



BaWang International (Group) Holding Limited 霸王國際(集團)控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code: 01338

股票代碼: 01338



Interim Report 2021 2021 年中期報告

* for identification purposes only
僅供識別

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Corporate Information

公司資料

Directors

Executive Directors

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

Independent non-executive Directors

Dr. NGAI Wai Fung *PhD, CPA, FCCA, FCG, FCS (P.E.)*
 CHEUNG Kin Wing *FCA, CPA*
 Dr. WANG Qi *PhD*

Audit and Risk Management Committee

Dr. NGAI Wai Fung *PhD, CPA, FCCA, FCG, FCS (P.E.)*
 (*Chairman*)
 CHEUNG Kin Wing *FCA, CPA*
 Dr. WANG Qi *PhD*

Remuneration Committee

CHEUNG Kin Wing *FCA, CPA (Chairman)*
 Dr. NGAI Wai Fung *PhD, CPA, FCCA, FCG, FCS (P.E.)*
 CHEN Zheng He

Nomination Committee

CHEN Qiyuan (*Chairman*)
 Dr. NGAI Wai Fung *PhD, CPA, FCCA, FCG, FCS (P.E.)*
 CHEUNG Kin Wing *FCA, CPA*

Company Secretary

WONG Sin Yung *CPA*

Authorised Representatives

CHEN Zheng He
 WONG Sin Yung *CPA*

董事

執行董事

陳啟源(主席)
 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, FCG, FCS (P.E.)*
 張建榮 *FCA, CPA*
 王琦博士 *PhD*

審核及風險管理委員會

魏偉峰博士 *PhD, CPA, FCCA, FCG, FCS (P.E.)*
 (主席)
 張建榮 *FCA, CPA*
 王琦博士 *PhD*

薪酬委員會

張建榮 *FCA, CPA (主席)*
 魏偉峰博士 *PhD, CPA, FCCA, FCG, FCS (P.E.)*
 陳正鶴

提名委員會

陳啟源(主席)
 魏偉峰博士 *PhD, CPA, FCCA, FCG, FCS (P.E.)*
 張建榮 *FCA, CPA*

公司秘書

黃善榕 *CPA*

授權代表

陳正鶴
 黃善榕 *CPA*

Corporate Information 公司資料

Registered Office

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

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

468 Guanghua 3rd Road
Bawang Industrial Complex
Baiyun District
Guangzhou
510450
PRC

Place of Business in Hong Kong

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

Hong Kong Branch Share Registrar and Transfer Office

Boardroom Share Registrars (HK) Limited
2103B, 21/F., 148 Electric Road
North Point
Hong Kong

註冊辦事處

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

中國主要營業地點

中國
廣州
白雲區
廣化三路468號
霸王工業園
郵編：510450

香港營業地點

香港
九龍
尖沙咀
柯士甸道122號
麗斯中心
16樓B室

香港證券登記及過戶處

寶德隆證券登記有限公司
香港
北角
電氣道148號21樓2103B室

Corporate Information 公司資料

Cayman Islands Principal Share Registrar and Transfer Office

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

開曼群島證券過戶登記總處

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

Registered Public Interest Entity Auditor

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

註冊公眾利益實體核數師

信永中和(香港)會計師事務所有限公司
香港
銅鑼灣
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Legal Advisor on Hong Kong Law

Fangda Partners
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香港法律顧問

方達律師事務所
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康樂廣場8號
交易廣場1期26樓

Company's Website

www.bawang.com.cn

公司網址

www.bawang.com.cn

Stock Code

01338

股票代碼

01338

Principal Bankers

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

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號

Bank of China Limited
1073 Jichang Road
Guangzhou 510410
PRC

中國銀行股份有限公司
中國
廣州市
機場路1073號
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 Group for the six months ended 30 June 2021 was approximately RMB115.6 million, representing a decrease of approximately 6.7% from approximately RMB123.9 million for the same period last year. The operating loss of the Group for the six months ended 30 June 2021 was approximately RMB14.1 million, as compared with the operating loss of approximately RMB4.6 million for the same period last year.

For the six months ended 30 June 2021, the net loss of the Group was approximately RMB14.3 million, as compared with the net loss of approximately RMB5.3 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 report.

During the period under review, the Group continued to operate under the value-chain-oriented business model, which enabled the Group to control the cost of sales and operating costs at a sustainable level.

During the period under review, to satisfy the consumers’ need for high-end shampoo and hair-care products, we have successfully rolled out new Bawang-branded Chinese-style amino acid product series at our direct-operating point-of-sales at Walmart and Yonghui. Repeated close-encounter promotional activities that are interactive and interesting have been carried out so as to increase our brand influence and to enhance sales revenue.

During the period under review, advertisements of our branded products were showcased in supermarkets, underground metros and taxis in cities such as Shanghai, Shenzhen and Guiyang. Additionally, we continued to leverage on the influence arising from the “College Students Advertising Festival” (大學生廣告藝術節) in spring and to cooperate with some colleges to publicise our branded products. Through on-campus publicity education, we let more and more young people understand the concept of hair-care using herbal shampoo and hair-care products.

During the period under review, we set up professional team to carry out brand publicity and instant sales of our branded products online during live-streaming programs. Through cross-industry co-operations, we publicised our branded products through Little Red Book, Weibo, B Station, and other popular social media platforms to promote our anti-hair fall products.

業務回顧

董事報告本集團截至二零二一年六月三十日止六個月的總收入約人民幣115.6百萬元，較二零二零年同期約人民幣123.9百萬元下降了約6.7%。本集團截至二零二一年六月三十日止六個月期間錄得經營虧損約人民幣14.1百萬元，而去年同期錄得經營虧損約人民幣4.6百萬元。

本集團截至二零二一年六月三十日止六個月錄得淨虧損約人民幣14.3百萬元，而去年同期錄得淨虧損約人民幣5.3百萬元。

關於本集團經營業績的更多信息，請參照本報告之「財務回顧」部分。

於回顧期內，本集團繼續執行價值鏈導向的業務模式，使其將銷售成本及營運成本控制在可持續的水平。

於回顧期內，為滿足消費者對高端洗護產品的需求，我們已成功在沃爾瑪和永輝等直營賣場推出霸王品牌的中國風氨基酸系列新品。我們通過多場次的兼具互動性和趣味性的貼櫃秀促銷活動以擴大品牌影響力和提高銷售收入。

於回顧期內，我們在上海、深圳及貴陽等城市的商超、地鐵及出租車內進行我們品牌廣告投放。此外，我們繼續利用於春季舉行的「大學生廣告藝術節」的影響力，並和一些大學合作以推廣我們的品牌產品。我們通過在校園的宣傳教育活動讓更多的年輕人了解使用中草藥洗髮護髮產品護髮的概念。

於回顧期內，我們組建了專業的電商直播團隊，通過直播帶貨方式來推廣品牌和現場銷售我們的品牌產品。通過跨界合作來宣傳我們的品牌產品，通過與小紅書，微博，B站以及其他流行的社交媒體平台推廣我們的防脫產品。

Management Discussion and Analysis

管理層討論及分析

During the period under review, we continued to participate in community welfare events so as to enhance our public image as a responsible corporation. In particular, the Group made donations of Bawang-branded HPC and antiseptic sanitary products to the residents of infected areas in Guangzhou, which helped to publicise our corporate mission and enhance our corporate image.

As at 30 June 2021, the Bawang brand distribution network comprised 882 distributors and eight KA retailers, covering 26 provinces and four municipalities in China. Furthermore, the products of the Group were also sold in Hong Kong, Singapore, Thailand and Malaysia.

During the period under review, the Group marketed the branded shampoo products, “Royal Wind”, with the theme “Let’s chase for the wind rather than wait for the wind”. As at 30 June 2021, the Royal Wind brand distribution network comprised 139 distributors, covering 26 provinces and four municipalities in China. Furthermore, the products of the Group were also sold in Hong Kong, Singapore, Thailand and Malaysia.

Our Litao products mainly comprised shower gels and laundry detergents, targeting consumers living in the second-tier or third-tier cities in China. The Group’s goal is to widen the market coverage to cover the whole of China. As at 30 June 2021, the Litao products distribution network comprised 104 distributors and five KA retailers, covering 26 provinces and four municipalities in China.

Our Herborn Chinese herbal skincare product series targets white-collar ladies in the age range from 25 to 45 who have relatively high net incomes and are dedicated to pursue a healthy and natural lifestyle through the use of herbal-based products for skincare purpose.

As at 30 June 2021, the Group has established online flagship stores for our Bawang, Royal Wind and Herborn branded products on 14 online retailing platforms in China. We will deepen our efforts in the development of this channel.

During the period under review, we have obtained, renewed, and/or are in possession of the following certificates and/or accreditations:

- the permit for production of cosmetic products, which was issued by Guangdong Medical Products Administration, is valid until March 2026;

於回顧期內，我們繼續開展援助社會公益活動以提升我們作為負責任的企業的公眾形象。特別地，本集團為廣州疫區居民捐贈家庭及個人護理產品和消殺產品，這有助於宣傳我們的公司使命，提升企業形象。

截至二零二一年六月三十日止，霸王品牌分銷網絡包括882個分銷商及八個重點零售商，覆蓋中國26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、泰國以及馬來西亞。

於回顧期內，本集團推廣追風品牌的營銷主題「等風來，不如追風去」。截至二零二一年六月三十日，追風品牌分銷網絡包括139個分銷商，覆蓋中國26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、泰國以及馬來西亞。

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。截至二零二一年六月三十日，麗濤品牌分銷網絡包括104個分銷商及五個重點零售商，覆蓋中國26個省份及四個直轄市。

本草堂中草藥護膚產品之目標客戶群體是擁有相對較高的收入、熱衷使用草本類產品作護膚用途以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。

截至二零二一年六月三十日止，本集團已經在14個線上零售平台上建立了霸王、追風和本草堂以及小霸王的線上旗艦店。我們會深化力量去發展這渠道。

於回顧期內，我們獲得，更新及/或依然持有的證書及/或認證如下：

- 廣東省藥品監督管理局頒發的化妝品生產許可證書，有效期截至二零二六年三月；

Management Discussion and Analysis 管理層討論及分析

- 10 Bawang-branded Chinese herbal shampoos and hair-care series products have been recognised as “The 2019 New High-Tech Products in Guangdong Province (廣東省高新技術產品)” by the Guangdong Provincial New Hi-tech Enterprise Association (廣東省高新技術企業協會) in December 2019 for a period of three years until the end of 2022;
- three Bawang branded series shampoos were again recognised as “The 2018 New High-Tech Products in Guangdong” by the Department of Science and Technology of Guangdong Province in December 2018 for a period of three years until the end of 2021;
- our production process for haircare and skincare products has been certified by SGS with a validity period until July 2022 as to meet the requirements of US FDA CFSAN by reference to Cosmetic Good Manufacturing Practices (GMP) Guidelines 2008;
- our production process for haircare and skincare products has been certified by SGS with a validity period until July 2022 as to meet the requirements of ISO22716:2007 by reference to Cosmetic Good Manufacturing Practices (GMP) Guidelines;
- we were awarded “Committee Unit” by Guangdong Food & Drug Technology Association for Evaluation & Certification, which is valid until December 2023; and
- we were accredited as Grade A credit rating taxpayer for 2020 by Guangzhou Municipal Tax Service of the State Taxation Administration on 8 June 2021.
- 於二零一九年十二月，霸王品牌十種中草藥洗護髮系列產品被廣東省高新技術企業協會認定為「2019年廣東省高新技術產品」，有效期為三年即截至二零二二年底；
- 霸王品牌三大系列產品重新被廣東省科學技術廳認定為「2018年廣東省高新技術產品」，有效期為三年即截至二零二一年底；
- 我們護髮護膚產品的生產流程通過了SGS機構的評估，獲得美國食品安全營養中心有關化妝品良好生產規範(GMP)2008的認證，有效期截至二零二二年七月；
- 我們護髮護膚產品的生產流程通過了SGS機構評估，獲得國際標準組織化妝品生產操作指南ISO22716：2007有關化妝品良好生產規範(GMP)認證，有效期截至二零二二年七月；
- 我們獲廣東省食品藥品審評認證技術協會評為「委員單位」，有效期至二零二三年十二月；及
- 我們於二零二一年六月八日被國家稅務總局廣州市稅務局評定為二零二零年度納稅信用A級納稅人。

Financial Review

Revenue

During the six months ended 30 June 2021, the Group's revenue from operations amounted to approximately RMB115.6 million, representing a decrease of approximately 6.7% from approximately RMB123.9 million for the same period last year. Revenue through the online sales channel was approximately RMB57.2 million, representing a decrease of approximately 12.4% from approximately RMB65.3 million for the same period last year.

