



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



Annual Report 2015 2015 年年報

* for identification purposes only
僅供識別

Contents 目錄

02	Financial Highlights 財務摘要
04	Corporate Information 公司資料
07	Chairman's Statement 主席報告書
09	Management Discussion and Analysis 管理層討論及分析
27	Corporate Governance Report 企業管治報告
35	Report of the Directors 董事會報告
52	Directors and Senior Management 董事及高層管理人員
57	Independent Auditor's Report 獨立核數師報告
59	Consolidated Statement of Profit or Loss 綜合損益表
60	Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表
61	Consolidated Statement of Financial Position 綜合財務狀況表
63	Consolidated Statement of Changes in Equity 綜合權益變動表
64	Consolidated Statement of Cash Flows 綜合現金流量表
66	Notes to the Consolidated Financial Statements 綜合財務報表附註
172	Five Years Summary 五年財務概要



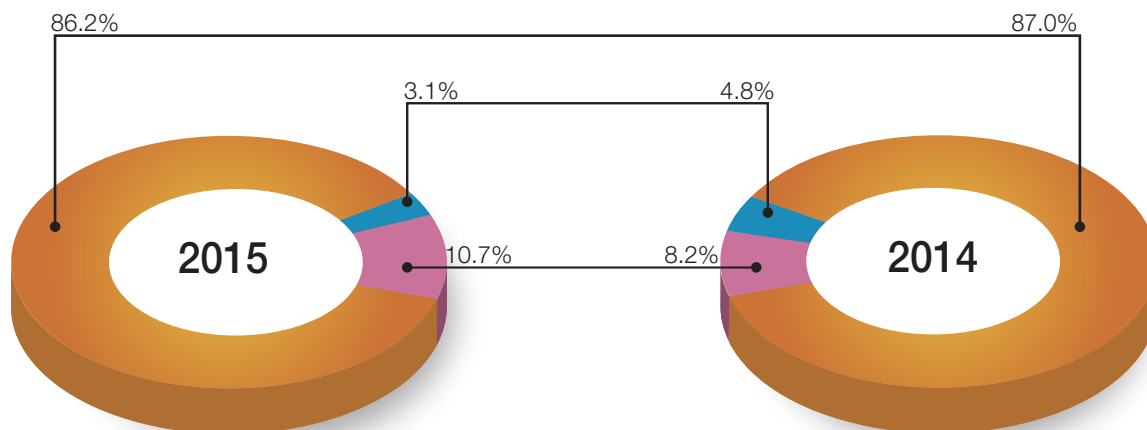
Financial Highlights

財務摘要

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue	營業額	232,181	294,649
Cost of Sales	銷售成本	(143,893)	(184,417)
Gross Profit	毛利	88,288	110,232
Selling & distribution costs	銷售及分銷開支	(89,629)	(144,544)
Administrative expenses	行政費用	(52,831)	(37,810)
Loss from operations	營運虧損	(106,823)	(113,711)
Taxation	稅項	—	—
Loss attributable to equity shareholders	權益持有人應佔虧損	(110,578)	(115,541)
Loss per share (RMB yuan)	每股基本虧損(人民幣元)	0.038	(0.040)
Gross margin	毛利率	38.0%	37.4%
Net loss ratio	淨虧損率	-47.6%	-39.2%

Revenue by Product Category

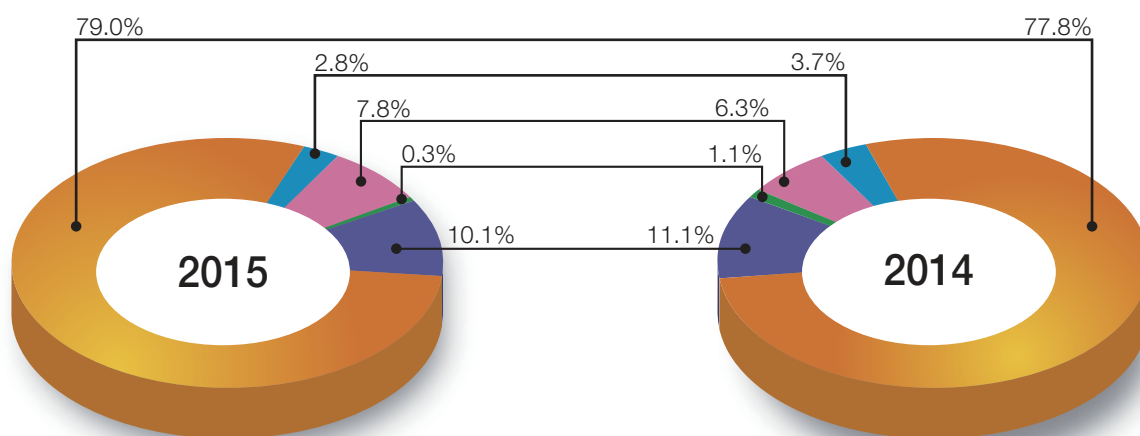
收入按產品類別分析



(RMB'000) (人民幣千元)	2H2015 二零一五年 下半年	1H2015 二零一五年 上半年	2H2014 二零一四年 下半年	1H2014 二零一四年 上半年
Shampoo & hair-care products 洗髮護髮產品	109,390	90,667	126,991	129,483
Skincare products 護膚產品	3,053	4,085	7,488	6,596
Other household and personal care products 其他家用個人護理產品	18,762	6,224	18,481	5,610
Total 合計	131,205	100,976	152,960	141,689



Revenue by Brand
收入按品牌分析



(RMB'000) (人民幣千元)	2H2015 二零一五年 下半年	1H2015 二零一五年 上半年	2H2014 二零一四年 下半年	1H2014 二零一四年 上半年
Bawang 霸王	106,868	76,663	122,510	106,699
Royal Wind 追風	12,526	10,968	14,257	18,574
Herborn 本草堂	2,984	3,513	5,574	5,447
Litao 麗濤	8,731	9,287	8,704	9,820
Smerry 雪美人	96	545	1,915	1,149
Total 合計	131,205	100,976	152,960	141,689

Corporate Information

公司資料

Directors

Executive Directors

CHEN Qiyuan (*Chairman*)

WAN Yuhua

(*Resigned on 9 December 2015*)

CHEN Zheng He

WONG Sin Yung *CPA*

Independent non-executive Directors

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

LI Bida

CHEUNG Kin Wing *FCA, CPA*

Audit and Risk Management Committee

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

LI Bida

CHEUNG Kin Wing *FCA, CPA*

Remuneration Committee

LI Bida (*Chairman*)

WAN Yuhua

(*Resigned on 9 December 2015*)

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

CHEN Zheng He (*Appointed on 9 December 2015*)

Nomination Committee

CHEN Qiyuan (*Chairman*)

LI Bida

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

Company Secretary

WONG Sin Yung *CPA*

Authorised representatives

CHEN Zheng He

WONG Sin Yung *CPA*

董事

執行董事

陳啟源 (*主席*)

萬玉華

(*於二零一五年十二月九日辭任*)

陳正鶴

黃善榕 *CPA*

獨立非執行董事

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

李必達

張建榮 *FCA, CPA*

審核及風險管理委員會

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

李必達

張建榮 *FCA, CPA*

薪酬委員會

李必達 (*主席*)

萬玉華

(*於二零一五年十二月九日辭任*)

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

陳正鶴 (*於二零一五年十二月九日獲委任*)

提名委員會

陳啟源 (*主席*)

李必達

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

公司秘書

黃善榕 *CPA*

授權代表

陳正鶴

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

6/F, 181 Tangle Road
Tangyong Village, Xinshi
Baiyun District
Guangzhou
510410
PRC

Place of business in Hong Kong

Suite B, 16/F
Ritz Plaza
122 Austin Road
Tsimshatsui
Kowloon
Hong Kong

Hong Kong branch share registrar and transfer office

Boardroom Share Registrars (HK) Limited
31/F., 148 Electric Road
North Point
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

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
新市棠涌村
棠樂路181號6樓
郵編：510410

香港營業地點

香港
九龍
尖沙咀
柯士甸道122號
麗斯中心
16樓B室

香港證券登記處

寶德隆證券登記有限公司
香港
北角
電氣道148號31樓

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

Auditors

SHINEWING (HK) CPA Limited
43rd Floor, The Lee Gardens
33 Hysan Avenue
Causeway Bay
Hong Kong

核數師

信永中和(香港)會計師事務所有限公司
香港
銅鑼灣
希慎道33號
利園43樓

Legal advisor on Hong Kong law

PETER YUEN & ASSOCIATES
(IN ASSOCIATION WITH FANGDA PARTNERS)
26/F, One Exchange Square
8 Connaught Place
Central, Hong Kong

香港法律顧問

阮葆光律師事務所
(聯營上海市方達律師事務所)
香港中環
康樂廣場8號
交易廣場1期26樓

Company's website

www.bawang.com.cn

公司網址

www.bawang.com.cn

Stock code

01338

股票代碼

01338

Principal bankers

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

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

Bank of China Limited
1073 Jichang Road
Guangzhou 510180
PRC

中國銀行股份有限公司
中國
廣州市
機場路1073號
郵編：510180

Chairman's Statement

主席報告書



Dear shareholders of the Company,

On behalf of the board of directors of BaWang International (Group) Holding Limited (the “**Company**”), I present the audited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2015.

The Board reports that the total revenue of the continuing operations of the Group for the year ended 31 December 2015 was approximately RMB232.2 million, representing a decrease of approximately 21.2% from approximately RMB294.6 million in 2014. The operating loss from the continuing operations of the Group for the year ended 31 December 2015 was approximately RMB106.8 million, representing an improvement by approximately 6.1%, as compared with the operating loss of approximately RMB113.7 million in 2014.

For the year ended 31 December 2015, the net loss from the continuing operations of the Group was approximately RMB110.6 million, as compared with the net loss of approximately RMB115.5 million in 2014. The Group was able to optimize its resources, resulting in a decrease in net loss from the continuing operations as compared with 2014.

Loss attributable to owners of the Company improved to approximately RMB110.6 million as compared with the attributable loss of approximately RMB116.5 million for 2014.

For further information on the operating performance of the Group, please refer to the Financial Review section of this annual report.

During the year under review, the Group continued to implement stringent cost control measures. The successful implementation of the ongoing value-chain-oriented business model has enabled the Group to improve the operating results of the continuing operations by reducing the selling, distribution and administration costs in the amount of approximately RMB39.9 million for the year ended 31 December 2015, as compared with those in 2014.

各位尊敬的本公司之股東：

本人僅代表霸王國際(集團)控股有限公司(「**本公司**」)之董事會，向全體股東呈報本公司及其附屬公司(統稱「**本集團**」)截至二零一五年十二月三十一日止年度的經審核年度業績。

董事會報告本集團截至二零一五年十二月三十一日止年度的持續經營業務總營業額約為人民幣232.2百萬元，較二零一四年同期約人民幣294.6百萬元下降了約21.2%。本集團截至二零一五年十二月三十一日止年度錄得持續經營業務的經營虧損約為人民幣106.8百萬元，較二零一四年同期經營虧損約人民幣113.7百萬元改善了約6.1%。

本集團截至二零一五年十二月三十一日止年度錄得持續經營業務的淨虧損約為人民幣110.6百萬元，而二零一四年同期錄得淨虧損約人民幣115.5百萬元。本集團能優化資源，使得經營業務淨虧損較二零一四年同期減少。

本公司擁有人應佔年內虧損改善至約人民幣110.6百萬元，而二零一四年度同期錄得應佔年內虧損約人民幣116.5百萬元。

關於本集團經營業績詳細資料，請參閱本年度報告內財務回顧部分。

於回顧年度內，本集團繼續執行嚴格的成本控制方法。截至二零一五年十二月三十一日止年度的銷售成本和銷售及分銷開支和行政費用，較二零一四年同期相比，節省約人民幣39.9百萬元，從而令本集團改善其持續經營業務之經營業績。

Chairman's Statement 主席報告書

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

On behalf of the Board, I would like to take this opportunity to express our gratitude to all Shareholders, customers, suppliers, banks, professional parties, and employees of the Group for their continuous patronage and support.

CHEN Qiyuan
Chairman

Hong Kong, 21 March 2016

展望未來，在不穩定的內部和外部經營環境中，維持和發展我們業務之戰略方向集中在兩方面。就短期而言，本集團擬繼續在國內外組建就家庭及個人護理行業建立豐富經驗的管理團隊、恢復銷售增長勢頭和盈利能力，以及提升投資者對本集團的信心。就長期而言，本集團將繼續鞏固發展模式及定位，以增加市場佔有率及迎戰國內外競爭對手；保持家庭及個人護理產品品牌及產品多樣化的均衡策略及成為全球中草藥家庭及個人護理產品領軍企業。

謹藉此機會，我代表董事會向不斷擁戴及支持本集團的全體股東、客戶、供應商、銀行、專業人士和僱員，致以衷心的謝意。

陳啟源
主席

香港，二零一六年三月二十一日



Management Discussion and Analysis

管理層討論及分析



Business Review

The Group has been using the popular events and festive seasons for carrying out marketing campaigns and promotions for publicizing its branded products. During the year under review, the on-going promotion slogan for Bawang branded shampoo was “Scary of hair-fall, use Bawang shampoo (怕脫髮，用霸王)”. As at 31 December 2015, the Bawang brand distribution network comprised approximately 482 distributors and 39 KA retailers, covering 27 provinces and four municipalities in China. Furthermore, the products of the Group were also sold in Hong Kong, Singapore, Thailand, Malaysia and Australia.

For Bawang and Royal Wind branded products, the Group took an optimization program to close those loss-making retailer systems, to re-negotiate the terms of business with distributors, to eliminate the obsolete inventory in the channels, to streamline the establishment of the sales and marketing teams, and to implement new performance measurement systems for the sales teams.

業務回顧

本集團利用流行事件及節日來開展行銷活動及推廣品牌產品。於回顧年度內，霸王品牌洗髮水的持續推廣口號為「怕脫髮，用霸王」。截至二零一五年十二月三十一日，霸王品牌分銷網絡包括大概482個分銷商及39個重點零售商，覆蓋中國27個省份及四個直轄市。此外，該等產品亦已在香港、新加坡、泰國、馬來西亞和澳大利亞市場銷售。

對於霸王和追風品牌產品，本集團採取優化策略，終止那些虧損的直營系統，與經銷商重新洽談業務條款，消化渠道庫存，建立精簡的營銷團隊，並對銷售團隊執行新的績效評估體系。





During the year under review, the Group further expanded the channel for supplying Royal Wind shampoo and shower gel to business hotel chains in China. The Group was promoting the brand image of Royal Wind shampoo with the marketing theme “Anti-dandruff in Speedy and Natural Manner (快速去屑更天然)”. As at 31 December 2015, the Royal Wind brand distribution network comprised approximately 482 distributors and 29 KA retailers, covering 27 provinces and four municipalities in China.

The Litao products mainly comprise shower gels and laundry detergent targeting at consumers living in the second-tier or third-tier cities in China. The Company’s goal is to widen the market coverage in China. As at 31 December 2015, the Litao products distribution network comprised approximately 482 distributors and four KA retailers covering 27 provinces and four municipalities in China.

於回顧年度內，本集團進一步擴展管道以供應追風洗髮水及沐浴露給中國的商務連鎖酒店。本集團繼續以「快速去屑更天然」為主題推廣追風洗髮水。截至二零一五年十二月三十一日，追風品牌分銷網絡包括大概482個分銷商及29個重點零售商，覆蓋中國27個省份及四個直轄市。

麗濤產品主要由沐浴露和洗衣液組成，以中國二三線城市的消費者為目標客戶群體。本集團的目標是將市場擴大至整個中國。截至二零一五年十二月三十一日，麗濤品牌分銷網絡包括大概482個分銷商及四個重點零售商，覆蓋中國27個省份及四個直轄市。



The Group's Herborn Chinese herbal skincare products target white-collar ladies in the age range of 18 to 45 who have relatively high net income and are dedicated to pursue a healthy and natural lifestyle. In terms of sales channels, the Group is now selling the products mainly through cosmetics specialty shops throughout China. As at 31 December 2015, the sales and distribution network for the Herborn Chinese herbal skincare products comprised approximately 87 distributors and one KA retailer covering 27 provinces and four municipalities in China. The Group also had about 5,500 counters in cosmetics specialty shops in China.

During the year under review, we were selling our natural plant skincare products series, Smerry, through established chain-stores. The Smerry branded products target young ladies in the age range of 18 to 28 who are dedicated to pursue a natural and healthy lifestyle.

During the year under review, the Group has established online flagship stores for our Bawang, Royal Wind and Herborn branded products at eight online retailing platforms in China.

本集團的中草藥護膚產品－本草堂，其目標客戶群體是擁有相對較高的收入、熱衷追求健康自然的生活方式、年齡介於18歲至45歲的白領女性。在銷售渠道方面，本集團通過中國境內的化妝品專營店專櫃銷售本草堂產品。截至二零一五年十二月三十一日，本草堂品牌分銷網絡包括大概87個分銷商及一個重點零售商，覆蓋中國27個省份及四個直轄市。在中國境內，本集團亦擁有約5,500家化妝品專門店專櫃。

於回顧年度內，我們通過設立連鎖店來銷售我們的天然植物護膚系列產品－雪美人。雪美人品牌產品的目標群體是崇尚天然健康的生活方式，年齡介於18歲至28歲的年輕女性。

於回顧期內，本集團已在八個線上零售平台建立線上旗艦店銷售霸王、追風和本草堂品牌產品。



Management Discussion and Analysis 管理層討論及分析

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

- We obtained a Certificate of Accreditation on Work Safety Standardization (Grade 3) in Light Industry (安全生產標準化三級企業(輕工)) from the Guangzhou Association of Work Safety. The accreditation is valid for three years until June 2018.



- We were accredited as “The 2014 Major Taxpayer & Elite Enterprise of Baiyun District, Guangzhou (廣州市白雲區二零一四年度納稅大戶優秀企業)” by the Working Committee of Baiyun District People’s Government in Guangzhou in May 2015.

於回顧期內，我們獲得了以下認證：

- 我們獲得了廣州安全生產協會頒發的安全生產標準化三級企業(輕工)。該項認證有效期為三年至二零一八年六月。



- 二零一五年五月，我們獲廣州市白雲區人民政府頒發「廣州市白雲區二零一四年度納稅大戶優秀企業」。



- Our congratulatory messages for the Chinese New Year “Duang” in connection with Bawang shampoo was awarded a Gold Medal in Online Sales Category in the 7th China Advertisers Summit & Awards Presentation Ceremony held by the Organizing Committee of the China Advertisers Summit in May 2015.
- Bawang brand was named one of “2015 Asia’s Influential Brands” in November 2015.
- 二零一五年五月，我們「霸王洗髮水玩轉duang賀歲營銷」案例在第七屆中國廣告主峰會頒獎盛典上獲中國廣告主峰會組委會頒發網絡類金獎。
- 二零一五年十一月，霸王品牌被評選為「2015年亞洲影響力品牌」之一。

Key Risks and Uncertainties

Apart from those stated in the Chairman’s Statement and Management Discussion and Analysis sections, the Company is exposed to the following key risks and uncertainties which are required to be disclosed pursuant to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

1. Risks Relating to Our Industry

In recent years, it is common for the Mainland manufacturing enterprises to face continuous rising labour costs and difficulties in employing skilled labour. Our Group’s responding strategies are to reduce the production costs.

主要風險及不明朗因素

除主席報告書及管理層討論及分析所述事宜以外，本公司根據《公司條例》（香港法例第622章）須予披露所面對的主要風險及不明朗因素如下。

1. 行業風險

國內生產企業近年普遍面對勞工成本不斷上漲及招聘熟手工人困難。本集團的應變策略，以減低生產成本。

2. Credit Risks Relating to Customers

Exposure to bad debts attributable to customers usually intensifies following a weak economic performance. To minimize credit risks, the management of the Group has appointed dedicated staff members to handle procedures for determining credit limits, credit approval and other monitoring procedures, to ensure that follow-up actions with all receivables are taken in a timely manner. In addition, the Group reviews the collectibility of receivables at the end of a reporting period, to ensure that sufficient impairment losses are provided for in respect of uncollectible monies. For the year ended 31 December 2015, no bad debts were recorded by the Group.

3. Liquidity Risks

In managing liquidity risks, the Group monitors and maintains cash and cash equivalents at a level which is considered by the management as sufficient, to satisfy the needs arising from the Group's operations and to mitigate the effect of fluctuations of cash flow. The management closely monitors the use of shareholders' loan to ensure that an appropriate level of external financing or borrowings would be maintained.

2. 客戶的信貸風險

隨著經濟疲弱，客戶壞帳風險相對增加。為減低信貸風險，本集團管理層已委派特定人員負責釐定信貸限額、信貸審批及其他監控程序，以確保及時跟進所有應收帳款。此外，本集團會於報告期末已檢討債項之可收回款額，以確保就不可收回款額作出足夠之減值虧損。截至二零一五年十二月三十一日止年度，本集團並沒有錄得壞帳。

3. 流動資金風險

管理流動資金風險時，本集團會監察及保持管理層視為足夠水平之現金及現金等值項目，以撥付本集團營運所需及減低現金流量波動之影響。管理層會密切監察股東借貸之使用情況，確保可維持適當的外貸及貸款水平。



4. Currency Risks

Sales to overseas countries denominated in foreign currencies expose the Group to foreign exchange risks. The Group closely manages and monitors foreign exchange risks to ensure that appropriate measures are taken in a timely manner. The Group will consider using hedging in respect of foreign currencies to mitigate relevant risks as and when appropriate.

Environmental Protection

The Group is responsible for its impact to the environment arising from the business operation. During the year under review, the Group strictly complied with the PRC local environmental regulations. The production of household and personal care products is a light industry. No substance polluting the environment will be released during the manufacturing process and there is no adverse impact to the surrounding environment. The Group has significantly reduced the power consumption as well as the plant overhead costs by implementing energy conservation project in recent years with positive results.

Business Compliance

During the year under review, the Group has complied with the relevant laws and regulations that have a significant impact on the Group.

Litigation

The Board considers that the contents of the relevant article published by Next Magazine on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, we commenced legal proceedings (the “**Legal Proceedings**”) in the High Court of Hong Kong (the “**High Court**”) in October 2010 against Next Magazine seeking, *inter alia*, damages and an injunction to restrain Next Magazine from publishing such contents or similar contents. The trial of the Legal Proceedings commenced on 2 March 2015 which lasted for a total of 40 days and ended on 29 August 2015. The judge of the High Court estimates that judgment will be ready for handing down before 30 April 2016. The Company will make further announcement in relation to this matter in due course.

4. 貨幣風險

因有產品銷往海外市場以外幣結算，以致本集團承受外幣折算風險。本集團會密切管理及監察外匯風險，以確保及時地採取適當措施。本集團會在適當時候考慮使用對沖以降低有關風險。

環境保護

本集團須為業務經營對環境的影響承擔責任。於回顧年度內，本集團緊守中國當地的環保法規。家庭及個人護理產品生產是屬輕工行業，生產過程中不會釋出任何對環境污染的物質，對周邊環境並不會造成不良的影響。本集團近年亦銳意推行節能項目，且有正面成效，不僅顯著減低用電量，亦能降低廠房費用。

業務合規

於回顧年度內，本集團已遵守對本集團有重大影響之相關法律及法規。

訴訟

董事會認為壹週刊於二零一零年七月十四日發表的相關雜誌文章內容均為對本集團的誹謗及／或惡意中傷。因此，我們已於二零一零年十月在香港高等法院（「**高等法院**」）向壹週刊提起法律訴訟（「**法律訴訟**」），其中，要求壹週刊賠償損失並且禁止出版該內容或類似內容。有關法律訴訟在二零一五年三月二日開始，該法律訴訟持續了四十天，並已於二零一五年八月二十九日結束審訊。高等法院法官估計判詞準備在二零一六年四月三十日之前頒令下來。本公司將在適當時候就此事宜作出進一步公告。



Financial Review

Continuing Operations

Revenue

During the year under review, the Group's revenue of the continuing operations amounted to approximately RMB232.2 million, representing a decrease of approximately 21.2% from approximately RMB294.6 million in 2014. The decrease was primarily attributable to the slowdown of the economy in China and the change in the business model of the traditional trade channel since the second quarter of 2014.

The Group's core brand, Bawang, generated approximately RMB183.5 million in revenue, which accounted for approximately 79.0% of the Group's total revenue of continuing operations in 2015, and represented a decrease of approximately 19.9% as compared to 2014.

The branded Chinese herbal anti-dandruff hair-care series, Royal Wind, generated approximately RMB23.5 million in revenue, which accounted for approximately 10.1% of the Group's total revenue of continuing operations in 2015, and represented a decrease of approximately 28.4% as compared to 2014.

The natural-based branded shampoo, shower gel and laundry detergent products series, Litao, generated approximately RMB18.0 million in revenue, which accounted for approximately 7.8% of the Group's total revenue of continuing operations in 2015, and represented a decrease of approximately 2.7% as compared to 2014.



財務回顧

持續經營業務

營業額

於回顧年度內，本集團營業額約為人民幣232.2百萬元，較二零一四年約人民幣294.6百萬元下降了約21.2%。下降的主要原因除了受中國整體的經濟放緩的影響自二零一四年第二季度起傳統渠道經營模式的改變。

本集團核心品牌 — 霸王，其營業額約人民幣183.5百萬元，約佔本集團二零一五年度持續經營業務總營業額的79.0%，比二零一四年度下降了約19.9%。

中草藥去屑品牌 — 追風，其於二零一五年度的營業額約人民幣23.5百萬元，約佔本集團持續經營業務總營業額的10.1%，比二零一四年度下降了約28.4%。

以純天然為基礎的洗髮水、沐浴露和洗衣液產品系列 — 麗濤，其營業額約人民幣18.0百萬元，約佔本集團二零一五年度持續經營業務總營業額的7.8%，比二零一四年度下降了約2.7%。



The branded Chinese herbal skincare series, Herborn, generated approximately RMB6.5 million in revenue, which accounted for approximately 2.8% of the Group's total revenue of continuing operations in 2015, and represented a decrease of approximately 40.9% as compared to 2014.

Smerry generated approximately RMB0.6 million in revenue, which accounted for approximately 0.3% of the Group's total revenue of continuing operations in 2015.

We sold our products through extensive distribution and retail networks. During the year under review, sales to our distributors and retailers represented approximately 66.5% and approximately 33.5% of the Group's total revenue of continuing operations respectively.

In 2015, our products were sold in Hong Kong, Singapore, Thailand, Malaysia and Australia. The sales to these overseas markets outside China accounted for approximately 5.1% of our total revenue of continuing operations for 2015.

Cost of Sales

Cost of sales in 2015 amounted to approximately RMB143.9 million, representing a decrease of approximately 22.0% compared to approximately RMB184.4 million in 2014. Such decrease was mainly due to the decrease in manufacturing expenses, direct labour, raw materials and package materials consumed.

中草藥護膚品牌－本草堂，其營業額約人民幣6.5百萬元，約佔本集團二零一五年度持續經營業務總營業額的2.8%，比二零一四年度下降了約40.9%。

雪美人的營業額約人民幣0.6百萬元，約佔本集團二零一五年度持續經營業務總營業額的0.3%。

我們一般通過廣泛的分銷商和零售商網絡銷售我們的產品。於回顧年度內，我們通過分銷商和零售商的銷售額分別約佔本集團持續經營業務總營業額的66.5%和33.5%。

我們的產品於二零一五年度也在香港、新加坡、泰國、馬來西亞和澳大利亞市場上銷售，這些海外市場的銷售額約佔本集團二零一五年度持續經營業務總營業額的5.1%。

銷售成本

二零一五年度的銷售成本約人民幣143.9百萬元，相比二零一四年度約人民幣184.4百萬元，下降了約22.0%。下降的主要原因是製造費用、工資、原物料和包材耗用減少。

Gross Profit

During the year under review, the Group's gross profit decreased to approximately RMB88.3 million, representing a decrease of approximately 19.9% as compared to approximately RMB110.2 million for 2014. The gross profit margin increased from approximately 37.4% for 2014 to 38.0% for 2015. Such increase was mainly attributable to the decrease of cost of sales and the change in the business model of the traditional trade channel as mentioned above.

Selling and Distribution Costs

Selling and distribution costs decreased to approximately RMB89.6 million for 2015, representing a decrease of approximately 38.0% as compared to that for 2014. Such decrease was mainly due to the effective cost controls leading to the decrease in depreciation, advertising fee and the saving achieved in promotion fee and salary through optimising the resources of promotion staff. As a percentage of revenue, our selling and distribution costs decreased from approximately 49.1% in 2014 to 38.6% in 2015.

Administrative Expenses

Administrative expenses for 2015 amounted to approximately RMB52.8 million, representing an increase of approximately 39.7% as compared to approximately RMB37.8 million in 2014. Such increase was mainly due to the increase in legal and professional fees and redundancy payments, which was partially offset by the decrease in non-capitalisable research and development expenditures. As a percentage of revenue, our administration costs were approximately 22.8% and 12.8% in 2015 and 2014 respectively.

Impairment Loss

For the year ended 31 December 2015, impairment loss on property, plant and equipment amounted to approximately RMB54.4 million (2014: approximately RMB28.4 million) has been recognised under other expenses following a valuation of the property, plant and equipment in use in the continuing operations, by reference to their value in use.

毛利

於回顧年度內，本集團的毛利下降至約人民幣88.3百萬元，與二零一四年度約人民幣110.2百萬元相比下降了約19.9%。毛利率從二零一四年約37.4%上升至二零一五年的38.0%。毛利率上升的主要原因是上述提及傳統銷售渠道業務模式轉變和成本下降。

銷售及分銷開支

二零一五年度銷售及分銷開支減少至約人民幣89.6百萬元，較二零一四年度減少約38.0%。其下降的原因主要是成本控制帶來的折舊、廣告費的減少，以及通過優化促銷人力資源節省了促銷費用及工資。以佔收益的百分比計算，我們的銷售及分銷開支由二零一四年的約49.1%減少至二零一五年的38.6%。

行政費用

二零一五年度行政費用約為人民幣52.8百萬元，較二零一四年度同期的約人民幣37.8百萬元，上升約39.7%。有關上升的主要原因是法律專業費用及員工遣散費，但部份被研發費用減少所抵銷。以佔收益的百分比計算，我們二零一五年和二零一四年的行政費用分別約為22.8%和12.8%。

減值損失

截至二零一五年十二月三十一日止，物業、廠房及設備之減值損失約人民幣54.4百萬元（二零一四：約人民幣28.4百萬元）已被確認於其他費用內。該減值損失的主要原因是持續經營業務中的使用估值，物業、廠房及設備的資產減值損失。



Loss from Operations

The Group recorded reduced operating loss for the continuing operations of approximately RMB106.8 million for 2015, as compared to the operating loss of approximately RMB113.7 million for 2014. The decrease in operating loss for the continuing operations was mainly because of the various cost optimization measures persistently adopted by the Group resulting in a decrease in selling, distribution and administration costs of approximately RMB39.9 million for the year ended 31 December 2015, as compared to those of 2014. However, such decrease was partially offset by the impairment loss of assets of approximately RMB54.4 million (2014: approximately RMB28.4 million) for the above mentioned factor.

Finance Costs and Income

For the year ended 31 December 2015, finance income of the Group amounted to approximately RMB0.6 million as compared with the finance income of approximately RMB0.5 million for 2014.

For the year ended 31 December 2015, the Group's imputed interest on non-interest bearing loans from controlling shareholders amounted to approximately RMB3.8 million (2014: approximately RMB1.8 million).

Taxation

The Group did not have any income tax in 2014 and 2015.

Loss for the Year from Continuing Operations

As a result of the combined effect of the above mentioned factors, the Group recorded reduced loss of approximately RMB110.6 million for 2015, as compared to the loss of approximately RMB115.5 million for 2014.

Discontinued Operation

The Board discontinued the production and sales of its herbal tea products from 1 July 2013. During the year under review, no revenue was attributable to the Group's Herbal tea products and this business segment recorded an operating loss of approximately RMB3,000.

經營虧損

本集團二零一五年度錄得經營虧損收窄至約人民幣106.8百萬元，而二零一四年度錄得經營虧損約人民幣113.7百萬元。其改善的主要原因是本集團持續推行的成本優化措施有助於銷售、分銷和管理成本，比二零一四年同期節省約人民幣39.9百萬元。然而，基於上述原因約人民幣54.4百萬元(二零一四年：約人民幣28.4百萬元)抵銷了部分經營虧損的減少。

財務收入及融資成本

截至二零一五年十二月三十一日止全年，本集團財務收入約人民幣0.6百萬元，而二零一四年約人民幣0.5百萬元。

截至二零一五年十二月三十一日止全年，本集團就控股股東免息貸款而估算的利息約人民幣3.8百萬元(二零一四：約人民幣1.8百萬元)。

稅項

本集團在二零一四年及二零一五年沒有所得稅支出。

持續經營業務虧損

綜合以上列報的因素，二零一五年度本集團錄得持續經營業務虧損約人民幣110.6百萬元，而二零一四年同期錄得經營虧損約人民幣115.5百萬元。

已終止經營業務

董事會於二零一三年七月一日起停止涼茶產品的生產和銷售。於回顧年度，本集團涼茶產品並無營業收入，並且此業務分部錄得經營虧損約人民幣3,000元。

Loss for the Year Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded an improved attributable loss of approximately RMB110.6 million for 2015, as compared with the attributable loss of approximately RMB116.5 million for 2014.

Event after the Reporting Period

On 7 March 2016, the controlling shareholders of the Company have agreed to extend the repayment date of the shareholders' loan with the total amount of HK\$16.5 million and USD6.7 million (equivalent to approximately RMB54.9 million) to 31 December 2017. The Shareholders' loan is unsecured, interest-free and can be repayable earlier than the repayment date as determined by the Group.

On 17 March 2016, an additional amount of HK\$35.0 million (equivalent to approximately RMB29.3 million) was advanced to the Group by the controlling shareholders of the Company. The loan is unsecured, interest-free and repayable by 31 December 2017 or earlier as determined by the Group.

Outlook

China's the economic growth target of 2015 to around 7.0 percent and it registered an actual growth of 6.9 percent as China continued to transform from an investment-driven economic structure to the one mainly based on domestic consumption. This is the slowest expansion in a quarter of a century. It is widely expected that the top leadership will place priority on stable growth with the emphasis on supply-side reform, aiming at trimming overcapacity and lifting tax burdens on companies. As indicated in its 13th Five-Year Plan, China expects an average annual growth rate of at least 6.5% from 2016 through 2020. Despite the persistent difficulties, some economists suggested that China is capable of maintaining medium to high growth, as the long-term economic fundamentals remain unchanged and there is ample room for the government to maneuver, and that the fluctuations in the market have not greatly affected the average Chinese households in their domestic spending. The Directors believe that China will strive to achieve its economic growth target of 6.5 percent this year. To cope with the pressure arising from the transition of China's economy, the Group will adopt a prudent

本公司擁有人應佔年內虧損

因上述因素的綜合影響，本集團二零一五年度錄得有改善的應佔虧損約人民幣110.6百萬元，而二零一四年度錄得應佔虧損約人民幣116.5百萬元。

呈報期後事項

於二零一六年三月七日，本公司控股股東同意延長總金額為港幣16.5百萬元及美金6.7百萬元(等值約人民幣54.9百萬元)的股東貸款的還款日期至二零一七年十二月三十一日。此借款為無抵押、免息及可由本集團決定在還款日期較早的時間償還。

於二零一六年三月十七日，本公司控股股東提供總金額為港幣35.0百萬元(等值人民幣29.3百萬元)的資金給本集團。此借款為無抵押、免息及由本集團決定於二零一七年十二月三十一日或之前償還。

展望

中國的二零一五年的經濟增長目標是7%左右，而其實際增長率為6.9%，因為經濟結構繼續由投資驅動型轉變為以國內消費為主的消費型。這是本世紀以來增長速度最為緩慢的一年。人們普遍預期最高領導層將更加重視供給側改革穩定增長，旨在化解過剩產能和減輕企業稅收負擔。在第十三個五年計劃中，預計二零一六年至二零二零年中國經濟的年平均增長率不低於6.5%。儘管面臨持續的困難，但長期經濟發展的基礎保持不變，政府有足夠的回旋空間，而且市場的波動並沒有大幅度地影響中國家庭的平均消費水平，因此一些經濟學家認為中國有能力維持經濟中速至高速的增長。董事們相信，中國今年將努力實現6.5%的經濟增長目標。本集團將採取謹慎和保守的業務發展

Management Discussion and Analysis 管理層討論及分析



and conservative approach in its business development and recovery model.

