



目錄

CONTENTS

公司資料	2	Corporate Information
管理層討論及分析	5	Management Discussion and Analysis
其他資料	18	Other Information
簡明綜合損益表	26	Condensed Consolidated Statement of Profit or Loss
簡明綜合損益及其他全面收益表	27	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
簡明綜合財務狀況表	28	Condensed Consolidated Statement of Financial Position
簡明綜合權益變動表	30	Condensed Consolidated Statement of Changes in Equity
簡明綜合現金流量表	31	Condensed Consolidated Statement of Cash Flows
簡明綜合財務報表附註	33	Notes to the Condensed Consolidated Financial Statements

Corporate Information

公司資料

Directors

Executive Directors

CHEN Qiyuan (*Chairman*)
CHEN Zheng He (*Chief Executive Officer*)
WONG Sin Yung *CPA*

Independent non-executive Directors

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

Audit and Risk Management Committee

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

Remuneration Committee

LI Bida (*Chairman*)
Dr. NGAI Wai Fung *PhD, CPA, FCCA, FCIS, FCS (P.E.)*
CHEN Zheng He

Nomination Committee

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

Company Secretary

WONG Sin Yung *CPA*

董事

執行董事

陳啟源(主席)
陳正鶴(首席執行官)
黃善榕 *CPA*

獨立非執行董事

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

審核及風險管理委員會

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

薪酬委員會

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

提名委員會

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

公司秘書

黃善榕 *CPA*

Authorised Representatives

CHEN Zheng He
WONG Sin Yung *CPA*

授權代表

陳正鶴
黃善榕 *CPA*

Registered Office

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

註冊辦事處

Cricket Square
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Cayman Islands

Principal Place of Business in the People's Republic of China ("PRC")

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PRC

中國主要營業地點

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郵編：510410

Place of Business in Hong Kong

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香港營業地點

香港
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麗斯中心
16樓B室

Hong Kong Branch Share Registrar and Transfer Office

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

香港證券登記處

寶德隆證券登記有限公司
香港
北角
電氣道148號31樓

Corporate Information 公司資料

Cayman Islands Principal Share Registrar and Transfer Office

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Cricket Square
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Cayman Islands

Auditor

SHINEWING (HK) CPA Limited
43/F, Lee Garden One
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Hong Kong

Legal Advisor on Hong Kong Law

PETER YUEN & ASSOCIATES
(IN ASSOCIATION WITH FANGDA PARTNERS)
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8 Connaught Place
Central, Hong Kong

Company's Website

www.bawang.com.cn

Stock Code

01338

Principal Bankers

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

Bank of China Limited
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Guangzhou 510410
PRC

開曼群島證券過戶登記總處

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核數師

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香港
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香港法律顧問

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公司網址

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股票代碼

01338

主要往來銀行

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香港
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郵編：510410

Management Discussion and Analysis

管理層討論及分析

Business Review

The Directors report that the total revenue of the continuing operations of the Group for the six months ended 30 June 2016 was approximately RMB135.4 million, representing an increase of approximately 34.1% from approximately RMB101.0 million for the same period last year. The operating profit from the continuing operations of the Group for the six months ended 30 June 2016 was approximately RMB22.6 million, as compared with the operating loss of approximately RMB87.0 million for the same period last year.

For the six months ended 30 June 2016, the net profit from the continuing operations of the Group was approximately RMB21.2 million, as compared with the net loss of approximately RMB88.1 million for the same period last year.

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

During the period under review, the successful implementation of cost control measures and the ongoing value-chain-oriented business model have enabled the Group to improve the operating results of the continuing operations by reducing the selling, distribution and administration costs in the amount of approximately RMB14.2 million for the six months ended 30 June 2016, as compared with those in the same period last year.

In January 2016, a national distributors meeting was held in Guangzhou to introduce the new Bawang shampoo products, to explain the Group's investments in brand building and expansion of channels, and to demonstrate the upcoming marketing campaigns and publicity programs. To enhance the sales of Bawang branded products, extensive promotions were carried out on International Women's Day in March and International Workers' Day in May. To further motivate the Group's distributors and sales teams, an incentive travel scheme was set up whereby participating distributors and internal sales staff will be eligible to leisure travel overseas for free if they complete the predetermined sales target for the period. Over 60 distributors and 30 internal sales staff were eligible to join the incentive travel in August 2016. As at 30 June 2016, the Bawang brand distribution network comprised approximately 564 distributors and 38 KA retailers, covering 27 provinces and four municipalities in China. Furthermore, the products of the Group were also sold in Hong Kong, Singapore, Thailand, Malaysia and Australia.

業務回顧

董事報告本集團截至二零一六年六月三十日止六個月的持續經營業務總收入約人民幣135.4百萬元，較去年同期約人民幣101.0百萬元上升了約34.1%。本集團截至二零一六年六月三十日止六個月期間錄得持續經營業務的經營利潤約人民幣22.6百萬元，而去年同期錄得持續經營業務的經營虧損約人民幣87.0百萬元。

本集團截至二零一六年六月三十日止六個月錄得持續經營業務淨利潤約人民幣21.2百萬元，而去年同期錄得淨虧損約人民幣88.1百萬元。

關於本集團經營業績的更多信息，請參照本中期報告之「財務回顧」部分。

於回顧期內，截至二零一六年六月三十日止六個月，本集團成功執行以成本控制價值鏈為導向的業務模式使其比去年同期節省銷售及分銷和管理成本約人民幣14.2百萬元，改善了持續經營業務的經營業績。

於二零一六年一月，本集團在廣州舉行全國經銷商會議以介紹最新的霸王洗髮產品，並展示了本集團於品牌建設和擴張渠道的投資，以及即將安排的營銷活動和宣傳項目。為加強霸王品牌產品的銷售，集團分別在三月的國際婦女節和五月的國際勞動節開展了廣泛的促銷活動。為了進一步激勵經銷商和銷售團隊，本集團制定了一項旅遊獎勵計劃，即如果參與經銷商及內部銷售員工完成了該段時間預定的銷售目標，將有資格獲得一次免費出國遊的機會。本次有超過60位經銷商和30位內部銷售員工獲得了在二零一六年八月份出國遊機會。截至二零一六年六月三十日止，霸王品牌分銷網絡包括大概564個分銷商及38個重點零售商，覆蓋中國27個省份及四個直轄市。此外，該集團的產品也銷往香港、新加坡、泰國、馬來西亞和澳大利亞。

Management Discussion and Analysis 管理層討論及分析

During the period under review, the Group rolled out new Royal Wind branded shampoo products for sale primarily through the online sales channel with the marketing theme “Follow your true self as a natural trend setter”. As at 30 June 2016, the Royal Wind brand distribution network comprised approximately 564 distributors and 29 KA retailers, covering 27 provinces and four municipalities in China.

The Litao products mainly comprise shower gels and laundry detergents, targeting consumers living in the second-tier and third-tier cities in China. The Group’s goal is to widen the market coverage in China. As at 30 June 2016, the Litao products distribution network comprised approximately 564 distributors and two KA retailers, covering 27 provinces and four municipalities in China.

In May 2016, a distributors meeting was held in Guangzhou to launch the enhanced Herborn Chinese herbal skincare product series. This product series targets white-collar ladies in the age range from 25 to 45 who have relatively high net incomes and are dedicated to pursuing a healthy and natural lifestyle. In terms of sales channels, the Group is now selling the products mainly through cosmetics specialty shops throughout China. As at 30 June 2016, the sales and distribution network for the Herborn Chinese herbal skincare products comprised approximately 93 distributors and one KA retailer covering 27 provinces and four municipalities in China. The Group also had about 4,780 counters in cosmetics specialty shops in China.

During the period under review, the Group has established online flagship stores for our Bawang, Royal Wind and Herborn branded products on 15 online retailing platforms in China.

During the period under review, we obtained the following recognitions:

- we had renewed the permit for production of cosmetic products, which was issued by the Guangdong Provincial Food & Drug Administration and is valid until May 2021;
- we were awarded the “Golden Ant 2015–2016” certificate by the China (Guangzhou) Logistic Equipment & Technology Development Committee in May 2016; and

於回顧期內，本集團推出營銷主題為「追隨本我，自然成風」的追風新系列產品，主供電商平台。截至二零一六年六月三十日，追風品牌分銷網絡包括大概564個分銷商及29個重點零售商，覆蓋中國27個省份及四個直轄市。

麗濤產品主要由沐浴露和洗衣液組成，以中國二三線城市的消費者為目標客戶群體。本集團的目標是將市場擴大至整個中國。截至二零一六年六月三十日，麗濤品牌分銷網絡包括大概564個分銷商及兩個重點零售商，覆蓋中國27個省份及四個直轄市。

於二零一六年五月，本集團在廣州舉行了中草藥護膚產品一本草堂的全國經銷商發佈會，以推出改良的本草堂產品系列。本草堂產品之目標客戶群體是擁有相對較高的收入、熱衷追求健康自然的生活方式、年齡介於25歲至45歲的白領女性。在銷售渠道方面，本集團通過中國境內的化妝品專營店專櫃銷售本草堂產品。截至二零一六年六月三十日，本草堂品牌分銷網絡包括大概93個分銷商及一個重點零售商，覆蓋中國27個省份及四個直轄市。在中國境內，本集團亦擁有約4,780家化妝品專門店專櫃。

於回顧期內，本集團已在15個線上零售平台建立線上旗艦店銷售霸王、追風和本草堂品牌產品。

於回顧期內，我們獲得了以下認證：

- 我們更新了由廣東省食品藥品監督管理局頒發的「化妝品生產許可證」，有效期截至二零二一年五月；
- 於二零一六年五月我們獲得了中國（廣州）國際物流裝備及技術展組委會頒發的2015–2016年度中國物流行業「金螞蟻」獎；及

- In January 2016, three Bawang branded shampoos were recognised as “The 2015 New High-Tech Products in Guangdong” for a period of three years until the end of 2018 by the Guangdong Provincial Bureau of Science & Technology.

Litigation

The Board considers that the contents of an article published by Next Magazine on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, we commenced legal proceedings (the “**Legal Proceedings**”) in the High Court of Hong Kong (the “**High Court**”) in October 2010 against Next Magazine Publishing Ltd (“**Next Magazine**”) seeking, *inter alia*, damages and an injunction to restrain Next Magazine from publishing such contents or similar contents.

On 23 May 2016, the Company received the judgment (the “**Judgment**”) handed down by the High Court in respect of the Legal Proceedings in favour of the Company and Bawang (Guangzhou) Company Limited (“**Bawang Guangzhou**”). According to the Judgment, *inter alia*, all the pleaded defences raised by Next Magazine in relation to the libel claim of the Company and Bawang Guangzhou were rejected by the High Court, and Next Magazine was ordered by the High Court to pay the Company and Bawang Guangzhou general damages for libel in an aggregate amount of HK\$3,004,652.50 and 80% of the legal costs of the Company and Bawang Guangzhou in respect of the Legal Proceedings. The Directors do not intend to appeal against the Judgment because they intend to focus the Group’s financial resources and attention to the Group’s business operations.

During the period under review, the Company had received the full amount of general damages for libel and recognised them as other income.

- 於二零一六年一月，霸王品牌有三大系列產品被廣東省科技技術廳認證為「2015年廣東省高新技術產品」，有效期截至二零一八年底。

訴訟

董事會認為壹周刊於二零一零年七月十四日發表的一篇雜誌文章內容構成對本集團的誹謗及/或惡意中傷。因此，我們已於二零一零年十月在香港高等法院（「**高等法院**」）向壹周刊出版有限公司（「**壹周刊**」）提起法律訴訟（「**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。

於二零一六年五月二十三日，本集團收到了香港高等法院頒佈本公司及霸王（廣州）有限公司（「**霸王廣州**」）勝訴的判決結果（「**判決**」）。根據該判決，其中所有有關壹周刊提出有關於本集團和霸王廣州誹謗指控的答辯均全數被香港高等法院駁回，而壹週刊則被高等法院下令支付本公司和霸王廣州就法律訴訟中合共3,004,652.50港元的誹謗一般損害賠償，並支付本公司和霸王廣州有關法律訴訟的80%的法律費用。董事就該判決不打算上訴，因其希望集中本集團財務資源及專注力於本集團業務營運方面。

於回顧期內，本集團已經收到了壹周刊誹謗的所有一般損害賠償款，並確認為其他收入。

Management Discussion and Analysis 管理層討論及分析

Financial Review

Continuing Operations

Revenue

During the six months ended 30 June 2016, the Group's revenue of the continuing operations amounted to approximately RMB135.4 million, representing an increase of approximately 34.1% from approximately RMB101.0 million during the same period last year. The increase was primarily attributable to the sales of new and/or enhanced Bawang branded product series which were rolled out in the second half of last year and the first half of 2016. Additionally, the Group saw an increase in the sales of Bawang branded products in June 2016 following the release of the Judgment in favour of the Group.

During the six months ended 30 June 2016, the Group's core brand, Bawang, generated approximately RMB105.7 million in revenue, which accounted for approximately 78.1% of the Group's total revenue of continuing operations, and represented an increase of approximately 37.9%, as compared with the same period last year.

During the six months ended 30 June 2016, the Group's branded Chinese herbal anti-dandruff haircare series, Royal Wind, recorded approximately RMB8.7 million in revenue, which accounted for approximately 6.4% of the Group's total revenue of continuing operations, and represented a decrease of approximately 20.8%, as compared with the same period last year.