財務回顧

營業額

截至二零二一年六月三十日止六個月，本集團收入約人民幣115.6百萬元，較去年同期經營業務收入的約人民幣123.9百萬元減少了約6.7%。電商渠道的營業額約人民幣57.2百萬元，較去年同期約人民幣65.3百萬元下降了約12.4%。

Management Discussion and Analysis

管理層討論及分析

During the six months ended 30 June 2021, the Group's core brand, Bawang, generated a revenue of approximately RMB110.3 million, which accounted for approximately 95.4% of the Group's total revenue, and represented a decrease of approximately 4.3% as compared with the same period last year.

During the six months ended 30 June 2021, the Group's branded Chinese herbal anti-dandruff haircare series, Royal Wind, generated a revenue of approximately RMB1.9 million, which accounted for approximately 1.6% of the Group's total revenue, and represented a decrease of approximately 17.4% as compared with the same period last year.

During the six months ended 30 June 2021, the Group's natural-based branded shampoo, shower gel and laundry detergent products series, Litao, generated a revenue of approximately RMB3.4 million, which accounted for approximately 2.9% of the Group's total revenue, and represented a decrease of approximately 15.0% as compared with the same period last year.

During the six months ended 30 June 2021, the Group's branded Chinese herbal skincare series, Herborn, generated a revenue of approximately RMB0.1 million, which accounted for approximately 0.1% of the Group's total revenue, represented a decrease of approximately 94.4% as compared with the same period last year.

We sold our products through extensive distribution and retail networks, via conventional and/or online sales channels. During the six months ended 30 June 2021, a summary of our sales revenue in percentage through different networks and/or channels are as follows:

Network/Channel	網絡/渠道	Conventional 傳統 (%)	Online 電商 (%)	Total 合計 (%)
Distributor	分銷商	43.8	25.6	69.4
Retailer	零售商	6.7	23.9	30.6
Total	合計	50.5	49.5	100.0

During the six months ended 30 June 2021, our products were also sold in Hong Kong, Singapore, Thailand and Malaysia. The sales to these overseas markets accounted for approximately 0.9% of our total revenue during the six months ended 30 June 2021.

截至二零二一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110.3百萬元，約佔本集團總收入的95.4%，較去年同期下降了約4.3%。

截至二零二一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1.9百萬元，約佔本集團總收入的1.6%，較去年同期下降了約17.4%。

截至二零二一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、沐浴露和洗衣液產品系列麗濤的收入約人民幣3.4百萬元，約佔本集團總收入的2.9%，較去年同期下降了約15.0%。

截至二零二一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0.1百萬元，約佔本集團總收入的0.1%，較去年同期下降約94.4%。

我們通過廣泛的分銷商和零售商網絡，也通過傳統和電商兩個渠道銷售我們的產品，截止二零二一年六月三十日止六個月，綜述我們通過不同網絡和/或渠道的銷售額百分比列示如下：

截至二零二一年六月三十日止六個月，我們的產品已在香港、新加坡、泰國和馬來西亞市場上銷售。截至二零二一年六月三十日止六個月，這些境外市場的營業額約佔本集團總銷售額的0.9%。

Management Discussion and Analysis

管理層討論及分析

Cost of Sales

During the six months ended 30 June 2021, cost of sales amounted to approximately RMB75.7 million, representing a decrease of approximately RMB3.5 million (or approximately 4.4%) from approximately RMB79.2 million during the same period last year. The overall decrease in cost of sales was primarily due to a decrease in the volume and cost of production which was driven by lower demand for our products. As a percentage of revenue, cost of sales for the six months ended 30 June 2021 increased from approximately 63.9% in 2020 to approximately 65.5%, which was mainly due to (1) an increase in unit indirect cost incurred in manufacturing overheads resulting from an increase in depreciation expenses of right of use assets; and (2) more complimentary giveaways were offered to distributors so as to enhance our sales, which led to an increase in cost of gift products and contributed to the overall increase in cost of sales.

Gross Profit

During the six months ended 30 June 2021, the Group's gross profit amounted to approximately RMB39.9 million, representing a decrease of approximately 10.9% from approximately RMB44.8 million for the same period last year. The gross profit margin for the six months ended 30 June 2021 also decreased from approximately 36.1% in the first half of 2020 to approximately 34.5%. The decrease in the gross profit margin was mainly attributable to the combined effect of a decrease in sales revenue, and the increase in unit cost incurred in manufacturing overheads and cost of gift products.

Selling and Distribution Costs

During the six months ended 30 June 2021, selling and distribution costs amounted to approximately RMB42.0 million, representing an increase of approximately 12.9% from approximately RMB37.2 million for the same period last year. As a percentage of revenue, our selling and distribution costs for the six months ended 30 June 2021 increased from approximately 30.0% in 2020 to approximately 36.3% in 2021. The increase was primary due to an increase in marketing and promotion expenses and advertising and brand expenses, but was partially offset by a decrease in goods delivery expenses.

銷售成本

截至二零二一年六月三十日止六個月，銷售成本約為人民幣75.7百萬元，較去年同期的約人民幣79.2百萬元下降了約人民幣3.5百萬元（或約4.4%）。整體銷售成本下降的主要原因是本集團產品的需求下降導致的生產量及生產成本下降。按佔營業額的百分比，銷售成本從二零二零年同期的約63.9%增加至二零二一年六月三十日止的約65.5%，其主要原因是由於(1)使用權資產折舊費用增加使得單位製造費用間接成本增加；及(2)本集團為促進銷售而給於經銷商更多的免費贈品，從而使得贈品成本增加並帶動整體銷售成本增加。

毛利

截至二零二一年六月三十日止六個月，本集團的毛利下降至約人民幣39.9百萬元，與去年同期約人民幣44.8百萬元相比下降了約10.9%。截至六月三十日止六個月的毛利率亦從二零二零年上半年的約36.1%下降到二零二一年六月三十日止六個月的約34.5%。銷售收入下降，及單位製造費用及贈品成本增加的綜合影響是毛利率下降的主要原因。

銷售及分銷開支

截至二零二一年六月三十日止六個月，銷售及分銷開支約人民幣42.0百萬元，較去年同期的約人民幣37.2百萬元增加了約12.9%。就營業額佔比而言，截至二零二一年六月三十日止六個月的銷售及分銷開支，從去年同期的約30.0%增加到約36.3%，其增加的主要原因是由於營銷推廣費和廣告及品牌推廣費的增加，但部分被物流運輸費的減少所抵減。

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Administrative Expenses

During the six months ended 30 June 2021, administrative expenses amounted to approximately RMB14.1 million, representing an increase of approximately 7.6% from approximately RMB13.1 million for the same period last year. The decrease was primarily due to an increase in salaries and bonus, social insurance contribution and research and development expenses, but was partially offset by the decrease in vehicle expenses and severance payment.

Reversal of Impairment Losses

For the period under review, the Group has made a reversal of impairment losses of approximately RMB1.1 million in respect of trade receivables following the management's assessment on credit risk of our financial assets by adopting the expected credit loss according to IFRS 9.

Loss from Operations

The Group recorded an operating loss of approximately RMB14.1 million for the six months ended 30 June 2021, as compared with the operating loss of approximately RMB4.6 million for the same period last year. The increased in operating loss was mainly attributable to a decrease in revenue and the continual increase in the Group's marketing and promotion expenses in response to fierce market competition to maintain its market share.

Finance Costs

For the six months ended 30 June 2021, the Group had no interest costs on bank borrowing (six months ended 30 June 2020: RMB0.04 million), and the interest on lease liabilities in the amount of approximately RMB0.2 million as a result of the adoption of IFRS16 with effect from 1 January 2019 (six months ended 30 June 2020: RMB0.7 million).

Other Income

The Group recorded other income of approximately RMB1.0 million for the six months ended 30 June 2021, representing a decrease of approximately 9.1% from approximately RMB1.1 million for the same period last year. Such decrease was primarily attributable to a decrease in income derived from financial products.

行政費用

截至二零二一年六月三十日止六個月，行政費用約人民幣14.1百萬元，較去年同期的約人民幣13.1百萬元增加了約7.6%。其增加的主要原因是工資和獎金，社保費用及研發費用的增加，但部分被車輛費用和遣散費的減少所抵減。

減值損失回撥

在回顧期內，管理層根據國際報告準則第9號的預期信貸損失對金融資產進行信貸風險評估後，本集團撥回了約人民幣1.1百萬元的貿易應收款項之減值損失。

經營虧損

本集團截至二零二一年六月三十日止六個月錄得經營虧損約為人民幣14.1百萬元，而去年同期則錄得經營虧損約人民幣4.6百萬元。經營虧損增加的主要原因是銷售收入的減少，以及本集團為應對市場激烈的競爭以維持市場份額使得促銷推廣費用持續增加。

融資成本

截至二零二一年六月三十日止六個月，本集團無銀行借款利息成本(截止二零二零年六月三十日止六個月：人民幣0.04百萬元)，及因二零一九年一月一日生效的國際財務報告準則第16號的採用而產生的租賃負債的利息金額約為人民幣0.2百萬元(截止二零二零年六月三十日止六個月：人民幣0.7百萬元)。

其他收入

本集團截止二零二一年六月三十日止六個月錄得其他收入約人民幣1.0百萬元，較去年同期約人民幣1.1百萬元減少了約9.1%，其減少的主要原因是金融產品理財收益的減少。

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Income Tax Expense

During the six month periods ended 30 June 2021, the Group had no income tax expense (six months ended 30 June 2020: nil).

Net Loss for the Period from Operations

As a result of the combined effect of the abovementioned factors, the Group recorded a net loss from operations of approximately RMB14.3 million for the six months ended 30 June 2021, as compared with the net loss from operations of approximately RMB5.3 million for the six months ended 30 June 2020.

Loss for the Period Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded a loss attributable to owners of the Company of approximately RMB14.3 million for the six months ended 30 June 2021, as compared with a loss attributable to owners of the Company of approximately RMB5.3 million for the six months ended 30 June 2020.

Outlook

In late June 2021, the World Bank maintained its growth forecast for China's economy at 8.5 per cent for 2021, but the World Bank expected the economic growth rate would decrease to 5.4 per cent in 2022 as a result of diminishing fiscal and monetary support and more prudent measures in sectors such as property development.

However, the PRC government has officially set an economic growth target of "above 6.0 per cent" for 2021 as the country continued its strong rebound from the impact of the coronavirus pandemic in 2020, which was below the expectation of a 8.6% economic growth by economists in a study.

