



Huabao International Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code : 00336

**HUABAO,**  
**the leader of**  
**China taste**

A graphic of a water droplet falling into a pool of water, creating ripples. The background is a gradient of gold and yellow.

*Interim  
Report*

*2009-2010*

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Ms. CHU Lam Yiu (*Chairman*)  
Mr. LAU Chi Tak (*CEO*)  
Mr. POON Chiu Kwok  
Mr. WANG Guang Yu  
Mr. XIA Li Qun (*CFO*)  
Mr. XIONG Qing

#### Independent Non-executive Directors

Mr. LEE Luk Shiu  
Ms. MA Yun Yan  
Mr. MAK Kin Kwong, Peter

### AUDIT COMMITTEE

Mr. MAK Kin Kwong, Peter (*Chairman*)  
Mr. LEE Luk Shiu  
Ms. MA Yun Yan

### REMUNERATION COMMITTEE

Mr. MAK Kin Kwong, Peter (*Chairman*)  
Ms. MA Yun Yan  
Mr. XIA Li Qun

### QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCPA, FCCA*

### COMPANY SECRETARY

Mr. POON Chiu Kwok *ACIS, ACS*

### AUDITORS

PricewaterhouseCoopers

### LEGAL ADVISOR

Herbert Smith

## 公司資料

### 董事會

#### 執行董事

朱林瑤女士(*主席*)  
劉志德先生(*總裁*)  
潘昭國先生  
王光雨先生  
夏利群先生(*財務總監*)  
熊卿先生

#### 獨立非執行董事

李祿兆先生  
麻雲燕女士  
麥建光先生

### 審核委員會

麥建光先生(*主席*)  
李祿兆先生  
麻雲燕女士

### 薪酬委員會

麥建光先生(*主席*)  
麻雲燕女士  
夏利群先生

### 合資格會計師

蔡文霞女士 *FCPA, FCCA*

### 公司秘書

潘昭國先生 *ACIS, ACS*

### 核數師

羅兵咸永道會計師事務所

### 法律顧問

史密夫律師事務所

**CORPORATE INFORMATION (CONT'D)****HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Suite 1103, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

**REGISTERED OFFICE**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

**PRINCIPAL SHARE REGISTRAR**

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudian Road  
Pembroke  
Bermuda

**BRANCH SHARE REGISTRAR**

Tricor Tengis Limited  
26/F., Tesbury Centre  
28 Queen's Road East  
Wanchai  
Hong Kong

**STOCK CODE**

The Stock Exchange of Hong Kong Limited: 00336

**COMPANY WEBSITE**

<http://www.huabao.com.hk>

**INVESTOR RELATIONS WEBSITE**

<http://cms2.todayir.com/html/client/huabao>

**公司資料(續)****總部及香港主要營業地**

香港  
灣仔  
港灣道18號  
中環廣場  
1103室

**註冊辦事處**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

**主要股份過戶登記處**

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudian Road  
Pembroke  
Bermuda

**股份過戶登記分處**

卓佳登捷時有限公司  
香港  
灣仔  
皇后大道東28號  
金鐘匯中心26樓

**股票代號**

香港聯合交易所有限公司：00336

**公司網址**

<http://www.huabao.com.hk>

**投資者關係網站**

<http://cms2.todayir.com/html/client/huabao>

## FINANCIAL HIGHLIGHTS

## 財務摘要

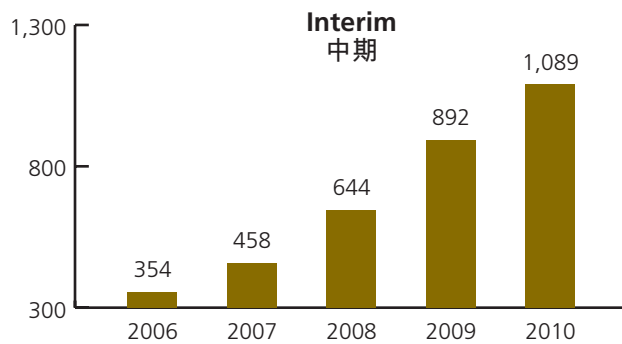
		Unaudited 未經審核		Growth 增長
		For the six months ended 30 September 截至九月三十日止六個月		
		2009 二零零九年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	
Sales	營業額	<b>1,088,854</b>	892,109	+22.1%
Operating profit	營運盈利	<b>694,152</b>	551,833	+25.8%
Gross profit margin	毛利率	<b>75.5%</b>	75.3%	
EBITDA margin <sup>+</sup>	EBITDA率 <sup>+</sup>	<b>67.1%</b>	67.1%	
EBIT margin	EBIT率	<b>63.8%</b>	61.9%	
Profit before income tax	除稅前盈利	<b>700,789</b>	560,226	+25.1%
Profit attributable to the equity holders of the Company	本公司權益持有人應佔盈利	<b>610,927</b>	517,256	+18.1%
Net cash generated from operating activities	營運活動產生之淨現金	<b>671,546</b>	495,078	+35.6%
		<b>HK cents 港仙</b>	HK cents 港仙	
Earnings per share	每股盈利			
– Basic	– 基本	<b>19.75</b>	16.83	+17.3%
– Diluted	– 攤薄	<b>19.47</b>	16.56	+17.6%
Interim dividend per share	每股中期股息	<b>6.0</b>	5.0	+20.0%
Special dividend per share	每股特別股息	<b>2.8</b>	–	
Total dividend payout ratio	合共派息率	<b>45%</b>	30%	

