產品營運商中的翹楚，為我們的投資者帶來最佳回報。

Consolidated Income Statement

合併損益表

For the six months ended 30 June 2010 — unaudited
(Expressed in Renminbi)
截至二零一零年六月三十日止六個月 — 未經審核
(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月		
		Note 附註	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Turnover	營業額	5	930,810	681,090
Cost of sales	銷售成本		(311,658)	(230,364)
Gross profit	毛利		619,152	450,726
Other net income/(loss)	其他收入／(虧損)淨額		2,534	(2,069)
Selling and distribution costs	銷售及分銷成本		(382,063)	(284,103)
Administrative expenses	行政費用		(53,435)	(36,016)
Profit from operations	經營溢利		186,188	128,538
Finance income	財務收入	6(a)	1,712	916
Finance costs	財務費用	6(a)	(4,717)	(214)
Net finance (costs)/income	財務(費用)／收入淨額	6(a)	(3,005)	702
Profit before taxation	除所得稅前溢利	6	183,183	129,240
Income tax	所得稅	7	(36,067)	(29,228)
Profit for the period attributable to the equity shareholders of the Company	本公司權益持有人應佔期內溢利		147,116	100,012
Earnings per share (RMB yuan)	每股盈利(人民幣元)	8		
Basic	基本		0.05	0.05
Diluted	攤薄		0.05	0.05

The notes on pages 26 to 54 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 17(a).

第26至54頁的附註為本中期財務報告的一部分。應付本公司權益持有人股息的詳情載於附註17(a)。

Consolidated Statement of Comprehensive Income

合併綜合收益表

For the six months ended 30 June 2010 — unaudited
(Expressed in Renminbi)
截至二零一零年六月三十日止六個月 — 未經審核
(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Profit for the period attributable to the equity shareholders of the Company	本公司權益持有人應佔期內溢利	147,116	100,012
Other comprehensive income for the period	期內其他綜合收益		
Exchange differences on translation of the financial statements of the operations outside the PRC	換算中國境外業務之財務報表所產生的滙兌差異	(10,859)	(183)
Total comprehensive income for the period attributable to the equity shareholders of the Company	本公司權益持有人應佔期內綜合收益總額	136,257	99,829

The notes on pages 26 to 54 form part of this interim financial report.

第26至54頁的附註為本中期財務報告的一部分。

Consolidated Balance Sheet

合併資產負債表

At 30 June 2010 — unaudited
(Expressed in Renminbi)
於二零一零年六月三十日 — 未經審核
(以人民幣列示)

		Note 附註	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 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			
Plant and equipment	廠房及設備	9	47,595	39,330
Prepaid advertising fee	預付廣告費用		4,233	6,081
			51,828	45,411
Current assets	流動資產			
Inventories	存貨	10	72,948	60,384
Trade and other receivables	貿易及其他應收款項	11	465,129	534,009
Pledged deposits	抵押存款	12	220,000	162,012
Cash and cash equivalents	現金及現金等價物	13	1,698,218	1,742,523
			2,456,295	2,498,928
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	14	297,361	293,839
Bank loans and overdrafts	銀行貸款及透支	15	211,288	158,490
Amounts due to related parties	應付關聯方款項	19(b)(i)	2,142	5,896
Current taxation	應付即期所得稅		21,500	31,820
			532,291	490,045
Net current assets	流動資產淨值		1,924,004	2,008,883
Total assets less current liabilities	總資產減流動負債		1,975,832	2,054,294

The notes on pages 26 to 54 form part of this interim financial report.

第26至54頁的附註為本中期財務報告的一部分。

Consolidated Balance Sheet 合併資產負債表

At 30 June 2010 — unaudited
(Expressed in Renminbi)
於二零一零年六月三十日 — 未經審核
(以人民幣列示)

		Note 附註	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		16,058	20,062
Net assets	資產淨值		1,959,774	2,034,232
Capital and reserves	資本及儲備			
Share capital	股本	17(b)	256,134	256,134
Reserves	儲備	17	1,703,640	1,778,098
Total equity	權益總額		1,959,774	2,034,232

The notes on pages 26 to 54 form part of this interim financial report.

第26至54頁的附註為本中期財務報告的一部分。

Approved and authorised for issue by the board of directors of the Company on 23 August 2010.

本公司董事會已於二零一零年八月二十三日批准及授權刊發。

Director
董事
CHEN Qiyuan
陳啟源

Director
董事
WAN Yuhua
萬玉華

Consolidated Statement of Changes in Equity

合併權益變動表

For the six months ended 30 June 2010 — unaudited
(Expressed in Renminbi)
截至二零一零年六月三十日止六個月 — 未經審核
(以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔							
		Share capital 股本 RMB'000 人民幣千元 (附註17(b))	Share premium 股本溢價 RMB'000 人民幣千元 (附註17(c))	PRC statutory reserves 中國 法定儲備 RMB'000 人民幣千元 (附註17(e))	Capital reserve 資本儲備 RMB'000 人民幣千元 (附註17(d))	Merger reserve 合併儲備 RMB'000 人民幣千元 (附註17(f))	Translation reserve 滙兌儲備 RMB'000 人民幣千元 (附註17(g))	Retained earnings 留存溢利 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
Balance at 1 January 2009	於二零零九年一月一日結餘	—	—	49,887	—	8,468	4,949	251,224	314,528
Changes in equity for the six months ended 30 June 2009:	截至二零零九年六月三十日止六個月權益變動：								
Issue of new shares	發行新股	1	—	—	—	—	—	—	1
Total comprehensive income for the period	期內綜合收益總額	—	—	—	—	—	(183)	100,012	99,829
Dividends declared during the period (Note 17(a))	期內宣派的股息 (附註17(a))	—	—	—	—	—	—	(249,680)	(249,680)
Equity settled share-based transactions (Note 16)	以權益結算的股份 支付交易(附註16)	—	—	—	969	—	—	—	969
Balance at 30 June 2009 and 1 July 2009	於二零零九年六月三十日及二零零九年七月一日結餘	1	—	49,887	969	8,468	4,766	101,556	165,647
Changes in equity for the six months ended 31 December 2009:	截至二零零九年十二月三十一日止六個月權益變動：								
Issue of new shares	發行新股	256,133	1,342,774	—	—	—	—	—	1,598,907
Total comprehensive income for the period	期內綜合收益總額	—	—	—	—	—	80	264,132	264,212
Equity settled share-based transactions (Note 16)	以權益結算的股份 交易(附註16)	—	—	—	5,466	—	—	—	5,466
Balance at 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日結餘	256,134	1,342,774	49,887	6,435	8,468	4,846	365,688	2,034,232
Changes in equity for the six months ended 30 June 2010:	截至二零一零年六月三十日止六個月權益變動：								
Total comprehensive income for the period	期內綜合收益總額	—	—	—	—	—	(10,859)	147,116	136,257
Dividends declared during the period (Note 17(a))	期內宣派的股息 (附註17(a))	—	—	—	—	—	—	(216,108)	(216,108)
Equity settled share-based transactions (Note 16)	以權益結算的股份 支付交易(附註16)	—	—	—	5,393	—	—	—	5,393
Balance at 30 June 2010	於二零一零年六月三十日結餘	256,134	1,342,774	49,887	11,828	8,468	(6,013)	296,696	1,959,774

The notes on pages 26 to 54 form part of this interim financial report.