According to statistics released by China's National Bureau of Statistics ("NBS") in mid-July 2021, China's economy grew by 7.9 per cent in the second quarter of 2021, compared with a 12.7 per cent growth in the first half of 2020.

所得稅支出

截至二零二一年六月三十日期間，本集團沒有發生所得稅支出(截至二零二零年六月三十日止六個月：無)。

期內營運淨虧損

因上述因素的綜合影響，本集團截至二零二一年六月三十日止六個月錄得營運淨虧損約為人民幣14.3百萬元，而截至二零二零年六月三十日止六個月錄得營運淨虧損約為人民幣5.3百萬元。

本公司擁有人應佔期內虧損

因上述因素的綜合影響，本集團截至二零二一年六月三十日止六個月錄得本公司擁有人應佔期內虧損約人民幣14.3百萬元，而截至二零二零年六月三十日止六個月則錄得應佔虧損約人民幣5.3百萬元。

展望

二零二一年六月底，世界銀行維持其對中國經濟8.5%的增長預期，但世界銀行預計由於中國政府減少財政和貨幣政策的支持以及在房地產等行業採取更謹慎的措施，二零二二年經濟增長率將調低到5.4%。

然而，隨著中國經濟從二零二零年新冠病毒流行的影響中強勁反彈，中國政府為二零二一年設定了一個「6.0%以上」的經濟增長目標，這低於一項調查中經濟學家所預期之8.6%。

根據中國國家統計局(「國家統計局」)於二零二一年七月中旬發佈的數據，二零二一年第二季度，中國經濟同比增長7.9%，而二零二零年上半年增長12.7%。

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The NBS went on to say that China's economy sustained a steady recovery with the production and demand picking up, employment and prices remaining stable, new growth engines thriving, quality and efficiency enhancing, market expectations improving and major macro indicators staying within reasonable range, and that the national economy witnessed a steady and sound growth momentum.

Overall, China's economy appears to be on track for recovery, with the "above 6.0 per cent" annual growth goal within reach. However, domestic demand weakening risk and structural risks are worrying. Long-term credit growth has remained weak as the PRC government promulgates policies to control leverage and deflate the property bubble.

With the ongoing risk potentially posed by the coronavirus pandemic, the Directors tend to be very cautious about the business development of the Group for the rest of 2021.

The Group will continue with its corporate scheme "Turning around the Fortune in Year of the Ox".

For Bawang-branded products, the Group intends to adopt the following strategies for publicity and promotion of this branded products and enhancement of revenue: (1) leverage on the consumers' passion and confidence in China for domestic products in promoting our branded products series; (2) appoint Internet celebrities as brand ambassadors on a short-term basis to enhance exposure of our brands, and drive up the sales revenue through bonding between Internet celebrities and their supporters; (3) re-design of the packaging of Bawang anti-hair fall series with a view to cater for the preferences of young consumers; (4) showcase our brand advertisements on underground metros, buildings and public ground transports in major cities such as Shanghai, Hangzhou, Guangzhou, Shenzhen, Chengdu and Nangjing; and (5) continuously adopt initiatives to publicise and promote Bawang-branded products through implanted commercials in live streaming programs, cross-industry cooperations, and participating in more charitable communities services.

For Royal Wind branded product series, the Group plans to roll out four new anti-dandruff branded product series to suit the taste of young customers. The new products series will be mainly sold through the conventional channels.

For Litao branded product series, we continue to sell these products through our conventional channels.

國家統計局表示，當前中國經濟穩中向好，生產需求回升向好，就業和價格保持穩定，新動能快速增長，質量效益提高，市場預期向好，主要宏觀經濟指標保持在合理區間，國民經濟平穩健康發展勢頭穩固。

總體而言，中國經濟似乎正在復蘇的軌道上，6.0%的增長目標已經觸手可及。然而，國內需求下行風險和結構性風險令人擔憂。因中國政府採取了控制槓桿和平息房地產泡沫的政策，長期信貸增長仍然疲軟。

鑒於新冠病毒大流行可能帶來的持續風險，董事們對集團二零二一年剩餘時間的業務發展持非常謹慎的態度。

本集團的企業主題繼續是「牛轉乾坤」。

對於霸王品牌系列產品，本集團擬採取以下策略來推廣我們的產品從而增加銷量：(1)利用國內消費者對國貨的熱衷和信任推廣我們的品牌系列產品；(2)聘請網紅作為短期品牌代言人來增加品牌曝光度，及通過建立網紅與他們的粉絲的關係來帶動銷售；(3)更新霸王防脫系列產品的包裝以迎合年輕一代的消費者的需求；(4)在上海、杭州、廣州、深圳、成都及南京等主要城市的地鐵、樓宇和公共交通出行工具上投放我們的品牌廣告；及(5)繼續通過直播帶貨，通過跨界合作及參與更多的社區公益活動來推廣霸王品牌產品。

對於追風品牌系列產品，集團計劃推出四個追風去屑系列新品以迎合年輕消費者的喜好。這些新品牌系列產品將主要通過傳統渠道來銷售。

對於麗濤品牌系列產品，我們繼續通過傳統渠道來銷售我們的品牌系列產品。

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For Herborn branded product series, we plan to roll out several herbal-based shampoo products to expand our product offering. The products will be mainly sold through the conventional channels.

For conventional channels, the Group will continue to deepen cooperation and interaction with distributors by: (1) making use of the Mid-Autumn Festival and the National Day Holiday in the second half of 2021 and mall anniversaries for carrying out promotional activities to increase sales and continuing with the closed-encounter promotional activities at key points-of-sale so as to increase sales revenue and enhance our brand influence; (2) stimulating the sales revenues in certain regions through enhancement of Royal Wind anti-dandruff shampoo products and enrichment of post-consumption experience through quality products and design of trendy packaging to attract the young consumer group; (3) strengthening the supporting services offered to key accounts so as to stabilise the sales revenue generating from this channel; (4) actively invigorating the direct-operating point-of-sales counters at Sun Art sales network in eastern China region; (5) exploring the undeveloped markets with sales potential and developing new sources of distribution network to increase sales; and (6) leveraging on the Group's professional design and capabilities in research and development and production for developing additional original equipment manufacturer ("OEM") customers and obtaining sales orders from OEM customers and group purchase customers so as to enhance sales revenues.

As for the online sales channel, the Group hopes to achieve stable sales growth in the future. To increase sales revenues from our own online flagship stores, the Group will optimise the operations and stabilise market share for hot sales items such as anti-hair fall and haircare product series, and develop high-end, youthful and professional series of anti-hair fall and hair care products for steady sales growth. The Group plans to roll out customised products for instant sales during live video-streaming so as to enhance market share and boost sales. The Group will tailor-make some bundled products for supply to key online retailers to increase sales. We will continue with our efforts on developing new sales channels such as Douyin and Pingduoduo. We will endeavour to create new dedicated products and to carry out promotional activities for the newly-created channels so as to drive up the sales and popularity of our brand name online.

對於本草堂品牌系列產品，本集團計劃推出幾種草本植物系列洗髮水來擴充我們的品牌產品的種類並將通過傳統渠道銷售這個品牌系列產品。

對於傳統渠道，集團將繼續通過下列措施深耕與經銷商的合作與互動：(1)利用二零二一年下半年中秋和國慶節日及商場店慶活動開展促銷推廣活動，在重點門店繼續開展貼櫃秀活動，以增加銷售收入及提升品牌影響力；(2)升級追風品牌去屑洗髮產品，以優質的產品和更時尚的包裝來豐富售後體驗從而吸引年輕消費群體，以增加部分地區的銷售；(3)加強對重點客戶的配套服務，來穩定該渠道的銷售收入；(4)積極啟動華東大潤發銷售系統的直營賣場；(5)開拓有銷售潛力的空白市場並積極開發新的經銷網點，以增加銷售；(6)利用集團專業的設計、研發和生產能力，拓展更多原始設備製造商（「OEM」）客戶及從OEM客戶以及團購客戶處獲得銷售訂單，以增加銷售。

對於電商渠道，集團希望在未來實現穩定的銷售增長。為了增加我們自營電商旗艦店的銷售收入，集團將繼續優化運營，穩住原有防脫育髮爆品市場份額，並開發高端年輕專業系列防脫育髮產品以保持增長。本集團計劃推出直播專供定制產品，以獲得市場佔有率，創造更高銷售量。本集團將為關鍵的電商經銷商提供一些訂制的套裝產品來增加銷量；我們將繼續致力於拓展新渠道，諸如抖音、拼多多等，並嘗試使用適合新管道的訂制產品及推廣活動，以提升品牌在全網的銷量和知名度。

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Apart from this, the Group plans to develop live video streaming resources through some social media platforms such as WeChat mini-program and Private Zone to enhance sales revenue. In addition to maintaining the existing customer resources, the Group will leverage on the active user-group networks and user-to-user connections in other platforms to increase our sales revenue.

For production management, we always put the high emphasis on product quality, which is our top priority. We will continue to strengthen our research and development capability, to optimise our production process, to enhance the training and development of production management staff and workers, and to minimise the spoilage and wastage, so as to achieve competitive cost advantage in the market.

We will adopt a flexible supply chain management approach to plan and design the production process so as to maximise the production effectiveness and to optimise the utilisations of production facilities and factory space.

We have developed our OEM business over the past few years, which has substantially grown in the first half of this year. We will continue to make use of our professional design and professional research and development capabilities, mature production management techniques and advanced production infrastructures for expanding our OEM business to generate additional revenue through strengthening our customer base in different types of personal care products. We target to establish stable business relationships with a couple of key clients.

We believe that through the above-mentioned resources management and workflow integration to maximise production effectiveness, we can create more returns for our shareholders.

As part of the business expansion plan, the Group will continue to explore the possibility with potential distributors for cooperation, and will actively promote and develop the social e-commerce platform business so as to increase sales. The Group is open to explore further business opportunities with potential overseas distributors for launching our branded products to other countries.

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

除此之外，本集團計劃通過一些社交媒體平台開發直播資源，例如微信小程序、私人專區等增加銷售收入。除維護好原有的用戶資源外，本集團將利用活躍於用戶群組網絡和其他平台用戶之間的連結增加銷售收入。

在生產管理方面，我們一直將最為我們所關注的產品質量放在首位。我們將繼續通過加強研發能力、優化生產工藝流程、加強生產管理人員及工人的培訓以及減少物料損耗和水電耗用，以提升我們在市場上的成本競爭優勢。

我們將採用靈活的供應鏈管理，對生產流程進行規劃和設計，使生產效率最大化，並使設備和廠房空間最優化。

在過去的幾年裏，我們一直在發展我們的OEM業務，其在今年上半年有了顯著增長。我們將繼續利用我們專業的設計能力和專業的研發能力、成熟的生產管理技能和先進的生產設施，進一步拓展OEM業務，通過加強我們在不同類型的個人護理產品客戶群為公司創造額外的收入。我們致力於與一些重要客戶建立穩定的業務關係。

我們相信通過上述一系列的資源管理和工作流程整合能夠更好的實現生產效益最大化，為我們的股東創造更多的價值回報。

在業務拓展計劃方面，本集團將繼續開發與潛在經銷商的合作，積極開展社交電商平台業務，以增加銷售。本集團將繼續以開放的態度尋找潛在的海外經銷商洽談更多海外商業合作的機會，把本集團的品牌產品推廣至其他國家。

截至本報告發佈之日，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。

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Looking forward, the strategic directions to sustain and develop our business in the present volatile economic environments will focus on two areas: in the short term, the Group intends to increase its revenue by exploring new sales channels in HPC products in order to regain momentum for sales growth and profitability, and to improve investors' confidence in the Group; and in the long term, 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 strategy in the HPC sector, and becoming a leader in branded Chinese herbal HPC products worldwide.

