



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

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

Stock Code: 01338
股票代碼: 01338



Annual Report 2013 2013 年年報

* for identification purposes only
僅供識別



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

Since the creation of the Bawang brand, with its inherited Chinese herbal medicine, the Group has been using its solid knowledge and intensive experience to promote the culture of Chinese herbal medicine, strengthen its brand, and extend the influence of Chinese national brand.

The Group has been focusing on the research, development, manufacturing and sales of high-quality natural Chinese herbal products with good value. The Group strives to capture the essence of the Chinese herbal medicine with more than 5,000 years of history and introduce natural and healthy products and lifestyle to consumers. The Group aims to promote its national brand to the global market.

“中草藥”是企業品牌的核心，“中草藥文化”是企業的核心文化。

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

致力於高價值、高品質的天然中草藥個人消費品的研發、生產和銷售，霸王集團讓具有五千年歷史的中藥國粹發揚光大，給消費者帶來全新的、天然的健康生活方式，為民族品牌走向國際市場貢獻自己的力量。



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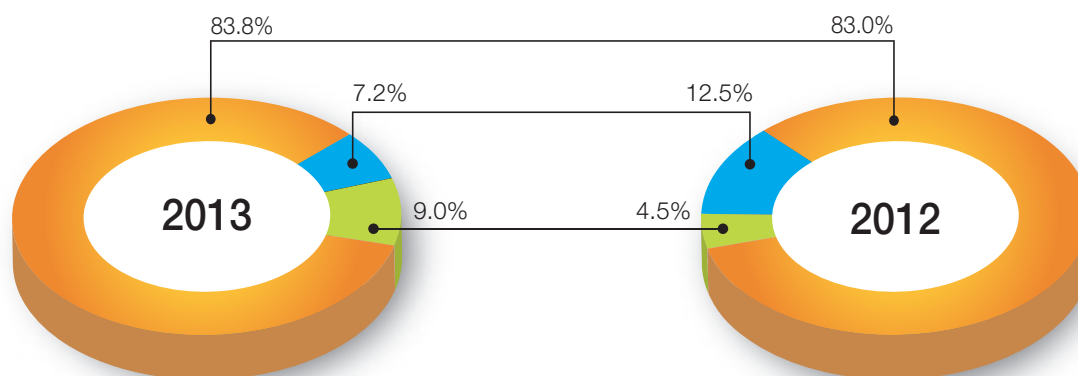
Financial Highlights

財務摘要

		2013 二零一三年 年度 RMB'000 人民幣千元	2012 二零一二年 年度 RMB'000 人民幣千元 (Restated) (經重列)
Continuing Operations 持續經營業務			
Revenue	營業額	477,657	538,372
Cost of Sales	銷售成本	(246,066)	(312,609)
Gross Profit	毛利	231,591	225,763
Selling & distribution costs	銷售及分銷開支	(295,024)	(551,126)
Administrative expenses	行政費用	(58,583)	(88,040)
Loss from operations	營運虧損	(136,189)	(436,539)
Taxation	稅項	—	(82,605)
Loss attributable to equity shareholders	權益持有人應佔虧損	(136,891)	(519,875)
Loss per share (RMB yuan)	每股基本虧損(人民幣元)	(0.047)	(0.179)
Gross margin	毛利率	48.5%	41.9%
Net loss ratio	淨虧損率	-28.7%	-96.6%

Revenue by Product Category

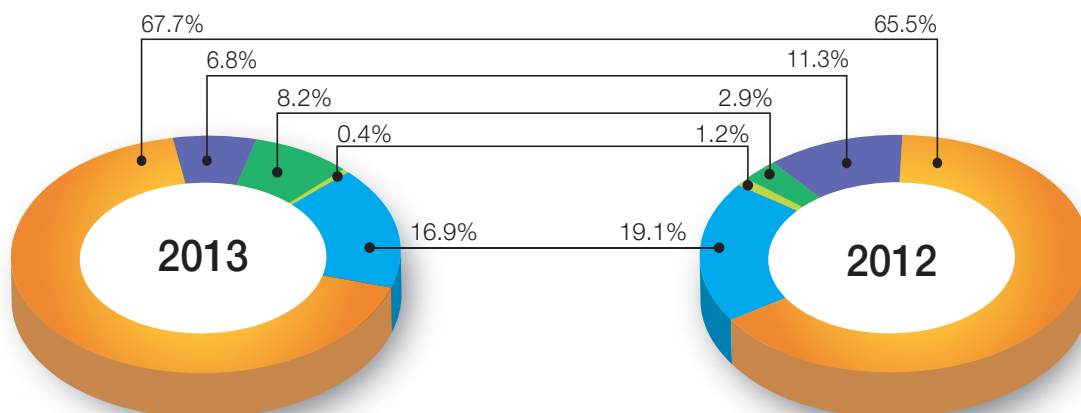
收入按產品類別分析



(RMB'000) (人民幣千元)	2H2013 二零一三年 下半年	1H2013 二零一三年 上半年	2H2012 二零一二年 下半年	1H2012 二零一二年 上半年
Shampoo & hair-care products 洗髮護髮產品	206,146	194,301	225,428	221,238
Skincare products 護膚產品	14,486	19,941	35,400	31,908
Other household and personal care products 其他家用個人護理產品	16,280	26,503	4,951	19,447
Total 合計	236,912	240,745	265,779	272,593

Financial Highlights 財務摘要

Revenue by Brand 收入按品牌分析



(RMB'000) (人民幣千元)	2H2013 二零一三年 下半年	1H2013 二零一三年 上半年	2H2012 二零一二年 下半年	1H2012 二零一二年 上半年
Bawang 霸王	170,494	152,986	193,705	159,080
Royal Wind 追風	33,920	46,719	38,946	63,950
Herborn 本草堂	13,555	19,018	31,759	28,935
Litao ⁽¹⁾ 麗濤	17,873	21,213	(2,413)	17,796
Smerry 雪美人	1,045	809	3,782	2,832
Total ⁽²⁾ 合計	236,887	240,745	265,779	272,593

Notes:

- The negative revenue in the second half of 2012 represents the value of goods returned to the Group.
- The total amount does not include the revenue of Dr. Gao hand-wash liquid in the amount of RMB25,000 in the second half of 2013.

附註：

- 二零一二年下半年的收入負數表現為經銷商退貨。
- 合計金額不包括高醫生洗手液的銷售收入，其二零一三年下半年的銷售收入約人民幣25,000元。

Corporate Information

公司資料

Directors

Executive Directors

CHEN Qiyuan (*Chairman*)
WAN Yuhua
SHEN Xiaodi
(Resigned on 28 May 2013)
WONG Sin Yung

Non-Executive Director

GUO Jing
(Resigned on 28 May 2013)

Independent non-executive Directors

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

Audit Committee

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

Remuneration Committee

LI Bida (*Chairman*)
WAN Yuhua
CHEN Kaizhi

Nomination Committee

CHEN Qiyuan (*Chairman*)
LI Bida
CHEN Kaizhi

Company Secretary

WONG Sin Yung *CPA*

Authorised representatives

WAN Yuhua
WONG Sin Yung *CPA*

董事

執行董事

陳啟源 (*主席*)
萬玉華
沈小笛
(於二零一三年五月二十八日辭任)
黃善榕

非執行董事

郭晶
(於二零一三年五月二十八日辭任)

獨立非執行董事

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

審核委員會

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

薪酬委員會

李必達 (*主席*)
萬玉華
陳開枝

提名委員會

陳啟源 (*主席*)
李必達
陳開枝

公司秘書

黃善榕 *CPA*

授權代表

萬玉華
黃善榕 *CPA*

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 PRC

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

Place of business in Hong Kong

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

Hong Kong branch share registrar and transfer office

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

Cayman Islands principal share registrar and transfer office

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

註冊辦事處

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

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郵編：510410

香港營業地點

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麗斯中心
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香港證券登記處

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香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716室

開曼群島證券過戶登記總處

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Hutchins Drive
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Grand Cayman KY1-1111
Cayman Islands

Corporate Information 公司資料

Auditors

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

核數師

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

Legal advisor on Hong Kong law

Squire Sanders
29th Floor, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

香港法律顧問

翰宇國際律師事務所
香港
皇后大道中15號
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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
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PRC

中國銀行股份有限公司
中國
廣州市
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郵編：510180

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China Merchants Bank Tower
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Shenzhen 518040
PRC

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

Chairman's Statement

主席報告書

Dear shareholders of the Company,

On behalf of the board of directors of BaWang International (Group) Holding Limited (the “**Company**”), I present the audited annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2013.

The Board reports that the total revenue of the continuing operations of the Group for the year ended 31 December 2013 was RMB477.7 million, representing a decrease of 11.3% from RMB538.4 million for 2012. The operating loss from the continuing operations of the Group for the year ended 31 December 2013 was RMB136.2 million, representing a substantial improvement by 68.8% as compared with the operating loss of RMB436.5 million in 2012. For the year ended 31 December 2013, the net loss from the continuing operations of the Group was RMB136.9 million, as compared with the net loss of RMB519.9 million in 2012. For further information on the operating performance of the Group, please refer to the Financial Review section of this annual report.

During the year, the Group continued to exercise stringent cost control measures, along with sales growth operating strategies. Amid the slowdown in the PRC macro-economic recovery in the first quarter of 2013, the Board decided to continue to optimise the workforce and streamline the production process. The continuous implementation of the value-chain-oriented business model known as “Project Win-win (共贏項目)” and the newly-implemented performance-based rewards system known as “Job Target and Responsibility Statement (工作目標和職責責任書)”, together with the enhancement of the operational efficiency and the effectiveness as a result of the Sales Automation Management System (SAMS), the Group was able to reduce the operating costs, resulting in the improvement in the profitability of the Group from the continuing operations in 2013. The business operations of the Group remained stable throughout the rest of the year notwithstanding the significant downsizing of the work force in May 2013.

各位尊敬的本公司之股東：

本人僅代表霸王國際(集團)控股有限公司(「**本公司**」)之董事會，向全體股東呈報本公司及其附屬公司(統稱「**本集團**」)截至二零一三年十二月三十一日年度的經審核年度業績。

董事會報告本集團截至二零一三年十二月三十一日止的持續經營業務總營業額為人民幣477.7百萬元，較二零一二年同期人民幣538.4百萬元下降了11.3%。本集團截至二零一三年十二月三十一日止年度錄得持續經營業務的經營虧損為人民幣136.2百萬元，較二零一二年同期經營虧損人民幣436.5百萬元顯著改善了68.8%。本集團截至二零一三年十二月三十一日止年度錄得持續經營業務的淨虧損約為人民幣136.9百萬元，而二零一二年同期錄得淨虧損人民幣519.9百萬元。關於本集團經營業績詳細資料，請參閱本年報內財務回顧部分。

在本年度，本集團繼續執行嚴格成本控制的方法以及輔以銷售增長的經營策略來經營其業務。當二零一三年第一季度中國宏觀經濟復蘇放緩時，董事會作出決定，進一步優化勞動力和精簡生產流程。結合持續執行的價值鏈為導向的業務模式「共贏項目」和新實施的績效獎勵制度「工作目標和職責責任書」以及來自銷售自動化管理系統(SAMS)的好處，本集團的經營成本顯著節省，使得本集團持續經營業務的盈利能力於二零一三年度得到提升。儘管在二零一三年五月我們的員工數目有明顯的縮減，但此後本集團的商業運作仍保持穩定。

Chairman's Statement 主席報告書

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

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

CHEN Qiyuan
Chairman

Hong Kong, 28 March 2014

展望未來，在不穩定的內部和外部經營環境中，維持和發展我們業務之戰略方向集中在兩方面。就短期而言，本集團有以下目標：繼續在國內外組建就家庭及個人護理行業擁有豐富經驗的管理團隊；恢復銷售增長勢頭和盈利能力；以及提升本集團投資者信心。就長期而言，本集團將繼續鞏固發展模式，迎戰國內外競爭對手以增加市場份額；奉行個人護理產品品牌及產品多樣化的均衡策略；再度成為中草藥家庭及個人護理產品領軍企業。

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

陳啟源
主席

香港，二零一四年三月二十八日

Management Discussion and Analysis

管理層討論及分析

Business Review

During the year under review, the Group took a series of measures and implemented a series of project for maintaining its sustainability and regaining sales growth and profitability of the business.

The Group has expanded the scope of Project Excel (卓越項目) for improvement in profitability of the production centres. Apart from optimising the organisational resources through reducing a substantial number of staff members in the production and logistic departments, the Group has also changed its staff compensation system from fixed monthly wages to performance-based system. The attitude of the workers towards their work has improved. Additionally, stringent measures have been taken to enhance the management of our research and development, production process, environmental protection, and quality assurance management. As a result, the Group was awarded four major certificates in recognition of our significant achievements in quality control and product safety.

業務回顧

於回顧年度內，本集團採取了一系列措施和實施了一系列項目以維持其可持續發展，恢復銷售增長及業務的盈利能力。

本集團為改善我們生產中的盈利能力，在該中心架構範圍內執行「卓越項目」。除了通過減少生產和物流部門的工作人員數量優化組織資源，本集團亦改變其員工薪酬模式，從每月固定工資改變為基於績效的工資制度。這一轉變令工人的工作態度得以改善。此外，我們已採取嚴格的措施加強我們對研究開發、生產流程、環境保護和質量保證方面的管理。因此，本集團已獲得四項重要證書以表彰我們在質量控制及產品安全方面的顯著成就。



Management Discussion and Analysis 管理層討論及分析



In early March 2013, the Group rolled out a sentimental marketing and promotional campaign with the theme “Shampooing for your love (為愛洗一次頭)”. The campaign was aimed to foster the relationships among the family members and friends and at the same time convey the advantages and knowledge of using hair care with herbal shampoo products. The showcase events were held in six major cities in China during the festive days whereby the participants were doing shampoos for their loved one on the stage. The on-site atmosphere was both emotional and overwhelming. The video scripts of the activities were popular on the web, which have positively promoted the brand and the corporate image of the Group. Apart from the brand ambassador of Bawang products — Mr. Jackie Chan, a total of more than 40 other celebrities, comprising singers and movie pop stars, joined in the events at different stages in various cities. The Group obtained the top prize for this campaign as the Best Public Relations Case in the Marketing Communication Competition of the 5th China Advertiser Summit.

The Group managed to expand the sales channels and increase the revenue streams of Bawang branded products. In late June 2013, the Group launched a brand new high-end herbal shampoo series, namely, Bawang Cardamom Essence Shampoo series (霸王豆蔻精華洗髮水) for ladies, which help relieving the problems of hair-falling, grey hair, dry hair and dandruff of female users. Both Mr. Jackie Chan and Ms. Kim Hui Seon continued to be the brand ambassadors during the year under review.



二零一三年三月初，本集團推出了一檔以「為愛洗一次頭」為主題的情感營銷宣傳活動。該活動的目的是在促進消費者感受家人和朋友之間溫情的同時宣傳中草藥洗髮護髮產品的優點和知識，以拉近消費者與霸王品牌的距離。該項主題活動分別在六大城市於節日期間舉辦，活動參加者在舞臺上親自為自己所愛的人洗頭，現場氣氛既感人又熱烈。通過該活動視頻在網絡的廣泛傳播，本集團的品牌和公司正面形象也得到了大力推廣。除了霸王產品的品牌形象大使——成龍先生，還有總共四十多名歌手和影視明星響應在不同時間和地點參與該項活動。該活動在第五屆中國廣告主峰會被授予最佳公關案例獎——「營銷傳播巔峰案例大獎」。

本集團致力於拓展霸王品牌產品的銷售渠道和增加營業額來源。於二零一三年六月底，本集團推出了全新的高端中草藥洗髮系列，霸王女士豆蔻精華洗髮水系列，有助於女士使用者解決關於頭髮脫落、頭髮花白、頭髮乾燥以及頭皮頭屑的問題。於回顧年度內，成龍先生和金喜善女士繼續擔任品牌形象大使。

Management Discussion and Analysis 管理層討論及分析



As of 31 December 2013, the Bawang brand distribution network comprised 513 distributors and 46 KA retailers, covering 26 provinces and four municipalities. Furthermore, the products of the Group are sold in Hong Kong, Singapore, Myanmar, Thailand, Malaysia, Brunei and Australia.

During the year under review, the Group continued to promote the rebranded image of Royal Wind with the main theme “Zero-burden Eliminate Dandruff by Traditional Chinese Medicine (中藥去屑零負擔)” with products. Mr. Han Geng continued to be the brand ambassador during the year under review.

As of 31 December 2013, the Royal Wind brand distribution network comprised approximately 476 distributors and 42 KA retailers, covering 26 province and four municipalities.

In July 2013, the Group expanded the portfolio of Litao into a complete series of natural-based household products, consisting of shampoo, shower gels, and laundry detergent. Additionally, Bawang toothpaste and Dr. Gao hand-wash liquid were rolled at the same time. All these products target consumers living in the second-tier or third-tier cities in China. The successful launch of these products series has fulfilled part of the Company’s goal to increase the market presence in the low-tier cities of China. As these products are principally sold through traditional sales channels, the Group does not need to incur significant selling and distribution costs.



截至二零一三年十二月三十一日，霸王品牌分銷網絡包括513個分銷商及46個重點零售商，覆蓋26個省份及四個直轄市。此外，該等產品已在香港、新加坡、緬甸、泰國、馬來西亞、汶萊和澳大利亞市場銷售。

於回顧年度內，本集團繼續以「中藥去屑零負擔」為主題促銷推廣重新包裝的追風產品。於回顧年度內，韓庚先生繼續擔任品牌形象大使。

截至二零一三年十二月三十一日，追風品牌分銷網絡包括大約476個分銷商及42個重點零售商，覆蓋26個省份及四個直轄市。

二零一三年七月，本集團擴充麗濤產品線推出一整套以天然為基礎的家用產品系列，包括洗髮水、沐浴露和洗衣液。與此同時，本集團還推出了霸王牙膏和高醫生洗手液。所有這些產品的目標市場都是生活在中國二三線城市的消費者。成功推出這些產品可提高本集團在中國小城市目標市場的佔有率。由於這些產品主要是通過傳統銷售渠道銷售的，本集團並不需要承擔大量的銷售及分銷開支。

Management Discussion and Analysis 管理層討論及分析



As of 31 December 2013, the Litao products distribution network comprised 396 distributors covering 26 provinces and four municipalities.

The Group's Herborn Chinese herbal skincare products target office ladies in the age range of 25 to 45 who have relatively high disposable income and are dedicated to pursue a healthy and natural lifestyle. The Group has been appointed for the fourth time as the exclusive sponsor of skincare products to the Miss World Pageant in 2013 in China. Apart from providing our Herborn Chinese herbal skincare products to the contestants, we also provided a series of skincare seminars for the contestants, so as to allow them to understand the concepts and benefits of using traditional Chinese medicine for skin-care. In the second half of 2013, the Group invited over 1,000 distributors and/or specialty shop owners to participate in a brand strategy meeting for introducing the new marketing and promotion plans.

As of 31 December 2013, the sales and distribution network for the Herborn Chinese herbal skincare products is comprised of approximately 93 distributors and one KA retailers covering 27 provinces and four municipalities and also approximately 70 counters in department stores and/or hypermarkets. The Group also had approximately 3,300 counters in cosmetics specialty shops in China.



截至二零一三年十二月三十一日，麗濤品牌分銷網絡包括396個分銷商，覆蓋26個省份和四個直轄市。

至於中草藥護膚產品—本草堂，其目標客戶群體是擁有相對較高的可支配收入、崇尚健康自然的生活方式、年齡介於25至45歲的白領女性。本集團於二零一三年第四度成為世界小姐中國區唯一指定護膚品贊助方，除了提供我們本草堂系列中草藥產品給參賽佳麗使用之外，我們也將為參賽佳麗舉辦一系列的護膚培訓會，讓參賽佳麗瞭解傳統中藥機理及益處。二零一三年下半年，本集團邀請超過1,000家經銷商及／或專賣店業主參與本草堂品牌戰略會議，向他們講解最新的營銷和推廣計劃。

截至二零一三年十二月三十一日，本草堂中草藥護膚產品的分銷網絡，包括大約93個分銷商和一個重點零售商，覆蓋27個省份和四個直轄市，70家百貨及／或超級市場專櫃。中國境內的化妝品專營店專櫃約3,300家。

Management Discussion and Analysis 管理層討論及分析



During the year under review, we continued to sell our natural plant skincare products series, Smerry which target young female customers in the age range of 18 to 28 who are dedicated to pursue a natural and healthy lifestyle. Miss Jing Tian, a popular artist among the younger generation, continues to be the brand ambassador during the year under review. With her positive image, we believe that she will successfully portray the natural plant essence brand positioning of Smerry thereby enhancing its brand awareness and recognition. Towards the end of 2013, the Group took steps to consolidate the channel of Smerry whereby we have refocused our strategy to develop this brand at the Watsons chain stores in the first-tier cities of southern China with a view to improving the same-store sales.

Effective from 1 July 2013, the Group discontinued the business operations of Bawang Herbal Tea product series. The discontinuance of this business was due to the continuous decrease in its sales over the past few years. The Group is in the course of following up the matters after the discontinuance of this business.

In a presentation ceremony for the 18th National Top Selling and Leading Brand Awards held by the Chinese Industrial Information Issuing Center of the National Bureau of Statistics of China, Bawang brand product was honored for the second time as the No. 1 Chinese Herbal Anti-hair Loss Shampoo on China in 2013.

於回顧年度內，我們繼續銷售我們的天然植物護膚系列產品－雪美人。其目標客戶群體是崇尚天然健康的生活方式、年齡介於18歲至28歲的年輕女性。於回顧年度內，新生代人氣偶像景甜小姐繼續擔任雪美人品牌形象大使。我們相信景甜小姐清純、自然的形象將成功詮釋雪美人天然植物的品牌定位，提高雪美人品牌的知名度及認可度。二零一三年期間，本集團採取措施整合雪美人品牌渠道資源，將銷售重點集中在華南地區一線城市的屈臣氏門店，以提高單店銷售額。

董事會已終止本集團涼茶系列產品－霸王涼茶的經營業務，自二零一三年七月一日起開始生效。終止該項業務的原因是過去幾年其不斷下降的銷售業績。本集團正在處理業務終止之後的後續事項。

在國家統計局中國行業企業信息發佈中心舉辦的第十八屆全國市場銷量領先品牌信息發佈會上，霸王洗髮水再度榮獲二零一三年度全國中藥類防脫髮洗髮水市場同類產品銷量第一名的榮譽。

Management Discussion and Analysis

管理層討論及分析



During the year under review, we obtained awards and recognitions as below:

- A number of Bawang branded products were recognised by the China Quality Assurance Council as “A Certified Product with Stable Quality in China (全國質量檢驗穩定合格產品)” in March 2013.
- Bawang Guangzhou was recognised by the China Quality Control Association as “A Reliable Quality and Committed Enterprise of China (全國質量誠信承諾優秀企業)” in March 2013.
- Bawang Guangzhou obtained the Quality Management System Certificate in ISO 9001:2008 Standard (質量管理體系ISO 9001:2008標準) in respect of its research and development, production and service of shampoo, hair care and skincare products in May 2013.
- Bawang Guangzhou obtained the Environmental Management System Certificate in ISO 14001:2004 Standard (環境管理體系ISO 14001:2004標準) in respect of its research and development, production and service of shampoo, hair care and skincare products in May 2013.
- Bawang Guangzhou's production processes for hair care and skincare products were assessed by SGS in July 2013 as meeting the requirements of US FDA CFSAN (美國食品安全與營養中心) by reference to Cosmetics Good Manufacturing Practices (GMP) Guidelines 2008.
- Bawang Guangzhou's production processes for hair care and skincare products were assessed by SGS in July 2013 as meeting the requirements of ISO 22716:2007 (化妝品良好生產操作指南 ISO 22716:2007標準) by reference to Cosmetics Good Manufacturing Practices (GMP).

於回顧年度內我們已取得的獎項及認可如下：

- 二零一三年三月，霸王多個品牌被中國質量檢驗協會認定為「全國質量檢驗穩定合格產品」。
- 二零一三年三月，霸王廣州被中國質量檢驗協會授予「全國質量誠信承諾優秀企業」。
- 二零一三年五月，霸王廣州獲得國際化標準組織質量管理體系ISO 9001：2008標準的認證。該管理體系適用於洗髮護髮產品和護膚產品的研發、生產與服務。
- 二零一三年五月，霸王廣州獲得國際化標準組織環境管理體系ISO 14001：2004標準的認證。該管理體系適用於洗髮護髮產品和護膚產品的研發、生產與服務。
- 二零一三年七月，霸王廣州洗髮護髮產品以及護膚產品的生產流程通過了SGS機構的評估，獲得美國食品安全與營養中心有關化妝品良好生產規範(GMP)2008的認證。
- 二零一三年七月，霸王廣州洗髮護髮產品以及護膚產品的生產流程通過了SGS機構的評估，獲得國際化標準組織化妝品生產操作指南ISO 22716：2007有關化妝品良好生產規範(GMP)認證。

Management Discussion and Analysis 管理層討論及分析

- Ms. WAN Yuhua, CEO of the Group, has been recognised as the “People of the Economic Year 2013 (2013中國經濟年度人物)” in the 11th Chinese Economists Annual Competition of the China Economic Summit 2013.
- Mr. CHEN Qiyuan, Chairman of the Group, has been honoured as the “Distinguished People of Yunfu City (雲浮傑出紳士)” for recognition of his contribution to the development of the city.

The Board believes that these achievements were recognitions of the Group’s continuous effort in research, development and industrialisation of Chinese herbal medicine.

From time to time, we make applications for registration of patents relating to our research findings on the application of Chinese herbs in the hair care, skincare and healthcare products. The successful registration of which is a further recognition for our continuous dedication to research and development.

Litigation

The Board considers that the contents of the relevant article published by Next Magazine on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, the Group commenced legal proceedings in the High Court of Hong Kong in October 2010 against Next Magazine seeking, inter alia, damages and an injunction to restrain Next Magazine from publishing such contents or similar contents. As of the date of this annual report, the legal proceedings are in progress.

- 本集團首席執行官萬玉華女士在「2013中國經濟高峰論壇暨第十一屆中國經濟人物徵評活動」中，被授予「2013中國經濟年度人物」榮譽稱號。
- 本集團主席陳啟源先生，為表彰其為城市發展所作出的貢獻，被授予「雲浮傑出紳士」的榮譽稱號。

董事會認為這些成就是對本集團的不斷努力研究中草藥開發和產業化的認可。

我們不時提交一些專利註冊申請，這些專利與應用中草藥於護髮、護膚及衛生保健的研究成果有關。成功註冊這些專利將進一步證明我們在研究和開發上不懈努力的認可。

訴訟

董事會認為壹週刊於二零一零年七月十四日發表的相關雜誌文章內容均為對本集團的誹謗及／或惡意中傷。因此，本集團已於二零一零年十月在香港高等法院向壹周刊提起法律訴訟。其中，要求壹周刊賠償損失並且禁止出版該內容或類似內容。截至本年報公佈之日，針對壹週刊的司法程序仍在進行中。



Financial Review

Continuing Operations

Revenue

During the year under review, the Group's revenue of the continuing operations amounted to approximately RMB477.7 million, representing a decrease of 11.3% from approximately RMB538.4 million in 2012. The decrease was primarily attributable to the slowdown of the economy in China. Although the Group has implemented the Project Excel since the second half of 2012 whereby the Group had been optimising the size of its workforce and streamlining its business operations, the Board believes that it takes time to see the positive financial effects of this cost-saving project.

The Group's core brand, Bawang, generated RMB323.5 million in revenue, which accounted for approximately 67.7% of the Group's total revenue of continuing operations in 2013, and represented a decrease of 8.3% as compared to 2012.

The branded Chinese herbal anti-dandruff hair-care series, Royal Wind, generated RMB80.6 million in revenue, which accounted for approximately 16.9% of the Group's total revenue of continuing operations in 2013, and represented a decrease of 21.6% as compared to 2012.

The natural-based branded shampoo, shower gel and laundry detergent products series, Litao, generated RMB39.1 million in revenue, which accounted for approximately 8.2% of the Group's total revenue of continuing operations in 2013, and represented an increase of 154.1% as compared to 2012.



財務回顧

持續經營業務

營業額

於回顧年度內，本集團營業額為人民幣477.7百萬元，較二零一二年的人民幣538.4百萬元下降了11.3%。二零一三年度營業額下降的主要原因是中國整體的經濟放緩。雖然本集團已經自二零一二年下半年度實施了優化集團人員規模和流線化企業經營活動的「卓越項目」，但是董事會相信仍需要一些時間看到這些成本控制項目的結果。

本集團核心品牌－霸王，其營業額達人民幣323.5百萬元，約佔二零一三年度本集團持續經營業務總營業額的67.7%，比二零一二年度下降了8.3%。

中草藥去屑品牌－追風，於二零一三年度的營業額達人民幣80.6百萬元，約佔本集團二零一三年度持續經營業務總營業額的16.9%，比二零一二年度下降了21.6%。

以純天然為基礎的洗髮水、沐浴露和洗衣液產品系列－麗濤，這一品牌系列營業額達人民幣39.1百萬元，約佔本集團二零一三年度持續經營業務總營業額的8.2%，比二零一二年度上升了154.1%。



Management Discussion and Analysis

管理層討論及分析

The branded Chinese herbal skincare series, Herborn, generated RMB32.6 million in revenue, which accounted for approximately 6.8% of the Group's total revenue of continuing operations in 2013, and represented a decrease of 46.3% as compared to 2012.

Smerry generated RMB1.9 million in revenue, which accounted for approximately 0.4% of the Group's total revenue of continuing operations in 2013.

We were selling our products through extensive distribution and retail networks. During the year under review, sales to our distributors and retailers represented approximately 72.0% and approximately 28.0% of the Group's total revenue of continuing operations respectively.

In 2013, our products were sold in Hong Kong, Singapore, Myanmar, Thailand, Malaysia, Brunei and Australia. The sales to these markets outside the PRC accounted for 3.9% of our total revenue of continuing operations for 2013.

Cost of Sales

Cost of sales for 2013 amounted to approximately RMB246.1 million, representing a decrease of 21.3% compared to RMB312.6 million for 2012. Such decrease was mainly due to the decrease in direct labour, raw materials and package materials consumed, partially offset by the increase in manufacturing expenses.

Gross Profit

During the year under review, the Group's gross profit increased to approximately RMB231.6 million, representing an increase of approximately 2.6% as compared to RMB225.8 million for 2012. The gross profit margin increased from approximately 41.9% for 2012 to 48.5% for 2013. Such increase was mainly attributable to the decrease of cost of sales.