From the beginning of 2016, China adopted a two-child policy which allows every couple to have two children. The Directors believe that this policy will have a positive effect on the economy and serves as a direct stimulus effect on the maternal and child products. To capture this opportunity, the Group may roll out personal and skin care products specifically for mother and child segment in 2016.

With the appointment of the new chief executive officer, the main operational theme for Group in 2016 is, “To gather the strength for innovation (凝力量、創新章)”.

For the two shampoo and hair care products, namely, Bawang and Royal Wind, the Group will enhance the quality of products as always. To strengthen the brand image, the Group will roll out new design and display for shops to increase the same-store sales growth. To increase the sales, the Group will develop new distributors and reactivate the dormant distribution channels.

For Bawang branded product series, the Group intends to develop high-end herbal essence hair care bundle products to satisfy the needs of the affluent consumer segment. To explore the market segment for young consumers, the Group would roll out advertising and publicity campaigns with the theme, “New Idea: To prevent hair-fall whilst you are young (防脫髮、年輕新主張)”. Additionally, the Group will enlarge its online sales platform by cooperating new e-commerce companies so as to increase the revenue stream from this channel.

For Royal Wind branded product series, the Group will continue to enhance the brand recognition and image through dedicated advertising channels and publicity campaigns to fit in the trendy lifestyle of the young consumers. The Group will roll out high-end anti-dandruff hair care products. The Group will also launch high-end fragrance shower gels.

For Herborn branded products, the Group will roll out a high-end Empress Herbal Skincare Series and several other herbal skincare series. Internet and interactive social media will be used for the marketing and promotion campaigns. Apart from the conventional cosmetic specialty shops and counters, the Group will cooperate with several popular online sales platforms to increase the sales revenue.

和復興模式來應對由中國經濟轉型帶來在過渡期的壓力。

自二零一六年一月一日起，全面放開二胎政策正式實施。董事們認為這項二胎政策將直接刺激母嬰產品市場，對經濟和服務產生積極的影響。為了抓住這個機遇，本集團可能在二零一六年推出適合孕婦和兒童的個人護理產品。

隨著新的首席執行官的任命，本集團二零一六年主要的經營主題是「凝力量、創新章」。

對於霸王和追風這兩個洗髮護髮產品，本集團將繼續提升產品品質。強化品牌形象，本集團計劃推出新的設計和門店陳列以增加同店銷售增長。為了增加銷售額，本集團將發展新的經銷商和激活休眠的分銷商渠道。

對於霸王品牌產品系列，本集團擬發展高端草本精華護髮組合產品，以滿足高收入消費的細分市場需求。為了拓展年輕的消費者細分市場，本集團將開展以「防脫髮、年輕新主張」為主題的廣告和宣傳活動。此外，本集團將通過與新的電子商務公司合作擴大網絡銷售平台，以增加該渠道的收入來源。

對於追風品牌產品系列，為了迎合年輕消費者的生活方式，本集團將繼續通過廣告渠道和公開宣傳活動提升品牌知名度和形象。本集團將推出高端去屑護髮產品。本集團也將推出高端香氛沐浴露。

對於本草堂品牌產品，本集團將推出高端中藥護膚系列貴妃系列和其他基礎草本護膚系列。互聯網和互動社交媒體將被用於品牌市場營銷和推廣活動。除了常規的化妝品專賣店和專櫃，本集團將與某些知名線上銷售平台合作增加銷售收入。

Management Discussion and Analysis

管理層討論及分析

For Litao branded products, the Group will roll out a product series of Chinese herbal based laundry detergent and softener to the low-tier cities and townships in China. At the same time, the Group will also roll out refreshing and healthy shower gels in family packaging.

For production management, as a measure to enhance the quality of products, performance pledges have been signed between the Group and the workshop supervisors whereby performance bonus will be awarded to those staff members who have achieved the target. To create a sense of belonging for the frontline workers and to recognize their organizational loyalty, the Group has implemented an annual long service award presentation to honor those workers who reach the specific milestone of services for the Group. To look after the welfare and well-being of the frontline workers, the Group would enhance the living conditions of the dormitory by establishing recreational activities and educate the frontline workers on the awareness of occupational health and safety.

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

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

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

對於麗濤品牌，本集團將推出一系列中草藥洗衣液和柔順劑，以中國地線城市和鄉鎮為目標市場。與此同時，本集團還將推出家庭裝的清新健康的沐浴露。

對於生產管理方面，為了提高產品品質，本集團與車間主管簽訂服務承諾書，如果員工達成目標將給予績效獎金。為了建立一線工人的意識培養其組織忠誠度，本集團實行年度長期服務獎金獎勵那些為本集團服務達到一定年限的工人。為提高一線工人的福利待遇，本集團將提升他們的職業健康及安全意識，改善宿舍娛樂設施和舉辦社交活動。

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

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

展望未來，在不穩定的內部和外部經營環境中，維持和發展我們業務之戰略方向集中在兩方面。就短期而言，本集團擬繼續在國內外組建就家庭及個人護理行業建立豐富經驗的管理團隊、恢復銷售增長勢頭和盈利能力，以及提升投資者對本集團的信心。就長期而言，本集團將繼續鞏固發展模式及定位，以增加市場佔有率及迎戰國內外競爭對手；保持家庭及個人護理產品品牌及產品多樣化的均衡策略及成為全球中草藥家庭及個人護理產品領軍企業。



Liquidity, Financial Resources and Capital Structure

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

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並維持良好穩定的財務狀況。流動資金和財務資源概要列載如下：

		31 December 2015 於二零一五年 十二月三十一日 RMB in million 人民幣百萬元	31 December 2014 於二零一四年 十二月三十一日 RMB in million 人民幣百萬元
Cash and cash equivalent	現金及現金等價物	9.6	16.9
Total loans	貸款總額	54.9	44.1
Total assets	總資產	291.0	383.1
The gearing ratio ¹	資產負債率 ¹	18.9%	11.5%

Note:

1. Calculate as total loans divided by total assets

備註：

1. 資產負債率按貸款總額除以資產總額計算

Material Acquisition and Disposal

The Group did not engage in any material acquisitions or disposal of any of its subsidiaries or associate during the year under review.

重大收購及出售

於回顧年度，本集團並無重大收購或出售其附屬及聯營公司的活動。

Exposure to Fluctuations in Exchange Rates and Related Hedge

The operations of the Group are mainly carried out in China, with most transactions settled in Renminbi. The reporting currency of the Group is Renminbi. During the year under review, the Group had exported its goods to Hong Kong and certain overseas countries. The transactions were settled in either Hong Kong Dollars or United States Dollars. The Group's cash and bank deposits are mostly denominated in Renminbi. The Company will pay dividends in Hong Kong Dollars if dividends are declared. In addition, the Group paid certain advertising fees in United States Dollars or Hong Kong Dollars. The Directors are of the view that the Group conducts its business transactions principally in Renminbi and thus the exchange risk at the Group's operational level is not significant. As at 31 December 2015, the Group had not issued any material financial instruments or entered into any material contracts for foreign currency hedging purposes. However, the Directors will continue to monitor the foreign exchange exposure and are prepared to take prudent measures such as hedging when required.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2015.

Capital Commitment

As at 31 December 2015, the capital commitment by internal funding of the Group for acquisition of property, plant and equipment amounted to approximately RMB7.6 million.

Pledge of Assets

As at 31 December 2015, the Group had no pledge of assets.

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。於回顧年度，本集團出口產品銷往香港以及其他海外地區，交易以港幣或美元結算。本集團大部份現金及銀行存款均以人民幣計值。倘若本公司宣派股息時，利息亦將以港幣派付。此外，本集團以美元或港幣支付若干廣告費。董事認為本集團從事的業務主要是以人民幣結算的，因此外匯風險對本集團的日常經營影響並不重大。於二零一五年十二月三十一日，本集團並沒有發行任何重大金融工具或訂立任何重大合約作外匯對沖用途。然而，董事將繼續監察外匯風險，並準備在需要時採取審慎的措施，例如對沖。

或然負債

於二零一五年十二月三十一日，本集團並無重大或然負債。

資本承擔

於二零一五年十二月三十一日，就購買物業、廠房及設備以本集團內部資金作出之資本承擔總額為約人民幣7.6百萬元。

資產抵押

於二零一五年十二月三十一日，本集團並無資產抵押。



Purchase, Sale or Redemption of the Company's Listed Securities

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

Human Resources

To provide incentive to the employees of the Group, the Group is committed to staff training and development under any economic circumstances. The Group maintains a good relationship with its employees. The Group will continue to invest in our human capital so as to retain a quality workforce to achieve our organisational goal.

In 2015, the Group organised various in-house training classes to strengthen the soft skills of our staff members such as time management, stress management, and leadership development. Apart from these in-house courses, the Group also required our department managers to attend external courses on reward and compensation, and motivation, we required our senior sales and marketing staff to attend brand positioning strategy course, and we required our finance and accounting staff members to attend seminars about the latest accounting standards, taxation practices and budgetary control.

As at 31 December 2015, the Group employed approximately 1,574 employees (31 December 2014: 2,073), consisting of full-time employees and contract personnel in the PRC and Hong Kong. The total personnel expenses of the continuing operations, comprising wages, salaries and benefits, and equity-settled share-based payments, amounted to RMB69.7 million for 2015 (31 December 2014: RMB74.8 million).

購入、出售或贖回本公司之上市證券

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

人力資源

為了激勵本集團的員工，本集團承諾在任何經濟環境下都為員工提供培訓和發展。本集團與員工關係一向良好。我們將繼續投資人力資本，以保持一個高素質的員工團隊，協助我們實現組織目標。

在二零一五年，本集團舉辦了多項內部培訓課程，以增強我們工作人員的軟技能，例如：時間管理、壓力管理和領導能力發展等。除此之外，本集團還要求部門經理參加有關獎勵和激勵的外部培訓課程。我們要求市場策劃人員參加品牌定位策略培訓課程，也要求財務人員參加有關最新會計準則、稅務實踐以及預算編製方面的研討會。

於二零一五年十二月三十一日，本集團僱用大約1,574名員工（二零一四年十二月三十一日：2,073），其中包括在中國和香港的全職員工以及合約僱員。總持續經營業務人事開支包括工資、薪金和福利以及以權益結算之股份支付款項，於二零一五年為人民幣69.7百萬元（二零一四年度：人民幣74.8百萬元）。

Management Discussion and Analysis

管理層討論及分析

The following table sets forth a breakdown of the total headcount of our employees and outsourcing personnel of the continuing operations as at 31 December 2015 and 2014:

下表載列於二零一五年十二月三十一日及二零一四年十二月三十一日我們持續經營業務的總僱員及外包人員的明細：

		31 December 2015	31 December 2014
		於二零一五年 十二月三十一日	於二零一四年 十二月三十一日
Full-time employees	全職僱員	216	327
Contract personnel	合約僱員		
– Sales persons	– 促銷員	930	1,206
– Others	– 其他	428	540
Total employees	總僱員人數	1,574	2,073

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

本集團的員工薪酬、晉升及工資是按照各人的工作責任、工作表現、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 scheme respectively. Other benefits include performance-based incentive bonus scheme and share options granted or to be granted under the share option schemes.

本集團於中國及香港的員工分別參加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花紅計劃和購股權計劃下已授出或將會授出的購股權。

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

董事們深信本集團之人力資源政策對集團未來發展擔當着重要角色。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支穩定的工作團隊。

Corporate Governance Report

企業管治報告



Corporate Governance Code

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

The Board is of the view that the Company has complied with the principles and applicable code provisions set out in the Corporate Governance Code (the “**Corporate Governance Code**”) as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) during the year ended 31 December 2015.

Directors’ Securities Transactions

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

Board of Directors

The Board comprises six members, including Chairman, Chief Executive Officer (“**CEO**”), Chief Financial Officer and three independent non-executive Directors. Biographical details of the Directors are set out in the section headed Directors and Senior Management on pages 52 to 56 of this annual report.

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

The Board has delegated a schedule of responsibilities to the executive Directors and senior management of the Company. These responsibilities include implementing decisions of the Board and directing and co-ordinating day-to-day operation and management of the Company.

企業管治守則

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

董事會認為本公司截至二零一五年十二月三十一日止年度內遵守《香港聯合交易所有限公司證券上市規則》(「**上市規則**」)證券上市附錄十四所載之《企業管治守則》(「**企業管治守則**」)所載之原則。

董事進行證券交易

本公司已經採用上市規則附錄十所載上市公司董事進行證券交易的標準守則(「**標準守則**」)作為各董事買賣本公司證券的交易標準。本公司在向各董事作出特定查詢後確認，於回顧年度內，各董事均遵從標準守則訂明的標準。

董事會

董事會由六位成員組成，其中包括主席、首席執行官(「**首席執行官**」)、首席財務官及三位獨立非執行董事。各董事之履歷載於本年度報告第52頁至第56頁董事及高級管理層簡介。

董事會負責批准及監察本集團的整體策略及政策，批准年度預算及業務計劃，評估本集團表現，以及監督管理層的工作。管理層在行政總裁的領導下，負責集團日常業務。

董事會已將一部分責任轉授予本公司執行董事及高級管理層。該等責任包括：執行董事會的決定，指示及協調本公司的日常運作及管理。

The Company has complied with Rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive directors. Of which, one independent non-executive director has the appropriate professional qualifications or accounting or related finance management expertise and the independent non-executive directors represent at least one-third of the Board. To satisfy the independence requirement of the independent non-executive Directors, the Board must determine that the independent non-executive Director does not have any direct or indirect material relationship with the Group. The Board follows the requirements set out in the Listing Rules to determine the independence of Directors.

The roles of the Chairman and the CEO are separated in order to reinforce their independence and accountability. Except that the CEO, Mr. CHEN Zheng He, is the son of Mr. CHEN Qiyuan, the Directors are not otherwise related to each other.

The board held 21 meetings in 2015. Each of Mr. CHEN Qiyuan, Mr. CHEN Zheng He, Mr. WONG Sin Yung, Dr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEUNG Kin Wing has attended all 21 meetings. Ms. WAN Yuhua attended all 18 meetings which had been held before her resignation on 9 December 2015.

The Company has adopted the board diversity policy (the “**Diversity Policy**”) as required by the Corporate Governance Code and has taken into account the diversity of the Board when selecting the candidates from a number of perspectives as stated in the Diversity Policy. The Nomination Committee will monitor the implementation of the Diversity Policy and review the same as appropriate.

Remuneration of Directors and Senior Management

Details of the remuneration of each Director and senior management for the year ended 31 December 2015 are set out in note 16 to the consolidated financial statements.

本公司遵守上市規則第3.10及3.10A條規定委任至少三名獨立非執行董事。其中一名獨立非執行董事具備適當的專業資格或會計或相關財務管理專業知識，並且獨立非執行董事至少佔董事會的三分之一。為了滿足獨立非執行董事的獨立性要求，獨立非執行董事須經董事會確定與本集團並無任何直接或間接的重大關係。董事會按照上市規則的規定，確定董事的獨立性。

主席及首席執行官職責分開，以加強他們的獨立性和問責性。除首席執行官陳正鶴先生是主席陳啟源先生的兒子外，董事之間概無其他關係。

二零一五年期間，董事會召開二十一次會議。陳啟源先生、陳正鶴先生、黃善榕先生、魏偉峰博士、李必達先生和張建榮先生均有出席上述二十一次會議。萬玉華女士出席二零一五年十二月九日其辭任前所召開的十八次會議。

根據《企業管治守則》要求，本公司已採納董事會多樣性原則（「**多樣性政策**」），以及在遴選董事候選人時從多個方面考慮多樣性政策中所述的董事會成員多元化。提名委員會將監察多樣性政策的實施並檢查是否適用。

董事及高級管理層成員薪酬

截至二零一五年十二月三十一日止年度有關各董事及高級管理層成員薪酬的詳情載於綜合財務報表附註16。



Directors' Training

Under Code Provision A.6.5 of the Corporate Governance Code, directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally facilitated briefings for directors are arranged and reading materials on relevant topics are issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2015, all current Directors (being Mr. CHEN Qiyuan, Mr. CHEN Zheng He, Mr. WONG Sin Yung, Dr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEUNG Kin Wing) received regular updates on the Group's business, operations, risk management and corporate governance matters, and participated in the directors' training offered by professional body or arranged by the Company. Materials on new or changes to salient laws and regulations applicable to the Group were provided to the Directors. Directors are requested to provide their records of training they received to the Company Secretary for record.

Remuneration Committee

The Remuneration Committee comprises our executive Director, Mr. CHEN Zheng He, and our two independent non-executive Directors, Mr. LI Bida and Dr. NGAI Wai Fung. Mr. LI Bida is the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee are to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of our Group, review performance based remuneration and ensures none of our Directors determine their own remuneration.

The Remuneration Committee held three meetings in 2015. Each of Mr. LI Bida, Dr. NGAI Wai Fung has attended all three meetings. Ms. WAN Yuhua attended the only two meeting which had been held before her resignation on 9 December 2015.

董事培訓

根據《企業管治守則》守則條文第A.6.5條，董事須參與合適的持續職業發展，以提高及更新其知識及技能，以確保繼續在具備全面資訊及切合所需的情況下向董事會作出貢獻。本公司於適當時為董事安排內部用簡報，並就有關主題刊發閱讀材料。本公司鼓勵所有董事參加相關培訓課程，費用由本公司支付。

截至二零一五年十二月三十一日止年度，全體現任董事（即陳啟源先生、陳正鶴先生、黃善榕先生、魏偉峰博士、李必達先生及張建榮先生）均定期接收有關本集團業務、營運、風險管理及企業管治事宜的簡報及更新，以及參與由專業機構提供或本公司安排的培訓。董事獲提供適用於本集團的新訂重點法律及條例或重要法律及條例之變動。董事須向公司秘書提供彼等所接受培訓的記錄以作記錄。

薪酬委員會

薪酬委員會由我們的執行董事陳正鶴先生及兩名獨立非執行董事，即李必達先生及魏偉峰博士組成。李必達先生為薪酬委員會主席。薪酬委員會的主要職責乃就本集團全體董事及高級管理人員的整體薪酬政策及架構向董事會作出推薦建議；審閱通過表現而釐定的薪酬；以及確保我們的董事概無釐訂本身的薪酬。

二零一五年期間，薪酬委員會召開三次會議。李必達先生、魏偉峰博士均有出席上述三次會議。萬玉華女士出席二零一五年十二月九日其辭任前所召開的二次會議。

Nomination Committee

The Nomination Committee comprises our executive Director, Mr. CHEN Qiyuan, and our two independent non-executive Directors, Mr. LI Bida and Dr. NGAI Wai Fung. Mr. CHEN Qiyuan is the chairperson of the Nomination Committee. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board and to make recommendations to the Board regarding candidates to fill vacancies on the Board and the re-election of Directors.

The Nomination Committee held three meetings in 2015. During the meeting, the committee member review the senior management structure of the Group. All committee members attended these three meetings.

Audit and Risk Management Committee

On 1 January 2016, the Audit Committee has been renamed as the Audit and Risk Management Committee.

The Audit and Risk Management Committee comprises three Independent non-executive Directors and two of whom possesses the appropriate business and financial experience and skills to understand the accounts of the Group. The Audit and Risk Management Committee is chaired by Dr. NGAI Wai Fung and other members are Mr. LI Bida and Mr. CHEUNG Kin Wing. The Audit and Risk Management Committee was formed in compliance with Rule 3.21 of the Listing Rules and to review and supervise the financial reporting process and risk management and internal control systems of the Company.

The written terms of reference which describes the authority and duties of the Audit and Risk Management Committee were prepared and adopted in accordance with the Listing Rules. The Audit and Risk Management Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's interim and annual results, to review the scope, extent and effectiveness of risk management and internal control systems of the Group, to review accounting policies and practices adopted by the Group, to engage independent legal or other advisers as it determines necessary and to perform investigations.

提名委員會

提名委員會由我們的執行董事陳啟源先生及兩名獨立非執行董事，即李必達先生及魏偉峰博士組成。陳啟源先生為提名委員會主席。提名委員會的主要職責為檢討董事會架構、人數和組成及就填補董事會空缺及重選向董事會作出推薦建議。

二零一五年期間，提名委員會召開三次會議。會議期間，本委員會成員已審閱本集團高級管理層架構。所有委員都有出席上述三次會議。

審核及風險管理委員會

於二零一六年一月一日，審核委員會已更名為審核及風險管理委員會。

審核及風險管理委員會包括三位獨立非執行董事，他們其中二人具備了解財務報表所需的商業與財務技巧與經驗。委員會由魏偉峰博士擔任主席，其他成員為李必達先生與張建榮先生。審核及風險管理委員會根據上市規則第3.21條成立，負責審閱及監督本公司財務報告程序及風險管理及內部監控系統。

審核及風險管理委員會之書面職權範圍列明審核委員會之權力與職責，乃參照上市規則而編製和採納的。審核及風險管理委員會之職責，其中包括監察與外聘核數師的關係、審閱集團的中期業績與年度業績、檢討集團風險管理及內部控制系統的範疇、規限與有效性，審閱集團所採用的會計政策及慣例，在認為有需要時委聘獨立的法律或其他顧問，以及進行調查。



During the year, the Audit and Risk Management Committee has performed the following:

- met with the external auditor to discuss the general scope and findings of their annual audit and interim review work;
- reviewed and recommended to the Board for approval of the external auditor's remuneration;
- made recommendations to the Board on the reappointment of the external auditor;
- reviewed the external auditor's independence, objectivity and the effectiveness of the auditing process;
- reviewed the annual and interim reports and annual and interim results announcements of the Company;
- discussed auditing, internal control, risk management and financial reporting matters of the Company before recommending them to the Board for approval; and
- reviewed the connected transactions entered into by the Group

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

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

The Audit and Risk Management Committee held two meetings in 2015. Each of Dr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEUNG Kin Wing has attended all two meetings.

在本年度內，審核及風險管理委員會進行了下列各項：

- 與外聘核數師討論其年度核數和中期審閱工作的一般範疇和結果；
- 檢討外聘核數師酬金並建議董事會予以批准；
- 就重新委任外聘核數師事宜，向董事會提出建議；
- 檢討外聘核數師的獨立性、客觀性和核數程序的有效性；
- 審閱本公司年度報告和中期報告以及年度和中期業績公告；
- 就本公司審核、內部監控、風險管理制度和財務報告事項，於建議董事會予以批准前進行討論；及
- 審閱本集團訂立的關連交易。

審核及風險管理委員會已與管理層和外部核數師審閱年度報告，並建議董事會採納。

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

二零一五年期間，審核及風險管理委員會召開兩次會議。魏偉峰博士、李必達先生和張建榮先生均有出席上述兩次會議。

Corporate Governance Functions

The Audit and Risk Management Committee is responsible for performing the functions set out in the Code Provision D.3.1 of the Corporate Governance Code.

As at the date of this annual report, the Audit and Risk Management Committee met once to review the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements and the compliance of the Company with the Corporate Governance Code and disclosure in this Corporate Governance Report.

Directors' responsibilities for financial statements

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

A statement from the auditor of the Company about their reporting responsibilities on the financial statements of the Group for the year ended 31 December 2015, is set out on pages 57 to 58 of the annual report.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Internal control and risk management

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

The Board is also responsible for making appropriate assertions on the adequacy and the effectiveness of the risk management and internal control systems and procedures. Through the Audit and Risk Management Committee of the Group, the Board review the effectiveness of these systems on a regular basis.

企業管治職能

審核及風險管理委員會負責履行《企業管治守則》守則條文第D.3.1條所載的職能。

截至本年度報告日期，審核及風險管理委員會曾舉行一次會議，審閱本公司的企業管治政策及常規、董事及高級管理層的培訓及持續職業發展、本公司在遵守法律及監管規定方面的政策及常規及遵守《企業管治守則》的情況以及於本企業管治報告內的披露。

董事對財務報表的責任

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

本公司核數師就其對本集團截至二零一五年十二月三十一日止年度綜合財務報表的申報責任所做的聲明載於本年度報告第57至58頁。

並無若干事項或情況之重大不明朗因素可能對本公司持續經營的能力產生重大疑問。

內部監控及風險管理

本集團董事會與管理層負責維持本集團的內部監控制度穩健妥善而且有效，以確保本集團有效地以高效率營運，藉以達成企業目標、保障本集團資產、提供可靠的財務申報以及遵守適用的法律及規例。於回顧年度內，董事會已審閱本公司風險管理及內部監控系統的有效性。

董事會亦負責對風險管理及內部監控系統及程序是否充分及有效，作出適當的聲明，並透過轄下的審核及風險管理委員會定期檢討該等制度是否有效。



Investor Relations and Communication with Shareholders

The Company establishes different communication channels with Shareholders and investors: (i) dispatching printed copies of corporate communication documents to Shareholders; (ii) the annual general meeting provides a forum for Shareholders to raise comments and exchange views with the Board; (iii) latest and key information of the Group are available on the website of the Company; (iv) regular press conferences and briefing meetings with investors, Shareholders and analysts are set up from time to time on updated information of the Group, and; (v) the Company's registrars serve the Shareholders respecting all share registration matters. The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. The Chairman of the Board as well as the Chairmen and/or other members of the Audit and Risk Management Committee and Remuneration Committee will normally attend the annual general meetings and other shareholders' meetings of the Company to answer questions raised.

The Company convened one shareholders' general meeting in 2015, the Annual General Meeting (the "AGM") for the year 2014. The AGM held on 29 May 2015 reviewed and approved numerous resolutions such as the financial statements for the year 2014, Report of Directors and appointment and remuneration of auditors of the Company. All the Directors, namely Mr. CHEN Qiyuan, Ms. WAN Yuhua (before her resignation), Mr. CHEN Zheng He, Mr. WONG Sin Yung, Dr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEUNG Kin Wing have attended the AGM of the Company.

Company Secretary

The company secretary is Mr. WONG Sin Yung, an associate member of Hong Kong Institute of Certified Public Accountants. Mr. WONG is also our executive Director and Chief Financial Officer. He assists the Board by ensuring good information flow within the Board and that the policy and procedures of the Board are followed.

In compliance with Rule 3.29 of the Listing Rules, Mr. WONG has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2015.

投資者關係及股東通訊

本公司與股東及投資者建立不同的通訊途徑：(i)送遞公司通訊文件之印刷本予股東；(ii)股東可於股東週年大會上發表建議及與董事交換意見；(iii)本公司網頁載有集團之最新及重要資訊；(iv)本公司不時召開新聞發佈會，及投資者、股東和分析員簡佈會以提供本集團最新資料，及(v)本公司之股份過戶處就股份登記事宜為股東提供服務。董事會歡迎股東提出意見，並鼓勵彼等出席股東大會以直接就其對董事會或管理層的任何存疑作出提問。董事會主席及審核及風險管理委員會及薪酬委員會主席及／或其他成員一般會出席本公司股東週年大會及其他股東大會，解答股東的提問。

本公司於二零一五年召開一次股東大會，為二零一四年度股東週年大會（「股東週年大會」）。於二零一五年五月二十九日召開的股東週年大會審議通過了二零一四年財務報告、董事報告書及核數師聘任及酬金等多項議案。所有董事，即陳啟源先生、萬玉華女士（於其辭任前）、陳正鶴先生、黃善榕先生、魏偉峰博士、李必達先生及張建榮先生均有出席公司的股東週年大會。

公司秘書

公司秘書黃善榕先生是香港註冊會計師公會之會員。黃先生亦為本公司之執行董事兼財務總監。他協助董事會以確保董事會內信息得以傳遞，以及董事會的政策及程序得到遵守。

為遵守上市規則第3.29條規定，黃先生於截至二零一五年十二月三十一日止年度內參加不少於15小時的相關專業培訓。

Shareholders' Rights

Pursuant to the articles of association of the Company (the “**Articles**”), shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings may request the Company to convene an extraordinary general meeting by sending a written requisition to the Board or the Company Secretary.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board.

Contact details are as follows:

Address: Suite B, 16/F Ritz Plaza,
122 Austin Road,
Tsimshatsui, Kowloon, Hong Kong
(For the attention of Mr. WONG Sin Yung,
Company Secretary)
Fax: +852 3114 8819
Email: IR@1338.hk

During the year under review, the Company has not made any changes to its Articles. An up-to-date Articles is available on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Shareholders may refer to the Articles for further details of their rights.

Auditors' Remuneration

The remuneration paid/payable to the Company's independent external auditor, SHINEWING (HK) CPA Limited, for the year ended 31 December 2015 in relation to audit services and non-audit services (including the review of the Company's interim results announcement and interim report for the announcement for the year 2015) are approximately RM847,000 and RMB166,000 respectively.

股東權利

根據本公司組織章程(「**組織章程**」)，持有不少於十分之一本公司附有股東大會投票權的繳足股本的股東可要求本公司召開股東特別大會，方法為向董事會或公司秘書發出書面要求。

股東可向本公司寄發書面查詢或建議以向董事會作出任何查詢。

聯絡詳情如下：

地址：香港九龍尖沙咀
柯士甸道122號
麗斯中心16樓B室
(收件人為公司秘書
黃善榕先生)
傳真：+852 3114 8819
電子郵件：IR@1338.hk

在回顧年度內，本公司並無對其組織章程作出任何變動。組織章程的最新版本可在本公司網站及香港聯合交易所有限公司(「**聯交所**」)網站查閱。股東亦可參考組織章程以取得有關其權利的詳情。

核數師薪酬

截至二零一五年十二月三十一日止年度，本公司已付／應付外聘獨立核數信永中和(香港)會計師事務所有限公司所有關核數服務及非核數服務(包括審閱本公司二零一五年度中期業績公告及中期報告)的薪酬分別約為人民幣847,000元和人民幣166,000元。

Report of the Directors

董事會報告



The Directors submit this Report of Directors together with the audited consolidated financial statements for the year ended 31 December 2015.

Principal Activities

The principal activities of the Group are the designing, manufacturing, trading and distribution of Chinese herbal products, including shampoo products, hair-care products, skin-care products, herbal tea products and household cleaning products. The principal activities and other particulars of the subsidiaries are set out on pages 170 to 171 of this annual report.

Dividends

Following a review of the operating results of the Group, the Board does not recommend the payment of any final dividends in respect of the year ended 31 December 2015.

Results and Appropriations

The results of the Group for the year ended 31 December 2015 are set out in the consolidated statement of profit or loss on page 59 of this annual report.

Reserves

Details of the movements in the reserves of the Group and the Company during the financial year 2015 are set out on pages 63 and 158 of this annual report respectively.

董事呈列董事會報告，連同截至二零一五年十二月三十一日止年度的經審核綜合財務報表。

主要業務

本集團之主要業務是設計、製造、銷售中草藥產品，包括洗髮產品、護髮產品、護膚產品、中草藥飲品以及家庭清潔產品。各附屬公司之主要業務及其他詳情載列於本年度報告第170至171頁。

派息

根據本集團經營業績的回顧，董事會不建議派發關於截至二零一五年十二月三十一日止年度的任何末期股息。

業績及分配

本年度截至二零一五年十二月三十一日止年度之集團業績載於本年度報告第59頁之綜合損益表內。

儲備

有關本集團及本公司於二零一五年財政年度的儲備變動，詳情分別載於本年度報告第63及158頁。

Major Customers and Suppliers

During the year ended 31 December 2015, sales made to the Group's five largest customers and the largest customer accounted for approximately 31.2% and 13.7%, respectively of the total sales of the Group. The Group purchased approximately 44.0% and 13.8%, respectively of its goods and services from its five largest suppliers and the largest supplier.

Save as Guangzhou Chenming Paper Products Company Limited ("**Chenming Paper**"), one of the Group's suppliers, which is wholly owned by Mr. CHEN Qiwen, the brother of Mr. CHEN Qiyuan, the controlling shareholder and Director of the Company, none of the Directors, their associates or any shareholder of the Company, which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital had any interest in the share capital of the Group's five largest customers and five largest suppliers. The total purchase amount from Chenming Paper by the Group accounted for approximately 6.4% of the total purchase of the Group for the year ended 31 December 2015.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 172 of this annual report.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 19 to the consolidated financial statements.

Share Capital And Share Options

Details of the movements in the share capital of and the share options granted by the Company are set forth in notes 27 to 28 to the consolidated financial statements.

主要客戶及供應商

截至二零一五年十二月三十一日止年度，本集團向五大客戶及最大客戶銷售所得的銷售額分別佔本集團總銷售額約31.2%及13.7%。本集團向五大供應商及最大供應商採購的貨物及服務分別佔其採購的44.0%和13.8%。

除本集團其中一名供應商，廣州晨明紙品有限公司(以下簡稱「**晨明紙品**」)(由本公司控股股東及董事陳啟源先生之胞弟陳啟文先生全資擁有)外，本公司之董事、彼等之聯繫人士或任何股東(據董事所知持有本公司發行股本5%以上者)概無於本年度任何時間擁有該等五大客戶或五大供應商之任何權益。本集團向晨明紙品的總採購金額約佔本集團截至二零一五年十二月三十一日止年度之總採購金額的6.4%。

財務概要

本集團於最近五個財政年度之業績及資產與負債概要載於本年度報告第172頁。

物業、廠房及設備

有關本集團物業、廠房及設備的變動，詳情載於綜合財務報表附註19。

股本及購股權

有關本公司股本及已授出購股權的變動，詳情載於綜合財務報表附註27至28。



Pre-emptive Rights

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

Purchase, Sale or Redemption of the Company's Listed Securities

During the year under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to issue of this annual report, the Company has maintained the prescribed public float with at least 25% of the Shares held by the public as required under the Listing Rules during the year ended 31 December 2015 and up to the date of this annual report.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Directors

The Directors during the year were:

Executive Directors

CHEN Qiyuan (*Chairman*)
WAN Yuhua
(*Resigned on 9 December 2015*)
CHEN Zheng He
WONG Sin Yung *CPA*

優先購買權

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

購入、出售或贖回本公司之上市證券

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

足夠公眾持股量

按本公司可公開獲得之資料及就董事所知，於本報告刊發前之最後可行日期，本公司於截至二零一五年十二月三十一日止年度內及截至本年度報告發佈之日一直維持上市規則指定數額之公眾持股量不低於25%。

管理合約

年內概無訂立或存在任何有關管理及經營本公司全部或任何重大部份業務的合約。

董事

於本年度內之董事如下：

執行董事

陳啟源 (*主席*)
萬玉華
(*於二零一五年十二月九日辭任*)
陳正鶴
黃善榕 *CPA*

Independent non-executive Directors

Dr. NGAI Wai Fung *PhD, CPA, FCCA, FCIS, FCS (P.E.)*
LI Bida
CHEUNG Kin Wing *FCA, CPA*

Details of the Directors' biographies have been set out on pages 52 to 56 of the annual report.

In accordance with article 84(1) of the Articles, Mr. CHEN Qiyuan and Dr. NGAI Wai Fung will retire and being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

Directors' Service Contracts

Each of our executive Directors (other than Mr. CHEN Zheng He) has entered into a director's service agreement with the Company for a term of three years from 4 July 2015. Mr. CHENG Zheng He has entered into a director's service agreement with the Company for a term of three years from 20 October 2014.

Each of our independent non-executive Directors (other than Mr. CHEUNG Kin Wing) has entered into a letter of appointment with the Company for a term of three years from 4 July 2015. Mr. CHEUNG Kin Wing has entered into a letter of appointment with the Company for term of three years from 13 November 2014.