展望未來，在當前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，提升銷售收入，達到盈利，從而增加收入並提高投資者對本集團的信心；就長期而言，本集團將繼續致力於加強其業務模式和市場定位以提高其在國內外競爭對手市場中的市場份額，奉行個人護理產品品牌及產品多樣化的策略，成為全球中草藥家庭及個人護理產品領軍企業。

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：

		30 June 2021 於二零二一年 六月三十日 RMB in million 人民幣百萬元 (Unaudited) (未經審核)	31 December 2020 於二零二零年 十二月三十一日 RMB in million 人民幣百萬元 (Audited) (經審核)
Cash and cash equivalents	現金及現金等價物	101.4	122.3
Total loans	貸款總額	0	0
Total assets	總資產	227.6	264.6
The gearing ratio ¹	資產負債率 ¹	0%	0%

Note:

1. Calculate as total loans divided by total assets

附註：

1. 資產負債率按貸款總額除以資產總額計算

Material Acquisition and Disposal

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

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。

Management Discussion and Analysis

管理層討論及分析

Exposure to Fluctuations in Exchange Rates and Related Hedging

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.

The Board is of the view that the Group conducts its business transactions principally in Renminbi and thus the exchange rate risk associated with the Group's daily operations is not significant.

For the period ended 30 June 2021, the Group had not issued 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 2021, the Group did not have any significant contingent liabilities.

Capital Commitments

As at 30 June 2021, the capital commitment for acquisition of property, plant and equipment of the Group was approximately RMB0.3 million.

The Group has committed a lease agreement in 2021, with a term of five years commencing from 1 July 2021. The future lease payments for this non-cancellable lease agreement is approximately RMB65.5 million (31 December 2020: nil).

Charge of Assets

As at 30 June 2021, the Group did not have any pledge of assets.

匯率波動風險及有關對沖

本集團主要在中國境內經營業務，大部分交易以人民幣結算。本集團的報告貨幣為人民幣。在回顧期內，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。本公司宣派股息時亦以港元派付。

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。

截至二零二一年六月三十日，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，董事會將繼續監察外匯風險，並準備在需要時採取審慎的措施，例如對沖。

或然負債

於二零二一年六月三十日，本集團並無任何重大或然負債。

資本承擔

於二零二一年六月三十日，本集團購建物業、廠房及業務資本承擔總額約人民幣0.3百萬元。

本集團已簽訂二零二一年租賃合同，合同期限為五年，自二零二一年七月一日生效。該不可撤銷租賃合同的未來租賃付款額約為人民幣65.5百萬元(二零二零年十二月三十一日：無)。

資產抵押

於二零二一年六月三十日，本集團並無任何資產抵押。

Management Discussion and Analysis 管理層討論及分析

Trade and Other Payables

As at 30 June 2021, the trade and other payables of the Group were approximately RMB69.6 million (As at 31 December 2020 approximately RMB81.1 million), which represented a decrease of 14.1%. As at 30 June 2021, trade and other payables did not include any balances due to related parties.

Events After the Reporting Period

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2021 and up to the date of this report.

Bank Borrowings

As at 30 June 2021, the Company did not have any bank borrowing (31 December 2020: Nil).

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 human capital so as to retain a quality workforce to achieve our organisational goal.

For the six months ended 30 June 2021, the Group organised various in-house training classes to strengthen the soft skills of our staff members such as use of electronic spreadsheets, the principles of communication and coordination. The Group also required our department managers to attend external courses on rewards and motivation. We required our senior sales and marketing staff to attend brand positioning strategy courses, and we required our finance and accounting staff to attend seminars about the latest accounting standards, taxation practices and budgetary control.

貿易及其他應付款項

於二零二一年六月三十日，本集團貿易及其他應付款項約為人民幣69.6百萬元（二零二零年十二月三十一日約人民幣81.1百萬元）對比同期減少了約14.1%。於二零二一年六月三十日，貿易及其他應付款項中並無任何應付關聯方的結餘。

報告期後事項

截至本報告發佈之日，董事們並未知曉任何二零二一年六月三十日之後發生的需要披露的重大事件。

銀行借款

於二零二一年六月三十日，公司並無銀行借款（二零二零年十二月三十一日：無）。

人力資源

為了激勵本集團的員工，本集團在任何經濟環境下都會致力於員工培訓和發展。集團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。

截至二零二一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：電子報表的應用，溝通協調的原則等。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，也要求我們的財務及會計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。

Management Discussion and Analysis

管理層討論及分析

As at 30 June 2021, the Group employed 495 employees (30 June 2020: 508), consisting of full-time employees and contract personnel in the PRC and Hong Kong. The total personnel expenses, comprising wages, salaries and benefits, and equity-settled share-based payments, amounted to approximately RMB27.3 million for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately RMB29.0 million).

The following table sets forth a breakdown of the total headcount of our employees as at 30 June 2021 and 2020, respectively:

		As at 30 June 2021 於二零二一年 六月三十日	As at 30 June 2020 於二零二零年 六月三十日
Full-time employees	全職僱員	224	214
Contract personnel	合約僱員	271	294
Total headcount	總人數	495	508

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

Our employees in the PRC and Hong Kong participate in 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.

The Directors believe that the Group's human resources policies play a crucial part in the further development of the Group, and that a 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.

於二零二一年六月三十日，本集團僱用495名員工(二零二零年六月三十日：508)，其中包括在中國和香港的全職員工以及合約僱員。總人事開支包括工資、薪金和福利以及以權益結算之股份支付款項，截至二零二一年六月三十日止六個月約人民幣27.3百萬元(截至二零二零年六月三十日止六個月：約人民幣29.0百萬元)。

下表分別載列於二零二一年六月三十日及二零二零年六月三十日我們的總僱員人數的明細：

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。

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。

董事們相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，而良好的職業前景，優厚的員工薪酬福利以及舒適的工作環境是本集團維持一支穩定的工作團隊的首要因素。

Other Information 其他資料

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

As at 30 June 2021, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO"), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register that was required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"):

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

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

於二零二一年六月三十日，董事及本公司行政人員於本公司及其相聯法團(按香港法例第571章證券及期貨條例(「證券及期貨條例」)條例第XV部的涵義的股份、相關股份或債券證中，擁有(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉(包括彼等根據上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉)，或(b)根據證券及期貨條例第352條規定須登記於需存置的登記冊內的權益及淡倉，或(c)根據上市發行人之董事進行證券交易之標準守則(「標準守則」)規定須知會本公司及香港聯交所如下：

董事及最高行政人員於本公司股份、相關股份及債權證中擁有的權益及淡倉

Name of director/ chief executive 董事/最高行政人員 名稱	Long/short position in ordinary shares 普通股中之好/淡倉	Nature of interest 權益性質	Number of ordinary shares/ underlying ordinary shares of the Company held 持有公司 的普通股及 相關普通股 股份數目	Approximate percentage of issued share capital of the Company 於公司 已發行 股本中之 權益百分比 (約數)
CHEN Qiyuan (Note 1) 陳啟源(附註1)	Long 好倉	Interest in controlled corporation 所控制法團權益	1,900,840,000	60.12%
CHEN Zheng He (Note 2) 陳正鶴(附註2)	Long 好倉	Interest in controlled corporation 所控制法團權益	1,900,840,000	60.12%
WONG Sin Yung 黃善榕	Long 好倉	Beneficial owner 實益擁有人	2,100,000	0.07%

Other Information

其他資料

Notes:

1. CHEN Qiyuan was deemed to be interested in the 1,900,840,000 shares of the Company held by Fortune Station Ltd. ("**Fortune Station**") by virtue of CHEN Qiyuan holding 50.43% of the issued share capital of Fortune Station. The remaining 49.57% of the issued share capital of Fortune Station was held by Heroic Hour Limited ("**Heroic Hour**"). Heroic Hour's entire issued share capital is held by CHEN Zheng He as trustee for himself and on behalf of his six brothers and sisters. The beneficial interests of CHEN Qiyuan's six children under the age of 18, namely CHEN Cynthia Yuping, CHEN Li Zi, CHEN Zheng Sheng, CHEN Zheng Yan, CHEN Ya Shan and CHEN Bo Ling in Heroic Hour, representing 78.00% of the issued share capital of Heroic Hour, were also attributable to CHEN Qiyuan.
2. CHEN Zheng He was deemed to be interested in the shares of Fortune Station held by Heroic Hour by virtue of him holding the entire issued share capital of Heroic Hour (as trustee for himself and his six brothers and sisters). Therefore CHEN Zheng He was deemed to be interested in the 1,900,840,000 shares of the Company held by Fortune Station.

附註：

1. 憑藉陳啟源持有Fortune Station之50.43%之已發行股份，陳啟源被視為擁有Fortune Station Ltd. (「**Fortune Station**」) 所持有的1,900,840,000股公司股份的權益。Fortune Station的其餘49.57%已發行股本由Heroic Hour Limited (「**Heroic Hour**」) 持有，而陳正鶴作為受託人代彼及其六位弟妹持有Heroic Hour的全部已發行股本。由陳啟源18周歲以下的六位子女，即陳鈺坪，CHEN Li Zi, CHEN Zheng Sheng，陳正諺，陳雅善及CHEN Bo Ling所實益持有的78.00% Heroic Hour已發行股本亦被視為歸屬於陳啟源。
2. 憑藉陳正鶴作為受託人代彼及其六位弟妹持有Heroic Hour的全部已發行股本，陳正鶴被視為於Heroic Hour在Fortune Station的權益中擁有權益。因此，陳正鶴被視為擁有Fortune Station所持有的1,900,840,000股公司股份的權益。

Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of associated corporations

董事及最高行政人員於相聯法團的股份、相關股份及債權證中之權益及淡倉

Name of director/ chief executive 董事/最高行政人員 名稱	Name of associated corporation 相聯法團名稱	Nature of interest 權益性質	Long/short position 好/淡倉	Number of ordinary shares held 持有的 普通股 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 (Note 1) 陳啟源(附註1)	Fortune Station	Beneficial owner 實益擁有人	Long 好倉	20,000	50.43%
		Interest of children under the age of 18 未滿18歲子女之權益	Long 好倉	15,330	38.66%
		Other 其他	Long 好倉	4,327	10.91%
CHEN Zheng He (Note 2) 陳正鶴(附註2)	Fortune Station	Interest in controlled corporation 所控制法團權益	Long 好倉	19,657	49.57%

Other Information 其他資料

Notes:

1. CHEN Qiyuan was the beneficial owner of approximately 50.43% of the issued share capital of Fortune Station. The beneficial interests of CHEN Qiyuan's six children under the age of 18 in Heroic Hour, representing 78.00% of the issued share capital of Heroic Hour, were also attributable to CHEN Qiyuan. Heroic Hour held approximately 49.57% of the issued share capital of Fortune Station.
2. CHEN Zheng He was deemed to be interested in the interests of Fortune Station held by Heroic Hour by virtue of him holding the entire issued share capital of Heroic Hour (as trustee for himself and his six brothers and sisters).