中草藥護膚品牌一本草堂，其營業額達人民幣32.6百萬元，約佔本集團二零一三年度持續經營業務總營業額的6.8%，比二零一二年度下降了46.3%。

雪美人的營業額達人民幣1.9百萬元，約佔本集團二零一三年度持續經營業務總營業額的0.4%。

我們一般通過廣泛的分銷商和零售商網絡銷售我們的產品。於回顧年度內，我們通過分銷商和零售商的銷售額分別約佔本集團持續經營業務總營業額的72.0%和28.0%。

我們的產品於二零一三年度也在香港、新加坡、緬甸、泰國、馬來西亞、汶萊和澳大利亞市場上銷售，這些海外市場的銷售額佔本集團持續經營業務總營業額的3.9%。

銷售成本

二零一三年度的銷售成本達人民幣246.1百萬元，相比二零一二年度的人人民幣312.6百萬元，下降了21.3%。此項變化的主要原因是工人工資、原材料和包裝材料成本的下降，但部分被製造費用的增加而抵消。

毛利

於回顧年度內，本集團的毛利增加至人民幣231.6百萬元，與二零一二年度的人人民幣225.8百萬元相比上升了2.6%。毛利率從二零一二年的41.9%上升到二零一三年的48.5%。毛利率上升的主要原因是銷售成本的下降。

Management Discussion and Analysis

管理層討論及分析

Selling and Distribution Costs

Selling and distribution costs decreased to approximately RMB295.0 million for 2013, representing a decrease of approximately 46.5% as compared to that for 2012. Such decrease was mainly due to the effective cost controls leading to the decrease in depreciation, advertising fee and the saving achieved in promotion fee and salary through optimising the resources of promotion staff.

Administrative Expenses

Administrative expenses for 2013 amounted to approximately RMB58.6 million, representing a decrease of approximately 33.4% as compared to approximately RMB88.0 million in 2012. Such decrease was mainly due to the decrease in legal and professional fees arising from litigation, amortization of share option cost, communication, auditing fee, non-capitalisable research and development expenditures, salary and remuneration payments.

Loss from Operations

The Group recorded an operating loss for the continuing operations of approximately RMB136.2 million for 2013, as compared to the operating loss of approximately RMB436.5 million for 2012. The Group's operating profit margin improved from -81.1% for 2012 to -28.5% for 2013. The improvement was mainly due to the decrease in the effective cost controls leading to substantial decrease in the overall selling and administrative expenses.

Income Tax

The Group did not have any income tax in 2013 as compared to income tax non-cash charge of RMB82.6 million for 2012.

Provision for Inventories

Our accounting policy prescribes that inventories are stated at the lower of cost and net realisable value ("NRV"). In the event that NRV falls below cost, the difference is taken as provision for inventories. As at 31 December 2013, the amount of provision for write-down of inventories of the continuing operations was RMB3.3 million, represented a net decrease in stock provision of RMB13.6 million when compared to 2012. Such decrease was mainly due to an increase in NRV following a decrease in selling expenses.

銷售及分銷開支

二零一三年度銷售及分銷開支減少至人民幣295.0百萬元，較二零一二年度減少46.5%。其下降的原因主要是成本控制帶來的折舊費、廣告費的減少，以及通過優化促銷人力資源節省了促銷費用。

行政費用

二零一三年度行政費用約為人民幣58.6百萬元，較二零一二年度同期的約人民幣88.0百萬元，下降約33.4%。有關下降的主要原因是有關訴訟產生的法律及專業人士的費用、攤銷的期權成本、通訊費、審計費、不能資本化的研發費用支出和工資薪金支出的減少。

經營虧損

本集團二零一三年度錄得經營虧損人民幣136.2百萬元，而二零一二年度錄得經營虧損人民幣436.5百萬元。本集團經營利潤率從二零一二年的-81.1%改良至二零一三年的-28.5%。其改良的主要原因是有效的成本控制帶來的整體銷售和行政費用的大量減少。

所得稅支出

本集團二零一三年沒有所得稅支出，而二零一二年所得稅非現金抵扣金額約人民幣82.6百萬元。

存貨撥備

根據會計準則規定，存貨核算按成本與可變現淨值（「NRV」）較低者入賬。若可變現淨值低於成本，即按其差額計提存貨跌價準備。於二零一三年十二月三十一日，為期末存貨餘額計提的存貨跌價準備為人民幣3.3百萬元，與二零一二年相比淨下降了人民幣13.6百萬元。該減少是由於銷售費用降低令到可變現淨值上升造成的。

Management Discussion and Analysis 管理層討論及分析

Loss for the Year from Continuing Operations

As a result of the combined effect of the above mentioned factors, the Group recorded loss of RMB136.9 million for 2013, as compared to the loss of RMB519.9 million for 2012.

Discontinued Operation

During the year under review, the revenue attributable to the Group's Herbal tea products amounted to RMB0.7 million and this business segment recorded an operating loss of RMB6.6 million. As a result of the unsatisfactory financial performance of the business of the herbal tea products, the Board decided to discontinue the production and sales of its herbal tea products with effect from 1 July 2013. Since then, the Group is able to focus on the business development of the hair-care and skin-care products.

Loss for the Year Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded an attributable loss of RMB143.5 million for 2013, as compared with the attributable loss of RMB617.6 million for 2012.

Outlook

The structural reform proposed by the Third Plenary Session of the 18th Central Committee of the Communist Party of China in November 2013 is expected to generate positive impact on the domestic consumption and private investment amounts in 2014.

According to an economic forecast by Asian Development Bank, the PRC economic growth in 2014 is likely to reach 7.5%, which is driven by the structural reform and improved exports due to the better performance of the developed countries. Such level of economic growth will enable a stable employment rate in China.

However, the upside potential for growth may be limited by the continuation of credit tapering and the deceleration of the public investments which are intended to curtail the local government borrowing. Additionally, China's exports fell in February 2014 and swung the trade balance into deficit which raised the prospects of economic slowdown in the world's second largest economy.

持續經營業務虧損

綜合以上列報的因素，二零一三年度本集團錄得持續經營業務虧損人民幣136.9百萬元，而二零一二年度錄得持續經營業務虧損為人民幣519.9百萬元。

已終止經營業務

於回顧年度，本集團營業額歸屬於中草藥飲品霸王涼茶的部分為人民幣0.7百萬元，並且此業務分部錄得經營虧損人民幣6.6百萬元。由於霸王涼茶不佳的財務表現，本集團決定與二零一三年七月一日停止此企業分部的生產和銷售活動。自此，本集團可以集中精力開發頭髮護養和皮膚護養的產品。

權益持有人應佔期內虧損

因上述因素的綜合影響，本集團二零一三年度錄得應佔虧損人民幣143.5百萬元，而二零一二年度錄得應佔虧損人民幣617.6百萬元。

業務展望

二零一三年十一月，中國共產黨在第十八屆中央委員會第三次全體會議上提出的結構性改革，將有可能對二零一四年的私人消費和投資產生積極的影響。

根據亞洲開發銀行的經濟預計，憑藉結構改革的利好消息，以及對發達國家出口的良好業績，濟體的帶動，中國經濟的增長在二零一四年可能達到7.5%。這種程度的經濟增長能確保中國一個穩定的就業率。

但是，經濟增長率上漲潛力局限於對信貸增長的控制，與放緩公共投資，旨在控制地方政府債務。此外，中國二零一四年二月的出口額下降導致貿易收支出現赤字，這會增加人們對世界第二大經濟實體經濟放緩的預期。

Management Discussion and Analysis

管理層討論及分析

The Group will continue to adopt a prudent approach in its business development model, which could sustain the stability of the business of the Group.

For Bawang branded products, to boost the sales performance of the existing product series, the Group plans to roll out in China a nationwide promotion slogan known as “Scary of hair-fall, use Bawang Shampoo (怕脫髮，用霸王)”. Promotion work will be conducted to highlight the analogy between Bawang brand name and anti-hair fall. In terms of promoting the brand recognition and publicity, the Group will use new media such as micro-blogging, web-based movie, and digital platform. To increase its sales revenue, the Group will also expand the traditional sales channel and will actively develop new channels and new customer groups.

For Royal Wind branded products, the Group will adopt brand publicity strategy which is similar to that of Bawang brand. We intend to use the marketing slogan known as “Anti-dandruff in Speedy and Natural Manner (快速去屑更天然)”. We plan to roll out large scale promotion campaigns to attract new consumers.

For Herborn branded products, the Group will strengthen the sales channel management which emphasises direct communication with the distributors and specialty shop owners so as to monitor the changes in the market and to make swift action to satisfy the consumers’ needs. We intend to increase the market share of this series of products through the promotion of doing skincare through herbal products by conducting a series of herbal skincare seminars. The Directors expect that these activities would enable the consumers understand the basic principles and in turn attract them to use the products resulting in the sales increase.

For Smerry branded products, this mass market brand targets trendy youngsters. We will continue to focus our sales promotional efforts to expand the chain stores and further increase the same-store sales growth. To expand the revenue stream, we will explore internet sales channels which suit the lifestyle of the target consumers.

本集團將在經濟發展中採用謹慎的方法，這會保證企業持久性的發展。

對於霸王品牌產品，為了提高現有產品系列的銷售業績，本集團計劃使用「怕脫髮，用霸王」這一宣傳語向全中國範圍促銷推廣，並將「霸王品牌」打造成防脫的代名詞。在品牌宣傳和推廣方面，本集團將使用新興媒體，例如：微博、微電影以及數字信息化平臺。為了促進銷售增長，本集團將進一步增加傳統渠道的銷售，同時也積極開拓新的渠道和新的客戶群體。

對於追風品牌產品，本集團將採用類似霸王品牌的宣傳策略。我們計劃開展以「快速去屑更天然」為營銷口號的促銷活動，以吸引廣大消費者，增加銷售額。

對於本草堂品牌產品，本集團將加強渠道管理，強調與分銷商和專賣店老闆的直接溝通，以監測市場變化及時應對，從而滿足消費者的需求。我們還計劃通過中藥大講堂的形式向消費者傳播中醫藥文化的同時介紹中草藥護膚產品護膚養顏的機理。董事會期待通過這些活動令消費者明白中草藥護膚的基本原理從而吸引消費者購買，提高銷售收入。

對於雪美人這一大眾市場品牌，其目標群體主要是時尚的年輕人。我們將繼續集中力量拓展連鎖店，並進一步提高門店銷售增長。為了擴大收入來源，我們還將根據目標銷售群體的消費習慣，積極拓展網上銷售渠道。

Management Discussion and Analysis 管理層討論及分析

For production management, the Group treats the production facilities as an “independent profit centre” whereby the production facilities are required to make profit contribution to the Group. The Group will conduct the operations with regards to health, safety, and the environment so as to enhance our corporate image. The Group will continue to implement its human resource reform through the motivation of the labor so as to instill a culture of proactive approach towards work.

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

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

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:

對於生產管理方面，本集團把生產部門當作一個獨立的「利潤中心」，他們需要對本集團作出利潤貢獻。另外，本集團將依照健康、安全和環境的管理規範運作，以提升我們的企業形象。本集團將繼續進行在人力資源方面的改革以激勵工作的積極性，從而建立主動積極工作的文化。

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

截至本年報發佈之日，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。

流動資金、財務資源及資本架構

本集團採用保守的理財策略並維持良好穩定的財務狀況。流動資金和財務資源概要列載如下：

		31 December 2013 截至 二零一三年 十二月三十一日 RMB in million 人民幣百萬元	31 December 2012 截至 二零一二年 十二月三十一日 RMB in million 人民幣百萬元
Cash and cash equivalent	現金及現金等值項目	43.3	224.6
Total bank and other borrowings	銀行及其他借款總額	—	76.4
Total assets	集團總資產	490.3	752.6
The gearing ratio ¹	資產負債率 ¹	—	10.2%

Note:

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

備註：

1. 資產負債率按計息借貸除以資產總額計算

Management Discussion and Analysis 管理層討論及分析

Material Acquisition and Disposal

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

Exposure to Fluctuations in Exchange Rates and Related Hedge

The operations of the Group are mainly carried out in the PRC, with most transactions settled in Renminbi. The reporting currency of the Group is Renminbi. During the year under review, the Group has exported its goods to Hong Kong and certain overseas countries. The transactions were settled in either Hong Kong Dollars or United States Dollars. The Group's cash and bank deposits are mostly denominated in Renminbi. The Company will pay dividends in Hong Kong Dollars if dividends are declared. In addition, the Group paid certain advertising fees in United States Dollars or Hong Kong Dollars. The Directors are of the view that the Group conducts its business transactions principally in Renminbi and thus the exchange risk at the Group's operational level is not significant. As at 31 December 2013, the Group had not issued any material financial instruments or entered into any material contracts for foreign currency hedging purposes. However, the Directors will continue to monitor the foreign exchange exposure and is prepared to take prudent measures such as hedging when required.

Contingent Liabilities

A lawsuit (the “**Lawsuit**”) had been filed by a distributor against Bawang Guangzhou in Guangzhou Baiyun District Law Court (the “**District Court**”) whereby the distributor alleged that Bawang Guangzhou is liable to pay an outstanding reimbursement for the promotion fees of RMB6.4 million pursuant to an agreement entered into between it and Bawang Guangzhou on 12 April 2010.

On 20 November 2013, the District Law issued a verdict for the Lawsuit whereby Bawang Guangzhou was ordered to pay the distributor of an aggregate amount of approximately RMB1.6 million and a legal cost of RMB20,358. The distributor has subsequently appealed the Lawsuit to a higher court (the “**Appeal**”).

重大收購及出售

於回顧年度，本集團並無重大收購或出售其附屬及聯營公司的活動。

匯率波動風險及有關對沖

本集團主要在中國境內經營業務，大部分交易以人民幣結算，本集團的報告貨幣為人民幣。於回顧年度，本集團出口產品銷往香港以及其他海外地區，交易以港元和美元結算。本集團大部份現金及銀行存款均以人民幣計值。倘若本公司宣派股息時，利息亦將以港元派付。此外，本集團以美元或港元支付若干廣告費。董事認為本集團從事的業務主要是以人民幣結算的，因此外匯風險對本集團的日常經營影響並不重大。於二零一三年十二月三十一日，本集團並沒有發行任何重大財務工具或訂立任何重大合約作外匯對沖用途。然而，董事將繼續監察外匯風險，並準備在需要時採取審慎的措施，例如對沖。

或然負債

廣州白雲區法院（「**地區法院**」）備案了某經銷商要求霸王廣州支付未償付的促銷費用共合人民幣6.4百萬元的訴訟案件（「**訴訟**」）。原告聲稱根據其與霸王廣州於二零一零年四月十二日簽訂的協議，霸王廣州有責任補償未償付的促銷費用。

二零一三年十一月二十日，地區法院裁定了霸王廣州賠償某經銷商總計人民幣1.6百萬元以及訴訟費用人民幣20,358元。該經銷商已向廣州市高級法院提出上訴（「**上訴**」）。

Management Discussion and Analysis 管理層討論及分析

As of the date of this annual report, the Appeal is still in progress. The date of hearing has not yet been fixed. Given the current status of the Appeal, the Group is not in the position to predict the outcome of the Appeal. Nor the Group is able to predict the amount of the loss that may be incurred by the Group.

As of 31 December 2013, an aggregate provision of RMB1.63 million has been made by the Group arising from the verdict of the Lawsuit issued by the District Court and no other provision has been made by the Group in respect of the Appeal.

During the year ended 31 December 2013, Bawang Guangzhou is a defendant in a legal action involving the alleged software infringement. According to the legal opinion, the total expected monetary compensation may amount to approximately RMB200,000 which Bawang Guangzhou is probable to be liable. A provision for this legal action in the amount of RMB200,000 has been made by the Group.

As of 31 December 2013, a total provision of RMB1.83 million has been made for the aforesaid two court cases.

Capital Commitment

As of 31 December 2013, the capital commitment of the Group was amounted to RMB14.8 million.

Human Resources

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

In 2013, the Group organised various in-house training classes to strengthen the soft skills of our staff members such as time management, stress management, and leadership development. Apart from these in-house courses, the Group also required our department managers to attend external courses on reward and compensation, and motivation, we required our senior sales and marketing staff to attend brand positioning strategy course, and we required our finance and accounting staff members to attend seminars about the latest accounting standards, taxation practices and budgetary control.

截至本年報發佈之日，該案件正在審理中，具體的庭審日期尚未確定。根據現階段的訴訟情況，本集團無法預測案件審理結果或合理估計可能的損失金額。

截止二零一三年十二月三十一日，本集團已經針對地區法院的裁定計提總計人民幣1.63百萬元的罰款準備，本集團沒有針對後續上訴計提其他準備。

在二零一三年度，霸王廣州成為一起軟件侵權案件的被告。根據相關法律意見，霸王廣州預計需要支付總計約人民幣200,000元的賠償金。本集團已經對此計提了人民幣200,000元的準備。

截止二零一三年十二月三十一日，本集團已經針對上述兩宗法律訴訟計提了總計人民幣1.83百萬元的準備。

資本承擔

於二零一三年十二月三十一日，本集團資本承擔總額為人民幣14.8百萬元。

人力資源

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

在二零一三年，本集團舉辦了多項內部培訓課程，以增強我們工作人員的軟技能，例如：時間管理、壓力管理和領導能力發展等。除此之外，本集團還要求部門經理參加有關獎勵和激勵的外部培訓課程。我們要求市場策劃人員參加品牌定位策略培訓課程，也要求財務人員參加有關最新會計準則、稅務實踐以及預算編製方面的研討會。

Management Discussion and Analysis

管理層討論及分析

As of 31 December 2013, the Group employed approximately 2,858 employees (31 December 2012: 4,713), consisting of full-time employees and contract personnel in the PRC and Hong Kong. Additionally, the Group also engaged approximately 208 salespersons (31 December 2012: 263) through contract personnel agency to help with our marketing and promotional activities. The total personnel expenses of the continuing operations, comprising wages, salaries and benefits, and equity-settled share-based payments, amounted to RMB132.6 million for 2013 (31 December 2012: RMB225.5 million).

The following table sets forth a breakdown of the total headcount of our employees and outsourcing personnel of the continuing operations as of 31 December 2012 and 2013:

截止二零一三年十二月三十一日，本集團僱用大約2,858名員工(二零一二年十二月三十一日：4,713)，其中包括在中國和香港的全職員工以及合約僱員。另外，本集團通過勞務派遣公司聘用約208名合約促銷人員(二零一二年十二月三十一日：263)，以幫助我們的營銷及推廣活動。總持續經營業務人事開支包括工資、薪金和福利以及以權益結算之股份支付款項，於二零一三年為132.6百萬元(二零一二年度：人民幣225.5百萬元)。

下表載列於二零一三年十二月三十一日及二零一二年十二月三十一日我們持續經營業務的總僱員及外包人員的明細：

		31 December 2013 截至 二零一三年 十二月三十一日	31 December 2012 截至 二零一二年 十二月三十一日
Full-time employees	全職僱員	361	598
Contract personnel	合約僱員		
— Sales persons	— 促銷員	1,670	2,551
— Others	— 其他	827	1,564
Total employees	總僱員人數	2,858	4,713
Outsourcing personnel	外包人員		
— Sales persons	— 促銷員	208	263
Total headcount of the continuing operations	持續經營業務 總人數	3,066	4,976

Management Discussion and Analysis

管理層討論及分析

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

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

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

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

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。

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

Corporate Governance Report

企業管治報告

Corporate Governance Code

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

For corporate governance purpose, the Company has adopted the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company has applied the principles and in the opinion of the Board, the Company has complied with the code provisions of the CG Code during the year from 1 January 2013 to 31 December 2013.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as contained in Appendix 10 to the Listing Rules as the standards for the directors' dealings in the securities of the Company. Having made specific enquiry with all Directors, the Company confirms that the Directors have complied with the required standard set out in the Model Code for the year ended 31 December 2013 and up to the date of this annual report.

Board of Directors

The Board comprises six members, including Chairman, Chief Executive Officer (“**CEO**”), Chief Financial Officer and three independent non-executive Directors. Biographical details of the Directors are set out in the section headed Directors and Senior Management on pages 50 to 54 of this annual report.

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

企業管治守則

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

對於公司治理而言，本公司已採用香港聯合交易所香港聯合交易所有限公司（「**聯交所**」）上市規則（「**上市規則**」）附錄十四所載之企業管治守則（「**企業管治守則**」）所載之原則。董事會認為本公司已申請彼等原則，並於二零一三年一月一日至二零一三年十二月三十一日期內遵守企業管治守則之守則條文。

董事進行證券交易

本公司已經採用香港上市規則附錄十所載上市公司董事進行證券交易的標準守則（「**標準守則**」）作為各董事買賣本公司證券的交易標準。本公司在向各董事作出特定查詢後確認，截至二零一三年十二月三十一日年度及截至本年報公佈之日，各董事均遵從標準守則訂明的標準。

董事會

董事會由六位成員組成，其中包括主席、首席執行官（「**首席執行官**」）、首席財務官及三位獨立非執行董事。各董事之履歷載於第50頁至第54頁董事及高級管理層簡介。

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

Corporate Governance Report 企業管治報告

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

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

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

The board held seven meetings in 2013. Each of Mr. CHEN, Ms. WAN, Mr. WONG, Dr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEN Kaizhi has attended all seven meetings.

The Company has adopted the board diversity policy (the “**Diversity Policy**”) as required by the CG Code. The Nomination Committee will monitor the implementation of the Diversity Policy and review the same as appropriate.

Remuneration of Directors and Senior Management

Details of the remuneration of each Director and senior management for the year ended 31 December 2013 are set out in note 16 to the consolidated financial statements.

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

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

主席及首席執行官職責分開，以加強他們的獨立性和問責性。除首席執行官萬玉華女士是主席陳啟源先生的配偶外，董事之間概無其他關係。

二零一三年期間，董事會召開七次會議。陳先生、萬女士、黃先生、魏偉峰博士、李必達先生及陳開枝先生均有出席上述七次會議。

根據企業管治守則要求，本公司已採納董事會多樣性原則（「**多樣性政策**」）。提名委員會將監察多樣性政策的實施並檢查是否適用。

董事及高級管理層成員薪酬

於截至二零一三年十二月三十一日止年度有關各董事及高級管理層成員薪酬的詳情載於綜合財務報表附註16。

Directors' Training

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

During the year ended 31 December 2013, all Directors received regular updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to salient laws and regulations applicable to the Group were provided to the Directors. Directors are requested to provide their records of training they received to the Company Secretary for record.

Remuneration Committee

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

The Remuneration Committee held two meetings in 2013. During the meetings, the committee members reviewed the Group's remuneration policy and made recommendations to the Board. All committee members attended these two meetings.

董事培訓

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

截至二零一三年十二月三十一日止年度，全體董事均定期接收有關本集團業務、營運、風險管理及企業管治事宜的簡報及更新。董事獲提供適用於本集團的新訂重點法律及條例或重要法律及條例之變動。董事須向公司秘書提供彼等所接受培訓的記錄以作記錄。

薪酬委員會

薪酬委員會由我們的執行董事萬玉華女士及兩名獨立非執行董事，即李必達先生及陳開枝先生組成。李必達先生為薪酬委員會主席。薪酬委員會的主要職責乃就本集團全體董事及高級管理人員的整體薪酬政策及架構向董事會作出推薦建議；審閱通過表現而釐定的薪酬；以及確保我們的董事概無釐訂本身的薪酬。

二零一三年期間，薪酬委員會召開兩次會議。會議期間，本委員會成員已審閱本集團薪酬政策並向董事會提出建議。所有委員都有出席上述兩次會議。

Nomination Committee

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

The Nomination Committee held two meetings in 2013. During the meetings, the committee members review the senior management structure of the Group. All committee members attended these two meetings.

Audit Committee

The Audit Committee comprises three Independent non-executive Directors and one of whom possesses the appropriate business and financial experience and skills to understand the accounts of the Group. The Audit Committee is chaired by Dr. NGAI Wai Fung and other members are Mr. LI Bida and Mr. CHEN Kaizhi. The Audit Committee was formed in compliance with Rule 3.21 of the Listing Rules and to review and supervise the financial reporting process and internal controls of the Company.

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

提名委員會

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

二零一三年期間，提名委員會召開兩次會議。會議期間，本委員會成員已審閱本集團高級管理層架構。所有委員都有出席上述兩次會議。

審核委員會

審核委員會包括三位獨立非執行董事，他們其中一人具備了解財務報表所需的商業與財務技巧與經驗。委員會由魏偉峰博士擔任主席，其他成員為李必達先生與陳開枝先生。審核委員會根據上市條例第3.21條成立，負責審閱及監督本公司財務報告程序及內部監控。

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

Corporate Governance Report 企業管治報告

During the year, the Audit Committee has performed the following:

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

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

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

The audit committee held four meetings in 2013. Each of Dr. NGAI Wai Fung, Mr. LI Bida and Mr. CHEN Kaizhi have attended all four meetings.

在本年度內，審核委員會進行了下列各項：

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

審核委員會已與管理層和外部核數師審閱年度報告，並建議董事會採納。

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

二零一三年期間，審核委員會召開四次會議。魏偉峰博士、李必達先生及陳開枝先生均有出席上述四次會議。

Corporate Governance Functions

The Audit Committee is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

Up to the date of this annual report, the audit committee met once to review the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements and the compliance of the Company with the CG Code and disclosure in this Corporate Governance Report.

Directors' responsibilities for financial statements

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

A statement from the auditor of the Company about their reporting responsibilities on the financial statements of the Group for the year ended 31 December 2013, is set out on pages 55 to 56 of the annual report.

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

Internal control and risk management

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

The Board is also responsible for making appropriate assertions on the adequacy of internal control and procedures. Through the audit committee of the Group, the Board review the effectiveness of these systems on a regular basis.

企業管治職能

審核委員會負責履行企業管治守則第D.3.1條所載的職能。

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

董事對財務報表的責任

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

本公司核數師就其對本集團截至二零一三年十二月三十一日年度綜合財務報表的申報責任所做的聲明載於本年報第55至56頁。

並無若干事項或情況之重大不明朗因素可能對本公司持續經營的能力產生重大疑問。

內部監控及風險管理

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

董事會亦負責對財務申報的內部監控是否充分以及披露監控和程序是否有效，作出適當的聲明，並透過轄下的審核委員會定期檢討該等制度是否有效。

Investor Relations and Communication with Shareholders

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

Save for the disclosure below, all the Directors, namely Mr. CHEN, Ms. WAN, Mr. WONG, Dr. NGAI Wai Fung, Mr. CHEN Kaizhi and Mr. LI Bida have attended the annual general meeting of the Company.

Code provision A.6.7 stipulates that independent non-executive Directors should also attend general meetings and develop a balanced understanding of the views of shareholders.

Company Secretary

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

In compliance with Rule 3.29 of the Listing Rules, Mr. WONG has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2013.

投資者關係及股東通訊

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

除以下所述外，所有董事，即陳先生、萬女士、黃先生、魏偉峰博士、陳開枝先生及李必達先生均有出席公司的股東週年大會。

守則條文第A.6.7條規定，獨立非執行董事亦應出席股東大會，對公司股東的意見有公正的了解。

公司秘書

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

為遵守上市規則第3.29條規定，黃先生於年內二零一三年十二月三十一日止年度參加不少於15小時的相關專業培訓。

Shareholders' Rights

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

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

Contact details are as follows:

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

During the year under review, the Company has not made any changes to its Articles of Association (the "**Articles**"). An up-to-date Articles is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Articles for further details of their rights.

Auditors' Remuneration

The remuneration paid/payable to the Company's independent external auditor, SHINEWING (HK) CPA Limited, for the year ended 31 December 2013 in relation to audit and non-audit services are RMB673,000 and RMB119,000 respectively.

股東權利

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

股東可向本公司寄發書面查詢或建議以向董事會作出任何查詢。

聯絡詳情如下：

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

在回顧年內，本公司並無對其組織章程作出任何變動。組織章程(「**組織章程**」)的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考組織章程以取得有關其權利的詳情。

核數師薪酬

截至二零一三年十二月三十一日年度，本公司已付／應付外聘獨立核數信永中和(香港)會計師事務所有限公司所有關核數及非核數服務的薪酬分別為人民幣673,000元和人民幣119,000元。

Report of the Directors

董事會報告

The Directors submit this Report of Directors together with the audited consolidated financial statements for the year ended 31 December 2013.

Principal Activities

The principal activities of the Group are the designing, manufacturing, trading and distribution of Chinese herbal products, including shampoo products, hair-care products, skin-care products, herbal tea products and household cleaning products. The principal activities and other particulars of the subsidiaries are set out on pages 157 to 158 of this annual report.

Dividends

Following a review of the operating results of the Group, the Board does not recommend the payment of any final dividends in respect of the year ended 31 December 2013.

Results and Appropriations

The results of the Group for the year ended 31 December 2013 are set out in the consolidated statement of profit or loss on page 57 of this annual report.

Reserves

Details of the movements in the reserves of the Group and the Company during the financial year 2013 are set out on pages 61 and 146 of this annual report respectively.

Distributable Reserves

As at 31 December 2013, the Company's reserves available for distributions amounted to RMB1,302.5 million.

Major Customers and Suppliers

During the financial year ended 31 December 2013, sales made to the Group's five largest customers and the largest customer accounted for approximately 14.8% and 5.3%, respectively of the total sales of the Group. The Group purchased approximately 36.7% and 9.9%, respectively of its goods and services from its five largest suppliers and the largest supplier.

董事呈列董事會報告，連同截至二零一三年十二月三十一日財政年度的經審核綜合財務報表。

主要業務

本集團之主要業務是設計、製造、銷售中草藥產品，包括洗髮產品、護髮產品、護膚產品、中草藥飲品以及家庭清潔產品。各附屬公司之主要業務及其他詳情載列於本年報第157至158頁。

派息

根據本集團經營業績的回顧，董事會不建議派發關於截至二零一三年十二月三十一日的任何末期股息。

業績及分配

本年度截至二零一三年十二月三十一日年度之集團業績載於第57頁之綜合損益表內。

儲備

有關本集團及本公司於二零一三年財政年度的儲備變動，詳情分別載於本年報第61及146頁。

可供分派儲備

於二零一三年十二月三十一日，本公司的可供分派儲備為人民幣1,302.5百萬元。

主要客戶及供應商

截至二零一三年十二月三十一日財政年度，本集團向五大客戶及最大客戶銷售所得的銷售額分別佔本集團總銷售額約14.8%及5.3%。本集團向五大供應商及最大供應商採購的貨物及服務分別佔其採購的36.7%和9.9%。

Report of the Directors 董事會報告

None of the Directors, their associates or any shareholder of the Company, which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any interest in the share capital of the Group's five largest customers and five largest suppliers.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 160 of this annual report.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 18 to the consolidated financial statements.

Share Capital And Share Options

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

Pre-emptive Rights

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

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

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

本公司之董事、彼等之聯繫人士或任何股東(據董事所知持有本公司發行股本5%以上者)概無於本年度任何時間擁有該等五大客戶或五大供應商之任何權益。

財務概要

本集團於最近五個財政年度之業績及資產與負債概要載於本年報第160頁。

物業、廠房及設備

有關本集團物業、廠房及設備的變動，詳情載於綜合財務報表附註18。

股本及購股權

有關本公司股本及已授出購股權的變動，詳情載於綜合財務報表附註27至28。

優先購買權

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

購入、出售或贖回本公司之上市證券

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

Report of the Directors 董事會報告

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to issue of this annual report, the Company has maintained the prescribed public float with at least 25% of the Shares held by the public as required under the Listing Rules during the year ended 31 December 2013 and up to the date of this annual report.

Charitable Donations

Charitable donations made by the Group during the year ended 31 December 2013 amounted to RMB0.2 million.