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

Directors' Emoluments

The emoluments for the Directors are determined with reference to salaries paid by comparable companies, experience, responsibilities and performance of the Group. In addition to the fees, salaries, housing allowances, other allowances, benefits in kind or bonuses, the Company has conditionally adopted a share option scheme pursuant to which the participants, including the Directors, may be granted options to subscribe for the Shares.

獨立非執行董事

魏偉峰博士 *PhD, CPA, FCCA, FCIS, FCS (P.E.)*
李必達
張建榮 *FCA, CPA*

本公司董事之履歷詳情載於本年度報告第52至56頁。

根據本公司組織章程細則第84(1)條，陳啟源先生及魏偉峰博士於應屆股東大會上退任，彼等符合資格並願意應選連任。

董事服務合約

各執行董事(陳正鶴先生除外)已與本公司訂立董事服務協議，由二零一五年七月四日起，為期三年。陳正鶴先生已與本公司訂立董事服務協議，由二零一四年十月二十日起，為期三年。

各獨立非執行董事(張建榮先生除外)已與本公司簽訂委任函件，由二零一五年七月四日起，為期三年。張建榮先生已與本公司簽訂委任函件，由二零一四年十一月十三日起，為期三年。

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

董事酬金

董事酬金乃參考可比公司支付的薪金、其經驗、職責及其在本集團的表現而釐定。除袍金、薪金、住房津貼、其他津貼、實物利益或花紅外，本公司已有條件採納一項購股權計劃，據此參與者(包括董事)可獲授購股權以認購股份。



Confirmation of Independence

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

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any Associated Corporation

As at 31 December 2015, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register that was required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”):

獨立性之確認

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

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

於二零一五年十二月三十一日，董事及本公司行政人員於本公司及其相聯法團（按香港法例第571章證券及期貨條例（「證券及期貨條例」）條例第XV部的涵義的股份、相關股份或債券證中，擁有 (a) 根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉（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) 根據上市發行人之董事進行證券交易之標準守則（「標準守則」）規定須知會本公司及香港聯交所如下：

Long Positions in shares, underlying shares and debentures of the Company or any associated corporation

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	Long/Short position in Ordinary Shares 普通股中之好/淡倉	Nature of interest 權益性質	Number of shares/ underlying shares held 股份及相關股份數目	Approximate percentage of issued share capital 持股百分比
CHEN Qiyuan 陳啟源	Long 好倉	Interest in controlled corporation (Note 1) 所控制法團權益 (附註1)	1,900,840,000	65.28%
WAN Yuhua 萬玉華	Long 好倉	Interest in controlled corporation (Note 2) 所控制法團權益 (附註2)	1,900,840,000	65.28%
WONG Sin Yung 黃善榕	Long 好倉	Beneficial owner (Note 3) 實益擁有人 (附註3)	2,100,000	0.07%

Notes:

附註：

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

1. 憑藉 Fortune Station Limited (「**Fortune Station**」) 為陳啟源及萬玉華所控制，陳啟源被視為擁有 Fortune Station 所持有的股份的權益。
2. 憑藉 Fortune Station 為萬玉華及陳啟源所控制，萬玉華被視為擁有 Fortune Station 所持有的股份的權益。
3. 包括 630,000 股被配發及發行給黃善榕。根據本公司首次公開發售前購股權計劃，黃善榕行使購股權後，該等股份將被配發及發行給黃善榕。有關詳情，請參閱下文「購股權計劃及首次公開發售前購股權計劃」一節。



Long Position in Shares, Underlying Shares and Debentures of the Associated Corporations

於相關法團的股份和相關股份中之權益

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

Other than as disclosed above, as at 31 December 2015, so far as known to any Directors or chief executive of the Company, neither the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register that was required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上述披露的人員之外，於二零一五年十二月三十一日，目前所知本公司的任何董事及最高行政人員，無論是本公司董事或者是最高行政人員，都沒有擁有本公司及其相聯法團（按證券及期貨條例第 XV 部的涵義）的股份、相關股份或債券證中，(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（包括彼等更具上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），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，或 (c) 根據標準守則規定須知會本公司及香港聯交所。

Interests and Short Positions of Substantial Shareholders of the Company

As at 31 December 2015, so far as known to any Director or chief executive of the Company, shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register that was required to be kept pursuant to Section 336 of the SFO were as follows:

本公司主要股東的權益及淡倉

據本公司任何董事或最高行政人員所知，於二零一五年十二月三十一日，股東（除本公司董事或最高行政人員外）於股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉：

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 Fortune Station	Beneficial owner (Note 3) 實益擁有人(附註3)	1,900,840,000 (L)	65.28%
CHEN Qiyuan 陳啟源	Interest in controlled corporation (Note 1) 所控制法團權益(附註1)	1,900,840,000 (L)	65.28%
WAN Yuhua 萬玉華	Interest in controlled corporation (Note 2) 所控制法團權益(附註2)	1,900,840,000 (L)	65.28%
Claren Enterprises Limited ("Claren")	Security interest (Note 3) 保證權益(附註3)	1,900,840,000 (L)	65.28%
VMS Finance Group Limited ("VMS Finance")	Interest in controlled corporation (Note 4) 所控制法團權益(附註4)	1,900,840,000 (L)	65.28%
VMS Holdings Limited ("VMS Holdings")	Interest in controlled corporation (Note 4) 所控制法團權益(附註4)	1,900,840,000 (L)	65.28%
MAK Siu Hang Viola 麥少嫻	Interest in controlled corporation (Note 4) 所控制法團權益(附註4)	1,900,840,000 (L)	65.28%

(L) — Long Position

L — 好倉

Notes:

附註：

- CHEN Qiyuan is the beneficial owner of 51.0% of the issued share capital of Fortune Station and is deemed to be interested in the shares held by Fortune Station. CHEN Qiyuan, the spouse of WAN Yuhua, is deemed to be interested in WAN Yuhua's interests in Fortune Station.
- WAN Yuhua is the beneficial owner of 49.0% of the issued share capital of Fortune Station and is deemed to be interested in the shares held by Fortune Station. WAN Yuhua, the spouse of CHEN Qiyuan, is deemed to be interested in CHEN Qiyuan's interests in Fortune Station.
- On 29 September 2015, Fortune Station has pledged 1,900,840,000 Shares in favour of Claren as security for a loan facility provided by Claren.

- 陳啟源為 Fortune Station 已發行股本的 51.0% 實益擁有人，並被視為於 Fortune Station 持有的股份中擁有權益。萬玉華的配偶陳啟源被視為於萬玉華在 Fortune Station 的權益中擁有權益。
- 萬玉華為 Fortune Station 已發行股本的 49.0% 實益擁有人，並被視為於 Fortune Station 持有的股份中擁有權益。陳啟源的配偶萬玉華被視為於陳啟源在 Fortune Station 的權益中擁有權益。
- 於二零一五年九月二十九日，Fortune Station 將其持有的 1,900,840,000 股股份抵押予 Claren 作為 Claren 向其授出貸款融資的擔保。



4. Claren is wholly owned by VMS Finance, VMS Finance is wholly owned by VMS Holdings and VMS Holdings is wholly owned by MAK Siu Hang Viola. As such, VMS Finance, VMS Holdings and MAK Siu Hang Viola are deemed to be interested in Claren's interests in the Company, respectively.

Other than as disclosed above, as at 31 December 2015, the Company has not notified by any person (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

Share Option Scheme and Pre-IPO Share Option Scheme

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

Share Option Scheme

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

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

4. Claren由VMS Finance全資擁有，而VMS Finance由VMS Holdings全資擁有，且VMS Holdings由麥少嫻全資擁有。因此，VMS Finance, VMS Holdings和麥少嫻分別被視為在Claren擁有的本公司權益中擁有權益。

於二零一五年十二月三十一日，除上文所披露人士之外，本公司未接到通知有任何人士(除本公司董事或最高行政人員外)於股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉。

購股權計劃及首次公開發售前購股權計劃

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

購股權計劃

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

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

Share options granted to a connected person (or its associates) of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any share options granted to a substantial shareholder or an independent non-executive Director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance at a general meeting.

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

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

As of 31 December 2015, an aggregate of 2,880,000 shares options were granted to three employees by the Company under the Share Option Scheme, but all of them have been forfeited.

Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme became effective on 10 December 2008. As of 31 December 2015, options to subscribe for an aggregate of 14,532,000 Shares were granted, representing approximately 0.5% of the issued share capital of the Company as at the latest practicable date. No further options will be granted under the Pre-IPO Share Option Scheme.

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

授予本公司之關連人士(或其聯營公司)或彼等之任何聯繫人之購股權,須事先獲得獨立非執行董事批准。此外,在任何十二個月期間,任何授予本公司主要股東或獨立非執行董事,或彼等之任何聯繫人之購股權超過本公司已發行股份之0.1%的,以及其總價值(以本公司授出之日之股票價格為基礎計算)超過港元5百萬的,須經股東在股東大會上事先批准。

經董事會釐定不時支付之購股權價格後,授出購股權之要約方可被接受。授出購股權的行使期由董事會釐定,並經過一定的行權等待期間開始,但結束日期不能超過授出購股權之日起10年。

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

於二零一五年十二月三十一日,本公司已根據購股權計劃授予三名僱員總共2,880,000股股份的購股權,但已經全部失效。

首次公開發售前購股權計劃

首次公開發售前購股權計劃於二零零八年十二月十日起生效。於二零一五年十二月三十一日,已授予總共14,532,000股的購股權,大約佔本公司截至最後實際可行日期已發行股份之0.5%。沒有根據首次公開發售前購股權計劃授出的其他購股權。

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



A total of 4,200,000 pre-IPO share options were granted to two executive Directors on 8 June 2009. Of which, options to subscribe for a total of 840,000 shares held by a director resigned on 28 May 2013 were forfeited on the same date, which was partially exercised up to 31 December 2015. Movement of these share options during the year ended 31 December 2015 are as follows:

於二零零九年六月八日，公司授予兩名執行董事合共4,200,000股的首次公開發售前購股權。其中，一名董事於二零一三年五月二十八日辭任而其持有合共840,000股份購股權已於同日失效，截至二零一五年十二月三十一日，該購股權已部分被行使。這些首次公開發售前購股權截至二零一五年十二月三十一日止年度明細如下：

Name of director 董事名稱	Date of grant 授權日	Exercise price (HKD) 行權價(港元)	Number of share options 股份期權數目				Outstanding as at 31 December 2015 截至 二零一五年 十二月三十一日 尚未行使	Approximate percentage of issued share capital of the Company (%) 已發行股本的概 約百分比(%)	Exercised Period 行權期間
			Outstanding as at 1 January			Forfeited during the year 於年內 失效			
			2015 截至 二零一五年 一月一日 尚未行使	Granted during the year 於年內 授予數目	Exercise during the year 於年內 行權數目				
WONG Sin Yung 黃善榕	8 June 2009 二零零九年六月八日	Par Value 面值	630,000	—	—	—	630,000	0.01	4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一五年六月八日
Total 合計			630,000	—	—	—	630,000	0.01	

Apart from the above, options to subscribe for a total of 10,332,000 Shares under the Pre-IPO Share Option Scheme were granted to 40 employees of the Group on 8 June 2009. Of which, options to subscribe for totalling 5,227,320 Shares granted to 28 employees had been forfeited.

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28名僱員總共5,227,320股股份的購股權已被取消。

As at 31 December 2015, there was a balance of unexpired and unexercised options to subscribe for 1,653,960 Shares. Except for the options which had been granted as disclosed above, no further options were granted as at 31 December 2015. Details of Pre-IPO Share Option Scheme are set out in Note 28 under the section headed “Notes to the Consolidated Financial Statements” in this annual report.

於二零一五年十二月三十一日，尚未到期並未被行使的購股權餘額是1,653,960股。除了上述已經披露授出的購股權，於二零一五年十二月三十一日，再無任何購股權授出。首次公開發售前購股權計劃詳見本年度報告「綜合財務報告」附註28。

Continuing connected transactions

For the year ended 31 December 2015, the Group had the following continuing connected transactions in accordance with Chapter 14A of the Listing Rules:

1. Production and Office Premises Lease Agreement

Bawang (Guangzhou) Co., Ltd (“**Bawang Guangzhou**”) and Guangzhou Bawang Cosmetics Co., Ltd (“**Guangzhou Bawang**”) entered into a lease agreement (the “**Production Plant Lease Agreement**”) on 9 August 2013 for the lease of production plant at Bawang Industrial Complex which is located in Baiyun District, Guangzhou, the PRC. The term of the Production Plant Lease Agreement is three years commenced from 9 August 2013, renewable at the option of Bawang Guangzhou by giving one month’s notice prior to the expiry of the lease. The monthly rent and property management fee in aggregate is RMB1,120,000 and is fixed throughout the term of the lease. Bawang Guangzhou has been granted a right of first refusal to purchase the production premises under the Production Plant Lease Agreement.

For the year ended 31 December 2015, pursuant to the Production Plant Lease Agreement, the rent paid by Bawang Guangzhou to Guangzhou Bawang was approximately RMB13.44 million.

Mr. CHEN Qiyuan is the Director. Guangzhou Bawang is company beneficially owned by Mr. CHEN Qiyuan and Ms. WAN Yuhua (Mr. CHEN Qiyuan’s wife). The transactions contemplated under the Production Plant Lease Agreement therefore constitute continuing connected transactions for the Company.

持續關連交易

根據上市規則第十四A章，截至二零一五年十二月三十一日止年度，本集團有下列關連交易。

1. 生產廠房及辦公樓租賃協議

霸王(廣州)有限公司(以下簡稱「霸王廣州」)與廣州霸王化妝品有限公司(以下簡稱「廣州霸王」)於二零一三年八月九日簽訂一份生產廠房租賃協議(「生產廠房租賃協議」)，自二零一三年八月九日起租用位於中國廣州市白雲區的霸王工業園。根據生產廠房租賃協議，其租期為三年，可由霸王廣州於租賃屆滿前發出一個月通知予以續約。租金和物業管理費每月共人民幣1,120,000元。於租期內，月租固定不變。根據生產廠房租賃協議，霸王廣州亦獲授購買生產廠房的優先權。

截至二零一五年十二月三十一日止年度，根據生產廠房租賃協議，霸王廣州支付廣州霸王的租金約人民幣13.44百萬元。

陳啟源先生為董事，而廣州霸王實質上由陳啟源先生和萬玉華女士(陳啟源先生之配偶)共同擁有。生產廠房租賃協議項下進行的交易構成本公司的持續關連交易。



2. Office Premises Lease Agreement

Bawang Guangzhou and Guangzhou Bawang entered into a lease agreement (the “**Office Premises Lease Agreement**”) on 9 August 2013 for the lease of office, which is located in Baiyun District, Guangzhou, the PRC. The term of the Office Premises Lease Agreement is three years commenced from 9 August 2013, renewable at the option of Bawang Guangzhou by giving one month’s notice prior to the expiry of the lease. The monthly rent and property management fee in aggregate is RMB92,800 and is fixed throughout the term of the lease. Bawang Guangzhou has been granted a first right of refusal to purchase the office premises under the Office Premises Lease Agreement. Bawang Guangzhou has a right to terminate the Office Premises Lease Agreement by giving three months’ prior notice to Guangzhou Bawang.

For the year end 31 December 2015, pursuant to the Office Premises Lease Agreement, the annual rent paid by Bawang Guangzhou to Guangzhou Bawang was approximately RMB1.11 million.

Mr. CHEN Qiyuan is the Director. Guangzhou Bawang is company beneficially owned by Mr. CHEN Qiyuan and Ms. WAN Yuhua (Mr. CHEN Qiyuan’s wife). The transactions contemplated under the Office Premises Lease Agreement therefore constitute continuing connected transactions for the Company.

2. 辦公場所租賃協議

霸王廣州與廣州霸王於二零一三年八月九日簽訂一份辦公場所租賃協議（「**辦公場所租賃協議**」），自二零一三年八月九日起租用位於中國廣州市白雲區的辦公場所。根據辦公場所租賃協議，其租期為三年，可由霸王廣州於租賃屆滿前發出一個月通知予以續約。租金和物業管理費每月共人民幣92,800元。於租期內，月租固定不變。根據辦公場所租賃協議，霸王廣州亦獲授購買辦公場所的優先權。霸王廣州有權提前三個月通知廣州霸王終止辦公場所租賃協議。

截至二零一五年十二月三十一日止年度，根據辦公場所租賃協議，霸王廣州支付廣州霸王年度租金約人民幣1.11百萬元。

陳啟源先生為董事，而廣州霸王實質上由陳啟源先生和萬玉華女士（陳啟源先生之配偶）共同擁有。辦公場所租賃協議項下進行的交易構成本公司的持續關連交易。

3. Packaging Material Supply Agreement

Bawang Guangzhou and Chenming Paper entered into a packaging material supply agreement on 28 March 2009, pursuant to which Chenming Paper agreed to supply packaging material to Bawang Guangzhou from time to time at fixed unit prices for a term of three years commencing from 1 January 2009 and has been renewed subsequently (the **“Packaging Material Supply Agreement”**). Bawang Guangzhou and Chenming Paper will review the prices offered by Chenming Paper at least once annually to ensure that they are at market prices or at prices no less favourable than those offered to Bawang Guangzhou by independent third-parties. The Packaging material Supply Agreement was renewed by Bawang Guangzhou and Chenming Paper on 12 December 2014 for a further term of three years commencing from 1 January 2015 and on the same terms as the original Packaging Material Supply Agreement. The Packaging Material Supply Agreement will be automatically renewed by a term of three years in the absence of a three-month prior written notice.

For the year ended 31 December 2015, pursuant to the Packaging Material Supply Agreement, the annual transaction amount for the supply of packaging material by Chenming Paper to Bawang Guangzhou was approximately RMB4.7 million.

Mr. CHEN Qiyuan is a Director. Chenming Paper is wholly owned by Mr. CHEN Qiwen, who is Mr. CHEN Qiyuan's brother. The transactions contemplated under the Packaging Material Supply Agreement therefore constitute continuing connected transactions for the Company.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transactions.

3. 包裝物料供應協議

霸王廣州與晨明紙品於二零零九年三月二十八日訂立一份包裝物料供應協議。據此，晨明紙品同意不時以固定單位價格向霸王廣州供應包裝物料，自二零零九年一月一日起，為期三年及於其後續期（「**包裝物料供應協議**」）。霸王廣州及晨明紙品將每年至少一次評審晨明紙品提供的價格，以確保有關價格符合市價或不遜於由獨立第三方向霸王廣州所提供的價格。包裝物料供應協議於二零一四年十二月十二日簽署續約，自二零一五年一月一日起為期三年，條件與原有的包裝物料供應協議相同。除非有三個月的事前書面通知，包裝物料供應協議將自動續期三年。

截至二零一五年十二月三十一日止年度，根據包裝物料供應協議，晨明紙品向霸王廣州供應包裝物料的全年交易額約為人民幣4.7百萬元。

陳啟源先生為董事。晨明紙品由陳啟文先生全資擁有，而陳啟文先生是陳啟源先生的胞弟。包裝物料供應協議項下進行的交易構成本公司的持續關連交易。

本公司確認上述有關關連交易已符合上市規則第十四A章的披露規定。



The independent non-executive Directors have reviewed and confirmed that the above continuing connected transactions were entered into the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole; and the respective annual caps are fair and reasonable and in the interests of the Shareholders as a whole and the transaction amount of such continuing connected transactions does not exceed their respective annual caps for the year ended 31 December 2015.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Directors' interests in contracts of significance

Other than as disclosed under the heading "Continuing connected transactions" in this annual report, no Director or an entity connected with a Director has or had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party which was subsisting during or at the end of the financial year.

獨立非執行董事認為，上述非豁免持續關連交易乃於本公司的一般及日常業務過程中，按一般商業條款訂立，屬公平合理，並符合股東的整體利益，而相關年度上限為公平合理，並符合股東的整體利益且該等持續關連交易之交易金額截至二零一五年十二月三十一日止年度未有超出其各自年度上限。

本公司核數師已獲聘請根據香港會計師公會頒佈的香港審核保證委聘準則第3000號《審核或審閱過去財務資料以外之核證委聘》，及實務說明第740號《關於香港上市規則所述持續關連交易的核數師函件》以匯報本集團的關連交易。核數師已根據上市規則第14A.56條出具無保留意見函件，該函件載有核數師對本集團已披露的持續關連交易的發現和結論。本公司已將有關之核數師函件副本呈交至聯交所。

董事之合約權益

除於本年度報告中「持續關連交易」一段所披露外，本財政年度內或結束時仍然生效，而本公司、其控股公司或其任何附屬公司亦屬訂約方之一的重要交易、安排或合約中，無任何董事或與該董事有關連的實體仍然或曾經於其中直接或者間接有重大權益。

Directors' and Controlling Shareholders' interest in competing business

As at 31 December 2015, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders (as defined in the Listing Rules) of the Company had any interest in a business, which competes or may compete with the business of the Group.

Retirement schemes

The Group participates in several defined contribution retirement plans which cover the Group's eligible employees in the PRC, and a Mandatory Provident Fund scheme for the employees in Hong Kong. Particulars of these retirement plans are set out in note 32 to the consolidated financial statements of this annual report.

Corporate governance

For the year ended 31 December 2015, all the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules were met by the Company.

Audit and Risk Management Committee

The Company has established the Audit and Risk Management Committee in compliance with the Rule 3.21 of 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 two with financial management expertise. The primary duties of the Audit and Risk Management Committee are, among other things, to review the financial reporting process and internal control system of the Group. The Audit and Risk Management Committee also provides advice and suggestions to the Board. The Audit and Risk Management Committee has reviewed the audited annual financial statements of the Group contained in this annual report with the management of the Company and the Company's independent auditors and recommended its adoption by the Board.

董事及控股股東於競爭業務的權益

於二零一五年十二月三十一日，董事及其各自的聯繫人（定義見上市規則）或本公司控股股東（定義見上市規則）概無在與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

退休計畫

本集團為本集團之合資格中國員工參與多種定額供款退休計劃及為香港員工參與強制性公積金計劃，該等退休計劃之詳情載於本年度報告綜合財務報表附註32。

企業管治

截至二零一五年十二月三十一日止年度，本公司已遵守上市規則附錄十四所載的企業管治守則所列的原則。

審核及風險管理委員會

本公司已按上市規則第3.21條規定成立審核及風險管理委員會。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，其中兩位擁有財務管理專業知識。其主要職責包括審查本集團的財務申報程序和內部控制制度並向董事會提供建議及意見。審核及風險管理委員會已與本公司的管理層及獨立核數師審閱本年度報告所載的本集團年度經審核的財務報表，並建議董事會將其採納。



Auditors

SHINEWING (HK) CPA Limited will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

CHEN Qiyuan
Chairman

Hong Kong, 21 March 2016

核數師

信永中和(香港)會計師事務所有限公司將任滿告退，惟願應聘連任。在即將召開之股東周年大會上將提呈議案，議決續聘信永中和(香港)會計師事務所有限公司為本公司之核數師。

董事會代表

陳啟源
主席

香港，二零一六年三月二十一日

Directors and Senior Management

董事及高層管理人員

Directors

The Board consists of six Directors, including three executive Directors and three independent non-executive Directors. The following table sets forth certain information in respect of our Directors:

Name 姓名	Age 年齡	Position/Title 職位／職銜
Mr. CHEN Qiyuan 陳啟源先生	54	Chairman and Executive Director 主席兼執行董事
Mr. CHEN Zheng He 陳正鶴先生	27	CEO and Executive Director 首席執行官兼執行董事
Mr. WONG Sin Yung 黃善榕先生	61	Chief Financial Officer and Executive Director 首席財務官兼執行董事
Dr. NGAI Wai Fung 魏偉峰博士	54	Independent non-executive Director 獨立非執行董事
Mr. LI Bida 李必達先生	75	Independent non-executive Director 獨立非執行董事
Mr. CHEUNG Kin Wing 張建榮先生	62	Independent non-executive Director 獨立非執行董事

Executive Directors

Mr. CHEN Qiyuan, aged 54, is the co-founder of our Group, our chairman and has been our executive Director since 12 November 2007. Mr. CHEN is responsible for the overall strategic planning and management of our Group. Mr. CHEN has extensive experience in the Chinese herbal HPC product industry, having been engaged in the consumer chemical product business for over 20 years. Mr. CHEN and Ms. WAN entered the HPC product business by establishing Guangzhou Bawang Cosmetics Co., Ltd. (the predecessor entity of the Company) in 1994, to enter the HPC product business in the PRC. Mr. CHEN was engaged in the trading of pesticides in the PRC before the establishment of Guangzhou Bawang Cosmetics Co., Ltd.. In November of 2010, Mr. CHEN Qiyuan was recognised as the “Representative Successor of Chinese Herbal Tea Culture” by the Guangdong Provincial Bureau of Culture. In December 2013, Mr. CHEN Qiyuan had been honoured as the “Distinguished People of Yunfu City” for recognition of his contribution to the development of the city.

董事

董事會由六名董事組成，包括三名執行董事及三名獨立非執行董事。下表載列關於董事的若干資料：

執行董事

陳啟源先生，54歲，為本集團共同創辦人、我們的主席，並自二零零七年十一月十二日出任我們的執行董事。陳先生負責本集團整體策略規劃及管理。陳先生從事日化產品行業方面的業務超過20年，在中草藥家用個人護理產品行業擁有豐富經驗。考慮到中國市場的家用品個人護理產品業務，陳先生及萬女士於一九九四年成立廣州霸王化妝品有限公司(本公司的前身實體)以進軍家用個人護理產品業務。創立廣州霸王化妝品有限公司之前，陳先生曾參與中國農藥貿易生意。二零一零年十一月，陳啟源先生被認定為涼茶傳統技藝的「廣東省非物質文化遺產項目代表性傳承人」。二零一三年十二月，陳啟源先生因其為城市作出的貢獻，被授予「雲浮傑出紳士」的榮譽稱號。

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



Mr. CHEN Zheng He, aged 27, was appointed as our executive Director on 20 October 2014. Mr. CHEN joined the Group in March 2007 and has been officially appointed as a director of Bawang Guangzhou since then and started to involve in the planning of sales, marketing, advertising and promotion campaigns of Bawang Guangzhou. Mr. CHEN was appointed as the personal assistant to the chief executive officer of the Company since March 2012, mainly responsible for the daily administration and management of Bawang Guangzhou. Since mid-2013, Mr. CHEN has also been responsible for the supervision and execution of sales, marketing, advertising and promotion campaigns of Bawang Guangzhou. Mr. CHEN works closely with the chairman and the chief executive officer of the Company on formulating overall strategic plan and management of the Group, and executing strategic plans in marketing, and sales and distribution. Mr. CHEN has been appointed as the CEO and Remuneration Committee Member with effect from 9 December 2015. Mr. CHEN obtained the degree of bachelor of commerce from the University of Toronto in 2012. Mr. CHEN is the son of Mr. CHEN Qiyuan, the chairman and an executive Director of the Company.

Mr. WONG Sin Yung, aged 61, is our Chief Financial Officer and executive Director. Mr. WONG joined our Group in April 2008 and was appointed as our executive Director on 10 December 2008. He is responsible for the finance management and control, accounting, auditing, company secretarial and investor relations of our Group. Prior to joining our Group, Mr. WONG was an executive director of China Ting Group Holdings Limited (03398), from 2005 to 2008, the shares of which are listed on the Stock Exchange. Mr. WONG was the chief accountant and finance manager of Mark Wong & Associates (Industrial Consultants) Limited from 1988 to 1992 and from 1994 to 2003 respectively. He also worked for a certified public accountant firm from 1992 to 1994. Mr. WONG has over 30 years experience in corporate finance, accounting, auditing, corporation administration, and project consulting. He is an associate member of Hong Kong Institute of Certified Public Accountants. Mr. WONG obtained a master's degree in human resource management from Macquarie University in 1996 and a master's degree in business administration from The University of Hong Kong in 1999.

陳正鶴先生，27歲，於二零一四年十月二十日獲委任為我們的執行董事。陳先生於二零零七年三月起加入本集團並自此正式被任命為霸王廣州的董事，並開始參與霸王廣州的銷售、廣告及推廣活動的策劃。陳先生於二零一三年三月起擔任公司首席執行官私人助理一職，負責廣州霸王的日常行政及管理。在二零一三年中開始，陳先生亦同時負責霸王廣州的銷售、廣告及推廣活動的監督及執行。陳先生就制訂本集團之策略性計劃及管理，及銷售、廣告及推廣計劃的執行方面均與公司主席及首席執行官緊密合作。陳正鶴先生於二零一五年十二月九日被委任擔任本公司首席執行官及薪酬委員會成員。陳先生於二零一二年獲得多倫多大學商業學士學位。陳先生是公司集團主席兼執行董事陳啟源先生的兒子。

黃善榕先生，61歲，為我們的首席財務官兼執行董事。黃先生於二零零八年四月加入本集團，並於二零零八年十二月十日獲委任為我們的執行董事。彼負責本集團的財務管理及監控、會計、審核、公司秘書及投資者關係。加入本集團之前，黃先生於二零零五年至二零零八年曾為華鼎集團控股有限公司(03398)(其股份於聯交所上市)的執行董事。於一九八八年至一九九二年及一九九四年至二零零三年期間，黃先生在 Mark Wong & Associates (Industrial Consultants) Limited 擔任總會計師及財務經理。彼亦於一九九二年在一家執業會計師事務所工作。黃先生在企業融資、會計、審核、公司管理及項目諮詢方面擁有超過30年的經驗。彼為香港會計師公會會員。黃先生於一九九六年獲麥格理大學的人力資源管理碩士學位，於一九九九年獲香港大學工商管理碩士學位。

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

Dr. NGAI Wai Fung, aged 54, was appointed as our independent non-executive Director on 10 December 2008. He is currently the Managing Director of MNCOR Consulting Limited and the Chief Executive Officer of SW Corporate Services Group Limited, a specialty company secretarial, corporate governance and compliance services provider to companies in pre-IPO and post-IPO stages. Prior to that, he was the director and head of listing services of an independent integrated corporate services provider. He has over 20 years of senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and regulatory compliance, corporate governance and secretarial work for listed issuers including major red chips companies. He had led or participated in a number of significant corporate finance projects including listings, mergers and acquisitions as well as issuance of debt securities. Dr. NGAI was appointed by the Chief Executive of The Hong Kong Special Administrative Region as a member of the Working Group on Professional Services under the Economic Development Commission for two years in 2013 and reappointed for further two years in 2015. He is the immediate past president of the Hong Kong Institute of Chartered Secretaries, a fellow of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Institute of Chartered Secretaries and Administrators, a fellow of the Hong Kong Institute of Chartered Secretaries, a fellow of Hong Kong Institute of Directors, a member of Hong Kong Securities and Investment Institute, the Adjunct Professor of Law of Hong Kong Shue Yan University, a member of the Qualification and Examination Board of the Hong Kong Institute of Certified Public Accountants and a member of the General Committee of the Chamber of Hong Kong Listed Companies. He obtained a doctoral degree in Finance from Shanghai University of Finance and Economics in 2011, a master's degree in corporate finance from Hong Kong Polytechnic University in 2002 and a master's degree in business administration from Andrews University of Michigan in 1992. Dr. NGAI was an independent non-executive director of China Life Insurance Company Limited (02628) from 2006 to 2009, Franshion Properties (China) Limited (00817) from 2007 to 2011, China Railway Construction Corporation Limited (01186) from 2007 to 2014 and Sany Heavy Equipment International Holdings Company Ltd (00631) from 2009 to 2015, and is currently an independent non-executive director of China Railway Group Limited (0390), China Coal Energy Company Limited (01898),

魏偉峰博士，54歲，於二零零八年十二月十日獲委任為我們的獨立非執行董事。彼現任萬年高顧問有限公司的董事總經理及信永方圓企業服務集團有限公司的行政總裁，該公司專門為上市前及上市後的公司提供公司秘書、企業管治及合規專門服務。在此之前，彼曾擔任獨立運作綜合企業服務公司的董事兼上市服務部主管。魏博士擁有超過20年高層管理包括執行董事、財務總監及公司秘書的經驗，其中絕大部分經驗涉及上市發行人(包括大型紅籌公司)的財務、會計、內部控制及法規遵守，企業管治及公司秘書方面，彼曾領導或參與多個上市、收購合併、發債等重大企業融資項目。魏博士於二零一三年一月起獲香港特別行政區行政長官委任為經濟發展委員會專業服務業工作小組非官守成員，任期為兩年，並於二零一五年獲重新委任，任期亦為兩年。彼為香港特許秘書公會前任會長、英國特許公認會計師公會資深會員、香港會計師公會會員、特許秘書及行政人員公會資深會員及香港特許秘書公會資深會員、香港證券及投資學會會員、香港樹仁大學法律系兼任教授、香港會計師公會專業資格及考試評議會委員會成員及香港上市公司商會常務委員會成員。彼於二零一一年取得上海財經大學金融學博士學位，於二零零二年取得香港理工大學企業融資碩士學位，於一九九二年獲得美國密茲根州安德魯大學工商管理碩士學位。魏博士於二零零六年至二零零九年曾擔任中國人壽保險股份有限公司(02628)的獨立非執行董事，於二零零七年至二零一一年曾擔任方興地產(中國)有限公司(00817)的獨立非執行董事，於二零零七年至二零一四年曾擔任中國鐵建股份有限公司(01186)的獨立非執行董事及於二零零九年至二零一五年擔任三一重裝國際控股有限公司(00631)的獨立非執行董事。而目前為中國中鐵股份有限公司(00390)、中國中煤能源股份有限公司(01898)、海豐國際控有

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



SITC International Holdings Company Limited (01308), Bosideng International Holdings Limited (03998), Powerlong Real Estate Holdings Limited (01238), Beijing Capital Juda Limited (formerly known as Juda International Holdings Limited) (01329), Biostime International Holdings Limited (01112), Yangtze Optical Fibre and Cable Joint Stock Limited Company (06869), BBMG Corporation (02009), TravelSky Technology Limited (00696) and Topsearch International (Holding) Limited (02323), shares of which are listed on the Stock Exchange and/or the Shanghai Stock Exchange. Dr. Ngai is also an independent director of LDK Solar Co. Ltd (LDKYQ), which was previously listed on the New York Stock Exchange, and currently listed on the OTC Pink Limited Information.

Mr. Li Bida, aged 75, was appointed as our independent non-executive Director on 10 December 2008. Prior to joining our Group, Mr. Li was the head of Department of Lawyers, the Ministry of Justice of the PRC, currently known as Department of Directing Lawyers and Notarization, Ministry of Justice, from 1988 to 1992. He was also an arbitrator in China International Economics and Trade Arbitration Commission from 1989 to 1990. From 1992 to 1995, he served as standing deputy head of State Trademark Bureau. From 1992 to 2001, he held various positions in State Administration of Industry and Commerce including the head of the Fair Trading Bureau and the head of Registration Bureau. He was a consultant with a number of companies, including Galanz Group from 2001 to 2003, Perfect (China) Co., Ltd. and Nanfong Lee Kum Kee Co., Ltd. from 2001 to 2005, Ricoh China Co., Ltd. from 2005 to 2006, and NU Skin (China) Co., Ltd. from 2006 to 2007. He is currently a consultant of Intellectual Property Institute of Peking University, professor of Renmin University of China Law School and Capital University of Economics and Business. Mr. Li obtained a bachelor's degree in law from Hubei University in 1965.