Other than as disclosed above, as at 30 June 2021, 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) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register that was required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Substantial Shareholders of the Company

As at 30 June 2021, so far as known to any Director or chief executive of the Company, shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register that was required to be kept pursuant to Section 336 of the SFO were as follows:

附註：

1. 陳啟源為Fortune Station已發行股本的約50.43%實益擁有人。由陳啟源18歲以下的六位子女所實益持有的78.00% Heroic Hour已發行股本亦被視為歸屬於陳啟源。Heroic Hour持有Fortune Station已發行股本的約49.57%。
2. 憑藉陳正鶴作為受托人代彼及其六位弟妹持有Heroic Hour之全部已發行股本而被視為於Heroic Hour在Fortune Station的權益中擁有權益。

除上述披露的人員之外，於二零二一年六月三十日，就目前本公司的任何董事及最高行政人員所知，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、相關股份或債權證中，(a)根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等更具上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉）；或(b)根據證券及期貨條例第352條規定須登記於需存置的登記冊內；或(c)根據標準守則規定須知會本公司及聯交所。

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，於二零二一年六月三十日，股東（除本公司董事或最高行政人員外）於股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉如下：

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of ordinary shares of the Company held 持有的公司普通股股份數目	Approximate percentage of issued share capital of the Company
			於公司已發行股本中之權益百分比 (約數)
Fortune Station	Beneficial owner 實益擁有人	1,900,840,000 (L)	60.12%

Other Information

其他資料

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of ordinary shares of the Company held 持有的公司普通股股份數目	Approximate percentage of issued share capital of the Company 於公司已發行股本中之權益百分比 (約數)
Heroic Hour	Interest in controlled corporation (Note 1) 所控制法團權益(附註1)	942,199,659 (L)	29.80%
WAN Yuhua (Note 2) 萬玉華(附註2)	Interest of children under the age of 18 未滿18歲的子女之權益	734,797,818 (L)	23.25%
CHEN Cynthia Yuping (Note 3) 陳鈺坪(附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303	3.87%
	Other 其他	1,778,373,697	56.25%
CHEN Li Zi (Note 3) CHEN Li Zi (附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303	3.87%
	Other 其他	1,778,373,697	56.25%
CHEN Zheng Sheng (Note 3) CHEN Zheng Sheng (附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303	3.87%
	Other 其他	1,778,373,697	56.25%
CHEN Zheng Yan (Note 3) 陳正諺(附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303	3.87%
	Other 其他	1,778,373,697	56.25%
CHEN Ya Shan (Note 3) 陳雅善(附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303	3.87%
	Other 其他	1,778,373,697	56.25%

Other Information 其他資料

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of ordinary shares of the Company held 持有的公司普通股股份數目	Approximate percentage of issued share capital of the Company 於公司已發行股本中之權益百分比 (約數)
CHEN Bo Ling (Note 3) CHEN Bo Ling (附註3)	Beneficiary of a trust (other than a discretionary trust) 信託受益人(非酌情信託)	122,466,303	3.87%
	Other 其他	1,778,373,697	56.25%

(L)—Long Position
(L)—好倉

Notes:

- Heroic Hour was the beneficial owner of approximately 49.57% of the issued share capital of Fortune Station and was deemed to be interested in the shares of the Company held by Fortune Station.
- The beneficial interests of WAN Yuhua's six children under the age of 18, namely CHEN Cynthia Yuping, CHEN Li Zi, CHEN Zheng Sheng, CHEN Zheng Yan, CHEN Ya Shan and CHEN Bo Ling in Heroic Hour, representing 78.00% of the issued share capital of Heroic Hour, were also attributable to WAN Yuhua.
- The beneficial interests of CHEN Cynthia Yuping, CHEN Li Zi, CHEN Zheng Sheng, CHEN Zheng Yan, CHEN Ya Shan and CHEN Bo Ling in Heroic Hour were held by CHEN Zheng He as trustee for each of his brothers and sisters as named above.

Other than as disclosed above, as at 30 June 2021, the Company has not been notified by any person (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

附註：

- 憑藉Heroic Hour為Fortune Station已發行股本的約49.57%實益擁有人，Heroic Hour被視為於Fortune Station持有的公司股份中擁有權益。
- 由萬玉華18周歲以下的六位子女，即陳鈺坪、CHEN Li Zi、CHEN Zheng Sheng、陳正諺、陳雅善及CHEN Bo Ling所實益持有的78.00% Heroic Hour已發行股本亦被視為歸屬於萬玉華。
- 陳鈺坪、CHEN Li Zi、CHEN Zheng Sheng、陳正諺、陳雅善和CHEN Bo Ling於Heroic Hour的實益擁有權為陳正鶴以受託人身份代彼以上提及之六位弟妹持有。

於二零二一年六月三十日，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。

Other Information 其他資料

Share Option Scheme

The Company currently has in place a 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.

The current scheme was adopted on 29 May 2020 (the “**2020 Share Option Scheme**”), which replaced the previous share option scheme that expired on 19 May 2019. Unless otherwise cancelled or amended, the 2020 Share Option Scheme would remain in force for 10 years from the date of it becoming unconditional. All conditions for the adoption of the 2020 Share Option Scheme have been fulfilled on 2 June 2020.

The eligible participants of the 2020 Share Option Scheme may include, among others, directors, employees, consultants, professionals, customers, suppliers, agents, business or joint venture partners, advisors and contractors of the Group or a company in which the Group holds an interest or a subsidiary of such company.

The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the 2020 Share Option Scheme and any other schemes of the Company, must not, in aggregate, exceed 30.0% (or such other percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time. The maximum number of Shares issuable to each eligible participant in the 2020 Share Option Scheme within any 12-month period is limited to 1.0% of the Shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval at a general meeting.

The total number of shares in respect of which options may be granted under the 2020 Share Option Scheme shall be 316,244,072 shares, representing 10.0% of the issued share capital of the Company as at the date of this interim report.

購股權計劃

本公司現已採納了一項購股權計劃，目的在於為公司董事、高級管理人員和僱員提供一個擁有公司股票的機會，以激勵他們表現得更好及更有效率，並以此挽留那些為本集團的長遠增長及盈利能力做出重大貢獻的僱員。

公司現有的購股權計劃(「**二零二零年購股權計劃**」)於二零二零年五月二十九日被採納，並取代之前的於二零一九年五月十九日到期的購股權計劃。除非另行取消或修訂，二零二零年的購股權計劃仍將保留自無條件生效之日起十年內有效。所有採納二零二零年購股權計劃的條件已經於二零二零年六月二日被滿足。

二零二零年購股權計劃項下的合資格參與者其中包括本集團或本集團擁有權益的公司或該公司的子公司，以及該等公司的董事、僱員、顧問、專家、客戶、供應商、商業夥伴或合資公司夥伴、諮詢人或承包商。

因行使根據二零二零年購股權計劃及本公司任何其他計劃授出而尚未行使的所有購股權而發行的股份總數，不能超過本公司已發行總股份的30.0%(或根據上市規則可獲准的其他百分比)。二零二零年購股權計劃的每個合資格參與者在任何十二個月期間內發行股份的最大數目不得超過在任何時間本公司已發行總股份的1.0%。任何授出的購股權超過此限額的須經股東在股東大會上批准。

二零二零年購股權計劃或可授予的股份總額為316,244,072股，佔公司截止本中期報告之日已發行股本的10.0%。

Other Information 其他資料

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

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

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the 2020 Share Option Scheme.

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

An offer of a grant of share options shall be deemed to have been accepted and a share option to which the offer relates shall be deemed to have been granted and accepted and to have taken effect when the Company, within 21 days from the date on which a share option is offered to an eligible participant, receives the duly signed offer letter from the grantee together with the number of shares in respect of which the offer is accepted clearly stated therein and a non-refundable payment of HK\$1.00 (or such other sum in any currency as the Board may determine) in favour of the Company as consideration for the grant of share option thereof.

For the six months ended 30 June 2021, no share option was outstanding under the 2020 Share Option Scheme, and there was no share option granted, exercised, cancelled or lapsed under the 2020 Share Option Scheme during the six months ended 30 June 2021.

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

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

二零二零年購股權計劃的條款並無一般的規定,要求承授人須最少持有購股權的指定時間,或須達致若干表現目標,方可行使購股權。

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

倘本公司在自向合資格參與者提呈授出購股權之日起21日內收訖承授人發出清楚列明接納要約所涉及股份數目的正式簽署要約函件,連同以本公司為抬頭人不可退還付款1.0港元(或董事會可能釐定以任何貨幣計算的有關其他金額)作為授出購股權之代價,則視為已接納要約,並視為要約所涉及之購股權已授出、獲得接納且已生效。

截至二零二一年一月一日至六月三十日止六個月,二零二零年購股權計劃下並無尚未行使之購股權,而截至二零二一年六月三十日止六個月概無購股權在二零二零年購股權計劃下被授出、行使、註銷或失效。

Other Information 其他資料

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

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.

The Corporate Governance Code

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

The Board is of the view that the Company has complied with the applicable code provisions of the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") during the six months ended 30 June 2021.

Model Code for Securities Transactions by Directors

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

Update on Directors' Information

Dr. NGAI Wai Fung, an independent non-executive Director, retired as an independent non-executive Director of BBMG Corporation (Stock Code: 2009.HK) in May 2021.

購入、出售或贖回本公司之上市證券

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

遵守企業管治常規守則

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

董事會認為，截至二零二一年六月三十日止六個月期間，本公司一直遵守香港聯合交易所之證券上市規則(「上市規則」)附錄14所載企業管治守則(「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

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

董事資料更新

魏偉峰博士，公司獨立非執行董事，於二零二一年五月退任北京金隅集團股份有限公司(股份代號：2009.HK)的獨立非執行董事。

Other Information 其他資料

Audit and Risk Management Committee

The Audit and Risk Management Committee has adopted terms of reference which are in line with the CG Code. The Audit and Risk Management Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2021 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 2021.

By Order of the Board
CHEN Qiyuan
Chairman

Hong Kong, 31 August 2021

審核和風險管理委員會

審核和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。審核和風險管理委員會已與公司管理層審閱本集團截至二零二一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二零二一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，二零二一年八月三十一日

Condensed Consolidated Statement of Profit or Loss

簡明綜合損益表

For the six months ended 30 June 2021 截至二零二一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	
		2021	2020
		二零二一年	二零二零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
	Notes 附註		
Revenue	3	115,631	123,923
Cost of sales		(75,695)	(79,150)
Gross profit		39,936	44,773
Other income		996	1,130
Selling and distribution costs		(42,023)	(37,220)
Administrative expenses		(14,061)	(13,144)
Reversal of impairment losses/(impairment losses) recognised in respect of trade receivables		1,054	(107)
Other expenses		(3)	(5)
Operating loss		(14,101)	(4,573)
Finance costs	4	(237)	(722)
Loss before taxation	5	(14,338)	(5,295)
Taxation	6	—	—
Loss for the period attributable to owners of the Company		(14,338)	(5,295)
Loss per share			
Basic (RMB cents)	8	(0.45)	(0.17)
Diluted (RMB cents)		(0.45)	(0.17)

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 2021 截至二零二一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	
		2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Loss for the period attributable to owners of the Company	本公司擁有人應佔有之期內虧損	(14,338)	(5,295)
Other comprehensive expense	其他期內全面支出		
Item that will not be reclassified subsequently to profit or loss:	不會被重新分類為損益的項目：		
Exchange differences arising on translation of financial statements from functional currency to presentation currency	因從功能貨幣轉換至記賬本位幣的匯兌差額	(775)	(799)
Total comprehensive expense for the period attributable to owners of the Company	本公司擁有人應佔年內全面支出總額	(15,113)	(6,094)