During the six months ended 30 June 2016, the Group's natural-based branded shampoo, shower gel and laundry detergent products series, Litao, generated approximately RMB11.2 million in revenue, which accounted for approximately 8.3% of the Group's total revenue of continuing operations, and represented an increase of approximately 20.8%, as compared with the same period last year.

During the six months ended 30 June 2016, the Group's branded Chinese herbal skincare series, Herborn, recorded approximately RMB9.8 million in revenue, which accounted for approximately 7.2% of the Group's total revenue of continuing operations, and represented an increase of approximately 177.6%, as compared with the same period last year.

財務回顧

持續經營業務

營業額

截至二零一六年六月三十日止六個月，本集團的持續經營業務收入約人民幣135.4百萬元，較去年同期持續經營業務收入的約人民幣101.0百萬元上升了約34.1%。上升的主要原因是由於去年下半年和二零一六年上半年本集團陸續推出的新及/或改良產品系列。另外，自本集團收到法律訴訟案中對本集團有利的判決後，二零一六年六月本集團的霸王產品銷售有所增加。

截至二零一六年六月三十日止六個月，本集團核心品牌，霸王的收入約人民幣105.7百萬元，約佔本集團持續經營業務總收入的78.1%，較去年同期上升了約37.9%。

截至二零一六年六月三十日止六個月，本集團的中草藥去屑品牌，追風的收入約人民幣8.7百萬元，約佔本集團持續經營業務總收入的6.4%，較去年同期下降了約20.8%。

截至二零一六年六月三十日止六個月，本集團的以純天然為基礎的洗髮水和沐浴露產品系列，麗濤的收入約人民幣11.2百萬元，約佔本集團持續經營業務總收入的8.3%，較去年同期上升了約20.8%。

截至二零一六年六月三十日止六個月，本集團的中草藥護膚品牌，本草堂的收入約人民幣9.8百萬元，約佔本集團持續經營業務總收入的7.2%，較去年同期上升約177.6%。

We sold our products through extensive distribution and retail networks. During the six months ended 30 June 2016, sales to our distributors and retailers represented approximately 76.5% and approximately 23.5% of the Group's total revenue of continuing operations respectively.

During the six months ended 30 June 2016, our products were also sold in Hong Kong, Singapore, Thailand, Malaysia and Australia. The sales to these overseas markets outside of China accounted for approximately 2.6% of our total revenue of continuing operations during the six months ended 30 June 2016.

Cost of Sales

During the six months ended 30 June 2016, cost of sales amounted to approximately RMB62.8 million, representing a decrease of approximately 7.8% from approximately RMB68.1 million during the same period last year. Such decrease was primarily due to a decrease in manufacturing expenses and wages, which was partially offset by the increase in packing materials consumed.

Gross Profit

During the six months ended 30 June 2016, the Group's gross profit increased to approximately RMB72.6 million, representing an increase of approximately 120.7% from RMB32.9 million for the same period last year. The gross profit margin for the six months ended 30 June also increased from approximately 32.6% in 2015 to approximately 53.6% in 2016. The increase in the gross profit margin was mainly attributable to the increase of revenue and the roll-out of high-margin products during the period under review.

Selling and Distribution Costs

During the six months ended 30 June 2016, selling and distribution costs decreased to approximately RMB36.7 million, representing a decrease of approximately 16.2% from approximately RMB43.8 million for the same period last year. Such decrease was primarily due to the effective cost controls leading to decrease in depreciation, advertising fees, and the saving achieved in promotion fee and salary through optimising the resources of promotion staff, which was partially offset by an increase in travelling expenses.

我們一般通過廣泛的分銷商和零售商網絡銷售我們的產品。截至二零一六年六月三十日止六個月，我們通過分銷商和零售商的銷售額分別約佔本集團總收入的76.5%和23.5%。

截至二零一六年六月三十日止六個月，我們的產品已在香港、新加坡、泰國、馬來西亞和澳大利亞市場上銷售。截至二零一六年六月三十日止六個月，這些海外市場的銷售額約佔本集團總銷售額的2.6%。

銷售成本

截至二零一六年六月三十日止六個月，銷售成本為約人民幣62.8百萬元，相比去年同期的約人民幣68.1百萬元，下降了約7.8%。其下降的主要原因是工資和製造費用的減少，但部份被包裝材料耗用增加所抵銷。

毛利

截至二零一六年六月三十日止六個月，本集團的毛利上升至為約人民幣72.6百萬元，與去年同期約人民幣32.9百萬元相比上升了約120.7%。截至六月三十日止六個月的毛利率從二零一五年的約32.6%上升到二零一六年的約53.6%。毛利率上升的主要原因是收入的增長及期內推出的高毛利的產品。

銷售及分銷開支

截至二零一六年六月三十日止六個月，銷售及分銷開支下降至約人民幣36.7百萬元，較去年同期的約人民幣43.8百萬元下降了約16.2%。其下降的原因主要是成本控制帶來的折舊和廣告費的減少，以及通過優化促銷人力資源節省了促銷費用和薪資支出，但部分被差旅費的增加所抵銷。

Management Discussion and Analysis 管理層討論及分析

Administrative Expenses

During the six months ended 30 June 2016, administrative expenses amounted to approximately RMB16.7 million, representing a decrease of approximately 29.7% from approximately RMB23.8 million for the same period last year. The decrease was primarily due to the decrease in litigation expenses and R&D expenses, which was partially offset by an increase in salary expenses.

Impairment Loss

For the six months ended 30 June 2016, following a valuation of property, plant and equipment for the use of continuing operations by reference to their value in use, no impairment loss on these assets was required (six months ended 30 June 2015: approximately RMB54.4 million).

Profit from Operations

The Group recorded an operating profit from its continuing operations of approximately RMB22.6 million for the six months ended 30 June 2016, as compared with the operating loss of approximately RMB87.0 million for the same period last year. This improvement was primarily due to the increase in gross profit and the decrease in the overall operating expenses.

Finance Income and Costs

For the six months ended 30 June 2016, finance income of the Group amounted to approximately RMB0.2 million as compared with the finance income of approximately RMB0.3 million for the same period last year. The decrease was primarily due to the decrease in interest received from fixed deposits with the bank.

For the six months ended 30 June 2016, the Group's imputed interest on non-interest bearing loans from controlling shareholders amounted to approximately RMB1.4 million (six months ended 30 June 2015: approximately RMB1.1 million).

Income Tax Expense

During the two six month periods ended 30 June 2016 and 30 June 2015, respectively, the Group did not have any income tax expense and/or reversal.

行政費用

截至二零一六年六月三十日止六個月，行政費用約人民幣16.7百萬元，較去年同期的約人民幣23.8百萬元下降了約29.7%。其下降的主要原因是法律訴訟費和研發費的支出下降，但部份被工資增加所抵銷。

減值損失

截至二零一六年六月三十日止六個月，對持續經營業務所需的物業，廠房及設備的使用價值進行評估，期內無需計提減值準備(二零一五年六月三十日止六個月：人民幣54.4百萬元)。

經營盈利

本集團截至二零一六年六月三十日止六個月錄得持續經營業務之經營盈利約人民幣22.6百萬元，而去年同期錄得經營虧損約人民幣87.0百萬元。其上升的主要原因是由於毛利增加以及整體運營費用的減少。

財務收入及融資成本

截至二零一六年六月三十日止六個月，本集團財務收入約人民幣0.2百萬元，上年同期約人民幣0.3百萬元。其下降的主要原因是銀行定期利息收入的下降。

截至二零一六年六月三十日止六個月，本集團就控股股東免息貸款而估算的利息約人民幣1.4百萬元(截至二零一五年六月三十日止六個月：約人民幣1.1百萬元)。

所得稅支出

截至二零一六年及二零一五年六月三十日止六個月，本集團未發生任何所得稅支出及/或抵扣。

Profit for the Period from Continuing Operations

As a result of the combined effect of the abovementioned factors, the Group recorded a profit of approximately RMB21.2 million for the six months ended 30 June 2016, as compared with the loss of approximately RMB88.1 million for the six months ended 30 June 2015.

Discontinued Operation

The Board discontinued the production and sales of herbal tea products from 1 July 2013. During the period under review, the business operation of herbal tea products was dormant without any revenue or expense attributable to the Group.

Profit for the Period Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded a profit attributable to owners of the Company of approximately RMB21.2 million for the six months ended 30 June 2016, as compared with the attributable loss of approximately RMB88.1 million for the six months ended 30 June 2015.

Events after the Reporting Period

On 9 August 2016, Bawang Guangzhou and Guangzhou Bawang Cosmetics Co., Ltd. entered into two new lease agreements to continue the lease of office premises and production plant in Guangzhou for a further term of three years (the “**Lease Agreements**”). The Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and the annual review requirements but are exempted from the independent shareholders’ approval requirement under chapter 14A of the Listing Rules.

For details, please refer to the announcement of the Company dated 9 August 2016.

持續經營業務之期內盈利

因上述因素的綜合影響，本集團截至二零一六年六月三十日止六個月持續經營業務錄得盈利約人民幣21.2百萬元，而截至二零一五年六月三十日止六個月持續經營業務錄得虧損約人民幣88.1百萬元。

已終止經營業務

董事會已於二零一三年七月一日停止涼茶產品的生產及銷售。於回顧期內，集團涼茶業務暫無運作，並未於本集團錄得任何銷售或費用。

本公司擁有人應佔期內盈利

因上述因素的綜合影響，本集團截至二零一六年六月三十日止六個月錄得本公司擁有人應佔期內盈利約人民幣21.2百萬元，而截至二零一五年六月三十日止六個月錄得應佔虧損約人民幣88.1百萬元。

報告期後事項

霸王廣州與廣州霸王化妝品有限公司於二零一六年八月九日簽訂了兩份新的為期三年的租賃協議，以繼續租賃廣州的辦公場所和生產廠房（以下簡稱「租賃協議」）。這兩份租賃協議根據上市規則第14A章下構成持續關聯交易，須遵守上市規則第14A章項下的申報、公告及年度審閱之規定，但獲豁免取得獨立股東批准的規定。

有關詳細信息，請查閱本公司二零一六年八月九日發布的公告。

Management Discussion and Analysis 管理層討論及分析

Outlook

Due to the continuing policy support from the Chinese government, the Chinese economy was able to keep up its momentum in the first half of 2016. The domestic retail sales figures suggest that private consumption was broadly stable during the first half of 2016. The International Monetary Fund (IMF) recently said that China's near-term economic outlook is positive, with an expected growth rate as high as 6.6% this year, that the high national savings rate, the crux of China's internal and external imbalance, is expected to fall gradually due to an aging population and a stronger social safety net, and that household consumption is expected to continue to pick up on the back of falling household savings and rising disposable income. The Directors believe that the Chinese government would implement economic policies to achieve its economic growth target of 6.5% this year, and that the government would introduce more stimulus measures if there are signs of a weak economy.

With the conclusion of the Legal Proceedings, the Directors decided to focus the Group's financial resources and their attention to continue developing the Group's business. To revitalise Bawang's brand so as to enhance sales performance, our sales team has initiated brand revitalisation efforts to reinforce the confidence of the distributors. The sales team will particularly re-connect with some ex-distributors in person. Through this direct communication, we hope to re-establish the trust in our brand between the Group and the ex-distributors thereby re-engaging these distributors in distributing the Group's products.

The main theme for the rest of 2016 is "To gather the strength for innovation".

In order to capture the opportunity arising from the adoption of the two-children policy in the beginning of 2016, the Group intends to launch a personal and skin care product series in September 2016 under a new brand known as "Little King" that targets the children market segment specifically. In September 2016, a national distributors meeting will be held in Guangzhou to launch the "Little King" branded products.

展望

由於中國政府持續政策支持，中國的經濟在二零一六年上半年一直保持其勢頭。國內零售銷售數據顯示，二零一六年上半年個人消費大致穩定。國際貨幣基金組織(IMF)日前表示，中國近期的經濟前景樂觀，預期今年增長率高達6.6%，高國民儲蓄率(即中國的內部和外部失衡的原因)有望隨着人口老齡化及更強的社會保障體系而逐步回落，而家庭消費有望隨着家庭儲蓄下降和可支配收入上升繼續回暖。董事認為，中國政府將落實經濟政策，以實現今年6.5%的經濟增長目標，並且如果有經濟疲軟的跡象，政府將推出更多刺激措施來帶動消費。

隨著法律訴訟告一段落，董事決定把重點和注意力放在集團的財務資源上以繼續發展本集團業務。為振興霸王的品牌聲譽，從而提升銷售業績，我們的銷售團隊已經開始重塑品牌以加強經銷商的信心。銷售團隊特別親身與一些前任經銷商重新聯繫。通過這種直接的溝通，我們希望能重建集團和前任經銷商之間對品牌的信心以達到分銷本集團的產品。

二零一六年下半年主要的經營主題是「凝力量、創新章」。

自二零一六年年初全面放開二胎政策開始實施，為了更好地抓住機遇，本集團擬於二零一六年九月專門針對兒童市場推出一個品牌名為「小霸王」的全新個人及護膚系列產品系列。於二零一六年九月，本集團將於廣州舉行經銷商會議並推出了「小霸王」產品系列。

For Bawang branded product series, the Group will carry out sales programs in the supermarkets for offering assorted promotional Bawang branded products to encourage return customers. The Group will continue to develop high-end herbal essence hair care bundle products to satisfy the needs of the affluent consumer segment. The Group intends to offer OEM services for the micro-commerce companies. The Group will also enlarge its online sales platform by cooperating with new e-commerce companies so as to increase the revenue stream from this channel.