Management Contracts

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

Directors

The Directors during the year were:

Executive Directors

Mr. CHEN Qiyuan (*Chairman*)
Ms. WAN Yuhua
Mr. SHEN Xiaodi
(Resigned on 28 May 2013)
Mr. WONG Sin Yung

Non-Executive Director

Ms. GUO Jing
(Resigned on 28 May 2013)

Independent Non-Executive Directors

Dr. NGAI Wai Fung
Mr. LI Bida
Mr. CHEN Kaizhi

足夠公眾持股量

按本公司可公開獲得之資料及就董事所知，於本報告刊發前之最後可行日期，本公司於截至二零一三年十二月三十一日的年度內及截至本年報發佈之日一直維持上市規則指定數額之公眾持股量不低於25%。

慈善捐款

截至二零一三年十二月三十一日，本集團的慈善捐款為人民幣0.2百萬元。

管理合約

年內概無訂立或存在任何有關管理及經營本公司全部或任何重大部份業務的合約。

董事

於本年度內之董事如下：

執行董事

陳啟源先生(主席)
萬玉華女士
沈小笛先生
(於二零一三年五月二十八日辭任)
黃善榕先生

非執行董事

郭晶女士
(於二零一三年五月二十八日辭任)

獨立非執行董事

魏偉峰博士
李必達先生
陳開枝先生

Report of the Directors 董事會報告

Details of the Directors' biographies have been set out on pages 50 to 54 of the annual report.

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

Directors' Service Contracts

Each of our executive Directors has entered into a director's service agreement with the Company for a term of three years from 4 July 2012.

Each of our independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years from 4 July 2012.

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

Directors' Emoluments

Directors' emoluments are determined by the Board, in consultation with the Remuneration Committee, with reference to their duties, responsibilities and performance and the results of the Group.

Confirmation of Independence

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

本公司董事之履歷詳情載於本年報第50至54頁。

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

董事服務合約

各執行董事已與本公司訂立董事服務協議，由二零一二年七月四日起，為期三年。

各獨立非執行董事與本公司已簽訂委任函件，由二零一二年七月四日起，為期三年。

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

董事酬金

董事酬金由董事會經與薪酬委員會協商及參考彼等職務、責任及表現以及本集團的業績釐定。

獨立性之確認

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

Report of the Directors 董事會報告

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

As of 31 December 2013, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register that was required to be kept by the Company pursuant to section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”):

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

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

截至二零一三年十二月三十一日，董事及本公司行政人員於本公司及其相聯法團（按香港法例第571章證券及期貨條例（「證券及期貨條例」）條例第XV部的涵義的股份、相關股份或債券證中，擁有 (a) 根據證券及期貨條例第XV部第7及第8分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等根據上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），(b) 或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，(c) 或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：

於本公司及其相聯法團的股份和相關股份中之權益

Name of director 董事名稱	Long/Short position in Ordinary Shares 普通股中之好／淡倉	Nature of interest 權益性質	Number of shares/ underlying shares held 股份及相關 股份數目	Approximate percentage of issued share capital 持股百分比
CHEN Qiyuan 陳啟源	Long 好倉	Corporate (Note 1) 公司(附註1)	1,900,840,000	65.30%
WAN Yuhua 萬玉華	Long 好倉	Corporate (Note 2) 公司(附註2)	1,900,840,000	65.30%
WONG Sin Yung 黃善榕	Long 好倉	Personal (Note 3) 個人(附註3)	2,100,000	0.07%

Report of the Directors 董事會報告

Notes:

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

附註：

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

Long position in shares, underlying shares and debentures of the associated corporations

於相關法團的股份和相關股份中之權益

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

Other than as disclosed above, as of 31 December 2013, so far as known to any Directors or chief executive of the Company, neither the Directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they had taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register that was required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上述披露的人員之外，截至二零一三年十二月三十一日，目前所知本公司的任何董事及最高行政人員，無論是本公司董事或者是最高行政人員，都沒有擁有本公司及其相聯法團（按證券及期貨條例第 XV 部的涵義）的股份、相關股份或債券證中，(a) 根據證券及期貨條例第 XV 部第 7 及第 8 分部的規定須知會本公司及聯交所的權益及淡倉（包括彼等更具上述證券及期貨條例該等條文被當做或視作擁有的權益及淡倉），(b) 或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，(c) 或根據標準守則規定須知會本公司及香港聯交所。

Report of the Directors 董事會報告

Interests and Short Positions of Substantial Shareholders of the Company

As of 31 December 2013, so far as known to any Director or chief executive of the Company, shareholders (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register that was required to be kept pursuant to Section 336 of the SFO were as follows:

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Ltd.	Corporate	1,900,840,000 (L)	65.30%
Fortune Station Ltd.	公司		
CHEN Qiyuan	Corporate (Note 1)	1,900,840,000 (L)	65.30%
陳啟源	公司(附註1)		
WAN Yuhua	Corporate (Note 2)	1,900,840,000 (L)	65.30%
萬玉華	公司(附註2)		

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

本公司主要股東的權益及淡倉

據本公司董事任何董事或最高行政人員，截至二零一三年十二月三十一日，股東(除本公司董事或最高行政人員外)於股份或相關股份中擁有根據證券及期貨條例第336條規定須登記於需存置的登記冊內的權益或淡倉：

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 股份數目	Approximate percentage of issued share capital 持股百分比
Fortune Station Ltd.	Corporate	1,900,840,000 (L)	65.30%
Fortune Station Ltd.	公司		
CHEN Qiyuan	Corporate (Note 1)	1,900,840,000 (L)	65.30%
陳啟源	公司(附註1)		
WAN Yuhua	Corporate (Note 2)	1,900,840,000 (L)	65.30%
萬玉華	公司(附註2)		

L – 好倉，S – 淡倉

Notes:

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

附註：

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

Other than as disclosed above, as of 31 December 2013, the Company has not notified by any person (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

截至二零一三年十二月三十一日，除上文所披露人士之外，本公司沒有任何人士(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。

Share Option Scheme and Pre-IPO Share Option Scheme

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

Share Option Scheme

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

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

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

購股權計劃及首次公開發售前購股權計劃

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

購股權計劃

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

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

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

Report of the Directors 董事會報告

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

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

As of 31 December 2013, an aggregate of 2,880,000 shares options were granted to three employees by the Company under the Share Option Scheme, but all of them have been forfeited.

Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme became effective on 10 December 2008. As of 31 December 2013, options to subscribe for an aggregate of 14,532,000 Shares were granted, representing approximately 0.5% of the issued share capital of the Company as at the latest practicable date. No further options will be granted under the Pre-IPO Share Option Scheme.

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

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

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

截至二零一三年十二月三十一日，本公司已根據購股權計劃授予三名僱員總共 2,880,000 股股份的購股權，但已經全部喪失。

首次公開發售前購股權計劃

首次公開發售前購股權計劃於二零零八年十二月十日起生效。截至二零一三年十二月三十一日，已授予總共 14,532,000 股的購股權，大約佔本公司截至最後實際可行日期已發行股份之 0.5%。沒有根據首次公開發售前購股權計劃授出的其他購股權。

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

Report of the Directors 董事會報告

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

於二零零九年六月八日，公司授予兩名執行董事合共4,200,000股的首次公開發售前購股權。其中，總共840,000股份購股權已於二零一三年五月被取消，截至二零一三年十二月三十一日，該購股權已部分被行使。這些首次公開發售前購股權截至二零一三年十二月三十一日止年度明細如下：

Name of director 董事名稱	Date of grant 授權日	Exercise price (HKD) 行權價(港元)	Number of share options 股份期權數目				Outstanding as at 31 December 2013 截至 二零一三年 十二月三十一日 尚未行使	Approximate percentage of issued share capital of the Company (%) 佔本公司 已發行股本的概 約百分比(%)	Exercised Period 行權期間
			Outstanding as at 1 January 2013 截至 二零一三年 一月一日 尚未行使	Granted during the year 於年內 授予數目	Exercise during the year 於年內 行權數目	Forfeited during the year 於年內失效			
WONG Sin Yung 黃善裕	8 June 2009 二零零九年六月八日	Par Value 面值	315,000	—	—	—	630,000	0.02	4 July 2013 to 8 June 2019 二零一三年七月四日至 二零一四年六月八日
		Par Value 面值	315,000	—	—	—			
Total 合計			630,000	—	—	—	630,000	0.02	

Apart from the above, options to subscribe for a total of 10,332,000 Shares under the Pre-IPO Share Option Scheme were granted to 40 employees of the Group on 8 June 2009. Of which, options to subscribe for totalling 3,728,120 Shares granted to twenty-one employees had been forfeited.

除此以外，在二零零九年六月八日，根據首次公開發售前購股權計劃，總共有10,332,000股股份的購股權分配給了本集團40名僱員。其中，之前授予二十一僱員總共3,728,120股股份的購股權已被取消。

As of 31 December 2013, there was a balance of unexpired and unexercised options to subscribe for 3,825,040 Shares. Except for the options which had been granted as disclosed above, no further options were granted as at 31 December 2013. Details of Pre-IPO Share Option Scheme are set out in Note 28 under the section headed “Notes to the Consolidated Financial Statements” to this annual report.

截至二零一三年十二月三十一日，尚未到期並未被行使的購股權餘額是3,825,040股。除了上述已經披露授出的購股權，截至二零一三年十二月三十一日，再無任何購股權授出。首次公開發售前購股權計劃詳見本年報綜合財務報告附註28。

Continuing connected transactions

For the year ended 31 December 2013, the Group had the following continuing connected transactions and had complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules:

1. Production and Office Premises Lease Agreement

Bawang (Guangzhou) Co., Ltd (“**Bawang Guangzhou**”) renewed a production and office premises lease agreement with Guangzhou Bawang Cosmetics Co., Ltd (“**Guangzhou Bawang**”) on 21 January 2011, pursuant to which Bawang Guangzhou agreed to lease from Guangzhou Bawang a production premises and an office premises, both of which were located in Baiyun District, Guangzhou, the PRC (the “**Production and Office Premises Lease Agreement**”). The term of the Production and Office Premises Lease Agreement is three years commenced from 4 December 2010. The monthly rent is RMB184,083 and is fixed throughout the term of the lease. Bawang Guangzhou has also been granted a right of first refusal to purchase the production premises and office premises under the Production and Office Premises Lease Agreement. The Production and Office Premises Lease Agreement was terminated on 9 August 2013. Bawang Guangzhou and Guangzhou Bawang entered into a lease agreement (the “**Production Plant Lease Agreement**”) on 9 August 2013 for the lease of production plant at Bawang Industrial Complex which was located in Baiyun District, Guangzhou, the PRC. The lease term of the Production Plant Lease Agreement is three years commenced from 9 August 2013. The monthly rent and property management fee in aggregate is RMB1,120,000. The other terms are the same as the previous Production and Office Premises Lease Agreement.

For the year ended 31 December 2013, pursuant to the Production and Office Premises Lease Agreement and the Production Plant Lease Agreement, the rent paid by Bawang Guangzhou to Guangzhou Bawang was approximately RMB5.9 million.

Mr. CHEN Qiyuan and Ms. WAN Yuhua are Directors. Guangzhou Bawang is company beneficially owned by Mr. CHEN Qiyuan and Ms. WAN Yuhua. The Production and Office Premises Lease Agreement and the Production Plant Lease Agreement therefore constitute continuing connected transactions for the Company.

持續關連交易

根據上市規則第14A條，截至二零一三年十二月三十一日，本集團有下列連交易。

1. 生產廠房及辦公樓租賃協議

霸王(廣州)有限公司(以下簡稱「霸王廣州」)於二零一一年一月二十一日與廣州霸王化妝品有限公司(以下簡稱「廣州霸王」)續訂一份生產廠房及辦公樓租賃協議(「**生產廠房及辦公樓租賃協議**」)。根據該生產廠房及辦公樓租賃協議，霸王廣州同意向廣州霸王租用生產廠房及辦公樓，兩者都位於中國廣州白雲區，其租期自二零一零年十二月四日起，為期三年。月租約為人民幣184,083元，並在租賃期內保持不變。根據生產廠房及辦公樓租賃協議，霸王廣州亦獲授購買生產廠房及辦公樓的優先權。生產廠房及辦公樓租賃協議可由霸王廣州於租賃屆滿前發出一個月通知予以續約。該合同已於二零一三年八月九日被終止。霸王廣州與廣州霸王於二零一三年八月九日重新簽訂一份生產廠房租賃協議(「**生產廠房租賃協議**」)，自二零一三年八月九日起租用位於中國廣州市白雲區的霸王工業園，租期三年，租金和物業管理費每月共人民幣1,120,000元。其他條件與原有生產廠房自辦公樓租賃協議相同。

截至二零一三年十二月三十一日，根據生產廠房及辦公樓租賃協議以及生產廠房租賃協議，霸王廣州支付廣州霸王的租金約人民幣5.9百萬元。

陳啟源先生和萬玉華女士均是董事，而廣州霸王實質上由陳啟源先生和萬玉華女士共同擁有。該生產廠房及辦公樓租賃協議以及生產廠房租賃協議下進行的交易構成本公司的持續關連交易。

2. Office Premises Lease Agreement

Bawang Guangzhou and Guangzhou Bawang entered into a tenancy agreement on 28 December 2011, pursuant to which Bawang Guangzhou agreed to lease from Guangzhou Bawang office premises located at Baiyun District, Guangzhou, the PRC (the “**Office Premises Lease Agreement**”). The term of the Office Premises Lease Agreement is three years commenced from 1 January 2012 and the monthly rental payable is RMB182,000. The monthly rental is fixed throughout the term of the tenancy. Bawang Guangzhou has a right to terminate the Office Premises Lease Agreement by giving a three months’ prior notice to Guangzhou Bawang. Accordingly, Bawang Guangzhou enjoys the flexibility to relocate to another site or premises at any time should we consider the office premises no longer suitable for our use or no longer cost competitive. The Office Premises Lease Agreement is renewable at the option of Bawang Guangzhou by giving one month’s notice prior to the expiry of the lease. Bawang Guangzhou has also been granted a first right of refusal to purchase the Office Premises. Should Bawang Guangzhou decide to exercise the first right of refusal in the future, it shall comply with all the applicable requirements under the Listing Rules. The Office Premises Lease Agreement was terminated on 9 August 2013. Bawang Guangzhou and Guangzhou Bawang entered into a lease agreement (the “**New Office Lease Agreement**”) on 9 August 2013 for the lease of office, which located in Baiyun District, Guangzhou, the PRC. The lease term of the New Office Lease Agreement is three years commenced from 9 August 2013. The monthly rent and property management fee in aggregate is RMB92,800. The other terms are the same as the previous Office Premises Lease Agreement.

For the year end 31 December 2013, pursuant to the Office Premises Lease Agreement and New Office Lease Agreement, the annual rent paid by Bawang Guangzhou to Guangzhou Bawang was approximately RMB1.7 million.

Mr. CHEN Qiyuan and Ms. WAN Yuhua are Directors. Guangzhou Bawang is company beneficially owned by Mr. CHEN Qiyuan and Ms. WAN Yuhua. The Production and Office Premises Lease Agreement and the New Office Lease Agreement therefore constitute continuing connected transactions for the Company.

2. 辦公場所租賃協議

霸王廣州於二零一一年十二月二十八日與廣州霸王訂立一份辦公場所租賃協議（「**辦公場所租賃協議**」）。根據該辦公場所租賃協議，霸王廣州同意向廣州霸王租用位於中國廣州白雲區的辦公室，其租期自二零一二年一月一日起，為期三年，月租為人民幣182,000元。於租期內，月租固定不變。霸王廣州擁有提前三個月通知廣州霸王終止該辦公場所租賃協議的權力。因此，當霸王廣州認為租賃的辦公場所不再適合我們使用或不再具備成本競爭力的時候，霸王廣州享有隨時搬遷到其他地點或場所的靈活性。霸王廣州可於租期屆滿前一個月通知要求重續該辦公場所租賃協議。我們亦獲得購買該辦公場所的優先權。倘若霸王廣州在未來決定行駛優先購買權時，應遵守上市規則的相關規定。該合同已於二零一三年八月九日被終止。霸王廣州與廣州霸王於二零一三年八月九日重新簽訂一份辦公場所租賃協議（「**新辦公場所租賃協議**」），自二零一三年八月九日起租用位於中國廣州市白雲區的辦公場所，租期三年，租金和物業管理費每月共人民幣92,800元。其他條件與原有辦公場所租賃協議相同。

截至二零一三年十二月三十一日，根據辦公場所租賃協議以及新辦公場所租賃協議，霸王廣州支付廣州霸王年度租金約人民幣1.7百萬元。

陳啟源先生和萬玉華女士均是董事，而廣州霸王實質上由陳啟源先生和萬玉華女士共同擁有。該辦公場所租賃協議以及新辦公場所租賃協議下進行的交易構成本公司的持續關連交易。

3. Packaging Material Supply Agreement

On 28 March 2009, Bawang Guangzhou entered into a packaging material supply agreement with Guangzhou Chenming Paper Products Company Limited (“**Chenming Paper**”), pursuant to which Chenming Paper agreed to supply packaging material to Bawang Guangzhou from time to time at fixed unit prices for a term of three years commencing from 1 January 2009 (the “**Packaging Material Supply Agreement**”). Bawang Guangzhou and Chenming Paper will review the prices offered by Chenming Paper at least once annually to ensure that they are at market prices or at prices no less favourable than those offered to Bawang Guangzhou by independent third-parties. The supply agreement was renewed on 28 December 2011 for a term of three years commencing from 1 January 2012 and on the same terms as the original Packaging Material Supply Agreement.

For the year ended 31 December 2013, pursuant to the Packaging Material Supply Agreement and its renewal agreement, the annual transaction amount for the supply of packaging material by Chenming Paper to Bawang Guangzhou was approximately RMB9.2 million.

Mr. CHEN Qiyuan is a Director. Chenming Paper is wholly-owned by Mr. CHEN Qiwen, who is Mr. CHEN Qiyuan’s brother. The transactions under the Packaging Material Supply Agreement and its renewal agreement therefore constitute continuing connected transactions for the Company.

4. Toothpaste Container Supply Agreement

On 28 March 2009, Bawang Guangzhou entered into a toothpaste container supply agreement with Guangzhou Qiancai Packaging Material Co., Ltd. (“**Qiancai Packaging**”), pursuant to which Qiancai Packaging agreed to supply toothpaste containers to Bawang Guangzhou from time to time at fixed unit prices for a term of three years commencing from 1 January 2009 (the “**Toothpaste Container Supply Agreement**”). Bawang Guangzhou and Qiancai Packaging will review the prices offered by Qiancai Packaging at least once annually to ensure that they are at market prices or at prices no less favourable than those offered to Bawang Guangzhou by independent third-parties.

3. 包裝物料供應協議

霸王廣州與廣州晨明紙品有限公司(以下簡稱「**晨明紙品**」)於二零零九年三月二十八日訂立一份包裝物料供應協議。據此，晨明紙品同意不時以固定單位價格向霸王廣州供應包裝物料，自二零零九年一月一日起，為期三年(「**包裝物料供應協議**」)。霸王廣州及晨明紙品將每年至少一次評審晨明紙品提供的價格，以確保有關價格符合市價或不遜於由獨立第三方向霸王廣州所提供的價格。該供應協議於二零一一年十二月二十八日簽署續約，自二零一二年一月一日起為期三年，條件與原有的包裝物料供應協議相同。

截至二零一三年十二月三十一日，根據包裝物料供應協議以及其續約協議，霸王廣州與廣州晨明紙品有限公司全年交易額約為人民幣9.2百萬元。

陳啟源先生是董事。廣州晨明紙品有限公司由陳啟文先生全資擁有，而陳啟文先生是陳啟源先生的弟弟。包裝物料供應協議以及其續約協議項下進行的交易構成本公司的持續關連交易。

4. 牙膏軟管供應協議

霸王廣州與廣州倩采包裝材料有限公司(以下簡稱「**倩采包裝材料**」)於二零零九年三月二十八日訂立一份牙膏軟管供應協議。據此，倩采包裝材料同意不時以固定單位價格向霸王廣州供應牙膏軟管，自二零零九年一月一日起，為期三年(「**牙膏軟管供應協議**」)。霸王廣州及倩采包裝材料將每年至少一次評審倩采包裝材料提供的價格，以確保有關價格乃符合市價或不遜於由獨立第三方向霸王廣州所提供的價格。

Report of the Directors 董事會報告

The Toothpaste Container Supply Agreement was renewed on 28 December 2011 for a term of three years commencing from 1 January 2012 and on the same terms as the previous Toothpaste Container Supply Agreement. As the Directors expect that the relevant percentage ratios in respect of the maximum transaction value on an annual basis relating to the Toothpaste Container Supply Agreement (and its renewal agreement) will be less than 5% and the total consideration is less than HK\$1.0 million, the transactions contemplated under the Toothpaste Container Supply Agreement constitute exempt continuing connected transactions of the Company under the Listing Rules.

For the year ended 31 December 2013, the annual transaction amount for the supply of toothpaste containers by Qiancai Packaging to Bawang Guangzhou under the Toothpaste Container Supply Agreement (and its renewal agreement) was approximately RMB0.7 million.

Mr. CHEN Qiyuan is a Director. A majority equity interest in Qiancai Packaging is owned by Ms. WU Xiaotao, who is Mr. CHEN's sister-in-law. The Toothpaste Container Supply Agreement (and its renewal agreement) therefore constitute continuing connected transactions for the Company.

The independent non-executive Directors have reviewed and confirmed that the above continuing connected transactions were entered into in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable and in the interests of the Shareholders as a whole, and the respective annual caps are fair and reasonable and in the interests of the Shareholders as a whole.

該牙膏軟管供應協議於二零一一年十二月二十八日簽署續約，自二零一二年一月一日起為期三年，條件與原有的牙膏軟管供應協議相同。由於董事預期的牙膏軟管供應協議每年的最高交易價值之有關百分比少於5%並且合併交易總額少於港元1.0百萬，因此根據上市規則構成本公司之獲豁免持續關連交易。

截至二零一三年十二月三十一日，根據牙膏軟管供應協議以及其續約協議，霸王廣州與倩采包裝材料全年交易額約為人民幣0.7百萬元。

陳啟源先生是董事。倩采包裝的絕大多數權益由吳女士擁有，而吳女士是陳啟源先生的弟媳。牙膏軟管供應協議以及其續約協議項下進行的交易構成本公司的持續關連交易。

獨立非執行董事認為，上述非豁免持續關連交易乃於本公司的一般及日常業務過程中，按一般商業條款訂立，屬公平合理，並符合股東的整體利益，而相關年度上限為公平合理，並符合股東的整體利益。

Report of the Directors 董事會報告

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group above in accordance with Rule 14A.38 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

Directors' interests in contracts of significance

No Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the financial year.

Directors' and Controlling Shareholders' interest in competing business

As at 31 December 2013, none of the Directors and their respective associates (as defined in the Listing Rules) or the controlling shareholders (as defined in the Listing Rules) of the Company had any interest in a business, which competes or may compete with the business of the Group.

Retirement schemes

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

Corporate governance

In respect of the year ended 31 December 2013, save as disclosed in the corporate governance report on pages 26 to 33 of the annual report, all the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules were met by the Company.

本公司核數師已獲聘請根據香港會計師公會頒佈的香港審核保證委聘準則第3000號《審核或審閱過去財務資料以外之核證委聘》，及實務說明第740號《關於香港上市規則所述持續關連交易的核數師函件》以匯報本集團的關連交易。核數師已根據香港聯合交易所有限公司證券上市規則第14A.38條出具無保留意見函件，該函件載有核數師對本集團已披露的持續關連交易的發現和結論。本公司已將有關之核數師函件副本呈交至香港聯合交易所有限公司。

董事之合約權益

本財政年度內，在本公司、其控股公司或其任何附屬公司亦屬訂約方之一的合約中，無任何董事於其中直接或者間接有重大權益。

董事及控股股東於競爭業務的權益

於二零一三年十二月三十一日，董事及其各自的聯繫人（定義見上市規則）或本公司控股股東（定義見上市規則）概無在與本集團業務構成競爭或可能構成競爭的業務中擁有任何權益。

退休計畫

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

企業管治

截至二零一三年十二月三十一日，除本年報第26至33頁企業管治報告另有披露外，本公司已遵守上市規則附錄14所載的企業管治守則所列的原則。

Report of the Directors 董事會報告

Audit Committee

The Company has established the Audit Committee in compliance with the Rule 3.21 of the Listing Rules. The Company has also complied with Rules 3.10(1) and 3.10(2) of the Listing Rules and appointed three independent non-executive Directors including one with financial management expertise. The primary duties of the Audit Committee are, among other things, to review the financial reporting process and internal control system of the Group. The Audit Committee also provides advice and suggestions to the Board. The Audit Committee has reviewed the audited annual financial statements of the Group contained in this annual report with the management of the Company and the Company's independent auditors and recommended its adoption by the Board.

Auditors

During the year, KPMG, who acted as auditor of the Company for the past three years, resigned and SHINEWING (HK) CPA Limited was appointed as auditor of the Company. SHINEWING (HK) CPA Limited will retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of SHINEWING (HK) CPA Limited as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

CHEN Qiyuan
Chairman

Hong Kong, 28 March 2014

審核委員會

本公司已按上市規則第3.21條規定成立審核委員會。本公司亦已遵守上市規則第3.10(1)及第3.10(2)條，委任三名獨立非執行董事，其中一位擁有財務管理專業知識。其主要職責包括審查本集團的財務申報程序和內部控制制度並向董事會提供建議及意見。審核委員會已與本公司的管理層及獨立核數師審閱本年報所載的本集團年度經審核的財務報表，並建議董事會將其採納。

核數師

於本年度內，畢馬威會計師事務所提出辭職，其於過去三年擔任本公司核數師，信永中和(香港)會計師事務所有限公司被聘為本公司核數師。信永中和(香港)會計師事務所有限公司將任滿告退，惟願應聘連任。在即將召開之股東周年大會上將提呈議案，議決續聘信永中和(香港)會計師事務所有限公司為本公司之核數師。

董事會代表

陳啟源
主席

香港，二零一四年三月二十八日

Directors and Senior Management

董事及高層管理人員

Directors

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

Name 姓名	Age 年齡	Position/Title 職位／職銜
Mr. CHEN Qiyuan 陳啟源先生	52	Chairman and Executive Director 主席兼執行董事
Ms. WAN Yuhua 萬玉華女士	48	Chief Executive Officer (“CEO”) and Executive Director 首席執行官兼執行董事
Mr. WONG Sin Yung 黃善榕先生	59	Chief Financial Officer and Executive Director 首席財務官兼執行董事
Dr. NGAI Wai Fung 魏偉峰博士	52	Independent non-executive Director 獨立非執行董事
Mr. LI Bida 李必達先生	73	Independent non-executive Director 獨立非執行董事
Mr. CHEN Kaizhi 陳開枝先生	73	Independent non-executive Director 獨立非執行董事

Executive Directors

Mr. CHEN Qiyuan (陳啟源), aged 52, is the co-founder of our Group, our chairman and has been our executive Director since 12 November 2007. Mr. CHEN is responsible for the overall strategic planning and management of our Group. Mr. CHEN has extensive experience in the Chinese herbal HPC product industry, having been engaged in the consumer chemical product business for over 19 years. Mr. CHEN and Ms. WAN entered the HPC product business by establishing Guangzhou Bawang Cosmetics Co., Ltd. (the predecessor entity of the Company) in 1994, to enter the HPC product business in the PRC. Mr. CHEN was engaged in the trading of pesticides in the PRC before the establishment of Guangzhou Bawang Cosmetics Co., Ltd.. In November of 2010, Mr. CHEN Qiyuan was recognised as the “Representative Successor of Chinese Herbal Tea Culture” by the Guangdong Provincial Bureau of Culture. In December 2013, Mr. CHEN Qiyuan had been honoured as the “Distinguished People of Yunfu City” for recognition of his contribution to the development of the city. Mr. CHEN is the spouse of Ms. WAN.

董事

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

執行董事

陳啟源先生，52歲，為本集團共同創辦人、我們的主席，並自二零零七年十一月十二日出任我們的執行董事。陳先生負責本集團整體策略規劃及管理。陳先生從事日化產品行業方面的業務超過19年，在中草藥家用個人護理產品行業擁有豐富經驗。考慮到中國市場的家用品個人護理產品業務，陳先生及萬女士於一九九四年成立廣州霸王化妝品有限公司(本公司的前身實體)以進軍家用個人護理產品業務。創立廣州霸王化妝品有限公司之前，陳先生曾參與中國農藥貿易生意。二零一零年十一月，陳啟源先生被認定為涼茶傳統技藝的「廣東省非物質文化遺產項目代表性傳承人」。二零一三年十二月，陳啟源先生因其為城市作出的貢獻，被授予「雲浮傑出紳士」的榮譽稱號。陳先生為萬女士的配偶。

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

Ms. WAN Yuhua (萬玉華), aged 48, is the co-founder of our Group, our CEO and has been our executive Director since 12 November 2007. Ms. WAN is responsible for the overall strategic planning, marketing planning, sales and distribution and research and development of our Group. Ms. WAN has extensive experience in the Chinese herbal HPC product industry. She has over 18 years experience in the consumer chemical product industry in the PRC. She also has extensive experience in the sales and corporate management. Prior to the establishment of Guangzhou Bawang Cosmetics Co., Ltd. (the predecessor entity of the company), Ms. WAN worked in South China Botanical Garden, Chinese Academy of Sciences (中國科學院華南植物研究所) as an engineer. Ms. WAN has been serving as the deputy head of the Chamber of Beauty Culture & Cosmetics of All-China Federation of Industry & Commerce (中華全國工商業聯合會美容化妝品業商會) since 2008. She was also elected Charismatic Leader in Chinese Herbal Consumer Chemical Industry in China (中國中藥日化行業魅力領軍人物) by The Election Committee of the National Industry Leading Brand (全國行業領先企業品牌推選組委會) in 2008. Ms. WAN obtained Guangzhou Overseas Chinese Entrepreneurship Award (廣州新僑回國創業貢獻獎) in 2008 from Guangzhou Personnel Bureau (廣州人事局), a government body, and Guangzhou Overseas Chinese Federation (廣州市歸國華僑聯合會). Ms. WAN was elected Ten Excellent Entrepreneurs for Chinese Brand Building (中國品牌建設十大優秀企業家) by China Enterprise Culture Improvement Association in 2006. In 2013, Ms. WAN was recognised as “The 4th Standing Committee Award” by the Chinese National Joint Trade Association of Beauty-care & Cosmetic Industry. She was recognised as “Honorable Civilian Diplomat” of the Beijing British Commonwealth Society. She was recognised as the “People of the Economic Year 2013” in the 11th Chinese Economists Annual Competition of the China Economic Summit 2013. She obtained a bachelor’s degree in plant genetics from South China Agricultural University (華南農業大學) in 1998. Ms. WAN is the spouse of Mr. CHEN.