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

As at 30 June 2021 於二零二一年六月三十日

		Notes 附註	30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 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	69,156	78,699
Right-of-use assets	使用權資產		5,103	10,853
			74,259	89,552
Current assets	流動資產			
Inventories	存貨		30,345	27,307
Right to returned goods asset	退回存貨之權利		1,080	920
Trade and other receivables	貿易及其他應收賬款	10	20,241	24,203
Amount due from a related party	應收關聯方款項	16	242	242
Bank balances and cash	銀行結餘及現金	11	101,396	122,342
			153,304	175,014
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	12	69,550	81,137
Amounts due to related parties	應付關聯方款項	16	72	74
Contract liabilities	合約負債		11,005	15,360
Refund liabilities	償還負債		1,522	1,450
Lease liabilities	租賃負債		5,145	11,156
Provision	計提費用		338	338
			87,632	109,515
Net current assets	流動資產淨值		65,672	65,499
Total assets less current liabilities	總資產減流動負債		139,931	155,051
Non-current liability	非流動負債			
Lease liabilities	租賃負債		318	325
Net assets	淨資產		139,613	154,726
Capital and reserves	股本及儲備			
Share capital	股本	13(a)	277,932	277,932
Reserves	儲備	13(b)	(138,319)	(123,206)
Total equity	權益總額		139,613	154,726

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2021 截至二零二一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 股本	Share premium 股本溢價	Statutory reserves 法定儲備	Merger reserve 合併儲備	Translation reserve 匯兌儲備	Other reserve 其他儲備	Accumulated losses 累計虧損	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(note 13(a)) (附註13(a))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))
At 1 January 2021 (audited)	於二零二一年一月一日 (經審核)	277,932	1,401,815	49,887	8,468	(33,104)	9,421	(1,559,693)	154,726
Loss for the period	期內虧損	—	—	—	—	—	—	(14,338)	(14,338)
Other comprehensive expense for the period	期內其他全面收益	—	—	—	—	—	—	—	—
Exchange differences arising on translation of financial statements from functional currency to presentation currency	因財務報表從功能貨幣到呈列貨幣的轉換產生的匯兌差異	—	—	—	—	(775)	—	—	(775)
Total comprehensive expense for the period	期內全面支出總額	—	—	—	—	(775)	—	(14,338)	(15,113)
At 30 June 2021 (unaudited)	於二零二一年六月三十日 (未經審核)	277,932	1,401,815	49,887	8,468	(33,879)	9,421	(1,574,031)	139,613

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital 股本	Share premium 股本溢價	PRC statutory reserves 法定儲備	Merger reserve 合併儲備	Translation reserve 匯兌儲備	Other reserve 其他儲備	Accumulated losses 累計虧損	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		(note 13(a)) (附註13(a))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))	(note 13(b)) (附註13(b))
At 1 January 2020 (audited)	於二零二零年一月一日 (經審核)	277,932	1,401,815	49,887	8,468	(33,208)	9,421	(1,555,655)	158,660
Loss for the period	期內虧損	—	—	—	—	—	—	(5,295)	(5,295)
Other comprehensive expense for the period	期內其他全面收益	—	—	—	—	—	—	—	—
Exchange differences arising on translation of foreign operations	海外業務交易之匯兌差異	—	—	—	—	(799)	—	—	(799)
Total comprehensive expense for the period	期內全面支出總額	—	—	—	—	(799)	—	(5,295)	(6,094)
At 30 June 2020 (unaudited)	於二零二零年六月三十日 (未經審核)	277,932	1,401,815	49,887	8,468	(34,007)	9,421	(1,560,950)	152,566

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2021 截至二零二一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	
		2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
OPERATING ACTIVITIES			
Loss before taxation	經營活動 稅前虧損	(14,338)	(5,295)
Adjustments for:	就下列作出調整：		
Bank interest income	銀行利息收入	(637)	(606)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	9,881	9,420
Depreciation of right-of-use assets	使用權資產折舊	5,750	3,610
Finance costs	融資成本	237	722
Allowance for inventories	存貨減值準備	16	39
(Reversal of impairment losses)/impairment losses recognised in respect of trade receivables	貿易應收款項之減值(回撥)/損失確認	(1,054)	107
Loss on disposal of property, plant and equipment	處置物業、廠房及設備損失	3	5
Obsolete inventories written off	逾期存貨報廢	31	—
Operating cash flows before working capital changes	營運資金變動前之經營 資金流量	(111)	8,002
(Increase)/decrease in inventories	存貨(增加)/減少	(3,085)	4,016
(Increase)/decrease in right to returned goods asset	使用權資產(增加)/減少	(160)	508
Decrease in trade and other receivables	貿易及其他應收款項減少	4,212	7,127
Decrease in amounts due from related parties	應收關連方款項減少	—	1,150
(Decrease)/increase in amounts due to related parties	應付關聯方款項(減少)/增加	(2)	18
(Decrease)/increase in trade and other payables	貿易及其他應付款項 (減少)/增加	(11,587)	1,531
Decrease in contract liabilities	合同負債減少	(4,355)	(2,057)
Increase/(decrease) in refund liabilities	償還負債增加/(減少)	72	(1,170)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	經營活動(所用)/產生的 現金淨額	(15,016)	19,125

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2021 截至二零二一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	
		2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 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	(351)	(607)
Placement of deposit with bank	銀行存款	—	(10,000)
Bank interest received	已收銀行利息	637	606
Proceeds from disposal of property, plant and equipment	處置物業、廠房及設備的所得款項	2	75
Repayment from related parties	關聯方償還款項	—	100
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	投資活動產生/(所用)的現金淨額	288	(9,826)
FINANCING ACTIVITIES	融資活動		
Payment of lease liabilities	償付租賃負債	(6,018)	(3,398)
Repayment of bank borrowing	償還銀行借款	—	(11,980)
Interest paid	已付利息	(237)	(722)
New bank borrowing raised	新增銀行借款	—	2,330
NET CASH USED IN FINANCING ACTIVITIES	融資活動所用的現金淨額	(6,255)	(13,770)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物淨減少額	(20,983)	(4,471)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	於期初之現金及現金等價物	122,342	102,195
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動影響	37	(818)
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	101,396	96,906

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

1. General and 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 Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its immediate holding company is Fortune Station Limited, which is incorporated in the British Virgin Islands (the “**BVI**”) and is owned as to: (1) 49.57% by Heroic Hour Limited, a company that is beneficially owned as to 22.00% by Mr. CHEN Zheng He, the chief executive officer and an executive director of the Company, and 78.00% by Mr. CHEN Zheng He’s six brothers and sisters; and (2) 50.43% by Mr. CHEN Qiyuan, the chairman of the board of directors of the Company (the “**Directors**”).

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

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the principal subsidiaries of the Group where the primary economic environment is in the PRC. Other than the subsidiaries established in the PRC which functional currencies are RMB, the functional currency of the Company and other subsidiaries is Hong Kong dollars (“**HK\$**”). All values are rounded to the nearest thousand (“**RMB’000**”) unless otherwise stated.

The condensed consolidated financial statements of the Group for the six months ended 30 June 2021 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) and the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

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(1)Heroic Hour Limited擁有49.57%，該公司的22.00%股權由本公司之首席執行官及執行董事陳正鶴先生實益持有，而餘下之78.00%則由陳正鶴先生之六位弟妹實益持有；及(2)本公司的董事(「**董事**」)會主席陳啟源先生擁有50.43%。

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

本集團每一個實體的財務報表所列項目均使用該實體所處的主要經濟環境的貨幣(「**功能貨幣**」)來計量。簡明綜合財務報表以人民幣(「**人民幣**」)表示，人民幣是本集團主要子公司在中國的主要經濟環境下的功能貨幣。除在中國境內設立的以人民幣為記賬本位幣的子公司外，本公司及其他子公司的記賬本位幣為港幣(「**港幣**」)。除非另有註明，所有的值都四舍五入到最接近的千元(「**人民幣千元**」)。

本集團截至二零二一年六月三十日止六個月的簡明綜合財務報表乃根據國際會計準則委員會(「**國際會計準則委員會**」)頒布的國際會計準則(「**國際會計準則**」)第34號中期財務報告及香港聯合交易所有限公司證券上市規則(「**上市規則**」)附錄16之適用披露條文編製。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一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.

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 2020 except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards (“IFRSs”), which include IFRSs, International Accounting Standards, amendments and interpretations issued by the IASB and the IFRS Interpretations Committee of the IASB.

Amendments to IFRS 9, Interest Rate Benchmark Reform
IAS 39, IFRS 7, IFRS 4 — Phase 2
and IFRS 16

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Reference is also made to the interim results announcement of the Company dated 31 August 2021, the Group has not applied any new standard or interpretation that is not yet effective for the current interim period, and “Amendment to IFRS 16 “COVID-19 Related Rent Concessions” has not been applied.

2. 主要會計政策

簡明綜合財務報表乃按歷史成本基準編製。

除下文所述外，綜合財務報表所運用的會計政策及計算方法與本集團編製至二零二零年十二月三十一日止年度綜合財務報表所依循者一致。

於本中期期間，本集團首次應用下列國際財務報告準則（「國際財務報告準則」）修訂本，其包括國際會計準則理事會及國際會計準則理事會的國際財務報告準則詮釋委員會發出的國際財務報告準則、國際會計準則、修訂本及詮釋。

國際財務報告 利率基準改革一
準則第9號、 第二期
國際會計準則
第39號、國際
財務報告準則
第7號、國際財
務報告準則第4
號及國際財務
報告準則第16
號之修訂本

當前期間應用國際財務報告準則之修訂本對本集團於本期及以前期間的財務表現及狀況及/或簡明綜合財務報表當中所載披露並無重大影響。

茲亦提述本公司日期為二零二一年八月三十一日的中期業績報告公告，本集團並無應用任何於本中期期間內尚未生效的新訂準則或詮釋，及並無應用「國際財務報告準則第16號之修訂本－新型冠狀病毒相關租金優惠」。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

3. Revenue and Segment Information

Revenue represents revenue arising on sales of goods, net of discounts and sales related taxes. An analysis of the Group's revenue for the period is as follows.

3. 營業額及分部資料

營業額是指當期貨物扣除折扣和銷售相關稅金後的銷售收入。本集團當期的收入分析列示如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue from contracts with customers within the scope of IFRS 15	國際財務報告準則第15號範圍內的來自與客戶的合約收入		
Disaggregated by major products	按主要產品分類		
Manufacturing and sales of the household and personal care products	家庭及個人護理用品的生產和銷售		
Hair-care products	護髮產品	101,690	109,327
Skin-care products	護膚產品	115	1,741
Other household and personal care products	其他家用及個人護理產品	13,826	12,855
		115,631	123,923

Disaggregation of revenue from contracts with customers by timing of recognition

按客戶的合約收入的確認時間分解

		Six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Timing of revenue recognition	收入確認的時間		
At a point in time	某一時間點	115,631	123,923

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

3. Revenue and Segment Information (Continued)

Information reported to the executive directors of the Company, being the chief operation decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. The CODM have chosen to organise the Group around differences in products. The segments are managed separately as each operating segment offers different products which require different production information to formulate different strategies.

Specifically, the Group’s reportable segments are as follows:

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

Operating segments including manufacture and sale of other household and personal care products have been aggregated into a single reporting segment after taking into account that none of which are of a sufficient size to be reported separately.