限公司(01308)、波司登國際控股有限公司(03998)、寶龍地產控股有限公司(01238)、首創鉅大有限公司(前稱為鉅大國際控股有限公司)(01329)、合生元國際控股有限公司(01112)、長飛光纖光纜股份有限公司(06869)、北京金隅股份有限公司(02009)、中國民航信息網絡股份有限公司(00696)及至卓國際(控股)有限公司(02323)的獨立非執行董事，上述公司的股份於聯交所及／或上海證券交易所上市。魏博士同時為賽維LDK太陽能高科技有限公司(LDKYQ)的獨立董事(曾於紐約證券交易所上市，現於OTC Pink Limited Information上市)。

李必達先生，75歲，於二零零八年十二月十日獲委任為我們的獨立非執行董事。在加入本集團之前，李先生於一九八八年至一九九二年期間為中國司法部律師司司長(現稱為司法部律師公證工作指導司)。彼於一九八九年至一九九零年期間為中國國際經濟貿易仲裁委員會仲裁員。於一九九二年至一九九五年期間，彼任職國家商標局常務副局長。一九九二年至二零零一年期間，彼在國家工商行政管理總局擔任不同職位，包括公平交易局局長及企業註冊局局長。彼曾為多家公司的顧問，包括二零零一年至二零零三年期間擔任格蘭仕集團的顧問、二零零一年至二零零五年期間擔任完美(中國)日用品有限公司及南方李錦記有限公司的顧問、二零零五年至二零零六年期間擔任理光(中國)投資有限公司的顧問及於二零零六至二零零七年期間擔任如新(中國)日用保健品有限公司的顧問。彼目前擔任北京大學知識產權學院顧問、中國人民大學法律學院及首都經濟貿易大學教授。李先生於一九六五年獲湖北大學法學學士學位。

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

Mr. CHEUNG Kin Wing, aged 62, was appointed as our independent non-executive Director on 13 November 2014. Mr. CHEUNG has around 30 years of experience in information technology, financial accounting, auditing and management. Mr. CHEUNG is a member of Hong Kong Institute of Certified Public Accountants and a fellow of the Institute of Chartered Accountants in England and Wales. Since February 1999, Mr. CHEUNG has been a director and lead consultant of Sunplex Consultants Limited, a company providing human resources management and information technology consultancy services to its clients (including government organisations and private companies). Mr. CHEUNG had been an independent director of Principal Trust Company (Hong Kong) Limited (formerly known as AXA China Region Trustees Limited) from August 1999 to August 2015. Mr. CHEUNG has also been an independent non-executive director of Bank of Communications Trustee Limited since November 2003. Mr. CHEUNG had held several positions, including Assistant Manager, Manager and Senior Manager between September 1980 and July 1991 in Coopers & Lybrand. Mr. CHEUNG had been a partner of Coopers & Lybrand since March 1995, and had been a partner of PricewaterhouseCoopers since Coopers & Lybrand was merged with Price Waterhouse into PricewaterhouseCoopers in October 1998 until his resignation in May 1999. Mr. CHEUNG was a director of the finance and operation department of Hong Kong Institute of Certified Public Accountants between July 2004 and April 2008 and a consultant of Hong Kong Institute of Certified Public Accountants between April 2008 and August 2008. Mr. CHEUNG obtained a Bachelor of Commerce from The University of Calgary in Canada in June 1979.

張建榮先生，62歲，於二零一四年十一月十三日獲委任為我們的獨立非執行董事。張先生於資訊科技、財務會計、審計及管理領域擁有約30年經驗。張先生是香港會計師公會會員及英格蘭及威爾士特許會計師公會的資深會員。張先生自一九九九年二月起擔任輝柏顧問有限公司的董事兼首席顧問，主要為客戶（包括政府機構及私營企業）提供人力資源管理和資訊科技諮詢服務。張先生於一九九九年八月至二零一五年八月擔任信安信託（香港）有限公司（前稱為安盛信託有限公司）的獨立董事。張先生亦自二零零三年十一月起擔任交通銀行信託有限公司的獨立非執行董事。張先生於一九八零年九月至一九九一年七月期間曾在容永道會計師事務所擔任不同工作崗位，包括助理經理、經理及高級經理。張先生於一九九五年三月起擔任容永道會計師事務所的合伙人，並自一九九八年十月容永道會計師事務所與羅兵咸會計師事務所合併成羅兵咸永道會計師事務所後繼續擔任其合伙人至一九九九年五月本人離開羅兵咸永道會計師事務所為止。張先生曾於二零零四年七月至二零零八年四月期間擔任香港會計師公會的營運及財務總監及於二零零八年四月至八月期間擔任香港會計師公會顧問。張先生於一九七九年六月獲得加拿大卡爾加里大學的商學士學位。

Independent Auditor's Report

獨立核數師報告



SHINEWING (HK) CPA Limited
43/F, Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

信永中和(香港)
會計師事務所有限公司
香港銅鑼灣
希慎道33號利園一期43樓

TO THE MEMBERS OF
BAWANG INTERNATIONAL (GROUP) HOLDING LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of BaWang International (Group) Holding Limited (the “**Company**”) and its subsidiaries set out on pages 59 to 171, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion 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. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong

致霸王國際(集團)控股有限公司股東
(於開曼群島註冊成立的有限公司)

我們已審計列載於第59至第171頁霸王國際(集團)控股有限公司(「貴公司」)及其子公司(以下合稱「貴集團」)的綜合財務報表，其中包括於二零一五年十二月三十一日的綜合財務狀況表，以及截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他解釋資料。

董事就綜合財務報表須承擔之責任

貴公司董事須負責遵照國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定，編製真實而公平意見之綜合財務報表，及負責就編製綜合財務報表而言實施董事認為必要之相關內部控制，以確保綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

核數師之責任

我們之責任乃根據我們審核對該等綜合財務報表時發表意見，並僅向全體股東報告，除此之外並無其他目的。我們概不就本報告之內容對任何其他人士負責或承擔任何責任。我們根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求我們遵守道德規範，

Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Chan Wing Kit

Practising Certificate Number: P03224

Hong Kong

21 March 2016

並規劃及執行審核工作，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核工作涉及執程序以獲取有關綜合財務報表所載數據及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估綜合財務報表是否存有由欺詐或錯誤而導致重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製真實而公平地列報之綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對公司之內部控制之有效性發表意見。審核工作亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得之審核憑證已充足及適當地為我們之審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映貴集團於二零一五年十二月三十一日之財務狀況及其截至該日止年度之虧損及現金流量，並已按照香港公司條例妥為編製。

信永中和(香港)會計師事務所有限公司

執業會計師

陳永傑

執業證書編號：P03224

香港

二零一六年三月二十一日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



		Notes 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Continuing operations	持續經營業務			
Revenue	營業額	7	232,181	294,649
Cost of sales	銷售成本		(143,893)	(184,417)
Gross profit	毛利		88,288	110,232
Other income	其他收入	8	1,835	2,778
Changes in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益	20	(122)	(1,782)
Selling and distribution costs	銷售及分銷開支		(89,629)	(144,544)
Administrative expenses	行政費用		(52,831)	(37,810)
Other expenses	其他費用		(54,364)	(42,585)
Share of loss of a joint venture	應佔合營公司虧損	18	(696)	—
Waiver of capital injection in a joint venture	豁免合營公司注資	18	696	—
Finance costs	融資成本	9	(3,755)	(1,830)
Loss before taxation	稅前虧損		(110,578)	(115,541)
Taxation	稅項	10	—	—
Loss for the year from continuing operations attributable to owners of the Company	本公司擁有人應佔有持續經營業務之年內虧損	11	(110,578)	(115,541)
Discontinued operation	已終止經營業務			
Loss for the year from discontinued operation attributable to owners of the Company	本公司擁有人應佔有已終止經營業務之年內虧損	13	(3)	(916)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年內虧損		(110,581)	(116,457)
Loss per share	每股虧損	15		
<i>From continuing and discontinued operations</i>	<i>來自持續經營業務及已終止經營業務</i>			
Basic and diluted (RMB cents)	基本及攤薄 (人民幣仙)		(3.80)	(4.00)
<i>From continuing operations</i>	<i>來自持續經營業務</i>			
Basic and diluted (RMB cents)	基本及攤薄 (人民幣仙)		(3.80)	(3.97)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Loss for the year	年內虧損	(110,581)	(116,457)
Other comprehensive expense	其他全面支出		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>可於其後重新分類至損益之項目：</i>		
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異	(2,711)	(106)
Total comprehensive expense for the year attributable to owners of the Company	本公司擁有人應佔年內全面支出總額	(113,292)	(116,563)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2015
於二零一五年十二月三十一日

		Notes 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	19	154,999	225,340
Biological assets	生物資產	20	162	175
			155,161	225,515
Current assets	流動資產			
Inventories	存貨	21	40,909	52,039
Biological assets	生物資產	20	426	426
Trade and other receivables	貿易及其他應收款項	22	64,869	68,168
Deposit with bank	銀行存款	23	20,000	20,000
Bank balances and cash	銀行結存及現金	23	9,604	16,934
			135,808	157,567
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	24	171,888	166,034
Amounts due to related parties	應付關連方款項	33(a)	7,301	6,208
Income tax payables	應付所得稅		9,645	9,645
Provisions	計提準備	25	3,826	2,044
			192,660	183,931
Net current liabilities	流動負債淨值		(56,852)	(26,364)
Total assets less current liabilities	資產總值減流動負債		98,309	199,151
Non-current liabilities	非流動負債			
Loans from controlling shareholders	控股股東借款	33(h)	54,946	44,069
Deferred tax liability	遞延稅項負債	26	2,031	2,031
			56,977	46,100
Net assets	資產淨值		41,332	153,051

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2015
於二零一五年十二月三十一日

			2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
		Notes 附註		
Capital and reserves	資本及儲備			
Share capital	股本	27(a)	256,705	256,639
Reserves	儲備	27(b)	(215,373)	(103,588)
Total equity	權益總額		41,332	153,051

The consolidated financial statements on pages 59 to 171 were approved and authorised for issue by the board of directors on 21 March 2016 and are signed on its behalf by:

第59頁至第171頁之綜合財務報表已於二零一六年三月二十一日獲董事會批准及授權發行，並由下列董事代表簽署：

Director
董事
CHEN Qiyuan
陳啟源

Director
董事
CHEN Zheng He
陳正鶴

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

		Attributable to owners of the Company 本公司權益持有人應佔								
		Share capital	Share premium	PRC statutory reserves 中國法定儲備	Capital reserve	Merger reserve	Translation reserve	Other reserve	Accumulated losses	Total
		股本 RMB'000 人民幣千元	股本溢價 RMB'000 人民幣千元	儲備 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	合併儲備 RMB'000 人民幣千元	匯兌儲備 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元	累計虧損 RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
At 1 January 2014	於二零一四年一月一日	256,639	1,354,742	49,887	6,543	8,468	(26,368)	—	(1,386,739)	263,172
Loss for the year	年內虧損	—	—	—	—	—	—	—	(116,457)	(116,457)
Other comprehensive expense for the year	其他全面費用	—	—	—	—	—	—	—	(116,457)	(116,457)
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異	—	—	—	—	—	(106)	—	—	(106)
Total comprehensive expense for the year	年內全面支出總額	—	—	—	—	—	(106)	—	(116,457)	(116,563)
Deemed contribution arising from non-interest bearing loans from controlling shareholders (note 33(h))	控股股東提供的免息借款所產生之視同注資(附註33(h))	—	—	—	—	—	—	6,245	—	6,245
Recognition of equity-settled share-based payments	確認以股權結算並以股份為基礎的付款	—	—	—	197	—	—	—	—	197
Forfeiture of vested equity-settled share-based payments	沒收歸屬的以股權結算並以股份為基礎的付款	—	—	—	(1,774)	—	—	—	1,774	—
At 31 December 2014	於二零一四年十二月三十一日	256,639	1,354,742	49,887	4,966	8,468	(26,474)	6,245	(1,501,422)	153,051
At 1 January 2015	於二零一五年一月一日	256,639	1,354,742	49,887	4,966	8,468	(26,474)	6,245	(1,501,422)	153,051
Loss for the year	年內虧損	—	—	—	—	—	—	—	(110,581)	(110,581)
Other comprehensive expense for the year	其他全面費用	—	—	—	—	—	—	—	(110,581)	(110,581)
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異	—	—	—	—	—	(2,711)	—	—	(2,711)
Total comprehensive expense for the year	年內全面支出總額	—	—	—	—	—	(2,711)	—	(110,581)	(113,292)
Deemed contribution arising from non-interest bearing loans from controlling shareholders (note 33(h))	控股股東提供的免息借款所產生之視同注資(附註33(h))	—	—	—	—	—	—	1,507	—	1,507
Issue of shares under share option scheme (note 28)	發行股票期權計劃(附註28)	66	1,627	—	(1,627)	—	—	—	—	66
Forfeiture of vested equity-settled share-based payments	沒收歸屬的以股權結算並以股份為基礎的付款	—	—	—	(525)	—	—	—	525	—
At 31 December 2015	於二零一五年十二月三十一日	256,705	1,356,369	49,887	2,814	8,468	(29,185)	7,752	(1,611,478)	41,332

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Loss before taxation from continuing operations	持續經營業務之稅前虧損	(110,578)	(115,541)
Loss before taxation from discontinued operation	已終止經營業務之稅前虧損	(3)	(916)
		(110,581)	(116,457)
Adjustments for:	就下列作出調整：		
Bank interest income	銀行利息收入	(620)	(540)
Changes in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益	122	1,782
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17,277	26,998
Finance costs	融資成本	3,755	1,830
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之減值損失確認	54,364	42,544
Impairment loss recognised in respect of trade receivables	貿易應收款項之減值損失確認	4,809	72
(Gain) loss on disposal of property, plant and equipment	處置物業、廠房及設備(收益)損失	(51)	127
Provision for litigation	訴訟計提費用	3,487	662
Reversal of write-down of inventories	存貨跌價撥回	(1,637)	(893)
Write-down of inventories	存貨跌價	796	1,256
Write-off of inventories	存貨報廢	6,106	9,908
Share of loss of a joint venture	應佔合營公司虧損	696	—
Waiver of capital injection in a joint venture	豁免合營公司注資	(696)	—
Reversal of provision for litigation	訴訟計提費用撥回	—	(120)
Equity-settled share-based payment expenses	以股權結算並以股份為基礎的支付費用	—	197
Write-off of trade and other receivables	貿易及其他應收款項撤銷	—	128
Operating cash flows before working capital changes	營運資金變動前之經營資金流量	(22,173)	(32,506)
Decrease (increase) in inventories	存貨減少(增加)	6,010	(6,930)
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(1,602)	26,858
Increase (decrease) in trade and other payables	貿易及其他應付款項增加(減少)	6,769	(40,539)
Increase in amounts due to related parties	應付關連方款項增加	1,093	4,694
Decrease in provisions	計提費用減少	(1,705)	(324)
Decrease in restricted bank balance	受限制銀行存款減少	—	309
Decrease in prepaid advertising fee	預付廣告費用減少	—	123
Cash used in operations	經營活動所用的現金	(11,608)	(48,315)
Income taxes paid	已付所得稅	—	—
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用的現金淨額	(11,608)	(48,315)

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Bank interest received	已收銀行利息	712	139
Plantation expenditure of biological assets — non-current portion	生物資產種植支出 — 非流動部份	(254)	(366)
Proceeds from disposal of property, plant and equipment	處置物業、廠房及設備 所得款項	75	480
Purchase of property, plant and equipment	購買物業、廠房及設備	(2,111)	(6,787)
Placement of deposit with bank	銀行存款之存入	—	(20,000)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用的現金淨額	(1,578)	(26,534)
FINANCING ACTIVITIES	融資活動		
Proceed from issue of new shares	發行新股所得款項	66	—
Proceeds from loans from controlling shareholders	控股股東借款所得款項	32,128	48,484
Repayments of loans from controlling shareholders	償還控股股東借款	(26,506)	—
NET CASH FROM FINANCING ACTIVITIES	融資活動產生的現金淨額	5,688	48,484
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(7,498)	(26,365)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及現金等價物	16,934	43,302
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動影響	168	(3)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash	於年終之現金及現金等價物 即指銀行結存及現金	9,604	16,934

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

1. General and Basis of Preparation of Consolidated Financial Statements

BaWang International (Group) Holding Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate parent company is Fortune Station Limited, which is incorporated in the British Virgin Islands (the “**BVI**”) and is beneficially owned by Mr. CHEN Qiyuan, the Chairman of the board of directors (the “**Directors**”) of the Company, and Ms. WAN Yuhua, a former director and Chief Executive Officer of the Company (collectively referred to as the “**Controlling Shareholders**”).

The address of the registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is at 6th Floor, 181 Tangle Road, Tangyong Village, Xinshi, Baiyun District, Guangzhou, 510410, the People’s Republic of China (the “**PRC**”).

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are the manufacturing and sales of the household and personal care products.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is same as the functional currency of the Company.

Going concern basis

The Group incurred a net loss of approximately RMB110,581,000 and reported a net cash outflow from operating activities of approximately RMB11,608,000 for the year ended 31 December 2015, and had accumulative losses of approximately RMB1,611,478,000 and net current liabilities of approximately RMB56,852,000 as at 31 December 2015. In view of such circumstances, the Directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

1. 一般資料及綜合財務報表之編製基準

霸王國際(集團)控股有限公司(「**本公司**」)於開曼群島註冊成立為獲豁免的有限公司並且在香港聯合交易所有限公司(「**聯交所**」)上市。其直接母公司為在英屬處女群島(「**英屬處女群島**」)註冊的 Fortune Station Limited，其股份受益人為本公司的董事(「**董事**」)會主席陳啟源先生和本公司前任董事和首席執行官萬玉華女士(統稱「**控股股東**」)。

本公司註冊辦事處的地址為 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，主要營業地點為中華人民共和國(「**中國**」)廣州市白雲區新市棠涌村棠樂路181號6樓，郵編510410。

本公司及其附屬公司(「**本集團**」)主要從事生產及銷售家庭和個人護理產品業務。

綜合財務報表以人民幣(「**人民幣**」)列示，本公司的功能貨幣亦為人民幣。

持續經營基準

截至二零一五年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約人民幣110,581,000及經營活動之現金流出淨值約人民幣11,608,000，並且於二零一五年十二月三十一日錄得累計虧損約人民幣1,611,478,000及流動負債淨值約人民幣56,852,000。在此情況下，本公司董事已考慮本集團未來資金流動性和業績情況，並評估本集團是否擁有足夠的財務資源支持其持續經營。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



1. General and Basis of Preparation of Consolidated Financial Statements (continued)

Going concern basis (continued)

In the opinion of the Directors of the Company, the Group is able to continue as a going concern in the coming year taking into consideration of the following:

- (i) The Group's Controlling Shareholders and Guangzhou Bawang Cosmetics Co., Ltd. ("**Guangzhou Bawang**"), an entity wholly-owned by the Controlling Shareholders, shall continue to provide loan facility to the Group until 31 December 2017 under the existing available facility amounted to approximately RMB85,058,000 as at 31 December 2015. On 17 March 2016, amount of HK\$35,000,000 (equivalent to approximately RMB29,323,000) has been drawn down by the Group. The loan is unsecured, interest-free and repayable by 31 December 2017 or earlier as determined by the Group; and
- (ii) The Group shall implement cost-saving measures to maintain adequate cash flows for the Group's operations.

In light of the above, the Directors of the Company are of the opinion that it is still appropriate to prepare the consolidated financial statements for the year ended 31 December 2015 on a going concern basis.

Should the Group be not able to continue to operate as a going concern, adjustments would be necessary to reclassify all non-current assets and liabilities as current assets and liabilities, write down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The consolidated financial statements have not incorporated any of these adjustments.

1. 一般資料及綜合財務報表之編製基準(續)

持續經營基準(續)

本公司董事考慮到以下各項因素，認為本集團在來年能夠持續經營：

- (i) 本集團控股股東及其全資擁有的廣州霸王化妝品有限公司(「廣州霸王」)將根據於二零一五年十二月三十一日的現有可動用貸款融資為約人民幣85,058,000，繼續向本集團提供貸款融資直至二零一七年十二月三十一日。於二零一六年三月三十七日，本集團已提取港元35,000,000(相當於約人民幣29,323,000)。此借款為無擔保、免息及由本集團決定於二零一七年十二月三十一日或之前償還。
- (ii) 本集團將採取節省成本措施，維持充足現金流以供本集團業務營運之用。

有鑒於上述各項，本公司董事認為，按持續經營基準編製截至二零一五年十二月三十一日止年度綜合財務報表仍屬恰當。

倘本集團未能按持續經營基準經營，則須作出調整，將所有非流動資產及負債重新分類為流動資產及負債、撇減資產價值至其可收回款額，以及就日後可能出現之負債撥備。此等調整並未於綜合財務報表入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance

In the current year, the Group has applied the following amendments to IFRSs, which include IFRSs, International Accounting Standards (“IAS(s)”), amendments and interpretations (“Int(s)”) issued by the International Accounting Standards Board (the “IASB”) and the IFRS Interpretations Committee (“IFRIC”) of the IASB.

Amendments to IFRSs Annual Improvements to IFRSs 2010–2012 Cycle

Amendments to IFRSs Annual Improvements to IFRSs 2011–2013 Cycle

Amendments to IAS 19 Defined Benefit Plan: Employee Contributions

Except as described below, the application of the above amendments in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Annual Improvements to IFRSs 2010–2012 Cycle

The Annual Improvements to IFRSs 2010–2012 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 2 (i) change the definitions of “vesting condition” and “market condition”; and (ii) add definitions for “performance condition” and “service condition” which were previously included within the definition of “vesting condition”. The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）和新香港公司條例

於本年度，本集團已採納下列新訂及經修訂國際財務報告準則，包括由國際會計準則理事會及國際會計準則理事會之國際財務報告詮釋委員會頒佈的國際財務報告準則、國際會計準則修訂及新詮釋（「詮釋」）。

國際財務報告準則之修訂本 國際財務報告準則之年度改進（二零一零年至二零一二年週期）

國際財務報告準則之修訂本 國際財務報告準則之年度改進（二零一一年至二零一三年週期）

國際會計準則第19號之修訂本 界定福利計劃：僱員供款

除了下文所述者，於本年度應用經修訂的國際財務報告準則對本集團於本年度及過往年度的財務表現及狀況及／或綜合財務報表當中所載披露並無重大影響。

國際財務報告準則之年度改進（二零一零年至二零一二年週期）

國際財務報告準則之年度改進（二零一零年至二零一二年週期）包括對若干國際財務報告準則之多項修訂，概述如下。

國際財務報告準則第2號之修訂本(i)更改了「歸屬條件」和「市場條件」的定義；及(ii)增加了先前載於「歸屬條件」之中「表現狀況」及「服務狀況」的定義。國際財務報告準則第2號修訂本對授予日期為二零一四年七月一日或之後的股份為基礎的交易有效。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

Annual Improvements to IFRSs 2010–2012 Cycle (continued)

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have “similar economic characteristics”; and (ii) clarify that a reconciliation of the total of the reportable segments’ assets to the entity’s assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)和新香港公司條例(續)

國際財務報告準則之年度改進(二零一零年至二零一二年週期)(續)

國際財務報告準則第3號之修訂本闡明，於各報告日期被分類為資產或負債的或然代價應按公允價值計量，不論該或然代價是否屬於國際財務報告準則第9號或國際會計準則第39號範圍內的金融工具或非金融資產或負債。公允價值變動(計量期調整除外)應於損益內確認。國際財務報告準則第3號修訂本對收購日期為二零一四年七月一日或之後的業務合併有效。

國際財務報告準則第8號之修訂本(i)規定實體披露管理層在應用經營分部匯總條件時所作出的判斷，包括匯總經營分部之描述，及釐定經營分部是否具有「相似的經濟特點」時所作評估的經濟指標；及(ii)闡明倘向主要經營決策者定期提供分部資產，方須提供可報告分部的資產總額與實體資產的對賬。

對國際財務報告準則第13號之結論所依據基準之修訂闡明，頒佈國際財務報告準則第13號及對國際會計準則第39號及國際財務報告準則第9號作出的相應修訂不會剝奪按未折現的發票金額計量無規定利率的短期應收款項及應付款項的能力，條件是折現的影響並不重大。

在對物業、廠房及設備項目或無形資產進行重新估值時，國際會計準則第16號及國際會計準則第38號修訂本刪除了在對累計折舊／攤銷進行會計處理時所識別的認知分歧。經修訂的準則闡明，賬面總值乃按與資產賬面值重新估值一致的方式進行調整，而累計折舊／攤銷為經計及累計減值虧損後之賬面總值與賬面值之間的差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

Annual Improvements to IFRSs 2010–2012 Cycle (continued)

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors of the Company consider that the application of the amendments included in the Annual Improvements to IFRSs 2010–2012 Cycle has had no material effect on the Group’s consolidated financial statements.

Annual Improvements to IFRSs 2011–2013 Cycle

The Annual Improvements to IFRSs 2011–2013 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)和新香港公司條例(續)

國際財務報告準則之年度改進(二零一零年至二零一二年週期)(續)

國際會計準則第24號修訂本闡明，向報告實體提供主要管理人員服務的管理實體為報告實體的關連方。因此，報告實體應就提供主要管理人員服務以關連方交易披露已付或應付予管理實體而產生的金額。然而，毋須披露有關報酬的組成部份。

本公司董事認為採納國際財務報告準則之年度改進(二零一零年至二零一二年週期)中所載之修訂將不會對本集團的綜合財務報表構成重大影響。

國際財務報告準則之年度改進(二零一一年至二零一三年週期)

國際財務報告準則之年度改進(二零一一年至二零一三年週期)包括對若干國際財務報告準則之多項修訂，概述如下。

國際財務報告準則第3號之修訂本闡明，該準則並不適用於合營安排自身之財務報表中就所有類型合營安排的形成所進行之會計處理。

國際財務報告準則第13號之修訂本闡明，以淨額基準計量資產和金融負債組別公允價值的組合例外的適用範圍包括屬於國際會計準則第39號或國際財務報告準則第9號範圍以及根據該等準則入賬的所有合約，即使有關合約並不符合國際會計準則第32號中金融資產或金融負債之定義。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

Annual Improvements to IFRSs 2011–2013 Cycle (continued)

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

- (a) the property meets the definition of investment property in terms of IAS 40; and
- (b) the transaction meets the definition of a business combination under IFRS 3.

The Directors of the Company consider that the application of the amendments included in the Annual Improvements to IFRSs 2011–2013 Cycle has had no material effect on the Group’s consolidated financial statements.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 “Accounts and Audit” of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）和新香港公司條例（續）

國際財務報告準則之年度改進（二零一一年至二零一三年週期）（續）

國際會計準則第40號之修訂本闡明，國際會計準則第40號與國際財務報告準則第3號並非互相排斥，並且可能要求同時應用該兩項準則。因此，實體收購投資物業須確定：

- (a) 該物業是否符合國際會計準則第40號中投資物業的定義；及
- (b) 該交易是否符合國際財務報告準則第3號中業務合併的定義。

本公司董事認為採納國際財務報告準則之年度改進（二零一一年至二零一三年週期）中所載之修訂將不會對本集團的綜合財務報表構成重大影響。

香港公司條例（第622章）

此外，香港公司條例（第622章）的第9部「帳目與審核」中關於年度報告的要求在本財政年度開始實施。因此，綜合財務報表中若干資料的呈列及披露有所變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective.

IFRS 9	Financial Instruments ³
IFRS 15	Revenue from Contracts with Customers ³
IFRS 16	Leases ⁴
Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle ¹
Amendments to IAS 1	Disclosure Initiative ¹
Amendments to IAS 7	Statement of Cash Flows ²
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ²
Amendments to IAS 16 and IAS 38	Clarification of Acceptance Methods of Depreciation and Amortisation ¹
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants ¹
Amendments to IAS 27	Equity Method in Separate Financial Statements ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception ¹
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）和新香港公司條例（續）

已頒佈尚未生效之新訂及經修訂國際財務報告準則

本集團並無提早應用以下已頒佈惟尚未生效之新訂及經修訂國際財務報告準則。

國際財務報告準則第9號	財務工具 ³
國際財務報告準則第15號	來自客戶合約之收入 ³
國際財務報告準則第16號	租賃 ⁴
國際財務報告準則之修訂本	國際財務報告準則之年度改進（二零一二年至二零一四年週期 ¹ ）
國際會計準則第1號之修訂本	披露計劃 ¹
國際會計準則第7號之修訂本	現金流量表 ²
國際會計準則第12號之修訂本	遞延所得稅資產未變現虧損之確認 ²
國際會計準則第16號、第38號之修訂本	釐清折舊及攤銷可接受之方法 ¹
國際會計準則第16號、第41號之修訂本	農業：生產性植物 ¹
國際會計準則第27號之修訂本	獨立財務報表之權益法 ¹
國際財務報告準則第10號及國際會計準則第28號之修訂本	投資者與其聯營公司或合營公司之間出售或注資 ⁵
國際財務報告準則第10號、第12號及國際會計準則第28號之修訂本	投資實體：豁免合併的應用 ¹
國際財務報告準則第11號之修訂本	收購合營業務權益之會計處理 ¹

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

- ¹ Effective for annual periods beginning on or after 1 January 2016.
- ² Effective for annual periods beginning on or after 1 January 2017.
- ³ Effective for annual periods beginning on or after 1 January 2018.
- ⁴ Effective for annual periods beginning on or after 1 January 2019.
- ⁵ Effective date not yet been determined.

The Directors of the Company anticipate that, except as described below, the application of other new and revised IFRSs will have no material impact on the results and the financial position of the Group.

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, IFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the consolidated financial statements. A finalised version of IFRS 9 was issued in 2014 to incorporate all the requirements of IFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a “fair value through other comprehensive income” (“**FVTOCI**”) measurement category for certain financial assets. The finalised version of IFRS 9 also introduces an “expected credit loss” model for impairment assessments.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)和新香港公司條例(續)

已頒佈尚未生效之新訂及經修訂國際財務報告準則(續)

- ¹ 於二零一六年一月一日或以後開始之年度期間生效。
- ² 於二零一七年一月一日或以後開始之年度期間生效。
- ³ 於二零一八年一月一日或以後開始之年度期間生效。
- ⁴ 於二零一九年一月一日或以後開始之年度期間生效。
- ⁵ 生效日期尚未確定。

本公司董事預計，除了下述內容，其他新增及修訂之國際財務報告準則之應用將不會對本集團的業績和財務狀況產生重大影響。

國際財務報告準則第9號金融工具

於二零零九年頒佈的國際財務報告準則第9號對金融資產的分類及計量提出新要求。國際財務報告準則第9號於二零一零年修訂並載有對金融負債的分類及計量及終止確認的要求。於二零一三年，國際財務報告準則第9號獲進一步修訂，以落實對沖會計法之實質性修訂，從而將使實體於財務報表中更好地反映風險管理活動。國際財務報告準則第9號的最終版本於二零一四年頒佈以涵蓋所有過往年度頒佈的國際財務報告準則第9號的規定，藉為若干金融資產引入「透過其他全面收益按公允價值列賬」(「**透過其他全面收益按公允價值列賬**」)計量類別，對分類及計量規定作出有限修訂。國際財務報告準則第9號的最終版本亦引入「預期信貸虧損」模式進行減值評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

IFRS 9 Financial Instruments (continued)

Key requirements of IFRS 9 are described as follows:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）和新香港公司條例（續）

已頒佈尚未生效之新訂及經修訂國際財務報告準則（續）

國際財務報告準則第9號金融工具（續）

國際財務報告準則第9號之主要規定載述如下：

- 所有符合國際會計準則第39號金融工具：確認及計量範圍內所有已確認之金融資產其後按攤銷成本或公允價值計量。特別是根據業務模式以收取合約現金流量為目的之債務投資及僅為支付本金及未償還本金之利息而產生合約現金流量之債務，一般於其後會計期末按攤銷成本計量。於目的為同時收回合約現金流量及出售金融資產的業務模式中持有的債務工具，以及金融資產條款令於特定日期產生的現金流純為支付本金及未償還本金的利息的債務工具，以透過其他全面收益內按公允價值列賬的方式計量。所有其他債務投資及股本投資乃按於其後會計期末之公允價值計量。此外，根據國際財務報告準則第9號，實體可作出不可撤回的選擇，於其他全面收益呈列股本投資（非持作交易）公允價值之其後變動，而僅有股息收入一般於損益中確認。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

IFRS 9 Financial Instruments (continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity’s expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in IAS 39 for the recognition of credit losses. Under the impairment approach in IFRS 9 it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)和新香港公司條例(續)

已頒佈尚未生效之新訂及經修訂國際財務報告準則(續)

國際財務報告準則第9號金融工具(續)

- 就計量指定按公允價值列賬並在損益內處理的金融負債而言，國際財務報告準則第9號規定，金融負債因其信貸風險變動引致的公允價值變動數額，除非於其他全面收益確認該負債的信貸風險變動影響會造成或擴大損益的會計錯配，否則須於其他全面收益呈列。金融負債因其信貸風險變動而引致的公允價值變動其後不會重新分類至損益。根據國際會計準則第39號，指定為透過損益按公允價值列賬的金融負債的公允價值變動全部數額均於損益呈列。
- 就減值評估而言，加入有關於實體金融資產預期信貸虧損及延長信貸的承諾的減值的入賬要求。此等規定消除於國際會計準則第39號有關確認信貸虧損的門檻。根據國際財務報告準則第9號的減值方法，毋須再待發生信貸事件方確認信貸虧損。取而代之，預計信貸虧損及該等預計信貸虧損的變動總應計入在內。預期信貸虧損的金額於各報告期日更新以反映自初始確認起的信貸風險變動及從而提供有關預期信貸虧損的更多更及時的資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

IFRS 9 Financial Instruments (continued)

- IFRS 9 introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, IFRS 9 looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under IAS 39, it is necessary to exhibit eligibility and compliance with the requirements in IAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for IAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

IFRS 9 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The Directors of the Company anticipate that the adoption of IFRS 9 in the future may have significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities.

Regarding the Group’s financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）和新香港公司條例（續）

已頒佈尚未生效之新訂及經修訂國際財務報告準則（續）

國際財務報告準則第9號金融工具（續）

- 國際財務報告準則第9號引入新模式，允許公司在對沖彼等之金融及非金融風險時所進行的風險管理活動能密切地與對沖會計匹配。作為一種以原則為基礎的方法，國際財務報告準則第9號著眼於風險的確認及計量，並不區分金融項目和非金融項目。新模式亦允許實體利用為進行風險管理而產生的內部資料作為對沖會計的基準。根據國際會計準則第39號，有必要使用僅用作會計目的度量來展現對國際會計準則第39號的合格性及合規性。新模式亦包括合格性標準，惟該等標準基於就對沖關係強度進行的經濟評估，可利用風險管理數據釐定。相較於國際會計準則第39號之對沖會計內容，此應可降低實行成本，因其降低了僅為會計處理所需進行的分析量。

國際財務報告準則第9號將於二零一八年一月一日或以後開始的年度期間生效，並可以提前應用。

本公司董事預期，日後採用國際財務報告準則第9號可能對本集團之財務資產和財務負債所呈報的金額構成重大影響。

就本集團之金融資產及金融負債而言，直至完成詳細審閱為止無法就有關影響作出合理估計。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

IFRS 16 Leases

IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRS 16 will become effective for annual periods beginning on or after 1 January 2019. The directors of the Company anticipate that the application of IFRS 16 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Group performs a detailed review.

