



BaWang International (Group) Holding Limited

霸王國際(集團)控股有限公司*

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

Stock Code: 01338
股票代碼: 01338



Interim Report 2012 2012 年中期報告

* for identification purposes only
僅供識別



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

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

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

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

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

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



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Corporate Information

公司資料

Directors

Executive Directors

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

Non-executive Director

GUO Jing

Independent non-executive Directors

NGAI Wai Fung
LI Bida
CHEN Kaizhi

Audit committee

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

Remuneration committee

LI Bida (*Chairman*)
WAN Yuhua
CHEN Kaizhi

Nomination committee

CHEN Qiyuan (*Chairman*)
LI Bida
CHEN Kaizhi

Company Secretary

WONG Sin Yung *CPA*

Authorized representatives

WAN Yuhua
WONG Sin Yung *CPA*

董事

執行董事

陳啟源 (*主席*)
萬玉華
沈小笛
黃善榕

非執行董事

郭晶

獨立非執行董事

魏偉峰
李必達
陳開枝

審核委員會

魏偉峰 *CPA, ACCA, FCIS (主席)*
李必達
陳開枝

薪酬委員會

李必達 (*主席*)
萬玉華
陳開枝

提名委員會

陳啟源 (*主席*)
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公司秘書

黃善榕 *CPA*

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股票代碼

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Management Discussion and Analysis

管理層討論與分析

Business Review

The Directors report that the total revenue of the Group for the six months ended 30 June 2012 was RMB288.7 million, representing a decrease of 34.4% when compared to the corresponding period in 2011. The operating loss of the Group for the six months ended 30 June 2012 was RMB245.2 million, representing a decrease of 32.6% when compared to the corresponding period in 2011. For the six months ended 30 June 2012, the Group has recorded a loss of RMB326.9 million when compared to a loss of RMB294.9 million in the corresponding period in 2011. For further details of the operating performance of the Group, please refer to the Financial Review section of this interim report.

The Directors would like to indicate that we had actually witnessed some positive signs of recovery. There had been improvements in the sequential growth rate of monthly sales revenue of our core products during the first quarter of 2012. However, the operating environment became challenging in the second quarter, and have caused the sales revenue of our core products to decrease.

Further, PRC's gross domestic product dipped to 7.6% in the second quarter, down from 8.1% in the first quarter and has reached the lowest level since the beginning of 2009. The Directors believe that the PRC economy has begun to slow down in the second quarter of 2012, and has hampered the

業務回顧

董事報告本集團截至二零一二年六月三十日止的六個月總收入為人民幣288.7百萬元，較二零一一年同期下降了34.4%。本集團截至二零一二年六月三十日止的六個月錄得經營虧損約人民幣245.2百萬元，比二零一一年同期下降了32.6%。本集團截至二零一二年六月三十日止的六個月錄得股東應佔虧損為人民幣326.9百萬元，而二零一一年同期錄得虧損為人民幣294.9百萬元。關於本集團經營業績詳情，請參閱本中期報告內財務回顧部份。

董事們需要指出是，我們實際上已經出現了一些積極復甦的跡象。我們主要產品在二零一二年第一季度的月銷售額持續增長，但由於第二季度的經營環境變得具有挑戰性，致使我們主要產品的銷售額有所下降。

此外，中國國內生產總值從第一季度的8.1%下降到第二季度的7.6%，達到二零零九年初以來的最低水平。董事們相信，中國經濟發展從二零一二年第二季度開始放緩，阻礙了本集團業務的恢復



Group's recovery progress. Consequently, the sales revenue of the Group for the six months ended 30 June 2012 declined when compared to the corresponding period in 2011, and the sales performance of our core products was worse than expected. The Group continued to record significant net losses for the period under review.

For Bawang (霸王) branded series, in the beginning of 2012, the Group continued to follow the marketing and promotion strategies that were laid down in 2011, and the sales performance of Bawang branded products was generally in line with the expectation of the management. However, sales started to decline from the beginning of the second quarter. To boost the sales performance, the Group have rolled out a nationwide promotion campaign for Bawang products known as "The Five Key Success Factors that Build up the Premium Quality of Bawang Branded Products" (五大實力，成就霸王冠軍品質). Both Mr. Jackie Chan and Ms. Kim Hui Seon continue to be the brand ambassadors. In August 2012, a new shampoo and haircare product that targets the female customers market, Bawang Anti-hair Fall Shampoo for Ladies and Nutri-repairing Moisturing Conditioner, was rolled out by the Group.

As of 30 June 2012, the Bawang brand distribution network comprised around 489 distributors and 50 KA retailers, covering 26 provinces and four municipalities. Furthermore, the products are sold in Hong Kong, Macau, Singapore, Myanmar, Thailand, Malaysia, Brunei, and Australia.

進度。因此，本集團截至二零一二年六月三十日止六個月的銷售額比二零一一年同期有所下降，而我們核心產品的銷售表現亦比預期的差。於回顧期間，本集團繼續錄得巨額虧損。

對於霸王品牌系列，二零一二年初本集團繼續執行於二零一一年制定的營銷及推廣策略，而霸王品牌產品的銷售表現基本達到管理層的預期。然而，從第二季度開始銷量開始下降。為了提升銷售業績，本集團為霸王產品推出一個名為「五大實力，成就霸王冠軍品質」的全國性促銷宣傳活動。成龍先生和金喜善女士繼續擔任品牌形象大使。二零一二年八月，本集團推出一個新的、專門針對女性顧客目標市場的洗髮護髮產品，即霸王女士防脫洗髮液和滋補修復潤髮精華素。

截至二零一二年六月三十日，霸王品牌分銷網絡包括大約489個分銷商及50個重點零售商，覆蓋26個省份及四個直轄市。此外，該等產品已在香港、澳門、新加坡、緬甸、泰國、馬來西亞、汶萊和澳大利亞市場銷售。



Similar to the Bawang branded series, for Royal Wind (追風) branded series, the Group continued to follow the marketing and promotion strategies that were laid down at the end of 2011. Furthermore, the Group rolled out a nationwide promotion campaign for Royal Wind products known as “颶風行動” (Whirlwind Action). Mr. Han Geng (韓庚) continues to be the brand ambassador. In August 2012, the Group rolled out two new products under the Royal Wind shampoo series – Royal Wind Hydra-fresh Shampoo and Royal Wind Anti-hair Fall Shampoo.

As of 30 June 2012, the distribution network for Royal Wind branded series comprised approximately 446 distributors and 48 KA retailers, covering 26 provinces and four municipalities. Furthermore, the products are already sold in Singapore.

The target market for Litao (麗濤) branded products is the mid-low end segment in the PRC shampoo market. As of 30 June 2012, its distribution network comprised approximately 377 distributors, covering 26 provinces and four municipalities.

As for the Chinese herbal skincare products series, Herborn (本草堂), its target customers are white-collar females aged between 25 and 45 who have high purchasing power and pursue a healthy and natural lifestyle. The internationally renowned celebrity Ms. Faye Wong (王菲) continues to be

與霸王系列一樣，本集團繼續執行追風品牌於二零一一年底制定的市場推廣及宣傳策略。此外，本集團為追風品牌產品推出了一個名為「颶風行動」的全國性促銷宣傳活動。韓庚先生繼續擔任品牌形象大使。二零一二年八月，本集團推出兩個全新的追風洗髮水系列——多效水潤系列和防掉髮系列。

截至二零一二年六月三十日，追風品牌分銷網絡包括大約446個分銷商及48個重點零售商，覆蓋26個省份及四個直轄市。此外，該等產品已在新加坡市場銷售。

麗濤品牌產品的目標市場是中國洗髮水市場的中低端領域。截至二零一二年六月三十日，其分銷網絡包括大約377個分銷商，覆蓋26個省份和四個直轄市。

至於中草藥護膚系列產品——本草堂，其目標客戶群是擁有高購買力、崇尚健康自然的生活方式、年齡介於25歲至45歲的白領女性。國際著名歌星王菲女士繼續擔任品牌形象大使，將繼續幫助我



the brand ambassador and will continue to help us promote the brand image. The Herborn Imperial Series (貴妃系列) was rolled out to the market in June 2012. The Group has been appointed for the third time as the exclusive sponsor of skincare products to the Miss World Pageant, China. Apart from providing our Herborn Chinese herbal skincare products (本草堂系列) to the contestants, we also conducted a series of skincare seminars for the contestants, so as to allow them to understand the concepts and benefits of traditional Chinese medicine.

As of 30 June 2012, the distribution networks for Herborn branded series comprised approximately 107 distributors and 14 KA retailers, covering 27 provinces and four municipalities with 80 designated counters in department stores and/or supermarkets and approximately 3,800 designated counters in cosmetics specialty shops in China. In addition, the products are sold in Mannings, Watsons, Sasa and Bonjour chain stores in Hong Kong.

As for the Chinese herbal beverage product series, Bawang Herbal Tea (霸王涼茶), the Group has taken a prudent approach when operating and developing this business since the beginning of 2012, and has outsourced most of the

們提升本草堂的品牌形象。二零一二年六月，本草堂貴妃系列產品在市場上推出。本集團三度成為世界小姐中國區唯一指定護膚品贊助方，除了提供我們本草堂系列中草藥產品給參賽佳麗使用之外，我們也為參賽佳麗舉辦一系列的護膚培訓會，讓參賽佳麗瞭解傳統中藥機理及益處。

截至二零一二年六月三十日，本草堂品牌分銷網絡包括大約107個分銷商和14個重點零售商，覆蓋27個省份和四個直轄市，在中國境內的百貨及／或超級市場擁有專櫃80家，化妝品專營店專櫃3,800家。此外，該等產品已在香港萬寧、屈臣氏、莎莎及卓悅連鎖店中銷售。

至於中草藥飲料系列產品——霸王涼茶，自二零一二年初本集團已採取審慎的方式經營和發展這項業務，並將其外包給選定的分銷商。於二零一二年五月，



business operations to selected distributors. In May 2012, Bawang Herbal Tea was selected as the designated herbal tea provider to the International Cycling Union (ICU) Women Road World Cup in Chongming Island, Shanghai. As of 30 June 2012, its distribution network comprised approximately 228 distributors, covering 24 provinces and two municipalities.

Since the second quarter in 2012, the Group has formulated and implemented a series of strategic measures to reform and streamline our business operations of each of our core products. The Directors believe that such measures will enable us to strengthen the foundation for our long term development and the sustainability of our business. Please refer to the Outlook section of this interim report for discussions of plans and strategies for our brand portfolio

According to a research report published by Euromonitor in 2012, in terms of retail sales, our range of products (including Bawang and Royal Wind) continued to hold the largest market share among all Chinese brands in 2011, accounting for approximately 4.8% of the retail sales in the overall shampoo market in the PRC. For the Chinese herbal shampoo sub-segment, our range of products, in terms of retail sales, accounted for approximately 26.6% of the market share and ranked No.1 in the Chinese herbal shampoo market in the PRC. Accordingly, our range of products has been in the leading position consecutively for six years since 2006.



霸王涼茶成為上海崇明島女子國際公路自行車賽的涼茶指定供應商。截至二零一二年六月三十日，其分銷網絡包括大約228個分銷商，覆蓋24個省份和兩個直轄市。

自二零一二年第二季度以來，本集團已經制定並執行了一系列戰略措施，以改革和精簡我們各核心產品的業務運作。董事們相信，這些措施將有助於加強我們業務長遠發展和可持續發展的基礎。關於我們品牌組合的戰略發展計劃的論述，請參閱本中期報告的展望部份。

根據Euromonitor於二零一二年發佈的研究報告，按零售銷量統計，我們的產品系列(包括霸王和追風)於二零一一年繼續領先所有的中國品牌，佔中國整體洗髮水市場的份額約4.8%。就中草藥洗髮水市場分部而言，按零售銷量統計，我們產品系列的市場份額佔到約26.6%，並且在中國中草藥洗髮水市場排名第一。因此，我們的產品自二零零六年起已連續六年處於領先地位。



In terms of the recognition gained by the Group, the Guangdong Provincial Department of Science and Technology has awarded “Independent Innovative Products in Guangdong Province 2011” to our following three products:

1. Bawang Anti-hair Fall Shampoo (霸王防脫洗髮液)
2. Bawang Hair Blackening and Strengthening Shampoo (霸王烏髮固發洗髮液)
3. Bawang Nutri-moisturizing Shampoo (霸王滋補盈潤洗髮精華素)



During the period under review, the Group obtained five patent certificates from the State Intellectual Property Office in relation to herbal extract methodologies and techniques, and a further one in relation to herbal sugar-free drink methodology and technique.