第26至54頁的附註為本中期財務報告的一部分。

Condensed Consolidated Cash Flow Statement

簡明合併現金流量表

For the six months ended 30 June 2010 — unaudited
(Expressed in Renminbi)
截至二零一零年六月三十日止六個月 — 未經審核
(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Cash generated from operations	經營活動產生的現金	250,669	87,509
Income tax paid	已付所得稅	(50,392)	(30,200)
Net cash generated from operating activities	經營活動產生的現金淨額	200,277	57,309
Net cash used in investing activities	投資活動所用現金淨額	(13,617)	(7,683)
Net cash used in financing activities	融資活動所用現金淨額	(224,158)	(91,010)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(37,498)	(41,384)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	1,742,523	298,148
Effect of exchange rate fluctuations on cash held	匯率波動對持有現金的影響	(6,807)	—
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	1,698,218	256,764

The notes on pages 26 to 54 form part of this interim financial report.

第26至54頁的附註為本中期財務報告的一部分。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi)
(以人民幣列示)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”), including compliance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 23 August 2010.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2009 annual financial statements except for the accounting policy changes and the accounting policies for new transactions and events that are expected to be reflected in the 2010 annual financial statements. Details of these changes and the accounting policies for new transactions are set out in Note 2 and Note 3.

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

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (the “Group”) since the 2009 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

1 編製基準

本中期財務報告乃根據香港聯合交易所有限公司(「香港聯交所」)證券上市規則的適用披露條文編製，包括遵守國際會計準則委員會(「國際會計準則委員會」)頒佈的國際會計準則第34號(「國際會計準則第34號」)「中期財務報告」。本中期財務報告已於二零一零年八月二十三日獲批准刊發。

除預期於二零一零年年度財務報表中將反映之會計政策變更及新交易和事項所適用之會計政策外，本中期財務報告乃根據本公司於二零零九年年度財務報表所採納之相同會計政策編製。該等變更及新交易之會計政策之詳情載列於附註2及附註3。

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

中期財務報告載有簡明合併財務報表以及經選定之說明附註。該等附註包括了自二零零九年年度財務報表以來對了解本公司及其附屬公司(「本集團」)財務狀況及表現的變動屬重要的事項及交易的說明。簡明合併中期財務報表及有關附註並未包括根據國際財務報告準則(「國際財務報告準則」)編製完整財務報表所需的所有資料。

(Expressed in Renminbi)
(以人民幣列示)

1 Basis of preparation (continued)

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

The financial information relating to the financial year ended 31 December 2009 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2009 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 15 April 2010.

2 Changes in accounting polices

The IASB has issued two revised IFRSs, a number of amendments to IFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following development is relevant to the Group’s financial statements:

- Improvements to IFRSs (2009)

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

The “Improvements to IFRSs (2009)” comprise a number of minor and non-urgent amendments to a range of IFRSs which the IASB has issued as an omnibus batch of amendments.

1 編製基準(續)

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

載入本中期財務報告中的屬於之前已呈報資料的截至二零零九年十二月三十一日止財政年度財務資料並不構成本公司該財政年度的法定財務資料，惟乃摘錄自該等財務報表。截至二零零九年十二月三十一日止年度之法定財務報表可從本公司之註冊辦事處索取。核數師於二零一零年四月十五日出具的報告中，對該等財務報表發表無保留意見。

2 會計政策變更

國際會計準則委員會已頒佈於本集團及本公司本會計期間首次生效之兩項經修訂國際財務報告準則、多項國際財務報告準則之修訂以及一項新詮釋。其中，下列會計政策變動與本集團財務報表有關：

- 國際財務報告準則的改進(二零零九年)

本集團並未應用任何於本會計期間尚未生效之新準則或詮釋。

「國際財務報告準則的改進(二零零九年)」包括國際會計準則委員會對一系列國際財務報告準則之不屬重要且非迫切性的修正所作的一批綜合修訂。

(Expressed in Renminbi)
(以人民幣列示)

3 Accounting policies for new transactions and events

The Group has applied the following accounting policy in accounting for the derivative financial instruments obtained in the interim period:

Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

4 Segment reporting

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

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

3 新交易及事項的會計政策

本集團於本中期期間就衍生金融工具之會計處理方法採用以下會計政策：

衍生金融工具

衍生金融工具按公允價值確認初始成本，並在每個結算日對其公允價值進行重新計量。重新計量公允價值所產生的收益或虧損於損益中確認。

4 分部報告

本集團以產品類別及地區分部的組合來管理其業務。與向本集團最高級別執行管理層呈報以作資源分配及業績評估之內部報告之呈列形式一致，本集團現識別下列三個經營分部：

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

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

(Expressed in Renminbi)
(以人民幣列示)

4 Segment reporting (continued)

However, the above operating segments of the Group are not identified as reportable segments for the six months ended 30 June 2010 and 2009 as the assets, the revenue, and the profit for the skin-care and other household and personal care products segment and the herbal tea products segment constituted less than 10% of the combined assets, the combined revenue and the combined segment results respectively of all the segments. The percentages are set out below:

		For the six months ended 30 June 2010 截至二零一零年六月三十日止六個月		
		% of combined assets 合併資產%	% of combined revenue 合併收入%	% of combined segment results 合併分部業績%
Hair-care products	護髮產品	92.0	95.5	108.0
Skin-care and other household and personal care products	護膚及其他家用 個人護理產品	0.6	3.5	(2.1)
Herbal tea products	涼茶產品	7.4	1.0	(5.9)
		100.0	100.0	100.0

		For the six months ended 30 June 2009 截至二零零九年六月三十日止六個月		
		% of combined assets 合併資產%	% of combined revenue 合併收入%	% of combined segment results 合併分部業績%
Hair-care products	護髮產品	99.9	99.4	98.6
Skin-care and other household and personal care products	護膚及其他家用 個人護理產品	0.1	0.6	1.4
		100.0	100.0	100.0

4 分部報告(續)

然而，由於護膚及其他家用個人護理產品及涼茶產品分部資產、收益及溢利佔所有分部合併資產、合併收益及合併分部業績少於10%，故上述本集團經營分部並未於截至二零一零年及二零零九年六月三十日止六個月被識別為可呈報分部。有關百分比列示如下：

(Expressed in Renminbi)
 (以人民幣列示)

4 Segment reporting (continued)

Among the hair-care products operating segment, the sales in mainland China and overseas are not reported as sub-segments for the six months ended 30 June 2010 and 2009 as the assets related to overseas sales, constituted only 2.6% of the combined assets of the hair-care products operating segment as of 30 June 2010 (as of 30 June 2009: 3.8%), and the revenue and the profit from overseas constituted only 4.7% and 8.0% of the combined revenue and the combined segment results of hair-care products operating segment respectively for the six months then ended (six months ended 30 June 2009: 4.6% and 7.7%).

5 Turnover

The Group is principally engaged in the manufacturing and sales of the household and personal care products including hair-care and skin-care products. The Group is also engaged in the sales of herbal tea products since June 2010.