<sup>+</sup> Equal to "Earnings before interest, taxes, depreciation, amortization and share option compensation expenses" divided by "Sales".

<sup>+</sup> 等於「除稅前盈利的利息、折舊、攤銷及購股權報酬費用」除以「營業額」。

## Sales 銷售額

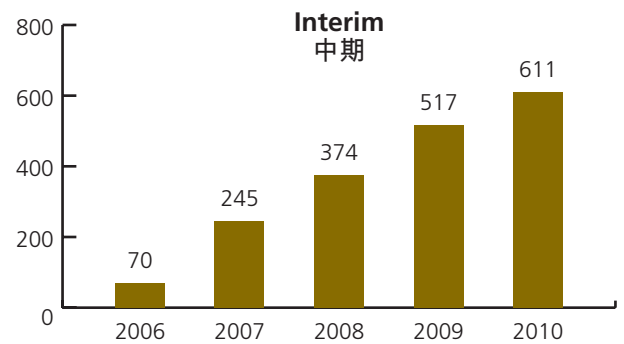
HKD million  
港幣百萬元



## Profit attributable to equity holders of the Company

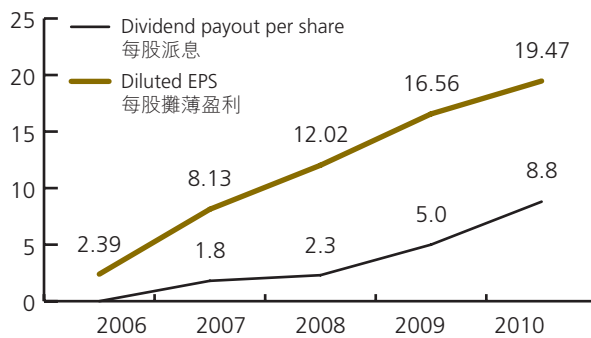
本公司權益持有人應佔盈利

HKD million  
港幣百萬元



## Diluted EPS and dividend payout per share (interim) 每股攤薄盈利和每股派息(中期)

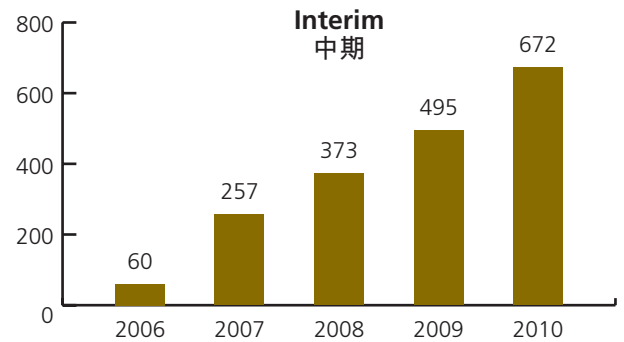
HK cents  
港仙



## Net cash generated from operating activities

營運活動產生之淨現金

HKD million  
港幣百萬元



## CEO'S STATEMENT

Dear Shareholders,

**On behalf of the Board, I am pleased to present to our Shareholders the excellent interim results of the Group for the six months ended 30 September 2009.**

With the effective implementation of RMB 4 trillion economic stimulation package by the PRC government, the Chinese economy rebounded substantially from the bottom during the first half of 2009, bringing hope to a global-wide economic recovery. With a substantial recovery of consumer confidence and an optimistic future outlook, the local demand has turned the corner quickly, showing a strong, upward momentum. The demand of the local consumer goods market has maintained a rapid growth, favouring quality and unique products, which further stimulates the demand for flavours and fragrances products. As one of the leading players of the flavours and fragrances industry in the PRC, the Group has fully utilized its overall competitive edge in respect of management, technology, products and services to achieve further excellent results.