In addition, the Group will obtain funding for research and development from the government, in recognition of our outstanding contributions to the research and industrialization of anti-hair fall shampoo.

In March 2012, Bawang (Guangzhou) Co., Ltd (“Bawang Guangzhou”) was recognised by the Guangzhou Municipal Government as “The First Batch of Corporations Headquartered in the Guangzhou City”. Subject to the fulfilment of certain prescribed criterion, Bawang Guangzhou may be eligible for certain government grants.

至於本集團所獲得的榮譽方面，本集團下列三項產品被廣東省科學技術廳認定為「2011年廣東省自主創新產品」：

1. 霸王防脫洗髮液
2. 霸王烏髮固發洗髮液
3. 霸王滋補盈潤洗髮精華素



於回顧期內，本集團獲得國家知識產權局頒發的五項有關中草藥液提取製備方面的專利證書以及一項中藥清潤無糖飲料及其製備方法的專利證書。

另外，因本集團在中藥育發防脫洗髮產品的研發及產業化方面貢獻突出，本集團將獲得政府資助項目的研發經費。

於二零一二年三月，霸王(廣州)有限公司(「霸王廣州」)被廣州市政府評為「廣州市首批認定總部企業」。若符合若干條件，霸王廣州可能享有一定的政府補助。

In May 2012, Herborn skincare branded product was voted by thousands of consumers in a campaign organized by a Shenzhen-based news media as one of the “Top 10 Potential Brands in 2012”. This award is regarded by the industry as authoritative and professional.

These achievements serve as recognition of the Group’s strong capability in the research, development and industrialization of Chinese herbal medicine.

We are in the process of applying for the registration of a number of patents, which relates to our researches on hair care, skin care and health care applications of Chinese herbs, the successful registration of which will be a further testament to our research and development efforts.

Litigation

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

Financial Review

Revenue

During the period under review, the Group’s revenue amounted to RMB288.7 million, representing a decrease of 34.4% when compared to RMB439.8 million in the corresponding period in 2011. The sales decline was principally attributable to the substantial decline in the sales of Bawang Herbal Tea. The Group is gradually reducing our investment in Bawang Herbal Tea as a result of the change in business model from self-managed to outsourcing. But such sales decline was partially offset by the slight increase in sales of two branded products, Bawang and Smerry (雪美人).

於二零一二年五月，經過數千消費者的投票評選，本草堂護膚產品被深圳晚報列為「2012年最具成長潛力類十佳品牌」。該獎項由行業協會認可，極具權威性及專業性。

這些成就是對本集團在研究、開發中草藥及中草藥產業化方面能力的認可。

我們正在提交一些專利註冊申請，這些專利與應用中草藥於護髮、護膚及衛生保健的研究有關。成功註冊這些專利將進一步證明我們在研究和開發上的突破。

訴訟

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

財務回顧

收入

於回顧期間，本集團收入達人民幣288.7百萬元，較二零一一年同期的人民幣439.8百萬元下降了34.4%。銷售額下降的主要原因是霸王涼茶銷售額的大幅降低。由於經營模式從自主管理轉變為外包，本集團正逐漸減少對霸王涼茶業務的投入。但上述銷售業績的下降有部分被霸王和雪美人這兩個品牌產品的銷售的少量上升所抵銷。

During the period under review, the Group's core brand, Bawang, generated RMB159.2 million in revenue, which accounted for approximately 55.1% of the Group's total revenue, and represented an increase of 8.4% when compared to the corresponding period in 2011.

During the period under review, the Group's branded Chinese herbal anti-dandruff hair-care series, Royal Wind, recorded a revenue of RMB63.9 million, which accounted for approximately 22.2% of the Group's total revenue, and represented a decrease of 24.6% when compared to the corresponding period in 2011.

During the period under review, the Group's branded Chinese herbal drink of the Group, Bawang Herbal Tea, recorded a revenue of RMB16.1 million, which accounted for approximately 5.6% of the Group's total revenue and represented a decrease of 86.4% when compared to RMB118.3 million in the corresponding period in 2011.

During the period under review, the Group's branded Chinese herbal skincare series, Herborn, recorded a revenue of RMB28.9 million, which accounted for approximately 10.0% of the Group's total revenue, and represented a decrease of 25.4% when compared to the corresponding period in 2011.

During the period under review, the Group's nature-based branded shampoo and shower gel products series, Litao, generated RMB17.8 million in revenue, which accounted for approximately 6.2% of the Group's total revenue, and represented a decrease of 63.3% when compared to the corresponding period in 2011.

During the period under review, Smerry generated a total revenue of RMB2.8 million, which accounted for approximately 0.9% of the Group's total revenue.

We were selling our products through extensive distribution and retail networks. During the period under review, sales to our distributors and retailers represented approximately 75.1% and approximately 24.9% of the Group's total revenue respectively.

於回顧期間，本集團核心品牌，霸王的收入達人民幣159.2百萬元，約佔本集團總收入的55.1%，較二零一一年同期上漲了8.4%。

於回顧期間，本集團的中草藥去屑品牌，追風的收入達人民幣63.9百萬元，約佔本集團總收入的22.2%，較二零一一年同期下降了24.6%。

於回顧期間，本集團的中草藥飲品品牌，霸王涼茶的收入達人民幣16.1百萬元，約佔本集團總收入的5.6%，較二零一一年同期的118.3百萬元下降了86.4%。

於回顧期間，本集團的中草藥護膚品牌，本草堂的收入達人民幣28.9百萬元，約佔本集團總收入的10.0%，較二零一一年上半年下降25.4%。

於回顧期間，本集團的以純天然為基礎的洗髮水和沐浴露產品系列，麗濤的收入達人民幣17.8百萬元，約佔本集團總收入的6.2%，較二零一一年同期下降了63.3%。

於回顧期間，雪美人的收入達人民幣2.8百萬元，約佔本集團總收入的0.9%。

我們一般通過廣泛的分銷商和零售商網絡銷售我們的產品。於回顧期間，我們通過分銷商和零售商的銷售額分別約佔本集團總收入的75.1%和24.9%。

During the period under review, our products were sold in Hong Kong, Macao, Singapore, Myanmar, Thailand, Malaysia, Brunei, and Australia. The sales to these markets outside the PRC accounted for 3.5% of our total revenue.

Cost of Sales

During the period under review, cost of sales amounted to RMB162.5 million, representing a decrease of 46.3% when compared to RMB302.8 million in the corresponding period in 2011. Such change was mainly due to a decrease in the sales volume of Bawang Herbal Tea products, and the reversal of a write-down of inventories in the amount of RMB9.9 million.

Gross Profit

During the period under review, the Group's gross profit decreased to RMB126.2 million, representing a decrease of 7.9% when compared to RMB137.0 million in the corresponding period in 2011. The gross profit margin for the six months ended 30 June increased from 31.2% in 2011 to 43.7% in 2012. The increase in gross profit margin was mainly due to the decrease in the proportion of herbal tea products sold in the product mix, as the gross profit margin for herbal tea products is lower than that of HPC products. The effect brought about by the decrease in sales of herbal tea products was however, partially offset by the decrease in unit selling price of HPC products, due to the increasing use of HPC products as settlement for sales rebates.

Selling and Distribution Costs

During the period under review, selling and distribution costs decreased to RMB321.0 million, representing a decrease of 30.0%, when compared to the corresponding period in 2011. Such decrease is mainly due to the decrease in advertising fees and the savings achieved in promotion fee through optimizing our promotion staff resources.

於回顧期間，我們的產品已在香港、澳門、新加坡、緬甸、泰國、馬來西亞、汶萊和澳大利亞市場上銷售。於回顧期間，這些海外市場的銷售額佔本集團總銷售額的3.5%。

銷售成本

於回顧期間，銷售成本達人民幣162.5百萬元，相比二零一一年上半年的人民幣302.8百萬元，下降了46.3%。此項變化的主要原因是霸王涼茶銷售額的下滑，以及沖回的存貨跌價準備人民幣9.9百萬元。

毛利

於回顧期間，本集團的毛利下降至人民幣126.2百萬元，與二零一一年同期的人民幣137.0百萬元相比下降了7.9%。截至六月三十日止六個月的毛利率從二零一一年的31.2%上升到二零一二年的43.7%。毛利率上升的主要原因是由於涼茶產品於回顧期內佔產品組合的比例有所減少，而涼茶產品的毛利率是低過家庭個人護理產品的。然而，由於以家庭個人護理產品貨補形式所提供的銷售返利有所增加，其亦導致銷售價格下降，從而抵銷了涼茶產品銷售減少所帶來的影響。

銷售及分銷開支

於回顧期內，銷售及分銷開支下降至人民幣321.0百萬元，較二零一一年同期下降30.0%。其下降的原因主要是廣告費用的減少以及通過優化促銷人力資源而對促銷費用實現的節約。

Administrative Expenses

During the period under review, administrative expenses amounted to approximately RMB48.3 million, representing an increase of approximately 7.9% when compared with approximately RMB44.7 million in the corresponding period in 2011. Such increase was mainly due to the increase in non-capitalizable research and development expenditures and provisions for bad debt, but is partially offset by the decrease in salary, traveling and meeting expense, and recruitment fees.

Loss from Operations

The Group recorded an operating loss of RMB245.2 million for the six months ended 30 June 2012, when compared to the operating loss of RMB363.6 million for the corresponding period in 2011. The Group's operating margin for the six months ended 30 June decreased from -82.7% in 2011 to -84.9% in 2012. The decrease was mainly due to the decrease in sales and partially offset by the effective control of advertising and promotion expenses.

Net Finance Income

For the six months ended 30 June 2012, net finance income of the Group was RMB0.9 million (30 June 2011: RMB11.2 million). The significant decrease was mainly due to the substantial decrease in both the interest income on bank deposits and net foreign exchange gains. The Group did not incur any interest on bank borrowings during the period under review (30 June 2011: RMB3.2 million).

Income Tax

During the period under review, the Group had an income tax expense of RMB82.6 million, when compared to an income tax credit of RMB57.6 million during the corresponding period in 2011. The income tax expense for the six months ended 30 June 2012 represented the reversal of deferred tax assets recognized for the tax losses and deductible temporary differences prior to 2012.

行政開支

於回顧期間，行政開支約為人民幣48.3百萬元，較二零一一年同期的約人民幣44.7百萬元，上升約7.9%。有關上升的主要原因是未資本化的研發費用支出和壞賬準備的增加，但部分被工資、差旅費、會議開支以及招聘費用的下降所抵銷。

經營虧損

本集團截至二零一二年六月三十日止六個月錄得經營虧損人民幣245.2百萬元，而二零一一年同期的錄得經營虧損則為人民幣363.6百萬元。本集團截至六月三十日止六個月的經營利潤率從二零一一年的-82.7%下降至二零一二年的-84.9%。其下降的主要原因是營業額的下降，部分被廣告及促銷費用的有效控制所抵銷。

財務淨收益

截至二零一二年六月三十日止六個月，本集團財務淨收益為人民幣0.9百萬元（二零一一年六月三十日：人民幣11.2百萬元）。其顯著下降的主要是銀行存款的利息收益及外匯淨收益兩者都大幅下降。於回顧期內，本集團並未就任何銀行借款而產生利息（二零一一年六月三十日：人民幣3.2百萬元）。

所得稅

於回顧期內，本集團的所得稅支出為人民幣82.6百萬元，二零一一年同期的所得稅抵扣金額則為人民幣57.6百萬元。截至二零一二年六月三十日止六個月的所得稅支出指就二零一二年之前因稅務虧損和可抵扣暫時性差異而確認的遞延所得稅資產有所撥回。

Provision for Inventories

Our accounting policy prescribes that inventories are stated at the lower of cost and net realizable value (“NRV”). In the event that NRV falls below cost, the difference is taken as provision for inventories. As at 30 June 2012, the amount of provision for write-down of inventories was RMB44.8 million (31 December 2011: RMB54.7 million). As a result, a reversal of write-down of inventories to their net realizable value in the amount of approximately RMB9.9 million has been included in cost of sales mentioned above.

Loss for the Period Attributable to the Equity Shareholder

As a result of the combined effect of the abovementioned factors, the Group recorded an attributable loss of RMB326.9 million for six months ended 30 June 2012, when compared to the attributable loss of RMB294.9 million for the six months ended 30 June 2011.