IFRS 15 Revenue from Contracts with Customers

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, IFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

- (i) Identify the contract with the customer;
- (ii) Identify the performance obligations in the contract;

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）和新香港公司條例（續）

已頒佈尚未生效之新訂及經修訂國際財務報告準則（續）

國際財務報告準則第16號租賃

國際財務報告準則第16號規定了如何確認、計量、呈列以及披露租賃。該準則提供單一承租人的會計模式，要求承租人確認租賃的全部資產和負債，除非租期為十二個月或以下或相關資產價值比較低。國際財務報告準則第16號的計量方法與其前身國際會計準則第17號相較，並未大幅度改變。出租人租賃繼續劃分為經營性或融資性。

國際財務報告準則第16號將於二零一九年一月一日或之後開始的年度生效。本公司董事預期，日後採用國際財務報告準則第16號可能對本集團之財務報告和披露金額產生重大影響。然而，直至本集團進行詳細審閱前，本集團提供國際財務報告準則第16號影響的合理估計為不可行。

國際財務報告準則第15號來自客戶合約之收入

國際財務報告準則第15號的核心原則為實體應確認收入，以述明按反映實體預期可用以交換已約定貨品或服務之代價的金額向客戶移交該等貨品或服務。因此，國際財務報告準則第15號引入適用於客戶合約的模型，特點是按合約對交易進行五個步驟的分析，以釐定是否確認收入、確認收入的數額及時間。五個步驟如下：

- (i) 識別與客戶訂立之合約；
- (ii) 識別合同中的履約責任；

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the consolidated financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

IFRS 15 will become effective for annual periods beginning on or after 1 January 2018 with early application permitted. The Directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)和新香港公司條例(續)

已頒佈尚未生效之新訂及經修訂國際財務報告準則(續)

國際財務報告準則第15號來自客戶合約之收入(續)

- (iii) 確定交易價格；
- (iv) 分配交易價格至履約責任；及
- (v) 當(或於)實體履約責任之時確認收入。

國際財務報告準則第15號還引入了大量的定性和定量的披露要求，其目的是使合併財務報表的使用者了解從客戶合同所產生的收入及現金流的性質、金額、時間以及不確定性。

國際財務報告準則第15號生效后，將取代現時沿用的收入確認指引，包括國際會計準則第18號收入、國際會計準則第11號建造合同以及相關解釋。

國際財務報告準則第15號將於二零一八年一月一日或以後開始之年度期間生效，並可提前應用。本公司董事預期，日後應用國際財務報告準則第15號可能對本集團綜合財務報表內已呈報的金額及已作出的披露造成重大影響。然而，在本集團進行詳細審閱前對國際財務報告準則第15號的影響作出合理估計並不切實可行。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

Annual Improvements to IFRSs 2012–2014 Cycle

The Annual Improvements to IFRSs 2012–2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to IFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to IFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）和新香港公司條例（續）

已頒佈尚未生效之新訂及經修訂國際財務報告準則（續）

國際財務報告準則之年度改進（二零一二年至二零一四年週期）

國際財務報告準則之年度改進（二零一二年至二零一四年週期）包括對若干國際財務報告準則之多項修訂，現概述如下。

國際財務報告準則第5號（修訂本）澄清由一種出售方式（如透過出售而出售或透過分派予擁有人出售）轉換成另一種方式不應被視為一項新出售計劃方式，而是原計劃之延續。因此，應用國際財務報告準則第5號之規定並未受影響。此外，修訂本亦澄清改變出售方式並無改變分類日期。

國際財務報告準則第7號（修訂本）澄清內含費用之服務合約構成持續參與金融資產。實體須根據國際財務報告準則第7號之持續參與指引評估費用及安排之性質，以評估是否須就持續參與全部終止確認之轉讓資產作出其他披露。此外，國際財務報告準則第7號（修訂本）亦澄清簡明中期財務報告中無須作出有關抵銷金融資產及金融負債之披露，除非披露包括最近期年報所報告資料之重大更新。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

Annual Improvements to IFRSs 2012–2014 Cycle (continued)

The amendments to IAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

IAS 34 requires entities to disclose information in the notes to the interim financial statements “if not disclosed elsewhere in the interim financial report”. The amendments to IAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The Directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2012–2014 Cycle will have a material effect on the Group’s consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)和新香港公司條例(續)

已頒佈尚未生效之新訂及經修訂國際財務報告準則(續)

國際財務報告準則之年度改進(二零一二年至二零一四年週期)(續)

國際會計準則第19號(修訂本)澄清優質公司債券之市場深度須按債務計值貨幣而非按債務所在國家評估。倘以該貨幣計值之優質公司債券並無深入市場，則須使用政府債券利率。

國際會計準則第34號要求實體於中期財務報表附註披露資料(倘並無於中期財務報告中另行披露)。國際會計準則第34號(修訂本)澄清規定之中期披露須於中期財務報表中作出或於中期財務報表之間相互參照(倘披露已載於中期財務報告其他部份)。中期財務報告之其他資料需按與中期財務報表之相同條款且於相同時間供使用者查閱。倘使用者不可按此等方式查閱其他資料，則中期財務報告視作不完整。

本公司董事預期採納國際財務報告準則之年度改進(二零一二年至二零一四年週期)中所載之修訂將不會對本集團的綜合財務報表構成重大影響。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under IAS 16. The amendments to IAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

- (i) when the intangible asset is expressed as a measure of revenue;
- (ii) when a high correlation between revenue and consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to IAS 16 and IAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group use straight-line method for depreciation of property, plant and equipment, the Directors of the Company do not anticipate that the application of the amendments to IAS 16 and IAS 38 will have a material impact on the Group’s consolidated financial statements

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）和新香港公司條例（續）

已頒佈尚未生效之新訂及經修訂國際財務報告準則（續）

國際會計準則第16號及第38號之修訂本釐清可接受之折舊及攤銷方法

國際會計準則第16號之修訂本禁止針對物業、廠房及設備使用以收入為基礎的折舊方法。國際會計準則第38號修訂本引入了可推翻的假設，即收入並非適當的無形資產攤銷的基礎。該假設僅在下列兩種特定情況可被推翻：

- (i) 當無形資產是以收入來衡量；
- (ii) 當可證明收入與無形資產經濟利益的消耗存在高度關聯性時。

國際會計準則第16號（修訂本）及國際會計準則第38號（修訂本）將自二零一六年一月一日或之後開始的年度期間對財務報表生效，可提早應用。該修訂可追索性應用。

由於本集團就物業、廠房及設備使用直線法折舊，本公司董事並不預期應用國際會計準則第16號（修訂本）及國際會計準則第38號（修訂本）將會對本集團的綜合財務報表產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments to IAS 16 and IAS 41 define bearer plants. Biological assets that meet the definition of bearer plants are no longer accounted for under IAS 41, but under IAS 16 instead. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The amendments to IAS 16 and IAS 41 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

The Directors of the Company anticipate that the application of these amendments to IAS 16 and IAS 41 in the future may have a material impact on the Group’s consolidated financial statements. However, it is not practicable to provide reasonable estimate of the effect until the Group performs a detailed review.

Amendments to IAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the consolidated financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the consolidated financial statements, which include the notes. An entity does not require to provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material. This is the case even if the IFRS contain a list of specific requirements or describe them as minimum requirements.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)和新香港公司條例(續)

已頒佈尚未生效之新訂及經修訂國際財務報告準則(續)

國際會計準則第16號和第41號之修訂本農業：生產性植物

國際會計準則第16號及國際會計準則第41號之修訂本為生產性植物定義並要求根據國際會計準則第16號，替代國際會計準則第41號，將符合生產性植物定義的生物資產入賬。生產性植物上生長的農產品則繼續根據國際會計準則第41號入賬。

國際會計準則第16號和國際會計準則第41號之修訂本將於二零一六年一月一日或以後開始之年度財務報表生效。允許提前採用。該修訂本應追溯應用。

本公司董事預期國際會計準則第16號和國際會計準則第41號之修訂本在未來可能會對本集團合併財務報表產生重大影響。然而，在本集團進行詳細審閱前對該影響作出合理估計並不切實可行。

國際會計準則第1號之修訂本披露計劃

修訂澄清公司於釐定於財務報表呈列何種資料、呈列資料的位置及順序時應該使用專業判斷。尤其是，實體應考慮所有相關因素及情況決定如何於綜合財務報表匯總資料(包括附註)。倘披露的資料並不重要，實體可以不須按國際財務報告準則要求提供具體披露。即使國際財務報告準則載有一系列特別要求或將其描述為最低要求亦如此。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



2. Application of New and Revised International Financial Reporting Standards (“IFRS(s)”) and New Hong Kong Companies Ordinance (continued)

New and revised IFRSs in issue but not yet effective (continued)

Amendments to IAS 1 Disclosure Initiative (continued)

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity’s financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

- (i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and
- (ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The Directors of the Company anticipate that the application of Amendments to IAS 1 in the future may have a material impact on the disclosures made in the Group’s consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)和新香港公司條例(續)

已頒佈尚未生效之新訂及經修訂國際財務報告準則(續)

國際會計準則第1號之修訂本披露計劃(續)

此外，該修訂規定對呈列額外項目、標題及小計的若干其他要求，倘其呈列乃分別與了解實體財務狀況及財務表現有關。於聯營公司或合營公司有投資的實體須呈列使用權益法計算的應佔聯營公司及合營公司的其他全面收益，單獨呈列應佔項目(i)期後將不會重新分類至損益；及(ii)符合特定條件時，期後將重新分類至損益。

再者，修訂本闡明：

- (i) 實體於釐定附註順序時應考慮對其財務報表的理解性及比較性的影響；及
- (ii) 重大會計政策無須於一個附註內披露，但可連同相關資料載於其他附註內。

修訂本將於二零一六年一月一日或以後開始之年度期間的財務報表生效，並可提早應用。

本公司董事預期未來採納國際會計準則第1號之修訂本或會對本集團的綜合財務報表內所作的披露產生重大影響。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

2A. Change of Accounting Estimates

Change of depreciation rate in the year

In previous years, machinery was depreciated at 10% per annum. With effect from 1 January 2015, machinery has been depreciated at 6.7% per annum. The decrease in depreciation rate used is due to the low utilisation rate of machinery with shrinking revenue. This change in depreciation rate has decreased the depreciation charge for the year by approximately RMB3,293,000.

3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for biological assets that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

2A. 會計估值的變更

本年度折舊率的變更

在過去的幾年裏，機器以每年10%的比率計提折舊，從2015年1月1日開始，機器每年以6.7%的比率計提折舊。折舊率的下降是由於整個收入的縮減而引至設備的使用率下降。這種折舊率的改變使本年折舊費用減少了約人民幣3,293,000。

3. 主要會計政策

本綜合財務報表乃根據國際會計準則委員會發布的國際財務報告準則編製。此外，本綜合財務報表包括了聯交所證券上市規則（「上市規則」）和香港公司條例要求的適用披露事項。

如下文載列之會計政策所說明，綜合財務報表於各報告期末按歷史成本基準而編製，以公允價值計量之生物資產除外。

歷史成本通常基於就交換貨品而支付代價的公允價值。

公允價值是於計量日期市場參與者間在主要市場（或最有利的市場）按照現行市況（即平倉價）進行的有序交易所出售資產所收取或轉讓負債須支付的價格，不論該價格是否直接可觀察或使用另一估值技術估計所得。有關公允價值計量的詳情於下文所載會計政策中解釋。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. its subsidiaries).

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. When the Group has less than a majority of the voting rights of an investee, power over the investee may be obtained through: (i) a contractual arrangement with other vote holders; (ii) rights arising from other contractual arrangements; (iii) the Group's voting rights and potential voting rights; or (iv) a combination of the above, based on all relevant facts and circumstances.

The Company reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control of the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. 主要會計政策(續)

主要會計政策載列如下：

綜合賬目之基準

綜合財務報表包括本公司及受其控制實體(即其子公司)的財務報表。

控制乃指本集團擁有：(i)權力支配被投資方；(ii)藉對被投資方的參與而有權改變由其獲取的回報；及(iii)藉對該被投資方行使權力而有能力影響本集團回報。倘本集團於被投資方的投票權少於半數，可因應相關事實及情況，透過下列方式取得被投資方的權力：(i)與其他投票持有人訂立合約安排；(ii)來自其他合約安排的權利；(iii)本集團的投票權及潛在投票權；或(iv)綜合上述各項。

倘有事實及情況顯示上述三項控制因素中有一項或以上出現變化，本集團將重新評估其是否對投資對象擁有控制權。

當本集團取得附屬公司之控制權時，該等附屬公司之賬目開始合併，而當本集團失去附屬公司之控制權時終止合併。

附屬公司之收入及開支自本集團取得控制權之日起至本集團失去控制權之日計入綜合損益表中。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Investment in a joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in a joint venture is accounted for in the consolidated financial statements using the equity method. Under the equity method, investment in a joint venture is initially recognised at cost. The Group's share of the profit or loss and changes in the other comprehensive income of the joint venture are recognised in profit or loss and other comprehensive income respectively after the date of acquisition. If the Group's share of loss of a joint venture equals or exceeds its interest in the joint venture, which determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

3. 主要會計政策(續)

綜合賬目之基準(續)

損益及其他全面收益之各項目歸屬於本公司擁有人及非控股權益。即時會導致非控股權益產生虧損結餘，附屬公司之全面收益總額易歸屬於本公司擁有人及非控股權益。

集團內部各實體之間之資產及負債、所有者權益、收入、開支以及現金流量，將於綜合賬目時悉數對消。

合營公司的投資

合營公司為一項合營安排，共同控制有關安排之各方對合營安排中之淨資產享有權利。共同控制乃各方訂立合約同意分享某項安排之控制權，只在就相關活動所作決定須獲共同控制方一致同意之情況下存在。

集團於合營公司之投資乃以權益會計法併入綜合財務報表內。根據權益法，於合營公司之投資按成本初步於綜合財務狀況表確認，其後作出調整以確認本集團分佔合營公司之損益及其他全面收益。當本集團分佔合營公司之虧損超出其於該合營公司之權益(包括任何實質上構成本集團於該合營公司之投資淨額之長期權益)時，本集團終止確認其分佔之進一步虧損。只在本集團須代合營公司承擔法律或推定責任，或支付款項之情況下始須確認額外虧損並確認負債。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Investment in a joint venture (Continued)

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture.

After application of the equity method, including recognising the joint venture's losses (if any), the Group determines whether it is necessary to recognise any additional impairment loss with respect to its investment in the joint venture. The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment in the joint venture. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策(續)

合營公司的投資(續)

於合營公司之投資，自被投資方成為合營公司之日起採用權益法列賬。

採用權益法核算後，包括計入該合營公司的虧損(如有)，本集團決定是否有必要確認其在合營公司之投資任何額外的減值損失。該項投資的全部賬面值以單一資產的方式進行減值測試，方法是比較其可收回金額(即使用價值與公允價值減出售成本的較高者)與其賬面值。任何已確認的減值虧損構成該項投資的賬面值的一部份，有關減值虧損的任何撥回乃於該項投資的可收回金額其後增加。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Investment in a joint venture (continued)

When the investment ceases to be a joint venture upon the Group losing joint control over the joint venture, the Group discontinues to apply equity method and any retained interest is measured at fair value at that date which is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. Any difference between the fair value of any retained interest and any proceeds from disposing of a part interest in the joint venture and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss. Any amount previously recognised in other comprehensive income in relation to that investment is reclassified to profit or loss or retained earnings on the same basis as it would have been required if the investee had directly disposed of the related assets or liabilities.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold in the normal course of business, net of estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. 主要會計政策(續)

合營公司的投資(續)

當不再是對本集團的合營公司或喪失共同控制的合營公司的投資，本集團中止採用權益法，並且任何保留權益公允價值以在初始確認之日按照香港會計準則第39條關於財務資產的公允價值計量。並從合資公司部分權益處置任何收益，並在權益法被中斷之日起把投資的賬面價值之間的差額，計入當期損益。其他綜合收益相對於投資以前確認的金額重分類至損益或在同一基礎上的留存收益，它會被要求投資直接設置相關的資產和負債。

收入確認

收入按已收或應收代價的公允價值計算，乃經扣除預計客戶退貨、返利及其他類似撥備。

銷售貨品之收入於貨品付運及擁有權轉移時，並符合下列所有條件時確認入賬：

- 本集團已將貨物的重大風險及回報轉移至買方；
- 本集團並無保留一般與擁有權有關之已出售貨品持續管理權或實際控制權；
- 收入金額能可靠計量；
- 交易涉及之經濟利益很可能流向本集團；及
- 就交易所引致或將引致之成本能可靠計量。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Revenue recognition (continued)

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策(續)

收入確認(續)

財務資產之利息收入於經濟利益有可能流入本集團且收入金額能可靠計量時確認。利息收入乃按時間基準，參考未償還本金及適用實際利率，即初次確認時按該財務資產估計未來現金在預期可使用期內實切地折現至資產賬面淨值之利率累計。

租賃

凡租約條款規定擁有權附帶的一切風險及回報轉移至承租人者，均分類為融資租賃。所有其他租約則分類為經營租賃。

本集團作為承租人

經營租賃款項按相關租賃年期以直線法確認為支出。對於經營租約中獲得的租金減免應記為負債。而合共的租金減免之收益會以直線法於有關租金扣除確認。

外幣

於編製個別集團實體之財務報表時，以該實體之功能貨幣以外貨幣(外幣)進行之交易乃按交易當日之通行匯率折算確認。於呈報期末，以外幣列值之貨幣項目按該日之通行匯率重新換算。以外幣列值按公允價值入賬之非貨幣項目按釐定公允價值當日之通行匯率換算。以外幣列值按歷史成本計量之非貨幣項目不予重新換算。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

外幣(續)

結算貨幣項目及貨幣兌換項目所產生之匯兌差異於其產生期間內在損益中確認，除了公司一項境外業務淨投資所產生之匯兌差異，在這種情況下，這些匯兌差異都計入其他綜合收益並在權益中累計，並將境外業務處置從權益重分類至損益。以外幣列值按公允價值入賬之非貨幣項目所產生之匯兌差異直接計入其他綜合收益，在這種情況下，匯兌差異也直接計入其他綜合收益。

就呈列綜合財務報表而言，本集團之海外業務資產及負債採用呈報期末之通行匯率換算為本集團之呈列貨幣(即人民幣)。除非採用交易日之匯率，而當期匯率變動明顯，否則收入及開支項目會按年內之平均匯率換算。所產生之匯兌差額(如有)於其他全面收益內確認並累計入權益項下之匯兌儲備中。

借款成本

借款成本於產生期間會於損益中確認。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs and termination benefits

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

3. 主要會計政策(續)

政府補助

在合理地保證本集團會遵守政府補助的附帶條件以及將會得到資助後，政府補助方會予以確認。

政府補助於本集團將有關補助擬補償之有關成本確認為開支之期間，按系統化基準於損益中確認。具體來說，政府補助，其基本條件是本集團應購買，建造或以其他方式取得非流動資產，被認定為財務狀況的合並報表遞延收益，並在使用壽命轉移到利潤或虧損系統合理的基礎上的相關資產。

用作補償本集團已產生開支或虧損或旨在為本集團提供即時財務資助(而無未來相關成本)之應收政府補助，乃於其成為可收取之期間於損益確認。

退休福利成本和辭退福利

支付給國家管理的退休福利計劃及強制性公積金計劃被認為是當僱員提供使其有權獲得有關供款的服務時在損益中確認為開支，惟已計入尚未確認為開支的存貨成本內則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before taxation as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續)

短期和其他長期僱員福利

僱員就工資、薪金、年假及病假應計之福利，於提供服務期間按預期就服務所支付的福利未折現金額而確認為負債。

短期僱員福利按相關服務換取的未折現預期福利金額計量，確認為負債。

就其他長期僱員福利確認的負債按預計本集團就僱員直至報告日期提供的服務而估計的未來現金流出的現值計量。

稅項

所得稅支出指應繳即期稅項及遞延稅項之總和。

應繳即期稅項根據本年度之應課稅溢利計算。應課稅溢利與綜合損益表中呈報的稅前溢利不同，乃基於其並無計入其他年度應課稅收入或可扣稅開支以及無需課稅及不獲扣稅之項目所致。本集團之即期稅項負債乃按呈報期末已訂定或大致訂定之稅率計算。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interest in a joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續)

稅項(續)

遞延稅項乃於綜合財務報表內資產及負債賬面值與用於計算應課稅溢利之相應稅基兩者間之暫時性差異確認。遞延稅項負債一般按所有應課稅暫時性差異確認。遞延稅項資產一般按可能會出現可用作抵銷可扣稅暫時性差異之應課稅溢利就所有可扣稅的暫時性差異確認。倘暫時性差異乃初始確認(業務合併中的除外)一項交易中的資產及負債所產生但不影響應課稅溢利或會計溢利，則不會確認該等遞延資產及負債。此外，倘商譽的初始確認引起暫時性差異，則不會確認遞延稅項負債。

遞延稅項負債乃按附屬公司投資有關之應課稅臨時差額確認，惟若本集團可控制臨時差額之回撥及臨時差額有很可能不會於可見將來回撥之情況除外。有關該等投資及權益之可扣除暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可動用暫時差額利益且預計於可見將來撥回時確認。

遞延稅項資產之賬面值於每一呈報期末進行檢討，並於不可能再有足夠應課稅溢利可用以收回所有或部份遞延稅項資產時作出相應的賬面值扣減。

遞延稅項資產及負債乃根據於呈報期末時已頒佈或實際已頒佈之稅率(及稅法)，按預期於清償負債或變現資產期間適用之稅率計算。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Taxation (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策(續)

稅項(續)

遞延稅項負債及資產之計算反映本集團預期於呈報期末時收回或償還其資產及負債之賬面值所產生之稅務後果。

即期及遞延稅項於損益中確認，惟倘關於在其他全面收益內或直接在權益中確認之項目有關，在此情況下，即期及遞延稅項亦分別於其他全面收益內或直接在權益中確認。

物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品或服務或作行政用途的樓宇，乃以成本值減隨後累計折舊及隨後累計減值損失(如有)於綜合財務狀況表列賬。

折舊於其估計可使用年期內撇銷廠房及設備之成本減其估計剩餘價值後以直線法確認。估計可使用年期、剩餘價值及折舊方法於每個呈報期末作出檢討，其估計變動之影響按未來適用基準入賬。

物業指用作生產、供應或行政用途乃按成本值減任何已確認減值虧損列賬。成本包括專業費用，符合條件之資產需根據本集團會計政策將貸款成本資本化。該等物業需在完工後合適地分類至物業、廠房及設備。相關的折舊亦應根據其他物業資產的基準，在該等物業可供其擬定用途時入賬。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Biological assets

Biological assets are living plants involved in the agricultural activities of the transformation of biological assets into agricultural produce for sale or into additional biological assets. Biological assets are measured at fair value less costs to sell at initial recognition and at the end of each reporting period while agricultural produce are measured at fair value less costs to sell at the point of harvest, which is deemed as the cost at that date when the agricultural produce becomes inventory or additional biological assets.

If an active market exists for a biological asset or agricultural produce with reference to comparable species, growing condition and expected yield of the crops, the quoted price in that market is adopted for determining the fair value of that asset. If an active market does not exist, the Group uses the most recent market transaction price, provided that there has not been a significant change in economic circumstances between the transaction date and the end of reporting period, or the market prices for similar assets adjusted to reflect differences to determine fair values or as determined by independent professional valuers. The gain or loss arising on initial recognition and subsequent changes in fair values less costs to sell of biological assets is recognised in profit or loss in the period in which it arises.

3. 主要會計政策(續)

物業、廠房及設備(續)

一項物業、廠房及設備項目於出售時，或預期續用該資產將不會產生日後經濟利益時終止確認。處置或廢棄物業、廠房及設備項目所產生之任何收益或虧損按出售所得款項與資產賬面值間之差額計算，並於損益內確認。

生物資產

生物資產乃有生命之植物，涉及將生物資產轉化為待售農產品或轉化為更多生物資產。生物資產於初步確認及各呈報期末按公允價值減銷售成本計量，而農產品按公允價值減收成時的銷售成本計量，這被視為農產品轉至存貨或更多生物資產之成本。

倘生物資產或農產品經參考可比較農作物之品種、生長狀況及預期收穫後存在活躍市場，則採納市場上所報價格釐定該資產之公允價值。倘並不存在活躍市場，本集團則採用最近之市場交易價計算，惟交易日與報告期末之間並無出現重大經濟情況變動或同類資產之市價已經調整至反映差額以釐定公允價值或由獨立專業估價師釐定。初步確認與其後公允價值變動產生之盈虧減生物資產之銷售成本乃於產生期間於損益表確認。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Internally-generated intangible assets – research and development expenditure

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is measured on the same basis as intangible assets acquired separately.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

3. 主要會計政策(續)

內部產生的無形資產 – 研究及 開發費用

由開發活動(或由一項在發展階段期間之內部項目)內部所產生之無形資產，只會在以下全部已被證明之情況下方會予以確認：

- 完成無形資產以使該無形資產可供使用或出售的技術可行性；
- 完成無形資產及使用或出售該無形資產的意向；
- 使用或出售無形資產的能力；
- 無形資產如何於日後產生可能的經濟利益；
- 是否有足夠的技術、財務及其他資源以完成開發及使用或出售無形資產；及
- 可靠計量無形資產於開發期間應佔支出的能力。

內部產生的無形資產金額之初始確認是指滿足無形資產確認條件后發生開支總和。如果沒有可被識別的內部產生無形資產，於期間內產生之開發支出計入當期損益。

初始確認后，內部產生的無形資產按照單獨購買無形資產計量。

研究活動之開支於其產生期間確認為費用。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method, and include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of the production overheads based on normal operating capacity. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Cash and cash equivalents

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined above.

Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

3. 主要會計政策(續)

存貨

存貨以成本與可變現淨值的較低者計量。存貨成本按加權平均成本原則決定，並包括購入存貨及將其運送至現有地點及狀況所產生的開支。就製成品及在製品而言，成本包括按正常產能計算，按照適當比例分配的生產製造費用。可變現淨值指存貨的估計售價減估計全部完工成本及必要的銷售開支。

存貨撇減至可變現淨值之減幅及所有存貨損失均於撇減或損失產生期間確認為開支。任何已撇減存貨之撥回金額，在作為撥回期間內確認為減少已確認為開支的存貨金額。

現金及現金等價物

綜合財務狀況表之銀行結餘及現金包括銀行現金及手頭現金以及三個月或以內到期之短期存款。

就綜合現金流量表而言，現金及現金等價物由上文所定義之現金及銀行結餘組成。

對附屬公司的投資

對附屬公司的投資按成本扣除累計減值損失列示於本公司財務狀況表。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

3. 主要會計政策(續)

金融工具

當一間集團實體成為金融工具合約條款的一方時，金融資產及金融負債須於綜合財務狀況表中進行確認。

金融資產及金融負債初步按公允價值計量。初步確認時，直接歸於收購或發行金融資產及金融負債的交易成本須加入該等金融資產或金融負債的公允價值或從中扣除(如適用)。

金融資產

本集團金融資產分類為貸款及應收款項。分類乃根據金融資產的性質及目的進行，並初步確認時予以釐定。所有常規買賣之金融資產乃按交易日期確認及終止確認。以常規方式買賣指須根據市場規則或慣例所規定之限期內交付資產之金融資產買賣。

實際利率法

實際利率法乃計算相關期間內債務工具之攤銷成本及分配利息收入之方法。實際利率指確切折現金融資產之預計可使用年期或較短期間(如適用)內估計未來現金收入(包括構成實際利率不可或缺部分之已付或已收之一切費用及利率差價、交易成本及其他溢價或折讓)至初步確認賬面淨值之利率。

利息收入按債務工具的實際利率確認。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, deposit with bank and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Impairment loss on financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為並無於活躍市場報價但具有固定或可釐定付款之非衍生金融資產。經初步確認後，貸款及應收款項(包括貿易及其他應收款項、銀行存款及銀行結存及現金)以實際利率法按攤銷成本減任何已識別減值虧損計算(請參閱下文金融資產減值之會計政策)。

金融資產減值損失

金融資產於各呈報期末評估是否有減值跡象。倘有客觀證據初步確認金融資產後發生之一項或多項事件令金融資產的估計未來現金流量受到影響，則視該金融資產已減值。

就所有金融資產而言，減值之客觀證據可包括：

- 發行人或對方有重大財政困難；或
- 違約，如逾期或拖欠利息或本金還款；或
- 借款人有可能破產或財務重組；或
- 因財務困境而使金融資產喪失活躍市場。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment loss on financial assets (continued)

For certain categories of financial assets, such as trade and other receivables, assets are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 to 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance amount are recognised in profit or loss. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值損失 (續)

就若干類別之金融資產(如貿易及其他應收款項)而言,不會單獨進行額外減值評估的資產會於其後一併進行評估。應收款項組合出現減值的客觀證據包括本集團收回款項的過往經組合中超過平均信貸期30至90天的滯延付款數量增加,及與欠款有關的國家或地區經濟狀況的顯著變動。

就以攤銷成本列賬之金融資產而言,所確認之減值虧損金額為該資產賬面金額與按該金融資產原實際利率折現之估計未來現金流量現值之差額。

所有金融資產之減值虧損會直接於金融資產之賬面金額中作出扣減,惟貿易及其他應收款項除外,其賬面金額會透過撥備賬扣減。撥備賬內之賬面金額變動會於損益中確認。當貿易及其他應收款項被視為不可收回時,其將於撥備賬內撤銷。先前已撤銷之款項如於其後收回,將計入損益。

就以攤銷成本計量之金融資產而言,倘於期後期間,減值虧損金額減少且能客觀地證明與確認減值損失後所發生之事件有關,則先前確認之減值虧損會透過損益撥回,惟減值撥回當日之資產賬面金額不得超過如無確認減值時之攤銷成本。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

The Group's financial liabilities are classified into other financial liabilities.

Other financial liabilities

Other financial liabilities including trade and other payables, amounts due to related parties and loans from controlling shareholders) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. 主要會計政策(續)

金融工具(續)

金融負債及股權工具

集團實體發行之債務及股權工具按所訂立之合約安排性質，以及金融負債及股權工具之定義分類為金融負債及股權。

本集團的金融負債被劃分為其他金融負債。

其他金融負債

其他金融負債(包括貿易及其他應付款項、應付關連方款項及控股股東借款)於期後使用實際利率法按攤銷成本計算。

實際利率法

實際利率法為計算有關期間金融負債之攤銷成本及分配利息開支之方法。實際利率乃準確將金融負債預計年期或較短期間(如適用)內產生之估計未來現金付款(包括所支付或所收取構成實際利率一部份之所有費用及息差、交易成本及其他溢價或折現)折現至初步確認時之賬面淨額之利率。

利息開支按實際利息確認。

股權工具

股權工具為證明一間實體的資產經扣除其所有負債後之剩餘權益的任何合約。本集團發行之股權工具以扣除直接發行成本後之已收所得款項確認。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Financial instruments (continued)

Derecognition

A financial asset is derecognised only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. 主要會計政策 (續)

金融工具 (續)

終止確認

當從金融資產收取現金流之合約權利已屆滿，或當本集團向另一實體轉移金融資產及其擁有權之絕大部份風險及回報時，方會終止確認金融資產。

於全面終止確認金融資產時，資產賬面金額與已收及應收代價及已於其他全面收益確認並於權益累計之累積盈虧之總和之差額，會於損益中確認。

當本集團之債務獲解除、撇銷或屆滿時，本集團方會終止確認金融負債。終止確認之金融負債賬面金額與已付及應付代價之差額會於損益中確認。

計提準備

倘本集團因過往事件而須承擔現有法律責任或推定責任，且本集團極有可能須履行該責任，並能可靠地估計所須承擔之金額，則須確認計提準備。

確認為計提準備之金額乃呈報期間未履行現時責任所需代價之最佳估計，並計及有關責任之風險及不確定因素。當計提準備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(當貨幣時間價值之影響為顯著)。當結算計提準備所需部分或全部經濟利益預期可自第三方收回時，倘大致確定將可獲償付及應收款項可作可靠計量，則將應收款項確認為資產。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (capital reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital reserve.

When share options are exercised, the amount previously recognised in capital reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in capital reserve will be transferred to accumulated losses.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策(續)

以股份為基礎的支付交易

以股權結算並以股份為基礎的交易

授予僱員的購股權

接受業務的公允價值參照股票期權交易的授予日之公允價值以直線基準在歸屬期間費用化，並於權益(資本儲備)作出相應增加。

在呈報期末，本集團會修訂預期最終歸屬的估計購股權數量。更改最初預計歸屬期內的影響會於損益中確認並相應地調整資本儲備，以使累計費用反映經修訂估計。

購股權獲行使時，先前在資本儲備確認的金額將轉入股份溢價。倘歸屬日後被沒收或於屆滿日仍未行使，之前在資本儲備確認的金額會轉入累計損失。

有形資產之減值損失

於呈報期末，本集團審閱其有形資產之賬面值以釐定是否有任何跡象顯示該等資產已蒙受減值損失。倘存在任何該等跡象，將對資產之可收回金額作出估計以確定減值損失(如有)之程度。倘無法估計個別資產之可收回金額，本集團將估計該資產所屬之現金產生單位之可收回金額。倘可辨識到合理及一致之分配基準，企業資產亦分配到個別現金產生單位或彼等獲分配到可辨識合理及一致之分配基準之現金產生單位最小之組別。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

3. Significant Accounting Policies (continued)

Impairment losses on tangible assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Fair value measurement

When measuring fair value except for the Group's share-based payment transactions, leasing transactions, net realisable value of inventories and value in use of property, plant and equipment for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. 主要會計政策(續)

有形資產之減值損失(續)

可收回金額乃公允價值減銷售成本及使用價值兩者中之較高者。評估使用價值時，估計之未來現金流量在未作出調整時應按當時市場對貨幣時間值及該資產特定風險之估計之稅前折現率折現至其現值。

倘估計一項資產(或現金產生單位)之可收回金額低於其賬面值，該資產(或該現金產生單位)之賬面值將減少至其可收回金額。減值損失將即時於損益確認。

倘減值損失於其後撥回，其資產之賬面值將增加至其經修訂之估計可收回金額，惟所增加賬面值不得超過倘於過往年度該資產沒有減值損失情況下所釐定之賬面值。減值損失撥回即時被確認為收入。

公允價值計量

計量公允價值(除本集團以股份為基礎的支付交易，租賃交易，存貨的可變現淨值和物業，廠房及設備使用價值的減值評估外)而言，倘市場參與者於計量日期對資產或負債定價時考慮其特徵，則本集團亦會考慮該等特徵。

非金融資產的公允價值計量計及市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



3. Significant Accounting Policies (continued)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

3. 主要會計政策(續)

公允價值計量(續)

本集團採用估值技術，在適當的情況下為其提供足夠的數據衡量公允價值，最大限度地利用相關的可觀察輸入值，並盡量減少使用不可觀察輸入值。具體而言，該集團分類的公允價值計量根據投入的特徵分為如下三層級：

第一級 — 同類資產或負債於活躍市場的報價(未經調整)。

第二級 — 估值技術(對公允價值計量而言屬重要輸入數據的最低層級直接或間接可觀察)。

第三級 — 估值技術(對公允價值計量而言屬重要輸入數據的最低層級不可觀察)。

於報告期末，本集團釐定資產及負債的公允價值層級是否已發生轉移，公允價值層級乃通過審閱其各自的公允價值計量按經常性基準以公允價值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors of the Company has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

Going concern consideration

The assessment of the going concern assumptions involves making judgements by the management, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors of the Company consider that the Group has ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumptions are set out in note 1.