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

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Hair-care products	護髮產品	889,669	643,761
Skin-care and other household and personal care products	護膚及其他家用個人護理產品	32,139	37,329
Herbal tea products	涼茶產品	9,002	—
		930,810	681,090

4 分部報告(續)

於護髮產品經營分部中，由於與海外銷售相關的資產僅佔護髮產品經營分部於二零一零年六月三十日合併資產2.6%（於二零零九年六月三十日：3.8%），而海外收益及溢利僅分別佔護髮產品經營分部截至該日止六個月合併收益及合併業績4.7%及8.0%（截至二零零九年六月三十日止六個月：4.6%及7.7%），故中國大陸及海外銷售於截至二零一零年及二零零九年六月三十日止六個月並未以二級分部形式呈列。

5 營業額

本集團主要從事製造及銷售家用個人護理產品業務，包括護髮及護膚產品。本集團自二零一零年六月起從事銷售涼茶產品業務。

營業額指向客戶供應的貨品的銷售價值。營業額不包括增值稅及其他銷售稅，並已扣除任何銷售折扣。於有關期間已確認為營業額的金額如下：

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

(Expressed in Renminbi)
 (以人民幣列示)

6 Profit before taxation

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

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
(a) Finance income and costs:	(a) 財務收入及費用		
Finance income	財務收入		
Interest income on bank deposits	銀行存款利息收入	(1,712)	(916)
Finance costs	財務費用		
Interest on bank borrowings	銀行貸款利息	1,338	—
Bank charges on bank borrowings	銀行貸款手續費	2,016	—
Net foreign exchange losses	滙兌損失淨額	1,363	214
Subtotal	小計	4,717	214
Net finance costs/(income)	財務費用/(收入)淨額	3,005	(702)

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
(b) Staff costs:	(b) 員工成本：		
Salaries, wages and other benefits	薪金、工資及其他福利	52,436	36,075
Equity-settled share-based payment expenses (Note 16)	以權益結算的股份支付費用(附註16)	5,393	969
Contributions to defined contribution retirement plan	界定供款退休計劃供款	2,620	2,551
		60,449	39,595

Staff costs included directors' remuneration.

員工成本包括董事酬金。

6 除所得稅前溢利

除所得稅前溢利已扣除/(計入)下列各項：

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

(Expressed in Renminbi)
(以人民幣列示)

6 Profit before taxation (continued)

(b) Staff costs (continued):

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

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

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

6 除所得稅前溢利(續)

(b) 員工成本(續):

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

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

除上述供款外，本集團並無其他為僱員退休及其他退休後福利供款的責任。

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
(c) Other items:	(c) 其他項目:		
Depreciation	折舊	3,831	3,122
Auditors' remuneration	核數師酬金	700	2,052
Cost of inventories*	存貨成本*	311,658	230,364
(Reversal of impairment loss)/ Impairment loss for bad and doubtful debts	(撥回呆壞賬減值 虧損)/呆壞賬 減值虧損	(286)	903

* Cost of inventories includes RMB19,020,072 and RMB15,527,067 for the six months ended 30 June 2010 and 2009 respectively relating to staff costs and depreciation, which amounts are also included in the respective total amounts disclosed separately above or in Note 6(b) for each of these types of expenses.

* 存貨成本包括截至二零一零年及二零零九年六月三十日止六個月與員工成本及折舊有關的款項分別人民幣19,020,072元及人民幣15,527,067元，有關款項亦已計入上文或附註6(b)個別披露的各類開支總額。

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

(Expressed in Renminbi)
(以人民幣列示)

7 Income tax expenses

Income tax expenses in the consolidated income statement represent:

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Current tax – PRC income tax	即期稅項 — 中國所得稅		
Provision for the period	期內撥備	24,945	21,314
Current tax – Hong Kong income tax	即期稅項 — 香港利得稅		
Provision for the period	期內撥備	2,681	1,482
Deferred tax – PRC income tax	遞延稅項 — 中國所得稅		
Origination of temporary differences	暫時性差額的產生	8,441	6,432
Income tax expenses	所得稅開支	36,067	29,228

- (a) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (b) Bawang (Guangzhou) Co., Ltd. (“Bawang Guangzhou”), a PRC subsidiary of the Group, is subject to a unified tax rate of 25% with effect from 1 January 2008.

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

7 所得稅開支

合併損益表內的所得稅開支指：

- (a) 根據開曼群島及英屬處女群島的規則及規例，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。
- (b) 自二零零八年一月一日起，本集團的中國附屬公司霸王(廣州)有限公司(「霸王廣州」)適用統一稅率25%。

根據於二零零八年一月一日開始生效的《中國企業所得稅法》(「企業所得稅法」)的實施詳情及過渡期安排，霸王廣州仍可繼續於二零零六年至二零一零年期間享有「兩免三減半」的稅務優惠。

(Expressed in Renminbi)
(以人民幣列示)

7 Income tax expenses (continued)

- (c) Pursuant to the Implementation Rules of the CIT Law, overseas investors to foreign investment companies ("FIE") shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which is the beneficiary owner holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. On this basis, the Group has made provision of withholding income tax on the distributable profits generated by Bawang Guangzhou for the six months ended 30 June 2010 and 2009.
- (d) Bawang (China) Beverage Co., Ltd. ("Bawang Beverage"), a PRC subsidiary of the Group, was newly established in Guangzhou in 2010. The applicable income tax rate of Bawang Beverage is 25%.
- (e) The provision for Hong Kong Profits Tax was made by Hong Kong Bawang International Trading Limited ("Bawang Trading") and was calculated at 16.5% of the estimated assessable profits for the six months ended 30 June 2010 (six months ended 30 June 2009: 16.5%).

7 所得稅開支(續)

- (c) 根據企業所得稅法實施條例，自二零零八年一月一日起，除非獲條約減低稅率，外商投資企業(「外資企業」)的海外投資者須就來自中國附屬公司溢利的股息繳付10%預扣所得稅。根據內地與香港避免雙重徵稅安排，於香港成立的投資者如果持有中國附屬公司不低於25%權益且為受益所有人，則可享受來自其中國附屬公司的股息的寬減預扣稅稅率5%。因此，本集團於截至二零一零年及二零零九年六月三十日止六個月期間已就霸王廣州所產生的可分派溢利計提預扣所得稅撥備。
- (d) 本集團另一間中國附屬公司霸王(中國)飲料有限公司(「霸王飲料」)於二零一零年在廣州新成立。霸王飲料之適用所得稅稅率為25%。
- (e) 香港利得稅撥備乃由香港霸王國際貿易有限公司(「霸王貿易」)根據截至二零一零年六月三十日止六個月估計應課稅溢利的16.5%(截至二零零九年六月三十日止六個月：16.5%)計提。

(Expressed in Renminbi)
(以人民幣列示)

8 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2010 of RMB147,116,000 (six months ended 30 June 2009: RMB100,012,000) and the weighted average of 2,905,000,000 ordinary shares (six months ended 30 June 2009: 2,100,000,000 ordinary shares, after adjusting for the capitalisation issue in 2009) in issue during the interim period.

(b) Diluted earnings per share

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

The Company's Pre-IPO share options were granted on 8 June 2009 and did not give rise to any dilution as at 30 June 2009. Therefore, the diluted earnings per share were the same as the basic earnings per share as at 30 June 2009.