Outlook

The PRC economy has been sending out mixed signals at the moment. Whilst the economy has been affected by the economic downturns in the US and Europe, the property market in China is showing early signs of recovery. However, the Directors believe that the long term outlook of the Chinese economy remains strong, as the government is likely to intervene to maintain the economic growth, and this might transform the PRC’s economy from an export driven economy into a new model for economic development.

In relation to our business, the Directors are of the view that the macroeconomic conditions might continue to affect our sales performance and business recovery in the near future. The Group is cautious about the recovery progress of the economy and will take a prudent approach when operating and sustaining our business.

存貨撥備

根據我們的會計準則規定，存貨核算按成本與可變現淨值（「可變現淨值」）較低者入賬。若可變現淨值低於成本，即按其差額計提存貨跌價準備。於二零一二年六月三十日，為期末存貨餘額計提的存貨跌價準備為人民幣44.8百萬元（二零一一年十二月三十一日：人民幣54.7百萬元）。因此，上述銷售成本中包括可變現淨值金額約RMB9.9百萬元的存貨跌價準備沖回。

權益持有人應佔期內虧損

因上述因素的綜合影響，本集團二零一二年度上半年錄得應佔虧損人民幣326.9百萬元，而二零一一年度上半年錄得應佔虧損人民幣294.9百萬元。

展望

目前中國經濟已發出複雜的信號。雖然中國經濟受美國和歐洲經濟衰退的影響，房地產市場正呈現出復甦的早期跡象。但董事們相信，中國經濟的長期前景仍然強勁，因為政府將進行干預以保持經濟增長，這可能使中國經濟從出口導向型轉入一個新的經濟發展模式。

對我們的業務而言，董事們認為在不久的將來宏觀經濟將持續影響我們的銷售表現和業務恢復情況。本集團對經濟復蘇的進展持謹慎態度，並將採取審慎的方式經營和維持其業務。

To cope with the present challenging market conditions, the Group will revise its operating strategies in response to the prevailing stage of its business recovery, external economy and market conditions and the internal ongoing key performance financial indicators. We outline below our business plans and strategies for the rest of 2012.

For the two core branded shampoo and haircare products, namely Bawang and Royal Wind, the Group plans to develop these two brands through continuous innovation, management excellence and win-win cooperation with business partners. The Group will adopt a new business model, whereby the whole value chain will be split into two parts. Whilst the Group is mainly responsible for the activities in the upper stream such as research and development, manufacturing, marketing and distribution; our business partners, namely distributors and retailers, are responsible for the activities of the lower stream such as channel and in-store management. The Group will provide overall supervision and essential support to its business partners. In addition, we will offer training and development programs to our business partners with a view to enhancing their management skills, so as to aid them in attaining sales targets and hence increase sales revenues.

Relying on the distinctive competitive advantage of being a Renowned Traditional Chinese Medicine Family (中藥世家) and possessing a reliable shampoo product formula, the Group will continue to revolutionize its research and development efforts in relation to the extraction of Chinese herbs and to further apply the new technology into our two core branded shampoo and haircare products.

為了應對當前充滿挑戰的市場環境，本集團將根據當前階段的業務恢復進度和外部的經濟和市場環境，以及內部正在進行的關鍵績效和財務指標來調整其經營策略。我們在此概述二零一二年度餘下期間之業務規劃及策略。

對於霸王和追風這兩個核心品牌的洗髮護髮產品，本集團計劃通過不斷創新、卓越管理以及與業務合作夥伴實現共贏的方式來發展這兩個品牌。本集團將採用一種新的商業模式，將整個價值鏈分成兩部份。本集團主要負責上游的活動，比如研發、生產製造、市場營銷；而我們的業務合作夥伴，即分銷商和零售商，則主要負責下游的活動，比如渠道和門店管理。本集團將為業務合作夥伴提供全面的監管和必要的支持。此外，我們將為我們的業務合作夥伴提供培訓和發展計劃，以加強其管理技能從而幫助他們實現銷售目標及增加銷售收入。

憑藉知名傳統「中藥世家」所獨有的競爭優勢和掌握的可信任的洗髮產品配方，本集團將繼續革新中草藥液提取的研發技術以及將新的提取方法進一步應用於我們兩個核心洗髮護髮品牌。



Through excellent management plans and scientific management systems, the Group aims to enhance its organizational effectiveness, improve the quality of its products, control costs, and reduce operating expenses on one hand; and strive to enhance the Group's existing revenue base and/or explore new revenue streams on the other hand.

With the successful inauguration of our automated production complex, the Group is confident that we should be able to promptly provide quality products to our business partners for resale.



The Directors believe that the combined effect of the above measures would enable the Group to maximize returns and achieve a win-win situation together with our business partners.

For the Herborn Chinese herbal skincare products series, we will continue to enhance its brand image and brand recognition through advertising, marketing campaigns and setting up more designated counters in department stores, supermarkets and cosmetic stores. We expect that we will set up another 1,600 designated counters in cosmetic specialty shops throughout the PRC through distributors. Our original plan of having a total of 5,000 designated counters by the end of 2012 remains unchanged. We reinforce our belief that Herborn would become a leading brand in the Chinese herbal skincare market, as well as one of our key revenue contributors in the next few years.

通過卓越的管理計劃和科學的管理系統，本集團一方面旨在增強組織有效性，提高其產品質量，控制成本以及減少營運費用；而另一方面，則致力於鞏固本集團現有的收入基礎和／或開發新的收入來源。

隨著我們自動化工業園的順利開幕，本集團堅信我們能夠及時配送優質的產品給我們的業務合作夥伴用以銷售。



在上述措施的綜合作用下，董事們相信，本集團將能獲得最大限度的回報並與我們的業務合作夥伴一起實現雙贏。

對於本草堂這一中草藥護膚產品系列，我們將通過廣告投放、市場推廣活動以及在百貨商場、大型超市和化妝品專賣店設立更多的專櫃的形式，來繼續提升其品牌形象和品牌知名度。我們預計通過分銷商在全國範圍內的化妝品專營店另外開設1,600個專櫃。二零一二年年底，專櫃總數達5,000個的原計劃不變。我們堅信本草堂將成為中草藥護膚品市場的領先品牌，並在未來幾年內成為我們的主要收入來源之一。



For Bawang Herbal Tea, we have adopted a prudent approach to operate and develop its business, and have outsourced its operations to selected distributors since the beginning of 2012. The Group will continue to adopt this model, so as to minimize the risk of over-investment.

對於霸王涼茶，自二零一二年年初，我們已經採取審慎的態度經營和發展這項業務，並將其外包給選定的分銷商。本集團將繼續採用這用模式，以將過度投資的風險降到最低。

In relation to the launch of new products, the Group will mainly focus on strengthening its existing portfolio of brands as mentioned above. We may expand our existing core products portfolio. We do not have plans for rolling out brand new major product lines for the time being.

關於推出新產品方面——本集團將主要集中在努力加強上述現有品牌的產品組合。我們可能擴大我們現有主要產品組合。我們暫時還沒有推出全新的主要產品線的計劃。

With the commencement of operations of the new production plant, which has automated production lines designed in accordance with the guidelines laid down for good manufacturing practices (GMP), the Directors believe that this will help restore our corporate image and the consumers' confidence in the quality of our products, which will help speeding up the recovery progress and enhance our operating performance.

董事們相信，隨著擁有基於良好製造規範(GMP)而設計的自動化生產線的新廠房投入運營，其將加速恢復我們的企業形象和消費者對於我們產品品質的信心，並提高我們的經營業績。

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

The Group has already set up a Chinese herbal plantation in Guangdong province since early 2010 and has started receiving the first yield of Chinese herbs since 2011. The Company is now replicating this agricultural practice, so as to train farmers on how to maximize output when cultivating herbs. As the results are satisfactory, the Group is looking for more sites in other places in China for setting up additional herbal plantations.

In terms of our development plan in overseas markets, the Group will continue to explore the possibility for launching our branded products in other countries with potential distributors. Bawang shampoo and haircare products may be rolled out in Vietnam and Indonesia later on. The Group is open to explore all further business opportunities with potential overseas distributors.

The Company does not have any outstanding acquisition opportunity in hand and will not actively explore opportunities that may involve potential acquisition for the time being.

本集團將繼續依照計劃租用另一處位於廣州市花都區的生產工廠用於涼茶業務。該基地的建設工作正在進行中。我們預期新廠機器設備的安裝和調試將於二零一三年左右進行。

本集團自二零一零年初已在廣東省內建立了中草藥種植基地，並已於二零一一年開始收穫中草藥。本集團正在複製這種農業模式，以培訓農民如何使草藥培育產出達到最大化。由於結果非常令人滿意，本集團現正於中國其他地方物色地點以建立其他中草藥種植基地。

海外市場發展計劃方面，本集團將繼續開發與潛在經銷商合作的可能性，把我們的品牌推廣至其他國家。霸王洗髮護髮產品稍後亦可能將在越南和印尼推出。本集團將以開放的態度尋找所有與潛在海外經銷商洽談更多商業合作的機會。

本公司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。



Looking forward, we have two strategic plans to sustain and develop our business in the midst of the volatile internal and external operating environments. In the short run, we have to revive our sales growth and profitability; to continue to build up a management team with strong experience in both domestic and global HPC products sectors; and to improve investor confidence. In the long run, we have to build up a sustainable business model, so as to compete against both domestic and international competitors; to maintain a multi-brand and multi-product strategy; to become a global leader of branded Chinese herbal HPC products operator; and to bring the best returns to our investors.

展望未來，在不穩定的內部和外部經營環境中，我們維持和發展業務之戰略方向有以下兩個。就短期而言，我們需恢復銷售增長和盈利水平；繼續在國內外組建就家庭及個人護理行業擁有豐富經驗的管理團隊；以及提升投資者信心。就長期而言，我們需建立可持續發展模式迎戰國內外競爭對手；奉行品牌及產品多樣化的策略；成為全球中草藥家庭及個人護理產品領軍企業；以及帶給投資者最好的回報。

Liquidity, Financial Resources and Capital Structure

流動資金、財務資源及資本架構

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

本集團採用保守的理財策略。流動資金和財務資源概要列載如下：

	30 June 2012 於二零一二年 六月三十日 RMB in million 單位：人民幣百萬元	31 December 2011 於二零一一年 十二月三十一日 RMB in million 單位：人民幣百萬元
Cash and cash equivalents 現金及現金等價物項目	320.4	602.7
Total bank and other borrowings 銀行及其他借款總額	—	—
Total assets 總資產	898.8	1,246.1
Gearing ratio ¹ 資產負債率 ¹	—	—

Note:

備註：

1. Calculated as interest-bearing borrowings divided by total assets.

1. 按計息借貸除以資產總額計算

Material Acquisition and Disposal

As at 30 June 2012, the Group has no specific acquisition target.

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

Exposure to Fluctuations in Exchange Rates and Related Hedge

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

The Directors are of the view that the Group conducts its business transactions principally in Renminbi and thus the exchange risk at the Group's operational level is not significant.

As at 30 June 2012, the Group had not issued any material financial instruments or entered into any material contracts for foreign currency hedging purposes. However, the Directors will continue to monitor the foreign exchange exposure and is prepared to take prudent measures such as hedging when required.

Contingent Liabilities

The Group had no material contingent liabilities as of 30 June 2012.

重大收購及出售

於二零一二年六月三十日，本集團並無明確的收購目標。

於回顧期間，本集團並無重大收購或出售其附屬及聯營公司。

匯率波動風險及有關對沖

本集團主要在中國境內經營業務，大部分交易以人民幣結算。本集團的報告貨幣為人民幣。本集團出口產品銷往香港和部份東南亞國家，交易以港幣或美元結算。本集團大部份現金及銀行存款以人民幣計值。本公司宣派股息時亦以港元派付。此外，本集團以美元或港幣支付若干廣告費。

董事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。

於二零一二年六月三十日，本集團並沒有發行任何重大金融工具或訂立任何重大合約作外匯對沖用途。然而，董事將繼續監察外匯風險，並準備在需要時採取審慎的措施，例如對沖。

或然負債

於二零一二年六月三十日，本集團並無重大或然負債。

Capital Commitment

As of 30 June 2012, the capital commitment of the Group were approximately RMB39.0 million.

Pledge of Assets

The Group had no pledge of assets as of 30 June 2012.

Human Resources

As of 30 June 2012, the Group employed approximately 8,256 employees (30 June 2011: 11,207), consisting of full-time employees and contract personnel in the PRC and Hong Kong. Of which, the Group also engaged approximately 5,475 salespersons (30 June 2011: 6,764) through contract personnel agency to help with our marketing and promotional activities. The total personnel expenses, comprising wages, salaries and benefits, and equity-settled share-based payments, amounted to RMB127.1 million for the first half of 2012 (30 June 2011: RMB114.0 million).