4. 關鍵會計判斷及估計不確定因素之主要來源

本集團於應用附註3所述之會計政策時，本公司董事須就該等資產、負債、收入和支出報告及合併財務報表作出的披露作出判斷、估計及假設。該等估計及相關假設乃根據董事過往經驗及其認為相關之其他因素而作出。實際結果與估計可能出現誤差。

該等估計及相關假設按持續基準進行審閱。會計估計之修訂乃於作出修訂估計之期間內確認(倘修訂僅影響該期間)，或於修訂期間及未來期間確認(倘修訂影響本期及未來期間)。

應用會計政策之關鍵判斷

除涉及估計者外(見下文)，以下關鍵判斷為本公司董事於應用本集團會計政策之過程中所作出，並對綜合財務報表內確認之金額和披露構成最重大影響者。

持續經營考慮

評估持續經營假設時涉及由管理層於某一特定時間對本身不確定之事件或狀況之未來結果作出判斷。本公司董事認為，本集團有能力持續經營，而可能單獨或集體引致業務風險之之主要事件或狀況載於附註1。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Classification of joint arrangement

廣州霸王他她網絡科技有限公司 (“**Bawang Tata**”) is a limited liability company whose legal form confers separation between the parties to joint arrangement and the Group. Although the Group has 51% interest in Bawang Tata, it is stated in the Articles of Association of Bawang Tata that two-third votes are required in the decision making process. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligation for the liabilities of the joint arrangement. Accordingly, Bawang Tata was classified as a joint venture of the Group.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated useful life of property, plant and equipment

The Group depreciates the property, plant and equipment on a straight-line basis between the rates of 5% to 50% per annum, commencing from the date the property, plant and equipment are available for use. The estimated useful lives that the Group places the property, plant and equipment into productive use reflects the Directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. As at 31 December 2015, the carrying amount of property, plant and equipment was approximately RMB154,999,000 (2014: RMB225,340,000). Depreciation of approximately RMB17,277,000 (2014: RMB26,998,000) has been recognised for the year.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

合營安排的分類

廣州霸王他她網絡科技有限公司(「霸王他她」)是一家有限責任公司，其法律形式賦予本集團和其他合營安排合約方得以分離。儘管集團擁有霸王他她51%的權益，但霸王他她公司章程指出決策需要三分之二票數通過。此外，沒有任何合同安排或任何其他事實和情況，表明了合營安排之各方對合營安排的資產和負債擁有任何權利。因此，霸王他她被列為本集團的合營公司。

估計不確定因素之主要來源

於呈報期末就未來和其他估計的不明朗因素的主要來源所作出的主要假設，此等假設足以致使下一個財政年度的資產及負債賬面值發生重大調整的風險，列載如下。

物業、廠房及設備的預計可使用年限

本集團由物業、廠房及設備開始可供使用當日起使用直線法按5%至50%之年率就物業、廠房及設備計算折舊。本集團作生產用途之物業、廠房及設備之估計可用年期反映董事估計本集團擬藉使用其物業、廠房及設備取得未來經濟利益之期間。截至二零一五年十二月三十一日，物業、廠房及設備的賬面價值約為人民幣154,999,000(二零一四年度：人民幣225,340,000)。年內已確認折舊約人民幣17,277,000(二零一四年度：人民幣26,998,000)。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Estimated useful life of property, plant and equipment (continued)

During the current year, the Directors of the Company determined the useful lives of certain items should be revised, due to the low utilisation rate of machinery with shrinking revenue. The financial effect of the reassessment, assuming the assets are held until the end of their estimated useful lives, ranges from decreasing the Group's loss by approximately RMB3,213,000 to increasing the Group's loss by approximately RMB3,680,000 for the years ending 31 December 2016 to 2024.

Impairment of trade and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2015, the carrying amount of trade and other receivables was approximately RMB64,869,000 (2014: RMB68,168,000), net of accumulated impairment loss of approximately RMB9,521,000 (2014: RMB4,712,000).

Allowance of inventories

Inventories are carried at the lower of cost and net realisable value. Any excess of the cost over the net realisable value of each class of inventories is recognised as a provision for diminution in the value of inventories.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源

物業、廠房及設備的預計可使用年限(續)

本年度，本公司董事決定某些項目的使用年限應予修改，由於收入下降導致機器利用率低。重新評估的財務影響，假設資產持有至預計可使用年限結束後，二零一六年到二零二四年十二月三十一日期間，每年度可為集團減少約人民幣3,213,000至增加約人民幣3,680,000的虧損。

貿易及其他應收款項減值

當存在減值損失的客觀證據，集團會考慮未來現金流的估計。減值損失的金額以資產的賬面金額與預計未來現金流量(不包括尚未發生的未來信用損失)，按照該金融資產原實際利率折現(即實際利率的現值之間的差額利率在初始確認時計算)。當實際現金流量少於預期，將導致減值虧損。於二零一五年十二月三十一日，貿易及其他應收款項之賬面值約為人民幣64,869,000(二零一四年度：人民幣68,168,000)，已扣除累計減值虧損約人民幣9,521,000(二零一四年度：人民幣4,712,000)

存貨撥備

存貨是按成本與可變現淨值兩者較低者入賬。任何超過可變現淨值的存貨成本將計入存貨撥備以抵減存貨價值。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Allowance of inventories (continued)

Net realisable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and related taxes necessary to make the sale. For inventories with committed sales orders or active market, the Group estimates the net realisable value with reference to the selling prices set out in the committed sales orders or in the active market. For inventories without committed sales orders or active market, the Group carefully estimates the net realisable value based on available information and reasonable and supportive assumptions on expected selling prices, manufacturing costs, selling expenses, sales tax and etc. As at 31 December 2015, the carrying amount of inventories was approximately RMB40,909,000 (2014: RMB52,039,000), net of accumulated allowance of approximately RMB1,319,000 (2014: RMB2,036,000).

Impairment on property, plant and equipment

In considering the impairment losses that may be required for certain property, plant and equipment, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the fair value less costs of disposal and the value in use. It is difficult to precisely estimate fair value because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of revenue and amount of operating costs and discount rate. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as revenue and operating costs. As at 31 December 2015, the carrying amount of property, plant and equipment is approximately RMB154,999,000 (2014: RMB225,340,000), net of accumulated impairment losses of approximately RMB114,597,000 (2014: RMB60,235,000).

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

存貨撥備(續)

可變現淨值為日常業務中以存貨的估計售價減去至完工估計將要發生的成本及銷售所需的估計費用及相關稅項。就有已確認銷售訂單或活躍市場的存貨而言，本集團參考其售價估計可變現淨值。就並無已確認銷售訂單或活躍市場的存貨而言，本集團根據現有資料及對預期售價、製造成本、銷售費用及銷售稅金等的合理及有理據的假設，慎重估計可變現淨值。於二零一五年十二月三十一日，存貨的賬面值約為人民幣40,909,000(二零一四年度：人民幣52,039,000)，已扣除累計撥備淨值約為人民幣1,319,000(二零一四年度：人民幣2,036,000)。

物業、廠房及設備減值

考慮物業、廠房及設備減值時應釐定該資產的可收回金額。可收回金額，乃公允價值減去處置費用及使用價值之較高者。鑒於此類資產可能沒有及時的市場報價，難以準確估計其公允價值。釐定使用價值時，有關資產預期產生的現金流量會折現至其現值，此舉須對營業額及營運成本等項目作出重大判斷。本集團會運用一切可得資料，以釐定可收回金額的合理約數，包括根據對營業額及營運成本和折扣率等項目的合理及有理據的假設及預測作出的估計。於二零一五年十二月三十一日，物業、廠房及設備之賬面值約為人民幣154,999,000(二零一四年度：人民幣225,340,000)，已扣除累計減值虧損約為人民幣114,597,000(二零一四年度：人民幣60,235,000)。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

Fair value measurements and valuation processes of biological assets

The Group's biological assets are measured at fair value less cost to sell for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The financial controller reports the valuers' findings to the Directors of the Company to explain the cause of fluctuations in the fair value of the assets.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

所得稅

釐定所得稅撥備涉及對若干交易日後稅務處理之判斷。本集團謹慎評估交易之稅務影響並據此製訂稅務撥備。本集團定期重新審議上述交易之稅務處理以便將所有稅法變動考慮在內，並就未動用之稅務虧損及可抵扣暫時差額確認遞延稅項資產。由於遞延稅項資產只限極可能抵扣之未來應課稅溢利時才會確認，因此需要管理層判斷獲得未來應課稅溢利之可能性。本集團定期審閱管理層之評估，倘若極可能獲得能利用遞延稅項資產之未來應課稅溢利，便會確認額外之遞延稅項資產。

公允價值計量及估值流程

本集團生物資產價值乃按公允價值減銷售成本計量用於財務申報目的。管理層釐定有關公允價值計量之適用估值方法及輸入數據。

在估計資產的公允價值時，本集團可能使用可觀察市場數據。在並非第1級的輸入數據的情況下，本集團委聘合資格第三方估值師進行估值。管理層與合資格外聘估值師緊密合作設立適用之估值方法及模型輸入數據。財務總監定期將估值團隊之調查結果向本公司董事匯報，解釋資產之公允價值波動之原因。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Fair value measurements and valuation processes of biological assets

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of the assets. Note 20 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of biological assets. As at 31 December 2015, the carrying amount of biological asset was approximately RMB588,000 (2014: RMB601,000).

Provision in respect of litigation

Provision for the expected cost of legal obligations is recognised at the Directors' best estimate and with reference to legal advice of the expenditure required to settle the Group's obligations. As at 31 December 2015, the carrying amount of provision is approximately RMB3,826,000 (2014: RMB2,044,000). Details are set out in note 25.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

公允價值計量及估值流程

於估計該資產的公允價值時，本集團採用包括並非根據可見市場數據之資料的估值技術。有關估值技術、輸入數據及用於釐定生物資產之公允價值使用之主要假設的詳細資料載於附註20。截至二零一五年十二月三十一日，生物資產的賬面價值約為人民幣588,000(二零一四年度：人民幣601,000)。

相關法律訴訟撥備

預計法律訴訟責任之計提費用已在參考了相關可能需要支付費用的法律意見後，根據董事對其最準確之預計確認。於二零一五年十二月三十一日，該撥備賬面值約為人民幣3,826,000(二零一四年度：人民幣2,044,000)。詳情於附註25列明。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

5. Capital Risk Management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the loans from controlling shareholders disclosed in note 33(h), net of bank balances and cash and deposit with bank and equity attributable to owners of the Company, comprising share capital and reserves.

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

The Directors of the Company review the capital structure on a semi-annual basis. As part of this review, the Directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the Directors of the Company, the Group will balance its overall capital structure through new share issues as well as the issue of new debt or the redemption of existing debt.

5. 資本風險管理

本集團的政策旨在維持穩健資本基礎，以保持債權人及市場信心，以及支持日後的業務發展。本集團整體策略與去年維持不變。

本集團的資本結構包括債務淨額（包括附註33(h)中披露的控股股東借款，扣除銀行結存及現金）及本公司權益持有人應佔權益（包括股本和儲備）。

本公司及其任何附屬公司概不受外界資本規定限制。

本公司董事每半年會審閱資本結構。就有關審閱，董事考慮資本成本及與各級別資本相關之風險。根據本公司董事建議，本集團將透過發行新股份、發行新債務或贖回現有債務，以平衡其整體資本架構。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



6. Financial Instruments

(a) Categories of financial instruments

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	91,412	102,514
Financial liabilities	金融負債		
Other financial liabilities at amortised cost	以攤銷成本列賬之其他金融負債	(204,532)	(200,318)

(b) Financial risk management objective and policies

The Group's major financial instruments include trade and other receivables, deposit with bank, bank balances and cash, trade and other payables, amounts due to related parties and loans from controlling shareholders. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

6. 金融工具

(a) 金融工具類別

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)	91,412	102,514
Financial liabilities	金融負債		
Other financial liabilities at amortised cost	以攤銷成本列賬之其他金融負債	(204,532)	(200,318)

(b) 金融風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收款項、銀行存款、銀行結存及現金、貿易及其他應付款項、應付關連方款項和控股股東借款。該等金融工具之詳情於各附註內披露。與該等金融工具有關之風險包括市場風險(貨幣風險和利率風險)、信貸風險及流動性風險。下文載列如何降低該等風險之政策。管理層管理及監控該等風險，以確保適時及有效地採取適當措施。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Market risk

Currency risk

Several subsidiaries of the Company have foreign currency sales, which expose the Group to foreign currency risk. Approximately 5% (2014: 5%) of the Group's sales are denominated in currencies other than the functional currency of the group entity making the sale. The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

6. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險

貨幣風險

本公司旗下多間附屬公司之銷售是外幣計價，本集團因而面對外匯風險。本集團約5% (二零一四年度：5%)之銷售以集團實體功能貨幣以外之貨幣計價。本集團目前並無任何外幣對沖政策。本集團會監控外匯風險，如有必要時，亦會考慮對沖重大外匯風險。

本集團以外幣計價之貨幣資產及貨幣負債於呈報期末之賬面值如下：

		Assets 資產		Liabilities 負債	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
RMB	人民幣	185	3,821	(6,820)	—
Hong Kong Dollar ("HK\$")	港元(「港元」)	2,153	3,024	(13,414)	(6,811)
United States Dollar ("USD")	美元(「美元」)	33	1	—	—

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the currency of RMB, HK\$ and USD.

The following table details the Group's sensitivity to a 5% (2014: 5%) increase and decrease in exchange rates of the relevant foreign currencies against the respective entity's functional currency. 5% (2014: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2014: 5%) change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where the respective functional currencies of the reporting entity weaken 5% (2014: 5%) against the relevant foreign currencies. For a 5% (2014: 5%) strengthening of the respective functional currencies against the relevant foreign currencies, there would be an equal and opposite impact on the loss, and the balances below would be negative.

6. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

敏感度分析

本集團主要面對人民幣、港元及美元貨幣風險。

下表詳列本集團於相關外幣兌各匯報實體功能貨幣之匯率上升及下跌5%(二零一四年度:5%)之敏感度。5%(二零一四年度:5%)之敏感度,乃於內部向主要管理人員匯報外匯風險時採用,並為管理層對外幣匯率可能出現之合理變動之評估。敏感度分析僅包括未兌換以外幣計值之貨幣項目,並於呈報期末按5%(二零一四年度:5%)之匯率變動調整其換算。下表列示之正數顯示倘各匯報實體功能貨幣兌相關外幣貶值5%(二零一四年度:5%)時稅後虧損減少之數額。倘相關功能貨幣兌相關外幣升值5%(二零一四年度:5%),將會對虧損造成等額但相反之影響,而下表之結餘將為負數。

	RMB 人民幣		HK\$ 港元		USD 美元	
	2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年	2015 二零一五年	2014 二零一四年
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
	(note (a)) (附註(a))	(note (a)) (附註(a))	(note (b)) (附註(b))	(note (b)) (附註(b))	(note (b)) (附註(b))	(note (b)) (附註(b))
Profit or (loss)溢利或(虧損)	(328)	160	(476)	(163)	1	—

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis (continued)

Notes:

- (a) This is mainly attributable to the exposure outstanding on bank balances and cash denominated in RMB at the end of the reporting period.
- (b) This is mainly attributable to the exposure outstanding on loans from controlling shareholders and bank balances and cash denominated in HK\$ at the end of the reporting period.

Interest rate risk

As at 31 December 2015 and 2014, the Group is exposed to cash flow interest rate risk in relation to bank balances and cash (note 23). No sensitivity analysis is presented because the risk is considered insignificant.

As at 31 December 2015 and 2014, the Group is also exposed to fair value interest rate risk in relation to fixed rate deposit with bank (note 23). No sensitivity analysis is presented because the risk is considered insignificant.

Credit risk

As at 31 December 2015, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

6. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

敏感度分析(續)

附註：

- (a) 此乃主要由於在呈報期末以人民幣計值的銀行結存及現金所承受之風險所致。
- (b) 此乃主要由於在呈報期末以港元計值的銀行結存及現金和控股股東借款所承受的風險所致。

利率風險

於二零一五年及二零一四年十二月三十一日，本集團面對之現金流利率風險關於銀行結存及現金(附註23)。鑒於該風險較小，故無呈列敏感度分析。

於二零一四年和二零一五年十二月三十一日，本集團面對公允價值利率風險關於銀行存款(附註23)。鑒於該風險較小，故概無呈列敏感度分析。

信貸風險

於二零一五年十二月三十一日，本集團之最高信貸風險(因交易方未能履行責任及本集團提供之財務擔保而令本集團蒙受財務損失)來自各項金融資產於綜合財務狀況表所列之賬面值。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Credit risk (continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

The Group's concentration of credit risk by geographical location is mainly in the PRC, which accounted for 97% (31 December 2014: 95%) of the total trade receivable as at 31 December 2015.

As at 31 December 2015, the Group has concentration of credit risk of 22% (2014: 15%) and 44% (2014: 35%) of the total trade receivables, which was due from the Group's largest customer and the five largest customers respectively.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Liquidity risk

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

6. 金融工具(續)

(b) 金融風險管理目標及政策(續)

信貸風險(續)

為儘可能減低信貸風險，本集團之管理層已委派一支隊伍負責釐定信貸限額、審批信貸及進行其他監察程序，確保採取跟進行動以收回逾期債務。此外，本集團亦於呈報期末檢討各個別貿易債務之可收回金額，以確保就不可收回款項作出足夠之減值虧損。就此而言，本公司董事認為已大幅減低本集團有關貿易債務之信貸風險。

由於交易方為具有高信貸評級之銀行及其他金融機構，故流動資金之信貸風險有限。

本集團按地理位置劃分，信貸風險主要集中於中國，截至二零一五年十二月三十一日，應收賬款總額佔97%（二零一四年十二月三十一日：95%）。

於二零一五年十二月三十一日，本集團最大客戶及五大客戶信貸風險集中情況分別佔全部貿易應收款項之22%（二零一四年度：15%）及44%（二零一四年度：35%）。

本集團之金融資產概無抵押或其他信貸提升。

流動性風險

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

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Liquidity risk (continued)

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

As at 31 December 2015, the Group is exposed to liquidity risk as the Group had net current liabilities of approximately RMB56,852,000 (2014: RMB26,364,000). The Directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations and the details of which are set out in note 1.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

6. 金融工具(續)

(b) 金融風險管理目標及政策(續)

流動性風險(續)

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

因為本集團於二零一五年十二月三十一日存在流動負債淨值約人民幣56,852,000(二零一四年度：人民幣26,364,000)，本集團因而面對流動性風險。本公司董事認為本集團有足夠營運資本來償付其負債，詳見附註1。

下表詳列本集團之非衍生金融負債之剩餘合約期限。該表乃基於本集團須作出支付之最早日期並根據金融負債之未折現現金流量制定。其他非衍生金融負債之到期日以協定償還日期為基礎。表中包括利息及本金現金流量。倘利率流以浮息計量，未折現金額乃於呈報期末從利率圖表得出。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Liquidity risk (continued)

		Repayable on demand or within 1 year 按要求 償還或 一年內 RMB'000 人民幣千元	More than 1 year but less than 2 years 多於一年 但少於兩年 RMB'000 人民幣千元	Total undiscounted cash flows 未折現現金 流量總計 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
At 31 December 2015	於二零一五年 十二月三十一日				
Non-derivative financial liabilities	非衍生金融負債				
Trade and other payables	貿易及其他應付款項	142,285	—	142,285	142,285
Amounts due to related parties	應付關連方款項	7,301	—	7,301	7,301
Loans from controlling shareholders	控股股東借款	—	60,578	60,578	54,946
		149,586	60,578	210,164	204,532
At 31 December 2014	於二零一四年 十二月三十一日				
Non-derivative financial liabilities	非衍生金融負債				
Trade and other payables	貿易及其他應付款項	150,041	—	150,041	150,041
Amounts due to related parties	應付關連方款項	6,208	—	6,208	6,208
Loans from controlling shareholders	來自控股股東的貸款	—	48,484	48,484	44,069
		156,249	48,484	204,733	200,318

6. 金融工具(續)

(b) 金融風險管理目標及政策(續)

流動性風險(續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

6. Financial Instruments (continued)

(c) Fair value measurements of financial instruments

The Directors of the Company consider that the carrying amounts of current financial assets and current financial liabilities recognised at amortised cost in the consolidated financial statements as at 31 December 2015 and 2014 approximate their fair values due to the short maturities. The fair value of non-current loans from controlling shareholders equals its carrying amount.

7. Revenue and Segment Information

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

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

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

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

6. 金融工具(續)

(c) 以公允價值計量之金融工具

本公司董事認為，由於綜合財務報表內流動金融資產及流動金融負債會於二零一五年及二零一四年十二月三十一日短期內到期，故其賬面值近似於公允價值。控股股東的非流動借款之公允價值與其賬面值相等。

7. 營業額及分部資料

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

為注重產品線與區域性而優化分部間資源分配及評估分部表現的基礎上，有關分部訊息已向本公司執行董事(即主要營運決策者)報告。本公司董事已決定根據不同的產品組織分部。各分部是根據其獨特的產品特點和戰略作為單獨經營分部來管理的。主要營運決策者認為本集團沒有可以合併呈報的經營分部。

根據國際財務報告準則第8號，本集團之可報告的經營分部為：

- 護髮產品
- 護膚產品
- 其他家用及個人護理產品

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



7. Revenue and Segment Information (continued)

An operating segment regarding herbal tea products was discontinued in the year ended 31 December 2013. The segment information reported below does not include any amounts for this discontinued operation, which is described in more detail in note 13.

Also, the Executive Directors of the Company are provided with segment information concerning segment revenue and result. Segment assets and liabilities are not reported to the Executive Directors of the Company regularly.

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segments.

7. 營業額及分部資料(續)

本集團於截至二零一三年十二月三十一日止年度內終止經營涼茶分部的業務，以下呈報內容不包括此等已終止的產品業務，已終止涼茶產品業務的詳情載於附註13。

本公司的執行董事獲提供有關分部收入和分部業績的信息，而分部資產和業績的信息則不會定期向本公司執行董事報告。

分部收入及業績

以下是本集團按可報告的持續經營分部收入及業績分析。

		Continuing operations 持續經營業務							
		Hair-care products 護髮產品		Skin-care products 護膚產品		Other household and personal care products 其他家用及個人護理產品		Total 合計	
		2015	2014	2015	2014	2015	2014	2015	2014
		二零一五年	二零一四年	二零一五年	二零一四年	二零一五年	二零一四年	二零一五年	二零一四年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Sales to external customers	銷售予外部客戶	200,057	256,474	7,138	14,084	24,986	24,091	232,181	294,649
Segment loss	分部虧損	(70,597)	(81,283)	(3,013)	(1,459)	(21,788)	(19,798)	(95,398)	(102,540)
Changes in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益							(122)	(1,782)
Bank interest income	銀行利息收入							620	540
Other income	其他收入							1,164	2,238
Share of loss of a joint venture	應佔合營公司虧損							(696)	—
Waiver of capital injection in a joint venture	豁免合營公司注資							696	—
Corporate and other unallocated expenses	未分配之總部與其他開支							(13,087)	(12,167)
Finance costs	融資成本							(3,755)	(1,830)
Loss before taxation (continuing operations)	持續經營之稅前虧損							(110,578)	(115,541)

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

7. Revenue and Segment Information (continued)

Segment revenue and results (continued)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the loss from each segment without allocation of changes in fair value less costs to sell of biological assets, bank interest income, gain on sales of scrap materials, government grants, net exchange gains/losses, provision for litigation recognised/reversed, write-off of other receivables, central administration cost, directors' emoluments and finance costs. This is the measure reported to the Executive Directors of the Company for the purposes of resource allocation and performance assessment.

Other segment information

7. 營業額及分部資料(續)

分部收入及業績(續)

經營分部的會計政策與附註3所述之本集團的會計政策一致。分部業績指各分部所錄得之虧損，當中並無分配生物資產的公允價值減銷售成本的變動損益、銀行利息收入、處置廢料收益、政府補助、匯兌收益/虧損淨額、訴訟計提費用確認/撥回、其他應收款項撇銷、中央管理成本、董事薪酬以及融資成本。此乃為資源分配及表現評估而向本公司之執行董事報告之計量方式。

其他分部資料

		Continuing operations 持續經營業務							
		Hair-care products 護髮產品		Skin-care products 護膚產品		Other household and personal care products 其他家用及個人護理產品		Total 合計	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Amounts included in the measure of segment results	計算分部結果時已計入款項								
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13,508	21,913	572	1,272	3,197	3,813	17,277	26,998
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之減值損失確認	46,843	37,650	1,671	1,358	5,850	3,536	54,364	42,544
(Gain) loss on disposal of property, plant and equipment	處置物業、廠房及設備(收益)損失	(44)	36	(2)	2	(5)	3	(51)	41
Impairment loss recognised in respect of trade receivables	貿易應收款項之減值損失確認	4,143	63	148	3	518	6	4,809	72
Reversal of write-down of inventories	存貨跌價撥回	(1,361)	(742)	(115)	(63)	(161)	(88)	(1,637)	(893)
Write-down of inventories	存貨跌價	608	1,000	28	62	160	194	796	1,256
Write-off of inventories	存貨報廢	2,655	7,120	2,715	1,700	736	1,088	6,106	9,908

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



7. Revenue and Segment Information (continued)

Geographical information

The Group's continuing operations are mainly located in the PRC (country of domicile) and Hong Kong.

The geographical location of customers is based on the location at which the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and biological assets.

7. 營業額及分部資料(續)

地區資料

本集團持續經營業務主要集中在中國大陸(所在國家)和香港。

客戶的所在地區乃根據提供服務或交付貨品的位置釐定。非流動資產的地理位置乃根據資產實際所在位置(如屬物業、廠房及設備, 以及生物資產)而釐定。

		Revenue from external customers 來自外部客戶的收入		Non-current assets 非流動資產	
		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
PRC (country of domicile)	中國(所在國家)	220,283	278,995	154,537	224,622
Hong Kong	香港	5,011	9,951	624	893
Singapore	新加坡	2,700	1,241	—	—
Thailand	泰國	2,933	2,007	—	—
Malaysia	馬來西亞	899	2,131	—	—
Others	其他	355	324	—	—
Total	總計	232,181	294,649	155,161	225,515

Information about major customers

Included in revenue arising from continuing operations for the year ended 31 December 2015 of approximately RMB232,181,000 is revenue of approximately RMB31,703,000 which arose from sales of hair-care products and other household and personal care products to the Group's largest customer. During the year ended 31 December 2014, included in revenue of approximately RMB294,649,000 is revenue of approximately RMB63,877,000 which arose from sales of hair-care products and other household and personal care products to the Group's largest customer. No other single customer contributed more than 10% to the Group's revenue for the year ended 31 December 2015 and 2014.

主要客戶信息

截至二零一五年十二月三十一日止年度, 持續經營業務銷售額約人民幣232,181,000, 其中銷售護髮產品及其他家用及個人護理產品給本集團最大客戶的約人民幣31,703,000。截至二零一四年十二月三十一日止年度, 銷售額約人民幣294,649,000, 其中銷售護髮產品及其他家用及個人護理產品給本集團最大客戶的約佔人民幣63,877,000。截至二零一四年和二零一五年十二月三十一日止年度, 本集團沒有其他單一客戶貢獻超過本集團營業額的10%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

8. Other Income

8. 其他收入

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Continuing operations	持續經營業務		
Bank interest income	銀行利息收入	620	540
Gain on sales of scrap materials	處置廢料收益	—	1,205
Gain on disposal of property, plant and equipment	處置物業、廠房及 設備收益	51	—
Recovery from litigation claim (note a)	訴訟索賠彌償(附註a)	—	680
Net foreign exchange gains	匯兌收益淨額	—	12
Reversal of provision for litigation	訴訟計提費用撥回	—	120
Government grant (note b)	政府補助(附註b)	802	—
Others	其他	362	221
		1,835	2,778

Note a: During the year ended 31 December 2014, a claim against other party in respect of purchase of petroleum was settled by mediation and an amount of RMB680,000 (2015: nil) was recovered by the Group.

附註a: 截至二零一四年十二月三十一日止年度內，對其他方就購買柴油之索賠已被調解，本集團獲償人民幣680,000(二零一五年度：無)

Note b: Included in the amount of government grants recognised during the year ended 31 December 2015 of approximately RMB802,000 were received from the PRC government in respect of certain research projects and export encourage scheme, the relevant granting criteria for which have been fulfilled and were immediately recognised as other income for the years.

附註b: 截至二零一五年十二月三十一日，錄得政府補助金額約為人民幣802,000，該金額是中國政府就關於某些研究項目和出口鼓勵計劃達到發放標準而發放的，並於當年確認為其他收入。

9. Finance Costs

9. 融資成本

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Continuing operations	持續經營		
Imputed interest on non-interest bearing loans from controlling shareholders	控股股東無息借款之 估算利息	3,755	1,830

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



10. Taxation

- (a) Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the subsidiaries is 25% from 1 January 2008 onwards.

The PRC EIT Law allows enterprises to apply for the certificates of “High and New Technology Enterprise” (“**HNTE**”) which entitles the qualified companies to a preferential income tax rate of 15%. Bawang (Guangzhou) Co., Ltd. (“**Bawang Guangzhou**”), a PRC subsidiary of the Group, was qualified as a HNTE in 2009 and the qualification was renewed and valid until 2015. However, Bawang Guangzhou did not have any assessable profits subject to Enterprise Income Tax for the years ended 31 December 2015 and 2014.

- (b) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years. No provision for Hong Kong Profits Tax has been provided for the year ended 31 December 2015 and 2014 as the Group does not have any assessable profits subject to Hong Kong Profits Tax for 2015 and 2014.
- (c) Pursuant to the laws 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 for the current and previous years.

10. 稅項

- (a) 根據中國企業所得稅法(「**企業所得稅法**」)及企業所得稅法實施條例，本集團附屬公司的稅率自二零零八年一月一日起為25%。

中國企業所得稅法允許企業申請高新技術企業(「**高新技術企業**」)證書，而獲得該資格的企業可以享有15%的優惠稅率。霸王(廣州)有限公司(「**霸王廣州**」)，集團的一間中國附屬公司，於二零零九年被認定為高新技術企業，並再次被認定及該資格有效至二零一五年。然而，截至二零一五年及二零一四年十二月三十一日止年度，霸王廣州並沒有任何須繳納企業所得稅之應課稅溢利。

- (b) 兩個年度之香港利得稅按應課稅溢利的16.5%來計算。截至二零一四年和二零一五年十二月三十一日止年度，本集團並沒有任何須繳納香港所得稅之應課稅溢利，所以二零一四年度和二零一五年度並無計提香港利得稅。
- (c) 根據開曼群島及英屬處女群島的規則及條例，本集團無須為以前及本年度繳納開曼群島及英屬處女群島的任何稅項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

10. Taxation (continued)

- (d) Pursuant to the Implementation Rules of the EIT Law, overseas investors of foreign investment companies shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which the beneficial owner is holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. The Group does not make provision of withholding income tax for the years ended 31 December 2015 and 2014 since the PRC subsidiaries incur losses in both years.

10. 稅項(續)

- (d) 根據企業所得稅法實施條例，自二零零八年一月一日起，除非獲條約減低稅率，外商投資企業的海外投資者須就來自中國附屬公司溢利的股息繳付10%預扣所得稅。根據避免中港兩地雙重徵稅安排，於香港創立的投資者如果持有中國附屬公司不低於25%權益且為受益擁有人，則可享受來自其中國附屬公司的股息的寬減預扣稅稅率5%。由於中國附屬公司均產生虧損，因此本集團截至二零一五年及二零一四年十二月三十一日止年度並沒有計提預扣所得稅。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



10. Taxation (continued)

Taxation for the years can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

10. 稅項(續)

年內稅項與綜合損益表之稅前虧損對賬如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Continuing operations	持續經營業務		
Loss before taxation	稅前虧損	(110,578)	(115,541)
Tax calculated at the domestic income tax rate of 25% (2014: 25%)	按本地所得稅稅率25%計算之稅項 (二零一四年度：25%)	(27,645)	(28,885)
Effect of different tax rates of entities operating in other jurisdictions	於其他司法權區經營之不同稅率之稅務影響	3,388	2,940
Tax effect of expenses not deductible for tax purpose	不可扣減費用之稅務影響	2,691	6,602
Tax effect of share of loss of a joint venture	應佔合營公司虧損的稅務影響	174	—
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(1,527)	(1,062)
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	7,540	11,706
Tax effect of other deductible temporary differences not recognised	未確認可扣減暫時性差異之稅務影響	15,399	8,789
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(20)	(90)
Taxation	稅項	—	—

Details of deferred tax are set out in note 26.

遞延稅項詳見附註26。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

11. Loss for the Year from Continuing Operations

Loss for the year from continuing operations has been arrived at after charging (crediting):

11. 持續經營業務之年內虧損

持續經營業務之稅前虧損已扣除(計入)下列項目：

		2015	2014
		二零一五年	二零一四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Auditor's remuneration	核數師酬金	847	737
Cost of inventories recognised as an expense (note (a))	確認為開支之存貨成本(附註(a))	143,893	184,417
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17,277	26,998
Impairment loss recognised in respect of property, plant and equipment (included in other expenses)	物業、廠房及設備之減值損失確認(計入其他費用)	54,364	42,544
Impairment loss recognised in respect of trade receivables	貿易應收款項之減值損失確認	4,809	72
Loss on disposal of property, plant and equipment	處置物業、廠房及設備的損失	—	41
Net foreign exchange loss	匯兌虧損淨額	171	—
Provision for litigation (included in administrative expenses)	訴訟計提費用(計入行政費用)	3,487	—
Research and development costs recognised as an expense	確認為開支之研發成本	8,697	10,036
Reversal of write-down of inventories (included in cost of inventories recognised as an expense above)	存貨跌價撥回(計入以上確認為開支之存貨成本)	(1,637)	(893)
Staff costs (note (b))	員工成本(附註(b))	69,713	74,854
Write-down of inventories (included in cost of inventories recognised as an expense above)	存貨跌價(計入以上確認為開支之存貨成本)	796	1,256
Write-off of inventories (included in cost of inventories recognised as an expense above)	存貨報廢(計入以上確認為開支之存貨成本)	6,106	9,908

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



11. Loss for the Year from Continuing Operations (continued)

Notes:

- (a) Cost of inventories recognised as an expense from continuing operations included depreciation of property, plant and equipment and staff costs of approximately RMB15,089,000 (2014: RMB24,610,000) and RMB17,069,000 (2014: RMB21,385,000) respectively. The amounts were also included in the respective amounts disclosed above.
- (b) Staff costs from the continuing operations included redundancy costs of approximately RMB4,221,000 (2014: RMB889,000) for the year ended 31 December 2015.

11. 持續經營業務之年內虧損(續)

附註：

- (a) 持續經營業務中確認為開支之存貨成本包括物業、廠房及設備折舊及員工成本分別約為人民幣15,089,000(二零一四年度：人民幣24,610,000)及人民幣17,069,000(二零一四年度：人民幣21,385,000)。以上金額均已分別包含在以上披露金額中。
- (b) 截至二零一五年十二月三十一日止年度，持續經營業務中員工成本包括遣散費用約人民幣4,221,000(二零一四年度：人民幣889,000)。

12. Staff Costs

12. 員工成本

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Continuing operations	持續經營業務		
Staff costs (including directors' emoluments) comprise:	員工成本(包括董事酬金)：		
Salaries, allowances and benefits	薪金、津貼及福利	62,814	70,594
Contributions to retirement benefits schemes	退休福利計劃供款	2,678	3,174
Termination benefits	辭退福利	4,221	889
Equity-settled share-based payment	以股權益結算並以股份為基礎的支付	—	197
		69,713	74,854

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

13. Discontinued Operation

During the year ended 31 December 2013, the Directors of the Company resolved to discontinue the production and sales of its herbal tea products due to the unsatisfactory financial performance of the business of the herbal tea products with effect from 1 July 2013.

As the herbal tea products segment represented a separate major line of business of the Group in prior years, the discontinuance of production and sales of herbal tea products has constituted a discontinued operation during the year ended 31 December 2013.

The results of the herbal tea products operation for the years ended 31 December 2015 and 2014 were as follows:

13. 已終止經營業務

於截至二零一三年十二月三十一日止年度內，由於涼茶產品經營狀況不理想，本公司董事決定由二零一三年七月一日起停止涼茶產品的生產及銷售。

鑒於去年涼茶產品分部代表了本集團一個單獨的主要產品線，停止涼茶產品的生產和銷售構成於截至二零一三年十二月三十一日止年度內已終止經營業務。

涼茶產品業務截至二零一五年及二零一四年十二月三十一日止年度的業績如下：

		2015	2014
		二零一五年	二零一四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Administrative expenses	行政費用	(3)	(40)
Other expenses	其他費用	—	(876)
Loss before taxation	稅前虧損	(3)	(916)
Taxation	稅項	—	—
Loss for the year	年內虧損	(3)	(916)

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



13. Discontinued Operation (continued)

Loss for the year from discontinued operation includes the following:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	18
Loss on disposal of property, plant and equipment (included in other expenses above)	處置物業、廠房及設備的損失(計入以上其他費用)	—	86
Provision for litigation (included in other expenses above)	訴訟計提費用(計入以上其他費用)	—	662
Write-off of trade and other receivables (included in other expenses above)	貿易及其他應收款項撇銷(計入以上其他費用)	—	128

No tax charge or credit arose on loss on discontinuance of the operation.