The CODM is provided with segment information concerning segment revenue and result. No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

3. 營業額及分部資料(續)

為分配資源及評估分部表現，向主要經營決策者(「主要經營決策者」)，即本公司之執行董事報告之訊息，着重於所交付貨品的類型。主要經營決策者選擇圍繞產品差異來組織本集團。由於各分部提供不同的產品，需要不同的產品信息從而制定不同的策略，因此各分部是作為單獨經營分部來管理的。

具體地，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

經營分部包括其他家庭和個人護理產品的生產和銷售，在考慮到沒有一個足夠規模的分部可以單獨報告後，已合併為一個單獨的報告分部。

主要經營決策者獲提供有關分部收入和分部業績的信息，由於分部資產和負債的信息則不會定期向主要經營決策者提供，因此沒有對它們進行分析。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

3. Revenue and Segment Information (Continued)

Segment revenue and results

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

For the six months ended 30 June 2021

3. 營業額及分部資料(續)

分部營業額及業績

以下是本集團按可報告收入及業績分析。

截至二零二一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	來自外部客戶之營業額	101,690	115	13,826	115,631
Segment (loss)/profit	分部(虧損)/盈利	(9,461)	27	(4,208)	(13,642)
Bank interest income	銀行利息收入				637
Other income	其他收入				359
Corporate and other unallocated expenses	公司及其他未分配費用				(1,692)
Loss before taxation	稅前虧損				(14,338)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

3. Revenue and Segment Information (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2020

		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	來自外部客戶之營業額	109,327	1,741	12,855	123,923
Segment loss	分部虧損	(553)	(851)	(3,057)	(4,461)
Bank interest income	銀行利息收入				606
Other income	其他收入				524
Corporate and other unallocated expenses	公司及其他未分配費用				(1,921)
Finance costs	融資成本				(43)
Loss before taxation	稅前虧損				(5,295)

Segment results represent the loss from each segment without allocation of bank interest income, gain on sales of scrap materials, government grants, net foreign exchange losses, central administrative costs, directors' emoluments and interest on bank borrowing. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

分部業績指各分部所錄得之虧損，當中並無分配銀行利息收入、售賣廢料收益、政府補助、淨匯兌損失、中央管理成本、董事薪酬以及銀行貸款利息。此乃為資源分配及表現評估而向本公司之執行董事報告之計量方式。

3. 營業額及分部資料(續)

分部營業額及業績(續)

截至二零二零年六月三十日止六個月

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一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	
		2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on:	利息：		
— bank borrowing	— 銀行貸款	—	43
— lease liabilities	— 租賃負債	237	679
		237	722

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

5. Loss Before Taxation

Loss before taxation has been arrived at after charging/
(crediting):

5. 稅前虧損

扣除/(貸記)後計算稅前虧損：

		Six months ended 30 June 截至六月三十日止六個月	
		2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Bank interest income	銀行利息收入	(637)	(606)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	9,881	9,420
Depreciation of right-of-use assets	使用權資產折舊	5,750	3,610
Loss on disposal of property, plant and equipment	處置物業、廠房及設備的損失	3	5
Redundancy costs	僱員遣散費	—	293
Net foreign exchange losses	匯兌損失淨額	13	—
Allowance for inventories (included in cost of inventories recognised as an expense)	存貨跌價準備(包括在存貨成本中確認為一項費用)	16	39
Obsolete inventories written-off (included in cost of inventories recognised as an expense)	存貨報廢之撇銷(包括在存貨成本中確認為一項費用)	31	—

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

6. Taxation

- (i) Under the Law of the PRC on Enterprise Income Tax (the “**PRC EIT Law**”) and Implementation Regulation of the PRC EIT Law, the tax rate of the subsidiaries is 25% from 1 January 2008 onwards.

From 1 January 2019 to 31 December 2021, under relevant PRC Enterprise Income Tax Law, for PRC enterprises that qualifies for small enterprises, annual taxable income below RMB3.0 million and thin-profit enterprises with an annual taxable income of RMB1.0 million or less are applicable to the effective tax rate of 5%. Certain PRC subsidiaries of the Group were qualified for the six months ended 30 June 2021 and 2020.

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 since 2009. However, Bawang Guangzhou did not have any assessable profits subject to Enterprise Income Tax for the six months ended 30 June 2021 and 2020.

6. 稅項

- (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，本集團附屬公司的稅率自二零零八年一月一日起為25%。

由二零一九年一月一日至二零二一年十二月三十一日，根據相關中國企業所得稅法律，就全年應課稅收入低於人民幣3.0百萬元的小型企業及全年應課稅收入人民幣1.0百萬元或以下的微利企業的合資格中國企業按實際稅率5%繳稅。本集團內某些子公司於截至二零二一年和二零二零年六月三十日的六個月內取得該資格。

中國企業所得稅法允許企業申請高新技術企業(「**高新技術企業**」)證書，而獲得該資格的企業可以享有15%的優惠稅率。霸王(廣州)有限公司(「**霸王廣州**」)，本集團國內的一家附屬公司，自二零零九年被認定為高新技術企業。然而，截至二零二一年及二零二零年六月三十日六個月，霸王廣州並沒有任何須繳納企業所得稅之應課稅溢利。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

6. Taxation (Continued)

- (ii) No provision for Hong Kong Profits Tax has been provided for the six months ended 30 June 2021 and 2020 as the Group did not have any assessable profits subject to Hong Kong Profits Tax for these periods.
- (iii) Pursuant to the laws and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI for the six months ended 30 June 2021 and 2020.

7. Dividends

No dividend was paid or proposed for the six months ended 30 June 2021 (six months ended 30 June 2020: nil), nor has any dividend been proposed since the end of the reporting period (2020: nil).

6. 稅項(續)

- (ii) 截至二零二一年及二零二零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，所以並無計提香港所得稅。
- (iii) 根據開曼群島及英屬處女群島的規則及條例，本集團無須為截至二零二一年及二零二零年六月三十日止六個月繳納開曼群島及英屬處女群島的任何稅項。

7. 股息

截至二零二一年六月三十日止六個月，並無派付、宣派或擬派任何股息(截至二零二零年六月三十日止六個月：無)，也不建議派付截至報告期末的任何股息(二零二零年：無)。

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簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

8. Loss Per Share

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the loss for the period of approximately RMB14,338,000 (six months ended 30 June 2020: approximately RMB5,295,000) and the weighted average number of approximately 3,162,441,000 (six months ended 30 June 2020: approximately 3,162,441,000) ordinary shares in issue during the period.

Diluted loss per share was the same as the basic loss per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2021 and 2020.

9. Movements in Property, Plant and Equipment

During the six months ended 30 June 2021, the Group acquired property, plant and equipment with a cost of approximately RMB351,000 (six months ended 30 June 2020: approximately RMB607,000).

Property, plant and equipment with an aggregate carrying amounts of approximately RMB5,000 was disposed of by the Group during the six months ended 30 June 2021 (six months ended 30 June 2020: RMB80,000), resulting in a net loss on disposal of approximately RMB3,000 (six months ended 30 June 2020: RMB5,000).

8. 每股虧損

本公司擁有人應佔之每股基本及攤薄虧損是根據期內虧損約人民幣14,338,000元(截至二零二零年六月三十日止六個月:約人民幣5,295,000元)及期內已發行普通股加權平均數3,162,441,000股(截至二零二零年六月三十日止六個月:3,162,441,000股)計算。

因不存在潛在攤薄,截至二零二一年度及二零二零年六月三十日止六個月的每股攤薄虧損等同每股基本虧損。

9. 物業、廠房及設備的變動

截至二零二一年六月三十日止六個月,本集團購入物業、廠房及設備的成本大約為人民幣351,000元(截至二零二零年六月三十日止六個月:約人民幣607,000元)。

截至二零二一年六月三十日止六個月,本集團將賬面淨值約為人民幣5,000元的物業、廠房及設備處置掉(截至二零二零年六月三十日止:人民幣80,000元),導致約人民幣3,000元的處置物業、廠房及設備的淨損失(截至二零二零年六月三十日止六個月處置淨收益:約人民幣5,000元)。

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簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

10. Trade and Other Receivables

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

		30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Less than 3 months	少於3個月	14,449	21,858
More than 3 months but less than 6 months	多於3個月但少於6個月	2,621	252
Total debtors, net of allowance for impairment of trade receivables	債務總額，扣除應收賬款減值準備後的淨額	17,070	22,110
Prepayment for purchase of raw materials	原材料採購預付款	1,519	680
Other prepayments	其他預付款項	818	655
Non-income tax receivables	非所得稅應收款項	371	278
Other receivables	其他應收款	463	480
		20,241	24,203

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

10. 貿易及其他應收款項

包括在貿易及其他應收款項的債務人(扣除貿易應收款項減值準備後)，並根據接近各自收入確認日期的發票日期呈列以下賬齡分析：

		30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Less than 3 months	少於3個月	14,449	21,858
More than 3 months but less than 6 months	多於3個月但少於6個月	2,621	252
Total debtors, net of allowance for impairment of trade receivables	債務總額，扣除應收賬款減值準備後的淨額	17,070	22,110
Prepayment for purchase of raw materials	原材料採購預付款	1,519	680
Other prepayments	其他預付款項	818	655
Non-income tax receivables	非所得稅應收款項	371	278
Other receivables	其他應收款	463	480
		20,241	24,203

本集團給予其貿易客戶的平均信貸期為30日至90日。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

11. Bank Balances and Cash

As at 30 June 2021, cash at bank carries interest at floating rates based on daily bank deposits rates of 0.001% to 0.60% (31 December 2020: 0.001% to 0.60%) per annum.

11. 銀行結存及現金

於二零二一年六月三十日，存放在銀行的現金有浮動利息利率基於每日銀行存款年利率0.001%至0.60%（於二零二零年十二月三十一日：0.001%至0.60%）。

12. 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. 貿易及其他應付款項

包括在貿易及其他應付款項的債權人，根據報告期結束時的發票日期呈列以下賬齡分析：

		30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 month or on demand	1個月內或即付	16,370	26,839
After 1 month but within 3 months	1個月後3個月內支付	11,497	8,269
Total creditors	應收賬款總額	27,867	35,108
Payable for acquisition of property, plant and equipment	應付物業、廠房和設備款項	1,936	1,933
Promotion fee payables	應付推廣費	6,818	8,681
Accrued payroll	應計未付薪金	2,164	2,833
Non-income tax payables	非所得稅應付款項	1,386	1,681
Other payables and accruals	其他應付款及應計項目	29,379	30,901
		69,550	81,137

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簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

13. Share Capital and Reserves

(a) Share capital

13. 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:	已授權的：		
At 1 January 2020 (audited), 31 December 2020 (audited), 1 January 2021 (audited) and 30 June 2021 (unaudited)	於二零二零年一月一日 (經審核)，二零二零年 十二月三十一日(經審 核)，二零二一年一月 一日(經審核)及二零二 一年六月三十日(未經 審核)	10,000,000	880,500
Issued and fully paid:	已發行並全部支付：		
At 1 January 2020 (audited), 31 December 2020 (audited), 1 January 2021 (audited) and 30 June 2021 (unaudited)	於二零二零年一月一日 (經審核)，二零二零年 十二月三十一日(經審 核)，二零二一年一月 一日(經審核)及二零二 一年六月三十日(未經 審核)	3,162,441	277,932

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簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

13. 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) Statutory reserves

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

Bawang Guangzhou and Bawang (China) Beverage Co., Limited, 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 shareholders.

13. 股本及儲備(續)

(b) 儲備性質及用途

(i) 股本溢價

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

(ii) 法定儲備

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

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

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簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

13. Share Capital and Reserves (Continued)

(b) Nature and purpose of reserves (Continued)

(ii) Statutory reserves (Continued)

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

(iii) 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.

(iv) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the operations outside the PRC into the presentation currency of the Group (i.e. RMB).

(v) 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.