8 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據截至二零一零年六月三十日止六個月本公司普通股權益持有人應佔溢利人民幣147,116,000元(截至二零零九年六月三十日止六個月：人民幣100,012,000元)，及期內已發行普通股加權平均數2,905,000,000股計算(截至二零零九年六月三十日止六個月：2,100,000,000股普通股，二零零九年資本化發行調整後)。

(b) 每股攤薄盈利

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

本公司首次公開發售前購股權於二零零九年六月八日授出，且於二零零九年六月三十日並未造成任何攤薄。因此，於二零零九年六月三十日，每股攤薄盈利與每股基本盈利相同。

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

(Expressed in Renminbi)
(以人民幣列示)

9 Plant and equipment

		Machinery	Motor vehicles	Office equipment and others	Construction in progress	Total
		機器	運輸工具	辦公室設備及其他	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		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
Cost:	成本：					
At 1 January 2010	於二零一零年一月一日	30,707	12,247	12,024	1,763	56,741
Additions	添置	5,716	1,010	2,178	3,225	12,129
Disposals	報廢	—	(3)	(105)	—	(108)
At 30 June 2010	於二零一零年六月三十日	36,423	13,254	14,097	4,988	68,762
Accumulated depreciation:	累計折舊：					
At 1 January 2010	於二零一零年一月一日	9,659	4,857	2,895	—	17,411
Charge for the period	期內計提	1,585	1,138	1,108	—	3,831
Written back on disposals	報廢時撥回	—	(2)	(73)	—	(75)
At 30 June 2010	於二零一零年六月三十日	11,244	5,993	3,930	—	21,167
Carrying amount:	賬面值：					
At 1 January 2010	於二零一零年一月一日	21,048	7,390	9,129	1,763	39,330
At 30 June 2010	於二零一零年六月三十日	25,179	7,261	10,167	4,988	47,595

9 廠房及設備

10 Inventories

		At 30 June 2010	At 31 December 2009
		於二零一零年六月三十日	於二零零九年十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(audited)
			(經審核)
Raw materials	原材料	9,161	8,024
Work in progress	在製品	5,349	7,170
Finished goods	製成品	38,804	31,455
Packing materials	包裝物料	19,634	13,735
		72,948	60,384

10 存貨

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

(Expressed in Renminbi)
 (以人民幣列示)

11 Trade and other receivables

11 貿易及其他應收款項

		At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade debtors and bills receivable	貿易應收款項及應收票據	322,253	375,165
Prepayment for purchase of raw materials	購買原材料預付款項	2,010	2,017
Prepaid advertising fee	預付廣告費用	129,103	150,622
Derivative financial instruments	衍生金融工具	1,399	—
Other receivables	其他應收款項	10,364	6,205
		465,129	534,009

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

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

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

(Expressed in Renminbi)
 (以人民幣列示)

11 Trade and other receivables (continued)

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

		At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Current	即期	277,856	342,332
Less than 3 months past due	逾期少於3個月	42,307	31,348
More than 3 months but less than 6 months past due	逾期多於3個月但少於6個月	3,010	1,911
More than 6 months but less than 12 months past due	逾期多於6個月但少於12個月	29	793
More than 12 months past due	逾期多於12個月	415	431
		323,617	376,815
Less: impairment loss for doubtful debts	減：呆賬減值虧損	(1,364)	(1,650)
		322,253	375,165

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

		At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Balance at 1 January	於一月一日的結餘	1,650	101
Impairment loss recognised	已確認減值虧損	—	1,549
Reversal	撥回	(286)	—
Balance at 30 June/31 December	於六月三十日/ 十二月三十一日的結餘	1,364	1,650

11 貿易及其他應收款項(續)

按到期日分析的貿易應收款項及應收票據賬齡分析如下：

有關貿易應收款項的減值撥備變動如下：

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

(Expressed in Renminbi)
(以人民幣列示)

12 Pledged deposits

The balance as at 30 June 2010 represented the bank deposits of RMB220,000,000 pledged by Bawang Guangzhou in favour of China Merchants Bank Guangzhou Branch (“CMB Guangzhou Branch”), in respect of the bills payable accepted by CMB Guangzhou Branch. Payment of the bill will be due on 22 June 2011.

The pledged deposits amounting to HK\$184,000,000 (equivalent to RMB162,012,000) as at 31 December 2009 were pledged by the Company in favour of China Merchants Bank Co., Ltd., in respect of the loan granted by it to Bawang Trading in 2009. It was released upon the repayment of the related loan on 18 June 2010.

12 抵押存款

於二零一零年六月三十日的結餘指霸王廣州以招商銀行廣州分行(「招商銀行廣州分行」)為受益人，就該分行承兌的票據所抵押的銀行存款人民幣220,000,000元。該票據將於二零一一年六月二十二日到期支付。

於二零零九年十二月三十一日的184,000,000港元抵押存款(相當於人民幣162,012,000元)為本公司以招商銀行股份有限公司為受益人，就有關其於二零零九年向霸王貿易授出的貸款而抵押的款項。該抵押於二零一零年六月十八日償還有關貸款後解除。

13 Cash and cash equivalents

13 現金及現金等價物

		At 30 June 2010 於二零一零年 六月三十日	At 31 December 2009 於二零零九年 十二月三十一日
		RMB'000 人民幣千元	RMB'000 人民幣千元 (audited) (經審核)
Deposits with banks within six months to maturity when placed	自存款日起六個月內到期的銀行定期存款	160,974	—
Deposits with banks within three months to maturity when placed	自存款日起三個月內到期的銀行定期存款	473,681	264,150
Cash at bank and in hand	銀行結餘及現金	1,063,563	1,478,373
		1,698,218	1,742,523

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

(Expressed in Renminbi)
 (以人民幣列示)

14 Trade and other payables

		At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元 (audited) (經審核)
Trade payables	貿易應付款項	108,738	115,330
Receipts in advance	預收款項	59,333	30,790
Promotion fee payable	應付推廣費用	44,798	49,812
Accrued payroll	應付工資	9,281	11,977
Other payables and accruals	其他應付款項及應計費用	75,211	85,930
		297,361	293,839

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

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

		At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 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	87,883	84,662
Due after 1 month but within 3 months	1個月後但3個月內到期	20,855	30,668
		108,738	115,330

14 貿易及其他應付款項

由供應商授予的信用期介乎30日至90日。

貿易及其他應付款項中包括的貿易應付款項，於結算日按到期日分析的賬齡如下：

(Expressed in Renminbi)
(以人民幣列示)

15 Bank loans and overdrafts

The balance as at 30 June 2010 mainly represented a short-term loan provided by China Merchants Bank Hong Kong Branch to Bawang International Group Holding (HK) Limited (“Bawang Hong Kong”) at an interest rate of 3.3% per annum. The loan will be due on 22 June 2011.

The balances as at 31 December 2009 mainly represented a loan of HK\$180 million granted by China Merchants Bank to Bawang Trading on 18 June 2009, at an interest rate of 3-month Hong Kong Interbank Offered Rate plus a margin of 1.5%, with a one-year loan period. The loan was fully repaid on 18 June 2010. The related pledge of bank deposit of HK\$184 million, which was provided by the Company, was released on the same day.

Bawang Guangzhou obtained a standby short-term bank facility of RMB100 million from Bank of China on 24 April 2009, which was reserved for general capital purpose. The bank facility expired on 24 April 2010 and there has been no draw-down from this bank facility during the period.