終止經營業務之虧損並無產生任何扣減或抵免稅項目。

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

已終止經營業務之現金流淨值列載如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Operating activities	經營活動	(3)	(67)
Investing activities	投資活動	—	50
		(3)	(17)

14. Dividends

No dividend was paid or proposed for the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: nil).

14. 股息

截至二零一五年十二月三十一日止年度並無派付或擬派任何股息，自呈報期間後亦無擬派任何股息(二零一四年度：無)。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

15. Loss Per Share

From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to owners of the Company is based on the loss for the year from continuing and discontinued operations of approximately RMB110,581,000 (2014: RMB116,457,000) and the weighted average number of approximately 2,911,460,912 (2014: 2,910,971,000) ordinary shares in issue during the period.

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to owners of the Company is based on the loss for the year from continuing operations of approximately RMB110,578,000 (2014: RMB115,541,000) and the weighted average number of approximately 2,911,460,912 (2014: 2,910,971,000) ordinary shares in issue during the period.

From discontinued operation

Basic and diluted loss per share for the discontinued operation attributable to owners of the Company is RMB0 cents per share (2014: RMB0.03 cents per share), based on the loss for the year from the discontinued operation of approximately RMB3,000 (2014: RMB916,000) and the denominators detailed above for both basic and diluted loss per share.

For the years ended 31 December 2015 and 2014, the diluted loss per share is same as the basic loss per share.

The computation of diluted loss per share for the years ended 31 December 2015 and 2014 does not assume the exercise of the Company's share options since their exercise would result in a decrease in loss per share.

15. 每股虧損

來自持續經營業務及已終止經營業務

本公司擁有人應佔來自持續經營業務及已終止經營業務之每股基本及攤薄虧損是根據持續經營業務及已終止經營業務之年內虧損約人民幣110,581,000(二零一四年度：人民幣116,457,000)及期內已發行普通股加權平均數約2,911,460,912股(二零一四年度：2,910,971,000股)計算。

來自持續經營業務

本公司擁有人應佔持續經營業務之每股基本及攤薄虧損是根據持續經營業務之年內虧損約人民幣110,578,000(二零一四年度：人民幣115,541,000)及期內已發行普通股加權平均數約2,911,460,912股(二零一四年度：2,910,971,000股)計算。

來自已終止經營業務

本公司擁有人應佔已終止經營業務之每股基本及攤薄虧損為人民幣0仙(二零一四年度：每股人民幣0.03仙)，是根據已終止經營業務之年內虧損約人民幣3,000(二零一四年度：人民幣916,000)及上文詳述每股基本及攤薄虧損所用之分母計算。

截至二零一五年及二零一四年十二月三十一日止年度的每股攤薄虧損等同每股基本虧損。

由於行使購股權將減少每股虧損，所以在計算截至二零一五年及二零一四三年十二月三十一日止年度每股攤薄虧損時，並無假設行使任何本公司的購股權。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



16. Directors' and Chief Executive's Emoluments

The emoluments paid or payable to each of the seven (2014: eight) Directors and the chief executive were as follows:

For the year ended 31 December 2015

	Mr. CHEN Qiyuan (Chairman) 陳啟源先生 (主席)	Ms. WAN Yuhua 萬玉華女士	Mr. CHEN Zheng He (Chief Executive Officer) 陳正鶴先生 (首席執行官)	Mr. WONG Sin Yung 黃善榕先生	Dr. NGAI Wai Fung 魏偉峰博士	Mr. CHEUNG Kin Wing 張建榮先生	Mr. LI Bida 李必達先生	Total 合計
	RMB'000 人民幣千元	RMB'000 人民幣千元 (note (b)) (附註(b))	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 本公司或其附屬公司的董事就其服務支付或應收的酬金								
Fees 袍金	—	—	—	—	241	161	161	563
Other emoluments 其他酬金								
Salaries and other benefits 薪金、津貼及福利	—	—	116	964	—	—	—	1,080
Contributions to retirement benefits scheme 退休福利計劃供款	—	—	6	14	—	—	—	20
	—	—	122	978	241	161	161	1,663

16. 董事及主要行政人員酬金

已付或應付七名(二零一四年度：八名)董事及主要行政人員之酬金如下：

截至二零一五年十二月三十一日止年度

For the year ended 31 December 2014

截至二零一四年十二月三十一日止年度

	Mr. CHEN Qiyuan (Chairman) 陳啟源先生 (主席)	Ms. WAN Yuhua (Chief Executive Officer) 萬玉華女士 (首席執行官)	Mr. CHEN Zheng He 陳正鶴先生	Mr. WONG Sin Yung 黃善榕先生	Dr. NGAI Wai Fung 魏偉峰博士	Mr. CHEN Kaizhi 陳開枝先生	Mr. CHEUNG Kin Wing 張建榮先生	Mr. LI Bida 李必達先生	Total 合計
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (note (d)) (附註(d))	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元 (note (e)) (附註(e))	RMB'000 人民幣千元 (note (c)) (附註(c))	RMB'000 人民幣千元	RMB'000 人民幣千元
Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 本公司或其附屬公司的董事就其服務支付或應收的酬金									
Fees 袍金	—	—	—	—	238	79	21	158	496
Other emoluments 其他酬金									
Salaries and other benefits 薪金、津貼及福利	—	—	114	951	—	—	—	—	1,065
Contributions to retirement benefits scheme 退休福利計劃供款	—	—	6	13	—	—	—	—	19
Share-based payments (note (a)) 以股份為基礎的支付 (附註(a))	—	—	—	60	—	—	—	—	60
	—	—	120	1,024	238	79	21	158	1,640

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

16. Directors' and Chief Executive's Emoluments (continued)

Notes:

- (a) These represent the estimated value of share options granted to the Directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 3. The details of these benefits-in-kind, including the principal terms and number of options granted, are disclosed in note 28.
- (b) The director resigned on 9 December 2015
- (c) The director was appointed on 13 November 2014.
- (d) The director was appointed on 20 October 2014.
- (e) The director resigned on 30 June 2014.

With effect from 9 December 2015, Mr. CHEN Zheng He is also the chief executive of the Company and his emoluments disclosed above included those for services rendered by him as the chief executive.

During the year ended 31 December 2014 and up to 9 December 2015, Ms. WAN Yuhua was also the chief executive of the Company and her emoluments disclosed above included those for services rendered by him as the chief executive.

Neither the chief executive nor any of the Directors waived or agreed to waive any emoluments in the year ended 31 December 2015 (2014: nil).

16. 董事及主要行政人員酬 金 (續)

附註：

- (a) 該等為根據本公司購股權計劃授予董事購股權的估計價值。該等購股權的價值乃按照本集團股份支付的交易的會計政策計量，詳見附註3。該等福利的詳情，包括授出購股權的主要條款及數目，載於附註28。
- (b) 該董事於二零一五年十二月九日辭任。
- (c) 該董事於二零一四年十一月十三日獲委任。
- (d) 該董事於二零一四年十月二十日獲委任。
- (e) 該董事於二零一四年六月三十日辭任。

自二零一五年十二月九日起生效，陳正鶴先生擔任本公司首席執行官，上述披露之薪酬包括其擔任首席執行官的服務酬金。

於二零一四年十二月三十一日至二零一五年十二月九日期間，萬玉華女士擔任本公司首席執行官，上述披露之薪酬包括其擔任首席執行官的服務酬金。

截至二零一五十二月三十一日止年度，本集團無董事及執行董事放棄或同意放棄任何酬金(二零一四年度：無)。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



17. Employees' Emoluments

Of the five individuals with the highest emoluments in the Group, two (2014: three) were Directors of the Company whose emoluments are included in the disclosures in note 16 above. The emoluments of the remaining three (2014: two) individuals were as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Salaries, allowances and benefits	薪金、津貼及福利	82	201
Retirement benefits scheme contributions	退休員工福利計劃供款	17	21
Termination benefits	辭退福利	575	—
Share-based payments	以股份為基礎的支付	—	90
		674	312

Their emoluments were all within nil to approximately RMB837,800 (equivalent to HK\$1,000,000).

During the years ended 31 December 2015 and 2014, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) or other directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

17. 員工薪酬

五位最高薪酬人士中，二位(二零一四年度：三位)為董事，彼等薪酬於以上附註16披露。有關其他三名(二零一四年度：二位)最高薪酬人士的薪酬詳情如下：

其薪酬全部介乎零至人民幣837,800(相等於港元1,000,000)。

於截至二零一五年及二零一四年十二月三十一日止年度期間，本集團並無支付酬金予本集團五名最高薪酬人士(包括董事及員工)或其他董事，作為邀請加入或於加盟本集團時之獎勵或作為離職補償。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

18. Share of Loss of a Joint Venture/Waiver of Capital Injection in a Joint Venture

A joint venture, Bawang Tata, was formed in August 2015 between a subsidiary of the Company and an independent third party. The Group had intended to develop a network platform for distribution of its product through the joint arrangement. The Group held 51% interest in Bawang Tata but no capital has been injected by the Group. In December 2015, the Group decided to terminate the project as several network platforms in the PRC suffered a slump in their operations since the second half of 2015 and therefore decided to dispose of the 51% interest to an independent third party. By using equity method of accounting, the Group had to share the expenses incurred by Bawang Tata from August 2015 up to the date of disposal amounting to approximately RMB696,000. The disposal was completed on 30 December 2015 at a consideration of HK\$1. As the Group was waived from injection of any capital into the joint venture through the disposal arrangement, a gain on disposal of approximately RMB696,000 was recognized in profit or loss as waiver of capital injection in a joint venture.

18. 應佔合營公司虧損／豁免合營公司注資

霸王他她是由本集團旗下子公司與獨立第三方於二零一五年八月成立的合營公司。本集團擬通過合營安排，開發網絡平台分銷產品。本集團在霸王他她中持有51%的股權，但沒有注入資本。鑒於中國幾家網路平台在二零一五年下半年的業績下滑，本集團於二零一五年十二月決定終止該合作項目並將51%的股權處置售賣給獨立第三方。採用權益法核算，本集團已均攤霸王他她自二零一五年八月到處置日為止之虧損約為人民幣696,000。於二零一五年十二月三十日以代價港幣1元處理完成及約人民幣696,000處理虧損在損益中確認。跟據處置協議，本集團該注入而未注入的資本全被豁免，豁免合營公司的金額為約人民幣696,000，該金額已在損益中確認。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



19. Property, Plant and Equipment

19. 物業、廠房及設備

		Buildings	Machinery	Leasehold improvements	Motor vehicles	Office equipment and others	Display furniture	Construction in progress	Total
		房屋	機器	經營租賃改良支出	運輸工具	辦公室設備及其他	展示專櫃	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
COST	成本								
At 1 January 2014	於二零一四年一月一日	5,494	118,342	137,199	11,817	22,326	918	81,493	377,589
Exchange realignment	匯兌調整	—	—	—	(18)	(7)	—	—	(25)
Additions	添置	—	181	75	—	14	19	950	1,239
Disposals	出售	—	(2,072)	—	(775)	(726)	—	—	(3,573)
Transfer from construction in progress	轉撥自在建工程	—	31	4,746	—	—	—	(4,777)	—
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	5,494	116,482	142,020	11,024	21,607	937	77,666	375,230
Exchange realignment	匯兌調整	—	—	—	413	164	—	—	577
Additions	添置	—	329	391	—	334	—	142	1,196
Disposals	出售	—	(14)	—	(91)	(209)	—	—	(314)
Transfer from construction in progress	轉撥自在建工程	—	1,447	2,366	—	1,024	—	(4,837)	—
At 31 December 2015	於二零一五年十二月三十一日	5,494	118,244	144,777	11,346	22,920	937	72,971	376,689
ACCUMULATED DEPRECIATION	累計折舊								
At 1 January 2014	於二零一四年一月一日	825	31,981	20,491	10,500	14,538	452	4,546	83,333
Depreciation provided for the year	年內折舊撥備	247	9,648	13,196	229	3,326	352	—	26,998
Impairment loss recognised in profit or loss	已確認損益之減值	—	13,269	12,346	116	501	15	16,297	42,544
Eliminated on disposals	出售時對銷	—	(1,618)	—	(710)	(638)	—	—	(2,966)
Exchange realignment	匯兌調整	—	—	—	(15)	(4)	—	—	(19)
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	1,072	53,280	46,033	10,120	17,723	819	20,843	149,890
Depreciation provided for the year	年內折舊撥備	248	3,933	11,688	500	893	15	—	17,277
Impairment loss recognised in profit or loss	已確認損益之減值	—	16,005	22,947	220	1,031	21	14,140	54,364
Eliminated on disposals	出售時對銷	—	(10)	—	(91)	(189)	—	—	(290)
Exchange realignment	匯兌調整	—	—	—	346	103	—	—	449
At 31 December 2015	於二零一五年十二月三十一日	1,320	73,208	80,668	11,095	19,561	855	34,983	221,690
CARRYING VALUES	賬面值								
At 31 December 2015	於二零一五年十二月三十一日	4,174	45,036	64,109	251	3,359	82	37,988	154,999
At 31 December 2014	於二零一四年十二月三十一日	4,422	63,202	95,987	904	3,884	118	56,823	225,340

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

19. Property, Plant and Equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using straight-line method over their estimated useful lives as follows:

Buildings	房屋	20 years	20年
Machinery	機器	15 years	15年
Leasehold improvements	經營租賃改良支出	10 years	10年
Motor vehicles	運輸工具	5-8 years	5-8年
Office equipment and others	辦公室設備及其他	5 years	5年
Display furniture	展示專櫃	2 years	2年

During the year, the Directors of the Company has reassessed the estimated useful lives of property, plant and equipment and resolved that the useful life of machinery should be adjusted from 10 years to 15 years in view of the low utilisation rate of machinery with the shrinking revenue. The change in accounting estimate decreased the depreciation charge and loss before taxation for the year ended 31 December 2015.

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

During the year ended 31 December 2015, the Directors of the Company conducted a review of the property, plant and equipment which were used in the continuing operations and determined that those assets were impaired with reference to their value in use. Accordingly, impairment loss of approximately RMB54,364,000 (2014: RMB28,413,000) has been recognised under other expenses of continuing operations in the consolidated statement of profit or loss. The value in use calculation is determined based on the financial budgets covering a eleven-year period (2014: twelve-year period) which is reference to the estimated useful life of the assets, and a pre-tax discount rate of 15.27% (2014: 15.51%) per annum, approved by the management of the Group.

19. 物業、廠房及設備(續)

折舊是基於物業、廠房及設備的成本金額減去其預計剩餘價值後以下列預計可使用年期按直線法計算。

20 years	20年
15 years	15年
10 years	10年
5-8 years	5-8年
5 years	5年
2 years	2年

年內，本公司董事對物業、廠房及機器設備的預計使用年限進行重新估值，考慮到機器設備的因營業額縮減而使用率低，故決定將機器設備的使用壽命由十年調整至十五年。該會計估計變更將減少截至二零一五年十二月三十一日止年度之折舊費用及稅前虧損。

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

截至二零一五年十二月三十一日止年度內，本公司董事對用於持續經營業務的物業、廠房及設備進行了檢閱並以該資產的使用價值作為資產減值的參考。減值損失約人民幣54,364,000(二零一四年度：人民幣28,413,000)已被確認於綜合損益表持續經營業務的其他費用內。其資產的使用價值是以集團管理層參考其資產的估計使用年限及稅前年折現率15.27%(二零一四年度：15.51%)而編製的十一年期(二零一四年度：十二年期)財務預算來計算。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



19. Property, Plant and Equipment (continued)

During the year ended 31 December 2014, a lawsuit was filed by Bawang Guangzhou against a supplier in Guangzhou Baiyun District Law Court (the “**District Court**”) for the incomplete construction and unsatisfactory performance of machinery provided by the supplier. On 2 February 2015, the District Court issued a verdict for the lawsuit whereby (i) the purchase contracts for the machinery were terminated; (ii) the supplier should pay Bawang Guangzhou a sum of approximately RMB22,518,000 representing purchase cost paid and liquidated damages in addition to interest; and (iii) the machinery concerned should be dismantled and removed from the factory of Bawang Guangzhou by the supplier. Due to the non-performance of those machinery as at 31 December 2014, the carrying value of the related machinery amounting to approximately RMB14,131,000 was fully impaired during the year ended 31 December 2014 and the impairment loss has been recognised under other expenses of continuing operations in the consolidated statement of profit or loss.

19. 物業、廠房及設備(續)

截至二零一四年十二月三十一日止年度內，霸王廣州因對供應商未完成之工程及所提供的廠房和機器設備性能不佳，在廣州白雲區法院(「**地區法院**」)對其提起訴訟。隨後在二零一五年二月二日，地區法院對此訴訟作出判決(i)廠房及機器設備採購合同被終止；(ii)供應商須支付霸王廣州總計約人民幣22,518,000，包含採購成本、違約金及利息；及(iii)供應商須把廠房及機械設備從霸王廣州的工廠中拆除。截至二零一四年十二月三十一日止年度，由於這些廠房及機器設備的性能不佳，相關之廠房和設備的賬面價值總計約人民幣14,131,000已全數減值，該減值損失已被確認於綜合損益表持續經營業務的其他費用內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

20. Biological Assets

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

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
At 1 January	於一月一日	601	2,056
Changes in fair value less costs to sell	公允價值減銷售成本的 變動損益	(122)	(1,782)
Plantation expenditure	種植支出	254	366
Herbs harvested during the year	年內收獲的中草藥	(145)	(39)
At 31 December	於十二月三十一日	588	601
Non-current portion	非流動部份	162	175
Current portion	流動部份	426	426
At 31 December	於十二月三十一日	588	601

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

Consumable biological assets which only have one harvest in each planting are classified as current asset. Bearer plants providing multiple harvests over years are classified as non-current asset.

As at 31 December 2015, the Group had 139 (2014: 139) hectares of growing herbs.

20. 生物資產

生物資產是指位於中國大陸的種植基地裡種植的中草藥。

2015
二零一五年
RMB'000
人民幣千元

2014
二零一四年
RMB'000
人民幣千元

At 1 January	於一月一日	601	2,056
Changes in fair value less costs to sell	公允價值減銷售成本的 變動損益	(122)	(1,782)
Plantation expenditure	種植支出	254	366
Herbs harvested during the year	年內收獲的中草藥	(145)	(39)
At 31 December	於十二月三十一日	588	601
Non-current portion	非流動部份	162	175
Current portion	流動部份	426	426
At 31 December	於十二月三十一日	588	601

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

每次種植只發生一次收成之消耗性生物資產歸類為流動資產。多年間提供多次收成之生產性植物歸類為非流動資產。

於二零一五年十二月三十一日，本集團擁有139公頃(二零一四年度：139公頃)種植的中草藥。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



20. Biological Assets (continued)

Biological assets are stated at fair value less costs to sell at the end of the reporting period as estimated by an independent appraiser using the net present value approach whereby projected future net cash flows were discounted to provide a current market value of the biological assets. The fair value measurements of biological assets are categorised within level 3 of the fair value hierarchy. There were no transfers among any levels of the fair value hierarchy for both years.

The following unobservable inputs were used in level 3 fair value measurements of the Group fair value hierarchy as at 31 December 2015:

Unobservable inputs 不可觀察資料	Range of unobservable inputs (weighted average) 不可觀察資料範圍(加權平均值)	Relations of unobservable inputs to fair value 不可觀察資料與公允價值之 關係
Growing herbs yield — kg per hectare 種植之中草藥收成 — 每公頃千克	30–550 (421) per year 每年30–550 (421)	The higher the growing herbs yield, the higher the fair value 種植之中草藥收成越多， 公允價值越高
Growing herbs price 種植之中草藥價格	RMB3–RMB100 (RMB35) per kg 每千克人民幣3–人民幣100(人民幣35)	The higher the market price, the higher the fair value 種植之中草藥市價越高， 公允價值越高
Discount rate 折現率	11% (11%) per annum 每年11% (11%)	The higher the discount rate, the lower the fair value 種植之中草藥折現率越高， 公允價值越低

20. 生物資產(續)

於呈報期末的生物資產以公允價值減銷售成本進行計量，其價值是由獨立的評估師以淨現值方法進行評估，對預測未來淨現金流量進行折現，以計算該生物資產的現行市場價值。生物資產之公允價值計量界定為第3級公允價值等級。於兩個年度，公允價值等級之間並無任何轉撥。

以下為於二零一五年十二月三十一日有關生物資產第3級公允價值計量之不可觀察資料：

The higher the growing herbs yield,
the higher the fair value
種植之中草藥收成越多，
公允價值越高

The higher the market price,
the higher the fair value
種植之中草藥市價越高，
公允價值越高

The higher the discount rate,
the lower the fair value
種植之中草藥折現率越高，
公允價值越低

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

20. Biological Assets (continued)

The following unobservable inputs were used in level 3 fair value measurements of the Group's biological assets as at 31 December 2014:

Unobservable inputs 不可觀察資料	Range of unobservable inputs (weighted average) 不可觀察資料範圍(加權平均值)	Relations of unobservable inputs to fair value 不可觀察資料與公允價值之 關係
Growing herbs yield — kg per hectare 種植之中草藥收成 — 每公頃千克	30–550 (408) per year 每年30–550 (408)	The higher the growing herbs yield, the higher the fair value 種植之中草藥收成越多， 公允價值越高
Growing herbs price 種植之中草藥價格	RMB3–RMB113 (RMB40) per kg 每千克人民幣3–人民幣113(人民幣40)	The higher the market price, the higher the fair value 種植之中草藥市值越高， 公允價值越高
Discount rate 折現率	11% (11%) per annum 每年11%(11%)	The higher the discount rate, the lower the fair value 種植之中草藥折現率越高， 公允價值越低

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

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

20. 生物資產(續)

以下為於二零一四年十二月三十一日有關生物資產第3級公允價值計量之不可觀察資料：

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

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

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



20. Biological Assets (continued)

Reconciliation of Level 3 fair value measurements of biological assets on recurring basis:

		2015	2014
		二零一五年	二零一四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於一月一日	601	2,056
Addition	添置	254	366
Changes in fair value due to transformation	因性能轉變而產生之公允價值變動	(122)	(1,782)
Transfer to inventory	轉至存貨	(145)	(39)
At 31 December	於十二月三十一日	588	601

The above changes in fair value for the year ended 31 December 2015 recognised in profit or loss of approximately RMB122,000 (2014: RMB1,782,000) is presented as a separate line item on the consolidated statement of profit or loss. Included in the changes in fair value is an amount of approximately RMB122,000 (2014: RMB149,000) that is attributable to the change in unrealised gains or losses relating to biological assets held at the end of the reporting period.

The Group is exposed to demand risks arising from environmental and climatic changes. To mitigate these risks, the Group does not rely on the self-supply of herbs, but also sources herbs from a number of external suppliers.

20. 生物資產(續)

生物資產之循環性第3級公允價值計量對賬：

		2015	2014
		二零一五年	二零一四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於一月一日	601	2,056
Addition	添置	254	366
Changes in fair value due to transformation	因性能轉變而產生之公允價值變動	(122)	(1,782)
Transfer to inventory	轉至存貨	(145)	(39)
At 31 December	於十二月三十一日	588	601

截至二零一五年十二月三十一日止年度，以上於損益中確認之公允價值變動約人民幣122,000(二零一四年度：人民幣1,782,000)。其中約人民幣122,000(二零一四年度：人民幣149,000)的公允價值變動乃歸於與報告期末持有生物資產相關之未實現利潤或虧損之變動。

本集團面對環境和氣候變化帶來的需求風險。為降低此風險，本集團不單單依賴自給的中草藥，同時亦會向一定數量之外部供應商外購。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

21. Inventories

21. 存貨

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Raw materials	原材料	10,879	9,320
Work-in-progress	在製品	1,583	1,655
Finished goods	製成品	19,267	26,495
Packing materials and consumable goods	包裝材料及消耗品	9,180	14,569
		40,909	52,039

During the year ended 31 December 2015, there was an increase in the net realisable value following a decrease in selling expenses. As a result, a reversal of write-down of inventories of approximately RMB1,637,000 (2014: RMB893,000) has been recognised and included in cost of sales in the current year.

於截至二零一五年十二月三十一日止年度內，可變現淨值因銷售開支下跌而上升。因此，約人民幣1,637,000(二零一四年度：人民幣893,000)之存貨跌價準備撥回已被確認及於本年度包括於銷售成本中。

22. Trade and Other Receivables

22. 貿易及其他應收款項

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	69,193	68,234
Less: allowance for impairment of trade receivables	減：貿易應收款項減值準備	(9,521)	(4,712)
		59,672	63,522
Prepayment for purchase of raw materials	購買原材料預付款項	1,655	819
Short-term prepaid advertising fee	短期待攤廣告費用	44	667
Other receivables	其他應收款項	3,498	3,160
Total trade and other receivables	貿易及其他應收款項合計	64,869	68,168

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



22. Trade and Other Receivables (continued)

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

- (a) The following is an aged analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Less than 3 months	少於3個月	39,592	40,160
More than 3 months but less than 6 months	多於3個月但少於6個月	15,719	19,971
More than 6 months but less than 12 months	多於6個月但少於12個月	3,651	3,385
More than 12 months	多於12個月	710	6
		59,672	63,522

- (b) The following is an aged analysis of trade receivables, net of impairment, presented based on the due date at the end of the reporting period:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Neither past due nor impaired	即期	40,301	41,612
Less than 3 months past due	逾期少於3個月	14,213	17,865
More than 3 months but less than 6 months past due	逾期3至6個月	2,666	2,779
More than 6 months but less than 12 months past due	逾期6至12個月	215	1,191
More than 12 months past due	逾期多於12個月	2,277	75
		19,371	21,910
		59,672	63,522

22. 貿易及其他應收款項(續)

本集團允許貿易客戶平均信貸期限為30至90天。

- (a) 根據發票日呈列之貿易應收款項(扣除減值)於呈報期末的分析如下：

- (b) 根據到期日呈列之貿易應收款項(扣除減值)於呈報期末的分析如下：

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

22. Trade and Other Receivables (continued)

(b) (Continued)

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

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately RMB19,371,000 (2014: RMB21,910,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group does not hold any collateral over the trade and other receivables.

22. 貿易及其他應收款項(續)

(b) (續)

並無逾期及減值的應收款項屬於眾多之客戶，彼等近期並無逾期付款記錄。

於呈報期末，本集團的已逾期但無作出減值撥備之貿易應收款項結餘帳面總值約人民幣19,371,000(二零一四年度：人民幣21,910,000)。逾期但無減值的應收款項與若干獨立客戶有關，該等客戶與本集團的交易記錄良好。由於信用質素並無重大變化，且該等結餘仍被認為可以全數收回，根據以往經驗，管理層相信無需就該等結餘作出減值撥備。本集團並無就該等應收及其他應收款項持有任何抵押品。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



22. Trade and Other Receivables (continued)

- (c) Movement in the allowance for impairment for trade receivables:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
At 1 January	於一月一日	4,712	4,640
Impairment loss recognised	已確認之減值損失	4,809	72
At 31 December	於十二月三十一日	9,521	4,712

At 31 December 2015, the Group's trade receivables of approximately RMB9,521,000 (2014: RMB4,712,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that full amount of these receivables is unlikely to be recovered. Consequently full provision for these doubtful debts was recognised. The Group does not hold any collateral over these balances.

22. 貿易及其他應收款項(續)

- (c) 貿易應收款項的減值撥備變動：

於二零一五年十二月三十一日，本集團有約人民幣9,521,000(二零一四年度：人民幣4,712,000)的貿易應收款項經個別確認後進行減值損失。該等出現個別減值的應收款為客戶陷入財務困難，而且管理層評估認為不能全數收回的應收款項。因此本集團已對該等呆帳做出全數撥備。本集團並無就該等結餘持有任何抵押品。

23. Deposit with Bank/Bank Balances and Cash

Deposit with bank

As at 31 December 2015, deposit with bank of RMB20,000,000 (2014: RMB20,000,000, with maturity in May 2015), with maturity in May 2016, carries interest at fixed rate of 2.75% (2014: 3.25%) per annum.

Bank balances and cash

As at 31 December 2015, cash at bank carries interest at floating rates based on daily bank deposits rates of 0.001% to 0.35% (2014: 0.001% to 0.35%) per annum.

23. 銀行存款／銀行結存及現金

銀行存款

於二零一五年十二月三十一日，銀行存款人民幣20,000,000(二零一四年度：人民幣20,000,000)將於二零一六年五月到期，固定年利率為2.75%(二零一四年度：3.25%)。

銀行結存及現金

於二零一五年十二月三十一日，銀行現金按每日銀行存款浮動年利率0.001%至0.35%(二零一四年度：0.001%至0.35%)計算利息。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

24. Trade and Other Payables

24. 貿易及其他應付款項

		2015	2014
		二零一五年	二零一四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	33,834	43,288
Receipt in advance	預收款項	29,595	15,986
Payable for acquisition of property, plant and equipment	應付物業、廠房及 設備購置費用	14,152	15,067
Promotion fee payable	應付推廣費用	19,042	28,445
Accrued payroll	應付工資	1,012	2,713
Other payables and accrual	其他應付款項及預提費用	74,253	60,535
Total trade and other payables	貿易及其他應付款項合計	171,888	166,034

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

根據發票日期之日呈列之貿易應付款項於呈報期末之賬齡分析如下：

		2015	2014
		二零一五年	二零一四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 month or on demand	1個月內到期或 按通知償還	32,856	39,702
After 1 month but within 3 months	1個月後但於3個月內到期	978	3,586
		33,834	43,288

The average credit period on purchases is 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

由供應商給予的信貸期介於30至90日。本集團有相應的財務風險管理策略保證所有應付款項及時償還。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



25. Provisions

25. 計提準備

		Provision for litigation	
		訴訟計提費用	
		2015	2014
		二零一五年	二零一四年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於一月一日	2,044	1,826
Provision recognised	計提費用確認	3,487	662
Provision reversed	計提費用撥回	—	(120)
Payment made	已支付款項	(1,705)	(324)
At 31 December	於十二月三十一日	3,826	2,044

Provision for litigation is made based on management best estimates and judgement, as described in note 4. Details of the litigations are set out in note 34.

如附註4所述，訴訟計提費用是基於管理層最好的估計和判斷。訴訟詳見附註34。

26. Deferred Tax

26. 遞延稅項

The following is the deferred tax liability recognised and movements thereon during the current and prior years:

主要遞延稅項負債年內及以前年度的變動如下：

		Undistributed profits of PRC subsidiary
		中國附屬公司未分配利潤
		RMB'000
		人民幣千元
At 1 January 2014,	於二零一四年及二零一五年	
31 December 2014 and 2015	一月一日，十二月三十一日	2,031

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

26. Deferred Tax (continued)

As at 31 December 2015, the Group has unused estimated tax losses of approximately RMB1,139,915,000 (2014: RMB1,109,775,000) and RMB29,806,000 (2014: RMB29,927,000) for certain subsidiaries in the PRC and Hong Kong respectively. The tax losses incurred by the subsidiaries incorporated in the PRC will expire in five years from the year in which the loss originated, while the ones incurred by the subsidiaries in Hong Kong will not expire under current tax legislation in Hong Kong.

As at 31 December 2015, the Group has deductible temporary differences of approximately RMB429,197,000 (2014: RMB367,601,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, deferred tax liabilities of RMB2,031,000 (2014: RMB2,031,000) have been recognised in respect of the tax that would be payable on the portion of the dividend declared in respect of profits earned by the Group's PRC subsidiaries.

26. 遞延稅項(續)

於二零一五年十二月三十一日，本集團估計於中國及香港若干附屬公司並未就可扣減的稅務虧損分別約人民幣1,139,915,000(二零一四年度：人民幣1,109,775,000)和人民幣29,806,000(二零一四年度：人民幣29,927,000)。其中，由中國成立的附屬公司所產生之稅務虧損將於相關之業務虧損始源之五年內到期，而由香港的附屬公司產生的稅務虧損不會根據香港現行的稅務法例而屆滿。

於二零一五年十二月三十一日，本集團可扣減的暫時性差異約為人民幣429,197,000(二零一四年度：人民幣367,601,000)。並無任何因可扣減暫時性差異而確認之遞延稅項資產，因為極低可能有應課稅溢利可抵銷令其可抵扣暫時性差異能夠使用。

於呈報期末，已就本集團中國附屬公司溢利之宣告股息應付的稅項確認遞延稅項負債約為人民幣2,031,000(二零一四年度：人民幣2,031,000)。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



27. Share Capital and Reserves

(a) Share capital

		Number of shares 股份數目	RMB'000 人民幣千元
		'000 千	
Ordinary shares of HK\$0.1 each	每股港元0.1之普通股		
Authorised:	法定：		
At 1 January 2014, 31 December 2014 and 2015	於二零一四年一月一日， 二零一四年及二零一五年 十二月三十一日	10,000,000	880,500
Issued and fully paid ordinary shares:	已發行及繳足：		
At 1 January 2014, 31 December 2014 and 1 January 2015	於二零一四年一月一日， 二零一四年及二零一五年 十二月三十一日	2,910,971	256,639
Issue of shares under share option scheme (note)	發行股票期權計劃(附註)	840	66
At 31 December 2015	於二零一五年十二月三十一日	2,911,811	256,705

Note:

Shares issued under share option scheme

During the year ended 31 December 2015, options were exercised to subscribe for 840,000 (2014: nil) ordinary shares of the Company at a consideration of HK\$84,000, equivalent to approximately RMB66,000, (2014: nil) which was credited to share capital. RMB1,627,000 (2014: nil) has been transferred from the capital reserve to the share premium account in accordance with policy set out in note 3.

附註：

根據購股權計劃所發行的股票

於截至二零一五年十二月三十一日止年度內，購股權持有人通過行使購權認購本公司840,000股普通股(二零一四年度：無)，支付對價約為港元84,000(相當於約人民幣66,000)(二零一四年度：無)全部計入股本。根據附註3所述的會計政策，約人民幣1,627,000(二零一四年度：無)已經從資本儲備轉至股本溢價。

(b) Nature and purpose of reserves

(i) Share premium

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

(b) 儲備性質及用途

(i) 股本溢價

本公司股本溢價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向股東分派股息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

27. Share Capital and Reserves (continued)

(b) Nature and purpose of reserves (continued)

(ii) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy set out in note 3.

(iii) PRC statutory reserves

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

Bawang Guangzhou and Bawang (China) Beverage Co., Ltd, which are wholly foreign owned enterprises established in the PRC, are required to transfer at least 10% of their net profit (after offsetting prior year losses), as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve balance reaches 50% of the registered capital under the PRC Company Law and the articles of association of the entity. The transfer to this reserve must be made before distribution of dividends to the equity shareholder. No appropriation to statutory reserves were made by the PRC subsidiaries during the years ended 31 December 2015 and 2014, as they recorded losses for both years.

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

27. 股本及儲備(續)

(b) 儲備性質及用途(續)

(ii) 資本儲備

授予本公司僱員的購股權未行駛的部份，將其於授予日期的公允價值按照附註3股份支付的會計政策於資本儲備中確認。

(iii) 中國法定儲備

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

霸王廣州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。由於中國附屬公司於截至二零一五年和二零一四年十二月三十一日止年度發生虧損，所以並沒有向法定儲備轉撥任何溢利。

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

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



27. Share Capital and Reserves (continued)

(b) Nature and purpose of reserves (continued)

(iv) Merger reserve

On 20 December 2007, Bawang International Group Holding (HK) Limited, a wholly-owned subsidiary of the Company, acquired all the equity interest of Bawang Guangzhou amounting to USD12,500,000, which was previously held by a company owned by the Controlling Shareholders of the Group, at a consideration of the same amount. Accordingly, the share capital of Bawang Guangzhou was eliminated and a merger reserve arose due to foreign exchange differences.