萬玉華女士，48歲，為本集團共同創辦人、我們的首席執行官，並自二零零七年十一月十二日出任我們的執行董事。萬女士負責本集團的整體策略規劃、營銷規劃、銷售和分銷及研究與開發。萬女士在中草藥家用個人護理產品行業擁有豐富經驗。彼在中國日化產品行業方面擁有超過18年經驗。彼對銷售及企業管理有豐富經驗。創立廣州霸王化妝品有限公司(本公司的前身實體)前，萬女士在中國科學院華南植物研究所工作，擔任工程師。自二零零八年，萬女士任中華全國工商業聯合會美容化妝品業商會副會長。彼亦於二零零八年獲全國行業領先企業品牌推選組委會選為「中國中藥日化行業魅力領軍人物」。萬女士於二零零八年取得廣州人事局(為政府機關)及廣州市歸國華僑聯合會頒發的「廣州新僑回國創業貢獻獎」。彼於二零零六年更獲中國企業文化促進會選為「中國品牌建設十大優秀企業家」。於二零一三年，萬女士被中華全國工商業聯合會美容化妝品業商會授予「第四屆理事會特殊貢獻獎」，還獲得英聯邦成員國北京協會授予「民間外交家榮譽稱號」，亦在2013中國經濟高峰論壇暨第十一屆中國經濟人物徵評活動中被評選為「2013中國經濟年度人物」。萬女士於一九九八年在華南農業大學取得植物遺傳學學士學位。萬女士為陳先生的配偶。

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

Mr. WONG Sin Yung (黃善榕), aged 59, is our Chief Financial Officer and executive Director. Mr. WONG joined our Group in April 2008 and was appointed as our executive Director on 10 December 2008. He is responsible for the finance management and control, accounting, auditing, company secretarial and investor relations of our Group. Prior to joining our Group, Mr. WONG was an executive director of China Ting Group Holdings Limited (華鼎集團控股有限公司) (03398), from 2005 to 2008, the shares of which are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Mr. WONG was the chief accountant and finance manager of Mark Wong & Associates (Industrial Consultants) Limited from 1988 to 1992 and from 1994 to 2003 respectively. He also worked for a certified public accountant firm from 1992 to 1994. Mr. WONG has over 28 years experience in corporate finance, accounting, auditing, corporation administration, and project consulting. He is an associate member of Hong Kong Institute of Certified Public Accountants. Mr. WONG obtained a master’s degree in human resource management from Macquarie University in 1996 and a master’s degree in business administration from the University of Hong Kong in 1999.

黃善榕先生，59歲，為我們的首席財務官兼執行董事。黃先生於二零零八年四月加入本集團，並於二零零八年十二月十日獲委任為我們的執行董事。彼負責本集團的財務管理及監控、會計、審核、公司秘書及投資者關係。加入本集團之前，黃先生於二零零五年至二零零八年曾為華鼎集團控股有限公司(03398)(其股份於香港聯合交易所有限公司(以下簡稱「聯交所」)上市)的執行董事。於一九八八年至一九九二年及一九九四年至二零零三年期間，黃先生在 Mark Wong & Associates (Industrial Consultants) Limited 擔任總會計師及財務經理。彼亦於一九九二年在一家執業會計師事務所工作。黃先生在企業融資、會計、審核、公司管理及項目諮詢方面擁有超過28年的經驗。彼為香港會計師公會會員。黃先生於一九九六年獲麥格理大學的人力資源管理碩士學位，於一九九九年獲香港大學工商管理碩士學位。

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

Dr. NGAI Wai Fung (魏偉峰), aged 52, was appointed as our independent non-executive Director on 10 December 2008. He is currently the Managing Director of MNCOR Consulting Limited, a speciality corporate and compliance services provider to Companies in pre-IPO and post-IPO. Dr. NGAI is also Chief Executive Officer of SW Corporate Services Group Limited, of which MNCOR Consulting Limited is a major shareholder. Dr. NGAI has since January 2013 been appointed by the Chief Executive of The Hong Kong Special Administrative Region as a member of Work Group on Professional Services under the Economic Development Commission. Prior to that, he was the director and head of listing services of an independent integrated corporate services provider. He is and has been a vice president of the Hong Kong Institute of Chartered Secretaries since 2002. He is a fellow of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Institute of Chartered Secretaries and Administrators and a fellow of the Hong Kong Institute of Chartered Secretaries, a fellow of Hong Kong Institute of Directors, a member of Hong Kong Securities and Investment Institute, the Adjunct Professor of Law of Hong Kong Shue Yan University and a member of Qualification and Examination Board of the Hong Kong Institute of Certified Public Accountants. He obtained a doctor's degree in Finance from Shanghai University of Finance and Economics in 2011, a master's degree in corporate finance from Hong Kong Polytechnic University in 2002 and a master's degree in business administration from Andrews University of Michigan in 1992. Dr. NGAI has over 20 years of senior management experience, most of which is in the areas of finance, accounting, internal control and regulatory compliance for issuers including major red chip companies. Dr. NGAI was an independent non-executive director and a member of the audit committee of China Life Insurance Company Limited (中國人壽保險股份有限公司) (02628) from 2006 to 2009 and Franshion Properties (China) Limited (方興地產(中國)有限公司) (0817) from 2007 to 2011, and is currently an independent non-executive director and a member of the audit committee of China Railway Construction Corporation Limited (中國鐵建股份有限公司) (01186), China Coal Energy Company Limited (中國中煤能源股份有限公司) (01898), SITC International Holdings Company Limited (海豐國際控股有限公司) (01308) and an independent non-executive director and the chairman of the audit committee of Bosideng International Holdings Limited (波司登國際控股有限公司) (03998), Powerlong Real Estate Holdings Limited (寶龍地產控股有限公司) (01238), Sany Heavy Equipment International Holdings Limited (三一重裝國際控股有限公司) (0631), Juda International Holdings Limited (鉅大國際控股有限公司) (01329), (Biostime International Holdings Limited (合生元國際控股有限公司) (01112) and LDK Solar Co. Ltd (LDK), shares of which are listed on the Stock Exchange and/or the Shanghai Stock Exchange and/or the New York Stock Exchange.

魏偉峰博士，52歲，於二零零八年十二月十日獲委任為我們的獨立非執行董事。彼現任一家為公司上市前及上市後提供專業合規諮詢服務的公司——萬年高顧問有限公司的董事總經理及信永方圓企業服務集團有限公司(萬年高顧問有限公司為其主要股東)的行政總裁。魏博士於二零一三年一月起獲香港特別行政區行政長官委任為經濟發展委員會專業服務業工作小組非官守成員。在此之前，彼曾擔任獨立運作綜合企業服務公司的董事兼上市服務部主管。彼自二零零二年起擔任香港特許秘書公會副會長。彼為英國特許公認會計師公會資深會員、香港會計師公會會員、特許秘書及行政人員公會資深會員及香港特許秘書公會資深會員、香港證券及投資學會會員、香港樹仁大學法律系兼任教授及香港會計師公會專業資格及考試評議會委員會成員。彼於二零一一年取得上海財經大學金融學博士學位，於二零零二年取得香港理工大學企業金融學碩士學位，於一九九二年獲得美國密茲根州安德魯大學工商管理碩士學位。魏博士擁有超過20年高級管理層經驗，其中絕大部分經驗與上市公司(包括大型紅籌公司)的財務、會計、內部控制與合規工作相關。魏博士於二零零六年至二零零九年曾擔任中國人壽保險股份有限公司(02628)的獨立非執行董事及審核委員會成員，於二零零七年至二零一一年曾擔任方興地產(中國)有限公司(0817)的獨立非執行董事及審核委員會成員，而目前為中國鐵建股份有限公司(01186)、中國中煤能源股份有限公司(01898)及海豐國際控股有限公司(01308)的獨立非執行董事及審核委員會成員，以及波司登國際控股有限公司(03998)、寶龍地產控股有限公司(01238)、三一重裝國際控股有限公司(0631)、鉅大國際控股有限公司(01329)、合生元國際控股有限公司(01112)及賽維LDK太陽能高科技有限公司(LDK)的獨立非執行董事及審核委員會主席，上述公司的股份於聯交所及/或上海證券交易所及/或紐約證券交易所上市。

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

Mr. LI Bida (李必達), aged 73, was appointed as our independent non-executive Director on 10 December 2008. Prior to joining our Group, Mr. LI was the head of Department of Lawyers, the Ministry of Justice of the PRC (中國司法部律師司), currently known as Department of Directing Lawyers and Notarization, Ministry of Justice (司法部律師公証工作指導司), from 1988 to 1992. He was also an arbitrator in China International Economics and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會) from 1989 to 1990. From 1992 to 1995, he served as standing deputy head of State Trademark Bureau (國家商標局). From 1992 to 2001, he held various positions in State Administration of Industry and Commerce (國家工商行政管理總局) including the head of the Fair Trading Bureau (公平交易局) and the head of Registration Bureau (企業註冊局). He was a consultant with a number of companies, including Galanz Group (格蘭仕集團) from 2001 to 2003, Perfect (China) Co., Ltd. (完美(中國)日用品有限公司) and Nanfong Lee Kum Kee Co., Ltd. (南方李錦記有限公司) from 2001 to 2005, Ricoh China Co., Ltd. (理光(中國)投資有限公司) from 2005 to 2006, and NU Skin (China) Co., Ltd. (如新(中國)日用保健品有限公司) from 2006 to 2007. He is currently a member of the board of directors of Intellectual Property Institute of Peking University (北京大學知識產權學院), professor of Renmin University of China Law School (中國人民大學法律學院) and Capital University of Economics and Business (首都經濟貿易大學). Mr. LI obtained a bachelor's degree in law from Hubei University (湖北大學) in 1965.

Mr. CHEN Kaizhi (陳開枝), aged 73, was appointed as our independent non-executive Director on 8 April 2009. Prior to joining us, he held various governmental positions in Guangdong province from 1964 to 1998. He was promoted to executive vice mayor of Guangzhou in 1992 and deputy secretary of the Leading Party Group of Guangzhou Municipal Government (廣州市政府黨組副書記) in 1993. From 1998 to 2005, he was the chairman and secretary of the Leading Party Group of Guangzhou Political Consultative Conference (廣州市政協主席及黨組書記). Since his retirement from his governmental position in 2005, he held the position of vice president of China Foundation for Poverty Alleviation (中國扶貧基金會), a charitable organization in the PRC. He obtained a bachelor's degree in political education from South China Normal College (華南師範學院), which is the predecessor of South China Normal University (華南師範大學), in 1964.

李必達先生，73歲，於二零零八年十二月十日獲委任為我們的獨立非執行董事。在加入本集團之前，李先生於一九八八年至一九九二年期間為中國司法部律師司司長(現稱為司法部律師公証工作指導司)。彼於一九八九年至一九九零年期間為中國國際經濟貿易仲裁委員會仲裁員。於一九九二年至一九九五年期間，彼任職國家商標局常務副局長。一九九二年至二零零一年期間，彼在國家工商行政管理總局擔任不同職位，包括公平交易局局長及企業註冊局局長。彼曾為多家公司的顧問，包括二零零一年至二零零三年期間擔任格蘭仕集團的顧問、二零零一年至二零零五年期間擔任完美(中國)日用品有限公司及南方李錦記有限公司的顧問、二零零五年至二零零六年期間擔任理光(中國)投資有限公司的顧問及於二零零六至二零零七年期間擔任如新(中國)日用保健品有限公司的顧問。彼目前擔任北京大學知識產權學院董事會董事、中國人民大學法律學院及首都經濟貿易大學教授。李先生於一九六五年獲湖北大學法學學士學位。

陳開枝先生，73歲，於二零零九年四月八日獲委任為我們的獨立非執行董事。在加入本集團之前，彼於一九六四年至一九九八年期間在廣東省擔任多個政府職位。彼於一九九二年晉升為廣州市常務副市長，並於一九九三年晉升為廣州市政府黨組副書記。自一九九八年至二零零五年，彼為廣州市政協主席及黨組書記。於二零零五年退任政府職位後，彼擔任中國扶貧基金會(一家中國的慈善機構)的副會長。彼於一九六四年取得華南師範學院(華南師範大學前身)政治教育專業學士學位。

Independent Auditor's Report

獨立核數師報告



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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BAWANG INTERNATIONAL (GROUP) HOLDING LIMITED
(incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of BaWang International (Group) Holding Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 57 to 159, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

信永中和(香港)
會計師事務所有限公司
香港銅鑼灣
希慎道33號利園43樓

致 **霸王國際(集團)控股有限公司** 股東
之獨立核數師報告
(於開曼群島註冊成立的有限公司)

我們已審計列載於第57至159頁霸王國際(集團)控股有限公司(「**貴公司**」)及其子公司(以下合稱「**貴集團**」)的綜合財務報表，其中包括於二零一三年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他說明附註。

董事就綜合財務報表須承擔之責任

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

核數師之責任

我們之責任乃根據我們審核對該等綜合財務報表時發表意見，並僅向全體股東報告。除此以外，本報告不可用作其他用途。我們概不就本報告之內容對任何其他人士承擔責任或負債。我們已根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求我們遵守道德規範，並規劃及執行審核工作，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2013 and of the Group's loss and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Other Matters

The consolidated financial statements for the year ended 31 December 2012 were audited by another auditor who expressed an unqualified opinion on those statements on 19 March 2013.

SHINEWING (HK) CPA Limited

Certified Public Accountants

Chong Kwok Shing

Practising Certificate Number: P05139

Hong Kong
28 March 2014

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

我們相信，我們所獲得之審核憑證已充足及適當地為我們之審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據國際財務報告準則真實而公平地反映貴集團於二零一三年十二月三十一日之財務狀況及其截至該日止年度之虧損及現金流量，並已按照香港公司條例妥為編製。

其他事項

截至二零一二年十二月三十一日止年度之綜合財務報表已由其他審計師審核並於二零一三年三月十九日作出無保留的審計意見。

信永中和(香港)會計師事務所有限公司

執業會計師

莊國盛

執業證書編號：P05139

香港
二零一四年三月二十八日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

		Notes 附註	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
Continuing operations	持續經營業務			
Turnover	營業額	7	477,657	538,372
Cost of sales	銷售成本		(246,066)	(312,609)
Gross profit	毛利		231,591	225,763
Other income	其他收入	8	5,408	2,485
Changes in fair value less costs to sell of biological assets	生物資產公允價值減銷售成本的變動損益		(223)	(665)
Selling and distribution costs	銷售及分銷開支		(295,024)	(551,126)
Administrative expenses	行政費用		(58,583)	(88,040)
Other expense	其他費用		(19,358)	(24,956)
Finance costs	融資成本	9	(702)	(731)
Loss before taxation	稅前虧損		(136,891)	(437,270)
Taxation	稅項	10	—	(82,605)
Loss for the year from continuing operations attributable to owners of the Company	本公司擁有人應佔有持續經營業務之年內虧損	11	(136,891)	(519,875)
Discontinued operation	已終止經營業務			
Loss for the year from discontinued operation attributable to owners of the Company	本公司擁有人應佔有已終止經營業務之年內虧損	13	(6,611)	(97,694)
Loss for the year attributable to owners of the Company	本公司擁有人應佔年內虧損		(143,502)	(617,569)
Loss per share	每股虧損	15		
<i>From continuing and discontinued operations</i> Basic and diluted (RMB)	來自持續經營業務及已終止經營業務基本及攤薄(人民幣)		(0.049)	(0.212)
<i>From continuing operations</i> Basic and diluted (RMB)	來自持續經營業務基本及攤薄(人民幣)		(0.047)	(0.179)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
Loss for the year	年內虧損	(143,502)	(617,569)
Other comprehensive expense	其他全面支出		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>可於其後重新分類至損益之項目：</i>		
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異	(6,910)	(629)
Total comprehensive expenses for the year attributable to owners of the Company	本公司擁有人應佔年內全面支出總額	(150,412)	(618,198)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2013
於二零一三年十二月三十一日

		Notes	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	294,256	321,619
Prepaid advertising fee	預付廣告費用		123	1,454
Biological assets	生物資產	19	170	142
			294,549	323,215
Current assets	流動資產			
Inventories	存貨	20	55,341	64,801
Biological assets	生物資產	19	1,886	1,836
Trade and other receivables	貿易及其他應收款項	21	94,922	138,161
Restricted bank balance	受限制銀行存款	22	309	—
Bank balances and cash	銀行結存及現金	22	43,302	224,608
			195,760	429,406
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	23	212,121	247,785
Secured bank loans	已抵押銀行貸款	24	—	76,390
Amounts due to related parties	應付關連方款項	33a	1,514	4,090
Income tax payables	應付所得稅		9,645	9,656
Provisions	計提準備	25	1,826	—
			225,106	337,921
Net current (liabilities) assets	流動(負債)資產淨值		(29,346)	91,485
Total assets less current liabilities	資產總值減流動負債		265,203	414,700
Non-current liability	非流動負債			
Deferred tax liability	遞延稅項負債	26	2,031	2,031
Net assets	資產淨值		263,172	412,669

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2013
於二零一三年十二月三十一日

		Notes 附註	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Capital and reserves	資本及儲備			
Share capital	股本	27	256,639	256,639
Reserves	儲備		6,533	156,030
Total equity	權益總額		263,172	412,669

The consolidated financial statements on pages 57 to 159 were approved and authorised for issue by the board of directors on 28 March 2014 and are signed on its behalf by:

第57至第159頁之綜合財務報表已於二零一四年三月二十八日獲董事會批准及授權發行，並由下列董事代表簽署：

Director
董事
CHEN Qiyuan
陳啟源

Director
董事
WAN Yuhua
萬玉華

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

		Attributable to owners of the Company 本公司權益持有人應佔							
		Share capital	Share premium	PRC statutory reserves	Capital reserve	Merger reserve	Translation reserve	Accumulated losses	Total
		股本	股本溢價	中國法定儲備	準備儲備	合併儲備	匯兌儲備	累計虧損	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2012	於二零一二年一月一日	256,511	1,351,690	49,887	9,676	8,468	(18,829)	(628,561)	1,028,842
Loss for the year	年內虧損	—	—	—	—	—	—	(617,569)	(617,569)
Other comprehensive expense for the year	其他全面費用	—	—	—	—	—	—	—	—
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異	—	—	—	—	—	(629)	—	(629)
Total comprehensive expenses for the year	年內全面支出總額	—	—	—	—	—	(629)	(617,569)	(618,198)
Recognition of equity-settled share based payments	確認以股權結算並以股份為基礎的付款	—	—	—	1,897	—	—	—	1,897
Issue of shares under share option scheme (note 27a)	根據購股權計劃發行的股份(附註27a)	128	3,052	—	(3,052)	—	—	—	128
At 31 December 2012	於二零一二年十二月三十一日	256,639	1,354,742	49,887	8,521	8,468	(19,458)	(1,246,130)	412,669
Loss for the year	年內虧損	—	—	—	—	—	—	(143,502)	(143,502)
Other comprehensive expense for the year	其他全面費用	—	—	—	—	—	—	—	—
Exchange differences arising on translation of foreign operations	海外業務換算之匯兌差異	—	—	—	—	—	(6,910)	—	(6,910)
Total comprehensive expenses for the year	年內全面支出總額	—	—	—	—	—	(6,910)	(143,502)	(150,412)
Recognition of equity-settled share based payments	確認以股權結算並以股份為基礎的付款	—	—	—	915	—	—	—	915
Forfeiture of vested equity-settled share-based payments	沒收歸屬的以股權結算並以股份為基礎的付款	—	—	—	(2,893)	—	—	2,893	—
At 31 December 2013	於二零一三年十二月三十一日	256,639	1,354,742	49,887	6,543	8,468	(26,368)	(1,386,739)	263,172

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
OPERATING ACTIVITIES	經營活動		
Loss before taxation from continuing operations	持續經營業務之稅前虧損	(136,891)	(437,270)
Loss before taxation from discontinued operation	已終止經營業務之稅前虧損	(6,611)	(97,694)
		(143,502)	(534,964)
Adjustments for:	就下列作出調整：		
Bank interest income	銀行利息收入	(836)	(1,206)
Investment income	投資收益	—	(36)
Reversal of write-down of inventories	存貨跌價準備撥回	(9,957)	(54,710)
Finance costs	融資成本	702	731
Depreciation of property, plant and equipment	物業、廠房及設備折舊	27,653	22,094
Share option expenses	購股權費用	915	1,897
Changes in fair value less costs to sell of biological assets	生物資產公允價值減銷售成本的變動損益	223	665
(Reversal of) impairment loss on trade receivables	貿易應收款項減值(撥回)損失	(2,717)	3,840
(Gain) loss on disposals of property, plant and equipment	處置物業、廠房及設備(收益)損失	(267)	25,065
Impairment loss on property, plant and equipment	物業、廠房及設備減值損失	17,738	—
Write-off of inventories	存貨報廢	13,054	63,841
Write-off of other receivables	其他應收款項撇銷	589	—
Write-back of trade and other payables	貿易及其他應付款項撥回	(2,471)	—
Allowance of inventories	存貨跌價準備	4,143	25,603
Provision for litigation	訴訟計提費用	1,826	—
Operating cash flows before working capital changes	營運資金變動前之經營資金流量	(92,907)	(447,180)
Decrease in inventories	存貨減少	2,329	18,021
Decrease in trade and other receivables	貿易及其他應收款項減少	36,873	90,553
Increase in restricted bank balances	受限制銀行存款增加	(309)	—
(Decrease) increase in trade and other payables	貿易及其他應付款項(減少)增加	(30,823)	34,172
(Decrease) increase in amounts due to related parties	應付關連方款項(減少)增加	(2,576)	361
Decrease in prepaid advertising fee	預付廣告費用減少	1,331	2,421
Cash used in operations	經營活動所用的現金	(86,082)	(301,652)
Income taxes paid	已付所得稅	—	—
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用的現金淨額	(86,082)	(301,652)

Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
INVESTING ACTIVITIES	投資活動		
Purchase of property, plant and equipment	購買物業、廠房及設備	(18,815)	(153,847)
Plantation expenditure of biological assets — non-current portion	生物資產種植支出 — 非流動部份	(410)	(443)
Proceeds from disposals of property, plant and equipment	處置物業、廠房及設備的 所得款項	1,021	110
Bank interest received	已收銀行利息	836	1,206
Proceeds from sales of other investments	出售其他投資的所得款項	—	62,036
Acquisition of other investments	取得其他投資	—	(62,000)
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(17,368)	(152,938)
FINANCING ACTIVITIES	融資活動		
New bank loans raised	新增銀行貸款	—	76,390
Repayment of secured bank borrowings	償還抵押的銀行貸款	(76,390)	—
Interest paid	已付利息	(1,434)	—
Proceeds from issue of shares	發行股份所得款項	—	128
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資活動(所用)產生現金淨額	(77,824)	76,518
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(181,274)	(378,072)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	於年初之現金及現金等價物	224,608	602,672
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	滙率變動影響	(32)	8
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances and cash	於年終之現金及現金等價物 即指銀行結餘	43,302	224,608

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

1. General and Basis of Preparation of Consolidated Financial Statements

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

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

The principal activities of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are the manufacturing and sales of the household and personal care products. The Group was also engaged in the sales of herbal tea products which was discontinued in current year (see note 13).

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

Going concern basis

The Group incurred a net loss of approximately RMB143,502,000 and reported a net cash outflow from operating activities of approximately RMB86,082,000 for the year ended 31 December 2013, and had cumulative losses of approximately RMB1,386,739,000 and net current liabilities of approximately RMB29,346,000 as at 31 December 2013. In view of such circumstance, the directors of the Company have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

1. 一般資料及綜合財務報表之編製基準

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

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

本公司及其子公司(以下合稱「**本集團**」)主要從事製造及銷售家用及個人護理產品業務。本集團亦從事銷售涼茶飲品業務，但從本年起涼茶業務已經終止(詳見附註13)。

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

持續經營基準

截至二零一三年十二月三十一日止年度，本集團錄得本公司擁有人應佔虧損約人民幣143,502,000，經營活動所動用之現金淨額約人民幣86,082,000，並且於二零一三年十二月三十一日錄得累計虧損約人民幣1,386,739,000及淨流動負債約人民幣29,346,000。在此情況下，本公司董事已考慮本集團未來資金流動性和業績情況，並評估本集團是否擁有足夠的財務資源支持其持續經營。

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

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

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

Going concern basis (continued)

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

- (i) The Group had bank balances and cash of approximately RMB43,302,000 as at 31 December 2013.
- (ii) In March 2013, the Controlling Shareholders and Guangzhou Bawang Cosmetics Co., Ltd. (“**Guangzhou Bawang**”), an entity wholly-owned by the Controlling Shareholders, have undertaken to provide a long-term loan facility to the Group in an amount up to RMB140,000,000 for a period from 15 March 2013 to 31 December 2015. Subsequent on 23 January 2014 and 26 February 2014, respective amount of HK\$9,500,000 (equivalent to approximately RMB7,515,000) and US\$6,700,000 (equivalent to approximately RMB41,088,000) have been drawn down by the Group. The long-term loans are unsecured, interest-free and repayable by 29 November 2016 or earlier as determined by the Group.
- (iii) The directors of the Company have been taking measures to optimise the Group’s operations and improve the cost structure, which include the following:
 - adopting measures to expand the revenue stream through the launch of enhanced or new products series and promotion of certain existing product lines of higher margin; and
 - adopting various cost control measures to tighten the costs of operations and various general and administrative expenses, including but not limited to adopting more cost-effective advertising and promotion channels and reducing the staff headcounts.

1. 一般資料及綜合財務報表之編製基準(續)

持續經營基準(續)

綜合財務報表已根據持續經營基準編製。本公司董事考慮到以下各項因素，認為本集團在來年能夠持續經營：

- (i) 本集團於二零一三年十二月三十一日持有銀行結存及現金約人民幣43,302,000。
- (ii) 於二零一三年三月，本集團的控股股東及其全資擁有的廣州霸王化妝品有限公司(「廣州霸王」)已經同意向本集團提供一筆長期貸款融資，金額高達人民幣140,000,000，有效期自二零一三年三月十五日起至二零一五年十二月三十一日止。港元9,500,000(折合相當於約人民幣7,515,000)和美元6,700,000(折合相當於約人民幣41,088,000)的借款已分別於二零一四年一月二十三日及二零一四年二月二十六日存入本集團銀行賬戶。此長期借款為無擔保、免息及由本集團決定於二零一六年十一月二十九日或之前償還。
- (iii) 本公司董事已採取措施，優化本集團的業務及改善成本結構，其中包括：
 - 採取措施通過推出升級或新的產品和促銷現有高毛利產品來擴大收入來源；及
 - 採取一系列成本控制措施以減少經營成本及行政開支，包括但不限於採用更加有成本效益的廣告及宣傳渠道以及減少員工人數。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”)

In the current year, the Group has applied the following new and revised IFRSs issued by the International Accounting Standard Board (“IASB”) for the first time.

Amendments to IFRSs	Annual Improvements to IFRSs 2009–2011 Cycle
Amendments to IFRS 1	First-time Adoption of IFRSs – Government Loans
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 13	Fair Value Measurement
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
IFRIC* – Interpretation (“Int”) 20	Stripping Costs in the Production Phase of a Surface Mine

* IFRIC represents the International Financial Reporting Standards Interpretation Committee.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）

於本年度，本集團首次應用以下由國際會計準則委員會（「國際會計準則委員會」）頒佈之相關新訂及經修訂的國際財務報告準則編製綜合財務報表。

國際財務報告準則之修訂本	國際財務報告準則之年度改進（二零零九年至二零一一年週期）
國際財務報告準則第1號之修訂本	首次採納國際財務報告準則—政府貸款
國際財務報告準則第7號之修訂本	披露事項—抵銷財務資產及財務負債
國際財務報告準則第10號	綜合財務報表
國際財務報告準則第11號	合營安排
國際財務報告準則第12號	於其他實體權益之披露事項
國際財務報告準則第10號、國際財務報告準則第11號及國際財務報告準則第12號之修訂本	綜合財務報表，合營安排及於其他實體權益之披露事項：過渡指引
國際財務報告準則第13號	公允價值計量
國際會計準則第1號之修訂本	其他全面收益項目的呈列
國際會計準則第19號（於二零一一年修訂）	僱員福利
國際會計準則第27號（於二零一一年修訂）	獨立財務報表
國際會計準則第28號（於二零一一年修訂）	於聯營公司及合營公司之投資
國際財務報告詮釋委員會—詮釋（「詮釋」）第20號	露天礦場生產階段之剝採成本

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

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

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

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to IAS 1, the Group’s “statement of comprehensive income” is renamed as the “statement of profit or loss and other comprehensive income” and the “income statement” is renamed as the “statement of profit or loss”. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

除下文所述者外，於本年度應用新訂及經修訂國際財務報告準則並無對本集團當前及過往年度之財務表現及狀況及／或對該等綜合財務報表所載之披露事項產生任何重大影響。

國際會計準則第1號「呈列其他全面收益項目」之修訂本

本集團已應用國際會計準則第1號「呈列其他全面收益項目」之修訂本。採納國際會計準則第1號之修訂本後，「全面收益表」更名為「損益及其他全面收益表」，而「收益表」則更名為「損益表」。國際會計準則第1號之修訂本保留選擇權，可於單一報表或兩份獨立但連續之報表呈列損益及其他全面收益。此外，國際會計準則第1號之修訂本規定於其他全面收益一節內作出額外披露，以將其他全面收益之項目歸納成兩類：(a)期後不會重新分類至損益之項目；及(b)當符合特定條件時可於期後重新分類至損益之項目。其他全面收益項目所涉及之所得稅須按同一基準分配。此等修訂本並無改變現時按稅前或稅後呈列其他全面收益項目之選擇權。此等修訂本已追溯應用，故其他全面收益項目之呈列方式已作更改，以反映有關變動。除上述呈列變化外，應用國際會計準則第1號之修訂本對損益、其他全面收益及全面收益總額並無帶來任何影響。

Notes to the Consolidated Financial Statements

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For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

IFRS 13 – Fair Value Measurement

The Group has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions within the scope of IFRS 2 Share-based Payment, leasing transaction within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

IFRS 13 requires prospective application. In accordance with the transitional provisions of IFRS 13, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period (please see note 19 for the 2013 disclosures). Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則第13號公允價值計量

本集團於本年度首次應用國際財務報告準則第13號。國際財務報告準則第13號確立有關公允價值計量及公允價值計量披露的單一指引。國際財務報告準則第13號的範圍廣泛：除國際財務報告準則第2號以股份為基礎之付款範圍內以股份為基礎之付款交易、國際會計準則第17號租賃範圍內租賃交易，以及與公允價值具有若干相似性但並非公允價值之計量（如就計量存貨目的之可變現淨值或就減值評估目的之使用價值）外，國際財務報告準則第13號之公允價值計量適用於其他國際財務報告準則規定或准許公允價值計量及披露公允價值計量之財務工具項目及非財務工具項目。

國際財務報告準則第13號將資產的公允價值界定為在現時市狀況下於計量日期在一個主要（或最有利的）市場按有序交易出售一項資產將收取的價格（或倘須釐定負債的公允價值時轉讓負債將支付的價格）。根據國際財務報告準則第13號，不論該價格是否直接可觀察或使用另一項估值方法作出估計，該公允價值為平倉價格。此外，國際財務報告準則第13號載有更廣泛的披露規定。

國際財務報告準則第13號須前瞻應用。根據國際財務報告準則第13號的過渡性條文，本集團並無就二零一二年同期作出國際財務報告準則第13號規定之任何新披露（二零一三年披露請見附註19）。除額外的披露外，應用國際財務報告準則第13號並無對綜合財務報表內確認的金額造成任何重大影響。

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For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

New and revised IFRSs in issue but not yet effective

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

Amendments to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle ²
Amendments to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle ²
IFRS 9	Financial Instruments ⁴
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures ⁴
Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities ¹
IFRS 14	Regulatory Deferral Accounts ³
Amendments to IAS 19	Define Benefit Plans: Employee Contributions ²
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities ¹
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets ¹
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting ¹
IFRIC-Int 21	Levies ¹

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

已頒布惟尚未生效之新訂及經修訂國際財務報告準則

本集團並無提早應用以下已頒布惟尚未生效之新訂及經修訂國際財務報告準則。

國際財務報告準則之修訂本	國際財務報告準則之年度改進(二零一零年至二零一二年週期) ²
國際財務報告準則之修訂本	國際財務報告準則之年度改進(二零一一年至二零一三年週期) ²
國際財務報告準則第9號	財務工具 ⁴
國際財務報告準則第9號、第7號之修訂本	國際財務報告準則第9號之強制生效日期及過渡性披露 ⁴
國際財務報告準則第10號、第12號及國際會計準則第27號之修訂本	投資實體 ¹
國際財務報告準則第14號	監管遞延賬戶 ³
國際會計準則第19號之修訂本	定額福利計劃：僱員供款 ²
國際會計準則第32號之修訂本	財務資產及財務負債之互相抵銷 ¹
國際會計準則第36號之修訂本	非財務資產可收回金額之披露 ¹
國際會計準則第39號之修訂本	衍生工具之變更及對沖會計之延續 ¹
國際財務報告詮釋委員會—詮釋第21號	徵費 ¹

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

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

- ¹ Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 July 2014, except as disclosed below. Early application is permitted.
- ³ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
- ⁴ Available for application — the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised.