### ALL TARGETS ACHIEVED AND PROMISING RESULTS RECORDED ONCE AGAIN

The Group insisted on the development strategy of "Multipronged, focus growth", continuing to improve management quality, achieving further excellent results and thus had accomplished various operation management targets. For the six months ended 30 September 2009, the Group achieved sales revenue of approximately HKD 1.09 billion, an increase of about 22.1% over the same period last year, most of which was organic growth, exceeding the targets set by the management. The overall gross profit margin achieved a steady growth to over 75.5%. The operating profit was approximately HKD 694 million, an increase of about 25.8% over the same period last year. The EBIT margin was 63.8%, approximately 1.9 percentage points higher than the same period last year. The profit before tax was approximately HKD 701 million, representing an increase of about 25.1% over the same period last year. Profit attributable to the equity holders of the Company was approximately HKD 611 million, representing an increase of about 18.1% over the corresponding period last year. Basic earnings per share increased by about 17.3% over the corresponding period last year to HK 19.75 cents. The management and I are very satisfied with such results!

### STRONG CASH FLOW AND FURTHER ENHANCED SHAREHOLDERS' RETURN

For the six months ended 30 September 2009, the Group's net cash generated from operating activities was approximately HKD 672 million, an increase of 35.6% over the same period last year. As at 30 September 2009, the Group's cash and cash equivalents exceeded HKD 1.42 billion without bank loans and any investment in financial products, representing a very healthy financial position.

## 總裁報告

各位股東：

在此，本人謹代表董事會欣然向各股東報告本集團截至二零零九年九月三十日止六個月優秀的中期業績。

隨著中國政府4萬億元經濟刺激方案的有效實施，二零零九年上半年中國經濟觸底並迅速反彈，為全球範圍內的經濟復甦帶來了希望。消費者的信心得到極大的恢復，對未來前景看法樂觀，使內需市場迅速走出谷底，表現出積極向上的勢頭。中國內需消費品市場繼續保持了快速增長的速度和追求高質量、個性化的上升勢頭，從而進一步刺激對香精香料產品的需求。作為中國香精香料行業的領頭羊，本集團充分發揮在管理、技術、產品和服務上的綜合競爭優勢，再一次取得了優秀的成績。

### 各項業務目標順利實現，再創佳績

本集團堅持同心多元化的發展戰略，不斷提升管理水平，順利地完成各項經營管理目標，再創佳績。截至二零零九年九月三十日止六個月，本集團實現銷售收入約港幣10.9億元，同比增長約22.1%，基本為有機增長，超過了管理層的既定目標。綜合毛利率達75.5%，繼續穩中有升。營運盈利約港幣6.94億元，同比增長約25.8%。EBIT率達63.8%，較去年同期提升了1.9個百分點。除稅前盈利約港幣7.01億元，同比增長約25.1%。本公司權益持有人應佔盈利約港幣6.11億元，同比增長約18.1%，每股基本盈利為港幣19.75仙，同比增長約17.3%。我和管理層感到這成績令人鼓舞！

### 現金流強勁，進一步提升股東回報

截至二零零九年九月三十日止六個月，本集團經營活動所產生的淨現金流約港幣6.72億元，比去年同期增加35.6%。於二零零九年九月三十日，本集團現金及現金等價物超過港幣14.2億元，沒有金融機構貸款和任何金融產品的投資，財務狀況十分健康。

## CEO'S STATEMENT (CONT'D)

In view of abundant cash flows, the Board has proposed to declare an interim dividend of HK 6.0 cents per share and a special interim dividend of HK 2.8 cents per share. A combined dividend payout ratio of about 45% reflects a substantial increase of Shareholders' return.

## INTEGRATION AHEAD OF THE PLAN

The Group insisted on the development combining organic growth and M&A and leveraged on the fragmented characteristics of the domestic flavours and fragrances industry by identifying suitable opportunities to conduct M&A with effective consolidation measures. Maoming Kebi, which was acquired in August this year, has been undergoing a comprehensive integration plan and currently all the indicators are progressing smoothly. Wealthy King Group and Amber, which were both acquired last year, have conducted a smooth integration with various profitability indicators reaching the Group's current standard, achieving satisfactory results. After consolidation, Win New Group, which was acquired two years ago, has boosted its profitability substantially to the Group's level, delivered a robust growth.