13. 股本及儲備(續)

(b) 儲備性質及用途(續)

(ii) 法定儲備(續)

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

(iii) 合併儲備

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

(iv) 匯兌儲備

匯兌儲備包括換算中國境外業務之財務報表(即人民幣)所產生的全部匯兌差額。

(v) 其他儲備

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

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簡明綜合財務報表附註

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14. Equity Settled Share-Based Transactions

2020 share option scheme

Pursuant to an ordinary resolution of the shareholders of the Company at the annual general meeting of the Company on 29 May 2020, the Company adopted a 2020 share option scheme (the "2020 Share Option Scheme") to attract and retain the best available personnel to provide additional incentive to (i) any director, employee, consultant, professional, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company (the "Affiliate"); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any director, employee, consultant, professional, customer, supplier, agent, business or joint venture partner or adviser of or contractor to the Group or an Affiliate; or (iii) a company beneficially owned by any director, employee, consultant, professional, customer, supplier, agent, business or joint venture partner, adviser of or contractor to the Group or an Affiliate.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Option granted to substantial shareholders or independent non-executive directors or any of their respective associates (including a discretionary trust whose discretionary objects includes a substantial shareholders, independent non-executive directors, or any of their respective associates) in any 12-month period in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders.

No share options were granted under the 2020 Share Option Scheme since the adoption. As at 30 June 2021 and 31 December 2020, there were no outstanding options granted under the 2020 Share Option Scheme.

14. 以股權結算並以股份為基礎的交易

二零二零年購股權計劃

根據本公司於二零二零年五月二十九日股東週年大會的普通決議案，本公司採納了一項二零二零年購股權計劃（「二零二零年購股權計劃」），旨在吸引並留住優秀的人才並向其提供額外的激勵，包括(i)本集團或本集團擁有權益的公司或該公司附屬公司（「聯屬公司」）的任何董事、僱員、顧問、專家、客戶、供應商、代理人、商業夥伴或合資公司夥伴、諮詢人或承包商；或(ii)本集團或聯屬公司的任何董事、僱員、顧問、專家、客戶、供應商、代理人、商業夥伴或合資公司夥伴、諮詢人或承包商作為受益人的任何信託或作為全權信託對象的任何全權信託的受託人；或(iii)本集團或聯屬公司的任何董事、僱員、顧問、專家、客戶、供應商、代理人、商業夥伴或合資公司夥伴、諮詢人或承包商實益擁有的公司。

有關購股權計劃下的認購數量在未經本公司股東事先批准下合計不得超過本公司當日已發行股份的10%。未經本公司股東事先批准，已發行及擬發行的購股權數量的授予和可能授予，並可授予任何一人中的任何個人不得超過本公司當日已發行股份的1%。授予大股東或獨立非執行董事或他們各自的聯系人（包括其自由支配對象信託也包括大股東，獨立非執行董事或他們各自的聯繫人）的購股權數量超過在任何12個月期間內本公司股本的0.1%或金額超過500萬港元，必須事先經本公司的股東批准。

自採納二零二零年購股權計劃以來，在其項下沒有授予任何購股權。截至二零二一年六月三十日及二零二零年十二月三十一日，概無二零二零年購股權計劃項下尚未授予的購股權。

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簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

15. Financial Risk Management and Fair Value Measurements of Financial Instruments

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risks (currency risk and interest rate risk), credit risk and liquidity risk.

The condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

There have been no changes in the risk management policies since year end.

(b) Fair value measurements of financial instruments

The Group's financial instruments, including the loans and receivables (including trade and other receivables, amounts due from a related party and bank balances and cash) and financial liabilities (including trade and other payables and amounts due to related parties), are recorded at amortised cost. The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements at 30 June 2021 approximate their fair values due to short maturities.

15. 財務風險管理和公允價值計量金融工具

(a) 金融風險因素

本集團的活動使其面臨各種各樣的財務風險：市場風險（貨幣風險和利率風險），信貸風險和流動性風險。

中期綜合財務報表不包括年度財務報表所要求的所有財務風險管理信息和披露信息，應與二零二零年十二月三十一日該集團的年度財務報表一起閱讀。

自年底以來，風險管理政策沒有任何變化。

(b) 以公允價值計量之金融工具

該集團的金融工具，包括貸款和應收款項（包括貿易和其他應收款項應收關聯方款項，銀行存款及銀行餘額和現金）和金融負債（包括貿易和其他應付款項，應付關聯方款項和銀行借款），以攤餘成本入賬。公司董事認為，以攤餘成本計量的金融資產和金融負債於二零二一年六月三十日的簡明綜合財務報表中的賬面價值近似其公允價值因其短期到期。

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簡明綜合財務報表附註

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16. Related Party Transactions

(a) Related party balances

Save as disclosed elsewhere in the condensed consolidated financial statements, the following balances were outstanding at the end of the reporting period:

16. 關聯方交易

(a) 關聯方餘額

除綜合財務報表另有披露外，於呈報期末尚未償付之結餘如下：

		Amounts due from/(to) related parties 應收/(付)關聯方款項	
		30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 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 Cosmetics Co., Ltd. (“Guangzhou Bawang”) (notes i and ii)	廣州霸王化妝品有限公司(「廣州霸王」)(附註i和ii)	242	242
		242	242
Trade related			
	貿易相關		
Guangzhou Chenming Paper Products Company Limited (“Guangzhou Chenming”) (notes iii)	廣州市晨明紙品有限公司(「廣州晨明」)(附註iii)	—	(2)
Guangzhou Qiancai Packaging Materials Co., Ltd. (“Guangzhou Qiancai”) (notes iii and iv)	廣州市倩采包裝材料有限公司(「廣州倩采」)(附註iii和iv)	(72)	(72)
		(72)	(74)

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簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

16. Related Party Transactions (Continued)

(a) Related party balances (Continued)

Notes:

- (i) Guangzhou BaWang was ultimately 100% owned by Mr. CHEN Zheng He.
- (ii) The balance was unsecured, interest-free and repayable on demand.
- (iii) Guangzhou Chenming and Guangzhou Qiancai were under the control of the close family members of Mr. CHEN Qiyuan, the director and the chairman of the board of directors.
- (iv) The credit term granted by Guangzhou Qiancai is 30 days based on the invoice date. As at 30 June 2021 and 31 December 2020, the amount due to Guangzhou Qiancai was unsecured, interest-free with 30 days credit term (31 December 2020: 30 days) and aged within 30 days (31 December 2020: 30 days).

16. 關聯方交易(續)

(a) 關聯方餘額(續)

附註：

- (i) 廣州霸王由陳正鶴先生100%最終擁有。
- (ii) 有關結餘無抵押、免息及並按要求償還。
- (iii) 廣州晨明和廣州倩采是由與本公司董事兼董事會主席陳啟源先生關係密切的家庭成員控制的。
- (iv) 由廣州倩采給予的信貸期為發票日起30日。截至二零二一年六月三十日及二零二零年十二月三十一日止，應付廣州倩采的有關結餘均無抵押及30天免息(二零二零年十二月三十一日：30天)及賬齡在30天內(二零二零年十二月三十一日：30天)。

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簡明綜合財務報表附註

For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

16. Related Party Transactions (Continued)

(b) Related party transactions

The Group had the following material transactions with its related parties:

Guangzhou Qiancai 廣州倩采	Purchase of packaging materials (note i) 包裝材料採購款(附註i)	75	71
Guangzhou Bawang 廣州霸王	Rental fee of production plant and office premises (notes i and ii) 生產廠房和辦公場所的租金(附註i和ii)	6,240	4,048
Guangzhou Bawang International 廣州霸王國際	Meeting and catering service expenses (note i) 會議及餐飲服務費(附註i)	—	69

Notes:

- (i) The Directors are of the opinion that the above transactions were conducted on normal commercial terms in the ordinary course of business and the basis of consideration for the transactions is the prevailing market price.
- (ii) On 1 December 2017, Bawang Guangzhou and Guangzhou Bawang entered into a lease agreement with 3 years terms of lease from 1 December 2017. The monthly rental fee for the production premises, office premises and a staff dormitory are approximately RMB719,000 in total. Details of which were set out in the Company's announcement dated 1 December 2017.

On 17 November 2020, BaWang Guangzhou and Guangzhou BaWang entered into a new lease agreement with 1 year of leases from 1 December 2020. The monthly rental fee for the production premises, office premises and a staff dormitory are RMB1,040,000 in total. Details of which were set out in the Company's announcement dated 17 November 2020. As at 30 June 2021, the carrying amount of such lease liabilities was approximately RMB5,132,000 (unaudited) (31 December 2020: (audited) RMB11,143,000). During the six months ended 30 June 2021, the Group has made lease payment of approximately RMB6,240,000 (unaudited) (30 June 2020 (unaudited): RMB4,048,000) to the related company.

16. 關聯方交易(續)

(b) 關聯方交易

本集團與其關聯人士進行以下重大交易：

Six months ended 30 June
六月三十日止六個月

2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審計)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審計)
75	71
6,240	4,048
—	69

附註：

- (i) 董事認為，上述交易乃按一般商業條款於日常業務過程中進行，交易代價基準為現行市價。
- (ii) 二零一七年十二月一日，霸王廣州與廣州霸王達成租賃協議，租賃期限為自二零一七年十二月起三年。生產廠房、辦公場所和職工宿舍的月租費合計約為人民幣719,000元。詳情載於公司二零一七年十二月一日發佈的公告。

於二零二零年十一月十七日，霸王廣州與廣州霸王簽署了一份就生產廠房、辦公場所和職工宿舍自二零二零年十二月一日開始為期一年的新租賃協議，月租金合計約為人民幣1,040,000元。詳情載於公司二零二零年十一月十七日發布的公告。於二零二一年六月三十日止，這項租賃負債的賬面價值約為人民幣5,132,000元(未經審核)(二零二一年十二月三十一日：(經審計)：人民幣11,143,000元)。截至二零二零年六月三十日止半年度，集團已向關聯公司支付了約人民幣6,240,000元的租賃付款額(未經審計)(二零二零年六月三十日止半年度：(未經審計)人民幣4,048,000元)。

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For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

16. Related Party Transactions (Continued)

- (c) The remuneration of key management personnel of the Group during the reporting periods was as follows:

		Six months ended 30 June 六月三十日止六個月	
		2021 二零二一年 RMB'000 人民幣千元 (Unaudited) (未經審計)	2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審計)
Short-term benefits	短期福利	2,099	2,146
Contributions to defined contribution retirement plans	定期供款退休福利計劃供款	397	219
		2,496	2,365

16. 關聯方交易 (續)

- (c) 本集團於年內主要管理人員的酬金載列如下：

17. Commitments

		30 June 2021 二零二一年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2020 二零二零年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Capital expenditure in respect of the 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	343	343

17. 資本承擔

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For the six months ended 30 June 2021 截至二零二一年六月三十日止六個月

18. Litigation

In prior years, a lawsuit was filed by a former subcontractor against Bawang (China) Beverage Co., Limited (“**Bawang Beverage**”) in People’s Court of Songjiang District of Shanghai (the “**Shanghai Court**”) in respect of a dispute in the material processing contract between the former subcontractor and Bawang Beverage.

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 expenses in the consolidated statement of profit or loss and an amount of approximately RMB324,000 was settled in 2014. As at 30 June 2021 and 31 December 2020, the remaining provision of approximately RMB338,000 has not been settled.

18. 法律訴訟

於過往年度，一名前分銷商在上海松江區人民法院(「**上海法院**」)就該前分銷商及霸王(中國)飲料有限公司(「**霸王飲料**」)之間的原料加工合同糾紛向霸王飲料提起訴訟。

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。相應地，訴訟計提合計約人民幣662,000元已被確認於綜合損益及其他全面收益表中為其他費用，約人民幣324,000元已在二零一四年償還。截至二零二零年六月三十日和二零一九年十二月三十一日止，約人民幣338,000元的剩餘計提尚未結算。

BaWang International (Group) Holding Limited

霸王國際(集團)控股有限公司*

** for identification purposes only*
僅供識別