(v) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the operations outside the PRC into the presentation currency of the Group (i.e. RMB).

(vi) Other reserve

The other reserve represents the deemed contribution by the Controlling Shareholders in the form of non-interest bearing loans to a subsidiary as detailed in note 33(h). The amounts are estimated by discounting the nominal value of the non-interest bearing loans to the subsidiary at an effective interest rate.

27. 股本及儲備(續)

(b) 儲備性質及用途(續)

(iv) 合併儲備

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

(v) 匯兌儲備

匯兌儲備包括換算中國境外業務之財務報表(即人民幣)所產生的全部匯兌差額。

(vi) 其他儲備

其他儲備是指控股股東借給於附註33(h)所述之附屬公司的免息貸款所產生之視同注資。該數額由以實際利率折現的借給子公司之免息貸款的賬面價值來估算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

28. Equity-Settled Share-Based Transactions

(a) Pre-IPO share option scheme

The Directors of the Company approved a Pre-IPO Share Option Scheme on 10 December 2008. On 8 June 2009, the Company conditionally granted certain Pre-IPO share options to the Directors, senior management and employees under 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 the then 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.

28. 以股權結算並以股份為基礎的交易

(a) 首次公開發售前購股權計劃

董事會於二零零八年十二月十日批准首次公開發售前購股權計劃。於二零零九年六月八日，本公司有條件地根據首次公開發售前購股權計劃向董事、高級管理層成員及僱員授予若干首次公開發售前購股權。行使此等購股權賦予本公司兩名董事認購本公司合共4,200,000股，以及40名高級管理層和僱員認購本公司股份合共10,332,000股的權利。根據本公司與每個受益人簽訂的授予函件，首次公開發售前購股權計劃項下的每股股份行權價為其面值港元0.1（4人在此列，其中包括兩名董事）或港元1.19，即按全球發售下發售價港元2.38折讓50%（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歸屬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。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



28. Equity-Settled Share-Based Transactions (continued)

(a) Pre-IPO share option scheme (continued)

Details of specific categories of Pre-IPO Share Options Scheme are as follows:

	Date of grant 授予日期	Number of instruments 購股權數目	Vesting period 歸屬期	Contractual life of options 購股權合約期
Options granted to directors 授予董事的購股權	8 June 2009 二零零九年六月八日	1,260,000	1 year from 3 July 2009 二零零九年七月三日起計一年	10 years 十年
	8 June 2009 二零零九年六月八日	735,000	2 years from 3 July 2009 二零零九年七月三日起計兩年	10 years 十年
	8 June 2009 二零零九年六月八日	735,000	3 years from 3 July 2009 二零零九年七月三日起計三年	10 years 十年
	8 June 2009 二零零九年六月八日	735,000	4 years from 3 July 2009 二零零九年七月三日起計四年	10 years 十年
	8 June 2009 二零零九年六月八日	735,000	5 years from 3 July 2009 二零零九年七月三日起計五年	10 years 十年
Options granted to employees 授予僱員的購股權	8 June 2009 二零零九年六月八日	1,669,920	1 year from 3 July 2009 二零零九年七月三日起計一年	10 years 十年
	8 June 2009 二零零九年六月八日	1,868,160	2 years from 3 July 2009 二零零九年七月三日起計兩年	10 years 十年
	8 June 2009 二零零九年六月八日	2,066,400	3 years from 3 July 2009 二零零九年七月三日起計三年	10 years 十年
	8 June 2009 二零零九年六月八日	2,264,640	4 years from 3 July 2009 二零零九年七月三日起計四年	10 years 十年
	8 June 2009 二零零九年六月八日	2,462,880	5 years from 3 July 2009 二零零九年七月三日起計五年	10 years 十年
Total share options granted 授予購股權總數		14,532,000		

28. 以股權結算並以股份為基礎的交易 (續)

(a) 首次公開發售前購股權計劃 (續)

首次公開發售前購股權計劃詳情如下：

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

28. Equity-Settled Share-Based Transactions (continued)

- (b) The following table disclosed the movements of the Company's share options held by Directors and employees for the years ended 31 December 2015 and 2014:

Option type		Number of share options 購股權數目					
		Outstanding at 1 January 2014 於 二零一四年 一月一日 尚未行使	Forfeited during the year 年內被沒收	Outstanding at 31 December 2014 於 二零一四年 十二月三十一日 尚未行使	Exercised during the year 年內行使	Forfeited during the year 年內被沒收	Outstanding at 31 December 2015 於 二零一五年 十二月三十一日 尚未行使
Pre-IPO Share Option Scheme	首次公開發售前 購股權	3,825,000	(991,000)	2,834,000	(840,000)	(340,000)	1,654,000
Exercisable at the end of the reporting period	於呈報期末可行使 的購股權	2,251,000		2,834,000			1,654,000
Weighted average exercise price	加權平均行使價	HK\$0.51	HK\$0.27	HK\$0.62	HK\$0.01	HK\$1.19	HK\$0.77

The options outstanding at 31 December 2015 had a weighted average remaining contractual life of 3.43 years (2014: 4.43 years).

The Group recognised the total expense of approximately RMB197,000 (2015: nil) for the year ended 31 December 2014 in relation to share options granted by the Company.

28. 以股權結算並以股份為 基礎的交易(續)

- (b) 下表披露截至二零一五年及二零一四年十二月三十一日止年度董事及僱員持有股權之變動：

於二零一五年十二月三十一日，尚未行使購股權的加權平均剩餘合約期為3.43年(二零一四年度：4.43年)。

截至二零一四年十二月三十一日止年度，本集團確認已授出的購股權公允價值總開支約人民幣197,000(二零一五年度：無)。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



29. Statement of Financial Position of the Company

29. 本公司財務狀況表

		Notes 附註	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Unlisted investments in subsidiaries	於非上市附屬公司的投資		—	—
Amounts due from subsidiaries	應收附屬公司款項	a	39,372	153,546
			39,372	153,546
Current assets	流動資產			
Other receivable	其他應收款		239	—
Bank balances and cash	銀行結存及現金		1,442	1,042
			1,681	1,042
Current liability	流動負債			
Other payables	其他應付款項		3,338	3,928
Net current liabilities	流動負債淨額		(1,657)	(2,886)
Total assets less current liability	資產總值減流動負債		37,715	150,660
Net assets	資產淨值		37,715	150,660
Capital and reserves	資本及儲備			
Share capital	股本		256,705	256,639
Reserves	儲備	b	(218,990)	(105,979)
Total equity	權益總額		37,715	150,660

Notes:

(a) The amounts are unsecured, non-interest bearing and not expected to be recoverable within the next twelve months.

附註：

(a) 該款項免息無抵押，預期未來十二個月內不會收回。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

29. Statement of Financial Position of the Company (continued)

Notes: (Continued)

(b) Movements in the reserves during the years are as follows:

		Share premium 股本溢價 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2014	於二零一四年一月一日	1,354,742	6,543	(106,953)	(1,250,184)	4,148
Recognition of equity-settled share-based payments	確認以股權結算並以股份為基礎的付款	—	197	—	—	197
Forfeiture of vested equity-settled share-based payments	沒收歸屬的以股權結算並以股份為基礎的付款	—	(1,774)	—	1,774	—
Total comprehensive expense	全面開支總額	—	—	(3,578)	(106,746)	(110,324)
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及二零一五年一月一日	1,354,742	4,966	(110,531)	(1,355,156)	(105,979)
Issue of shares under share option scheme (note 28)	發行股票期權計劃(附註28)	1,627	(1,627)	—	—	—
Forfeiture of vested equity-settled share-based payments	沒收歸屬的以股權結算並以股份為基礎的付款	—	(525)	—	525	—
Total comprehensive income (expense)	全面收入(費用)總額	—	—	32	(113,043)	(113,011)
At 31 December 2015	於二零一五年十二月三十一日	1,356,369	2,814	(110,499)	(1,467,674)	(218,990)

29. 本公司財務狀況表(續)

附註：(續)

(b) 儲備年內變動情況如下：

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



30. Lease Commitments

The Group as lessee

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Minimum lease payments paid under operating leases in respect of buildings during the year	根據經營租約就土地及樓宇已付之最低租賃款項	8,681	8,722

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

於呈報期末，本集團不可撤銷的經營租約之未來最低租金承擔到期情況如下：

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Within one year	一年以內	5,377	8,655
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年在內)	422	5,757
Over five years	五年以上	525	555
		6,324	14,967

Operating lease payments represent rentals payable by the Group for certain of its production premises and office. Leases are negotiated for original terms ranging from 1 to 30 years (2014: 1 to 30 years). Rentals are fixed over the terms of respective leases.

經營租金是指本集團支付租用其生產廠房及辦公場所的租賃費用。租期經協商之原租期介乎一年至三十年(二零一四年度：一年至三十年)。租金在各租約期內固定不變。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

31. Capital Commitments

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

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Contracted for	已簽約	7,553	8,221

31. 資本承擔

於呈報期末，並無在財務報表中反映的有關購買物業、廠房及設備的資本承擔如下：

32. Retirement Benefit Scheme Contributions

(a) The PRC

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.

(b) Hong Kong

The Group also maintains a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) for all qualifying employees in Hong Kong in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, of which the contribution was matched by employees and subject to a cap of HK\$1,250 from June 2012 to May 2014 and HK\$1,500 thereafter per employee.

32. 退休福利計劃供款

(a) 中國大陸地區

根據中國有關勞動法規，中國附屬公司參與由中國有關當地政府機構組織之定額供款退休福利計劃（「**該計劃**」）。有關附屬公司須按照工資之一定百分比向該計劃供款。當地政府機構會負責支付退休僱員的全部退休金。

(b) 香港地區

根據強制性公積金計劃（「**強積金計劃**」）的相關條例及規定，本集團亦為所有符合條件的香港僱員設立強積金計劃。強積金計劃之資產與本集團其他資產分開，由受託人控制之基金持有。本集團按相關工資之5%向計劃供款。二零一二年六月至二零一四年五月，為員工的計劃供款上限為港元1,250，之後的每名員工的供款上限為港元1,500。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



32. Retirement Benefit Scheme Contributions (continued)

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

The total expense recognised in profit or loss of approximately RMB2,678,000 (2014: RMB3,174,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

32. 退休福利計劃供款(續)

本集團除了上述供款計劃，並無其他義務為員工支付退休及其他退休後福利。

損益表中之總開支約人民幣2,678,000(二零一四年度：人民幣3,174,000)，即本集團就該等計劃制定的一定百分比應付之供款。

33. Related Party Transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties:

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

33. 關連方交易

除綜合財務報表各部分所披露者外，本集團已進行下列重大關連方交易：

- (a) 於呈報期末尚未償付之結餘如下：

		Amounts due (to)/from related parties	
		應(付)／收關連方款項	
		2015	2014
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-trade related	非貿易相關		
Guangzhou Bawang (note i)	廣州霸王(附註i)	(5,308)	(4,582)
Trade related	貿易相關		
Guangzhou Chenming Paper Products Company Limited (“Guangzhou Chenming”) (note iii)	廣州市晨明紙品有限公司(「廣州晨明」)(附註iii)	(1,934)	(1,626)
Guangzhou Qiancai Packaging Materials Co., Ltd. (“Guangzhou Qiancai”) (note iii)	廣州市倩采包裝材料有限公司(「廣州倩采」)(附註iii)	(59)	—
		(7,301)	(6,208)
Trade related	貿易相關		
Guangzhou Friend's Group Information Technology Company Limited (“Guangzhou Friend's Group”) (note ii)	廣州親友團科技信息有限公司(「廣州親友團」)(附註ii)	75	—

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

33. Related Party Transactions (continued)

(a) (continued)

Notes:

- (i) Guangzhou Bawang was effectively 100% owned by the Controlling Shareholders of the Company. As at 31 December 2015 and 2014, the balance due to Guangzhou Bawang mainly represented rental payable. The balance was unsecured, interest-free and repayment on demand.
 - (ii) Guangzhou Friend's Group was under the control of the close family members of the Controlling Shareholders of the Company. The credit term granted to Guangzhou Friend's Group is 15 days. The balances were unsecured and interest-free.
 - (iii) Guangzhou Chenming and Guangzhou Qiancai were under the control of the close family members of the Controlling Shareholders of the Company. The credit term granted by Guangzhou Chenming and Guangzhou Qiancai is 30 days. The balances were unsecured and interest-free. As at 31 December 2015, the amounts due to Guangzhou Chenming and Guangzhou Qiancai were due within 1 month or on demand (2014: due within 1 month or on demand).
- (b) During the year ended 31 December 2015, meeting and catering services were provided to the Group by Guangzhou Bawang International Hotel Co., Ltd. amounting to approximately RMB1,292,000 (2014: RMB1,076,000). Guangzhou Bawang International Hotel Co., Ltd. was effectively 100% owned by the Controlling Shareholders of the Company. The Directors of the Company are of the opinion that the above transactions were conducted on normal commercial terms in the ordinary course of business.
- (c) During the year ended 31 December 2015, raw materials were purchased from Guangzhou Chenming amounting to approximately RMB4,700,000 (2014: RMB6,035,000). The Directors of the Company have confirmed that the basis of consideration for the purchase of raw materials is the prevailing market price.

33. 關連方交易 (續)

(a) (續)

附註：

- (i) 廣州霸王由本公司控股股東100%有效擁有。於二零一五年和二零一四年十二月三十一日，廣州霸王的期末結餘主要為應付租金。有關結餘無抵押、免息並按要求償還。
 - (ii) 廣州親友團由本公司控股股東家庭成員緊密控制。授予廣州親友團的信用期限為15天。該結餘為無抵押免息。
 - (iii) 廣州晨明和廣州倩采是由與本公司控股股東關係密切的家庭成員控制的。由廣州晨明和廣州倩采給予的信貸期為30日。有關結餘無抵押及免息並按要求償還。於二零一五年十二月三十一日，應付廣州晨明和廣州倩采款項於1個月內到期或按通知償還(二零一四年度：1個月內到期或按通知償還)。
- (b) 於截至二零一五年十二月三十一日止年度內，廣州霸王國際大酒店有限公司向本集團提供的會議及餐飲服務費用總計約人民幣1,292,000(二零一四年度：人民幣1,076,000)。霸王國際大酒店由本公司控股股東100%有效擁有。本公司董事認為上述交易乃在日常業務過程中按正常商業條款進行的。
- (c) 於截至二零一五年十二月三十一日止年度內，向廣州晨明購買的原材料之金額約人民幣4,700,000(二零一四年度：人民幣6,035,000)。本公司董事確認上述原材料的購買是以現行市價為考慮基準。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



33. Related Party Transactions (continued)

- (d) During the year ended 31 December 2015, raw materials were purchased from Guangzhou Qiancai amounting to approximately RMB183,000 (2014: RMB55,000). The Directors of the Company have confirmed that the basis of consideration for the purchase of raw materials is the prevailing market price.
- (e) During the year ended 31 December 2015, utilities expenses were paid on behalf of the Group by Guangzhou Bawang amounting to approximately RMB1,255,000 (2014: RMB1,247,000).
- (f) On 9 August 2013, Bawang Guangzhou and Guangzhou Bawang entered into two lease agreements, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production plant and office premises at fixed monthly rental and management fee of RMB1,120,000 and RMB92,800, respectively. The terms of the lease under the agreements are 3 years from 9 August 2013. Details of which were set out in the Company's announcement dated 9 August 2013. During the year ended 31 December 2015, approximately RMB14,554,000 (2014: RMB14,554,000) in aggregate was recognised in the consolidated statement of profit or loss.
- (g) During the year ended 31 December 2015, finished goods were sold by the Group to Guangzhou Friend's Group amounting to RMB75,000 (2014: nil). The Directors of the Company have confirmed that the basis of consideration for the sales of finished goods is the prevailing market price.

33. 關連方交易 (續)

- (d) 於截至二零一五年十二月三十一日止年度內，向廣州倩採購的原材料之金額約人民幣183,000(二零一四年度：55,000)。本公司董事確認上述原材料的購買是以現行市價為考慮基準。
- (e) 於截至二零一五年十二月三十一日止年度內，廣州霸王代本集團支付的水電費合共約人民幣1,255,000(二零一四年度：人民幣1,247,000)。
- (f) 於二零一三年八月九日，霸王廣州與廣州霸王訂立兩份租賃協議。據此，霸王廣州向廣州霸王租賃生產廠房和辦公場地，每月固定租金及管理費用分別為人民幣1,120,000和人民幣92,800，租期自二零一三年八月九日起有效期三年。詳情載於公司二零一三年八月九日發佈的公告。截至二零一五年十二月三十一日止年度，約人民幣14,554,000(二零一四年度：約人民幣14,554,000)已計入綜合損益表中。
- (g) 截至二零一五年十二月三十一日止年度，賣給廣州親友團的成品金額約人民幣75,000(二零一四年度：無)。本公司董事確認銷售成品價格是參照當時的市場價格確定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

33. Related Party Transactions (continued)

- (h) The Controlling Shareholders and Guangzhou Bawang undertook to provide a loan facility to the Group in an amount up to RMB140,000,000 for a period from 15 March 2013 to 31 December 2015 and was further extended to 31 December 2017. The long-term loans are unsecured, interest-free and repayable by 31 December 2017 or earlier as determined by the Group. During the year ended 31 December 2015, the Group had drawn down HK\$40,000,000 (equivalent to approximately RMB31,684,000) under the facility. As at 31 December 2015, the carrying amount of the loans from Controlling Shareholders was approximately RMB54,946,000 (2014: RMB44,069,000). The effective interest rate of the loans from Controlling Shareholders was 5% (2014: 5%) per annum. As at 31 December 2015, the available facilities is approximately RMB85,058,000 (2014: RMB91,507,000).

Subsequent on 17 March 2016, additional amount of HK\$35,000,000 (equivalent of approximately RMB29,323,000) has been drawn down by the Group. The loan is unsecured, interest-free and repayable by 31 December 2017 or earlier as determined by the Group.

33. 關連方交易 (續)

- (h) 控股股東及廣州霸王承諾向本集團提供一筆長期貸款融資，金額高達人民幣140,000,000，有效期自二零一三年三月十五日至二零一五年十二月三十一日，進一步延長至二零一七年十二月三十一日。此長期借款為無抵押、免息及由本集團決定於二零一七年十二月三十一日或之前償還。截至二零一五年十二月三十一日止年度內，本集團獲得一筆金額為港元40,000,000（相當於人民幣31,684,000）的借款。截至二零一五年十二月三十一日，控股股東借款賬面價值為人民幣54,946,000（二零一四年度：人民幣44,069,000）。控股股東借款的有效年利率為5%（二零一四年度：5%）。截至二零一五年十二月三十一日，有限融資額度約為人民幣85,058,000（二零一四年度：人民幣91,507,000）。

隨後於二零一六年三月十七日，控股股東提供港元35,000,000（相當於人民幣29,323,000）的借款給本集團。此借款為無擔保、免息及由本集團決定於二零一七年十二月三十一日或之前償還。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



33. Related Party Transactions (continued)

Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of notes (c) and (f) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the "Report of the Directors" section to the annual report. The related party transactions in respect of notes (b), (d), (e), (g) and (h) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, however, they are exempt from the disclosure requirements in Chapter 14A of the Listing Rules.

(i) Compensation of key management personnel

The remuneration of key management personnel of the Group during the year was as follows:

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Short-term benefits	短期福利	1,854	2,011
Post-employment benefits	離職後福利	166	194
Termination benefits	辭退福利	575	—
Share-based payments	以股份為基礎的交易	—	164
		2,595	2,369

The remuneration of key management personnel of the Group was determined by the board of Directors, in consultation with the remuneration committee, having regard to the performance of individuals and market trends.

33. 關連方交易 (續)

有關關連交易適用的上市規則

附註(c)及(f)提及的關連交易，符合上市規則第14A章所界定的關連交易或持續關連交易。上市規則第14A章要求之披露會在年度報告「董事會報告」一章中呈列。附註(b)、(d)、(e)、(g)及(h)提及的關連交易，符合上市規則第14A章所界定的關連交易或持續關連交易但豁免上市規則第14A章所需之披露。

(i) 主要管理人員報酬

本集團於年內主要管理人員的酬金載列如下：

	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Short-term benefits	1,854	2,011
Post-employment benefits	166	194
Termination benefits	575	—
Share-based payments	—	164
	2,595	2,369

本集團主要管理人員之報酬由董事諮詢薪酬委員會就彼等個人表現及市場趨勢釐定的。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

34. Litigations

- (a) The Directors of the Company consider that the contents of the relevant article published by a media company on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, the Group commenced legal proceedings in the High Court of Hong Kong in October 2010 against the media company seeking, inter alia, damages and an injunction to restrain the media company from publishing such contents or similar contents. The trial of the legal proceedings has been completed on 29 August 2015, no judgement has been handed down by the High Court up to the date of this report.
- (b) In prior years, Bawang Guangzhou was a defendant in a legal action involving the alleged software infringement and provision of RMB200,000 was recognised according to the legal opinion.

During the year ended 31 December 2014, the District Court issued a verdict for the lawsuit whereby Bawang Guangzhou was ordered to pay the software supplier of an aggregate amount of RMB80,000. Accordingly, reversal of provision in amount of RMB120,000 has been recognised as other income for the year ended 31 December 2014.

- (c) In prior years, a lawsuit was filed by a former subcontractor against Bawang Beverage in People's Court of Songjiang District of Shanghai (the "**Shanghai Court**") in respect of a dispute in the material processing contract between the former subcontractor and Bawang Beverage. In 2013, Bawang Beverage received a civil order issued by the Shanghai Court, which accepted the application by the former subcontractor for property attachment prior to lawsuit to freeze Bawang Beverage's bank accounts in the amount of approximately RMB873,000 or other assets under the name of Bawang Beverage. In connection with the lawsuit, one of Bawang Beverage's bank accounts with an amount of approximately RMB309,000 was frozen. No accrual has been recorded by the Group as at 31 December 2013 based on the opinion provided by the PRC legal counsel acting on behalf of Bawang Beverage.

34. 法律訴訟

- (a) 董事認為一間傳媒公司於二零一零年七月十四日發表的相關雜誌文章內容均為對本集團的誹謗及／或惡意中傷。因此，本集團已於二零一零年十月在香港高等法院向該傳媒公司提起法律訴訟。其中，要求該傳媒公司賠償損失並且禁止出版該內容或類似內容。該法律訴訟已於二零一五年八月二十九日結束審訊。截至本報告發佈之日，香港高等法院並未頒布任何判詞。
- (b) 在以往年度，霸王廣州於一軟件侵權案件中成為被告。根據法律意見，確認了人民幣200,000的計提準備。

截至二零一四年十二月三十一日止年度內，地區法院裁定霸王廣州須賠償軟件供應商總金額合計人民幣80,000。截至二零一四年十二月三十一日止年度，總計約人民幣120,000的計提撥回已被確認於其他收入中。

- (c) 在以往年度，一名前分銷商在上海松江區人民法院（「上海法院」）就該前分銷商及霸王（中國）飲料有限公司（「霸王飲料」）之間的原料加工合同糾紛向霸王飲料提起訴訟。在二零一三年，霸王飲料收到了上海法院的民事判決書，上海法院受理了前分銷商的訴前財產保全申請，凍結了霸王飲料銀行賬戶約人民幣873,000或霸王飲料名下的其他資產。在此訴訟中，霸王飲料其中一個銀行賬戶被凍結了約人民幣309,000。基於代表霸王飲料的中國法律顧問提供的意見，於二零一三年十二月三十一日，本集團尚未對此計提任何準備。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



34. Litigations (continued)

(c) (continued)

On 20 June 2014, Shanghai No. 1 Intermediate People's Court gave its final ruling that Bawang Beverage was liable to the former subcontractor for an amount of approximately RMB643,000 and a legal cost of approximately RMB19,000. Accordingly, provision for litigation in amount of approximately RMB662,000 was recognised as other expense in the consolidated statement of profit or loss and amount of approximately RMB324,000 was settled during the year ended 31 December 2014. During the year ended 31 December 2015 and up to the date of this report, the remaining provision of approximately RMB338,000 has not been settled.

- (d) During the year ended 31 December 2014, a lawsuit was filed by Bawang Guangzhou against a supplier in District Court for the incomplete construction and unsatisfactory performance of plant and machineries provided by the supplier. On 2 February 2015, the District Court issued a verdict for the lawsuit whereby (i) the purchase contracts for the plant and machineries were terminated; (ii) the supplier should pay Bawang Guangzhou a sum of approximately RMB22,518,000 representing purchase cost paid and liquidated damages in addition to interest; and (iii) the plant and machineries concerned should be dismantled and removed from the factory of Bawang Guangzhou.

During the year ended 31 December 2015, Bawang Guangzhou applied for an injunction against the supplier in District Court to execute the court order handed down in 2014. As at the date of this report, the legal proceedings are in progress. Upon further negotiation with the supplier, Bawang Guangzhou is willing to settle the case outside the court. During the year ended 31 December 2015 and up to the date of this report, no agreement has been signed and no settlement has been received from the supplier.

34. 法律訴訟(續)

(c) (續)

上海第一中級人民法院於二零一四年六月二十日作出最終裁決，霸王飲料須向前分銷商支付約人民幣643,000的賠償金和約人民幣19,000的訴訟費。此外，訴訟計提合計約人民幣662,000已被確認於綜合損益表中為其他費用，約人民幣324,000已於二零一四年十二月三十一日年內償還。截至二零一五年十二月三十一日止年度至本公告日，餘下的約人民幣338,000還未償還。

- (d) 截至二零一四年十二月三十一日止年度，霸王廣州就未完成之工程及所提供的廠房和機器設備性能不佳向地方法院起訴某供應商。隨後於二零一五年二月二日，地區法院作出判決(i)終止機器設備的採購合同；(ii)供應商應支付霸王廣州購買成本、違約金及利息損失合計約人民幣22,518,000；並(iii)從霸王廣州的廠房拆除該廠房和機器設備。於本公告日，結算金尚未從供應商獲得。

截至二零一五年十二月三十一日止年度，霸王廣州向地方法院申請向該供應商執行二零一四年作出的法院判決。截至本公告日，法律程序正在進行中。與供應商進一步談判，霸王廣州願意接受庭外和解。截至二零一五年十二月三十一日止年度直至本公告日，雙方尚未簽署任何協議，也未收到供應商任何賠付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

34. Litigations (continued)

- (e) During the year ended 31 December 2015, a lawsuit was filed by a total of 14 former employees against Bawang Guangzhou in the District Court in respect of termination compensation for a total sum of approximately RMB2,891,000 representing related severance payments, salaries and social insurance expenses. As at the date of this report, the legal proceedings are in progress. Provision of litigation in the amount of RMB500,000 was recognised as administrative expenses in the consolidated statement of profit or loss based on the opinion provided by the PRC legal counsel acting on behalf of Bawang Guangzhou, representing the maximum compensation expected by the PRC legal counsel up to the date of this report.
- (f) During the year ended 31 December 2015, a lawsuit was filed by a former employee against Bawang Guangzhou in the District Court in respect of termination compensation. On 8 October 2015, the District Court gave its first ruling that Bawang Guangzhou was liable to the former employee for a sum of approximately RMB149,000 representing related severance payments and salaries. Both the plaintiff and Bawang Guangzhou lodged an appeal against the decision. No hearing has yet been fixed for the appeal. Accordingly, provision of litigation in the amount of approximately RMB149,000 was recognised as administrative expenses in the consolidated statement of profit or loss.

34. 法律訴訟(續)

- (e) 截至二零一五年十二月三十一日止年度，十四名公司前任僱員在地區法院訴請霸王廣州違法解除勞動合同賠償金、工資和社保費用約人民幣2,891,000。截至本公告日，法律程序正在進行中。根據霸王廣州的中國代表律師的法律意見，確認了人民幣500,000的計提準備計入合併報表的行政費用。
- (f) 截至二零一五年十二月三十一日止年度，一名公司前任僱員在地區法院訴請霸王廣州終止賠償。於二零一五年十月八日，地區法院作出一審盤踞，霸王廣州向原告支付遣散費和工資約人民幣149,000。原告和霸王廣州均表示不服判決要上訴。目前尚未收到上訴通知。因此，確認約人民幣149,000計提準備計入合併報表中的行政費用。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



34. Litigations (continued)

- (g) During the year ended 31 December 2015, a lawsuit was filed by a former employee against Bawang Guangzhou in the Guangzhou Labour Dispute Arbitration Commission* (“**Guangzhou Labour Commission**”) in respect of termination compensation for a sum of approximately RMB174,000. On 8 April 2015, the Guangzhou Labour Commission gave its ruling that Bawang Guangzhou was liable to the former employee for a sum of approximately RMB17,000 representing related salaries. The plaintiff lodged an appeal against the decision to the District Court. On 15 October 2015, the District Court gave its ruling that Bawang Guangzhou was liable to the former employee for a sum of approximately RMB17,000. The plaintiff did not file further appeal. The amount has been recognised in administrative expenses and settled during the year.
- (h) During the year ended 31 December 2015, a total of 3 lawsuits were filed by the same supplier against Bawang Guangzhou in the District Court and Guangzhou Arbitration Commission for a total sum of approximately RMB1,810,000 and RMB859,000 respectively, representing outstanding retention fees and construction fees. As at the date of this report, the legal proceedings are in progress. Accordingly, provision of litigation in the amount of approximately RMB2,669,000 was recognised as administrative expenses in the consolidated statement of profit or loss based on the opinion provided by the PRC legal counsel acting on behalf of Bawang Guangzhou.

* For identification purposes only

34. 法律訴訟(續)

- (g) 截至二零一五年十二月三十一日止年度，一名公司前僱員向廣州市勞動爭議仲裁委員會(「廣州勞動委員會」)訴請霸王廣州支付合共約人民幣174,000的終止賠償金。於二零一五年四月八日，廣州市勞動委員會作出裁決霸王廣州向前僱員支付總額約人民幣17,000的工資。原告不服判決向地區法院提出上訴。於二零一五年十月十五日，地區法院作出裁決，霸王廣州向前僱員支付合共約人民幣17,000。原告沒有進一步提出上訴。該筆金額已計入行政費用中並已於年中支付。
- (h) 截至二零一五年十二月三十一日止年度，一個供應商分別在地區法院和廣州市仲裁委員會向霸王廣州提起總共三項訴訟，要求支付金額分別為約人民幣1,810,000和約人民幣859,000。截至本公告日，法律程序正在進行中。根據霸王廣州的中國代表律師的法律意見，確認了約人民幣2,669,000計提準備計入合併報表中的行政費用。

* 僅供識別

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

35. Principal Subsidiaries

Details of the Company's principal subsidiaries at 31 December 2015 and 2014 are as follows:

35. 主要附屬公司

於二零一五年及二零一四年十二月三十一日本公司主要附屬公司詳情如下：

Name 名稱	Place of incorporation/ establishment and operation 成立及經營地點	Issued and paid-up/ registered ordinary share 已發行及 繳足資本	Proportion ownership interest and voting power held by the Company 本公司持有的權益及 擁有的投票權比例				Principal activities 主要業務
			2015 二零一五年		2014 二零一四年		
			Direct 直接 %	Indirect 間接 %	Direct 直接 %	Indirect 間接 %	
Forever Giants Limited	BVI	USD1	100	—	100	—	Marketing and promotion of household and personal care products
Forever Giants Limited	英屬處女群島	美元 1					營銷及推廣家用及個人護理產品
Bawang International Group Holding (HK) Limited	Hong Kong	HK\$1	—	100	—	100	Investment holding, advertising agency and trading of household and personal care products
霸王國際集團控股(香港)有限公司	香港	港元 1					投資控股、廣告代理及營銷及推廣家用及個人護理產品
Hong Kong Bawang International Trading Limited	Hong Kong	HK\$1	—	100	—	100	Advertising agency and trading of household and personal care products
香港霸王國際貿易公司	香港	港元 1					廣告代理及營銷及推廣家用及個人護理產品
Bawang Guangzhou (note a)	The PRC	USD67,500,000	—	100	—	100	Manufacturing and trading of household and personal care products
霸王廣州(附註(a))	中國	美元 67,500,000					製造及營銷及推廣家用及個人護理產品
Bawang Beverage (note a)	The PRC	HK\$180,000,000	—	100	—	100	Inactive during the year
霸王飲料(附註(a))	中國	港元 180,000,000					年內不活動

Note:

(a) These entities are wholly foreign owned and limited liability companies established in the PRC.

附註：

(a) 此等實體為於中國成立的外商全資的有限責任公司。

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

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度



35. Principal Subsidiaries (continued)

The above table lists the subsidiaries of the Group which, in the opinion of the Directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of both years or at any time during the years.

At the end of the reporting period, the Company has other wholly-owned subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要業務地點	Number of subsidiaries 附屬公司數目	
		2015 二零一五年	2014 二零一四年
Investment holding 投資控股	BVI 英屬處女群島	2	2
Investment holding 投資控股	Hong Kong 香港	1	1

36. Events After the Reporting Period

- (a) As mentioned in notes 1 and 33(h), on 17 March 2016, loan amount of HK\$35,000,000 (equivalent of approximately RMB29,323,000) has been granted by the Controlling Shareholders to the Group. The loan is unsecured, interest-free and repayable by 31 December 2017 or earlier as determined by the Group.

35. 主要附屬公司(續)

上表僅列出本公司董事認為主要影響本集團業績或資產和負債之附屬公司。本公司董事認為提供其他附屬公司之詳情將令資料過於冗長而不在此列示。

於當年及上一年度期內，概無任何附屬公司發行任何債權債務。

於呈報期末，公司擁有其他就集團而言非重大的全資附屬公司。該等附屬公司之主要業務概述如下：

36. 呈報期後事項

- (a) 正如在附註1及33(h)中所提及，在二零一六年三月十七日，控股股東提供港元35,000,000(相當於人民幣29,323,000)的借款給本集團。此借款為無擔保、免息及由本集團決定於二零一七年十二月三十一日或之前償還。

Five Years Summary

五年財務概要

As at 31 December 2015
於二零一五年十二月三十一日

		2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Results	業績					
Turnover	營業額	232,181	294,649	478,380	555,955	888,909
Loss before taxation	稅前虧損	(110,581)	(116,457)	(143,502)	(534,964)	(618,537)
Taxation	稅項	—	—	—	(82,605)	59,967
Loss for the year attributable to the owners of the Company	本公司擁有人應佔之年內虧損	(110,581)	(116,457)	(143,502)	(617,569)	(558,570)
Assets and liabilities	資產及負債					
Property, plant and equipment	物業、廠房及設備	154,999	225,340	294,256	321,619	184,555
Prepaid advertising fee	預付廣告費用	—	—	123	1,454	3,875
Biological assets	生物資產	162	175	170	142	1,297
Deferred tax assets	遞延稅項資產	—	—	—	—	82,605
Net current (liabilities) assets	流動(負債)資產淨值	(56,852)	(26,364)	(29,346)	91,485	758,541
Total assets less current liabilities	資產總值減流動負債	98,309	199,151	265,203	414,700	1,030,873
Loan from controlling shareholders	控股股東借款	54,946	44,069	—	—	—
Deferred tax liabilities	遞延稅項負債	2,031	2,031	2,031	2,031	2,031
Net assets	資產淨值	41,332	153,051	263,172	412,669	1,028,842
Capital and reserves	資本及儲備					
Share capital	股本	256,705	256,639	256,639	256,639	256,511
Reserves	儲備	(215,373)	(103,588)	6,533	156,030	772,331
Total equity	權益總額	41,332	153,051	263,172	412,669	1,028,842
Loss per share Basic and diluted (RMB)	每股(虧損)盈利基本及攤薄(人民幣)	(0.038)	(0.04)	(0.05)	(0.21)	(0.19)

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