For Royal Wind branded product series, the Group will promote brand recognition and image through Internet and social media channels, which cater to the trendy lifestyle of young consumers. The Group will roll out high-end fragrance shower gels for the online sales channel.

For Herborn branded product series, the Group will roll out six new series of herbal skincare products. The Group will launch a new series in Chinese herbal face mask. The Group will seek to cooperate with additional online sales platforms to increase the sales revenue.

For production management, to optimise the cost of production and to improve working efficiency and productivity, the Group will realign its production workshops and production lines. To ensure high quality standard output, the Group will work with independent accreditation agencies to enhance its production management systems.

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

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

對於霸王品牌的系列產品，為鼓勵回頭客戶，本集團將提供各類霸王推廣套裝以開展各大超市銷售計劃。本集團將繼續開發高端草本精華洗護組合產品，以滿足富裕顧客市場的需求。本集團擬為微商商貿公司提供代加工服務。本集團亦將通過與新的電子商務公司合作，以擴大其網上銷售平台，從這一渠道增加收入來源。

對於追風品牌的系列產品，集團將通過互聯網和社交媒體渠道促進品牌的認可度和熟悉度。這迎合了年輕時尚消費者的生活方式。本集團將在電商銷售渠道推出高端香熏沐浴露。

對於本草堂品牌系列產品，集團將新推出六大中草藥系列護膚品。本集團也將推出中國中草藥面膜的新系列。本集團將尋求更多的在線銷售平台以增加銷售收入。

對於生產管理，為了優化生產成本，提高工作效率和生產力，本集團將改造生產車間和生產線。為了保證高標準的產量和質量，本集團將與獨立的認證機構合作，以增強生產管理系統。

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

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

Management Discussion and Analysis 管理層討論及分析

Looking forward, the strategic directions to sustain and develop our business in the volatile economic environments will focus on two areas. In the short run, the Group intends to enhance its revenue by exploring new sales channels in household and personal care (“HPC”) products for regaining the sales growth momentum and profitability, and to improve investors’ confidence in the Group. In the long run, the Group will continue to focus on strengthening its business model and market positioning to increase its market share among domestic and international competitors, maintaining a multi-brand and multi-product strategies in the HPC sector, and becoming a leader in the branded Chinese herbal HPC products.

展望未來，在不穩定的經濟環境中，維持和發展我們業務之戰略方向將集中在以下兩個方面。就短期而言，本集團擬在家庭及個人護理行業開拓新的銷售渠道，恢復銷售增長，達到盈利，並提高本集團投資者的信心。就長期而言，本集團將繼續鞏固發展模式，迎戰國內外競爭對手以增加市場份額，奉行個人護理產品品牌及產品多樣化的均衡策略，成為全球中草藥家庭及個人護理產品領軍企業。

Liquidity, Financial Resources and Capital Structure

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

流動資金、財務資源及資本架構

本集團採用保守的理財策略並保持良好和穩健的財務狀況。流動資金和財務資源概要列載如下：

		As at 30 June 2016 於二零一六年 六月三十日 RMB in million 人民幣百萬元	As at 31 December 2015 於二零一五年 十二月三十一日 RMB in million 人民幣百萬元
Cash and cash equivalent	銀行結存及現金	32.3	11.6
Total loans	貸款總額	—	50.5
Total assets	總資產	292.2	293.5
Gearing ratio ^{Note}	資產負債率 ^{備註}	—	17.2%

Note: Calculated as total loans divided by total assets.

備註：按貸款總額除以資產總額計算。

On 11 May 2016, the Company entered into a subscription agreement in relation to the issue of 250,000,000 new ordinary shares with a par value of HK\$0.10 each in the capital of the Company at the subscription price of HK\$0.31 per share to certain independent third parties (the “Subscription”). The Subscription was completed on 31 May 2016, and the net proceeds of the Subscription was approximately HK\$77.5 million. Approximately HK\$74.5 million of the net proceeds had been applied for the repayment of the existing shareholders’ loans and the balance had been used as the working capital of the Group.

本公司已於二零一六年五月十一日簽署認購協議，內容有關將250,000,000股新普通股以每股面值港幣0.10元和每股認購價港幣0.31元向若干獨立第三方發行（「認購」）。認購於二零一六年五月三十一日完成，而認購所得款項淨額約為港幣77.5百萬元。所得款項淨額約港幣74.5百萬元已用於償還股東貸款，餘額已用於本集團營運資金。

For details, please refer to the announcements of the Company dated 11 May 2016 and 31 May 2016.

有關詳細信息，請查閱公司二零一六年五月十一日和二零一六年五月三十一日發布的公告。

Material Acquisition and Disposal

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

Exposure to Fluctuations in Exchange Rates and Related Hedge

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

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

As at 30 June 2016, the Group had not issued any material financial instruments or entered into any material financial instruments or entered into any material contracts for foreign currency hedging purposes. However, the Board will continue to monitor the foreign exchange exposure and is prepared to take prudent measures such as hedging when required.

Contingent Liabilities

As at 30 June 2016, the Group did not have any significant contingent liabilities.

重大收購及出售

於回顧期間，本集團並無重大收購或出售其任何附屬或聯營公司。

匯率波動風險及有關對沖

本集團主要在中國境內經營業務，大部分交易以人民幣結算。本集團的報告貨幣為人民幣。本集團出口產品銷往香港和部分海外國家，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。如本公司宣派股息時亦以港元派付。此外，本集團以美元或港幣支付若干廣告費。

董事會認為本集團從事的業務主要是以人民幣結算的，因此外匯風險對本集團的日常經營影響並不重大。

截至二零一六年六月三十日，本集團並沒有發行任何重大金融工具或訂立任何重大合約作外匯對沖用途。然而，董事將繼續監察外匯風險，並準備在需要時採取審慎的措施，例如對沖。

或然負債

截至二零一六年六月三十日，本集團並無任何重大或然負債。

Management Discussion and Analysis 管理層討論及分析

Capital Commitment

As at 30 June 2016, the capital commitment for acquisition of property, plant and equipment of the Group was approximately RMB7.4 million.

Pledge of Assets

As at 30 June 2016, the Group had no pledge of assets.

Human Resources

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

For the six months ended 30 June 2016, the Group organised various in-house training classes to strengthen the soft skills of our staff members such as time management, stress management and leadership development. Apart from these in-house courses, the Group also required our department managers to attend external courses on reward and compensation, and motivation. We required our senior sales and marketing staff to attend brand positioning strategy courses, and we required our finance and accounting staff members to attend seminars about the latest accounting standards, taxation practices and budgetary control.

As at 30 June 2016, the Group employed 1,166 employees (30 June 2015: 1,553), consisting of full-time employees and contract personnel in the PRC and Hong Kong. The total personnel expenses of the continuing operations, comprising wages, salaries and benefits, and equity-settled share-based payments, amounted to approximately RMB29.3 million for the six months ended 30 June 2016 (six months ended 30 June 2015: approximately RMB31.2 million).

資本承擔

截至二零一六年六月三十日，本集團購建物業、廠房及業務資本承擔總額約人民幣7.4百萬元。

資產抵押

截至二零一六年六月三十日，本集團並無資產抵押。

人力資源

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

截至二零一六年六月三十日止六個月，本集團舉辦了多項內部培訓課程，以增強我們工作人員的軟技能，例如：時間管理、壓力管理和領導能力發展等。除此之外，本集團還要求部門經理參加有關獎勵和激勵的外部培訓課程。我們要求高級市場策劃人員參加品牌定位策略培訓課程，也要求財務人員參加有關最新會計準則、稅務實踐以及預算編製方面的研討會。

截至二零一六年六月三十日，本集團僱用1,166名員工（二零一五年六月三十日：1,553），其中包括在中國和香港的全職員工以及合約僱員。總持續經營業務人事開支包括工資、薪金和福利以及以權益結算之股份支付款項，截至二零一六年六月三十日止六個月約人民幣29.3百萬元（截至二零一五年六月三十日止六個月：約人民幣31.2百萬元）。

Management Discussion and Analysis 管理層討論及分析

The following table sets forth a breakdown of the total headcount of our employees of the continuing operations as at 30 June 2016 and 2015, respectively:

下表分別載列於二零一六年六月三十日及二零一五年六月三十日我們持續經營業務的總僱員人數的明細：

		As at 30 June 2016 於二零一六年 六月三十日	As at 30 June 2015 於二零一五年 六月三十日
Full-time employees	全職僱員	212	262
Contract personnel	合約僱員		
— Sales persons	— 促銷員	785	817
— Others	— 其他	169	474
Total headcount of the continuing operations	持續經營業務 總人數	1,166	1,553

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

本集團的員工薪酬、晉升及工資是按照個人的工作責任、工作表現、專業經驗及行業標準來釐定的。

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

本集團於中國及香港的員工分別參加社會保障計劃和香港強制性公積金計劃。其他福利包括按工作表現釐定的獎金花紅計劃和購股權計劃下已授出或將會授出的購股權。

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

董事們深信本集團之人力資源政策對集團未來發展擔當着重要角色。良好的職業前景、優厚的員工薪酬福利以及舒適的工作環境，可以使本集團維持一支穩定的工作團隊。

Other Information

其他資料

Interests and Short Positions of Substantial Shareholders of the Company

As at 30 June 2016, 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 Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”) were as follows:

本公司主要股東的權益及淡倉

據本公司任何董事或最高行政人員所知，於二零一六年六月三十日，股東（除本公司董事或最高行政人員外）於股份或相關股份中擁有根據按香港法例第571章證券及期貨條例（「證券及期貨條例」）第336條規定須登記於需存置的登記冊內的權益或淡倉：

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Ltd. (“Fortune Station”)	Beneficial owner (Note 3) 實益擁有人(附註3)	1,900,840,000 (L)	60.12%
CHEN Qiyuan 陳啟源	Interest in controlled corporation (Note 1) 所控制法團權益(附註1)	1,900,840,000 (L)	60.12%
WAN Yuhua 萬玉華	Interest in controlled corporation (Note 2) 所控制法團權益(附註2)	1,900,840,000 (L)	60.12%
Claren Enterprises Limited (“Claren”)	Security interest (Note 3) 保證權益(附註3)	1,900,840,000 (L)	60.11%
VMS Finance Group Limited (“VMS Finance”)	Interest in controlled corporation (Note 4) 所控制法團權益(附註4)	1,900,840,000 (L)	60.11%
VMS Holdings Limited (“VMS Holdings”)	Interest in controlled corporation (Note 4) 所控制法團權益(附註4)	1,900,840,000 (L)	60.11%
MAK Siu Hang Viola 麥少嫻	Interest in controlled corporation (Note 4) 所控制法團權益(附註4)	1,900,840,000 (L)	60.11%

(L) – Long Position

L – 好倉

Notes:

附註：

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

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

2. WAN Yuhua is the beneficial owner of 49.0% of the issued share capital of Fortune Station and is deemed to be interested in the shares held by Fortune Station. WAN Yuhua, the spouse of CHEN Qiyuan, is deemed to be interested in CHEN Qiyuan's interests in Fortune Station.
2. 萬玉華為 Fortune Station 已發行股本的 49.0% 實益擁有人，並被視為於 Fortune Station 持有的股份中擁有權益。陳啟源的配偶萬玉華被視為於陳啟源在 Fortune Station 的權益中擁有權益。
3. On 29 September 2015, Fortune Station has pledged 1,900,840,000 Shares in favour of Claren as security for a loan facility provided by Claren.
3. 於二零一五年九月二十九日，Fortune Station 將其持有的 1,900,840,000 股股份抵押予 Claren 作為 Claren 向其授出貸款融資的擔保。
4. Claren is wholly owned by VMS Finance, VMS Finance is wholly owned by VMS Holdings and VMS Holdings is wholly owned by MAK Siu Hang Viola. As such, VMS Finance, VMS Holdings and MAK Siu Hang Viola are deemed to be interested in Claren's interests in the Company, respectively.
4. Claren 由 VMS Finance 全資擁有，而 VMS Finance 由 VMS Holdings 全資擁有，且 VMS Holdings 由麥少嫻全資擁有。因此，VMS Finance, VMS Holdings 和麥少嫻分別被視為在 Claren 擁有的本公司權益中擁有權益。

Other than as disclosed above, as at 30 June 2016, the Company was not notified by any person (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

於二零一六年六月三十日，除上文所披露人士之外，本公司未接到通知有任何人士（除本公司董事或最高行政人員外）於股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉。

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

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

As at 30 June 2016, 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 SFO, (a) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they had taken or deemed to have under such provisions of the SFO); or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to

截至二零一六年六月三十日，董事及本公司最高行政人員於本公司及其相聯法團按證券及期貨條例第XV部的涵義的股份、相關股份或債券證中，擁有(a)根據證券及期貨條例第352條規定須登記於需備存的登記冊內的權益及淡倉，或(b)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉（包括彼等根據上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），或(c)根據香港聯合交易所有限公司證券上市規則（「上市規

Other Information 其他資料

the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”):

則) 附錄10所載上市公司董事進行證券交易的標準守則(「標準守則」)規定須知會本公司及聯交所如下:

Long Positions in Shares, Underlying Shares and Debentures of the Company or any associated corporation

於本公司及其相聯法團的股份和相關股份中之權益

Name of director 董事名稱	Long/Short position 好/淡倉	Nature of interest 權益性質	Number of shares/ underlying shares held 股份及相關 股份數目	Approximate percentage of issued share capital 持股百分比
CHEN Qiyuan 陳啟源	Long 好倉	Interest in controlled corporation (Note 1) 所控制法團權益 (附註1)	1,900,840,000	60.12%
WAN Yuhua 萬玉華	Long 好倉	Interest in controlled corporation (Note 2) 所控制法團權益 (附註2)	1,900,840,000	60.12%
WONG Sin Yung 黃善榕	Long 好倉	Beneficial owner (Note 3) 實益擁有人(附註3)	2,100,000	0.07%

Notes:

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

附註:

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

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

於本公司之相關法團的股份和相關股份中之權益

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

Other than as disclosed above, as at 30 June 2016, so far as known to any Director or chief executive of the Company, neither the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) (a) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they had taken or deemed to have under such provisions of the SFO); or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上述披露的人員之外，截至二零一六年六月三十日，目前所知本公司的任何董事及最高行政人員，無論是本公司董事或者是最高行政人員，都沒有擁有本公司及其相聯法團（按證券及期貨條例第XV部的涵義）的股份、相關股份或債券證中，擁有(a)根據證券及期貨條例第352條規定須登記於需備存的登記冊內的權益及淡倉，或(b)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等根據上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），或(c)根據標準守則規定須知會本公司及聯交所。

Share Option Scheme and Pre-IPO Share Option Scheme

購股權計劃及首次公開發售前購股權計劃

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

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

Other Information 其他資料

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 of it becoming effective.