## INCREASED R&D INVESTING AND ATTRACT TALENTS

The Group lays great stress on R&D capabilities, through training and recruiting, the Group has established a R&D team that matched with international standards. For the six months ended 30 September 2009, the Group's R&D expense was approximately HKD 35.1 million, accounting for about 3.2% of the sales revenue, whereas it was about 2.3% for the corresponding period last year. With one newly joined international expert, the Group was able to develop a series of industry leading products and research results.

## OUTLOOK ON OPERATION ENVIRONMENT

The Chinese economy is leading the global recovery with improved domestic consumer confidence, which reflects great potentials. The Chinese consumer goods market continues to approach a healthier position with more quality and unique products. The domestic flavours and fragrances industry will enjoy a better room for development in future. The management and I are optimistic about the Group's operating environment in future and are fully confident in achieving the business development targets of the year.

## 總裁報告(續)

在現金流十分充裕的情況下，董事會建議本年度中期現金股息為每股港幣6.0仙，並加派中期特別股息每股港幣2.8仙，合共派息率達到45%，股東回報得到大大提升。

## 併購整合效應明顯

本集團堅持有機發展和併購相結合的發展道路，抓住中國香精香料行業較為分散的特點，擇機進行併購並實施有效的整合措施。今年8月收購的茂名科比，正在實施全方位的整合，目前各項整合指標實施順利。去年併購的富君集團和琥珀的整合推進順利，目前各項盈利指標均達到集團現有水平，取得了理想的業績。兩年前併購的凱新集團，經過整合，目前不但在盈利方面大幅提高至本集團水平，而且又實現了快速的增長。

## 加大研發投入，引進人才

本集團非常注重研發能力，通過培養和招募人才，建立了一支具國際水平的研發團隊。截至二零零九年九月三十日止六個月，本集團研發費用約港幣3,510萬元，佔銷售收入的比例約為3.2%，去年同期約為2.3%，新引進國際資深專家1名，研究開發出一批具領先水平的產品和科研成果。

## 經營環境及展望

中國經濟正在引領全球逐步進入復甦，內地消費者信心強、潛力很大。中國消費品市場的健康化、高檔化及個性化趨勢仍將保持不變。中國香精香料行業未來將有更好的發展空間。我和管理層對本集團未來的經營環境持樂觀態度，有信心完成全年的業務發展目標。



**CEO'S STATEMENT (CONT'D)**

The long term development strategy of Huabao will remain unchanged, insisting on the strategy of "Multipronged, focus growth". With flavours and fragrances as our core business, Huabao will aggressively explore relative industries and expand its technological, marketing and management strengths to new areas including aromatic raw materials, food and beverage ingredients and new materials for cigarettes to provide a comprehensive product solution to customers and to establish an integrated core value chain in order to create a more tasty life for general consumers. Huabao will continue to develop new business units on top of the flavours and fragrances segments to secure the next wave of Chinese economy boom and to capture huge opportunities in the domestic consumer goods industry arising from the wealth effect and achieve robust growth through organic development and M&A:

- To improve the core competitiveness with the flavours and fragrances as the core to maintain a rapid growth;
- To enhance the development of aromatic raw materials, including natural plants, animals and other major aromatic raw materials with global pricing capability and special and individualized category;
- To focus on the development of savory products and related food and beverage ingredients in order to highlight our brand strengths;
- To focus on the development of new materials for cigarettes, to secure the huge opportunity arising from tar content and harm reduction; and
- To construct domestic capital platform to further support business development in future

The management is fully confident in Huabao's developing into a China-based global leading flavours and fragrances player. We will be committed to create more investment value and returns for our Shareholders!