15 銀行貸款及透支

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

於二零零九年十二月三十一日的結餘主要為招商銀行於二零零九年六月十八日向霸王貿易授出的180,000,000港元貸款，利息按三個月香港銀行同業拆息加1.5%計算，還款期為一年。該筆貸款已於二零一零年六月十八日全數償還。由本公司提供的184,000,000港元的銀行存款抵押已於同日解除。

霸王廣州於二零零九年四月二十四日取得由中國銀行提供的短期備用銀行信貸額度人民幣100,000,000元，預留用作一般營運資金。該筆銀行信貸已於二零一零年四月二十四日屆滿，於期內並無提取此項銀行信貸額度。

(Expressed in Renminbi)
 (以人民幣列示)

16 Equity settled share-based transactions

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

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

Fair value of share options and assumptions

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

16 以權益結算的股份支付交易

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

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

購股權公允價值及假設

(Expressed in Renminbi)
(以人民幣列示)

16 Equity settled share-based transactions (continued)

Fair value of share options and assumptions (continued)

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

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

During the six months ended 30 June 2010, equity-settled share-based payment expenses amounting to RMB5,393,000 (six months ended 30 June 2009: RMB969,000) were recognised in the consolidated income statement.

16 以權益結算的股份支付 交易(續)

購股權公允價值及假設(續)

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

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

於截至二零一零年六月三十日止六個月，已於合併損益表中確認的以權益結算的股份支付的開支金額為人民幣5,393,000元(截至二零零九年六月三十日止六個月：人民幣969,000元)。

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

(Expressed in Renminbi)
 (以人民幣列示)

17 Capital, reserves and dividends

(a) Dividends

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

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Interim dividend recommended and declared after the interim period of HK\$1.5 cents per ordinary share (six months ended 30 June 2009: nil)	於本中期結算日後提議及宣告的中期股息，每股普通股港幣1.5仙(截至二零零九年六月三十日止六個月：零)	38,063	—
Special dividend recommended and declared after the interim period of HK\$2.5 cents per ordinary share (six months ended 30 June 2009: nil)	於本中期結算日後提議及宣告的特別股息，每股普通股港幣2.5仙(截至二零零九年六月三十日止六個月：零)	63,437	—
		101,500	—

The interim and special dividends recommended and declared after the balance sheet date have not been recognised as a liability at the balance sheet date.

於結算日後提議及宣告的中期及特別股息並未於資產負債表日確認為負債。

17 股本、儲備及股息

(a) 股息

- (i) 本公司權益持有人於中期期間內應佔應付股息

(Expressed in Renminbi)
 (以人民幣列示)

17 Capital, reserves and dividends (continued)

(a) Dividends (continued)

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

17 股本、儲備及股息(續)

(a) 股息(續)

- (ii) 於中期期間批准並向本公司權益持有人支付的以往財政年度應付股息

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of HK\$4.25 cents per ordinary share (six months ended 30 June 2009: RMB0.12 per ordinary share)	於中期期間批准及支付的以往財政年度末期股息，每股普通股港幣4.25仙(截至二零零九年六月三十日止六個月：每股普通股人民幣0.12元)	108,054	249,680
Special dividend in respect of the previous financial year, approved and paid during the following interim period, of HK\$4.25 cents per ordinary share (six months ended 30 June 2009 : nil)	於中期期間批准及支付的以往財政年度特別股息，每股普通股港幣4.25仙(截至二零零九年六月三十日止六個月：零)	108,054	—
		216,108	249,680

(Expressed in Renminbi)
 (以人民幣列示)

17 Capital, reserves and dividends (continued)

(b) Share capital

The shares of the Company were listed on the Main Board of the SEHK on 3 July 2009, with a total number of 2,800,000,000 shares, among which 700,000,000 shares were issued to the public. Moreover, the over-allotment option in relation to the global offering of the Company's shares was fully exercised on 3 July 2009 in respect of an aggregate of 105,000,000 shares (the "Over-allotment Shares"). The gross proceeds from the global offering after the issue of the Over-allotment Shares were approximately HK\$1,916 million. Listing of and dealing in such Over-allotment Shares commenced on the Main Board of the SEHK on 8 July 2009.

Details of share capital are as follows:

		No. of shares	Nominal value
		股份數目	面值
		('000)	RMB'000
		(千)	人民幣千元
Authorised:	法定：		
Ordinary shares of HK\$0.1 each at 30 June 2010 and 31 December 2009	於二零一零年六月三十日及二零零九年十二月三十一日每股0.1港元之普通股	10,000,000	880,500
Ordinary shares of HK\$0.1 each issued and fully paid:	已發行及繳足每股0.1港元之普通股：		
At 30 June 2010 and 31 December 2009	於二零一零年六月三十日及二零零九年十二月三十一日	2,905,000	256,134

17 股本、儲備及股息(續)

(b) 股本

本公司的股份於二零零九年七月三日在香港聯交所主板上市，合共2,800,000,000股股份中的700,000,000股股份已發行予公眾人士。此外，與本公司股份全球發售相關的超額配股權已於二零零九年七月三日獲悉數行使，涉及合共105,000,000股股份（「超額配發股份」）。發行超額配發股份後全球發售的所得款項總額約為1,916,000,000港元。該等超額配發股份由二零零九年七月八日起在香港聯交所主板上市及買賣。

股本詳情如下：

(Expressed in Renminbi)
(以人民幣列示)

17 Capital, reserves and dividends (continued)

(c) Share premium

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

(d) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the same accounting policy adopted in the 2009 annual financial statements.

(e) PRC statutory reserves

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

Bawang Guangzhou and Bawang Beverage, which are wholly foreign owned enterprises established in the PRC, are required to transfer at least 10% of its net profit (after offsetting prior year losses), as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve balance reaches 50% of the registered capital under the PRC Company Law and the articles of association of the entity. The transfer to this reserve must be made before distribution of dividends to the equity shareholder.

17 股本、儲備及股息(續)

(c) 股本溢價

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

(d) 資本儲備

授予本公司僱員的購股權未行使的部份，將其於授予日期的公允價值按照二零零九年度財務報表所採用的會計政策於資本儲備中確認。

(e) 中國法定儲備

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

霸王廣州及霸王飲料乃於中國成立的外商獨資企業，其須根據中國會計規則及規例，轉撥其溢利最少10%的淨溢利(彌補以往年度的虧損後)至一般法定儲備，直至儲備結餘達到中國公司法及該實體的公司章程規定的註冊資本的50%為止。轉撥至該儲備須於向權益持有人分派股息前進行。

(Expressed in Renminbi)
(以人民幣列示)

17 Capital, reserves and dividends (continued)

(e) 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 the equity shareholders proportionate to their existing percentage of equity interests provided that the balance after such issue is not less than 25% of the registered capital.