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

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

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

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

購股權計劃

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

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

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

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

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

Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme became effective on 10 December 2008. As at 30 June 2016, options to subscribe for an aggregate of 14,532,000 shares of the Company were granted, representing approximately 0.5% of the issued share capital of the Company as at 30 June 2016. 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.

On 8 June 2009, a total of 4,200,000 pre-IPO share options were granted to two executive Directors, which were partially exercised up to 30 June 2016. Movement of the remaining options during the six months ended 30 June 2016 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 2016 截至 二零一六年 六月三十日 尚未行使	Approximate percentage at issued share capital of the Company (%) 截至 已發行股本的 概約百分比(%)	Exercise Period 行權期間
			Outstanding as at 1 January 2016 截至 二零一六年 一月一日 尚未行使	Granted during the period 於期間 授予數目	Exercised during the period 於期間 行權數目	Forfeited during the period 於期間 失效			
WONG Sin Yung 黃善榕	8 June 2009 二零零九年 六月八日	Par Value 面值	630,000	—	—	—	630,000	0.02	4 July 2014 to 8 June 2019 二零一四年七月四日至 二零一六年六月八日
Total 合計			630,000	—	—	—	630,000	0.02	

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。截至二零一六年六月三十日，已授予總共 14,532,000 公司股份的購股權，大約佔本公司截至二零一六年六月三十日已發行股份之約 0.5%。沒有根據首次公開發售前購股權計劃授出的其他購股權。

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

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。截至二零一六年六月三十日，該購股權已部分被行使。這些首次公開發售前購股權於截至二零一六年六月三十日止六個月明細如下：

Other Information 其他資料

Apart from the above, options to subscribe for a total of 10,332,000 Shares under the Pre-IPO Share Option Scheme were granted to 40 employees of the Group on 8 June 2009. Of which, options to subscribe for 5,227,000 Shares granted to 28 employees were forfeited as at 30 June 2016. Movement of the outstanding options during the six months ended 30 June 2016 are as follows:

Except for the options which had been granted as disclosed above, no further options were granted as at 30 June 2016. Details of Pre-IPO Share Option Scheme are set out in Note 16 under the section headed “Notes to the Condensed Consolidated Financial Statements” in this interim report.

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

On 11 May 2016, the Company entered into a subscription agreement in relation to the issue of 250,000,000 new ordinary shares with a par value of HK\$0.10 each in the capital of the Company at the subscription price of HK\$0.31 per share to certain independent third parties (the “**Subscription**”). The Subscription was completed on 31 May 2016, and the net proceeds of the Subscription was approximately HK\$77.5 million. Approximately HK\$74.5 million of the net proceeds had been applied for the repayment of the existing shareholders’ loans and the balance had been used as the working capital of the Group.

For details, please refer to the announcements of the Company dated 11 May 2016 and 31 May 2016.

Save for the Subscription, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the period under review.

Compliance with the Corporate Governance Code

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

除此以外，在二零零九年六月八日，根據首次公開發售前購股權計劃，總共有 10,332,000 股股份的購股權分配給了本集團 40 名僱員。其中，截至二零一六年六月三十日之前授予二十八名僱員總共 5,227,000 股股份的購股權已被取消。尚未行使的購股權於截至二零一六年六月三十日止六個月的明細如下：

除了上述已經披露授出的購股權，截至二零一六年六月三十日，再無任何購股權授出。首次公開發售前購股權計劃詳見本中期報告簡明綜合財務報告附註 16。

購入、出售或贖回本公司之上市證券

本公司已於二零一六年五月十一日簽署認購協議，內容有關將 250,000,000 股新普通股以每股面值港幣 0.10 元和每股認購價港幣 0.31 元向若干獨立第三方發行（「**認購**」）。認購於二零一六年五月三十一日完成，而認購所得款項淨額約為港幣 77.5 百萬元。所得款項淨額約港幣 74.5 百萬元已用於償還股東貸款，餘額已用於本集團營運資金。

有關詳細信息，請查閱公司二零一六年五月十一日及二零一六年五月三十一日發布的公告。

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

遵守企業管治守則

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

The Board is of the view that the Company has complied with the applicable code provisions of the Corporate Governance Code as contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2016.

Model Code for Securities Transactions by Directors

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

Audit and Risk Management Committee

On 1 January 2016, the Audit Committee was renamed as the audit and risk management committee (the “**Audit and Risk Management Committee**”). The Audit and Risk Management Committee has adopted terms of reference which are in line with the Corporate Governance Code. The Audit and Risk Management Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2016 with the management of the Company and recommended its adoption by the Board.

Dividends

Following review of the operating results of the Group, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016.

By Order of the Board
CHEN Qiyuan
Chairman

Hong Kong, 30 August 2016

董事會認為，本公司截至二零一六年六月三十日止六個月期間一直遵守上市規則附錄14所載企業管治守則所載適用的守則條文。

董事進行證券交易的標準守則

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

審核及風險管理委員會

在二零一六年一月一日，審核委員會已更名為審核和風險管理委員會(以下簡稱「**審核及風險管理委員會**」)。審核及風險管理委員會已被授予與公司治理準則一致的職權範圍。審核及風險管理委員會已與公司管理層審閱本集團截至二零一六年六月三十日止六個月之未經審核中期業績，並建議董事會將其採納。

派息

根據本集團經營業績的回顧，董事會不建議派發關於截至二零一六年六月三十日止六個月的中期股息。

承董事會命
陳啟源
主席

香港，二零一六年八月三十日

Condensed Consolidated Statement of Profit or Loss

簡明綜合損益表

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		Notes 附註	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Continuing operations	持續經營業務			
Revenue	營業額	3	135,396	100,976
Cost of sales	銷售成本		(62,771)	(68,076)
Gross profit	毛利		72,625	32,900
Other income	其他收入		3,686	3,085
Changes in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益		(264)	(113)
Selling and distribution costs	銷售及分銷開支		(36,704)	(43,822)
Administrative expenses	行政費用		(16,730)	(23,814)
Other expenses	其他費用		(3)	(897)
Impairment loss on property plant and equipment	物業產房及設備之減值		—	(54,364)
Finance costs	融資成本	4	(1,446)	(1,113)
Profit/(loss) before taxation	稅前盈利/(虧損)	5	21,164	(88,138)
Income tax expense	稅項	6	—	—
Profit/(loss) for the period	本公司擁有人應佔有持續經營業務之期內盈利/(虧損)		21,164	(88,138)
Earnings/(loss) per share	每股盈利/(虧損)	8		
From continuing and discontinued operations	來自持續經營業務及已終止經營業務		0.71	(3.03)
Basic and diluted (RMB cents)	基本及攤薄(人民幣仙)			
From continuing operations	來自持續經營業務		0.71	(3.03)
Basic and diluted (RMB cents)	基本及攤薄(人民幣仙)			

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

Six months ended 30 June
截至六月三十日止六個月

	Note 附註	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Profit/(loss) for the period	本公司擁有人應佔有 持續經營業務之期內 盈利/(虧損)	21,164	(88,138)
Other comprehensive income for the period	期內其他全面收益		
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):	可於其後重新分類至 損益之項目 (扣除稅項):		
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌 差異	7,110	6,885
Total comprehensive income/(expense) for the period attributable to owners of the Company	本公司擁有人應佔年內 全面收益/(支出) 總額	28,274	(81,253)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2016
於二零一六年六月三十日

		Notes 附註	30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	151,092	154,999
Biological assets	生物資產	10	154	162
			151,246	155,161
Current assets	流動資產			
Inventories	存貨		38,849	40,909
Biological assets	生物資產	10	502	426
Trade and other receivables	貿易及其他應收款項	11	46,381	64,869
Amounts due from related parties	應收關聯方款項	18(a)	2,884	—
Cash and bank balances	銀行結存及現金	12	32,392	9,604
Deposit with bank	銀行存款	12	20,000	20,000
			141,008	135,808
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	13	137,888	171,888
Amounts due to related parties	應付關連方款項	18(a)	2,292	7,301
Income tax payables	應付所得稅		9,645	9,645
Provisions	計提準備		3,488	3,826
			153,313	192,660
Net current liabilities	流動負債淨值		(12,305)	(56,852)
Total assets less current liabilities	資產總值減流動負債		138,941	98,309

Condensed Consolidated Statement of Financial Position
簡明綜合財務狀況表

As at 30 June 2016
於二零一六年六月三十日

		Notes	30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-current liabilities	非流動負債			
Loans from controlling shareholders	控股股東借款	14	—	54,946
Deferred tax liabilities	遞延稅項負債		2,031	2,031
			2,031	56,977
Net assets	資產淨值		136,910	41,332
Capital and reserves	資本及儲備			
Share capital	股本	15(a)	277,878	256,705
Reserves	儲備	15(b)	(140,968)	(215,373)
Total equity	權益總額		136,910	41,332

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

		Attributable to owners of the Company 本公司擁有人應佔								
		Share capital	Share Premium	PRC statutory reserves 中國	Capital Reserve	Merger reserve	Exchange translation reserve	Other reserve	Accumulated losses	Total equity
		股本	股本溢價	法定儲備	資本儲備	合併儲備	匯兌儲備	其他儲備	累計虧損	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(note 15(a))	(note 15(b))	(note 15(b))	(note 15(b))	(note 15(b))	(note 15(b))	(note 15(b))	(note 15(b))	(note 15(b))
		(附註15(a))	(附註15(b))	(附註15(b))	(附註15(b))	(附註15(b))	(附註15(b))	(附註15(b))	(附註15(b))	(附註15(b))
At 1 January 2016 (audited)	於二零一六年一月一日 (經審核)	256,705	1,356,369	49,887	2,814	8,468	(29,185)	7,752	(1,611,478)	41,332
Profit for the period	期內盈利	-	-	-	-	-	-	-	21,164	21,164
Other comprehensive income for the period	期內其他全面收益	-	-	-	-	-	7,110	-	-	7,110
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	7,110	-	21,164	28,274
Deemed contribution arising from non-interest bearing loans from controlling shareholders	控股股東提供的免息貸款所產生之視同注資	-	-	-	-	-	-	8,256	-	8,256
Deemed distribution arising from early repayment of non-interest bearing loans from controlling shareholders	償還控股股東提供的免息貸款所選之視同減資	-	-	-	-	-	-	(6,587)	-	(6,587)
Issue of shares by way of placing	通過增發的方式發行新股	21,173	44,462	-	-	-	-	-	-	65,635
At 30 June 2016 (unaudited)	於二零一六年六月三十日 (未經審核)	277,878	1,400,831	49,887	2,814	8,468	(22,075)	9,421	(1,590,314)	136,910
At 1 January 2015 (audited)	於二零一五年一月一日 (經審核)	256,639	1,354,742	49,887	4,966	8,468	(26,474)	6,245	(1,501,422)	153,051
Loss for the period	期內虧損	-	-	-	-	-	-	-	(88,138)	(88,138)
Other comprehensive income for the period	期內其他全面收入	-	-	-	-	-	6,885	-	-	6,885
Total comprehensive expense for the period	期內全面支出總額	-	-	-	-	-	6,885	-	(88,138)	(81,253)
Deemed contribution arising from non-interest bearing loans from controlling shareholders	控股股東提供的免息貸款所產生之視同注資	-	-	-	-	-	-	269	-	269
Recognition of equity-settled share based payments	確認以股權結算並以股份為基礎的付款	67	1,627	-	(1,627)	-	-	-	-	67
Forfeiture of vested equity-settled share-based payments	沒收歸屬的以股權結算並以股份為基礎的付款	-	-	-	(525)	-	-	-	525	-
At 30 June 2015 (unaudited)	於二零一五年六月三十日 (未經審核)	256,706	1,356,369	49,887	2,814	8,468	(19,589)	6,514	(1,589,035)	72,134