The table shows a breakdown of our employees for the for the six months ended 30 June 2012 and for the six months ended 30 June 2011:

資本承擔

於二零一二年六月三十日，本集團資本承擔總額約為人民幣39.0百萬元。

資產抵押

於二零一二年六月三十日，本集團並無資產抵押。

人力資源

截止二零一二年六月三十日，本集團僱用大約8,256名員工(二零一一年六月三十日：11,207)，其中包括在中國和香港的全職員工以及合約僱員。其中，本集團通過勞務派遣公司聘用約5,475名合約促銷人員(二零一一年六月三十日：6,764)，以幫助我們的營銷及推廣活動。總人事開支包括工資、薪金和福利以及以權益結算之股份支付款項，於二零一二年上半年為127.1百萬元(二零一一年六月三十日：人民幣114.0百萬元)。

下表載列截至二零一二年六月三十日止六個月及截至二零一一年六月三十日止六個月我們的人員明細：

	30 June 2012 於二零一二年 六月三十日	30 June 2011 於二零一一年 六月三十日
Full-time employees 全職僱員	756	868
Contract personnel 合約僱員		
— Salespersons — 促銷員	5,475	6,764
— Others — 其他	2,025	3,575
Total employees 總僱員人數	8,256	11,207

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

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

The 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.

Subsequent Events

On 21 August 2012, Bawang Guangzhou, a wholly owned PRC subsidiary of the Company, entered into a facility agreement with a bank (the "Bank"). Pursuant to the facility agreement, the Bank has agreed to grant to BaWang Guangzhou a standby short-term trade financing facility in the amount up to RMB80.0 million (the "Facility"). The term of the Facility is for one year and is to expire on 7 August 2013. The funding obtained from the Facility shall be used for Bawang Guangzhou's working capital purposes.

The Facility is secured by the following:

1. A personal guarantee executed by each of Mr. Chen Qiyuan and Ms. Wan Yuhua in favour of the Bank (the "Personal Guarantee");
2. A corporate guarantee executed by Guangzhou Bawang Cosmetic Co., Ltd, a company wholly-owned by Mr. Chen Qiyuan and Ms. Wan Yuhua, in favour of the Bank (together with the Personal Guarantee, the "Guarantees"); and

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

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

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

結算日後事項

於二零一二年八月二十一日，本集團的中國全資子公司，霸王廣州與一家銀行（「銀行」）訂立了一份融資額度協議。依據該融資額度協議，銀行同意授予霸王廣州一份金額總計達人民幣80.0百萬元的短期貿易融資額度（「融資額度」）。該融資額度有效期為一年，將於二零一三年八月七日期滿。從該融資額度獲得的資金將作為霸王廣州的營運現金。

該融資額度具有以下擔保：

1. 由陳啟源先生及萬玉華女士向銀行作的個人擔保（「個人擔保」）；
2. 由廣州霸王化妝品有限公司，一家由陳啟源先生及萬玉華女士全資擁有的公司，向銀行作的法人擔保（連同個人擔保（「擔保」））；以及

3. Certain machineries of Bawang Guangzhou with an aggregate net book value of approximately RMB100.3 million.

No security has been granted by any of the Group companies to any of Mr. Chen Qiyuan, Ms. Wan Yuhua and Guangzhou Bawang Cosmetic Co., Ltd in respect of the Guarantees.

3. 霸王廣州的某些機器設備，其累計賬面淨值約人民幣100.3百萬元。

就擔保而言，本集團的任何公司並沒有授予任何抵押給陳啟源先生、萬玉華女士及廣州霸王化妝品有限公司。

Consolidated Income Statement

合併損益表

for the six months ended 30 June 2012 — unaudited
(Expressed in Renminbi)
截至二零一二年六月三十日止六個月 — 未經審核
(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月		
		Note 附註	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
Turnover	營業額	4	288,701	439,843
Cost of sales	銷售成本		(162,525)	(302,826)
Gross profit	毛利		126,176	137,017
Changes in fair value less costs to sell of biological assets	生物資產公允價值減 銷售成本的變動損益		(558)	1,596
Other revenue	其他收益		36	1,275
Other net losses	其他虧損淨額		(1,618)	(237)
Selling and distribution costs	銷售及分銷成本		(320,990)	(458,557)
Administrative expenses	行政費用		(48,271)	(44,737)
Loss from operations	經營虧損		(245,225)	(363,643)
Finance income	財務收入	5(a)	882	14,348
Finance costs	財務費用	5(a)	—	(3,154)
Net finance income	財務收入淨額	5(a)	882	11,194
Loss before taxation	除所得稅前虧損	5	(244,343)	(352,449)
Income tax (expense)/credit	所得稅(支出)/抵扣	6	(82,605)	57,593
Loss for the period attributable to the equity shareholders of the Company	本公司權益持有人應佔 期內虧損		(326,948)	(294,856)
Loss per share (RMB yuan)	每股虧損(人民幣元)	7		
Basic	基本		(0.11)	(0.10)
Diluted	攤薄		(0.11)	(0.10)

The notes on pages 31 to 62 form part of this interim financial report.

第31至62頁的附註為本中期財務報告的一部份。

Consolidated Statement of Comprehensive Income

合併綜合收益表

for the six months ended 30 June 2012 – unaudited
(Expressed in Renminbi)
截至二零一二年六月三十日止六個月 – 未經審核
(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Loss for the period attributable to the equity shareholders of the Company	本公司權益持有人應佔期內虧損	(326,948)	(294,856)
Other comprehensive income for the period	期內其他綜合收益		
Exchange differences on translation of the financial statements of the operations outside the PRC	換算中國境外業務之財務報表所產生的滙兌差異	(4,308)	(13,587)
Total comprehensive income for the period attributable to the equity shareholders of the Company	本公司權益持有人應佔期內綜合收益總額	(331,256)	(308,443)

The notes on pages 31 to 62 form part of this interim financial report.

第31至62頁的附註為本中期財務報告的一部份。

Consolidated Balance Sheet

合併資產負債表

at 30 June 2012 — unaudited
(Expressed in Renminbi)
於二零一二年六月三十日 — 未經審核
(以人民幣列示)

			At 30 June 2012	At 31 December 2011
			於二零一二年 六月三十日	於二零一一年 十二月三十一日
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	287,543	184,555
Prepaid advertising fee	預付廣告費用		4,561	3,875
Biological assets	生物資產		140	1,297
Deferred tax assets	遞延稅項資產		—	82,605
			292,244	272,332
Current assets	流動資產			
Inventories	存貨	9	87,488	112,159
Biological assets	生物資產		1,739	949
Trade and other receivables	貿易及其他應收款項	10	197,015	257,972
Cash and cash equivalents	現金及現金等價物	11	320,357	602,672
			606,599	973,752
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	12	185,462	201,825
Amounts due to related parties	應付關聯方款項	16(b)(i)	2,941	3,730
Income tax payable	應付即期所得稅		9,656	9,656
			198,059	215,211
Net current assets	流動資產淨值		408,540	758,541
Total assets less current liabilities	總資產減流動負債		700,784	1,030,873

The notes on pages 31 to 62 form part of this interim financial report.

第31至62頁的附註為本中期財務報告的一部份。

Consolidated Balance Sheet 合併資產負債表

at 30 June 2012 — unaudited
(Expressed in Renminbi)
於二零一二年六月三十日 — 未經審核
(以人民幣列示)

		Note 附註	At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債		2,031	2,031
Net assets	資產淨值		698,753	1,028,842
Capital and reserves	資本及儲備			
Share capital	股本	14(a)	256,511	256,511
Reserves	儲備	14	442,242	772,331
Total equity	權益總額		698,753	1,028,842

Approved and authorised for issue by the board of directors of the Company on 28 August 2012.

本公司董事會已於二零一二年八月二十八日批准及授權刊發。

Director
董事
CHEN Qiyuan
陳啟源

Director
董事
WAN Yuhua
萬玉華

The notes on pages 31 to 62 form part of this interim financial report.

第31至62頁的附註為本中期財務報告的一部份。

Consolidated Statement of Changes in Equity

合併權益變動表

for the six months ended 30 June 2012 — unaudited
(Expressed in Renminbi)
截至二零一二年六月三十日止六個月 — 未經審核
(以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔							Total equity
		Share capital	Share premium	PRC statutory reserves	Capital reserve	Merger reserve	Translation reserve	Accumulated losses	Total equity
		股本	股本溢價	中國法定儲備	資本儲備	合併儲備	滙兌儲備	累計虧損	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(附註14(a))	(附註14(b))	(附註14(d))	(附註14(c))	(附註14(e))	(附註14(f))		
Balance at 1 January 2011	於二零一一年一月一日結餘	256,380	1,348,639	49,887	9,668	8,468	(13,651)	(69,991)	1,589,400
Changes in equity for the six months ended 30 June 2011:	截至二零一一年六月三十日止六個月權益變動：								
Total comprehensive income for the period	期內綜合收益總額	—	—	—	—	—	(13,587)	(294,856)	(308,443)
Equity settled share-based transactions (Note 13)	以權益結算的股份支付交易 (附註13)	—	—	—	1,705	—	—	—	1,705
Balance at 30 June 2011 and 1 July 2011	於二零一一年六月三十日及二零一一年七月一日結餘	256,380	1,348,639	49,887	11,373	8,468	(27,238)	(364,847)	1,282,662
Changes in equity for the six months ended 31 December 2011:	截至二零一一年十二月三十一日止六個月權益變動：								
Total comprehensive income for the period	期內綜合收益總額	—	—	—	—	—	8,409	(263,714)	(255,305)
Share issued under share option scheme	根據購股權計劃發行的股份	131	3,051	—	(3,051)	—	—	—	131
Equity settled share-based transactions (Note 13)	以權益結算的股份支付交易 (附註13)	—	—	—	1,354	—	—	—	1,354
Balance at 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日結餘	256,511	1,351,690	49,887	9,676	8,468	(18,829)	(628,561)	1,028,842
Changes in equity for the six months ended 30 June 2012:	截至二零一二年六月三十日止六個月權益變動：								
Total comprehensive income for the period	期內綜合收益總額	—	—	—	—	—	(4,308)	(326,948)	(331,256)
Equity settled share-based transactions (Note 13)	以權益結算的股份支付交易 (附註13)	—	—	—	1,167	—	—	—	1,167
Balance at 30 June 2012	於二零一二年六月三十日結餘	256,511	1,351,690	49,887	10,843	8,468	(23,137)	(955,509)	698,753

The notes on pages 31 to 62 form part of this interim financial report.

第31至62頁的附註為本中期財務報告的一部份。

Condensed Consolidated Cash Flow Statement

簡明合併現金流量表

for the six months ended 30 June 2012 – unaudited
(Expressed in Renminbi)
截至二零一二年六月三十日止六個月 – 未經審核
(以人民幣列示)

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Cash used from operations	經營活動所用現金	(181,664)	(240,377)
Income tax paid	已付所得稅	—	(1,452)
Net cash used in operating activities	經營活動所用現金淨額	(181,664)	(241,829)
Net cash used in investing activities	投資活動所用現金淨額	(101,321)	(72,775)
Net cash generated from financing activities	融資活動產生的現金淨額	—	6,102
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(282,985)	(308,502)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	602,672	1,186,544
Effect of exchange rate fluctuations on cash held	滙率波動對持有現金的影響	670	(3,021)
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	320,357	875,021

The notes on pages 31 to 62 form part of this interim financial report.

第31至62頁的附註為本中期財務報告的一部份。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi)
(以人民幣列示)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“SEHK”), including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 28 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements except for the accounting policy changes that are expected to be reflected in the 2012 annual financial statements. Details of these changes are set out in Note 2.

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

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (the “Group”) since the 2011 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants.

1 編製基準

本中期財務報告乃根據香港聯合交易所有限公司(「香港聯交所」)證券上市規則的適用披露條文編製，包括遵守國際會計準則委員會(「國際會計準則委員會」)頒佈的國際會計準則(「國際會計準則」)第34號「中期財務報告」。本中期財務報告已於二零一二年八月二十八日獲批准刊發。

除預期於二零一二年年度財務報表中將反映之會計政策變更外，本中期財務報告乃根據本公司於二零一一年年度財務報表所採納之相同會計政策編製。該等變更之詳情載列於附註2。

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

中期財務報告載有簡明合併財務報表以及經選定之說明附註。該等附註包括了自二零一一年年度財務報表以來對了解本公司及其附屬公司(「本集團」)財務狀況及表現的變動屬重要的事項及交易的說明。簡明合併中期財務報表及有關附註並未包括根據國際財務報告準則(「國際財務報告準則」)編製完整財務報表所需的所有資料。

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

(Expressed in Renminbi)
(以人民幣列示)

1 Basis of preparation (continued)

The financial information relating to the financial year ended 31 December 2011 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2011 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 17 March 2012.