LAU Chi Tak

Hong Kong, 2 December 2009

**總裁報告(續)**

華寶的長期發展策略保持不變，繼續堅持同心多元化的戰略，以香精香料業務為核心，積極拓展相關行業，利用華寶的技術、市場拓展和管理優勢擴展至有關香原料、食品及餐飲配料以及卷煙新材料，為客戶提供全方位的產品解決方案，打造一體化的核心產業鏈，為廣大消費者創造更加美味的生活。華寶將繼續在香精香料的板塊基礎上，構建新的業務單元，全力把握下一輪中國經濟騰飛和財富效應為中國消費品行業帶來的巨大商機，通過有機和併購的發展實現高速增長：

- 以香精香料業務為核心，強化核心競爭力，繼續保持快速發展；
- 加速發展香原料產業，包括天然植物、動物以及大宗具全球定價能力和小品種特色的香原料；
- 大力發展鹹味香精及與其密切相關的食品配料和餐飲配料，突出品牌優勢；
- 大力發展卷煙新材料，把握降焦減害的巨大商機；及
- 創建國內資本平台，支持未來的業務發展

管理層對將華寶發展成為植根中國市場、全球頂級的香精香料公司充滿信心！我們將繼續努力，為股東創造更大的投資價值和回報！

劉志德

香港，二零零九年十二月二日

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

For the six months ended 30 September 2009, the Group achieved sales revenue of HKD1,088,854,000, an increase of 22.1% over the same period last year, most of which was organic growth, exceeding the target set by the management. The overall gross profit margin achieved a steady growth to 75.5%. The operating profit was HKD694,152,000, an increase of about 25.8% over the same period last year. The EBIT margin was 63.8%, 1.9 percentage points higher than the same period last year. The profit before tax was HKD700,789,000, representing an increase of about 25.1% over the same period last year. Profit attributable to the equity holders of the Company was HKD610,927,000, representing an increase of about 18.1% over the corresponding period last year.

### BENEFITS OF M&A AND INTEGRATION

#### Acquisition of F&G – To integrate with the Group's development of new material for cigarettes

In November 2009, the Group with a consideration based on F&G's net asset value, which was HKD29,267,000, entered into an acquisition agreement with Chairman Ms. CHU Lam Yiu for the acquisition of 100% equity interest of F&G. F&G is located in the Republic of Botswana in southern Africa and is mainly engaged in production and sales of natural extracts. The main reason of the acquisition is, through the Group's future business development of new material for cigarettes and the development of new products primarily made of natural materials, the Group will be able to capture the promising business opportunities in tobacco industry arising from the development trend of tar content and harm reduction. The Group will develop F&G into an overseas tobacco extraction base in order to provide its key customers with more and better quality products. In addition, following the completion of the acquisition in late November, the connected transactions with respect to the purchase of natural extracts from F&G by the Group has been terminated.

#### Acquisition of Maoming Kebi – Continue the consolidation of tobacco flavour and fragrance industry

In August 2009, the Group acquired 100% equity interest of Maoming Kebi from three independent third parties at a consideration of approximately HKD117,209,000. Maoming Kebi is a medium-sized tobacco flavour supplier in the PRC and its customer is China Tobacco Zhejiang. As the products produced for Maoming Kebi's customer can be highly integrated with those provided for the Group's customers, acquiring Maoming Kebi will further increase the market share of the core customers of the Group, in line with the Group's development strategy of "Big Customers, Big Brands".

## 管理層討論及分析

### 業績

截至二零零九年九月三十日止六個月，本集團實現銷售收入為港幣1,088,854,000元，同比增長22.1%，基本為有機增長，超過了管理層的既定目標。綜合毛利率達75.5%，繼續穩中有升。營運盈利為港幣694,152,000元，同比增長約25.8%。EBIT率達63.8%，較去年同期提升了1.9個百分點。除稅前盈利為港幣700,789,000元，同比增長約25.1%。本公司權益持有人應佔盈利為港幣610,927,000元，同比增長約18.1%。

### 併購及整合之效益

#### 收購F&G – 與集團發展卷煙新材料的總體部署整合

於二零零九年十一月，本集團以F&G淨資產值，即港幣29,267,000元的代價與主席朱林瑤女士訂立收購協議，收購F&G 100%的股權。F&G位於非洲南部的博茨瓦納共和國，從事製造及銷售天然提取物。收購的主要理由是配合本集團未來卷煙新材料的業務發展以及開發更多以天然原材料為主的新產品，以把握中國卷煙行業降焦減害發展帶來的巨大商機。未來本集團將把F&G發展成為海外煙葉提取物中心，以為國內大客戶開發更多高品質的產品。此外，在十一月下旬的收購完成後，之前本集團向F&G採購天然提取物而產生的關連交易已經終止。

#### 收購茂名科比 – 對煙用香精香料行業繼續實施整合

於二零零九年八月本集團以約港幣117,209,000元的代價向三位獨立第三方收購茂名科比100%的股權。茂名科比是國內一家中型的煙用香精香料供應商，其客戶為浙江中煙。茂名科比向其客戶提供的產品與本集團現有向該客戶提供的產品有很強的契合性，收購茂名科比可進一步加強本集團在重點核心客戶的市場份額，配合本集團的“大客戶、大品牌”的發展戰略。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