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

Six months ended 30 June
截至六月三十日止六個月

		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
OPERATING ACTIVITIES	經營活動		
Profit/(loss) before taxation	稅前盈利/(虧損)	21,164	(88,138)
Adjustments for:	就下列作出調整：		
Bank interest income	銀行利息收入	(2)	(270)
Changes in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益	264	113
Depreciation of property, plant and equipment	物業、廠房及設備折舊	5,205	9,007
Finance costs	融資成本	1,446	1,113
Impairment loss recognised in respect of property, plant and equipment	物業、廠房及設備之減值損失 確認	—	54,364
Write-down of inventories	存貨跌價	468	867
Impairment loss recognised in respect of trade receivables	貿易應收款項之減值損失 確認	2,075	1,768
Loss on disposal of property, plant and equipment	處置物業、廠房及設備損失	3	8
Reversal of impairment loss of trade receivables	貿易應收款項壞賬撥回	—	(2,197)
Reversal of write-down of inventories	存貨跌價撥回	—	(679)
Operating cash flows before working capital changes	營運資金變動前之經營 資金流量	30,623	(24,044)
Decrease in inventories	存貨減少	1,592	3
Increase in biological assets	生物資產增加	(223)	—
Decrease in trade and other receivables	貿易及其他應收款項減少	23,478	28,325
Decrease in amounts due to related parties	應付關連方款項減少	(7,893)	(2,062)
Decrease in trade and other payables	貿易及其他應付款項減少	(34,000)	(10,496)
Decrease in provisions	計提費用減少	(338)	(1,706)
Cash generated from/(used in) operations	經營活動所產生/(所用)的現金	13,239	(9,980)
Income taxes paid	已付所得稅	—	—
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	經營活動所產生/(所用)的現金 淨額	13,239	(9,980)

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

Six months ended 30 June
截至六月三十日止六個月

		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,256)	(1,517)
Plantation expenditure of biological assets — non-current portion	生物資產種植支出 — 非流動部份	(109)	(108)
Bank interest received	已收銀行利息	2	671
Placement of deposit with bank	存置於銀行的存款	—	(20,000)
Proceeds from disposal of property, plant and equipment	處置物業、廠房及設備的所得款項	—	11
Receipt of deposit with bank	銀行存款之收款	—	20,000
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用的現金淨額	(1,363)	(943)
FINANCING ACTIVITIES	融資活動		
Proceeds from issue of new shares by way of placing	通過配售發行新股所得款項	65,635	—
Proceeds from loan from controlling shareholders	控股股東借款所得款項	29,323	31,684
Repayment of loan from controlling shareholders	償還控股股東借款	(84,046)	(26,139)
NET CASH FROM FINANCING ACTIVITIES	融資活動產生的現金淨額	10,912	5,545
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物產生/(減少)淨額	22,788	(5,378)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	於期初之現金及現金等價物	29,604	36,934
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動影響	—	—
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, representing bank balances and cash	於期終之現金及現金等價物 即指銀行結存及現金	52,392	31,556

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

1. Basis of Preparation

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

The condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2016 have been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”).

The Group had accumulated losses of approximately RMB1,590,314,000 and net current liabilities of approximately RMB12,305,000 as at 30 June 2016. In view of such circumstances, the directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

1. 編製基準

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

本公司及附屬公司(「本集團」)截至二零一六年六月三十日止的簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之適用披露條文以及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號中期財務報告編製。

於二零一六年六月三十日，本公司錄得累計虧損約人民幣1,590,314,000元及淨流動負債約人民幣12,305,000元。在此情況下，本公司董事已考慮本集團未來資金流動性和業績情況及可用的資金來源，以評估本集團是否擁有足夠的財務資源支持其持續經營。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

1. Basis of Preparation (Continued)

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

- (i) The Group had bank balances and cash of approximately RMB32,392,000 as at 30 June 2016;
- (ii) The Group had net profit of approximately RMB21,164,000 and had net operating cash inflow of approximately RMB13,239,000 for the six months ended 30 June 2016;
- (iii) The Group's Controlling Shareholders and Guangzhou Bawang Cosmetics Co., Ltd. ("Guangzhou Bawang"), an entity established in the People's Republic of China wholly-owned by the Controlling Shareholders, shall continue to provide loan facility to the Group until 31 December 2017 under the existing available facility amounted to approximately RMB140,000,000 as at 30 June 2016; and
- (iv) The Group shall implement cost-saving measures to maintain adequate cash flows for the Group's operations.

In light of the above, the directors of the Company are of the opinion that it is still appropriate to prepare the condensed consolidated financial statements for the six months ended 30 June 2016 on a going concern basis.

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

1. 編製基準 (續)

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

- (i) 本集團於二零一六年六月三十日持有銀行結存及現金約人民幣32,392,000元；
- (ii) 本集團錄得淨利潤達約人民幣21,164,000元，並截至二零一六年六月三十日止六個月錄得經營活動淨現金流入約人民幣13,239,000元；
- (iii) 本集團控股股東和其於中華人民共和國(「中國」)成立並全資擁有的廣州霸王化妝品有限公司(「廣州霸王」)將繼續根據現有貸款融資向本集團提供長期貸款融資，直至二零一七年十二月三十一日。於二零一六年六月三十日，該現有貸款融資下可用融資金額合計約人民幣140,000,000元；及
- (iv) 本集團將採取節省成本措施，維持充足現金流以供本集團業務營運之用。

有見於上述各項，本公司董事認為，按持續經營基準編製截至二零一六年六月三十日止六個月綜合財務報表仍屬恰當。

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

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

2. Principal Accounting Policies

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except as described below.

In the current year, the Group has applied for the first time, the following new standards, amendments and interpretation ("new IFRSs") issued by the IASB which are effective for the Group's financial year beginning 1 January 2016.

Amendments to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS38	Clarification of Acceptable Methods of Depreciation and Amortisations
Amendments to IAS 16 and IAS41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations

Except as described below, the application of the above amendments to IFRSs in the current interim period has had no material effect on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these condensed consolidated financial statements.

2. 主要會計政策

簡明綜合財務報表是以歷史成本基準編製，唯生物資產是以公允價值計量。

除下文所述之外，簡明綜合財務報表所使用的會計政策及計算方法與本集團編製截至二零一五年十二月三十一日止年度的綜合財務報表所依循者一致。

於本年度，本集團首次應用以下由國際會計準則委員會頒佈之國際財務報告準則之新準則、修訂及解釋（「新國際財務報告準則」），並於本集團財政年度二零一六年一月一日起生效。

國際財務報告準則之修訂本	國際財務報告準則之年度改進（二零一二年至二零一四年周期）
國際會計準則第1號之修訂本	披露措施
國際會計準則第16號、第38號之修訂本	釐清折舊及攤銷可接受之方法
國際會計準則第16號、第41號之修訂本	農業：生產性植物
國際會計準則第27號之修訂本	獨立財務報表之權益法
國際財務報告準則第10號、第12號及國際會計準則第28號之修訂本	投資實體：豁免合併的應用
國際財務報告準則第11號之修訂本	收購合營業務權益之會計處理

除下文所述之外，以上國際財務報告準則之修訂本於本中期之應用並無對本集團之財務表現及本中期及過往年度之狀況及/或對該等簡明綜合財務報表所載之披露事項產生任何重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

2. Principal Accounting Policies (Continued)

Annual Improvements to IFRSs 2012–2014 Cycle

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

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

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

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

2. 主要會計政策 (續)

國際財務報告準則之年度改進 (二零一二年至二零一四年週期)

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

國際財務報告準則第5號(修訂本)澄清由一種處置方式(如透過出售而處置或透過分派予擁有人處置)轉換成另一種方式不應被視為一項新處置計劃方式，而是原計劃之延續。因此，應用國際財務報告準則第5號之規定並未受影響。此外，修訂本亦澄清改變處置方式並不會改變分類日期。

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

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

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

2. Principal Accounting Policies (Continued)

Annual Improvements to IFRSs 2012-2014 Cycle (Continued)

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

The application of the amendments included in the Annual Improvements to IFRSs 2012-2014 Cycle has had no material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial statements.

Amendments to IAS 1 Disclosure Initiative

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

2. 主要會計政策 (續)

國際財務報告準則之年度改進 (二零一二年至二零一四年週期) (續)

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

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

國際會計準則第1號(修訂本)披露措施

該等修訂本釐清公司應運用專業判斷以決定應在財務報表披露資料種類,以及資料的呈列章節及排序。具體而言,實體應在考慮所有相關事實及情況後,決定如何在財務報表(包括附註)內歸納資料。倘披露產生的資料並不重要,則實體毋須按國際財務報告準則規定提供具體披露。於此情況下,即使國際財務報告準則載有一系列特定要求或指明其為最低要求,實體亦毋須作出披露。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

2. Principal Accounting Policies (Continued)

Amendments to IAS 1 Disclosure Initiative (Continued)

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

Furthermore, the amendments clarify that:

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

The application of Amendments to IAS 1 has had no material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial statements.

2. 主要會計政策 (續)

國際會計準則第1號(修訂本)披露措施(續)

此外，該等修訂本就呈列額外報表項目、標題及小計(倘呈列該等資料與理解該實體分別的財務狀況及財務表現有關)提供額外規定。倘實體對聯營公司或合營企業有投資，則須呈列所分佔聯營公司或合營企業的其他全面收益，並使用權益法入賬，分為以下項目分類：(i)其後將不會重新分類入損益的項目；及(ii)於達成特定條件後將重新分類入損益的項目。

再者，該等修訂本澄清：

- (i) 實體於決定附註的次序時，應考慮對其財務報表的可理解性及可比性的影響；及
- (ii) 重大會計政策毋須於一個附註中披露，惟可納入其他附註的相關資料中。

日後應用國際會計準則第1號(修訂本)不會對本集團的財務資料及中期財務資料內作出的披露構成重大影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

2. Principal Accounting Policies (Continued)

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

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

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

As the Group uses straight-line method for depreciation of property, plant and equipment, the application of Amendments to IAS 16 and IAS 38 has had no material impact on the disclosures or on the amounts recognised in the Group's condensed consolidated financial statements.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

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

2. 主要會計政策 (續)

國際會計準則第16號及第38 號之修訂本釐清可接受之折舊 及攤銷方法

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

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

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

國際會計準則第16號和第41 號之修訂本農業：生產性植物

國際會計準則第16號及國際會計準則第41號之修訂本為生產性植物定義。符合生產性植物定義的生物資產將根據國際會計準則第16號，而非國際會計準則第41號入賬。生產性植物上生長的農產品則繼續根據國際會計準則第41號入賬。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

3. Revenue and Segment Information

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

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

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

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

Also, the executive directors of the Company are provided with segment information concerning segment revenue and result. Segment assets and liabilities are not reported to the executive directors of the Company regularly.

3. 營業額及分部資料

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

為分配資源及評估分部表現，向主要經營決策者，即本公司之執行董事報告之訊息，着重於產品線及地域之分佈組合。各分部是根據其獨特的產品特點和戰略作為單獨經營分部來管理的。本集團之主要運營決策者認為本集團沒有可以合併呈報的經營分部。

根據國際財務報告準則第8號，本集團之可報告的經營分部為：

- 護髮產品
- 護膚產品
- 其他家用及個人護理產品

本公司的執行董事獲提供有關分部收入和分部業績的信息，而分部資產和負債的信息則不會定期向本公司執行董事報告。

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

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

3. Revenue and Segment Information (Continued)

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

For the six months ended 30 June 2016

3. 營業額及分部資料(續)

以下是本集團按可報告的持續經營分部收入及業績分析：

截至二零一六年六月三十日止六個月

	Hair-care products	Skin-care products	Other household and personal care products	Total
	護髮產品	護膚產品	其他家用及個人護理產品	合計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue from external customers 來自外部客戶之收入	107,837	9,753	17,806	135,396
Segment profit/(loss) 分部盈利/(虧損)	25,505	1,698	(5,389)	21,814
Change in fair value less costs to sell in respect of biological assets 生物資產公允價值減銷售成本的變動損益				(264)
Bank interest income 銀行利息收入				213
Other income 其他收入				3,473
Corporate and other unallocated expenses 未分配之總部與其他開支				(2,626)
Finance costs 融資成本				(1,446)
Profit before taxation from continuing operations 持續經營業務之稅前盈利				21,164

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

3. Revenue and Segment Information (Continued)

For the six months ended 30 June 2015

3. 營業額及分部資料(續)

截至二零一五年六月三十日止六個月

		Hair-care products	Skin-care products	Other household and personal care products	Total
		護髮產品	護膚產品	其他家用及個人護理產品	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue from external customers	來自外部客戶之收入	90,667	4,085	6,224	100,976
Segment losses	分部虧損	(66,492)	(1,606)	(8,532)	(76,630)
Change in fair value less costs to sell in respect of biological assets	生物資產公允價值減銷售成本的變動損益				(113)
Bank interest income	銀行利息收入				270
Other income	其他收入				618
Corporate and other unallocated expenses	未分配之總部與其他開支				(11,170)
Finance costs	融資成本				(1,113)
Loss before taxation from continuing operations	持續經營業務之稅前虧損				(88,138)

Segment results represent the profit/(loss) made by each segment without allocation of changes in fair value less costs to sell of biological assets, bank interest income, compensation income, net exchange gains/losses, central administration cost, directors' emoluments and finance costs. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment.