(f) Merger reserve

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

(g) Translation reserve

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

17 股本、儲備及股息(續)

(e) 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，以將有關儲備轉換為股本，惟進行有關發行後的結餘不得少於註冊資本的25%。

(f) 合併儲備

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

(g) 匯兌儲備

匯兌儲備包括換算以外幣計量的財務報表所產生的全部匯兌差異。

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

(Expressed in Renminbi)
 (以人民幣列示)

18 Commitments

(a) Capital commitments outstanding at 30 June 2010 not provided for in the financial statements were as follows:

	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元
Contracted for 已簽約	2,584	3,503

(b) At 30 June 2010, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元
Leases expiring: 租約於下列期間到期：		
Within 1 year 1年內	1,615	2,777
Between 1 and 2 years 1至2年	749	686
Between 2 and 3 years 2至3年	760	730
Between 3 and 6 years 3至6年	942	1,217
Over 6 years 6年以上	660	—
Total 總計	4,726	5,410

18 承擔

(a) 於二零一零年六月三十日並無在財務報表中反映的資本承擔如下：

(b) 於二零一零年六月三十日，本集團不可撤銷經營租賃應付的未來最低租金總額如下：

(Expressed in Renminbi)
 (以人民幣列示)

19 Material related party transactions

During the six months ended 30 June 2010, the directors are of the view that related parties of the Group include the following individuals/companies:

Name of related party 關聯方名稱

Mr CHEN Qiyuan
陳啟源先生

Ms WAN Yuhua
萬玉華女士

Actual Reality Inc.

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

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

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

Relationship with the Group 與本集團的關係

Controlling Shareholder
控股股東

Controlling Shareholder
控股股東

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

Under the control of Controlling Shareholders'
close family member
受控股股東關係密切的家庭成員控制

Under the control of Controlling Shareholders'
close family member
受控股股東關係密切的家庭成員控制

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

19 重大關聯方交易

截至二零一零年六月三十日止六個月，董事認為本集團的關聯方包括以下人士／公司：

(Expressed in Renminbi)
 (以人民幣列示)

19 Material related party transactions
 (continued)

(a) Transactions with related parties

(i) Production premises and office lease agreements

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

(ii) Purchase of raw materials from related parties

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Guangzhou Qiancai Packaging Materials Co., Ltd.	廣州市倩采包裝材料有限公司	1,896	1,622
Guangzhou Chenming Paper Products Company Limited	廣州晨明紙品有限公司	6,348	4,230

19 重大關聯方交易(續)

(a) 與關聯方的交易

(i) 生產廠房及辦公室租賃協議

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

(ii) 向關聯方購買原材料

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

(Expressed in Renminbi)
 (以人民幣列示)

19 Material related party transactions
 (continued)

(a) Transactions with related parties
 (continued)

(iii) Utilities expenses paid on behalf of the Group

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Guangzhou Bawang	廣州霸王	2,626	2,334

(iv) Repayment of advertising fee paid by a related party on behalf of the Group

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Actual Reality Inc.	Actual Reality Inc.	—	42,891

(v) Net repayment of advances to Controlling Shareholders and Guangzhou Bawang

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
CHEN Qiyuan	陳啟源	—	104,318
Guangzhou Bawang	廣州霸王	—	2,234

19 重大關聯方交易 (續)

(a) 與關聯方的交易 (續)

(iii) 代本集團支付的水電費

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Guangzhou Bawang	廣州霸王	2,626	2,334

(iv) 向關聯方償還其代本集團支付的廣告費用

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Actual Reality Inc.	Actual Reality Inc.	—	42,891

(v) 向控股股東及廣州霸王償還墊款淨額

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
CHEN Qiyuan	陳啟源	—	104,318
Guangzhou Bawang	廣州霸王	—	2,234

(Expressed in Renminbi)
(以人民幣列示)

19 Material related party transactions (continued)

(b) Balances with related parties

As at the respective balance sheet dates, the Group had the following balances with related parties:

(i) Trade and other payables

		At 30 June 2010 於二零一零年 六月三十日 RMB'000 人民幣千元	At 31 December 2009 於二零零九年 十二月三十一日 RMB'000 人民幣千元
Non-trade related			
	非貿易相關		
Guangzhou Bawang	廣州霸王	1,415	2,657
Trade related			
	與貿易相關		
Guangzhou Qiancai Packaging Materials Co., Ltd.	廣州市倩采包裝材料有限公司	443	1,136
Guangzhou Chenming Paper Products Company Limited	廣州晨明紙品有限公司	284	2,103
		2,142	5,896

The above non-trade related balances are unsecured, interest free and have no fixed terms of repayment. As at 30 June 2010, the balance due to Guangzhou Bawang mainly represented the utility expenses paid by Guangzhou Bawang on behalf of the Group from April to May 2010 and the rental fee for June 2010.

上述與非貿易有關的結餘為無抵押、免息且無固定還款期。於二零一零年六月三十日，應付廣州霸王的結餘主要為廣州霸王由二零一零年四月至五月為本集團墊付的水電費及本集團應付廣州霸王二零一零年六月的租金。

19 重大關聯方交易(續)

(b) 與關聯方的結餘

於各結算日，本集團與關聯方的結餘如下：

(i) 貿易及其他應付款項

(Expressed in Renminbi)
(以人民幣列示)

19 Material related party transactions (continued)

(c) Key management personnel remuneration

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

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

		For the six months ended 30 June 截至六月三十日止六個月	
		2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	1,706	1,471
Equity-settled share-based payment expenses	以權益結算的股份支付費用	3,625	653
Contribution to defined contribution retirement plans	界定供款退休計劃供款	60	146
		5,391	2,270

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

19 重大關聯方交易(續)

(c) 主要管理人員薪酬

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

本集團主要管理人員的薪酬如下：

薪酬總額計入「員工成本」(見附註6(b))。



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

Introduction

We have reviewed the interim financial report set out on pages 20 to 54, which comprises the consolidated balance sheet of BaWang International (Group) Holding Limited as of 30 June 2010 and the related consolidated income statement, statement of comprehensive income and statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” promulgated by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with IAS 34 “Interim Financial Reporting”.

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

**致霸王國際(集團)控股有限公司董事會
之審閱報告**

(於開曼群島註冊成立的有限公司)

引言

我們已審閱列載於第20頁至第54頁霸王國際(集團)控股有限公司的中期財務報告，此中期財務報告包括於二零一零年六月三十日的合併資產負債表與截至該日止六個月期間的合併損益表、合併綜合收益表、合併權益變動表和簡明合併現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》，上市公司必須符合上市規則中的相關規定和國際會計準則委員會採用的《國際會計準則》第34號(「《國際會計準則》第34號」)「中期財務報告」的規定編製中期財務報告。董事須負責根據《國際會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

KPMG

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

23 August 2010

審閱範圍

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

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於二零一零年六月三十日的中期財務報告在所有重大方面沒有按照《國際會計準則》第34號「中期財務報告」的規定編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零一零年八月二十三日

Other Information

其他資料

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporation

As at 30 June 2010, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO"), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"):

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

截止二零一零年六月三十日，董事及本公司最高行政人員於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等根據上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉）；或(b)根據證券及期貨條例第352條規定須登記於需存置的登記冊內的權益及淡倉；或(c)根據上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及香港聯交所的權益及淡倉如下：

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

於本公司及其相聯法團的股份和相關股份中之權益

Name of director 董事名稱	Class of Shares 好／淡倉	Nature of interest 權益性質	Number of shares/ underlying shares held 股份及相關股份數目	Approximate percentage of issued share capital 持股百分比
CHEN Qiyuan 陳啟源	Ordinary 好倉	Corporate (Note 1) 公司(附註1)	1,900,000,000	65.404%
WAN Yuhua 萬玉華	Ordinary 好倉	Corporate (Note 2) 公司(附註2)	1,900,000,000	65.404%
SHEN Xiaodi 沈小笛	Ordinary 好倉	Personal 個人	2,100,000	0.072%
WONG Sin Yung 黃善榕	Ordinary 好倉	Personal 個人	2,100,000	0.072%
GUO Jing 郭晶	Ordinary 好倉	Personal (Note 3) 個人(附註3)	2,100,000	0.072%