For the major terms of the transaction, the vendor guaranteed the sales (including value-added tax) of not less than RMB50 million in the next twelve months (i.e. from August 2009 to July 2010). The Group is confident that the profitability of Maoming Kebi will be enhanced through integration. The Directors consider that the terms of the transaction are attractive, consistent with the Group's development strategies and the M&A transaction can bring satisfactory returns for the Shareholders. For the two months ended 30 September 2009, Maoming Kebi contributed unaudited revenue (net of value-added tax) of approximately HKD7,592,000 while profit after tax reached approximately HKD4,595,000, which is consistent with the management's expectation.

### Impressive results continued arising from further integration of Win New Group, Wealthy King Group and Amber

The Group acquired Win New Group, Wealthy King Group and Amber in succession and proactively explore the market of flavours and fragrances since 2007. The post-acquisition integration has been progressing very smoothly. Currently, the gross profit margins of Win New Group and Wealthy King Group have reached the level of the relevant business segments of the Group. Meanwhile, Win New Group and Wealthy King Group experienced rapid revenue growth as the customer base integration was implemented. These outcomes once again reflected the strength of Huabao in M&A and integration ability.

### SEGMENT INFORMATION

The Group has reorganized its segments into two segments based on international and industry standards and internal management report, namely flavours and fragrances, since 1 April 2009. The said segments are consistent with international and industry standards – flavours are added to tobacco, food and beverage products and they are ingestible and subject to relative regulatory standards, whereas fragrances are applied to daily chemical products such as personal care products which are generally not ingestible. The Group is of the view that the segmenting method aligns better with international and industry practices and will facilitate better performance evaluation and resources allocation and is consistent with internal reporting provided to the management. Moreover, with the deepening and an in-depth progressing of the Group's development strategy of "Multipronged, focus growth", new business units may be added in future. The new segment information is in line with the long term business development needs of the Group.

## 管理層討論及分析(續)

在主要交易條件方面，出讓方承諾未來12個月(即二零零九年八月至二零一零年七月止)擔保含增值稅銷售收入不低於人民幣5,000萬元。本集團有信心對茂名科比實施整合，提升其盈利能力。董事們認為交易的條件具有吸引力，且符合集團業務發展戰略，該併購交易可為股東帶來良好的回報。截至二零零九年九月三十日止2個月，茂名科比未經審核的不含增值稅銷售收入約港幣7,592,000元，稅後利潤約港幣4,595,000元，符合管理層預期。

### 凱新集團、富君集團以及琥珀的整合繼續推進效益明顯

本集團自二零零七年以來陸續收購了凱新集團、富君集團和琥珀以積極拓展在食用和日用香精香料的市場地位。併購之後的整合推進順利。目前凱新集團和富君集團的毛利率已經達到集團相關板塊的水平，同時由於在用戶端的整合工作得以落實，使得凱新集團和富君集團的收入亦實現高速增長。這些成績再次體現了華寶強大的併購和整合能力。

### 板塊信息

自二零零九年四月一日起，本集團將原來的板塊信息根據國際同行標準及內部管理報告進行重列，分兩大板塊：食用香精香料(英文為「Flavours」)以及日用香精香料(英文為「Fragrances」)。該種分類乃參照國際同行業標準一添加至煙草、食品及飲料的香精香料均可攝入人體，需符合相應的監管標準，故稱為食用香精香料，日用香精香料則應用於護理等日用化工產品，一般不能攝入人體。本集團相信此種分類更符合國際行業慣例，有助於更好地評估表現和分配資源，並與提供予管理層的內部報告一致。此外，隨著本集團不斷深化，推進同心多元化發展戰略，未來亦可能增加新的業務單元。此種分類從長期來講亦有利於配合本集團之業務發展需要。

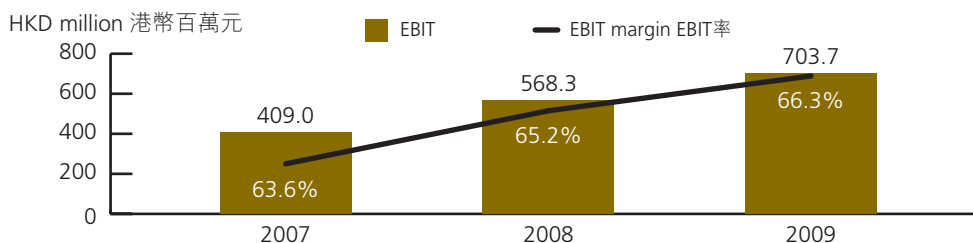
## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## 管理層討論及分析(續)