分部業績指各分部所錄得之盈利(虧損)，當中並無分配生物資產的公允價值減銷售成本的變動損益、銀行利息收入、賠償收入、匯兌收益/虧損淨額、中央管理成本、董事薪酬以及融資成本。此及為資源分配及表現評估而向本公司之執行董事報告之計量方式。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

4. Finance Costs

4. 融資成本

Six months ended 30 June
截至六月三十日止六個月

	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Imputed interest on non-interest bearing loans from controlling shareholders 控股股東無息借款之估算利息	1,446	1,113

5. Profit/(Loss) Before Taxation

5. 稅前盈利/(虧損)

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

持續經營業務之稅前盈利/(虧損)已(計入)扣除下列項目：

Six months ended 30 June
截至六月三十日止六個月

	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Bank interest income 銀行利息收入	(213)	(270)
Depreciation of property, plant and equipment 物業、廠房及設備折舊	5,205	9,007
Impairment loss recognised in respect of property, plant and equipment (included in other expenses) 確認物業、廠房及設備的減值損失(計入其他費用)	—	54,364
Impairment loss recognised in respect of trade receivables 確認貿易應收款項減值損失	2,075	1,768
Net loss on disposal of property, plant and equipment 處置物業、廠房及設備的淨損失	3	8
Redundancy costs 僱員遣散費	—	2,702
Reversal of impairment loss of trade receivables 撥回貿易應收款項減值損失	—	(2,197)
Reversal of write-down of inventories (included in cost of sales) 存貨跌價準備撥回(計入銷售成本)	—	(679)
Write-down of inventories (included in cost of sales) 存貨跌價準備(計入銷售成本)	468	867

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

6. Income Tax Expense

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

The PRC EIT Law allows enterprises to apply for the certificates of "High and New Technology Enterprise" ("HNTE") which entitles the qualified companies to a preferential income tax rate of 15%. Bawang (Guangzhou) Co., Ltd. ("Bawang Guangzhou"), a PRC subsidiary of the Group, was qualified as a HNTE in 2009 and the qualification was renewed and valid until 2018. However, Bawang Guangzhou did not have any assessable profits subject to Enterprise Income Tax for the six months ended 30 June 2015 and had tax losses brought forward to offset the assessable profits generated for the six months ended 30 June 2016.

- (ii) No provision for Hong Kong Profits Tax has been provided as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2016 and 2015.
- (iii) Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI for the current and previous interim periods.

6. 所得稅支出

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

企業所得稅法允許企業申請高新技術企業(「高新技術企業」)證書，而獲得該資格的企業可以享有15%的優惠稅率。本集團的中國境內子公司霸王(廣州)有限公司(「霸王廣州」)於二零零九年被認證為高新技術企業，並獲續期至二零一八年有效。然而，截至二零一五年六月三十日止六個月，本集團並沒有任何須繳納企業所得稅之應課稅盈利，而本集團所累積的稅損結轉將用作抵扣截至二零一六年六月三十日止的應課稅盈利。

- (ii) 截至二零一六年及二零一五年六月三十日止六個月，本集團並沒有任何須繳納香港所得稅之應課稅溢利，所以並無作出香港利得稅撥備。
- (iii) 根據開曼群島及英屬處女群島「英屬處女群島」的規則及條例，本集團無須為以前及本中期繳納開曼群島及英屬處女群島的任何稅項。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

6. Income Tax Expense (Continued)

- (iv) Pursuant to the Implementation Rules of the EIT Law, overseas investors of foreign investment companies shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which the beneficiary owner is holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. The Group did not make provision for withholding income tax for the six months ended 30 June 2016 and 2015 since the PRC subsidiaries had accumulated losses.

7. Dividends

No dividends were paid, declared or proposed during the interim period. The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

6. 所得稅支出 (續)

- (iv) 根據企業所得稅法實施條例，自二零零八年一月一日起，除非獲條約減低稅率，外商投資企業的海外投資者須就來自中國附屬公司溢利的股息繳付10%預扣所得稅。根據避免中港兩地雙重徵稅安排，於香港創立的投資者如果持有中國附屬公司不低於25%權益且為受益所有人，則可享受來自其中國附屬公司的股息的寬減預扣稅稅率5%。由於中國附屬公司均發生虧損，因此本集團於截至二零一六年及二零一五年六月三十日止六個月並沒有計提預扣所得稅。

7. 股息

中期期間內並無派付、宣派或擬派任何股息。本公司董事不建議派付截至二零一六年六月三十日止六個月的任何中期股息(截至二零一五年六月三十日止六個月：無)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

8. Earnings/(Loss) Per Share

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the earnings (six month ended 30 June 2015: loss) for the period of approximately RMB21,164,000 (six months ended 30 June 2015: approximately RMB88,138,000) and the weighted average number of approximately 2,981,866,000 shares (six months ended 30 June 2015: approximately 2,911,105,000 shares) ordinary shares in issue during the period.

For the six months ended 30 June 2016 and 2015, the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share.

The computation of diluted earnings/(loss) per share for the six months ended 30 June 2016 and 2015 did not assume the exercise of the Company's share options as the effect is anti-dilutive.

9. Movements in Property, Plant and Equipment

During the six months ended 30 June 2016, the Group acquired assets with a cost of approximately RMB1,256,000 (six months ended 30 June 2015: approximately RMB1,517,000).

Assets with a carrying amount of approximately RMB3,000 were disposed of by the Group during the six months ended 30 June 2016 (31 December 2015: approximately RMB28,000), resulting in a net loss on disposal of approximately RMB3,000 (31 December 2015: approximately RMB8,000).

8. 每股盈利/(虧損)

本公司擁有人應佔持續經營業務之每股基本及攤薄盈利/(虧損)是根據持續經營業務之期內盈利約人民幣21,164,000元(截至二零一五年六月三十日止六個月:虧損約人民幣88,138,000元)及期內已發行普通股加權平均數約2,981,866,000股(截至二零一五年六月三十日止六個月:約2,911,105,000股)計算。

截至二零一六年及二零一五年六月三十日止六個月的每股攤薄盈利(虧損)等同每股基本盈利/(虧損)。

由於本公司的購股權具有反攤薄效果，所以在計算截至二零一六年及二零一五年六月三十日止六個月期間每股攤薄盈利/(虧損)時，並無假設行使任何本公司的購股權。

9. 物業、廠房及設備的變動

截至二零一六年六月三十日止六個月，本集團購入資產的成本大約為人民幣1,256,000元(截至二零一五年六月三十日止六個月:約人民幣1,517,000元)。

截至二零一六年六月三十日止六個月，本集團將賬面淨值為人民幣3,000元的資產處置掉(截至二零一五年十二月三十一日止:約人民幣28,000元)，導致約人民幣3,000元的處置物業、廠房及設備的淨損失(截至二零一五年十二月三十一止:約人民幣8,000元)。

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

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

10. Biological Assets

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

10. 生物資產

生物資產是指位於中國大陸的種植基地裡種植的中草藥。

		Six months ended 30 June 2016 截至二零一六年 六月三十日 止六個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Year ended 31 December 2015 截至二零一五年 十二月三十一日 止年度 RMB'000 人民幣千元 (Audited) (經審核)
At 1 January 2016/ 1 January 2015	於二零一六年一月一日/ 二零一五年一月一日	588	601
Changes in fair value less costs to sell	公允價值減銷售成本的 變動損益	(264)	(122)
Plantation expenditure	種植支出	332	254
Herbs harvested during the period/year	期內/年內收穫的中草藥	—	(145)
At 30 June 2016/ 31 December 2015	於二零一六年六月三十日/ 二零一五年十二月三十一日	656	588
Non-current portion	非流動部分	154	162
Current portion	流動部分	502	426
At 30 June 2016/ 31 December 2015	於二零一六年六月三十日/ 二零一五年十二月三十一日	656	588

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

As at 30 June 2016, the Group had 139 hectares (31 December 2015: 139 hectares) of growing herbs.

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

截至二零一六年六月三十日，本集團擁有139公頃(二零一五年十二月三十一日：139公頃)種植的中草藥。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

10. Biological Assets (Continued)

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

The following unobservable inputs were used in level 3 fair value measurements of the Group's biological assets as at 30 June 2016:

Unobservable inputs 不可觀察資料	Range of unobservable inputs (weighted average) 不可觀察資料範圍 (加權平均值)	Relations of unobservable inputs to fair value 不可觀察資料與公允價值之關係
Growing herbs yield — kg per hectare 種植之中草藥收成 — 每公頃千克	30–700 (279) per year 每年30–700 (279)	The higher the growing herbs yield, the higher the fair value 種植之中草藥收成越多， 公允價值越高
Growing herbs price 種植之中草藥價格	RMB3–RMB105 (RMB32) per kg 每千克人民幣3元–人民幣105元 (人民幣32元)	The higher the market price, the higher the fair value 種植之中草藥市值越高， 公允價值越高
Discount rate 折現率	11% (11%) per annum 每年11% (11%)	The higher the discount rate, the lower the fair value 種植之中草藥折現率越高， 公允價值越低

10. 生物資產 (續)

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

以下為截至二零一六年六月三十日有關生物資產第三級公允價值計量之不可觀察資料：

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

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

10. Biological Assets (Continued)

The following unobservable inputs were used in level 3 fair value measurements of the Group's biological assets as at 31 December 2015:

10. 生物資產 (續)

以下為截至二零一五年十二月三十一日有關生物資產第三級公允價值計量之不可觀察資料：

Unobservable inputs 不可觀察資料	Range of unobservable inputs (weighted average) 不可觀察資料範圍 (加權平均值)	Relations of unobservable inputs to fair value 不可觀察資料與公允價值之關係
Growing herbs yield — kg per hectare 種植之中草藥收成 — 每公頃千克	30–550 (421) per year 每年30–550 (421)	The higher the growing herbs yield, the higher the fair value 種植之中草藥收成越多， 公允價值越高
Growing herbs price 種植之中草藥價格	RMB3–RMB100 (RMB35) per kg 每千克人民幣3元–人民幣100元 (人民幣35元)	The higher the market price, the higher the fair value 種植之中草藥市值越高， 公允價值越高
Discount rate 折現率	11% (11%) per annum 每年11% (11%)	The higher the discount rate, the lower the fair value 種植之中草藥折現率越高， 公允價值越低

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

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

There has been no change from the valuation technique used in the annual consolidated financial statements for the year ended 31 December 2015. In estimating the fair value of the biological assets, the highest and best use of the biological assets is their current use.

估值技術較截至二零一五年十二月三十一日止年度之年度綜合財務報表所使用者並無改變。就計量生物資產之公允價值而言，生物資產之最有效使用值為其現時之使用值。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

10. Biological Assets (Continued)

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

		Six months ended 30 June 2016 截至二零一六年 六月三十日 止六個月 RMB'000 人民幣千元 (Unaudited) (未經審核)	Year ended 31 December 2015 截至二零一五年 十二月三十一日 止年度 RMB'000 人民幣千元 (Audited) (經審核)
At 1 January 2016/ 1 January 2015	於二零一六年一月一日/ 二零一五年一月一日	588	601
Addition	添置	332	254
Change in fair value due to transformation	因形態轉變而產生之 公允價值變動	(264)	(122)
Transfer to inventory	轉至存貨	—	(145)
At 30 June 2016/ 31 December 2015	於二零一六年六月三十日/ 二零一五年十二月三十一日	656	588

The above changes in fair value recognised in profit or loss of approximately RMB264,000 (year ended 31 December 2015: approximately RMB122,000) is presented on the face of the condensed consolidated statement of profit or loss and other comprehensive income. Included in the changes in fair value is an amount of approximately RMB264,000 (year ended 31 December 2015: approximately RMB122,000) that is attributable to the change in unrealised gains or losses relating to biological assets held at the end of the reporting period.

10. 生物資產(續)

生物資產之循環性第三級公允價值計量對賬：

以上於損益中確認之公允價值變動約人民幣264,000元(截至二零一五年十二月三十一日止年度：約人民幣122,000元)已於簡明綜合損益及其他全面收益表上呈現。其中約人民幣264,000元(截至二零一五年十二月三十一日止年度：約人民幣122,000元)之公允價值變動乃歸於與報告期末持有生物資產相關之未實現利潤或虧損之變動。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

11. Trade and Other Receivables

Included in trade and other receivables are debtors (net of allowance for bad debt and doubtful debts) with the following ageing analysis presented based on the invoice date, which approximates the respective revenue recognition dates:

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
0-90 days	0-90天	18,617	39,592
91-180 days	91-180天	14,179	15,719
181-365 days	181-365天	8,154	3,651
Over 365 days	超過365天	—	710
Total debtors, net of allowance for bad debt and doubtful debts	應收賬款壞賬準備	40,950	59,672
Prepayment for purchase of raw materials	支付購買原材料款項	358	1,655
Short-term prepaid advertising fee	短期預付廣告費用	40	44
Other receivables	其他應收款	5,033	3,498
		46,381	64,869

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

本集團允諾貿易客戶平均信貸期限為30至90天。

12. Deposit with Bank/Bank Balances and Cash

Deposit with bank

As at 30 June 2016, deposit with bank of RMB20,000,000 with maturity in May 2017 (31 December 2015: RMB20,000,000, with maturity in May 2016), carries interest at fixed rate of 2.75% (31 December 2015: 2.75%) per annum.

12. 銀行存款/銀行結存及現金

銀行存款

於二零一六年六月三十日，銀行存款人民幣20,000,000元將於二零一七年五月到期(二零一五年十二月三十一日：人民幣20,000,000元於二零一六年五月到期)，固定年利率為2.75%(二零一五年十二月三十一日：2.75%)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

12. Deposit with Bank/Bank Balances and Cash (Continued)

Bank balances and cash

As at 30 June 2016, cash at bank carries interest at floating rates based on daily bank deposits rates of 0.001% to 0.35% (2015: 0.001% to 0.35%) per annum.