The Group incurred a net loss of RMB326,948,000 for the six months ended 30 June 2012 and had cumulative losses of RMB955,509,000 as at 30 June 2012. Having taken into account the expected operating cash inflows and the available financial resources of the Group, the directors have concluded that the Group is able to continue as a going concern and to meet their liabilities as and when they fall due, having regard to the following:

- i) The Group had cash and cash equivalents of RMB320,357,000 and net current assets of RMB408,540,000 as at 30 June 2012. Moreover, the Group obtained a standby short-term trade financing facility of RMB80,000,000 from Bank of China on 21 August 2012, with an effective period till 7 August 2013. Based on the cash flow forecast prepared by the directors, the Group will have sufficient financial resources to satisfy its future need of working capital for at least the next 12 months from 30 June 2012.

1 編製基準(續)

載入本中期財務報告中的屬於之前已呈報資料的截至二零一一年十二月三十一日止財政年度財務資料並不構成本公司該財政年度的法定財務資料，惟乃摘錄自該等財務報表。截至二零一一年十二月三十一日止年度之法定財務報表可從本公司之註冊辦事處索取。核數師於二零一二年三月十七日出具的報告中，對該等財務報表發表無保留意見。

本集團於截至二零一二年六月三十日止的六個月期間虧損淨額為人民幣324,948,000元，於二零一二年六月三十日的累計虧損額為人民幣955,509,000元。在考慮預期的經營現金流入以及集團可利用的財政資源後，董事認為本集團能夠繼續持續經營以及償還到期的債務。董事考慮的因素主要包括：

- i) 本集團於二零一二年六月三十日持有現金及現金等價物人民幣320,357,000元，淨流動資產人民幣408,540,000元。本集團於二零一二年八月二十一日從中國銀行取得人民幣80,000,000元的短期貿易融資額度，有效期直至二零一三年八月七日止。根據董事會編製的現金流量預測，本集團有足夠的財政資源來滿足自二零一二年六月三十日起至少未來十二個月的營運資金需求。

(Expressed in Renminbi)
(以人民幣列示)

1 Basis of preparation (continued)

- ii) The directors have been taking measures to attain profitable and positive cash flow operations in the long run, which include the following:
- the directors have reviewed the Group's longer term business strategy and identified various initiatives which could turn around the Group's business performance, such as expanding the revenue stream through the launch of enhanced or new products series; and
 - various cost control measures have been being taken to tighten the costs of operations and various general and administrative expenses.
- iii) The Group will consider possible additional external funding when necessary in the future.

2 Changes in accounting policies

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

- Amendments to IFRS 7, *Financial instruments: Disclosures – Transfers of financial assets*
- Amendments to IAS 12, *Income taxes – Deferred tax: Recovery of underlying assets*

The adoption of the new and revised IFRSs has no significant impact on the Group's interim financial statements.

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

1 編製基準(續)

- ii) 董事已經採取一系列措施，以實現本集團實現盈利以及產生現金淨流入的長遠目標。這些措施主要包括：
- 董事已覆核本集團長期業務發展戰略，並識別出可以扭轉本集團經營狀況的各項措施，例如通過推出產品升級或者推出新產品來擴大收入來源；
 - 董事將採取一系列控制成本措施以削減經營成本以及各項行政管理費用。
- iii) 未來如有需要，本集團將會考慮進一步向外融資。

2 會計政策變更

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

- 國際財務報告準則第七條修訂，*金融工具：披露 – 金融資產的轉移*
- 國際會計準則第十二條修訂，*所得稅 – 遞延稅款：相關資產的轉回*

採納以上新訂及經修訂國際財務報告準則對本集團中期財務報告並無重大影響。

本集團並未應用任何於本會計期間尚未生效之新準則或詮釋。

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(以人民幣列示)

3 Segment reporting

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

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

(a) Segment results, assets and liabilities

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

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

3 分部報告

本集團以產品類別及地區分部的組合來管理其業務。與應向本集團最高級別執行管理層呈報以作資源分配及業績評估之內部報告之呈列形式一致，本集團現識別下列四個可報告分部：

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

(a) 分部業績，資產及負債

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

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

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(Expressed in Renminbi)
(以人民幣列示)

3 Segment reporting (continued)

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

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

Information regarding the Group’s reportable segments as provided to the Group’s senior executive management for the purposes of resource allocation and assessment of segment performance for the six-month periods ended 30 June 2012 and 2011 is set out as below:

3 分部報告(續)

(a) 分部業績，資產及負債(續)

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

截至二零一二年及二零一一年六月三十日止六個月，有關向本集團高級執行管理層提供之資源分配及分部表現評估之本集團可報告分部之資料分別載列如下：

		Hair-care products 護髮產品		Herbal tea products 涼茶產品		Skin-care products 護膚產品		Other household and personal care products 其他家用個人護理產品		Total 合計	
		For the six months ended 30 June 截至六月三十日 止六個月	2011 二零一一年 RMB'000 人民幣千元	For the six months ended 30 June 截至六月三十日 止六個月	2011 二零一一年 RMB'000 人民幣千元	For the six months ended 30 June 截至六月三十日 止六個月	2011 二零一一年 RMB'000 人民幣千元	For the six months ended 30 June 截至六月三十日 止六個月	2011 二零一一年 RMB'000 人民幣千元	For the six months ended 30 June 截至六月三十日 止六個月	2011 二零一一年 RMB'000 人民幣千元
Reportable segment revenue	可報告分部收入										
Revenue from external customers	來自外部客戶之收入	221,238	248,209	16,108	118,316	31,908	41,508	19,447	31,810	288,701	439,843
Inter-segment revenue	分部間銷售收入	–	1	24	4,253	–	–	–	–	24	4,254
		221,238	248,210	16,132	122,569	31,908	41,508	19,447	31,810	288,725	444,097
Reportable segment loss	可報告分部虧損										
Adjusted loss from operations	經調整經營虧損	(155,388)	(242,075)	(57,632)	(43,904)	(13,636)	(66,937)	(4,252)	(3,499)	(230,908)	(356,415)

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 (以人民幣列示)

3 Segment reporting (continued)

(b) Reconciliations of reportable segment revenue and results

Revenue

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Reportable segment revenue	可報告分部收入	288,725	444,097
Elimination of inter-segment revenue	抵銷各分部間收入	(24)	(4,254)
Consolidated turnover	合併營業額	288,701	439,843

Results

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Reportable segment loss	可報告分部虧損	(230,908)	(356,415)
Elimination of inter-segment profits	抵銷各分部間溢利	—	(1,382)
Changes in fair value less costs to sell of biological assets	生物資產公允價值減銷售成本的變動損益	(558)	1,596
Other revenue	其他收益	36	1,275
Other net losses	其他虧損淨額	(1,618)	(237)
Unallocated head office and corporate expenses	未分攤之總部與公司行政開支	(12,177)	(8,480)
Finance income	財務收入	882	14,348
Finance costs	財務費用	—	(3,154)
Consolidated loss before taxation	合併除稅前虧損	(244,343)	(352,449)

3 分部報告 (續)

(b) 可報告分部收入及業績的對賬

收入

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Reportable segment revenue	可報告分部收入	288,725	444,097
Elimination of inter-segment revenue	抵銷各分部間收入	(24)	(4,254)
Consolidated turnover	合併營業額	288,701	439,843

業績

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Reportable segment loss	可報告分部虧損	(230,908)	(356,415)
Elimination of inter-segment profits	抵銷各分部間溢利	—	(1,382)
Changes in fair value less costs to sell of biological assets	生物資產公允價值減銷售成本的變動損益	(558)	1,596
Other revenue	其他收益	36	1,275
Other net losses	其他虧損淨額	(1,618)	(237)
Unallocated head office and corporate expenses	未分攤之總部與公司行政開支	(12,177)	(8,480)
Finance income	財務收入	882	14,348
Finance costs	財務費用	—	(3,154)
Consolidated loss before taxation	合併除稅前虧損	(244,343)	(352,449)

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(Expressed in Renminbi)
(以人民幣列示)

3 Segment reporting (continued)

(c) Geographic information

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

3 分部報告(續)

(c) 地區資料

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

		Revenues from external customers 來自外部客戶的收入		Specified non-current assets 指定的非流動資產	
		For the six months ended 30 June 截至六月三十日止六個月		At 30 June 於六月三十日	
		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	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
PRC (place of domicile)	中國 (集團基地)	278,597	427,595	294,282	155,226
Hong Kong	香港	6,805	7,591	1,796	2,966
Singapore	新加坡	1,119	709	—	—
Malaysia	馬來西亞	428	—	—	—
Myanmar	緬甸	—	442	—	—
Thailand	泰國	1,752	2,602	—	—
Australia	澳大利亞	—	904	—	—
		10,104	12,248	1,796	2,966
		288,701	439,843	296,078	158,192

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

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4 Turnover

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

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

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Hair-care products	護髮產品	221,238	248,209
Herbal tea products	涼茶產品	16,108	118,316
Skin-care products	護膚產品	31,908	41,508
Other household and personal care products	其他家用 個人護理產品	19,447	31,810
		288,701	439,843

4 營業額

本集團主要從事家用個人護理產品（包括護髮及護膚產品）的製造及銷售業務及中草藥涼茶產品業務。

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

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5 Loss before taxation

Loss before taxation is arrived at after charging/crediting:

5 除所得稅前虧損

除所得稅前虧損已扣除／計入下列各項：

		For the six months ended 30 June 截至六月三十日止六個月	
		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
(a) Finance income and costs:	(a) 財務收入及費用：		
Finance income	財務收入		
Interest income on bank deposits	銀行存款利息收入	767	7,216
Net foreign exchange gains	滙兌收益淨額	115	7,132
Subtotal	小計	882	14,348
Finance costs	財務費用		
Interest on bank borrowings	銀行貸款利息	—	(3,154)
Net finance income	財務收入淨額	882	11,194

		For the six months ended 30 June 截至六月三十日止六個月	
		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
(b) Staff costs:	(b) 員工成本：		
Salaries, wages and other benefits	薪金、工資及其他福利	121,525	109,274
Equity-settled share-based payment expenses (Note 13)	以權益結算的股份支付費用（附註13）	1,167	1,705
Contributions to defined contribution retirement plan	界定供款退休計劃供款	4,359	3,045
		127,051	114,024

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(Expressed in Renminbi)
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5 Loss before taxation (continued)

Staff costs included directors' remuneration.

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

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

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

5 除所得稅前虧損(續)

員工成本包括董事酬金。

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

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

除上述供款外，本集團並無其他為僱員退休及其他退休後福利供款的責任。

		For the six months ended 30 June 截至六月三十日止六個月	
		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
(c) Other items:	(c) 其他項目：		
Depreciation	折舊	9,173	6,460
Auditors' remuneration	核數師酬金	300	300
Cost of inventories*	存貨成本*	162,525	302,826
Provision/(reversal) of impairment loss for bad and doubtful debts	計提及撥回呆壞賬 減值虧損	2,994	(537)

* Cost of inventories includes RMB24,717,000 and RMB17,368,000 for the six months ended 30 June 2012 and 2011 respectively relating to staff costs and depreciation, which amounts are also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

* 存貨成本包括截至二零一二年及二零一一年六月三十日止六個月與員工成本及折舊有關的款項分別人民幣24,717,000元及人民幣17,368,000元，有關款項亦已計入上文或附註5(b)個別披露的各類開支總額。

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6 Income tax expense/(credit)

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

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Current tax – PRC income tax	即期稅項 — 中國所得稅		
Over-provision in respect of prior periods	以往年度多計提的稅額撥備	—	(509)
Current tax – Hong Kong income tax	即期稅項 — 香港利得稅		
Over-provision in respect of prior periods	以往年度多計提的稅額撥備	—	(3,942)
Deferred tax	遞延稅項		
Reversal/(origination) of temporary differences	暫時性差額的沖回／(產生)	82,605	(53,142)
Income tax expense/(credit)	所得稅開支／(抵扣)	82,605	(57,593)

6 所得稅開支／(抵扣)

合併損益表內的所得稅開支／(抵扣)指：

- (a) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (b) Bawang (Guangzhou) Co., Ltd. (“Bawang Guangzhou”), a PRC subsidiary of the Group, is subject to a unified income tax rate of 25%. The PRC Corporate Income Tax Law allows enterprises to apply for the certificates of “high and new technology enterprise” (“HNTE”) which entitles the qualified companies to the preferential income tax rate of 15%. Bawang Guangzhou qualified as a HNTE during the year ended 31 December 2009 and the qualification was valid for three years from the year ended 31 December 2009 to 2011. Bawang Guangzhou is currently in the process of applying for the renewal of HNTE certificate. If Bawang Guangzhou fails to qualify as an HNTE during the year ending 31 December 2012, the income tax rate for the year ending 31 December 2012 will be 25%.