Other Information 其他資料

Notes:

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

Other than as disclosed above, as at 30 June 2010, so far as known to any Directors or chief executive of the Company, neither the Directors nor the chief executive, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register that was required to be kept under Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

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

除上述披露的人員之外，截止二零一零年六月三十日，就任何董事或本公司最高行政管理人員目前所知，無論是董事或者是行政人員，於本公司及其相連法團（按證券及期貨條例第XV部的涵義）的股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等根據上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉）；或(b)根據證券及期貨條例第352條規定須登記於需存置的登記冊內的權益及淡倉；或(c)根據上市規則規定須知會本公司及香港聯交所的權益及淡倉。

Interests and short positions of substantial shareholders

As at 30 June 2010, 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 which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO; or which were required to be entered into the register required to be kept pursuant to Section 336 of the SFO were as follows:

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Ltd.	Corporate 公司	1,900,000,000 (L)	65.40%
Fortune Station Ltd.			
CHEN Qiyuan 陳啟源	Corporate (Note 1) 公司 (附註1)	1,900,000,000 (L)	65.40%
WAN Yuhua 萬玉華	Corporate (Note 2) 公司 (附註2)	1,900,000,000 (L)	65.40%
Mirae Asset Global Investments (Hong Kong) Limited 未來資產環球投資(香港) 有限公司	Note 3 附註3	174,714,000 (L)	6.01%
FMR LLC FMR LLC	Corporate (Note 4) 公司 (附註4)	174,439,000 (L)	6.00%
The Capital Group Companies, Inc 資本集團有限公司	Note 5 附註5	145,294,000 (L)	5.00%

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

Notes:

- CHEN Qiyuan is the beneficial owner of 51.0% of the issued share capital of Fortune Station Ltd. and is deemed to be interested in the shares held by Fortune Station Ltd. CHEN Qiyuan, the spouse of WAN Yuhua, is deemed to be interested in WAN Yuhua's interests in Fortune Station Ltd.
- WAN Yuhua is the beneficial owner of 49.0% of the issued share capital of Fortune Station Ltd. and is deemed to be interested in the shares held by Fortune Station Ltd. WAN Yuhua, the spouse of CHEN Qiyuan, is deemed to be interested in CHEN Qiyuan's interests in Fortune Station Ltd.

主要股東的權益及淡倉

截止二零一零年六月三十日，以下人士（非本公司董事或最高行政人員）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公司和聯交所披露的權益或淡倉；或根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉：

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Ltd.	Corporate 公司	1,900,000,000 (L)	65.40%
Fortune Station Ltd.			
CHEN Qiyuan 陳啟源	Corporate (Note 1) 公司 (附註1)	1,900,000,000 (L)	65.40%
WAN Yuhua 萬玉華	Corporate (Note 2) 公司 (附註2)	1,900,000,000 (L)	65.40%
Mirae Asset Global Investments (Hong Kong) Limited 未來資產環球投資(香港) 有限公司	Note 3 附註3	174,714,000 (L)	6.01%
FMR LLC FMR LLC	Corporate (Note 4) 公司 (附註4)	174,439,000 (L)	6.00%
The Capital Group Companies, Inc 資本集團有限公司	Note 5 附註5	145,294,000 (L)	5.00%

(L) — 好倉，(S) — 淡倉

附註：

- 陳啟源為 Fortune Station Ltd. 已發行股本的 51.0% 實益擁有人，並被視為為 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為萬玉華在 Fortune Station Ltd. 的權益中擁有權益。
- 萬玉華為 Fortune Station Ltd. 已發行股本的 49.0% 實益擁有人，並被視為為 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為陳啟源在 Fortune Station Ltd. 的權益中擁有權益。

Other Information 其他資料

3. Mirae Asset Global Investments is a subsidiary of Mirae Asset Financial Group of Korea.
4. FMR LLC is a privately owned corporation existing under the laws of the State of Delaware, U.S.A. and is the parent company of Fidelity Management & Research Company (FMRCO), Fidelity Management Trust Company (FMTC), Pyramis Global Advisors Trust Company and Pyramis Global Advisors LLC.
5. The Capital Group Companies, Inc is a company based in California, U.S.A. which is the parent company of Capital International, Capital Guardian, Capital Research & Management, Capital Bank & Trust and American Funds.
3. 未來資產環球投資(香港)有限公司是韓國未來資產金融集團的附屬公司。
4. FMR LLC 是一家根據美國特拉華州現行法律成立的私有公司，是 Fidelity Management & Research Company (FMRCO), Fidelity Management Trust Company (FMTC), Pyramis Global Advisors Trust Company 和 Pyramis Global Advisors LLC 的母公司。
5. 資本集團有限公司是一家以美國加州為總部的公司。它亦是 Capital International、Capital Guardian、Capital Research & Management、Capital Bank & Trust 及 American Funds 的母公司。

Other than as disclosed above, as at 30 June 2010, the Company has not been notified by any person (other than a Director or chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO; or which were required to be entered into the register required to be kept pursuant to Section 336 of the SFO.

於二零一零年六月三十日，除上文所披露人士之外本公司沒有任何人士(非本公司董事或最高行政人員)於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的規定須向本公司和聯交所披露的權益或淡倉；或根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉。

Share option scheme and Pre-IPO share option scheme

購股權計劃及首次公開發售前購股權計劃

Share Option Scheme

購股權計劃

The Company has adopted two share option schemes, namely, the Share Option Scheme and the Pre-IPO Share Option Scheme, the purpose of which is to give the Directors, senior management and employees an opportunity to have a personal stake in the Company and help motivate its employees to optimize their performance and efficiency, and also to retain employees whose contributions are important to the long-term growth and profitability of the Group. As at 30 June 2010, no options have been granted or agreed to be granted by the Company under the Share Option Scheme.

本公司已經採用了兩種股權激勵計劃，即購股權計劃和首次公開發售前購股權計劃，目的在於為公司董事、高級管理人員和僱員提供一個機會擁有公司股票，以激勵他們作更好及更有效率的表現，並以此挽留那些為集團的長遠增長及盈利能力做出重大貢獻的員工。於二零一零年六月三十日，本公司還沒有根據購股權計劃授予或同意授予任何購股權。

Pre-IPO Share Option Scheme

A total of 4,200,000 outstanding pre-IPO share options were granted to two executive Directors of the Company on 8 June 2009, which remained unexpired and unexercised as at 30 June 2010. The details are as follows:

Name of director 董事名稱	Date of grant 授權日	Exercise price (HKD) 行權價 (港元)	Number of share options 股份期權數目			As at 30 June 2010 截至 二零一零年 六月三十日	Approximate percentage of issued share capital of the Company (%) 佔本公司已發行股本 的概約百分比 (%)	Exercise Period 行權期間
			As at 1 January 2010 截至 二零一零年 一月一日	Granted during the period 授予數目 期間	Exercised during the period 行權數目 期間			
SHEN Xiaodi 沈小笛	8 June 2009 二零零九年 六月八日	Par Value 面值	420,000	—	—	2,100,000	0.072	4 July 2010 to 8 June 2019 二零一零年七月四日至 二零一九年六月八日
		Par Value 面值	420,000	—	—			4 July 2011 to 8 June 2019 二零一一年七月四日至 二零一九年六月八日
		Par Value 面值	420,000	—	—			4 July 2012 to 8 June 2019 二零一二年七月四日至 二零一九年六月八日
		Par Value 面值	420,000	—	—			4 July 2013 to 8 June 2019 二零一三年七月四日至 二零一九年六月八日
		Par Value 面值	420,000	—	—			4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一九年六月八日
WONG Sin Yung 黃善榕	8 June 2009 二零零九年 六月八日	Par Value 面值	840,000	—	—	2,100,000	0.072	4 July 2010 to 8 June 2019 二零一零年七月四日至 二零一九年六月八日
		Par Value 面值	315,000	—	—			4 July 2011 to 8 June 2019 二零一一年七月四日至 二零一九年六月八日
		Par Value 面值	315,000	—	—			4 July 2012 to 8 June 2019 二零一二年七月四日至 二零一九年六月八日
		Par Value 面值	315,000	—	—			4 July 2013 to 8 June 2019 二零一三年七月四日至 二零一九年六月八日
		Par Value 面值	315,000	—	—			4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一九年六月八日
Grand Total 授予總數			4,200,000	—	—	4,200,000	0.144	

首次公開發售前購股權計劃

於二零零九年六月八日，公司給與兩名執行董事合共4,200,000份已授出但尚未行使的首次公開發售前購股權，截止二零一零年六月三十日，該等購股權尚未到期並未被行使，其明細如下：

Apart from the above, options totalling 10,332,000 shares under the Pre-IPO Share Option Scheme were granted to 40 employees of the Group on 8 June 2009. Of which, options totalling 420,000 shares previously granted to two employees were forfeited during the period from the date of grant to 30 June 2010. The balance of unexpired and unexercised options of 38 employees as at 30 June 2010 was 9,912,000 shares. Except for the above options which had been granted, no further options were granted prior to 3 July 2009, the listing date of our shares on the Main Board of the Stock Exchange of Hong Kong Limited (“the Listing Date”). Details of the valuation of Pre-IPO Share Option Scheme are set out in Note 16 under the section headed “Notes to the Unaudited Interim Financial Report” to this interim report. The value of options are subjective and uncertain as such valuers are subject to a number of assumptions and limitations of the valuation model.

Material Events since the End of the Financial Period

On 14 July 2010 and 16 July 2010, a magazine article and a newspaper article were respectively published which carried, in the Company’s views, inaccurate and unfounded allegations in relation to the product safety and the registration of certain products of the Group. Although the Company promptly published clarification announcements on the even dates and communicated with our distributors and customers via our sales channels, the said publications had a negative impact on our business operations and brand images. The Directors are of the view that such adverse impact may continue for an extended period of time and the Company is planning to utilise all efforts to restore normal business operations as soon as possible.

On 21 July 2010, the Company commenced an action in the Hong Kong High Court against Next Magazine Publishing Limited in respect of the article published in Next Magazine on 14 July 2010 concerning the Company’s products. The Company will be seeking damages and compensation for loss of sales from Next Magazine Publishing Limited for defamation, malicious falsehood and slander of goods.

Apart from the events above, there has been no other important event affecting the Group since 30 June 2010.

除此以外，在二零零九年六月八日，根據首次公開發售前購股權計劃，總共有10,332,000股股份的購股權分配給了本集團40名僱員。其中，之前授予兩名僱員總共420,000股股份的購股權，在授權日至二零一零年六月三十日期間被取消。截止二零一零年六月三十日，尚未到期並未被行使之38名僱員的購股權餘額是9,912,000股。除了上述已經授出的購股權，於二零零九年七月三日（即公司股份在香港聯合交易所有限公司主板上市之日（「上市日」）之前，再無任何購股權授出。首次公開發售前購股權計劃的估值詳見本中期報告「未經審核中期財務報告附註」一節下附註16。購股權的估值相當主觀和難以預計，要視乎所用的多項假設，也受估值模式的限制。

會計期間結束後的重大事件

於二零一零年七月十四日及二零一零年七月十六日，一份雜誌及一份報章載有本公司認為對本集團若干產品的產品安全及註冊之失實及未有理據支持的報導。儘管本公司已於同日即時刊登澄清公佈及透過銷售渠道與我們的分銷商及客戶溝通，上述報導對我們的業務營運及品牌形象仍造成負面影響。董事認為該不利影響或會持續一段時間，本公司正計劃致力盡快恢復正常業務營運。

於二零一零年七月二十一日，本公司於香港高等法院就於二零一零年七月十四日刊登於《壹週刊》有關本公司產品的報導控告壹傳媒有限公司。本公司將向壹傳媒有限公司就誹謗、惡意虛假及中傷產品尋求有關銷量損失之損害賠償。

除了上述事件，自二零一零年六月三十日後沒有其他重大事件影響本集團。

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 1H2010.

The code on corporate governance practices

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

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set forth in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all the Directors confirm that they have complied with the required standard as 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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has also complied with Rules 3.10(1) and 3.10(2) of the Listing Rules and appointed three independent non-executive Directors including one with financial management expertise. The primary duties of the Audit Committee (inter alia) are to review the financial reporting process and internal control system of the Group,

購入、出售或贖回本公司之上市證券

於二零一零年上半年期間，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。

企業管治常規守則

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

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

本公司已採納上市規則附錄10所載上市發行人之董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易的行為守則。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

本公司已按香港聯合交易所有限公司頒佈的證券上市規則（「上市規則」）第3.21條規定成立審核委員會。本公司亦已遵守上市規則第3.10(1)及第3.10(2)條，委任三名獨立非執行董事，其中一位擁有財務管理專業知識。審核委員會主要職責包括審查本集團的財務申報程序和內部控制制度，以及就委聘、續聘及辭聘公司獨立核數師及相關的薪酬及委聘條

and to make proposals to the Board as to the appointment, renewal and resignation of the Company's independent auditors and the related remuneration and appointment terms. The Audit Committee has reviewed the interim results of the Company contained in this report with the management of the Company and the Company's independent auditors and recommended its adoption by the Board. In addition, the Group's independent auditors, KPMG, has carried out a review of the Group's unaudited interim results for six months ended 30 June 2010 in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

Publication of interim report

This interim report is published on the websites of the Company (www.bawang.com.cn), irasia (www.irasia.com/listco/hk/bawang/) and the Stock Exchange's website (www.hkex.com.hk).

款，向董事會作出建議。審核委員會已與公司管理層及公司獨立核數師審閱本報告所載的本公司中期業績，並建議董事會將其採納。此外，本集團的獨立核數師畢馬威會計師事務所已按香港會計師公會所頒佈的香港審閱工作準則第2410號「實體的獨立核數師對中期財務資料的審閱」對本集團截至二零一零年六月三十日止六個月的未經審核中期財務業績進行審閱。

刊發中期報告

此公告於本公司的網站(www.bawang.com.cn)、irasia 的網站(www.irasia.com/listco/hk/bawang/)及聯交所的網站(www.hkex.com.hk)發佈。

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