13. Trade and Other Payables

Included in trade and other payables are creditors with the following ageing analysis presented based on the invoice date at the end of the reporting period:

12. 銀行存款/銀行結存及現金 (續)

銀行結存及現金

於二零一六年六月三十日，銀行現金按每日銀行存款浮動年利率0.001%至0.35%（二零一五年度：0.001%至0.35%）計算利息。

13. 貿易及其他應付款項

貿易及其他應付款的賬齡分析的呈列是基於報告期內的發票日期：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
0-30 days	0-30天	3,514	32,856
31-90 days	31-90天	716	978
Total creditors	應付賬款	4,230	33,834
Receipt in advance	預收賬款	24,094	29,595
Payable for acquisition of property, plant and equipment	購買廠房、設備與機器相關的賬款	13,896	14,152
Promotion fee payable	應付促銷費	9,209	19,042
Accrued payroll	應付工資	770	1,012
Other payables and accruals	其他應付款	85,689	74,253
		137,888	171,888

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

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

14. Loans from Controlling Shareholders

The Controlling Shareholders and Guangzhou Bawang undertook to provide a loan facility to the Group in an amount up to RMB140,000,000 for a period from 15 March 2013 to 31 December 2015 and was further extended to 31 December 2017. The long-term loans are unsecured, interest-free and repayable by 31 December 2017 or earlier as determined by the Group. During the year ended 31 December 2015, the Group had drawn down HK\$40,000,000 (equivalent to approximately RMB31,684,000) under the facility. As at 31 December 2015, the carrying amount of the loans from Controlling Shareholders was approximately RMB54,946,000 (30 June 2016: nil). The effective interest rate of the loans from Controlling Shareholders was 5% (30 June 2016: nil) per annum. As at 31 December 2015, the available facilities was approximately RMB85,058,000 (30 June 2016: nil).

On 17 March 2016, an additional amount of HK\$35,000,000 (equivalent of approximately RMB29,323,000) was drawn down by the Group.

On 3 June 2016, all the loans from controlling shareholders were fully repaid.

14. 控股股東借款

控股股東及廣州霸王承諾向本集團提供一筆長期貸款融資，金額高達人民幣140,000,000元，有效期由二零一三年三月十五日至二零一五年十二月三十一日及進一步延長至二零一七年十二月三十一日。此長期借款為無抵押、免息及由本集團決定於二零一七年十二月三十一日或之前償還。截至二零一五年十二月三十一日止年度內，本集團獲得一筆金額為港元40,000,000（相當於人民幣31,684,000元）的借款。截至二零一五年十二月三十一日，控股股東借款賬面價值為人民幣54,946,000元（二零一六年六月三十日止：無）。控股股東借款的有效年利率為5%（二零一六年六月三十日止：無）。截至二零一五年十二月三十一日，有限融資額度約為人民幣85,058,000元（二零一六年六月三十日止：無）。

於二零一六年三月十七日，控股股東提供港元35,000,000（相當於人民幣29,323,000元）的借款給本集團。

於二零一六年六月三日，所有的股東借款已經全部償還。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

15. Share Capital and Reserves

(a) Share capital

15. 股本及儲備

(a) 股本

		Number of shares 股份數目 '000 千	Amount 報告金額 RMB\$'000 人民幣千元
Ordinary shares of HK\$0.1 each	每股港元0.10之普通股		
Authorised ordinary shares: At 1 January 2014 (audited), 31 December 2015 (audited) and 30 June 2016 (unaudited)	法定普通股： 於二零一四年一月一日 (經審核)，二零一五年 十二月三十一日 (經審核)及二零一六年 六月三十日(未經審核)	10,000,000	880,500
Issued and fully paid ordinary shares: At 1 January 2015 (audited)	已發行及已付訖普通股： 於二零一五年一月一日 (經審核)	2,910,971	256,639
Issue of shares under share option scheme (note)	購股權計劃下發行股票 (附註)	840	66
At 31 December 2015 and 1 January 2016 (audited)	於二零一五年十二月 三十一日及二零一六年 一月一日(經審核)	2,911,811	256,705
Issue of 250,000,000 new shares of HK\$0.1 each at a price of HK\$0.31 each per placing share by way of placing in May 2016	於二零一六年五月以 增發的方式發行 250,000,000新股，每股 面值為0.10港元，增發 價格為每股0.31港元	250,000	21,173
At 30 June 2016 (unaudited)	於二零一六年六月三十日 (未經審核)	3,161,811	277,878

The new shares rank pari passu with the existing shares in all respects.

新股票跟已存在的股票在各方面享有同等權益。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

15. Share Capital and Reserves (Continued)

(b) Nature and purpose of reserves

(i) Share premium

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

(ii) Capital reserve

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

(iii) PRC statutory reserves

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

15. 股本及儲備(續)

(b) 儲備性質及用途

(i) 股本溢價

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

(ii) 資本儲備

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

(iii) 中國法定儲備

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

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

15. Share Capital and Reserves (Continued)

(b) Nature and purpose of reserves (Continued)

(iii) PRC statutory reserves (Continued)

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

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

(iv) Merger reserve

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

15. 股本及儲備(續)

(b) 儲備性質及用途(續)

(iii) 中國法定儲備(續)

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

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

(iv) 合併儲備

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

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

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

15. Share Capital and Reserves (Continued)

(b) Nature and purpose of reserves (Continued)

(v) Translation reserve

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

(vi) Other reserve

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

16. Equity Settled Share-Based Transactions

Pre-IPO Share Option Scheme

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

15. 股本及儲備(續)

(b) 儲備性質及用途(續)

(v) 匯兌儲備

包括換算中國境外業務之財務報表所產生的全部匯兌差額。

(vi) 其他儲備

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

16. 以股權結算並以股份為基礎的交易

首次公開發售前購股權計劃

本公司董事於二零零八年十二月十日批准首次公開發售前購股權計劃。於二零零九年六月八日，本公司有條件地根據首次公開發售前購股權計劃向董事、高級管理層成員及僱員授出若干首次公開發售前購股權。行使此等購股權賦予本公司兩名董事認購合共4,200,000股本公司股份，以及四十名高級管理層和僱員認購合共10,332,000股本公司股份的權利。根據本公司與每個受益人簽訂的授予函件，首次公開發售前購股權計劃項下的每股股份行使價為其面值港元0.1(四人在此列，其中包括兩名董事)或港元1.19，即按全球發售下發售價港元2.38折讓50%(三十八人在此列)。根據首次公開發售前購股權計劃授出的每份購股權的行權等待期為由上市日期起計一年至五年，所有購股權必須於二零一九年六月八日前行使。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

16. Equity Settled Share-Based Transactions (Continued)

Pre-IPO Share Option Scheme (Continued)

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

	Six months ended 30 June 2016 截至 二零一六年六月三十日 止六個月		Year ended 31 December 2015 截至 二零一五年十二月三十一日 止年度	
	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of options 購股權 數量 '000 千	Weighted average exercise price 加權平均 行使價 HK\$ 港元	Number of options 購股權 數量 '000 千
Outstanding at the beginning of the period/year 於期/年初尚未行使	0.77	1,654	0.62	2,834
Exercised during the period/year 期/年內行使	n/a	—	0.01	(840)
Forfeited during the period/year 期/年內被沒收	n/a	—	1.19	(340)
Outstanding at the end of the period/year 於期/年末尚未行使	0.77	1,654	0.77	1,654

At 30 June 2016, 1,654,000 share options were exercisable (31 December 2015: 1,654,000).

16. 以股權結算並以股份為基礎的交易(續)

首次公開發售前購股權計劃(續)

下表披露董事及僱員在當期和以前期間擁有本公司購股權的變動情況：

截至二零一六年六月三十日止，1,654,000股股票期權存在(二零一五年十二月三十一日：1,654,000股)。

17. Fair Value Measurements of Financial Instruments

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

17. 財務工具的公允價值計量

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

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

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

18. Related Party Transactions

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

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

18. 關連方交易

除簡明綜合財務報表披露外，本集團已於期內進行下列關連方交易及結餘：

- (a) 於呈報期末之結餘如下：

		Amounts due (to)/from related parties (應付)/應收關連方款項	
		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Non-trade related	非貿易相關		
Guangzhou Bawang (note i)	廣州霸王(附註(i))	—	(5,308)
Trade related	貿易相關		
Guangzhou Chenming Paper Products Company Limited (Guangzhou Chenming) (note ii)	廣州晨明紙品有限公司(「廣州晨明」)(附註(ii))	(2,251)	(1,934)
Guangzhou Qiancai Packaging Materials Co., Ltd. ("Guangzhou Qiancai") (note ii)	廣州市倩采包裝材料有限公司(「廣州倩采」)(附註(ii))	(40)	(59)
		(2,292)	(7,301)
Non-trade related	非貿易相關		
Guangzhou Bawang (note i)	廣州霸王(附註(i))	2,884	—
Trade related	貿易相關		
Guangzhou Friend's Group Information Technology Company Limited ("Guangzhou Friend's Group") (note iii)	廣州親友團科技信息有限公司(「廣州親友團」)(附註(iii))	—	75
		2,884	75

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

18. Related Party Transactions (Continued)

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

Notes:

- (i) Guangzhou Bawang was effectively 100% owned by the Controlling Shareholders of the Company. As at 30 June 2016 and 31 December 2015, the balance due from Guangzhou Bawang mainly represented rental payable. The balance was unsecured, interest-free and repayable on demand.
- (ii) Guangzhou Chenming and Guangzhou Qiancai are under the control of the close family members of the Controlling Shareholders of the Company. The credit term granted by Guangzhou Chenming and Guangzhou Qiancai is 30 days. The balance was unsecured and interest-free. As at 30 June 2016 and 31 December 2015, the amounts due to Guangzhou Chenming and Guangzhou Qiancai were due within 1 month or on demand.
- (iii) Guangzhou Friend's Group was under the control of the close family members of the Controlling Shareholders of the Company. The credit terms granted to Guangzhou Friend's Group is 15 days. The balances were unsecured and interest-free.

18. 關連方交易 (續)

- (a) 於呈報期末尚未償付之結餘如下：(續)

附註：

- (i) 廣州霸王由本公司控股股東100%有效擁有。於二零一六年六月三十日和二零一五年十二月三十一日，廣州霸王的期末結餘主要為應付租金。有關結餘無抵押、免息並按要求償還。
- (ii) 廣州晨明和廣州倩采是由本公司控股股東關係密切的家庭成員控制的。由廣州晨明和廣州倩采給予的信貸期為30日。有關結餘無抵押及免息。於二零一六年六月三十日及二零一五年十二月三十一日，廣州晨明和倩采的期末餘額一個月內到期或按要求償還。
- (iii) 廣州親友團是本公司控股股東的近親屬控制的有限公司，本公司給廣州親友團的信用期是15天。有關結餘無擔保免息的。

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

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

18. Related Party Transactions (Continued)

(b) During the period, the Group entered into the following transactions with the related parties:

18. 關連方交易 (續)

(b) 於回顧期內，本集團與關連方訂立如下交易：

		Six months ended 截至六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Trade related			
貿易相關			
Guangzhou Chenming (note i)	Purchase of packaging materials	2,545	2,476
廣州晨明(附註(i))	採購包裝材料		
Guangzhou Qiancai (note ii)	Purchase of packaging materials	382	105
廣州倩采(附註(ii))	採購包裝材料		
Non-trade related			
非貿易相關			
Guangzhou Bawang (note iii)	Utilities paid on behalf	196	188
廣州霸王(附註(iii))	代墊交付水電費		
Guangzhou Bawang International Hotel Co., Ltd. (note iv)	Catering service received	555	647
廣州霸王國際大酒店有限公司(附註(iv))	接受會議及餐飲服務		
Guangzhou Bawang (note v)	Rent of production plant and office premises	7,277	7,277
廣州霸王(附註(v))	租賃生產廠房和辦公場所		

Notes:

- (i) During the six months ended 30 June 2016, packaging materials were purchased from Guangzhou Chenming amounting to approximately RMB2,545,000 (six months ended 30 June 2015: approximately RMB2,476,000). The directors of the Company have confirmed that the basis of consideration for the purchase of packaging materials is the prevailing market price.
- (ii) During the six months ended 30 June 2016, packaging materials were purchased from Guangzhou Qiancai amounting to approximately RMB382,000 (six months ended 30 June 2015: approximately RMB105,000). The directors of the Company have confirmed that the basis of consideration for the purchase of packaging materials is the prevailing market price.

附註：

- (i) 截至二零一六年六月三十日止六個月，向廣州晨明購買的包裝材料之金額約人民幣2,545,000元(截至二零一五年六月三十日止六個月：約人民幣2,476,000元)。本公司董事確認上述包裝材料的購買是以現行市價為考慮基準。
- (ii) 截至二零一六年六月三十日止六個月，向廣州倩採購的包裝材料之金額約人民幣382,000元(截至二零一五年六月三十日止六個月：約人民幣105,000元)。本公司董事確認上述包裝材料的購買是以現行市價為考慮基準。

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

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

18. Related Party Transactions (Continued)

- (b) During the period, the Group entered into the following transactions with the related parties: (Continued)

Notes: (Continued)

- (iii) During the six months ended 30 June 2016, utilities expenses were paid on behalf of the Group by Guangzhou Bawang amounting to approximately RMB196,000 (six months ended 30 June 2015: approximately RMB188,000).