- (a) 根據開曼群島及英屬處女群島的規則及規例，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。
- (b) 本集團的中國附屬公司霸王(廣州)有限公司(「霸王廣州」)適用統一的所得稅稅率25%。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，獲得該資格的企業可以享受15%的優惠稅率。霸王廣州於截至二零零九年十二月三十一日止年度內被認定為高新技術企業，該資格於二零零九年十二月三十一日至二零一一年十二月三十一日有效。霸王廣州目前正處於申請復審高新技術企業資格的階段。如果霸王廣州在截至二零一二年十二月三十一日止年度內沒有成功獲得高新技術企業資格，則該公司二零一二年度適用的稅率為25%。

(Expressed in Renminbi)
(以人民幣列示)

6 Income tax expense/(credit) (continued)

- (c) Bawang (China) Beverage Co., Ltd. (“Bawang Beverage”) and Bawang (China) Herbal Co., Ltd. (“Bawang Herbal”), PRC subsidiaries of the Group, are subject to an income tax rate of 25%.
- (d) Pursuant to the Implementation Rules of the CIT Law, overseas investors to foreign investment companies (“FIE”) shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which is the beneficiary owner holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. The Group did not make provision of withholding income tax for the six months ended 30 June 2012 since the PRC subsidiaries, Bawang Guangzhou, Bawang Beverage and Bawang Herbal, incurred losses during the interim period.
- (e) The applicable income tax rate is 16.5%, for the subsidiaries in Hong Kong, i.e. Hong Kong Bawang International Trading Limited (“Bawang Trading”), Bawang International Investments Limited (“Bawang Investments”) and Bawang International Group Holding (HK) Limited (“Bawang Hong Kong”).
- (f) As of 31 December 2011, deferred tax assets were recognised by Bawang Guangzhou in relation to certain deductible temporary differences and cumulative tax losses, which will expire in five years from the year in which the losses originated. During the six months ended 30 June 2012, such deferred tax assets were reversed as management determines that there is no convincing evidence that sufficient taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

6 所得稅開支／(抵扣)(續)

- (c) 本集團之中國附屬公司霸王(中國)飲料有限公司(「霸王飲料」)及霸王(中國)中草藥有限公司(「霸王中草藥」)適用所得稅稅率為25%。
- (d) 根據企業所得稅法實施條例，自二零零八年一月一日起，除非獲條約減低稅率，外商投資企業(「外資企業」)的海外投資者須就來自中國附屬公司溢利的股息繳付10%預扣所得稅。根據內地與香港避免雙重徵稅安排，於香港成立的投資者如果持有中國附屬公司不低於25%權益且為受益所有人，則可享受來自其中國附屬公司的股息的寬減預扣稅稅率5%。由於中國附屬公司(包括霸王廣州、霸王飲料及霸王中草藥)均產生虧損，因此本集團於截至二零一二年六月三十日止六個月期間並沒有計提預扣所得稅。
- (e) 香港霸王國際貿易有限公司(「霸王貿易」)，霸王國際投資有限公司(「霸王投資」)及霸王國際集團控股(香港)有限公司(「霸王香港」)乃集團於香港之下屬公司，其適用所得稅稅率為16.5%。
- (f) 於二零一一年十二月三十一日，霸王廣州就可抵扣暫時性差異及將於未來五年內到期的累計稅務虧損確認了遞延所得稅資產。於截至二零一二年六月三十日止六個月期間，由於管理層認為沒有確切的證據表明未來很可能產生足夠的應稅利潤用以抵扣這些可抵扣暫時性差異及累計稅務虧損，所以上述遞延所得稅資產已全部沖回。

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(以人民幣列示)

7 Loss per share

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2012 of RMB326,948,000 (loss for six months ended 30 June 2011: RMB294,856,000) and the weighted average of 2,909,395,720 ordinary shares (six months ended 30 June 2011: 2,907,820,720 ordinary shares) in issue during the interim period.

(b) Diluted loss per share

The calculation of diluted loss per share for the six months ended 30 June 2012 and 2011 does not assume the exercise of the Company's share options as the effect is anti-dilutive.

7 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據截至二零一二年六月三十日止六個月期間本公司普通股權益持有人應佔虧損人民幣326,948,000元(截至二零一一年六月三十日止六個月虧損：人民幣294,856,000元)，及期內已發行普通股加權平均數2,909,395,720股計算(截至二零一一年六月三十日止六個月：2,907,820,720股普通股)。

(b) 每股攤薄虧損

由於本公司的購股權具有反攤薄效果，所以在計算截至二零一二年及二零一一年六月三十日止六個月期間每股攤薄虧損時，並無假定本公司購股權的行權。

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(以人民幣列示)

8 Property, plant and equipment

8 物業、廠房及設備

		Buildings	Machinery	Leasehold improvement	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	設備陳列	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 2012	於二零一二年一月一日	6,371	49,868	—	14,273	25,592	19,721	109,273	225,098
Additions	添置	—	315	—	90	180	49	113,249	113,883
Transfer from construction in progress	在建工程轉入	207	11,472	12,835	—	668	—	(25,182)	—
Disposals	報廢	—	—	—	—	(95)	—	—	(95)
At 30 June 2012	於二零一二年六月三十日	6,578	61,655	12,835	14,363	26,345	19,770	197,340	338,886
Accumulated depreciation:	累計折舊：								
At 1 January 2012	於二零一二年一月一日	(348)	(17,374)	—	(9,152)	(9,580)	(4,089)	—	(40,543)
Charge for the period	期內計提	(144)	(2,511)	(101)	(1,215)	(2,165)	(3,037)	—	(9,173)
Written back on disposals	報廢時撥回	—	—	—	—	67	—	—	67
At 30 June 2012	於二零一二年六月三十日	(492)	(19,885)	(101)	(10,367)	(11,678)	(7,126)	—	(49,649)
Provision for impairment	減值準備								
At 1 January 2012	於二零一二年一月一日	—	—	—	—	—	—	—	—
Charge for the period	期內計提	—	(1,668)	—	—	(26)	—	—	(1,694)
At 30 June 2012	於二零一二年六月三十日	—	(1,668)	—	—	(26)	—	—	(1,694)
Carrying amount:	賬面值：								
At 1 January 2012	於二零一二年一月一日	6,023	32,494	—	5,121	16,012	15,632	109,273	184,555
At 30 June 2012	於二零一二年六月三十日	6,086	40,102	12,734	3,996	14,641	12,644	197,340	287,543

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9 Inventories

(a) Inventories in the balance sheet comprise:

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	11,008	17,425
Work in progress	在製品	5,649	5,813
Finished goods	製成品	45,938	59,157
Packing materials	包裝物料	21,269	25,741
Others	其他	3,624	4,023
		87,488	112,159

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

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Carrying amount of inventories sold	已售存貨賬面值	172,419	228,289
Write down of inventories	計提存貨跌價準備	44,816	85,348
Reversal of write-down of inventories	沖回存貨跌價準備	(54,710)	(10,811)
		162,525	302,826

9 存貨

(a) 於結算日的存貨包括：

(b) 已計入損益並確認為費用的存貨金額分析如下：

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10 Trade and other receivables

10 貿易及其他應收款項

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade debtors and bills receivable	貿易應收款項及應收票據	134,807	150,387
Less: allowance for doubtful debts (Note 10(b))	減：呆賬撥備（附註10(b)）	(6,511)	(3,517)
		128,296	146,870
Prepayment for purchase of raw materials	購買原材料預付款項	4,800	2,112
Prepayment for purchase of fixed assets	購買固定資產預付款項	1,345	26,944
Prepaid advertising fee	預付廣告費用	50,361	71,699
Other receivables	其他應收款項	12,213	10,347
		197,015	257,972

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(以人民幣列示)

10 Trade and other receivables (continued)

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

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

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Current	即期	84,380	111,636
Less than 3 months past due	逾期少於3個月	36,501	31,000
More than 3 months but less than 6 months past due	逾期多於3個月但 少於6個月	7,611	3,618
More than 6 months but less than 12 months past due	逾期多於6個月但 少於12個月	4,341	3,529
More than 12 months past due	逾期多於12個月	1,974	604
		134,807	150,387
Less: impairment loss for doubtful debts	減：呆賬減值虧損	(6,511)	(3,517)
		128,296	146,870

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

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Balance at 1 January	於一月一日的結餘	3,517	1,792
Impairment loss recognised	已確認減值虧損	2,994	1,725
Balance at 30 June/31 December	於六月三十日/ 十二月三十一日 的結餘	6,511	3,517

10 貿易及其他應收款項(續)

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

- (a) 按到期日分析的貿易應收款項及應收票據賬齡分析如下：

- (b) 有關貿易應收款項的減值撥備變動如下：

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11 Cash and cash equivalents

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash at bank and in hand	銀行結餘及現金	320,357	602,672

11 現金及現金等價物

12 Trade and other payables

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	43,057	65,341
Receipts in advance	預收款項	19,319	30,530
Promotion fee payable	應付推廣費用	29,628	20,946
Accrued payroll	應付工資	16,989	27,390
Other payables and accruals	其他應付款項及應計費用	76,469	57,618
		185,462	201,825

12 貿易及其他應付款項

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

由供應商授予的信用期介乎30日至90日。

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

貿易及其他應付款項中包括的貿易應付款項，於結算日按到期日分析的賬齡如下：

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Due within 1 month or on demand	1個月內到期或按通知償還	36,211	56,514
Due after 1 month but within 3 months	1個月後但3個月內到期	6,846	8,827
		43,057	65,341

(Expressed in Renminbi)
(以人民幣列示)

13 Equity settled share-based transactions

(a) Pre-IPO Share Option Scheme

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

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

13 以權益結算的股份支付交易

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

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

(Expressed in Renminbi)
 (以人民幣列示)

13 Equity settled share-based transactions (continued)

(a) Pre-IPO Share Option Scheme (continued)

Fair value of share options and assumptions

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

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

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

During the six months ended 30 June 2012, equity-settled share-based payment expenses in respect of these Pre-IPO share options amounting to RMB1,128,000 (six months ended 30 June 2011: RMB1,705,000) were recognised in the consolidated income statement.

13 以權益結算的股份支付交易 (續)

(a) 首次公開發售前購股權計劃 (續)

購股權公允價值及假設

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

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

於截至二零一二年六月三十日止六個月，已於合併損益表中確認的以權益結算的股份支付的開支金額為人民幣1,128,000元(截至二零一一年六月三十日止六個月：人民幣1,705,000元)。

(Expressed in Renminbi)
(以人民幣列示)

13 Equity settled share-based transactions (continued)

(b) Share Option scheme

The sole shareholders of the Company approved and adopted the Share Option Scheme on 20 May 2009.

- i) On 26 July 2011, the Company conditionally granted certain share options to two employees under this Share Option Scheme. The exercise of these share options would entitle the two employees to subscribe for an aggregate of 1,380,000 shares of the Company. According to the grant letters signed by the Company and the beneficial individuals, the exercise price under the Share Option Scheme is at HK\$1.31 per share. Each option granted under the Share Option Scheme has a vesting period of one to five years, commencing from the date of joining the Group of the two employees and the options are exercisable until 26 July 2021. Among these 1,380,000 options, 920,000 options were forfeited in 2011, while the remaining 460,000 options were forfeited during the six months ended 30 June 2012.
- ii) On 7 February 2012, the Company conditionally granted certain share options to an employee under this Share Option Scheme. The exercise of these share options would entitle the employee to subscribe for an aggregate of 1,500,000 shares of the Company. According to the grant letter signed by the Company and the beneficial individual, the exercise price is at HK\$1.00 per share. Each option granted has a vesting period of one to five years, commencing from the date of joining the Group of the employee and the options are exercisable until 7 February 2022.