### Review of Flavours Business

### 食用香精香料業務回顧

#### Flavours EBIT margin and EBIT 食用香精香料板塊EBIT率和EBIT



For the six months ended 30 September 2009, sales revenue of the Group's flavours business amounted to HKD1,061,126,000, representing an increase of about 21.7% over HKD871,858,000 from the corresponding period last year. The EBIT margin of flavours segment amounted to 66.3%, representing an increase of 1.1 percentage points as compared with 65.2% for the corresponding period last year. The increase was primarily attributable to rapid increase in the sales of flavours applied to tobacco and a robust organic growth in food and beverage flavours, achieving the economies of scale.

截至二零零九年九月三十日止六個月，本集團食用香精香料銷售收入為港幣1,061,126,000元，較去年同期的港幣871,858,000元增長了約21.7%。食用香精香料的板塊EBIT率達66.3%，較去年同期的65.2%提高了1.1個百分點。主要得益於在用菸草類香精香料快速增長和在食品及飲料香精香料方面業務的高速有機增長，實現了規模效益。

For the six months ended 30 September 2009, products applied to tobacco products continue to maintain a high growth momentum. Through its insistence on the strategy of "Big Customers, Big Brands" and leveraging on solid technical strength, product strengths and to provide customers with comprehensive solutions, the Group built up its overall competitive edge in the industry. Currently, tobacco-related products of the Group are mainly applied to high quality domestic cigarettes and the Group is a dominant player of the market. The Group will continue to fully leverage on the overall competitive edge to explore and seek value for customers, taking an extra step in strengthening the overall co-operation with customers.

用於菸草類產品方面，截至二零零九年九月三十日止六個月，繼續保持了高速增長勢頭。本集團始終堅持「大客戶、大品牌」的策略，憑藉強大的技術實力、產品優勢以及為客戶提供全方位的解決方案，建立了在這一領域的綜合競爭優勢。目前，本集團的煙用產品主要用於國產名優卷煙中，居市場主導地位。未來本集團將充分發揮集團的整體競爭優勢，不斷地探索和尋求為客戶創造價值，進一步強化與客戶的全面合作關係。

The domestic tobacco industry was experiencing brand consolidation, ongoing product quality improvement and product style was further diversified. The use of tobacco flavours in cigarette products will enjoy a larger room for development. According to TobaccoChina Online, in the first half of 2009 the domestic tobacco industry maintained a steady growth in sales volume (approximately 3.7%) and the strong demand for high quality domestic cigarettes continued (the sales volume growth of 30 key cigarette brands exceeded 15%) resulted a trade up behavior (sales revenue growth of approximately 7.5%) and an ongoing improvement of profitability of the industry. In the first half of 2009, the domestic tobacco industry contributed industrial and commercial profit tax of approximately RMB276.1 billion, representing an increase of about 13.3% over the corresponding period last year. The popularity of high quality domestic cigarettes boosted the sales of the Group's tobacco-related products, which once again achieved a high growth.

中國的煙草行業正處於品牌整合，產品品質不斷提高，產品風格向進一步細分化發展的趨勢中。煙用香精香料在卷煙產品的應用將有更大的發展空間。根據煙草在綫的數字，二零零九年上半年中國煙草行業繼續保持了銷量的穩步增長(約3.7%)，市場對國產名優煙的需求不斷增加(30個重點品牌的銷售量增加了超過15%)，消費檔次不斷提高(銷售額增長約7.5%)，行業盈利能力不斷提高。二零零九年上半年，中國煙草行業實現工商利稅約人民幣2,761億元，比去年同期增長了約13.3%。國產名優煙持續暢銷的趨勢大大地帶動了本集團用於卷煙類產品的銷售，再次獲得了快速增長。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

In August 2009, the Group acquired 100% equity interest of Maoming Kebi from three independent third parties, further enhanced the Group's market share of certain key customers and brands. Currently, the consolidation of Maoming Kebi is progressing smoothly. The management expects that the acquisition will bring substantial return for the Shareholders of Huabao.