Annual Improvements to IFRSs 2010–2012 Cycle

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

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

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

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

已頒布惟尚未生效之新訂及經修訂國際財務報告準則（續）

- ¹ 於二零一四年一月一日或以後開始之年度期間生效，並可提前應用。
- ² 於二零一四年七月一日或以後開始之年度期間生效，除下文披露外，可提前應用。
- ³ 於二零一六年一月一日或以後開始之年度期間生效，並可提前應用。
- ⁴ 可供應用：強制生效日期將在國際會計準則第九號其餘部份落實時確定。

國際財務報告準則之年度改進（二零一零年至二零一二年週期）

國際財務報告準則之年度改進（二零一零年至二零一二年週期）包括多項對不同國際財務報告準則作出之修訂，有關修訂概述如下。

國際財務報告準則第2號之修訂本(i)更改了「歸屬條件」和「市場條件」的定義；及(ii)增加了「業績條件」及「服務條件」的定義（先前已納入「歸屬條件」的定義）。國際財務報告準則第2號修訂本對授予日期為二零一四年七月一日或之後的股份付款交易有效。

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

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

For the year ended 31 December 2013
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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Annual Improvements to IFRSs 2010–2012 Cycle (continued)

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

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

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

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

國際財務報告準則之年度改進(二零一零年至二零一二年週期)(續)

國際財務報告準則第8號之修訂本(i)規定實體披露管理層在經營分部運用合併計算標準時所作出的判斷，包括對合併計算的經營分部，及於釐定經營分部是否具有「相似的經濟特點」時的經濟指標的描述；及(ii)闡明倘向主要經營決策者定期提供分部資產，則僅應提供可報告分部的資產總額與實體資產的對賬。

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

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

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Annual Improvements to IFRSs 2010–2012 Cycle (continued)

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

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2010–2012 Cycle will have a material effect on the Group’s consolidated financial statements.

Annual Improvements to IFRSs 2011–2013 Cycle

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

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

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

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則之年度改進（二零一零年至二零一二年週期）（續）

國際會計準則第24號修訂本闡明，向報告實體提供主要管理人員服務的管理實體為報告實體的關連方。因此，報告實體應按關連方交易披露就接受管理實體提供的主要管理人員服務而已付或應付的款項。然而，毋須披露有關報酬的組成部份。

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

國際財務報告準則之年度改進（二零一一年至二零一三年週期）

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

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

國際財務報告準則第13號之修訂本闡明，以淨額基礎計量一組財務資產和財務負債公允價值的投資組合例外的適用範圍包括屬於國際會計準則第39號或國際財務報告準則第9號範圍或按照該兩項準則核算的所有合同，即使該等合同並不符合國際會計準則第32號中財務資產或財務負債之定義。

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Annual Improvements to IFRSs 2011–2013 Cycle (continued)

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

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

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2011–2013 Cycle will have a material effect on the Group’s consolidated financial statements.

IFRS 9 – Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to the new requirements for hedge accounting.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則之年度改進（二零一一年至二零一三年週期）（續）

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

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

本公司董事並不認為採納國際財務報告準則之年度改進（二零一一年至二零一三年週期）會對集團的綜合財務報表造成重大影響。

國際財務報告準則第9號「財務工具」

於二零零九年頒佈之國際財務報告準則第9號引入財務資產之分類及計量之新規定。其後於二零一零年修訂之國際財務報告準則第9號加入財務負債之分類及計量及終止確認之規定。二零一三年國際財務報告準則第9號再次修訂對沖會計之新要求。

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

IFRS 9—Financial Instruments (continued)

Key requirements of IFRS 9 are described as follows:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則第9號「財務工具」（續）

國際財務報告準則第9號之主要規定載述如下：

- 所有符合國際會計準則第39號「財務工具：確認及計量」範圍內所有已確認之財務資產其後按攤銷成本或公允值計量。具體而言，根據業務模式以收取合約現金流量為目的之債務投資及純粹為支付本金及未償還本金之利息之債務投資，一般於其後會計期間結束時按攤銷成本計量。所有其他債務投資及股本投資乃按於其後會計期間結束時之公允值計量。此外，根據國際財務報告準則第9號，實體可以不可撤回地選擇在其他全面收益中呈列股本投資（並非持作買賣）之其後公允值變動，並只在損益中確認股息收入。
- 就計量為按公允值計入損益之財務負債而言，國際財務報告準則第9號規定該負債信貸風險變動導致之財務負債公允值變動金額於其他全面收益呈列，除非在其他全面收益確認負債之信貸風險變動影響會導致或擴大損益上之會計錯配。財務負債信貸風險變動導致之公允值變動其後不會重新分類至損益。根據國際會計準則第39號，指定為按公允值計入損益之財務負債公允值變動全數金額於損益呈列。

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

IFRS 9 – Financial Instruments (continued)

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The directors of the Company anticipate that the adoption of IFRS 9 in the future may have significant impact on amounts reported in respect of the Group’s financial assets and financial liabilities. Regarding the Group’s financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則第9號「財務工具」（續）

新訂一般對沖會計規定保留三種對沖會計類型。然而，符合對沖會計資格交易之類型已引入更大彈性，尤其是擴闊符合對沖工具資格之工具類型及符合對沖會計資格之非財務項目之風險成份類型。此外，成效測試已經修訂並由「經濟關係」原則取代。亦無須再對對沖成效作追溯評估。亦引入增加實體風險管理活動之披露規定。

本公司董事預期，日後採納國際財務報告準則第9號可能對本集團之財務資產及財務負債所呈報金額構成重大影響。有關本集團之財務資產，於完成詳盡審閱前，提供該影響之合理預測並不可行。

國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號之修訂本「投資實體」

國際財務報告準則第10號之修訂本對投資實體作出定義，規定符合投資實體定義之呈報實體不得將其附屬公司綜合入賬，而應於其財務報表中經損益按公允值計量其附屬公司。

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities (continued)

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

The directors of the Company do not anticipate that the investment entities amendments will have any effect on the Group’s consolidated financial statements as the Company is not an investment entity.

Amendments to IAS 19 Defined Benefit Plans—Employee Contributions

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第27號之修訂本「投資實體」（續）

為符合作為一家投資實體，具體而言，該實體需要：

- 從一名或以上投資者獲取資金，以向投資者提供專業投資管理服務；
- 向其投資者承諾，其以資金作出投資之業務宗旨，純粹為資本增值、投資收入或結合兩者之回報；及
- 屬下幾近全部投資之表現均按公允價值基準計量及評估。

國際財務報告準則第12號及國際會計準則第27號已作出相應修訂，以引入對投資實體之新披露規定。

本公司董事估計，此舉不會對在綜合財務報表所申報之金額有重大影響，因為本公司並非投資實體。

國際會計準則第19號修訂本「定額福利計劃－僱員供款」

國際會計準則第19號之修訂本釐清實體如何界定由僱員或第三方向定額福利計劃作出之供款入賬，計劃應取決於與服務有關的供款是否根據僱員提供服務的年數。

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Amendments to IAS 19 Defined Benefit Plans—Employee Contributions (continued)

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees’ periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees’ periods of service.

The directors of the Company do not anticipate that the application of these amendments to IAS 19 will have a significant impact on the Group’s consolidated financial statements as the Group does not have any defined benefit plans.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The directors of the Company do not anticipate that the application of the amendments to IAS 32 will have a significant impact on the Group’s consolidated financial statements as the Group does not have any financial assets and financial liabilities that qualify for offset.

2. 應用新訂及經修訂國際財務報告準則(「國際財務報告準則」)(續)

國際會計準則第19號修訂本「定額福利計劃－僱員供款」(續)

就與服務年數無關之供款而言，企業可以於相關服務提供的期間直接抵減服務成本或歸屬於員工提供服務的期間應用預測單位入賬法計量。對於依據提供服務年期的供款，企業應將該供款其歸入於員工提供服務的年期內。

鑒於本集團沒有定額福利計劃，本公司董事預期，應用國際會計準則第19號之修訂本不會對本集團產生重大影響。

國際會計準則第32號修訂本「財務資產和財務負債的互相抵銷」

國際會計準則第32號修訂本闡明抵銷財務資產和財務負債規定相關的現有應用事宜。具體而言，修訂本闡明「目前擁有可合法強制執行之抵銷權」及「同時變現及結算」的涵義。

由於本集團並無任何合資格作抵銷之財務資產及財務負債，本公司董事預期，應用國際會計準則第32號修訂本不會對本集團之綜合財務報表構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (“CGU”) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The directors of the Company do not anticipate that the application of these amendments to IAS 36 will have a significant impact on the Group’s consolidated financial statements.

Other than disclosed above, the directors of the Company anticipate that the application of the other new and revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

3. Significant Accounting Policies

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

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

2. 應用新訂及經修訂國際財務報告準則（「國際財務報告準則」）（續）

國際會計準則第36號修訂本「非財務資產可收回金額之披露」

國際會計準則第36號之修訂本剔除對獲分配商譽或無限使用年期之其他無形資產的現金產生單位（「現金產生單位」）並無減值或減值撥回時可回收金額的披露做出修訂。當資產或現金產生單位的可收回金額據其公允價值減處置成本淨額決定時，修訂本要求對其公允價值層級、使用的主要假設及估價方法進一步披露。

本公司董事預期，應用國際會計準則第36號修訂本可能導致未來須作出更多與抵銷財務資產和財務負債有關的披露。

除上文所披露者外，本公司董事預期應用其他新訂及經修訂準則、修訂或詮釋不會對本集團之業績及財務狀況造成重大影響。

3. 主要會計政策

綜合財務報表乃根據國際會計師公會頒佈之國際財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則（「上市規則」）及香港公司條例規定之適用披露。

誠如下文會計政策所闡述，除下文在會計政策中解釋的以公允價值計量之生物資產外，綜合財務報表按歷史成本基準編製。

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3. Significant Accounting Policies (continued)

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. 主要會計政策(續)

歷史成本一般以為換取貨物所作代價之公允值為準。

公允值為於計量日期市場參與者之間按有序交易中出售一項資產將收取或轉讓負債須支付之價格，不論價格可直接觀察或使用另外估值法估計。於估計資產或負債的公允值時，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮的資產或負債特點。該等綜合財務報表中作計量及／或披露用途的公允值乃按此基準釐定，惟屬於國際財務報告準則第2號之以股份支付之交易、國際會計準則第17號之租賃交易及與公允值類似但非公允值的計量(如國際會計準則第2號之可變現淨值或國際會計準則第36號之使用價值)除外。

此外，就財務呈報而言，公允值計量根據公允值計量之輸入數據可觀察程度及公允值計量之輸入數據對其整體重要性分類為第1、第2或第3級，詳情如下：

- 第1級輸入參數為實體於計量日就相同之資產或負債於活躍市場獲得之報價(未調整)；
- 第2級輸入參數為可直接或間接從觀察資產或負債之資料而得出之輸入參數(不包括第1級之報價)；及
- 第3級輸入參數不可從觀察資產或負債得出之輸入參數。

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綜合財務報表附註

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3. Significant Accounting Policies (continued)

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of the subsidiaries begins when the Company obtains control of over the subsidiaries and ceases when the Company loses control of the subsidiaries. Specifically, income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiaries.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

3. 主要會計政策 (續)

主要會計政策載列如下。

綜合賬目之基準

綜合財務報表包括本公司及受本公司及其附屬公司控制之實體之財務報表。當本公司在以下情況下即擁有控制權：

- 擁有對投資對象之權力；
- 承擔參與投資對象活動中所涉及不同形式之回報或享有該等回報之權利；及
- 能夠行使其權力以影響其對象之回報。

倘有事實及情況顯示上述控制因素中有一項或多項出現變化，本公司將重新評估其是否對投資對象擁有控制權。

當本集團取得附屬公司之控制權時，該等附屬公司之賬目開始合併，而當本集團失去附屬公司之控制權時終止合併。具體而言，於年內所收購或出售之附屬公司之收入及開支自本集團取得控制權之日起至本集團失去控制權之日止計入綜合損益表中。

損益及其他全面收益之各項目歸屬於本公司擁有人及非控股權益。即使會導致非控股權益產生虧絀結餘，附屬公司之全面收益總額亦會歸屬於本公司擁有人及非控股權益。

如有需要，亦會將對附屬公司之財務報表作出調整，以使其會計政策與本集團所採用會計政策保持一致。

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3. Significant Accounting Policies (continued)

Basis of consolidation (continued)

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

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

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

3. 主要會計政策(續)

綜合賬目之基準(續)

集團所有成員公司之間之資產及負債、權益、收入、開支及現金流量，將於綜合賬目時悉數對銷。

收入確認

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

銷售貨品之收入於貨品付運及擁有權轉移時，並符合下列所有條件時確認入賬：

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

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

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3. Significant Accounting Policies (continued)

Leasing

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

The Group as lessee

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

Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

3. 主要會計政策(續)

租賃

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

本集團作為承租人

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

外幣

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

結算貨幣項目所產生之匯兌差額於其產生期間內在損益中確認，除以下情況：

- 為將來用作生產用途之在建工程而借的外幣貸款所產生的匯兌差異，作為利息成本調整，而計入彼等資產的成本；

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3. Significant Accounting Policies (continued)

Foreign currencies (continued)

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

外幣(續)

- 對沖一定外幣風險之交易而產生的匯兌差異；以及
- 無計劃或不可能償還之對海外業務的應收或應付貨幣項目(會歸入對海外業務投資淨值的一部份)所產生的匯兌差異，其差異會首先於其他全面收入確認，並於償還此等貨幣項目時才重新分類至損益中。

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

貸款成本

與購買、建造或生產合資格資產(須耗用大量時間以達至其擬定用途或銷售之資產)直接相關之貸款成本，可撥入該等資產之成本，直至該等資產已大致上可供其擬定用途或出售為止。

所有其他貸款成本於產生期間會於損益中確認。

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3. Significant Accounting Policies (continued)

Employee benefits

Short term employee benefits

Salaries, wages, annual bonuses and staff welfare are accrued in the year in which the associated services are rendered by employees of the Group.

Defined contribution retirement plans

Obligations for contributions to local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC and Hong Kong are recognised as an expense in profit or loss when they are due, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

Termination benefits

A liability for a termination benefits is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Equity-settled share-based payment transactions

Share options granted to employees

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (capital reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

3. 主要會計政策(續)

僱員福利

短期僱員福利

薪金、工資、年度花紅及員工福利均計提於本集團僱員提供有關服務的年度內。

定額供款退休計劃

根據中國及香港有關勞動規則及規例，對當地定額供款退休計劃的供款責任於到期時在損益中確認為開支，惟已計入尚未確認為開支的存貨成本內則除外。

終止福利

終止福利之負債於企業不能夠撤銷終止福利或當其確任何重組成本二者較早時確認。

以股權結算並以股份為基礎的交易

授予僱員的購股權

就需滿足特定歸屬條件的購股權而言，所獲服務的公允價值由購股權授予日期的公允價值以直線基準在歸屬期間費用化，並於權益(資本儲備)作出相應增加。

在呈報期末，本集團會修訂預期最終歸屬的估計購股權數量。更改最初預計的影響會於損益中確認並相應地調整資本儲備，以使累計費用反映經修訂估計。

就於授出日期即時行使的購股權而言，其所授出之購股權的公允價值會即時於損益中列賬為開支。

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3. Significant Accounting Policies (continued)

Equity-settled share-based payment transactions (continued)

Share options granted to employees (continued)

When share options are exercised, the amount previously recognised in capital reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in capital reserve will be transferred to accumulated losses.

Taxation

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

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

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

3. 主要會計政策(續)

以股權結算並以股份為基礎的交易(續)

授予僱員的購股權(續)

購股權獲行使時，先前在資本儲備確認的金額將轉入股份溢價。倘歸屬日後被沒收或於屆滿日仍未行使，之前在資本儲備確認的金額會轉入累計損失。

稅項

所得稅支出指應繳即期稅項及遞延稅項之總和。

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

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

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3. Significant Accounting Policies (continued)

Taxation (continued)

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

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

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

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

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

3. 主要會計政策 (續)

稅項 (續)

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

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

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

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

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

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3. Significant Accounting Policies (continued)

Property, plant and equipment

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

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

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

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

3. 主要會計政策(續)

物業、廠房及設備

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

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

折舊是基於該等資產的成本金額減去預計淨殘值後於估計的可使用年限內按直線法確認。估計可使用年期、剩餘價值及折舊方法於每個呈報期末作出檢討，其估計變動之影響按未來適用基準入賬。

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

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3. Significant Accounting Policies (continued)

Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss. Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策(續)

生物資產

生物資產以公允價值減銷售成本計量，其任何變動均在損益中確認。銷售成本包括因為銷售生物資產而所增加的各项直接成本，不包括融資成本及所得稅。

研究及開發費用

研發活動所產生之費用於其產生期間確認為費用。研發成本包括與研發活動直接相關的成本，或可合理分配至該等活動的一切費用。鑒於本集團研發活動之性質，有關成本一般於項目開發後期即餘下的開發成本金額並不重大時方符合資產確認條件。因此，研究成本及開發成本一般於其產生期間確認為費用。

有形資產之減值損失

於呈報期末，本集團審閱其有形資產之賬面值以釐定是否有任何跡象顯示該等資產已蒙受減值損失。倘存在任何該等跡象，將對資產之可回收金額作出估計以確定減值損失(如有)之程度。倘無法估計個別資產之可回收金額，本集團將估計該資產所屬之現金產生單位之可回收金額。倘可辨識到合理及一致之分配基準，企業資產亦分配到個別現金產生單位或彼等獲分配到可辨識合理及一致之分配基準之現金產生單位最小之組別。

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3. Significant Accounting Policies (continued)

Impairment losses on tangible assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of the production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3. 主要會計政策(續)

有形資產之減值損失(續)

可回收金額乃公允值減銷售成本及使用價值兩者中之較高者。評估使用價值時，估計之未來現金流量在未作出調整時應按當時市場對貨幣時間值及該資產特定風險之估計之稅前貼現率貼現至其現值。

倘估計一項資產(或現金產生單位)之可回收金額低於其賬面值，該資產(或該現金產生單位)之賬面值將減少至其可回收金額。減值損失將即時於損益確認。

倘減值損失於其後撥回，其資產之賬面值將增加至其經修訂之估計可回收金額，惟所增加賬面值不得超過倘於過往年度該資產沒有減值損失情況下所釐定之賬面值。減值損失撥回將即時確認為收入。

存貨

存貨以成本與可變現淨值的較低者計量。存貨成本按加權平均成本原則計算，並包括購入存貨及將其運送至現有地點及狀況所產生的開支。就製成品及在製品而言，成本包括按正常產能計算，按照適當比例分配的生產製造費用。可變現淨值為日常業務過程中的估計售價減估計完工成本及銷售開支。

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3. Significant Accounting Policies (continued)

Inventories (continued)

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

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

Financial instruments

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

3. 主要會計政策 (續)

存貨 (續)

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

計提準備

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

確認為計提準備之金額乃呈報期間未履行現時責任所需代價之最佳估計，並計及有關責任之風險及不確定因素。當計提準備按履行現時責任估計所需之現金流量計量時，其賬面值為有關現金流量之現值(如貨幣時間價值之影響為顯著)。

現金及現金等價物

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

就綜合現金流量表而言，現金及現金等價物由上文所定義之現金及短期存款組成。

財務工具

當集團實體成為財務資產與財務負債合同條文之訂約方時確認有關工具。

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3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

Effective interest method

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

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

3. 主要會計政策(續)

財務工具(續)

財務資產及財務負債初步按公允價值計量。於初步確認時，收購或發行財務資產與財務負債(經損益按公允值入賬之財務資產或財務負債除外)直接應佔之交易成本將計入財務資產或財務負債之公允值或自該財務資產或財務負債之公允值扣除(如適用)。收購按公允值計入損益之財務資產或財務負債直接應佔之交易成本，即時於損益確認。

財務資產

本集團之財務資產分類為貸款及應收款項。分類根據於初步確認時財務資產之性質及目的，所有常規買賣之財務資產乃按交易日基準確認及終止確認。以常規方式買賣指須根據市場規則或慣例訂定之限期內交付資產之財務資產買賣。

實際利息法

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

債務工具之利息收入應按實際利率基準確認。

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3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

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

Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

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

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

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

3. 主要會計政策 (續)

財務工具 (續)

財務資產 (續)

貸款及應收款項

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

利息收入按實際利率確認。

財務資產減值

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

就所有其他財務資產而言，減值之客觀證據可包括：

- 發行人或對方有重大財政困難；或
- 違約，如逾期或拖欠利息或本金還款；或
- 借款人有可能破產或財務重組；或
- 由於財政困難令財務資產之活躍市場消失。

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3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

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

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

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

3. 主要會計政策(續)

財務工具(續)

財務資產(續)

財務資產減值(續)

就若干類別之財務資產(如貿易及其他應收款項)而言,被評估為個別並無減值之資產亦會彙集一併評估減值。應收款項組合出現減值之客觀證據包括本集團之過往收款紀錄、組合內逾期超過30至90日平均信貸期之還款數目上升,以及國家或地區經濟狀況出現明顯變動導致應收款項未能償還。

就以攤銷成本列賬之財務資產而言,所確認之減值虧損金額按資產賬面金額與按財務資產初始實際利率貼現之估計未來現金流量現值之差額計量。

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

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

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3. Significant Accounting Policies (continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Other financial liabilities

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

Effective interest method

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

3. 主要會計政策(續)

財務負債及股權工具

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

股權工具

股權工具為任何證明本集團經扣除其所有負債後之資產剩餘權益之合約。本集團發行之股權工具以扣除直接發行成本後之已收所得款項確認。

其他財務負債

其他財務負債，包括貿易及其他應付款項、已抵押銀行貸款及應付關連方款項，於其後使用實際利息法按攤銷成本計算。

實際利息法

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

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3. Significant Accounting Policies (continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

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

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. 主要會計政策(續)

終止確認

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

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

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

4. 關鍵會計判斷及估計不確定因素之主要來源

本集團於應用附註3所述之會計政策時，本公司董事須就該等無法明確從其他來源得悉之資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃根據董事過往經驗及其認為相關之其他因素而作出，實際結果與估計可能出現誤差。

該等估計及相關假設按持續基準進行審閱。會計估計之修訂乃於作出修訂估計之期間內確認(倘修訂僅影響該期間)，或於修訂期間及未來期間確認(倘修訂影響本期及未來期間)。

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern consideration

The assessment of the going concern assumptions involves making judgements by the management, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The management considers that the Group has ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumptions are set out in note 1.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

應用會計政策之關鍵判斷

除涉及估計者外(見下文),以下關鍵判斷為本公司董事於應用本集團會計政策之過程中所作出,並對綜合財務報表內確認之金額構成最重大影響者。

持續經營考慮

評估持續經營假設時涉及由管理層於某一特定時間對本身不確定之事件或狀況之未來結果作出判斷。管理層認為,本集團有能力持續經營,而可能單獨或集體引致業務風險之主要事件或狀況載於附註1。

估計不確定因素之主要來源

於呈報期末就未來和其他估計的不明朗因素的主要來源所作出的主要假設,此等假設足以致使下一個財政年度的資產及負債賬面值發生重大調整的風險,列載如下。

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment on a straight-line basis between the rates of 5% to 50% per annum, commencing from the date the property, plant and equipment are available for use. The estimated useful lives that the Group places the property, plant and equipment into productive use reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Depreciation of approximately RMB27,653,000 (2012: RMB22,094,000) has been recognised for the year.

Impairment of trade and other receivables

The policy for impairment on trade and other receivables of the Group is based on the evaluation of collectability and ageing analysis of the trade and other receivables and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in impairment of their ability to make payments, additional impairment may be required. As at 31 December 2013, the carrying amount of trade and other receivables was approximately RMB94,922,000, net of accumulated impairment loss of approximately RMB4,640,000 (2012: carrying amount of approximately RMB138,161,000, net of accumulated impairment loss of approximately RMB7,357,000).

Allowance of inventories

Inventories are carried at the lower of cost and net realisable value. Any excess of the cost over the net realisable value of each class of inventories is recognised as a provision for diminution in the value of inventories.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

物業、廠房及設備之折舊

本集團由物業、廠房及設備開始可供使用當日起使用直線法按5%至50%之年率就物業、廠房及設備計算折舊。本集團作生產用途之物業、廠房及設備之估計可用年期反映董事估計本集團擬藉使用其物業、廠房及設備取得未來經濟利益之期間。年內已確認折舊約人民幣27,653,000(二零一二年：人民幣22,094,000)。

貿易及其他應收款項減值

本集團對貿易及其他應收款項減值之政策，乃根據該等貿易及其他應收款項之可收回性評估及賬齡分析，以及管理層之判斷而定。在該等應收款項最終變現之評估中須作出相當判斷，包括各客戶目前之信譽及過往之收款紀錄。倘本集團客戶之財務狀況倒退，導致彼等付款之能力減低，則可能需要作出額外減值。於二零一三年十二月三十一日，貿易及其他應收款項之賬面值約為人民幣94,922,000，已扣除累計減值虧損約人民幣4,640,000(二零一二年：賬面值約人民幣138,161,000，已扣除累計減值虧損約人民幣7,357,000)。

存貨撥備

存貨是按成本與可變現淨值兩者較低者入賬。任何超過可變現淨值的存貨成本將計入存貨撥備以抵減存貨價值。

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Allowance of inventories (continued)

Net realisable value is the estimated selling price in the normal course of business less the estimated costs to completion and the estimated expenses and related taxes necessary to make the sale. For inventories with committed sales orders or active market, the Group estimates the net realisable value with reference to the selling prices set out in the committed sales orders or in the active market. For inventories without committed sales orders or active market, the Group carefully estimates the net realisable value based on available information and reasonable and supportive assumptions on expected selling prices, manufacturing costs, selling expenses, sales tax and etc. As at 31 December 2013, the carrying amount of inventories was approximately RMB55,341,000 (2012: RMB64,801,000).

Impairment on property, plant and equipment

In considering the impairment losses that may be required for certain property, plant and equipment, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs. As at 31 December 2013, the carrying amount of property, plant and equipment is approximately RMB294,256,000, net of accumulated impairment loss of approximately RMB17,738,000. (2012: carrying amount of approximately RMB321,619,000, net of accumulated impairment loss of nil).

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

存貨撥備(續)

可變現淨值為日常業務中以存貨的估計售價減去至完工估計將要發生的成本及銷售所需的估計費用及相關稅項。就有已確認銷售訂單或活躍市場的存貨而言，本集團參考其售價估計可變現淨值。就並無已確認銷售訂單或活躍市場的存貨而言，本集團根據現有資料及對預期售價、製造成本、銷售費用及銷售稅金等的合理及有理據的假設，慎重估計可變現淨值。於二零一三年十二月三十一日，存貨的賬面值為人民幣55,341,000(二零一二年：人民幣64,801,000)。

物業、廠房及設備減值

考慮物業、廠房及設備減值時應釐定該資產的可收回金額。可收回金額，乃淨銷售價值及使用價值之較高者。鑒於此類資產可能沒有及時的市場報價，難以準確估計其售值。釐定使用價值時，有關資產預期產生的現金流量會折現至其現值，此舉須對營業額及營運成本等項目作出重大判斷。本集團會運用一切可得資料，以釐定可收回金額的合理約數，包括根據對營業額及營運成本等項目的合理及有理據的假設及預測作出的估計。於二零一三年十二月三十一日物業、廠房及設備之賬面值約為人民幣294,256,000(已扣減約人民幣17,738,000之累計減值虧損)(二零一二年：賬面值約為人民幣321,619,000(已扣減人民幣零元之累計減值虧損))。

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Income taxes

Determining income tax provisions involves judgment on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

Fair value measurements and valuation processes

The Group's biological assets are measured at fair value less cost to sell for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The financial controller reports the valuers' findings to the directors of the Company to explain the cause of fluctuations in the fair value of the assets.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

所得稅

釐定所得稅撥備涉及對若干交易日後稅務處理之判斷。本集團謹慎評估交易之稅務影響並據此製訂稅務撥備。本集團定期重新審議上述交易之稅務處理以便將所有稅法變動考慮在內，並就未動用之稅務虧損及可抵扣暫時差額確認遞延稅項資產。由於遞延稅項資產只限極可能抵扣之未來應課稅溢利時才會確認，因此需要管理層判斷獲得未來應課稅溢利之可能性。本集團定期審閱管理層之評估，倘若極可能獲得能利用遞延稅項資產之未來應課稅溢利，便會確認額外之遞延稅項資產。

公允價值計量及估值流程

本集團生物資產價值乃按公允價值減銷售成本計量用於財務申報目的。管理層釐定有關公允價值計量之適用估值方法及輸入數據。

在估計資產的公允價值時，本集團可能使用可觀察市場數據。在並非第1級的輸入數據的情況下，本集團委聘合資格第三方估值師進行估值。管理層與合資格外聘估值師緊密合作設立適用之估值方法及模型輸入數據。財務總監定期將估值團隊之調查結果向本公司董事匯報，解釋資產之公允價值波動之原因。

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key sources of estimation uncertainty (continued)

Fair value measurements and valuation processes (continued)

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of the assets. Note 19 provides detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of biological assets.

Provision in respect of litigation

Provision for the expected cost of legal obligations are recognised at the directors' best estimate and with reference to legal advice of the expenditure required to settle the Group's obligation. As at 31 December 2013, the carrying amount of provision is approximately RMB1,826,000 (2012: nil). Details are set out in note 35.