13 以權益結算的股份支付 交易(續)

(b) 購股權計劃

本公司唯一股東於二零零九年五月二十日批准並採納了此購股權計劃。

- i) 於二零一一年七月二十六日，本公司有條件地根據購股權計劃向兩名僱員授予若干購股權。行使此等購股權賦予該兩名僱員認購合共1,380,000股本公司股份的權利。根據本公司與每個受益人簽訂的授予函件，購股權計劃下的每股股份行權價為1.31港元。根據購股權計劃授出的每份購股權的行權等待期為由該兩名僱員受集團聘用之日起計一年至五年，所有購股權必須於二零一一年七月二十六日前行使。1,380,000股購股權中，920,000股購股權已於二零一一年喪失其行使權。截至二零一二年六月三十日止的六個月期間，剩餘的460,000股購股權也已喪失其行使權。
- ii) 於二零一二年二月七日，本公司有條件地根據購股權計劃向一名僱員授予若干購股權。行使此等購股權賦予該名僱員認購合共1,500,000股本公司股份的權利。根據本公司與受益人簽訂的授予函件，購股權計劃下的每股股份行權價為1.00港元。每份購股權的行權等待期為由該名僱員受本集團聘用之日起計一年至五年，所有購股權必須於二零一二年二月七日前行使。

(Expressed in Renminbi)
(以人民幣列示)

13 Equity settled share-based transactions (continued)

(b) Share Option scheme (continued)

ii) (continued)

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

Fair value of share options and assumptions

Weighted average fair value at measurement date (HK\$)	於計量日的加權平均公允價值 (港元)	0.520
Share price (HK\$)	股價 (港元)	1.00
Exercise price (HK\$)	行使價 (港元)	1.00
Expected volatility	預期波幅	50.03%
Option life (in years)	購股權年期 (年)	10
Expected dividends	預期股息	0%
Risk-free interest rate	無風險利率	1.34%

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

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

13 以權益結算的股份支付交易 (續)

(b) 購股權計劃 (續)

ii) (續)

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

購股權公允價值及假設

預計波幅乃根據與本集團相若的十家上市公司價格於從購股權授出日起過去十年或追溯至上市日期之間的過往平均每日波幅釐定。預計股息率乃由管理層作出的最佳估計。主觀因素假設的改變可能對公允價值估計有重大影響。

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

(Expressed in Renminbi)
(以人民幣列示)

13 Equity settled share-based transactions (continued)

(b) Share Option scheme (continued)

ii) (continued)

During the six months ended 30 June 2012, equity-settled share-based payment expenses in respect of these share options amounting to RMB39,000 (six months ended 30 June 2011: nil) were recognised in the consolidated income statement.

13 以權益結算的股份支付 交易(續)

(b) 購股權計劃(續)

ii) (續)

於截至二零一二年六月三十日止六個月，已於合併損益表中確認的以權益結算的股份支付的開支金額為人民幣39,000元(截至二零一一年六月三十日止六個月：人民幣0元)。

14 Capital, reserves and dividends

(a) Share capital

Details of share capital are as follows:

14 股本、儲備及股息

(a) 股本

股本詳情如下：

	No. of shares 股份數目 (‘000) (千)	Nominal value 面值 RMB‘000 人民幣千元
Authorised:		
Ordinary shares of HK\$0.1 each at 30 June 2012 and 31 December 2011	10,000,000	880,500
	法定：	
	於二零一二年六月 三十日及二零一一年 十二月三十一日 每股0.1港元 之普通股	
Ordinary shares of HK\$0.1 each issued and fully paid:		
At 30 June 2012 and 31 December 2011	2,909,396	256,511
	已發行及繳足每股 0.1港元之普通股：	
	於二零一二年六月 三十日及二零一一年 十二月三十一日	

(Expressed in Renminbi)
(以人民幣列示)

14 Capital, reserves and dividends (continued)

(b) 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.

(c) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted in the 2011 annual financial statements.

(d) PRC statutory reserves

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

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

14 股本、儲備及股息(續)

(b) 股本溢價

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

(c) 資本儲備

授予本公司僱員的購股權未行使的部份，將其於授予日期的公允價值按照二零一一年年度財務報表所採用的會計政策於資本儲備中確認。

(d) 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、霸王飲料及霸王中草藥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，轉撥其溢利的最少10%(彌補以往年度的虧損後)至一般法定儲備，直至儲備結餘達到中國公司法及該實體的公司章程規定的註冊資本的50%為止。轉撥至該儲備須於向權益持有人分派股息前進行。

(Expressed in Renminbi)
(以人民幣列示)

14 Capital, reserves and dividends (continued)

(d) PRC statutory reserves (continued)

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

(e) Merger reserve

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

(f) Translation reserve

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

14 股本、儲備及股息(續)

(d) 中國法定儲備(續)

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

(e) 合併儲備

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

(f) 匯兌儲備

匯兌儲備包括換算中國境外業務之財務報表所產生的全部滙兌差異。

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

(Expressed in Renminbi)
(以人民幣列示)

15 Commitments

- (a) Capital commitments outstanding at 30 June 2012 not provided for in the financial statements were as follows:

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Contracted for	已簽約	39,069	56,945
Authorised but not contracted for	已授權尚未簽約	10	97

- (b) At 30 June 2012, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Leases expiring:	租約於下列期間到期：		
Within 1 year	1年內	5,770	4,648
Between 1 and 2 years	1至2年	4,171	4,318
Between 2 and 3 years	2至3年	2,158	2,293
Between 3 and 6 years	3至6年	2,960	328
Over 6 years	6年以上	1,531	1,585
Total	總計	16,590	13,172

The significant leasing arrangements under operating leases include the lease of the production premises and office from Guangzhou Bawang Cosmetics Co., Ltd. as set out in Note 16(a)(i).

經營租賃項下的主要租賃安排包括載於附註16(a)(i)的向廣州霸王化妝品有限公司租用的生產廠房及辦公室。

15 承擔

- (a) 於二零一二年六月三十日並無在財務報表中反映的資本承擔如下：

- (b) 於二零一二年六月三十日，本集團不可撤銷經營租賃應付的未來最低租金總額如下：

(Expressed in Renminbi)
(以人民幣列示)

16 Material related party transactions

During the six months ended 30 June 2012, the directors are of the view that related parties of the Group include the following individuals/companies:

Name of related party
關聯方名稱

Mr CHEN Qiyuan
陳啟源先生

Ms WAN Yuhua
萬玉華女士

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

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

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

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

16 重大關聯方交易

截至二零一二年六月三十日止六個月，董事認為本集團的關聯方包括以下人士／公司：

Relationship with the Group
與本集團的關係

Controlling Shareholder
控股股東

Controlling Shareholder
控股股東

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

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

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

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

(Expressed in Renminbi)
(以人民幣列示)

16 Material related party transactions (continued)

(a) Transactions with related parties

(i) Production premises and office lease agreements

- On 21 January 2011, Bawang Guangzhou and Guangzhou Bawang entered into a production premise and office lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production premise and office building with a total floor area of 16,735 square metres. The term of the lease under the agreement is 3 years with a fixed monthly rental payable of RMB184,083, commencing from 4 December 2010.

- On 1 January 2011, Bawang Herbal and Guangzhou Bawang entered into an office premise lease agreement, pursuant to which Bawang Herbal leased from Guangzhou Bawang the office premise with a total floor area of 300 square metres at nil consideration. The term of the lease under the agreement is 20 years commencing from 1 January 2011.

16 重大關聯方交易(續)

(a) 與關聯方的交易

(i) 生產廠房及辦公室租賃協議

- 霸王廣州及廣州霸王於二零一一年一月二十一日訂立生產廠房及辦公室租賃協議，據此，霸王廣州向廣州霸王租用總樓面面積16,735平方米的生產廠房及辦公室樓宇。此協議項下的租期由二零一零年十二月四日起生效，為期三年，每月應付固定租金為人民幣184,083元。

- 霸王中草藥與廣州霸王於二零一一年一月一日訂立辦公室租賃協議，據此，霸王中草藥向廣州霸王租用300平方米的辦公室，租金為零。此協議項下的租期由二零一一年一月一日起生效，為期三年。

(Expressed in Renminbi)
 (以人民幣列示)

16 Material related party transactions
 (continued)

(a) Transactions with related parties
 (continued)

(i) Production premises and office lease agreements (continued)

- On 28 December 2011, Bawang Guangzhou and Guangzhou Bawang entered into an office premise lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the office premise with a total floor area of 4,916 square metres. The term of the lease under the agreement is 3 years with a fixed monthly rental payable of RMB182,000 commencing from 1 January 2012.

(ii) Purchase of raw materials from related parties

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Guangzhou Qiancai Packaging Materials Co., Ltd.	廣州市倩采包裝材料有限公司	—	690
Guangzhou Chenming Paper Products Company Limited	廣州晨明紙品有限公司	3,281	4,254

16 重大關聯方交易(續)

(a) 與關聯方的交易(續)

(i) 生產廠房及辦公室租賃協議(續)

- 霸王廣州及廣州霸王於二零一一年十二月二十八日訂立辦公室租賃協議，據此，霸王廣州向廣州霸王租用4,916平方米的辦公室。此協議項下的租期由二零一二年一月一日起生效，為期三年，每月應付固定租金為人民幣182,000元。

(ii) 向關聯方購買原材料

(Expressed in Renminbi)
 (以人民幣列示)

16 Material related party transactions
 (continued)

(a) Transactions with related parties
 (continued)

(iii) Utilities expenses paid on behalf of the Group

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Guangzhou Bawang	廣州霸王	2,543	1,613

(iv) Meeting and catering services provided by related party

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Bawang Hotel	霸王大酒店	1,004	2,242

16 重大關聯方交易(續)

(a) 與關聯方的交易(續)

(iii) 代本集團支付的水電費

(iv) 由關聯方提供的會議及餐飲服務

(Expressed in Renminbi)
(以人民幣列示)

16 Material related party transactions (continued)

(b) Balances with related parties

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

(i) Trade and other payables

		At 30 June 2012	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-trade related	非貿易相關		
Guangzhou Bawang	廣州霸王	815	553
Bawang Hotel	霸王大酒店	1,371	1,673
Trade related	與貿易相關		
Guangzhou Qiancai Packaging Materials Co., Ltd.	廣州市倩采包裝 材料有限公司	—	17
Guangzhou Chenming Paper Products Company Limited	廣州晨明紙品 有限公司	755	1,487
Total	總計	2,941	3,730

The above non-trade related balances are unsecured, interest free and have no fixed terms of repayment. As at 30 June 2012, the balance due to Guangzhou Bawang mainly represented the rental payable for the production premise and office building provided by Guangzhou Bawang for June 2012 and the utility expenses paid by Guangzhou Bawang on behalf of the Group. The balance due to Bawang Hotel mainly represented the payable for meeting and catering services rendered by Bawang Hotel.

16 重大關聯方交易(續)

(b) 與關聯方的結餘

於各結算日，本集團與關聯方的結餘如下：

(i) 貿易及其他應付款項

上述與非貿易有關的結餘為無抵押、免息且無固定還款期。於二零一二年六月三十日，應付廣州霸王的結餘主要為二零一二年六月本集團租用生產場所而應付廣州霸王的租賃費及應付廣州霸王的水電費。應付霸王大酒店的結餘主要為應付霸王大酒店的會議及餐飲服務費。

(Expressed in Renminbi)
 (以人民幣列示)

16 Material related party transactions
 (continued)

(c) Key management personnel compensation

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

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

		For the six months ended 30 June 截至六月三十日止六個月	
		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
Short-term employee benefits	短期僱員福利	5,748	3,138
Contribution to defined contribution retirement plans	界定供款退休計劃供款	245	72
Equity compensation benefits	股份支付福利	934	876
Total	總計	6,927	4,086

Total remuneration is included in "staff costs" (See Note 5(b)).