- (iv) During the six months ended 30 June 2016, meeting and catering services were provided to the Group by Guangzhou Bawang International Hotel Co., Ltd. amounting to approximately RMB555,000 (six months ended 30 June 2015: approximately RMB647,000). Guangzhou Bawang International Hotel Co., Ltd. was effectively 100% owned by the Controlling Shareholders of the Company. The directors of the Company are of the opinion that the above transactions were conducted on normal commercial terms in the ordinary course of business.

- (v) The Group and Guangzhou Bawang had entered into the following lease agreements in relation to rental of production premises and office building.

On 9 August 2013, Bawang Guangzhou and Guangzhou Bawang entered into lease agreements, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production plant and office premises at fixed monthly rental of RMB1,120,000 and RMB92,800, respectively. The terms of the lease under the agreements are 3 years from 9 August 2013. Details of which were set out in the Company's announcement dated 9 August 2013. During the six months ended 30 June 2016, approximately RMB7,277,000 (six months ended 30 June 2015: approximately RMB7,277,000) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

18. 關連方交易 (續)

- (b) 於回顧期內，本集團與關聯方訂立如下交易：(續)

附註：(續)

- (iii) 截至二零一六年六月三十日止六個月，廣州霸王代本集團支付的水電費合共約人民幣196,000元(截至二零一五年六月三十日止六個月：約人民幣188,000元)。

- (iv) 截至二零一六年六月三十日止六個月，廣州霸王國際大酒店有限公司向本集團提供的會議及餐飲服務費用總計人民幣約555,000元(截至二零一五年六月三十日止六個月：約人民幣647,000元)。廣州霸王國際大酒店有限公司由本公司控股股東100%有效擁有。本公司董事認為上述交易乃在日常業務過程中按正常商業條款進行的。

- (v) 本集團與廣州霸王已訂立下列有關租賃生產廠房及辦公室樓宇的租賃協議。

於二零一三年八月九日，霸王廣州與廣州霸王訂立兩份租賃協議。據此，霸王廣州向廣州霸王租賃生產廠房及辦公場地，每月固定租金及管理費用分別為人民幣1,120,000元和人民幣92,800元，租期自二零一三年八月九日起有效期三年。詳情載於公司二零一三年八月九日發佈的公告。截至二零一六年六月三十日止六個月，約人民幣7,277,000元(二零一五年六月三十日止六個月：約人民幣7,277,000)已計入綜合損益表中。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

18. Related Party Transactions (Continued)

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

18. 關連方交易 (續)

- (c) 本公司董事及其他主要管理層成員於期內的酬金如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Short-term employee benefits	短期僱員福利	1,065	775
Contribution to defined contribution retirement plans	定期供款退休福利計劃供款	76	86
Loss of office compensation	離職補償金	—	575
		1,141	1,436

19. Commitments

19. 資本承擔

		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Audited) (經審核)
Capital commitments for acquisition of property, plant and equipment contracted for but not provided for in the condensed consolidated financial statements	已簽約但並無在簡明綜合財務報表中反映的有關購買物業、廠房及設備的資本承擔	7,410	7,553

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

20. Litigation

- (a) The directors of the Company consider that the contents of the relevant article published by a media company on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, the Group commenced legal proceedings in the High Court of Hong Kong in October 2010 against the media company seeking, inter alia, damages and an injunction to restrain the media company from publishing such contents or similar contents. The trial of the legal proceedings has been completed on 29 August 2015, and judgment has been handed down by the High Court of Hong Kong on 23 May 2016 whereby the media company was required to pay the Group for general damages for libel in an aggregate amount of approximately HK\$3,005,000 and 80% of the legal expenses incurred by the Group. The compensation in relation to general damages for libel has been received by the Group on 3 June 2016 and recognised as other income during the period.

On 20 June 2016, after seeking legal advice, the Group originally decided to appeal against the judgment. The Group had served a notice of appeal to the judgment (the "Notice of Appeal") and lodged the Notice of Appeal with the Court of Appeal of the High Court of Hong Kong the next day on 21 June 2016. Subsequently on 23 June 2016, the Group decided to withdraw the appeal and filed a request for dismissal (the "**Request for Dismissal**") of its appeal as the Group intends to focus its financial resources and attention to their business operation. On 30 June 2016, the Request for Dismissal was approved by the Court of Appeal of the High Court of Hong Kong and accordingly the appeal was formally dismissed.

20. 法律訴訟

- (a) 董事認為一間傳媒公司於二零一零年七月十四日發表的相關雜誌文章內容均為對本集團的誹謗/或惡意中傷。因此，本集團已於二零一零年十月在香港高等法院向該傳媒公司提起法律訴訟。其中，要求該傳媒公司賠償損失並且禁止出版該內容或類似內容。該法律訴訟已於二零一五年八月二十九日結束審訊。於二零一六年五月二十三日，本集團收到了香港高等法院頒佈的判決結果即該傳媒公司被高等法院下令支付本集團合共約3,005,000港元的誹謗一般損害賠償，並支付本集團有關法律訴訟的80%的法律費用。於二零一六年六月三日，本集團已經收到了該傳媒公司誹謗的所有一般損害賠償款，並確認為其他收入。

二零一六年六月二十日，本集團在尋求了法律意見後，原先決定就該判決結果提出上訴，本集團亦在隔天即二零一六年六月二十一日向香港高等法院遞交了上訴書。緊接著於二零一六年六月二十三日，本集團決定取消上訴，並遞交了撤訴申請（「**撤訴申請**」），因為本集團希望集中財務資源及專注力於本集團業務營運方面。於二零一六年六月三十日，本集團遞交的撤訴申請已經被香港高等法院批准同意，至此上訴申請正式撤回。

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

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

20. Litigation (Continued)

- (b) In prior years, a lawsuit was filed by a former subcontractor against Bawang Beverage in People's Court of Songjiang District of Shanghai (the "Shanghai Court") in respect of a dispute in the material processing contract between the former subcontractor and Bawang Beverage. In 2013, Bawang Beverage received a civil order issued by the Shanghai Court, which accepted the application by the former subcontractor for property attachment prior to lawsuit to freeze Bawang Beverage's bank accounts in the amount of approximately RMB873,000 or other assets under the name of Bawang Beverage. In connection with the lawsuit, one of Bawang Beverage's bank accounts with an amount of approximately RMB309,000 was frozen. No accrual has been recorded by the Group as at 31 December 2013 based on the opinion provided by the PRC legal counsel acting on behalf of Bawang Beverage.

On 20 June 2014, Shanghai No. 1 Intermediate People's Court gave its final ruling that Bawang Beverage was liable to the former subcontractor for an amount of approximately RMB643,000 and a legal cost of approximately RMB19,000. Accordingly, provision for litigation in amount of approximately RMB662,000 was recognised as other expense in the consolidated statement of profit or loss and amount of approximately RMB324,000 was settled during the year ended 31 December 2014. During the period from 1 December 2015 to 30 June 2016 and up to the date of this report, the remaining provision of approximately RMB338,000 has not been settled.

20. 法律訴訟(續)

- (b) 早前，一名前分銷商在上海松江區人民法院(「上海法院」)就該前分銷商及霸王飲料之間的原料加工合同糾紛向霸王飲料提起訴訟。於二零一三年，霸王飲料收到了上海法院的民事判決書，上海法院受理了前分銷商的訴前財產保全申請，凍結了霸王飲料銀行賬戶約人民幣873,000元或霸王飲料名下的其他資產。在此訴訟中，霸王飲料其中一個銀行賬戶被凍結了約人民幣309,000元。於二零一三年十二月三十一日，根據中華人民共和國代表霸王飲料的法律顧問提供的意見，本集團尚未對此計提任何準備。

上海第一中級人民法院於二零一四年六月二十日作出最終裁決，霸王飲料須向前分銷商支付約人民幣643,000元的賠償金和約人民幣19,000元的訴訟費。此外，訴訟計提合計約人民幣662,000元已被確認於綜合損益表中為其他費用，約人民幣324,000元已在截至二零一四年十二月三十一日止年度內償還。截至二零一五年十二月一日和二零一六年六月三十日止及本報告發佈之日，約人民幣338,000元的剩餘計提尚未結算。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

20. Litigation (Continued)

- (c) In prior years, a lawsuit was filed by Bawang Guangzhou against a supplier in District Court for the incomplete construction and unsatisfactory performance of plant and machineries provided by the supplier. On 2 February 2015, the District Court issued a verdict for the lawsuit whereby (i) the purchase contracts for the plant and machineries were terminated; (ii) the supplier should pay Bawang Guangzhou a sum of approximately RMB22,518,000 representing purchase cost paid and liquidated damages in addition to interest; and (iii) the plant and machineries concerned should be dismantled and removed from the factory of Bawang Guangzhou.

During the year ended 31 December 2015, Bawang Guangzhou applied for an injunction against the supplier in District Court to execute the court order handed down in 2014. As at the date of this report, the legal proceedings are in progress. Upon further negotiation with the supplier, Bawang Guangzhou is willing to settle the case outside the court. During the period from 1 December 2015 to 30 June 2016 and up to the date of this report, no agreement has been signed and no settlement has been received from the supplier.

20. 法律訴訟(續)

- (c) 早前，霸王廣州就未完成之工程及所提供的廠房和機器設備性能不佳向地方法院起訴某供應商。於二零一五年二月二日，地區法院作出判決(i)終止機器設備的採購合同；(ii)供應商應支付霸王廣州購買成本、違約金及利息損失合計約人民幣22,518,000元；並(iii)從霸王廣州的廠房拆除該廠房和機器設備。

截至二零一五年十二月三十一日止年度，霸王廣州向地方法院申請向該供應商執行二零一四年作出的法院判決。截至本公告日，法律程序正在進行中。與供應商進一步談判，霸王廣州願意接受庭外和解。由二零一五年十二月一日至二零一六年六月三十日止及直至本公告日，雙方尚未簽署任何協議，也未收到供應商任何賠付。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016

截至二零一六年六月三十日止六個月

20. Litigation (Continued)

- (d) During the year ended 31 December 2015, a lawsuit was filed by a total of 14 former employees against Bawang Guangzhou in the District Court in respect of termination compensation for a total sum of approximately RMB2,891,000 representing related severance payments, salaries and social insurance expenses. As at the date of this report, judgement has been handed down by the District Court for 2 employees and the Group was liable to compensate approximately RMB19,000 and the legal proceedings for remaining cases are still in progress. Provision of litigation in the amount of RMB500,000 was recognised during the year ended 31 December 2015, based on the opinion provided by the PRC legal counsel acting on behalf of Bawang Guangzhou, representing the maximum compensation estimated by the PRC legal counsel up to the date of this report and the estimate remains unchanged up to the date of this report.
- (e) During the year ended 31 December 2015, a lawsuit was filed by a former employee against Bawang Guangzhou in the District Court in respect of termination compensation. On 8 October 2015, the District Court gave its first ruling that Bawang Guangzhou was liable to the former employee for a sum of approximately RMB149,000 representing related severance payments and salaries. Both the plaintiff and Bawang Guangzhou lodged an appeal against the decision. No hearing has yet been fixed for the appeal during the six months ended 30 June 2016 and up to the date of this report.

20. 法律訴訟(續)

- (d) 截至二零一五年十二月三十一日止年度，十四名公司前任僱員在地區法院訴請霸王廣州違法解除勞動合同賠償金、工資和社保費用約人民幣2,891,000元。截至本公告日，地區法院已經就其中兩名前任僱員做出判決即本集團有義務要向其支付約人民幣19,000元的賠償款，其餘人員的法律程序正在進行中。根據霸王廣州的中國代表律師的法律意見，於二零一五年十二月三十一日確認了人民幣500,000元的計提準備計入合並報表中，根據中國律師的法律意見，預估的最大賠償金額仍然不會有大的改變。
- (e) 截至二零一五年十二月三十一日止年度，一名公司前任僱員在地區法院訴請霸王廣州終止賠償。於二零一五年十月八日，地區法院作出一審判決，霸王廣州向原告支付遣散費和工資約人民幣149,000元。原告和霸王廣州均表示不服判決要上訴。截止二零一六年六月三十日直至本報告日，尚未收到上訴通知。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2016
截至二零一六年六月三十日止六個月

20. Litigation (Continued)

- (f) In prior years, a total of three lawsuits were filed by the same supplier against Bawang Guangzhou in the District Court and Guangzhou Arbitration Commission for a total sum of approximately RMB1,810,000 and RMB859,000 respectively, representing outstanding retention fees and construction fees. On 21 March 2016, judgement was handed down by the District Court on two of the cases and the Group is required to settle the outstanding retention and construction fees of RMB1,810,000 (which is same as the provided aforesaid provision amount.) As at the date of this report, the third legal case is still in progress. The provision of litigation in the amount of approximately RMB2,669,000 was recognised during year ended 31 December 2015 and remained up to the date of the report.

20. 法律訴訟(續)

- (f) 早前，一個供應商分別在地區法院和廣州市仲裁委員會向霸王廣州提起總共三項訴訟，要求支付金額分別為約人民幣1,810,000元和約人民幣859,000元。於二零一六年三月二十一日，地區法院就其中的兩項訴訟已經做出判決，即本集團被要求支付滯納金和施工費合計人民幣1,810,000元(與前述金額一致)。截至本公告日，第三個法律訴訟程序正在進行中。截止二零一五年十二月三十一日確認了約人民幣2,669,000元計準備計入合並報表中，直至本報告日，該金額仍然確認。