5. Capital Risk Management

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Group's overall strategy remains unchanged from prior year. The Group defines the capital of the Group as the total shareholders' equity.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

公允價值計量及估值流程(續)

於估計該資產的公允值時，本集團採用包括並非根據可見市場數據之資料的估值技術。有關估值技術、輸入數據及用於釐定生物資產之公允價值使用之主要假設的詳細資料載於附註19。

相關法律訴訟撥備

預計法律訴訟責任之計提費用已在參考相關可能需要支付費用的法律意見後，根據董事對其最準確之預計確認。於二零一三年十二月三十一日該撥備賬面值約為人民幣1,826,000(二零一二年：無)。詳情於附註35列明。

5. 資本風險管理

本集團的政策旨在維持穩健資本基礎，以保持債權人及市場信心，以及支持日後的業務發展。本集團整體策略與去年維持不變。本集團定義集團資本為所有股東權益。

本公司及其任何附屬公司概不受外界資本規定限制。

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6. Financial Instruments

(a) Categories of financial instruments

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Financial assets	財務資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金 等價物)	129,595	320,807
Financial liabilities	財務負債		
Other financial liabilities at amortised cost	以攤銷成本列賬之 其他財務負債	(190,255)	(309,474)
		(60,660)	11,333

(b) Financial risk management objective and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables, amounts due to related parties and secured bank loans. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include credit risk, currency risk, interest rate risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

As at 31 December 2013, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

6. 財務工具

(a) 財務工具類別

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Financial assets	財務資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金 等價物)	129,595	320,807
Financial liabilities	財務負債		
Other financial liabilities at amortised cost	以攤銷成本列賬之 其他財務負債	(190,255)	(309,474)
		(60,660)	11,333

(b) 財務風險管理目標及政策

本集團之主要財務工具包括貿易及其他應收款項、銀行結餘及現金、貿易及其他應付款項、應付關連方款項和已抵押銀行貸款。該等財務工具之詳情於各附註內披露。與該等財務工具有關之風險包括信貸風險、貨幣風險、利率風險及流動性風險。下文載列如何減輕該等風險之政策。管理層管理及監察該等風險，以確保適時及有效地採取合適措施。

信貸風險

於二零一三年十二月三十一日，本集團之最高信貸風險（因交易方未能履行責任及本集團提供之財務擔保而令本集團蒙受財務損失）來自各項財務資產於綜合財務狀況表所列之賬面值。

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6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Credit risk (continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings.

As at 31 December 2013, the Group has concentration of credit risk of 9% (2012: 16%) and 35% (2012: 37%) of the total trade receivables, which was due from the Group's largest customer and the five largest customers respectively.

None of the Group's financial assets are secured by collateral or other credit enhancements.

Currency risk

Several subsidiaries of the Company have foreign currency sales, which expose the Group to foreign currency risk. Approximately 4% (2012: 4%) of the Group's sales are denominated in currencies other than the functional currency of the group entity making the sale. The Group currently does not have a foreign currency hedging policy. The Group will monitor foreign exchange exposure and consider hedging significant foreign currency exposure should the need arise.

6. 財務工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

為儘可能減低信貸風險，本集團之管理層已委派一支隊伍負責釐定信貸限額、審批信貸及進行其他監察程序，確保採取跟進行動以收回逾期債務。此外，本集團亦於呈報期末檢討各個別貿易債務之可收回金額，以確保就不可收回款項作出足夠之減值虧損。就此而言，本公司董事認為已大幅減低本集團有關貿易債務之信貸風險。

由於交易方為具有高信貸評級之銀行及其他金融機構，故流動資金之信貸風險有限。

於二零一三年十二月三十一日，本集團最大客戶及五大客戶信貸風險集中情況分別佔全部貿易應收款項之9% (二零一二年：16%) 及35% (二零一二年：37%)。

本集團之財務資產概無抵押或其他信貸提升。

貨幣風險

本公司旗下多間附屬公司之銷售是外幣計價，本集團因而面對外匯風險。本集團約有4% (二零一二年：4%) 之銷售以集團實體功能貨幣以外之貨幣計價。本集團目前並無任何外幣對沖政策。本集團會監察外匯風險，如有必要時，亦會考慮對沖重大外匯風險。

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For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
HK\$	港元	4,507	19,344	—	(5,853)
US\$	美元	18	13,407	—	(6)

Sensitivity analysis

The Group is mainly exposed to the currency of RMB, HK\$ and US\$.

The following table details the Group's sensitivity to a 5% (2012: 5%) increase and decrease in exchange rates of the relevant foreign currencies against the respective entity's functional currency. 5% (2012: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% (2012: 5%) change in foreign currency rates. A positive number below indicates a decrease in post-tax loss where the respective functional currencies of the reporting entity weaken 5% (2012: 5%) against the relevant foreign currencies. For a 5% (2012: 5%) strengthening of the respective functional currencies against the relevant foreign currencies, there would be an equal and opposite impact on the loss, and the balances below would be negative.

6. 財務工具(續)

(b) 財務風險管理目標及政策(續)

貨幣風險(續)

本集團以外幣計價之貨幣資產及貨幣負債於呈報期末之賬面值如下：

敏感度分析

本集團主要面對人民幣、港元及美元貨幣風險。

下表詳列本集團於相關外幣兌各匯報實體功能貨幣之匯率上升及下跌5%(二零一二年度:5%)之敏感度。5%(二零一二年度:5%)之敏感度,乃於內部向主要管理人員匯報外匯風險時採用,並為管理層對外幣匯率可能出現之合理變動之評估。敏感度分析僅包括未兌換以外幣計值之貨幣項目,並於呈報期末按5%(二零一二年度:5%)之匯率變動調整其換算。下表列示之正數顯示倘各匯報實體功能貨幣兌相關外幣貶值5%(二零一二年:5%)時稅後虧損減少之數額。倘相關功能貨幣兌相關外幣升值5%(二零一二年:5%),將會對虧損造成等額但相反之影響,而下表之結餘將為負數。

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6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Currency risk (continued)
Sensitivity analysis (continued)

	HK\$ 港元		US\$ 美元	
	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Profit or loss 溢利或虧損	184	571	1	559

Interest rate risk

As at 31 December 2013 and 2012, the Group is exposed to cash flow interest rate risk in relation to bank balances (note 22). No sensitivity analysis is presented because the risk is considered insignificant.

As at 31 December 2012, the Group is also exposed to fair value interest rate risk in relation to fixed-rate bank loans (note 24). As at 31 December 2013, the Group is not subject to fair value interest rate risk as the Group has repaid the fixed-rate bank loans.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

6. 財務工具(續)

(b) 財務風險管理目標及政策(續)

貨幣風險(續)
敏感度分析(續)

利率風險

於二零一三年及二零一二年十二月三十一日，本集團面對之現金流利率風險關於銀行結存(附註22)。鑒於該風險較小，故概無呈列敏感度分析。

於二零一二年十二月三十一日，本集團面對公允值利率風險關於定息銀行貸款(附註24)。由於本集團已償還該定息銀行借款，於二零一三年十二月三十一日本集團無公允值利率風險。

流動性風險

流動性風險指本集團無法履行到期的財務責任的風險。本集團管理流動資金風險的方法，為盡量確保在一般及緊急情況下備有足夠的流動資金應付到期的負債，使本集團毋須承擔不能接受的虧損或聲譽受損的風險。

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For the year ended 31 December 2013
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6. Financial Instruments (continued)

(b) Financial risk management objective and policies (continued)

Liquidity risk (continued)

The Group ensures that it maintains sufficient reserves of cash on demand to meet its liquidity requirement in the short and longer term; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

As at 31 December 2013, the Group is exposed to liquidity risk as the Group had net current liabilities of approximately RMB29,346,000. The directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations and the details of which are set out in note 2.

The following table details the undiscounted cash flows of the Group's financial liabilities, which are all repayable on demand or within 1 year.

		Repayable on demand or within 1 year 按要求償還 或一年內 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總計 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
At 31 December 2013	於二零一三年 十二月三十一日			
Non-derivative financial liabilities	非衍生財務負債			
Trade and other payables	貿易及其他應付款項	(188,741)	(188,741)	(188,741)
Amounts due to related parties	應付關連方款項	(1,514)	(1,514)	(1,514)
		(190,255)	(190,255)	(190,255)
At 31 December 2012	於二零一二年 十二月三十一日			
Non-derivative financial liabilities	非衍生財務負債			
Trade and other payables	貿易及其他應付款項	(228,994)	(228,994)	(228,994)
Amounts due to related parties	應付關連方款項	(4,090)	(4,090)	(4,090)
Secured bank loans	已抵押銀行貸款	(77,824)	(77,824)	(76,390)
		(310,908)	(310,908)	(309,474)

6. 財務工具(續)

(b) 財務風險管理目標及政策(續)

流動性風險(續)

本集團確保在需要時保持足夠現金儲備，以滿足其短期及長期流動資金需求，惟不包括無法合理預計的特殊情況，如自然災害，的潛在影響。

因為本集團於二零一三年十二月三十一日存在流動負債約人民幣29,346,000，本集團因而面對流動性風險。本公司董事認為本集團有足夠營運資本來償付該負債，詳見附註2。

以下表格列示本集團一年內到期財務負債之未折現現金流。

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綜合財務報表附註

For the year ended 31 December 2013
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6. Financial Instruments (continued)

(c) Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements as at 31 December 2013 and 2012 approximate their fair values due to short maturities.

7. Turnover and Segment Information

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

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

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

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

An operating segment regarding herbal tea products was discontinued in the current year. The segment information reported below does not include any amounts for this discontinued operation, which is described in more detail in note 13.

Also, the Group's senior executive management is provided with segment information concerning segment revenue and result. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

6. 財務工具(續)

(c) 以公允價值計量之財務工具

本公司董事認為，由於綜合財務報表內財務資產及財務負債會於二零一三年及二零一二年十二月三十一日短期內到期，故其賬面值與公允值並無重大差異。

7. 營業額及分部資料

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

為注重產品線與區域性而優化分部間資源分配及評估分部表現的基礎上，有關分部訊息已向本集團之高級行政管理人員(即主要營運決策者)報告。各分部是根據其獨特的產品特點和戰略作為單獨經營分部來管理的。本集團之主要營運決策者認為本集團沒有可以合併呈報的經營分部。

根據國際財務報告準則第8號，本集團之可報告的經營分部為：

- 護髮產品
- 護膚產品
- 其他家用及個人護理產品

本集團已於本年終止經營涼茶分部的業務，以下呈報內容不包括此等已終止的產品業務，已終止涼茶產品業務的詳情載於附註13。

本集團的高級行政管理人員獲提供有關分部收入和分部業績的信息，而分部資產和業績的信息則不會定期向本集團高級行政管理人員報告。

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7. Turnover and Segment Information (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment:

		Continuing operations 持續經營業務							
		Hair-care products 護髮產品		Skin-care products 護膚產品		Other household and personal care products 其他家用及個人護理產品		Total 合計	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
Sales to external customers	銷售予外部客戶	400,447	446,666	34,427	67,308	42,783	24,398	477,657	538,372
Segment loss	分部虧損	(107,053)	(336,681)	(9,972)	(68,752)	(6,445)	(9,380)	(123,470)	(414,813)
Changes in fair value less costs to sell of biological assets	生物資產公允價值減銷售成本的變動損益							(223)	(665)
Bank interest income	銀行利息收入							834	1,124
Other revenue	其他收入							1,577	674
Corporate and other unallocated expenses	未分配之總部與其他開支							(14,907)	(22,859)
Finance costs	財務費用							(702)	(731)
Loss before tax (continuing operations)	持續經營業務之稅前虧損							(136,891)	(437,270)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the loss made by each segment without allocation of changes in fair value less costs to sell of biological assets, bank interest income, net exchange gains/losses, provision for litigation, write-off of other receivables, central administration cost, directors' emoluments and finance costs. This is the measure reported to the senior executive management of the Group for the purposes of resource allocation and performance assessment.

7. 營業額及分部資料(續)

分部收入及業績

以下是本集團按可報告的持續經營分部收入及業績分析：

分部業績指各分部所錄得之虧損，當中並無分配生物資產的公允價值減銷售成本的變動損益、銀行利息收入、匯兌虧損淨額、訴訟計提費用、其他應收款項減值損失、中央管理成本、董事薪酬以及融資成本。此乃為資源分配及表現評估而向本集團之高級行政管理人員報告之計量方式。

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7. Turnover and Segment Information (continued) 7. 營業額及分部資料 (續)

Other segment information

其它分部資料

		Continuing operations 持續經營業務							
		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	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Amounts included in the measure of segment results	計算分部結果時已計入款項								
Depreciation of property, plant and equipment	物業、廠房及設備折舊	22,324	16,837	1,849	2,538	2,532	1,208	26,705	20,583
Impairment loss on property, plant and equipment	物業、廠房及設備減值損失	14,330	—	1,232	—	1,531	—	17,093	—
(Gain) loss on disposal of property, plant and equipment	處置物業、廠房及設備(收益)損失	(235)	9,564	(20)	13,860	(25)	522	(280)	23,946
(Reversal of) impairment loss on trade receivables	貿易應收款項(撥回)減值損失	(2,278)	3,186	(196)	480	(243)	174	(2,717)	3,840
Reversal of write-down of inventories	存貨跌價準備撥回	(8,278)	(39,148)	(701)	(6,192)	(978)	(4,336)	(9,957)	(49,676)
Write-down of inventories	存貨跌價準備	2,734	13,283	232	2,101	323	1,471	3,289	16,855
Write-off of inventories	存貨報廢	10,930	42,444	661	8,385	1,001	9,159	12,592	59,988

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7. Turnover and Segment Information (continued)

Geographical information

The Group's continuing operations are mainly located in the PRC (country of domicile) and Hong Kong.

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and biological assets, and the location of the operation to which they are allocated, in the case of the non-current portion of prepaid advertising fee.

7. 營業額及分部資料(續)

地區資料

本集團持續經營業務主要集中在中國大陸(所在國家)和香港。

客戶的所在地區乃根據提供服務或交付貨品的位置釐定。非流動資產的地理位置乃根據資產實際所在位置(如屬物業、廠房及設備, 以及生物資產)及經營業務所在位置(如屬非流動部分的預付廣告費用)而釐定。

		Revenue from external customers 來自外部客戶的收入		Non-current assets 非流動資產	
		Year ended 2013 截止 二零一三年 止年度 RMB'000 人民幣千元	Year ended 2012 截止 二零一二年 止年度 RMB'000 人民幣千元 (Restated) (經重列)	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
PRC (country of domicile)	中國(所在國家)	458,891	518,972	293,412	321,233
Hong Kong	香港	12,786	14,221	1,137	1,982
Singapore	新加坡	2,184	1,614	—	—
Thailand	泰國	2,032	3,137	—	—
Malaysia	馬來西亞	1,598	428	—	—
Others	其他	166	—	—	—
Total	總計	477,657	538,372	294,549	323,215

Information about major customers

During the years ended 31 December 2013 and 2012, none of the Group's individual customer contributed more than 10% to the total turnover of the Group.

主要客戶訊息

截止二零一三年和二零一二年十二月三十一日止年度, 本集團沒有單一客戶的銷售量超過總營業額的10%。

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8. Other Income

8. 其他收入

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
Continuing operations	持續經營業務		
Bank interest income	銀行利息收入	834	1,124
Gain on sales of scrap materials	處置廢料收益	1,060	687
Investment income	投資收益	—	36
Net foreign exchange gains	匯兌收益淨額	—	110
Gain on disposals of property, plant and equipment	處置物業、廠房及設備收益	280	—
Reversal of impairment loss on trade receivables	貿易應收款項減值撥回	2,717	—
Others	其他	517	528
		5,408	2,485

9. Finance Costs

9. 融資成本

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Continuing operations	持續經營業務		
Interest on secured bank loans wholly repayable within five years	五年內到期全數償還的已抵押銀行貸款的借貸利息	702	731

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10. Taxation

Tax charge for the year represents:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Continuing operations	持續經營業務		
Deferred tax (note 26)	遞延所得稅		
Reversal of temporary differences	暫時性差額的轉回	—	(82,605)

10. 稅項

本年稅項指：

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

The PRC EIT Law allows enterprises to apply for the certificates of “High and New Technology Enterprise” (“**HNTE**”) which entitles the qualified companies to a preferential income tax rate of 15%. Bawang (Guangzhou) Co., Ltd. (“**Bawang Guangzhou**”), a PRC subsidiary of the Group, was qualified as a HNTE in 2009 and the qualification was renewed and valid until 2014. However, Bawang Guangzhou did not have any assessable profits subject to Enterprise Income Tax for the years ended 31 December 2013 and 2012.

- (b) No provision for Hong Kong Profits Tax has been provided as the Group did not have any assessable profits subject to Hong Kong Profits Tax for both years.

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

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**」)於二零零九年被認定為高新技術企業，並與二零一二年再次被認定。該資格的有效期為二零一二年至二零一四年。然而，截止二零一三年及二零一二年十二月三十一日止年度，本集團並沒有任何須繳納企業所得稅之應課稅溢利。

- (b) 截至二零一三年及二零一二年十二月三十一日止的年度，本集團並沒有任何須繳納香港所得稅之應課稅溢利，所以並無作出香港利得稅撥備。

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截至二零一三年十二月三十一日止年度

10. Taxation (continued)

- (c) Pursuant to the laws and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI for the current and previous years.
- (d) Pursuant to the Implementation Rules of the EIT Law, overseas investors of foreign investment companies shall be liable for withholding income tax at 10% on the dividend derived from the profits of PRC subsidiaries with effect from 1 January 2008, unless the tax rate is reduced by treaty. Pursuant to the Sino-Hong Kong Double Tax Arrangements, the investor established in Hong Kong which is the beneficiary owner holding not less than 25% of the equity interests of its PRC subsidiaries can enjoy a reduced withholding tax rate of 5% on the dividend received from its PRC subsidiaries. The Group did not make provision of withholding income tax for the years ended 31 December 2013 and 2012 since the PRC subsidiaries incurred losses in both years.

10. 稅項(續)

- (c) 根據開曼群島及英屬處女群島的規則及條例，本集團無須為以前及本年度繳納開曼群島及英屬處女群島的任何稅項。
- (d) 根據企業所得稅法實施條例，自二零零八年一月一日起，除非獲條約減低稅率，外商投資企業的海外投資者須就來自中國附屬公司溢利的股息繳付10%預扣所得稅。根據避免中港兩地雙重徵稅安排，於香港創立的投資者如果持有中國附屬公司不低於25%權益且為受益所有人，則可享受來自其中國附屬公司的股息的寬減預扣稅稅率5%。由於中國附屬公司均產生虧損，因此本集團於截至二零一三年及二零一二年十二月三十一日的年度並沒有計提預扣所得稅。

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For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

10. Taxation (continued)

Taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
Continuing operations	持續經營業務		
Loss before taxation	稅前虧損	(136,891)	(437,270)
Tax calculated at the domestic income tax rate of 25% (2012: 25%)	按本地所得稅稅率25%計算之稅項(二零一二年: 25%)	(34,223)	(109,318)
Effect of different tax rates of entities operating in other jurisdictions	於其他司法權區經營之不同稅率之稅務影響	7,391	13,730
Tax effect of expenses not deductible for tax purpose	不可扣減費用之稅務影響	8,732	3,334
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(987)	—
Tax effect of tax losses not recognised	未確認稅務虧損之稅務影響	18,694	56,953
Tax effect of other deductible temporary differences not recognised	未確認可扣減暫時性差異之稅務影響	393	1,885
Bonus deduction of research and development expenses (note)	研究及開發費用之加計扣除(附註)	—	(1,493)
Income tax on concessionary rate	按優惠稅率之稅項	—	34,909
Effect of reversal of deferred tax assets recognised in prior year	以前年度遞延所得稅資產撥回之稅務影響	—	82,605
Taxation	稅項	—	82,605

Note: According to Tax Notice on Provisional Administrative Measures governing Pre-EIT Deduction of Research and Development Expenses (Guoshuifa [2008] No. 116) issued by the State Administration of Taxation, effective from 1 January 2008, research and development expenses, which are not capitalised, are qualified for bonus deduction for income tax purpose, i.e. an additional 50% of such expenses could be deemed as deductible expenses.

Details of deferred tax are set out in note 26.

10. 稅項(續)

年內稅項與綜合損益表之稅前虧損對帳如下：

附註：根據國家稅務總局頒佈的於2008年1月1日起生效的《企業研究開發費用稅前扣除管理辦法》(國稅發[2008]第116號)，未資本化的研究及開發費用可在計算所得稅時進行加計扣除，即按該費用50%計算的金額可額外於稅前加計扣除。

遞延所得稅詳見附註26。

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For the year ended 31 December 2013
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11. Loss for the year from Continuing Operations

Loss for the year from continuing operations has been arrived at after charging (crediting):

11. 持續經營業務之年內虧損

持續經營業務之稅前虧損已扣除(計入)下列項目：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
Auditor's remuneration	核數師酬金	673	1,600
Cost of inventories recognised as an expense (note (a))	確認為開支之存貨成本(附註(a))	246,066	312,609
Depreciation of property, plant and equipment	物業、廠房及設備折舊	27,440	21,689
Impairment loss on property, plant and equipment (included in other expenses)	物業、廠房及設備減值損失(計入其他費用)	17,093	—
Impairment loss on trade receivables	貿易應收款項減值損失	—	3,840
Loss on disposal of property, plant and equipment	處置物業、廠房及設備的損失	—	25,065
Net foreign exchange loss	滙兌虧損淨額	34	—
Provision for litigation (included in other expenses)	訴訟計提費用(計入其他費用)	1,826	—
Research and development costs recognised as an expense	研發支出費用	17,862	30,948
Reversal of write-down of inventories (included in cost of inventories recognised as an expense above)	存貨跌價準備撥回(計入存貨成本，已確認為開支)	(9,957)	(49,676)
Staff costs (note (b))	員工成本(附註(b))	132,566	225,454
Write-down of inventories (included in cost of inventories recognised as an expense above)	存貨跌價準備(計入存貨成本，已確認為開支)	3,289	16,855
Write-off of inventories (included in cost of inventories recognised as an expense above)	存貨報廢(計入存貨成本，已確認為開支)	12,592	59,988
Write-off of other receivables (included in other expenses)	其他應收款項撇銷(計入其他費用)	439	—

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For the year ended 31 December 2013
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11. Loss for the year from Continuing Operations (continued)

Notes:

- (a) Cost of inventories recognised as expenses from continuing operations included depreciation of property, plant and equipment and staff costs of approximately RMB21,695,000 (2012: RMB6,872,000) and RMB39,172,000 (2012: RMB49,807,000) respectively. The amounts were also included in the respective amounts disclosed above.
- (b) Staff costs from the continuing operations included redundancy costs of approximately RMB9,679,000 (2012: RMB4,330,000) for the year ended 31 December 2013.

11. 持續經營業務之年內虧損(續)

附註：

- (a) 持續經營業務中確認為開支之存貨成本包括固定資產折舊及員工成本分別約人民幣21,695,000(二零一二年：人民幣6,872,000)及人民幣39,172,000(二零一二年：人民幣49,807,000)。以上金額均已分別包含在以上披露金額中。
- (b) 截至二零一三年十二月三十一日止年度，持續經營業務中員工成本包括遣散費用約人民幣9,679,000(二零一二年：人民幣4,330,000)。

12. Staff Costs

12. 員工成本

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
Continuing operations	持續經營業務		
Staff costs (including directors' emoluments) comprise:	員工成本(包括董事酬金)：		
Salaries, allowances and benefits	薪金、津貼及福利	127,056	217,370
Contributions to retirement benefits schemes	退休福利計劃供款	4,595	6,187
Equity-settled share-based payment	以股權益結算並以股份為基礎的支付	915	1,897
		132,566	225,454

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13. Discontinued Operation

During the year ended 31 December 2013, the directors of the Company resolved to discontinue the production and sales of its herbal tea products due to the unsatisfactory financial performance of the business of the herbal tea products with effect from 1 July 2013.

As the herbal tea products segment represents a separate major line of business of the Group, the discontinuance of production and sales of herbal tea products has constituted a discontinued operation. The comparative figures in the consolidated statement of profit or loss have been restated to re-present the herbal tea products as a discontinued operation.

The results of the herbal tea products operation for the year ended 31 December 2013 were as follows:

13. 已終止經營業務

於截至二零一三年十二月三十一日止年度內，由於涼茶產品經營狀況不理想，本集團決定於二零一三年七月一日停止涼茶產品的生產及銷售。

鑒於涼茶產品分部代表了本集團一個單獨的主要產品線，停止涼茶產品的生產和銷售構成已終止經營業務。綜合損益表中的比較數字已因已終止經營的涼茶業務而重列。

已終止涼茶產品業務於截至二零一三年止年度的業績如下：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Turnover	營業額	723	17,583
Cost of sales	銷售成本	(2,046)	(31,297)
Other income	其他收入	2,477	866
Selling and distribution costs	銷售及分銷開支	(6,397)	(83,903)
Administrative expenses	管理費用	(328)	(898)
Other expenses	其他費用	(1,040)	(45)
Loss before taxation	稅前虧損	(6,611)	(97,694)
Taxation	稅項	—	—
Loss for the year	年內虧損	(6,611)	(97,694)

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For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

13. Discontinued Operation (continued)

Loss for the year from discontinued operation includes the following:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	(2)	(82)
Cost of inventories recognised as an expense	確認為開支之存貨成本	2,046	31,297
Depreciation of property, plant and equipment	物業、廠房及設備折舊	213	405
Impairment loss on property, plant and equipment (included in other expenses above)	物業、廠房及設備減值損失 (計入其他費用)	645	—
Loss on disposal of property, plant and equipment (included in other expenses above)	處置物業、廠房及設備的損失 (計入其他費用)	13	—
Reversal of write-down of inventories (included in cost of inventories recognised as an expense above)	存貨跌價準備撥回 (計入存貨成本，已確認為開支)	—	(5,034)
Staff costs (note)	員工成本(附註)	1,521	15,833
Write-off of other receivables (included in other expenses above)	其他應收款項撇銷 (計入其他費用)	150	—
Write-back of trade and other payables	貿易及其他應付款項撥回	(2,471)	—
Write-down of inventories (included in cost of inventories recognised as an expense above)	存貨跌價準備 (計入存貨成本，已確認為開支)	854	8,748
Write-off of inventories (included in cost of inventories recognised as an expense above)	存貨報廢 (計入存貨成本，已確認為開支)	462	3,853

No charge or credit arose on loss on discontinuance of the operation.

Note: Staff costs from discontinued operation included redundancy costs of approximately RMB482,000 (2012: RMB19,000) for the year ended 31 December 2013.

13. 已終止經營業務(續)

已終止的涼茶業務的年內虧損包括以下各項：

終止經營業務之虧損並無產生任何扣減或抵免項目。

附註：截至二零一三年十二月三十一日止年度，已終止經營業務中員工成本包括遣散費用約人民幣482,000(二零一二年：人民幣19,000)。

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13. Discontinued Operation (continued)

Net cash outflows on discontinued operation are as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Operating activities	經營活動	(19,368)	(42,064)
Investing activities	投資活動	(267)	(541)
		(19,635)	(42,605)

13. 已終止經營業務(續)

已終止的涼茶業務淨現金流：

14. Dividends

No dividend was paid or proposed for the year ended 31 December 2013, nor has any dividend been proposed since the end of the reporting period (2012: nil).

14. 股息

本年內並無派付或擬派任何股息，自呈報期間後亦無擬派任何股息(二零一二年度：無)。

15. Loss Per Share

From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to the owners of the Company is based on the loss for the year from continuing and discontinued operations of approximately RMB143,502,000 (2012: RMB617,569,000) and the weighted average number of approximately 2,910,971,000 (2012: 2,910,159,000) ordinary shares in issue during the period.

15. 每股虧損

來自持續經營業務及已終止經營業務

本公司擁有人應佔來自持續經營業務及已終止經營業務之每股基本及攤薄虧損是根據持續經營業務及已終止經營業務之年內虧損約人民幣143,502,000(二零一二年度：人民幣617,569,000)及呈報期間內已發行普通股加權平均數約2,910,971,000股(二零一二年度：2,910,159,000股)計算。

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15. Loss Per Share (continued)

From continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the loss for the year from continuing operations of approximately RMB136,891,000 (2012: RMB519,875,000) and the weighted average number of approximately 2,910,971,000 (2012: 2,910,159,000) ordinary shares in issue during the period.

From discontinued operation

Basic and diluted loss per share for the discontinued operation attributable to the owners of the Company is RMB0.002 per share (2012: RMB0.033 per share), based on the loss for the year from the discontinued operation of approximately RMB6,611,000 (2012: RMB97,694,000) and the denominators detailed above for both basic and diluted loss per share.

For the years ended 31 December 2013 and 2012, the diluted loss per share is same as the basic loss per share.

The computation of diluted loss per share for the years ended 31 December 2013 and 2012 does not assume the exercise of the Company's share options as the effect is anti-dilutive.

15. 每股虧損(續)

來自持續經營業務

本公司擁有人應佔持續經營業務之每股基本及攤薄虧損是根據持續經營業務之年內虧損約人民幣136,891,000(二零一二年: 人民幣519,875,000)及呈報期間內已發行普通股加權平均數約2,910,971,000股(二零一二年: 2,910,159,000股)計算。

來自已終止經營業務

本公司擁有人應佔已終止經營業務之每股基本及攤薄虧損為每股人民幣0.002(二零一二年: 人民幣0.033), 是根據已終止經營業務之年內虧損約人民幣6,611,000(二零一二年: 人民幣97,694,000)及上文詳述每股基本及攤薄虧損所用之分母計算。

截至二零一三年及二零一二年十二月三十一日止年度的每股攤薄虧損等同每股基本虧損。

由於本公司的購股權具有反攤薄效果, 所以在計算截至二零一三年及二零一二年十二月三十一日止年度每股攤薄虧損時, 並無假設行使任何本公司的購股權。

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16. Directors' and Chief Executive's Emoluments

The emoluments paid or payable to each of the eight (2012: eight) directors and the chief executive were as follows:

For the year ended 31 December 2013

16. 董事及主要行政人員酬金

已付或應付八名(二零一二年: 八名)董事及主要行政人員之酬金如下:

截至二零一三年十二月三十一日止年度

Name of director	董事名稱	Fees	Salaries, allowances and benefits	Retirement benefits scheme contributions	Share-based payments (note (a))	Total
			袍金	薪金、津貼及福利	退休福利計劃供款	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors	執行董事					
Mr. CHEN Qiyuan (Chairman)	陳啟源先生(主席)	—	—	—	—	—
Ms. WAN Yuhua (Chief Executive Officer)	萬玉華女士(首席執行官)	—	—	—	—	—
Mr. SHEN Xiaodi (note (b))	沈小笛先生(附註(b))	—	647	5	—	652
Mr. WONG Sin Yung	黃善榕先生	—	1,214	11	195	1,420
Non-Executive Director	非執行董事					
Ms. GUO Jing (note (b))	郭晶女士(附註(b))	97	—	—	—	97
Independent Non-Executive Directors	獨立非執行董事					
Dr. NGAI Wai Fung	魏偉峰博士	277	—	—	—	277
Mr. CHEN Kaizhi	陳開枝先生	198	—	—	—	198
Mr. LI Bida	李必達先生	198	—	—	—	198
		770	1,861	16	195	2,842

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16. Directors' and Chief Executive's Emoluments (continued)

For the year ended 31 December 2012

16. 董事及主要行政人員酬 金(續)

截至二零一二年十二月三十一
日止年度

Name of director	董事名稱	Fees	Salaries, allowances and benefits	Retirement benefits scheme contributions	Share-based payments (note (a)) 以股份為 基礎的付款 (附註(a))	Total
		袍金 RMB'000 人民幣千元	薪金、津貼 及福利 RMB'000 人民幣千元	退休福利 計劃供款 RMB'000 人民幣千元	RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive Directors 執行董事						
Mr. CHEN Qiyuan (Chairman)	陳啟源先生(主席)	—	—	—	—	—
Ms. WAN Yuhua (Chief Executive Officer)	萬玉華女士 (首席執行官)	—	—	—	—	—
Mr. SHEN Xiaodi	沈小笛先生	—	1,622	11	491	2,124
Mr. WONG Sin Yung	黃善榕先生	—	1,622	11	368	2,001
Non-Executive Director 非執行董事						
Ms. GUO Jing	郭晶女士	243	—	—	—	243
Independent Non-Executive Directors 獨立 非執行董事						
Dr. NGAI Wai Fung	魏偉峰博士	324	—	—	—	324
Mr. CHEN Kaizhi	陳開枝先生	243	—	—	—	243
Mr. LI Bida	李必達先生	243	—	—	—	243
		1,053	3,244	22	859	5,178

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16. Directors' and Chief Executive's Emoluments (continued)

Notes:

- (a) These represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 3. The details of these benefits in kind, including the principal terms and number of options granted, are disclosed in note 28.
- (b) The directors resigned on 28 May 2013.