16 重大關聯方交易 (續)

(c) 主要管理人員薪酬

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

本集團主要管理人員的薪酬如下：

薪酬總額計入「員工成本」(見附註5(b))。



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

Introduction

We have reviewed the interim financial report set out on pages 25 to 62, which comprises the consolidated balance sheet of BaWang International (Group) Holding Limited as of 30 June 2012 and the related consolidated income statement, statement of comprehensive income and statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

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

**致霸王國際(集團)控股有限公司董事會
之審閱報告**
(於開曼群島註冊成立的有限公司)

引言

我們已審閱列載於第25頁至第62頁霸王國際(集團)控股有限公司的中期財務報告，此中期財務報告包括於二零一二年六月三十日的合併資產負債表與截至該日止六個月期間的合併損益表、合併綜合收益表、合併權益變動表和簡明合併現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》，上市公司必須符合上市規則中的相關規定和國際會計準則委員會頒佈的《國際會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《國際會計準則》第34號編製及列報中期財務報告。

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

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

28 August 2012

審閱範圍

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

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於二零一二年六月三十日的中期財務報告在所有重大方面沒有按照《國際會計準則》第34號「中期財務報告」的規定編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零一二年八月二十八日

Other Information

其他資料

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

As at 30 June 2012, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO"), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register that was required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"):

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

董事及最高行政人員於本公司的股份、相關股份及債權證中擁有的權益及淡倉

截至二零一二年六月三十日，董事及本公司行政人員於本公司或其任何相聯法團（按證券及期貨條例（香港法例第571章）（「證券及期貨條例」）第XV部的涵義）的股份、相關股份及債券證中，擁有(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等根據證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），(b)或根據證券及期貨條例第352條規定須登記於本公司需存置的登記冊內的權益及淡倉，(c)或根據上市發行人董事進行證券交易的標準守則（「標準守則」）規定須知會本公司及香港聯交所的權益及淡倉如下：

於本公司及其相關法團的股份和相關股份中之權益

Name of director 董事名稱	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of the Company's total issued share capital 佔本公司全部已發行股本之百分比
CHEN Qiyuan 陳啟源	Corporate (Note 1) 公司(附註1)	1,900,840,000 (L)	65.33%
WAN Yuhua 萬玉華	Corporate (Note 2) 公司(附註2)	1,900,840,000 (L)	65.33%
SHEN Xiaodi 沈小笛	Personal (Note 3) 個人(附註3)	2,100,000 (L)	0.07%
WONG Sin Yung 黃善榕	Personal (Note 3) 個人(附註3)	2,100,000 (L)	0.07%

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

L — 好倉 · S — 淡倉

Notes:

1. CHEN Qiyuan is deemed to be interested in the shares held by Fortune Station Ltd. by virtue of Fortune Station Ltd. being controlled by CHEN Qiyuan and WAN Yuhua.
2. WAN Yuhua is deemed to be interested in the shares held by Fortune Station Ltd. by virtue of Fortune Station Ltd. being controlled by WAN Yuhua and CHEN Qiyuan.
3. Including 1,260,000 shares and 945,000 shares, which would be allotted and issued to SHEN Xiaodi and WONG Sin Yung respectively upon the exercise in full of the share options granted to the relevant director 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.

Other than as disclosed above, as at 30 June 2012, so far as known to any Directors or chief executive of the Company, neither the Directors nor the chief executive of the Company, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register that was required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

1. 憑藉 Fortune Station Ltd. 為陳啟源及萬玉華所控制，陳啟源被視為擁有 Fortune Station Ltd. 所持有的股份的權益。
2. 憑藉 Fortune Station Ltd. 為萬玉華及陳啟源所控制，萬玉華被視為擁有 Fortune Station Ltd. 所持有的股份的權益。
3. 包括1,260,000股和945,000股分別被配發及發行給沈小笛和黃善榕。根據本公司首次公開發售前購股權計劃，有關董事行駛購股權後，該等股份將被配發及發行給有關董事。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。

除上述披露的人員之外，截至二零一二年六月三十日，據本公司任何董事或最高行政人員所知，無論是董事或者是本公司最高行政人員，並無於本公司或其任何相聯法團（按證券及期貨條例第XV部的涵義）的股份、相關股份或債權證中，擁有(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），(b)或根據證券及期貨條例第352條規定須登記於本公司需存置的登記冊內的權益或淡倉，(c)或根據標準守則規定須知會本公司及香港聯交所的權益或淡倉。

Interests and Short Positions of Substantial Shareholders of the Company

As at 30 June 2012, so far as known to any Director or chief executive of the Company, shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register that was required to be kept pursuant to Section 336 of the SFO were as follows:

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Ltd.	Direct	1,900,840,000(L)	65.33%
Fortune Station Ltd.	直接		
CHEN Qiyuan 陳啟源	Corporate (Note 1) 公司 (附註1)	1,900,840,000(L)	65.33%
WAN Yuhua 萬玉華	Corporate (Note 2) 公司 (附註2)	1,900,840,000(L)	65.33%

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

Notes:

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

本公司主要股東的權益及淡倉

截至二零一二年六月三十日，據本公司任何董事或最高行政人員所知，以下股東（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉：

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Ltd.	Direct	1,900,840,000(L)	65.33%
Fortune Station Ltd.	直接		
CHEN Qiyuan 陳啟源	Corporate (Note 1) 公司 (附註1)	1,900,840,000(L)	65.33%
WAN Yuhua 萬玉華	Corporate (Note 2) 公司 (附註2)	1,900,840,000(L)	65.33%

L — 好倉，S — 淡倉

附註：

- 陳啟源為 Fortune Station Ltd. 已發行股本的 51.0% 實益擁有人，並被視為於 Fortune Station Ltd. 持有的股份中擁有權益。萬玉華的配偶陳啟源被視為於萬玉華在 Fortune Station Ltd. 的權益中擁有權益。
- 萬玉華為 Fortune Station Ltd. 已發行股本的 49.0% 實益擁有人，並被視為於 Fortune Station Ltd. 持有的股份中擁有權益。陳啟源的配偶萬玉華被視為於陳啟源在 Fortune Station Ltd. 的權益中擁有權益。

Other than as disclosed above, as at 30 June 2012, the Company has not been notified by any person (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

Share Option Scheme and Pre-IPO Share Option Scheme

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

Share Option Scheme

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

The maximum number of Shares 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 in a general meeting.

截至二零一二年六月三十日，除上文所披露人士之外，本公司沒有任何人士（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉。

購股權計劃及首次公開發售前購股權計劃

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，目的在於為公司董事、高級管理人員和僱員提供一個擁有公司股票的機會。以激勵他們表現得更好及更有效率，並以此挽留那些為集團的長遠增長及盈利能力做出重大貢獻的員工。

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，有效期為十年。

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。

Other Information 其他資料

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

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 ten 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 at 30 June 2012, an aggregate of 2,880,000 shares options were granted to three employees by the Company under the Share Option Scheme, representing approximately 0.10% of the issued share capital of the Company as at the latest practicable date. Of which, options totalling 1,380,000 shares options were forfeited in November 2011 and June 2012 respectively. The balance of share options at 30 June 2012 was 1,500,000. Further details relating to the Scheme and share options granted thereunder are set out in note 13 under the section headed "Notes to the Unaudited Interim Financial Report" to this interim report. The vesting period of the share options is from the date of grant until the commencement of the exercise period. The closing prices of the shares of the Company immediately before the date of grant on 7 February 2012 was HK\$1.00. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised was HK\$0.978.

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)超過港幣5.0百萬元的，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十年。

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

截至二零一二年六月三十日，本公司已根據購股權計劃授予三名僱員總共2,880,000股股份的購股權，大約佔本公司截至最後實際可行日期已發行股份之0.10%。其中，1,380,000股股份的購股權分別於二零一一年十一月和二零一二年六月被取消。於二零一二年六月三十日集團授出的購股權股份僅1,500,000股。關於該計劃及購股權授出之具體細節載於本中期報告標題為「未經審核中期財務報告附註」中的附註13。購股權的行權等待期自授出日期起至行使期開始為止。授出日期二零一二年二月七日前之本公司股份收市價為1.00港元。購股權行使日前之本公司股份加權平均收市價為0.978港元。

Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme became effective on 10 December 2008. As at 30 June 2012, 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.

A total of 4,200,000 pre-IPO share options were granted to two executive Directors on 8 June 2009, which was partially exercised up to 30 June 2012. Movement of these share options during the year ended 30 June 2012 are as follows:

Name of director 董事名稱	Date of grant 授權日	Exercise price (HKD) 行權價 (港元)	Number of share options 股份期權數目			Outstanding as at 30 June 2012 截至二零一二年六月三十日 尚未行使	Approximate percentage of issued share capital of the Company (%) 佔本公司已發行股本的概約百分比(%)	Exercise Period 行權期間	
			Outstanding as at 1 January 2012 截至二零一二年一月一日 尚未行使	Granted during the period 授予以數目	Exercised during the period 行權數目				Forfeited during the period 期間失效
SHEN Xiaodi 沈小苗	8 June 2009 二零零九年六月八日	Par Value 面值	420,000	—	—	—	1,260,000	0.04	4 July 2012 to 8 June 2019 二零一二年七月四日至 二零一四年六月八日
		Par Value 面值	420,000	—	—	—	—	—	4 July 2013 to 8 June 2019 二零一三年七月四日至 二零一四年六月八日
		Par Value 面值	420,000	—	—	—	—	—	4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一五年六月八日
WONG Sin Yung 黃善榕	8 June 2009 二零零九年六月八日	Par Value 面值	315,000	—	—	—	945,000	0.03	4 July 2012 to 8 June 2019 二零一二年七月四日至 二零一四年六月八日
		Par Value 面值	315,000	—	—	—	—	—	4 July 2013 to 8 June 2019 二零一三年七月四日至 二零一四年六月八日
		Par Value 面值	315,000	—	—	—	—	—	4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一五年六月八日
Total 合計			2,205,000	—	—	—	2,205,000	0.07	

首次公開發售前購股權計劃

首次公開發售前購股權計劃於二零零八年十二月十日起生效。截至二零一二年六月三十日，已授予總共14,532,000股的購股權，大約占本公司截至最後實際可行日期已發行股份之0.5%。沒有根據首次公開發售前購股權計劃授出的其他購股權。

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

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，截至二零一二年六月三十日，該購股權已部分被行使。這些首次公開發售前購股權截至二零一二年六月三十日止明細如下：

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 a total of 2,630,880 Shares previously granted to 12 employees were forfeited during the past three years. As at 30 June 2012, there was a balance of unexpired and unexercised options to subscribe for 5,300,400 Shares. Except for the options which had been granted, no further options were granted as at 30 June 2012. Details of the valuation of Pre-IPO Share Option Scheme are set out in Note 13 under the section headed “Notes to the Unaudited Interim Financial Report” to this interim report. The value of options are subjective and uncertain as such values are subject to a number of assumptions and limitations of the valuation model.

Purchase, Sales or Redemption on of the Company’s Listed Securities

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

The Code on Corporate Governance Practices

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

The Board is of the view that the Company has complied with the code provisions set out in the former Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012 and the new Corporate Governance Code during the period from 1 April 2012 to 30 June 2012 as contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), except for the following deviations:

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12名僱員總共2,630,880股股份的購股權，於過去三年內被取消。截至二零一二年六月三十日，尚未到期並未被行使的購股權餘額是5,300,400股。除了上述已經授出的購股權，截至二零一二年六月三十日，再無任何購股權授出。股份期權計劃的估值詳見本中期報告標題為「中期未經審核財務報告附註」中的附註13。該估值相當主觀和難以預計，要視乎所用的多項假設，也受計算模式的限制。

購買、出售或贖回本公司的上市證券

於回顧期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治常規守則

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

董事會認為，除下文所披露之偏離情況外，本公司於二零一二年一月一日至二零一二年三月三十一日一直遵守香港聯合交易所之證券上市規則（「上市規則」）附錄14所載企業管治守則所載守則條文，於二零一二年四月一日至二零一二年六月三十日則一直遵守經修訂的企業管治守則。

Code Provision A.6.7

One of the independent non-executive Directors and one of the non-executive Directors were unable to attend the annual general meeting of the Company held on 1 June 2012 due to their unavoidable business engagements.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry with the Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the period under review.

Audit Committee

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules. The primary duties of the Audit Committee (inter alia) are to review the financial reporting process and internal control system of the Group. The Audit Committee also provides advices and suggestions to the Board. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2012 with the management of the Company and the Company’s independent auditors and recommended its adoption by the Board.

Dividends

The Board does not recommend the payment of any interim dividends in respect of the six months ended 30 June 2012.

守則條文A.6.7

一名獨立非執行董事及一名非執行董事因為另有業務纏身並未出席於二零一二年六月一日舉行的股東週年大會。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人之董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易的行為守則。向董事進行特定查詢後，所有董事確認於回顧期間一直遵守標準守則所載的規定標準。

審核委員會

本公司已按上市規則第3.21條規定成立審核委員會。其主要職責包括審查本集團的財務申報程序和內部控制制度並向董事會提供建議及意見。審核委員會已與公司管理層及公司獨立核數師審閱本集團截至二零一二年六月三十日止六個月之中期業績，並建議董事會將其採納。

派息

董事會不建議派發關於截至二零一二年六月三十日止六個月的任何中期股息。

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