No director and chief executive waived or agreed to waive any emoluments for the years ended 31 December 2013 and 2012.

17. Employees' Emoluments

Of the five individuals with the highest emoluments in the Group, two (2012: two) were directors of the Company whose emoluments are included in the disclosures in note 16 above. The emoluments of the remaining three (2012: three) individuals were as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Salaries, allowances and benefits	薪金、津貼及福利	639	2,211
Retirement benefits scheme contributions	退休員工福利計劃供款	45	113
Share-based payments	以股份為基礎的支付	260	—
		944	2,324

16. 董事及主要行政人員酬金 (續)

附註：

- (a) 該等為根據本公司購股權計劃授予董事購股權的估計價值。該等購股權的價值乃按照本集團股份支付的交易的會計政策計量，詳見附註3。該等福利的詳情，包括授出購股權的主要條款及數目，載於附註28。
- (b) 該董事於二零一三年五月二十八日辭任。

截止二零一三及二零一二年十二月三十一日，本集團無董事及執行董事放棄或同意放棄任何酬金。

17. 員工薪酬

五位最高薪酬人士中，兩位(二零一二年：兩位)為董事，彼等薪酬於附註16披露。有關其他三名最高薪酬人士的薪酬詳情如下：

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17. Employees' Emoluments (continued)

Their emoluments were within the following bands:

		Number of employees 員工人數	
		2013 二零一三年	2012 二零一二年
Nil to HK\$1,000,000 (equivalent to approximately RMB792,000 (2012: RMB811,000))	零至港元1,000,000 (相當於約人民幣792,000 (二零一二年：人民幣811,000))	3	2
HK\$1,000,001 to HK\$1,500,000 (equivalent to approximately RMB792,001 to RMB1,187,000 (2012: RMB811,001 to RMB1,217,000))	港元1,000,001至港元1,500,000 (相當於約人民幣792,001至人民幣1,187,000 (二零一二年：人民幣811,001至人民幣1,217,000))	—	1
		3	3

During the years ended 31 December 2013 and 2012, no emoluments were paid by the Group to the five highest paid individuals (including directors and employees) or other directors as an inducement to join or upon joining the Group, or as compensation for loss of office.

17. 員工薪酬(續)

薪酬屬於以下組別：

於截至二零一三年及二零一二年十二月三十一日止年度期間，本集團並無支付酬金予本集團五名最高薪酬人士(包括董事及員工)或其他董事，作為邀請加入或於加盟本集團時之獎勵或作為離職補償。

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18. Property, Plant and Equipment

18. 物業、廠房及設備

		Buildings	Machinery	Leasehold improvements	Motor vehicles	Office equipment and others	Display furniture	Construction in progress	Total
		房屋	機器	經營租賃改良支出	運輸工具	辦公室設備及其他	展示專櫃	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
COST	成本：								
At 1 January 2012	於二零一二年一月一日	6,371	49,868	—	14,273	25,592	19,721	109,273	225,098
Additions	添置	207	1,428	—	808	2,887	4,653	174,350	184,333
Disposals	出售	(1,084)	(13,823)	—	(965)	(7,435)	(23,704)	—	(47,011)
Transfer from construction in progress	轉撥自在建工程	—	27,448	132,533	—	2,215	—	(162,196)	—
At 31 December 2012 and 1 January 2013	於二零一二年十二月三十一日及二零一三年一月一日	5,494	64,921	132,533	14,116	23,259	670	121,427	362,420
Exchange realignment	匯兌調整	—	—	—	(412)	(69)	—	—	(481)
Additions	添置	—	6,440	2,380	11	477	248	9,338	18,894
Disposals	出售	—	—	—	(1,898)	(1,346)	—	—	(3,244)
Transfer from construction in progress	轉撥自在建工程	—	46,981	2,286	—	5	—	(49,272)	—
At 31 December 2013	於二零一三年十二月三十一日	5,494	118,342	137,199	11,817	22,326	918	81,493	377,589
ACCUMULATED DEPRECIATION	累計折舊：								
At 1 January 2012	於二零一二年一月一日	348	17,374	—	9,152	9,580	4,089	—	40,543
Depreciation provided for the year	年內折舊撥備	268	5,567	193	2,364	4,664	9,038	—	22,094
Eliminated on disposals	出售時對銷	(38)	(4,604)	—	(652)	(3,451)	(13,091)	—	(21,836)
At 31 December 2012 and 1 January 2013	於二零一二年十二月三十一日及二零一三年一月一日	578	18,337	193	10,864	10,793	36	—	40,801
Depreciation provided for the year	年內折舊撥備	247	7,897	13,408	1,315	4,405	381	—	27,653
Impairment loss recognised in profit or loss	已確認於損益之減值	—	5,747	6,890	69	451	35	4,546	17,738
Eliminated on disposals	出售時對銷	—	—	—	(1,385)	(1,105)	—	—	(2,490)
Exchange realignment	匯兌調整	—	—	—	(363)	(6)	—	—	(369)
At 31 December 2013	於二零一三年十二月三十一日	825	31,981	20,491	10,500	14,538	452	4,546	83,333
CARRYING VALUES	賬面值：								
At 31 December 2013	於二零一三年十二月三十一日	4,669	86,361	116,708	1,317	7,788	466	76,947	294,256
At 31 December 2012	於二零一二年十二月三十一日	4,916	46,584	132,340	3,252	12,466	634	121,427	321,619

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18. Property, Plant and Equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using straight-line method over their estimated useful lives as follows:

Buildings	房屋	20 years	20年
Machinery	機器	10 years	10年
Leasehold improvements	經營租賃改良支出	10 years	10年
Motor vehicles	運輸工具	5–8 years	5–8年
Office equipment and others	辦公室設備及其他	5 years	5年
Display furniture	展示專櫃	2 years	2年

No depreciation is provided in respect of construction in progress until it is substantially completed and ready for its intended use. Upon completion and commissioning for operation, depreciation will be provided at the appropriate rates specified above.

All buildings owned by the Group are located in the PRC.

During the year ended 31 December 2013, the management conducted a review of the property, plant and equipment which were used in the continuing operations and determined that those assets were impaired with reference to their value in use. Accordingly, impairment loss of approximately RMB17,093,000 (2012: nil) has been recognised under other expenses in the consolidated statement of profit or loss. The value in use calculation is determined based on the financial budgets covering a ten-year period which is reference to the estimated useful life of the assets, and a pre-tax discount rate of 17.73%, approved by the management of the Group.

During the year ended 31 December 2013, the management conducted a review of the manufacturing assets which were used for the production of herbal tea products and determined that a number of those assets were impaired due to idleness following discontinued operation. Accordingly, impairment loss of approximately RMB645,000 (2012: nil) has been recognised under other expenses of discontinued operation for the year ended 31 December 2013.

18. 物業、廠房及設備(續)

折舊是基於物業、廠房及設備的成本金額減去其預計剩餘價值後以下列預計可使用年期按直線法計算。

在建工程不計提折舊，直至當資產實質上完工，並達到可使用狀態。當其完工及投入運作時，將按上文所載適當比率開始計提折舊。

本集團擁有的所有建築物均位於中國大陸。

截至二零一三年十二月三十一日止年度，管理層對用於持續經營業務的物業、廠房及設備進行了檢閱並以該資產的使用價值作為資產減值的參考。減值損失約人民幣17,093,000(二零一二年：無)已被確認於綜合損益表的其他費用內。其資產的使用價值是以集團管理層參考其資產的估計使用年限及稅前折現率17.73%而編製的10年財務預算來計算。

截至二零一三年十二月三十一日止年度，管理層對用於生產製造涼茶產品的物業、廠房及設備進行檢閱，發現部分物業、廠房及設備因終止經營業務而閒置並須進行減值損失。相應的減值損失約人民幣645,000(二零一二年：無)，已經記錄在已終止經營業務的其他費用內。

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18. Property, Plant and Equipment (continued)

As at 31 December 2012, the Group has pledged certain machinery and equipment, part of which are included in construction in progress, with a net book value of approximately RMB75,351,000 (2013: nil) to secure general banking facilities granted to the Group.

19. Biological Assets

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

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
At 1 January	於一月一日	1,978	2,246
Changes in fair value less costs to sell	公允價值減銷售成本的變動損益	(223)	(665)
Plantation expenditure	種植支出	410	443
Herbs harvested during the year	本年收獲的中草藥	(109)	(46)
At 31 December	於十二月三十一日	2,056	1,978
Non-current portion	非流動部份	170	142
Current portion	流動部份	1,886	1,836
At 31 December	於十二月三十一日	2,056	1,978

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

As at 31 December 2013 and 2012, the Group had 375 hectares of growing herbs.

18. 物業、廠房及設備(續)

於二零一二年十二月三十一日，本集團已抵押一定的機器和設備，該抵押包括賬面淨值約人民幣75,351,000(二零一三年度：無)之在建工程用於抵押給予本集團的融資額度。

19. 生物資產

生物資產是指位於中國大陸的種植基地裡種植的中草藥。

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

截止二零一三年十二月三十一日年度，本集團擁有375公頃種植的中草藥。

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19. Biological Assets (continued)

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

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

Unobservable inputs 不可觀察資料	Range of unobservable inputs (weighted average) 不可觀察資料範圍(加權平均值)	Relations of unobservable inputs to fair value 不可觀察資料與公允價值之 關係
Growing herbs yield — kg per hectare 種植之中草藥收成 — 每公頃千克	30 — 750 (665) per year 每年30-750 (665)	The higher the growing herbs yield, the higher the fair value 種植之中草藥收成越多， 公允價值越高
Growing herbs price 種植之中草藥價格	RMB4 — RMB100 (RMB19) per kg 每千克人民幣4— 人民幣100(人民幣19)	The higher the market price, the higher the fair value 種植之中草藥市值越高， 公允價值越高
Discount rate 折現率	11% (11%) per annum 每年11%(11%)	The higher the discount rate, the lower the fair value 種植之中草藥折現率越高，公允 價值越低

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

There has been no change from the valuation technique used in the prior year. In estimating the fair value of the biological assets, the highest and best use of the biological assets is their current use.

19. 生物資產(續)

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

以下為有關生物資產第3級公允價值計量之不可觀察資料：

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

估值技術較上一年度所用者並無改變。就計量生物資產之公允價值而言，生物資產之最有效使用值為其現時之使用值。

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19. Biological Assets (continued)

Reconciliation of Level 3 fair value measurements of biological assets on recurring basis:

		Growing herbs 種植之中草藥 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	1,978
Addition	添置	410
Change in fair value due to transformation	因形態轉變而產生之公允價值變動	(223)
Transfer to inventory	轉至存貨	(109)
At 31 December 2013	於二零一三年十二月三十一日	2,056

The above change in fair value recognised in profit or loss of approximately RMB223,000 are presented on the face of the consolidated statement of profit or loss and is attributable to the change in unrealised gains or losses relating to biological assets held at the end of the reporting period.

The Group is exposed to demand risks arising from environmental and climatic changes. To mitigate these risks, the Group does not rely on the self-supply of herbs, but also sources herbs from a number of external suppliers.

19. 生物資產(續)

生物資產之循環性第3級公允價值計量對賬：

以上於損益中確認之公允價值變動約人民幣223,000已於綜合損益表上呈現，及該變動乃歸於與生物資產相關之未實現利潤或虧損之變動。

本集團面對環境和氣候變化帶來的需求風險。為降低此風險，本集團不單單依賴自給的中草藥，同時亦會向一定數量之外部供應商外購。

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20. Inventories

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Raw materials	原材料	8,467	14,000
Work-in-progress	在製品	2,762	3,717
Finished goods	製成品	27,974	31,325
Packing materials and consumable goods	包裝材料及消耗品	16,138	15,759
		55,341	64,801

During the year ended 31 December 2013, there was an increase in the net realisable value following a decrease in selling expenses. As a result, a reversal of write-down of inventories of approximately RMB9,957,000 (2012: RMB54,710,000) has been recognised and included in cost of sales in the current year.

20. 存貨

在截至二零一三年十二月三十一日止年度內，可變現淨值因銷售開支下跌而上升。因此，約人民幣9,957,000(二零一二年度：人民幣54,710,000)之存貨跌價準備撥回已被確認及於本年度包括於銷售成本中。

21. Trade and Other Receivables

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	89,937	102,271
Less: Accumulated impairment	減：累計減值	(4,640)	(7,357)
		85,297	94,914
Prepayment for purchase of raw materials	購買原材料預付款項	1,285	4,330
Short-term prepaid advertising fee	短期待攤廣告費用	3,958	31,433
Other receivables	其他應收款項	4,382	7,484
Total trade and other receivables	貿易及其他應收款項合計	94,922	138,161

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

21. 貿易及其他應收款項

本集團一般給予貿易客戶之平均信貸期為30至90日。

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21. Trade and Other Receivables (continued)

- (a) The following is an aged analysis of trade receivables, net of impairment, presented based on the due date at the end of the reporting period:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Neither past due nor impaired	即期	56,742	59,250
Less than 3 months past due	逾期少於3個月	20,937	29,232
More than 3 months but less than 6 months past due	逾期3至6個月	6,790	5,970
More than 6 months but less than 12 months past due	逾期6至12個月	372	395
More than 12 months past due	逾期多於12個月	456	67
		28,555	35,664
		85,297	94,914

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately RMB28,555,000 (2012: RMB35,664,000) which were past due at the end of the reporting period for which the Group has not provided for impairment loss. Receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over the trade and other receivables.

21. 貿易及其他應收款項(續)

- (a) 根據到期日呈列之貿易應收款項(扣除減值)於呈報期末之賬齡分析如下:

並無逾期及減值的應收款項屬於眾多之客戶，彼等近期並無逾期付款記錄。

於呈報期末，本集團的已逾期但無作出減值撥備之貿易應收款項結餘帳面總值約人民幣28,555,000(二零一二年：人民幣35,664,000)。逾期但無減值的應收款項與若干獨立客戶有關，該等客戶與本集團的交易記錄良好。由於信用質素並無重大變化，且該等結餘仍被認為可以全數收回，根據以往經驗，管理層相信無需就該等結餘作出減值撥備。本集團並無就該等應收及其他應收款項持有任何抵押品。

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21. Trade and Other Receivables (continued)

- (b) Movement in the allowance for impairment for trade receivables:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
At 1 January	於一月一日	7,357	3,517
Impairment loss recognised	已確認之減值損失	—	3,840
Reversal of impairment loss recognised	已確認之減值損失撥回	(2,717)	—
At 31 December	於十二月三十一日	4,640	7,357

At 31 December 2013, the Group's trade receivables of approximately RMB4,640,000 (2012: RMB7,357,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that full amount of these receivables is unlikely to be recovered. Consequently full provisions for these doubtful debts were recognised. The Group does not hold any collateral over these balances.

- (c) As at 31 December 2012, certain trade receivables with an aggregate amount of approximately RMB85,095,000 (2013: nil) were pledged as security for the secured bank loans (note 24).

21. 貿易及其他應收款項(續)

- (b) 貿易應收款項的減值撥備變動：

於二零一三年十二月三十一日，本集團有約人民幣4,640,000(二零一二年度：人民幣7,357,000)的貿易應收款項經個別確認後進行減值損失。該等出現個別減值的應收款為客戶陷入財務困難，而且管理層評估認為不能全數收回的應收款項。因此本集團已對該等呆帳做出全數撥備。本集團並無就該等結餘持有任何抵押品。

- (c) 於二零一二年十二月三十一日，總金額約人民幣85,095,000(二零一三年度：無)的應收款項被抵押，作為已抵押銀行貸款(附註24)的償債保證。

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22. Restricted Bank Balances/Bank Balances and Cash

Restricted bank balances

As at 31 December 2013, one of the bank accounts of a subsidiary, Bawang (China) Beverage Co., Ltd. (“**Bawang Beverage**”) was frozen pursuant to a civil order (see note 34). The bank balance carries interest at floating rates based on daily bank deposits rates of 0.35% (2012: nil) per annum.

Bank balances and cash

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Cash at bank and in hand	銀行及手頭現金	43,302	194,608
Short-term bank deposit	短期銀行存款	—	30,000
Bank balances and cash	銀行結存及現金	43,302	224,608

As at 31 December 2013 and 2012, cash at bank carries interest at floating rates based on daily bank deposits rates of 0.001% to 0.35% (2012: 0.001% to 0.35%) per annum. At 31 December 2012, short-term bank deposit, with maturity less than three months when placed, carries interest rate of 2.85% (2013: nil) per annum.

22. 受限制銀行存款／銀行結存及現金

受限制銀行存款

於二零一三年十二月三十一日，附屬公司霸王(中國)飲料有限公司(「霸王飲料」)的一個銀行帳戶因民事頒令被凍結(詳見附註34)。銀行存款結餘按每日銀行存款浮動年利率0.35%計息(二零一二年：無)。

銀行結存及現金

於二零一三年及二零一二年十二月三十一日，銀行現金按每日銀行存款浮動年利率0.001%至0.35%(二零一二年：0.001%至0.35%)計算利息。於二零一二年十二月三十一日，到期日不超過三個月的短期銀行存款按年利率2.85%(二零一三年度：無)計算利息。

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23. Trade and Other Payables

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Trade payables	貿易應付款項	48,871	59,738
Receipt in advance	預收款項	23,380	18,791
Promotion fee payable	應付推廣費用	39,716	49,390
Accrued payroll	應付工資	4,211	19,144
Other payables and accrual	其他應付款項及預提費用	95,943	100,722
Total trade and other payables	貿易及其他應付款項合計	212,121	247,785

The following is an aged analysis of trade payables presented based on the due date at the end of the reporting period:

根據到期日呈列之貿易應付款項於呈報期末之賬齡分析如下：

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Due within 1 month or on demand	1個月內到期或按通知償還	42,963	51,911
Due after 1 month but within 3 months	1個月後但於3個月內到期	5,908	7,827
		48,871	59,738

The average credit period on purchases is 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

由供應商給予的信貸期介於30至90日。本集團有相應的財務風險管理策略保證所有應付款項及時償還。

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24. Secured Bank Loans

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Repayable within one year	一年內償還	—	76,390

The balance as at 31 December 2012 represented the loans drawn down from the banking facility by Bawang Guangzhou at interest rates of 5.6% to 6% per annum. The loans have various maturities of approximately one month to one year.

At 31 December 2012, the bank loans are secured by the Group's machinery and equipment and trade receivables with carrying amounts of approximately RMB75,351,000 and RMB85,095,000 respectively. The bank loans are also jointly guaranteed by the Controlling Shareholders of the Group and Guangzhou Bawang.

24. 已抵押銀行貸款

於二零一二年十二月三十一日的銀行貸款結餘為霸王廣州從銀行融資中提取的款項，其年利率為5.6%至6%，期限約為一個月至一年不等的貸款。

於二零一二年十二月三十一日，該銀行貸款以賬面總值人民幣75,351,000的機器設備和人民幣85,095,000的應收款項作為抵押，並由本集團控股股東及廣州霸王共同擔保。

25. Provisions

		Provision for litigation 訴訟計提費用 RMB'000 人民幣千元
At 1 January and 31 December 2012	於二零一二年一月一日及 十二月三十一日	—
Provision recognised	計提費用確認	1,826
At 31 December 2013	於二零一三年十二月三十一日	1,826

Provision for litigation is made based on management best estimates and judgement, as described in note 4. Details of the litigations are set out in note 35. As at 31 December 2013, the litigations are still pending for final court judgement.

如附註4所述，訴訟計提費用是基於管理層最好的估計和判斷。有關訴訟詳情已於附註35列明。於二零一三年十二月三十一日止，該訴訟仍在等待法院的最終判決。

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26. Deferred Tax

The followings are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

		Inventory provision	Accruals	Advertising and promotional expenses exceeding the deduction allowance limit in the current year to be carried forward	Tax losses	Undistributed profits of PRC subsidiary	Others	Total
		存貨跌價準備	預提費用	可結轉下年度當廣告及宣傳費用超過本年度扣除限額的部分	稅務虧損	中國附屬公司未分配利潤	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2012	二零一二年一月一日	7,383	4,192	32,078	38,725	(2,031)	227	80,574
Charged to profit or loss (note 10)	計入損益(附註10)	(7,383)	(4,192)	(32,078)	(38,725)	—	(227)	(82,605)
At 31 December 2012 and 31 December 2013	二零一二年十二月三十一日及二零一三年十二月三十一日	—	—	—	—	(2,031)	—	(2,031)

Deferred tax assets recognised prior to 2012 were reviewed during the year ended 31 December 2012 and were reduced to the extent that it was no longer probable that the related benefit would be realised based on the management assessment. The reversal of deferred tax assets was charged to profit or loss for the year ended 31 December 2012 (2013: nil).

As at 31 December 2013, the Group has unused estimated tax losses of approximately RMB837,014,000 (2012: RMB760,481,000) and RMB34,530,000 (2012: RMB33,046,000) for certain subsidiaries in the PRC and Hong Kong respectively. The tax losses incurred by the subsidiaries incorporated in the PRC will expire in five years from the year which the loss originated, while the ones incurred by the subsidiaries in Hong Kong will not expire under current tax legislation in Hong Kong.

26. 遞延稅項

主要遞延稅項資產(負債)年內其以前年度的變動如下:

二零一二年以前確認的遞延稅項資產於截止二零一二年十二月三十一日止年度內進行審閱並基於管理層之評估，在相應的溢利將不會被實現之情況下相應撇減。遞延稅項資產的撥回於二零一二年計入損益(二零一三年度：無)。

於二零一三年十二月三十一日，本集團估計於中國及香港若干附屬公司並未就可扣減的稅務虧損分別約人民幣837,014,000(二零一二年度：人民幣760,481,000)和人民幣34,530,000(二零一二年度：人民幣33,046,000)。其中，由中國成立的附屬公司所產生之稅務虧損將於相關之業務虧損始源之五年內到期，而由香港的附屬公司產生的稅務虧損不會根據香港現行的稅務法例而屆滿。

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26. Deferred Tax (continued)

As at 31 December 2013, the Group has deductible temporary differences of approximately RMB331,656,000 (2012: RMB342,451,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB8,124,000 (2012: RMB8,124,000). Deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

26. 遞延稅項(續)

於二零一三年十二月三十一日，本集團可扣減的暫時性差異約為人民幣331,656,000(二零一二年：人民幣342,451,000)。並無任何因可扣減暫時性差異而確認之遞延稅項資產，因為極低可能有應課稅溢利可抵銷令其可抵扣暫時性差異能夠使用。

於呈報期末，暫時性差異與附屬公司未分配盈利合共總額尚未確定遞延稅項負債約為人民幣8,124,000(二零一二年：人民幣8,124,000)。由於本集團一直在控制暫時性差異撥回的時間，而且其差額極可能在可預見的未來將不會撥回，所以該等差異已確認為遞延稅項負債。

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27. Share Capital and Reserves

(a) Share capital

		Number of shares	
		股份數目	
		'000	RMB'000
		千	人民幣千元
Ordinary shares of HK\$0.1 each	每股0.1之普通股		
Authorised:	法定：		
At 1 January 2012, 31 December 2012 and 31 December 2013	於二零一二年一月一日， 二零一二年十二月三十一日 及二零一三年十二月三十一日	10,000,000	880,500
Issued and fully paid ordinary shares:	已發行及繳足：		
At 1 January 2012	於二零一二年一月一日	2,909,396	256,511
Issue of shares under share option scheme (note)	根據購股權計劃發行之股份 (附註)	1,575	128
At 31 December 2012 and 2013	於二零一二年和二零一三年 十二月三十一日	2,910,971	256,639

Note: In July 2012, options were exercised to subscribe for 1,575,000 ordinary shares in the Company at a consideration of HK\$157,500 (equivalent to approximately RMB128,000) which was credited to share capital. Approximately RMB3,052,000 has been transferred from the capital reserve to the share premium account in accordance with accounting policy set out in note 3. These shares ranked pari passu in all respects with other shares in issue.

附註：二零一二年七月，購股權持有人通過行使購股權認購本公司1,575,000普通股，支付的對價為港元157,500（相當於約人民幣128,000）全部計入股本。其中，根據附註3所述的會計政策，約人民幣3,052,000已經從資本儲備轉至股本溢價。該等股份享有同等權益在各方面與其他已發行股份。

27. 股本及儲備

(a) 股本

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27. Share Capital and Reserves (continued)

(b) Nature and purpose of reserves

(i) Share premium

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

(ii) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy set out in note 3.

(iii) PRC statutory reserves

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

Bawang Guangzhou and Bawang Beverage, which are wholly foreign owned enterprises established in the PRC, are required to transfer at least 10% of their net profit (after offsetting prior year losses), as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve balance reaches 50% of the registered capital under the PRC Company Law and the articles of association of the entity. The transfer to this reserve must be made before distribution of dividends to the equity shareholder. No appropriation to statutory reserves were made by the PRC subsidiaries during the years ended 31 December 2013 and 2012, as they recorded losses for both years.

27. 股本及儲備(續)

(b) 儲備性質及用途

(i) 股本溢價

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

(ii) 資本儲備

授予本公司僱員的購股權未行駛的部份,將其於授予日期的公允價值按照附註3股份支付的會計政策於資本儲備中確認。

(iii) 中國法定儲備

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

霸王廣州及霸王飲料乃於中國成立的外商獨資企業,其須根據中國會計規則及規例,轉撥其溢利最少10%的淨溢利(彌補以往年度的虧損後)至一般法定儲備,直至儲備結餘達到中國公司法及該實體的公司章程規定的註冊資本的50%為止。轉撥至該儲備須於向權益持有人分派股息前進行。由於中國附屬公司於截至二零一三年和二零一二年十二月三十一日止年度發生虧損,所以並沒有向法定儲備轉撥任何溢利。

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27. Share Capital and Reserves (continued)

(b) Nature and purpose of reserves (continued)

(iii) PRC statutory reserves (continued)

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

(iv) Merger reserve

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

(v) Translation reserve

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

27. 股本及儲備(續)

(b) 儲備性質及用途(續)

(iii) 中國法定儲備(續)

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

(iv) 合併儲備

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

(v) 滙兌儲備

滙兌儲備包括換算中國境外業務之財務報表所產生的全部滙兌差額。

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28. Equity-Settled Share-Based Transactions

(a) Pre-IPO Share Option Scheme

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

28. 以股權結算並以股份為基礎的交易

(a) 首次公開發售前購股權計劃

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

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28. Equity-Settled Share-Based Transactions (continued)

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

Details of specific categories of Pre-IPO Share Options Scheme are as follows:

	Date of grant 授予日期	Number of instruments 購股權數目	Vesting period 歸屬期	Contractual life of options 購股權合約期
Options granted to directors	8 June 2009	1,260,000	1 year from 3 July 2009	10 years
授予董事的購股權：	二零零九年六月八日		二零零九年七月三日起計一年	十年
	8 June 2009	735,000	2 years from 3 July 2009	10 years
	二零零九年六月八日		二零零九年七月三日起計二年	十年
	8 June 2009	735,000	3 years from 3 July 2009	10 years
	二零零九年六月八日		二零零九年七月三日起計三年	十年
	8 June 2009	735,000	4 years from 3 July 2009	10 years
	二零零九年六月八日		二零零九年七月三日起計四年	十年
	8 June 2009	735,000	5 years from 3 July 2009	10 years
	二零零九年六月八日		二零零九年七月三日起計五年	十年
Options granted to employees	8 June 2009	1,669,920	1 year from 3 July 2009	10 years
授予僱員的購股權：	二零零九年六月八日		二零零九年七月三日起計一年	十年
	8 June 2009	1,868,160	2 years from 3 July 2009	10 years
	二零零九年六月八日		二零零九年七月三日起計二年	十年
	8 June 2009	2,066,400	3 years from 3 July 2009	10 years
	二零零九年六月八日		二零零九年七月三日起計三年	十年
	8 June 2009	2,264,640	4 years from 3 July 2009	10 years
	二零零九年六月八日		二零零九年七月三日起計四年	十年
	8 June 2009	2,462,880	5 years from 3 July 2009	10 years
	二零零九年六月八日		二零零九年七月三日起計五年	十年
Total share options granted		14,532,000		
授予購股權總數				

28. 以股權結算並以股份為基礎的交易 (續)

(a) 首次公開發售前購股權計劃 (續)

首次公開發售前購股權計劃詳情如下：

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28. Equity-Settled Share-Based Transactions

(continued)

(b) Share Option Scheme

The then sole shareholder of the Company approved and adopted a share option scheme on 20 May 2009 (the “Share Option Scheme”).

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

28. 以股權結算並以股份為基礎的交易(續)

(b) 購股權計劃

本公司唯一股東於二零零九年五月二十日批准並採納了此購股權計劃(「購股權計劃」)。

- (i) 於二零一一年七月二十六日，本公司有條件地根據購股權計劃向兩名僱員授予若干購股權(「2011份額」)。行使此等購股權賦予該兩名僱員認購合共1,380,000股本公司股份的權利。根據本公司與每個受益人簽訂的授予函件，購股權計劃下的每股股份行權價為港元1.31。根據購股權計劃授出的每份購股權的歸屬期為由該兩名僱員受集團聘用之日起計一年至五年，所有購股權必須於二零二一年七月二十六日前行使。
- (ii) 於二零一二年二月七日，本公司有條件地根據購股權計劃向一名僱員授予若干購股權(「2012份額」)。行使此等購股權賦予該名僱員認購合共1,500,000股本公司股份的權利。根據本公司與受益人簽訂的授予函件，購股權計劃下的每股股份行權價為港元1.00。每份購股權的歸屬期為由該名僱員受本集團聘用之日起計一年至五年，所有購股權必須於二零二二年二月七日前行使。

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28. Equity-Settled Share-Based Transactions (continued)

- (c) The following tables disclosed the movements of the Company's share options held by directors and employees for the years ended 31 December 2013 and 2012:

Option type 購股權類型	Number of share options 購股權數目						
	Outstanding at 1 January 2012 於 二零一二年 一月一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內已行使	Forfeited during the year 年內被沒收	Outstanding at 31 December 2012 於 二零一二年 十二月三十一日 尚未行使	Forfeited during the year 年內被沒收	Outstanding at 31 December 2013 於 二零一三年 十二月三十一日 尚未行使
	Pre-IPO Share Option Scheme 首次公開發售前購股權	7,914,000	—	(1,575,000)	(493,000)	5,846,000	(2,021,000)
Share Option Scheme 購股權							
— 2011 Lot — 2011份額	460,000	—	—	(460,000)	—	—	—
— 2012 Lot — 2012份額	—	1,500,000	—	(1,500,000)	—	—	—
	8,374,000	1,500,000	(1,575,000)	(2,453,000)	5,846,000	(2,021,000)	3,825,000
Exercisable at the end of the reporting period 於呈報期 末可行使的 購股權					1,231,000		2,251,000
Weighted average exercise price 加權平均 行使價	HK\$港元0.54	HK\$港元1.00	HK\$港元0.10	HK\$港元1.10	HK\$港元0.60	HK\$港元0.74	HK\$港元0.51

In respect of the share options exercised during the year ended 31 December 2012, the weighted average share price at the date of exercise was HK\$0.62.

The options outstanding at 31 December 2013 had a weighted average remaining contractual life of 5.43 (2012: 6.43) years.

The Group recognised the total expense of approximately RMB915,000 (2012: RMB1,951,000) for the year ended 31 December 2013 in relation to share options granted by the Company.

28. 以股權結算並以股份為 基礎的交易 (續)

- (c) 下表披露截至二零一三年十二月三十一日止年度及二零一二年止年度董事及僱員持有股權之變動：

截至二零一二年十二月三十一日止年度，針對已行使之購股權，其行使日加權平均股價為港元0.62。

於二零一三年十二月三十一日，尚未行使購股權的加權平均剩餘合約期為5.43年(二零一二年：6.43年)。

截至二零一三年十二月三十一日止年度，本集團確認已授出的購股權公允價值總開支約人民幣915,000(二零一二年：約人民幣1,951,000)。

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28. Equity-Settled Share-Based Transactions (continued)

(c) (continued)

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

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

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

28 以股權結算並以股份為基礎的交易(續)

(c) (續)

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

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

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29. Statement of Financial Position of the Company

29. 本公司財務狀況表

	Notes 附註	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Non-current assets			
Unlisted investments in subsidiaries		—	—
Amounts due from subsidiaries	(a)	1,461,591	1,496,625
		1,461,591	1,496,625
Current asset			
Bank balances and cash		718	1,034
Current liability			
Other payables		3,607	4,885
Net current liabilities		(2,889)	(3,851)
Total assets less current liability		1,458,702	1,492,774
Net assets		1,458,702	1,492,774
Capital and reserves			
Share capital		256,639	256,639
Reserves	(b)	1,202,063	1,236,135
Total equity		1,458,702	1,492,774

Notes:

(a) The amounts are unsecured, non-interest bearing and not expected to be recoverable within the next twelve months.

附註：

(a) 該款項免息無抵押，預期未來十二個月內不會收回。

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

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29. Statement of Financial Position of the Company (continued)

Notes: (continued)

(b) Movements in the reserves during the years are as follows:

29. 本公司財務狀況表(續)

附註：(續)

(b) 儲備年內變動情況如下：

		Share premium 股本溢價 RMB'000 人民幣千元	Capital reserve 準備儲備 RMB'000 人民幣千元	Translation reserve 匯兌儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
At 1 January 2012	於二零一二年 一月一日	1,351,690	9,676	(80,745)	(33,069)	1,247,552
Share issued under share option scheme (note 27(a))	根據購股權計劃 發行的股份 (附註27(a))	3,052	(3,052)	—	—	—
Recognition of equity-settled share-based payments	確認以股權結算並以 股份為基礎的付款	—	1,897	—	—	1,897
Total comprehensive income (expense)	全面收入(開支)總額	—	—	910	(14,224)	(13,314)
At 31 December 2012 and 1 January 2013	於二零一二年 十二月三十一日及 二零一三年 一月一日	1,354,742	8,521	(79,835)	(47,293)	1,236,135
Recognition of equity-settled share-based payments	確認以股權結算並以 股份為基礎的付款	—	915	—	—	915
Forfeiture of vested equity-settled share-based payments	沒收歸屬的以股權 結算並以股份為 基礎的付款	—	(2,893)	—	2,893	—
Total comprehensive expense	全面開支總額	—	—	(27,118)	(7,869)	(34,987)
At 31 December 2013	於二零一三年 十二月三十一日	1,354,742	6,543	(106,953)	(52,269)	1,202,063

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30. Lease Commitments

The Group as lessee

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Minimum lease payments paid under operating leases in respect of land and buildings during the year	根據經營租約就土地及樓宇已付之最低租賃款項	5,906	5,343

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Within one year	一年以內	8,684	5,373
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年在內)	14,371	6,449
Over five years	五年以上	585	1,822
		23,640	13,644

Operating lease payments represent rentals payable by the Group for certain of its production premises and office. Leases are negotiated for original terms ranging from 1 to 30 years (2012: 1 to 30 years). Rentals are fixed over the terms of respective leases.

30. 租約承擔

本集團作為承租人

於呈報期末，本集團不可撤銷的經營租約之未來的最低租金承擔到期情況如下：

經營租金是指本集團支付租用其生產廠房及辦公場所的租賃費用。租期經協商之原租期介乎一年至三十年(二零一二年度：一年至三十年)。租金在各租約期內固定不變。

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31. Capital Commitments

Capital commitments for acquisition of property, plant and equipment at the end of reporting period not provided in the consolidated financial statements were as follows:

	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Contracted for 已簽約	14,764	30,050

31. 資本承擔

於呈報期末，並無在財務報表中反映的有關購買物業、廠房及設備的資本承擔如下：

32. Retirement Benefit Scheme Contributions

(a) The PRC

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

(b) Hong Kong

The Group also maintains a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) for all qualifying employees in Hong Kong in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of the employees’ relevant income to the MPF Scheme, subject to a cap of monthly relevant income of HK\$20,000. Starting from 1 June 2012, the cap is revised to monthly relevant income of HK\$25,000. Contributions to the scheme vest immediately.

32. 退休福利計劃供款

(a) 中國大陸地區

根據中國有關勞動法規，中國附屬公司參與由中國有關當地政府機構組織之定額供款退休福利計劃（「**該計劃**」）。有關附屬公司須按照工資之一定百分比向該計劃供款。當地政府機構會負責支付退休僱員的全部退休金。

(b) 香港地區

根據強制性公積金計劃（「**強積金計劃**」）的相關條例及規定，本集團亦為所有符合條件的香港僱員設立強積金計劃。強積金計劃之資產與本集團其他資產分開，由受託人控制之基金持有。本集團按相關工資之5%向強積金計劃供款，每月收入不超過港元20,000的上限。自二零一二年六月一日起，每月收入上限調整為港元25,000。計劃供款即時歸屬。

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32. Retirement Benefit Scheme Contributions (continued)

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

The total expense recognised in profit or loss of approximately RMB4,693,000 (2012: RMB6,829,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

33. Related Party Transactions

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material transactions with related parties:

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

32. 退休福利計劃供款(續)

本集團除了上述供款計劃，並無其他義務為員工支付退休及其他退休後福利。

損益表中之總開支約人民幣4,693,000(二零一二年：人民幣6,829,000)，即本集團就該等計劃制定的一定百分比應付之供款。

33. 關連方交易

除綜合財務報表各部分所披露者外，本集團已進行下列重大關連方交易：

- (a) 於呈報期末尚未償付之結餘如下：

		Amounts due to related parties 應付關連方款項	
		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Non-trade related	非貿易相關		
Guangzhou Bawang (note (i))	廣州霸王(附註(i))	68	1,691
Guangzhou Bawang International Hotel Co., Ltd. ("Bawang Hotel") (note (ii))	廣州霸王國際大酒店有限公司(「霸王大酒店」)(附註(ii))	—	1,421
Trade related	貿易相關		
Guangzhou Chenming Paper Products Company Limited ("Guangzhou Chenming") (note (iii))	廣州市晨明紙品有限公司(「廣州晨明」)(附註(iii))	1,374	978
Guangzhou Qiancai Packaging Materials Co., Ltd. ("Guangzhou Qiancai") (note (iii))	廣州市倩采包裝材料有限公司(「廣州倩采」)(附註(iii))	72	—
		1,514	4,090

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33. Related Party Transactions (continued)

Notes:

- (i) Guangzhou Bawang was effectively 100% owned by the Controlling Shareholders of the Company. As at 31 December 2013 and 2012, the balance due from Guangzhou Bawang mainly represented rental payable. The balance was unsecured, interest-free and repayment on demand.
 - (ii) Bawang Hotel was effectively 100% owned by the Controlling Shareholders of the Company. As at 31 December 2012, the balance due from Bawang Hotel mainly represented prepaid meeting and catering expenses (2013: nil). The balance was unsecured, interest-free and repayment on demand.
 - (iii) Guangzhou Chenming and Guangzhou Qiancai were under the control of the close family members of the Controlling Shareholders of the Company. The credit term granted by Guangzhou Chenming and Guangzhou Qiancai is 30 days.
- (b) During the year ended 31 December 2013, meeting and catering services were provided to the Group by Bawang Hotel amounting to approximately RMB1,494,000 (2012: RMB1,986,000). The directors of the Company are of the opinion that the above transactions were conducted on normal commercial terms in the ordinary course of business.
- (c) During the year ended 31 December 2013, raw materials were purchased from Guangzhou Chenming amounting to approximately RMB9,243,000 (2012: RMB9,077,000). The directors of the Company have confirmed that the basis of consideration for the purchase of raw materials is the prevailing market price.
- (d) During the year ended 31 December 2013, raw materials were purchased from Guangzhou Qiancai amounting to approximately RMB698,000 (2012: nil). The directors of the Company have confirmed that the basis of consideration for the purchase of raw materials is the prevailing market price.

33. 關連方交易 (續)

附註：

- (i) 廣州霸王由本公司控股股東100%有效擁有。於二零一三年和二零一二年十二月三十一日，廣州霸王的期末結餘主要為應付租金。有關結餘無抵押、免息並按要求償還。
 - (ii) 霸王大酒店由本公司控股股東100%有效擁有。於二零一二年十二月三十一日，廣州霸王的期末結餘主要為預付會議餐飲服務費用(二零一三年度：無)。有關結餘無抵押、免息並按要求償還。
 - (iii) 廣州晨明和廣州倩采是由與本公司控股股東關係密切的家庭成員控制的。由廣州晨明和廣州倩采給予的信貸期為30日。
- (b) 截至二零一三年十二月三十一日止年度，霸王大酒店向本集團提供的會議及餐飲服務費用總計人民幣1,494,000(二零一二年度：人民幣1,986,000)。本公司董事認為上述交易乃在日常業務過程中按正常商業條款進行的。
- (c) 截至二零一三年十二月三十一日止年度，向廣州晨明購買的原材料之金額約人民幣9,243,000(二零一二年度：人民幣9,077,000)。本公司董事確認上述原材料的購買是以現行市價為考慮基準。
- (d) 截至二零一三年十二月三十一日止年度，向廣州倩採購的原材料之金額約人民幣698,000(二零一二年度：無)。本公司董事確認上述原材料的購買是以現行市價為考慮基準。

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33. Related Party Transactions (continued)

- (e) During the year ended 31 December 2013, utilities expenses were paid on behalf of the Group by Guangzhou Bawang amounting to approximately RMB2,369,000 (2012: RMB6,187,000).
- (f) The Group and Guangzhou Bawang had entered the following lease agreements in relation to rental of production premises and office building:
- (i) On 21 January 2011, Bawang Guangzhou and Guangzhou Bawang entered into a renewed production premise and office lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production premise and office building with a total floor area of 16,735 square metres. The term of the lease under the agreement is 3 years with a fixed monthly rental payable of RMB184,083, commencing from 4 December 2010. During the year ended 31 December 2013, approximately RMB552,000 (2012: RMB2,209,000) was recognised in the consolidated statement of profit or loss and the lease agreement was terminated on 9 August 2013.
- (ii) On 1 January 2011, Bawang (China) Herbal Co., Ltd. ("**Bawang Herbal**") and Guangzhou Bawang entered into an office premise lease agreement, pursuant to which Bawang Herbal leased from Guangzhou Bawang the office premise with a total floor area of 300 square metres at nil consideration. The term of the lease under the agreement is 20 years commencing from 1 January 2011. Bawang Herbal was dissolved on 11 December 2012 and consequently, the lease agreement was terminated.

33. 關連方交易 (續)

- (e) 截至二零一三年十二月三十一日止年度，廣州霸王代本集團支付的水電費合共約人民幣2,369,000（二零一二年：人民幣6,187,000）。
- (f) 本集團與廣州霸王已訂立下列有關租賃生產廠房及辦公室樓宇的租賃協議：
- (i) 霸王廣州與廣州霸王於二零一一年一月二十一日續簽生產廠房及辦公室租賃協議。據此，霸王廣州向廣州霸王租用總樓面面積16,735平方米的生產廠房及辦公室樓宇。此協議項下租期自二零一零年十二月四日起生效，為期三年，每月應付固定租金為人民幣184,083。截至二零一三年十二月三十一日止年度，約人民幣552,000（二零一二年：人民幣2,209,000）已於綜合損益表內確認，而該協議已議於二零一三年八月九日終止。
- (ii) 霸王（中國）中草藥有限公司（「霸王中草藥」）與廣州霸王於二零一一年一月一日訂立辦公室租賃協議。據此，霸王中草藥向廣州霸王租用總樓面面積300平方米的辦公室，租金為零。此協議自二零一一年一月一日起生效，為期二十年。霸王中草藥已於二零一二年十二月十一日清算，上述協議亦已終止。

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綜合財務報表附註

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33. Related Party Transactions (continued)

- (iii) On 28 December 2011, Bawang Guangzhou and Guangzhou Bawang entered into an office premise lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the office premise with a total floor area of 4,916 square metres. The term of the lease under the agreement is 3 years with a fixed monthly rental payable of RMB182,000 commencing from 1 January 2012. During the year ended 31 December 2013, approximately RMB1,321,000 (2012: RMB2,184,000) was recognised in the consolidated statement of profit or loss and the lease agreement was terminated on 9 August 2013.
- (iv) On 1 August 2012, Bawang Guangzhou and Guangzhou Bawang entered into a production premise lease agreement, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production premise with a total floor area of 123,000.1 square metres at nil consideration. The term of the lease under the agreement is from 1 August 2012 until it is replaced by a revised lease agreement. On 9 August 2013, the lease agreement was terminated.
- (v) On 9 August 2013, Bawang Guangzhou and Guangzhou Bawang entered into lease agreements, pursuant to which Bawang Guangzhou leased from Guangzhou Bawang the production plant and office premises at fixed monthly rental of RMB1,120,000 and RMB92,800, respectively. The terms of the lease under the agreements are 3 years from 9 August 2013. Details of which were set out in the Company's announcement dated 9 August 2013. During the year ended 31 December 2013, approximately RMB5,745,000 (2012: nil) was recognised in the consolidated statement of profit or loss.

33. 關連方交易 (續)

- (iii) 霸王廣州與廣州霸王於二零一一年十二月二十八日訂立辦公室租賃協議。據此，霸王廣州向廣州霸王租用總樓面面積4,916平方米的辦公室。此協議自二零一二年一月一日起生效，為期三年。每月應付固定租金人民幣182,000。截至二零一三年十二月三十一日止年度，約人民幣1,321,000(二零一二年：人民幣2,184,000)已於綜合損益表內確認，而上述協議已於二零一三年八月九日終止。
- (iv) 霸王廣州與廣州霸王於二零一二年八月一日訂立生產廠房租賃協議。據此，霸王廣州向廣州霸王租用總樓面面積123,000.1平方米的生產廠房。此協議自二零一二年八月一日起生效，直到重新簽訂新租賃協議。上述協議已於二零一三年八月九日終止。
- (v) 霸王廣州與廣州霸王於二零一三年八月九日訂立租賃協議。據此，霸王廣州向廣州霸王租用生產廠房和辦公場所，每月應付固定租金分別為人民幣1,120,000和人民幣92,800。此協議自二零一三年八月九日起生效，為期三年。本公司已於二零一三年八月九日披露該協議。截至二零一三年十二月三十一日止年度，約人民幣5,745,000(二零一二年：無)已於綜合損益表內確認。

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

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33. Related Party Transactions (continued)

- (g) As disclosed in note 1, the Controlling Shareholders and Guangzhou Bawang undertook to provide a long-term loan facility to the Group in an amount up to RMB140,000,000 for a period from 15 March 2013 to 31 December 2015. As at 31 December 2013, the Group did not draw down any amount under the facility.

Subsequent on 23 January 2014 and 26 February 2014 respective amount of HK\$9,500,000 (equivalent to approximately RMB7,515,000) and USD6,700,000 (equivalent to approximately RMB41,088,000) have been drawn down by the Group. The long-term loans are unsecured, interest-free and repayable by 29 November 2016 or earlier as determined by the Group.

- (h) As disclosed in note 24, the Controlling Shareholders and Guangzhou Bawang, jointly provided a financial guarantee to secure for the banking facility of RMB80,000,000 granted to Bawang Guangzhou for a period from 21 August 2012 to 7 August 2013. The banking facility was lapsed following the settlement of the bank loan during the year ended 31 December 2013.

33. 關連方交易 (續)

- (g) 如附註1，控股股東及廣州霸王承諾向集團提供一筆長期貸款融資，金額高達人民幣140,000,000，有效期自二零一三年三月十五日至二零一五年十二月三十一日。於二零一三年十二月三十一日，本集團並無提取任何貸款。

港元9,500,000(折合約人民幣7,515,000)及美元6,700,000(折合約人民幣41,088,000)的借款並已分別於二零一四年一月二十三日及二零一四年二月二十六日存入本集團銀行賬戶。此長期貸款為無擔保、免息及由本集團決定於二零一六年十一月二十九日或之前償還。

- (h) 如附註24，控股股東及廣州霸王共同擔保，由銀行提供融資人民幣80,000,000予霸王廣州，有效期自二零一二年八月二十一日至二零一三年八月七日。截至二零一三年十二月三十一日止年度內償還銀行貸款後，此銀行融資已經過期失效。

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

For the year ended 31 December 2013
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33. Related Party Transactions (continued)

(i) Compensation of key management personnel

The remuneration of key management personnel of the Group during the years was as follows:

	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Salaries, allowances and benefits	3,313	8,592
Contributions to retirement benefits schemes	197	379
Equity-settled share-based payment	530	1,511
	4,040	10,482

The remuneration of key management personnel of the Group was determined by the board of directors, in consultation with the remuneration committee, having regard to the performance of individuals and market trends.

Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of notes (c), (f)(i), (f)(iii) and (f)(v) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the "Report of the Directors" section to the annual report. The related party transactions in respect of notes (b), (d), (f)(ii), (f)(iv), (g) and (h) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules, however, they are exempt from the disclosure requirements in Chapter 14A of the Listing Rules.

33. 關連方交易 (續)

(i) 主要管理人員報酬

本集團於年內主要管理人員的酬金載列如下：

本集團主要管理人員之報酬由董事會諮詢薪酬委員會就彼等個人表現及市場趨勢釐定的。

有關關連交易適用的上市規則

附註(c)、(f)(i)、(f)(iii)及(f)(v)提及的關連交易，符合上市規則第14A章所界定的關連交易或持續關連交易，並在年報「董事會報告」一章中披露。附註(b)、(d)、(f)(ii)、(f)(iv)、(g)及(h)提及的關連交易，符合上市規則第14A章所界定的關連交易或持續關連交易但豁免披露。

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

For the year ended 31 December 2013
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34. Contingent Liabilities

During the year ended 31 December 2013, Bawang Beverage received a civil order issued by the People's Court of Songjiang District of Shanghai (the "**Shanghai Court**") regarding a lawsuit from a former subcontractor against Bawang Beverage in relation to a claim of subcontracting fee of approximately RMB1,332,000. Pursuant to the civil order, the Shanghai Court accepted the application by the former subcontractor for property attachment prior to lawsuit to freeze Bawang Beverage's bank accounts in the amount of approximately RMB873,000 or other assets under the name of Bawang Beverage. In connection with the lawsuit, one of Bawang Beverage's bank accounts with an amount of approximately RMB309,000 has been frozen. As of the date of this report, no judgment has been made by the Shanghai Court.

Based on the opinion provided by the PRC legal counsel acting on behalf of Bawang Beverage, the Group is unable to predict the outcome of the case, or reasonably estimate a range of possible loss, if any, given the current status of the litigation. No accrual has been recorded by the Group as at 31 December 2013 in respect of the case.

34. 或然負債

截至二零一三年十二月三十一日止年度，霸王飲料收到上海松江區法院（「上海法院」）關於某前承包商向霸王飲料索償承包費用約人民幣1,332,000的民事裁定。根據該裁定，上海法院接受了該前承包商要求對霸王飲品銀行資產以及其他相關資產共約人民幣873,000進行訴前資產凍結的請求。鑒於該裁定，霸王飲料一個相關銀行賬戶約人民幣309,000已被凍結。截至本報告公佈日，上海法院沒有對此案件進行判決。

根據霸王飲料中國法律顧問的意見以及現階段的訴訟情況，本集團無法預測案件審理結果或合理估計可能損失的金額。於二零一三年十二月三十一日，本集團沒有就此案計提相關的費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2013
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35. Litigation

- (a) The Board considers that the contents of the relevant article published by a media company on 14 July 2010 are defamatory to the Group and/or amount to malicious falsehood. Therefore, the Group commenced legal proceedings in the High Court of Hong Kong in October 2010 against the media company seeking, inter alia, damages and an injunction to restrain the media company from publishing such contents or similar contents. As of the date of this report, the legal proceedings are in progress.
- (b) A lawsuit had been filed by a distributor against Bawang Guangzhou in Guangzhou Baiyun District Law Court (the “**District Court**”) whereby the distributor alleged that Bawang Guangzhou was liable to pay an outstanding reimbursement for the promotion fees of approximately RMB6,413,000 pursuant to an agreement entered into between it and Bawang Guangzhou on 12 April 2010.

On 20 November 2013, the District Court issued a verdict for the lawsuit whereby Bawang Guangzhou was ordered to pay the distributor of an aggregate amount of approximately RMB1,606,000 and a legal cost of approximately RMB20,000. The distributor has subsequently appealed to a higher court and the date of hearing has not yet been fixed. As at 31 December 2013, an aggregate provision of approximately RMB1,626,000 has been made by the Group in the consolidated financial statements.

- (c) During the year ended 31 December 2013, Bawang Guangzhou is a defendant in a legal action involving the alleged software infringement. According to the legal opinion, the total expected monetary compensation may amount to approximately RMB200,000 which Bawang Guangzhou is probable to be liable. Accordingly, provision of RMB200,000 has been made by the Group as at 31 December 2013 in the consolidated financial statements.

35. 法律訴訟

- (a) 董事會認為一間傳媒公司於二零一零年七月十四日發表的相關雜誌文章內容均為對本集團的誹謗及／或惡意中傷。因此，本集團已於二零一零年十月在香港高等法院向該傳媒公司提起法律訴訟。其中，要求該傳媒公司賠償損失並且禁止出版該內容或類似內容。截至本報告公佈日，司法程序仍在進行中。
- (b) 廣州白雲區法院（「**地區法院**」）備案了某經銷商要求霸王廣州支付未償付的促銷費用共合約人民幣6,413,000的訴訟案件。原告聲稱根據其與霸王廣州於二零一零年四月十二日簽訂的協議，霸王廣州有責任補償未償付的促銷費用。

於二零一三年十一月二十日，地區法院裁定了霸王廣州賠償該經銷商總計約人民幣1,606,000以及訴訟費用約人民幣20,000。該經銷商已向廣州市高級法院提出上訴，而聽證會日期尚未確認。於二零一三年十二月三十一日，本集團已在綜合財務報告中對此案件計提總數約人民幣1,626,000的費用。

- (c) 截至二零一三年十二月三十一日止年度，霸王廣州於一軟件侵權案件中成為被告。根據相關法律意見，由於霸王廣州可能須就此案負責並作出賠償，霸王廣州預計需要支付總計約人民幣200,000的賠償金。本集團已於二零一三年十二月三十一日綜合財務報表中對此案件計提了法律訴訟準備約人民幣200,000。

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

For the year ended 31 December 2013
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36. Principal Subsidiaries

Details of the Company's principal subsidiaries at 31 December 2013 and 2012 are as follows:

36. 主要附屬公司

於二零一三年及二零一二年十二月三十一日本公司主要附屬公司詳情如下：

Name 名稱	Place of incorporation and operation 成立及經營地點	Issued and paid-up ordinary share 已發行及繳足資本	Proportion ownership interest and voting power held by the Company 本公司持有的權益及擁有的投票權比例				Principal activities 主要業務
			2013 二零一三年		2012 二零一二年		
			Direct 直接 %	Indirect 間接 %	Direct 直接 %	Indirect 間接 %	
Forever Giants Limited	BVI 英屬處女群島	US\$1 美元1	100	—	100	—	Marketing and promotion of household and personal care products 營銷及推廣家用及個人護理產品
Bawang International Group Holding (HK) Limited 霸王國際集團控股(香港)有限公司	Hong Kong 香港	HK\$1 港元1	—	100	—	100	Investment holding, advertising agency and trading of household and personal care products 投資控股、廣告代理及營銷及推廣家用及個人護理產品
Hong Kong Bawang International Trading Limited 香港霸王國際貿易公司	Hong Kong 香港	HK\$1 港元1	—	100	—	100	Advertising agency and trading of household and personal care products 廣告代理及營銷及推廣家用及個人護理產品
Bawang Guangzhou (note a) 霸王廣州(附註(a))	The PRC 中國	US\$67,500,000 美元67,500,000	—	100	—	100	Manufacturing and trading of household and personal care products 製造及營銷及推廣家用及個人護理產品
Bawang Beverage (note a) 霸王飲料(附註(a))	The PRC 中國	HK\$180,000,000 港元180,000,000	—	100	—	100	Trading of herbal tea products 銷售涼茶產品

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

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

36. Principal Subsidiaries (continued)

Note:

- (a) These entities are wholly foreign owned and limited liability companies established in the PRC.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of both years or at any time during the years.

At the end of the reporting period, the Company has other wholly-owned subsidiaries that are not material to the Group. The principal activities of these subsidiaries are summarised as follows:

Principal activities 主要業務	Principal place of business 主要業務地點	Number of subsidiaries 附屬公司數目	
		2013 二零一三年	2012 二零一二年
Investment holding 投資控股	BVI 英屬處女群島	2	2
Investment holding 投資控股	Hong Kong 香港	1	1

36. 主要附屬公司(續)

附註：

- (a) 此等實體為於中國成立的外商全資的有限責任公司。

上表僅列出本公司董事認為主要影響本集團業績或資產和負債之附屬公司。本公司董事認為提供其他附屬公司之詳情將令資料過於冗長而不在此列示。

與當年及上一年度期內，概無任何附屬公司發行任何債權債務。

於呈報期末，公司擁有其他就集團而言非重大的全資附屬公司。該等附屬公司之主要業務概述如下：

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

For the year ended 31 December 2013
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37. Comparative Figures

The presentation of comparative information in respect of the consolidated statement of profit or loss and statement of profit or loss and other comprehensive income for the year ended 31 December 2012 has been restated in order to disclose the discontinued operation separately from continuing operations.

Also, the following comparative figures for continuing operations have been reclassified to conform to current year's presentation as the directors of the Company consider the reclassification are more meaningful.

- (i) Bank interest income and net foreign exchange gain in relation to continuing operations have been reclassified from finance income to other income in the consolidated statement of profit or loss.
- (ii) Gain on sales of scrap materials has been reclassified from other expenses to other income in the consolidated statement of profit or loss.

As the reclassifications do not affect the consolidated statement of financial position, it is not necessary to disclose comparative information as at 1 January 2012.

37. 比較數字

截至二零一二年十二月三十一日止年度之綜合損益表和綜合損益及其他全面收益表中，若干比較數字已重新呈列，以將持續經營業務與已終止營業務分開披露。

同時本公司董事認為重列比較數字對本年度綜合財務報表的呈現較有意義，所以針對持續經營業務而重新呈列以下數字。

- (i) 與持續經營業務相關的銀行利息收入以及匯兌收益淨額已經從綜合損益表的財務收入項目重新呈列至其他收入。
- (ii) 出售廢料收益已經由綜合損益表的其他費用重新呈列至其他收入。

鑒於重新分類並不影響綜合財務狀況表，因此不需要披露二零一二年一月一日相關的比較數字。

Five Years Summary

五年財務概要

For the year ended 31 December 2013
截至二零一三年十二月三十一日止年度

		2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元
Results	業績					
Turnover	營業額	478,380	555,955	888,909	1,475,355	1,756,001
(Loss) profit before taxation	稅前(虧損)溢利	(143,502)	(534,964)	(618,537)	(134,131)	449,803
Taxation	稅項	—	(82,605)	59,967	16,160	(85,659)
(Loss) profit for the year attributable to the owners of the Company	本公司擁有人應佔之年內(虧損)溢利	(143,502)	(617,569)	(558,570)	(117,971)	364,144
Assets and liabilities	資產及負債					
Property, plant and equipment	物業、廠房及設備	294,256	321,619	184,555	60,136	39,330
Prepaid advertising fee	預付廣告費用	123	1,454	3,875	2,437	6,081
Biological assets	生物資產	170	142	1,297	—	—
Deferred tax assets	遞延稅項資產	—	—	82,605	27,089	—
Net current (liabilities) assets	流動(負債)資產淨值	(29,346)	91,485	758,541	1,501,769	2,008,883
Total assets less current liabilities	資產總值減流動負債	265,203	414,700	1,030,873	1,591,431	2,054,294
Deferred tax liabilities	遞延稅項負債	2,031	2,031	2,031	2,031	20,062
Net assets	資產淨值	263,172	412,669	1,028,842	1,589,400	2,034,232
Capital and reserves	資本及儲備					
Share capital	股本	256,639	256,639	256,511	256,380	256,134
Reserves	儲備	6,533	156,030	772,331	1,333,020	1,778,098
Total equity	權益總額	263,172	412,669	1,028,842	1,589,400	2,034,232
(Loss) earnings per share Basic and diluted (RMB)	每股(虧損)盈利基本及攤薄(人民幣)	(0.05)	(0.21)	(0.19)	(0.04)	0.15

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