As to the development of new products, the Group has fully utilized the advanced extraction facilities of Wuxi Huahai. In conjunction with the access to the extraction of premium quality tobacco leaves from F&G, located in Boswana, southern Africa, the Group has developed a premium quality natural product series, which becomes highly popular; meanwhile, the Group has also launched a number of natural Chinese medicine essence products and plant essence products, which all receive positive response from the market.

As to the products related to food, beverage and dining, the Group insisted on the strategy of specializing in the development of products in local tastes and styles in line with international product quality. After five years of hard work, the Group has become one of the leading domestic players and its products are divided into two main categories, namely sweet series and savory series, and are applied to major product series such as dairy products, beverages, sweets, snacks, fast food and seasonings. The Group has established its presence in two key markets in Yangtze Delta and Pearl River Delta in China and, through direct sales and distribution utilizing the nationwide network, provided comprehensive products and technical services for massive amount of local quality food, beverage and dining enterprises.

For the six months ended 30 September 2009, the sales revenue of the Group's products in respect of food and beverage recorded a strong organic growth, among which the sales volume in respect of key direct sales customers recorded favorable results. Guangdong Zhaoqing, which was acquired two years ago, had improved its product standard and substantially enhanced its profitability through structural optimization, technological improvement, and elevation in product capacity and quality, achieving an encouraging results with a robust revenue growth and a substantial increase of gross profit margin and EBIT margin. In the Commendation of Technological Improvement of the Guangdong Food Industry 2007-2009 (2007-2009年廣東省食品行業科技進步表彰活動) hosted by Guangdong Food Profession Union this year, Guangdong Zhaoqing was awarded the "Prize of Technology of the Guangdong Food Industry" (廣東省食品行業科學技術獎) and "Prize of Outstanding Enterprise in respect of Technology of the Guangdong Food Industry" (廣東省食品行業科學技術獎之優秀企業).

## 管理層討論及分析(續)

於二零零九年八月，本集團向三位獨立第三方收購了茂名科比100%的股權，進一步加強了本集團在一些重點客戶及重點品牌的市場份額。目前茂名科比的整合工作推進得十分順利。管理層預期該項收購將為華寶股東產生豐厚的回報。

在新產品開發方面，本集團充分利用無錫華海先進的提取設備，配合位於非洲南部博茨瓦納的F&G的優質煙葉提取物，本集團為重點客戶開發的優質天然系列產品大受客戶歡迎；同時本集團亦推出多項天然中藥物精華和植物精華的產品，亦取得了市場的熱烈反應。

在用於食品、飲料及餐飲的產品方面，本集團堅持以「國際的產品品質」專注發展中國本土口味、本地風格的策略，經過約五年的努力發展，目前已成為國內領先的企業之一，形成了甜味和鹹味兩大方向，應用於乳製品、飲料、糖果、休閒食品、快餐和調味品等幾大產品系列；立足長三角和珠三角兩大重點中國市場，通過遍佈全國的網路，透過直銷與分銷對大量本地優秀食品、飲料及餐飲企業提供全方面的產品和技術服務。

截至二零零九年九月三十日止六個月，本集團在用於食品及餐飲方面的銷售收入獲得了高速有機增長，其中在重點開拓的直銷大客戶方面，實現了良好的成效。兩年前收購的廣東肇慶通過成本結構優化、技術改造及提高產品產能和產品品質，大大增強盈利能力，實現了收入快速增長和毛利率及EBIT率大幅提高的可喜業績。今年，在廣東省食品行業協會主辦的「2007-2009年廣東省食品行業科技進步表彰活動」中，廣東肇慶獲得了「廣東省食品行業科學技術獎」以及「廣東省食品行業科學技術獎之優秀企業」兩項殊榮。



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Guangzhou Huabao, which commenced operation last year, has quickly established a customer base with quality clients including COFCO (中糧) and Lee Kum Kee (李錦記) after a year of market exploration. Hanfo Cooking Secret, which were tailor-made for the domestic fast food industry, achieved preliminary success. During the year, the Group has, with the theme of "Sichuan tastes across China, the key lies in Hanfo" (川味行天下·漢方掌「味」來), launched products of Hanfo Cooking Secret in four provinces and municipalities in southwest China (Sichuan, Chongqing, Yunnan and Guizhou) and successfully established the preliminary presence of the brand in the aforementioned regions through a series of effective promotional activities including organizing business alliance conference, establishing chefs club and hosting various seminars. In order to meet the development of restaurant business and the promotion of Hanfo Cooking Secret, the Group has established the restaurant business department, which will focus on heavily promoting of the Hanfo Cooking Secret in the southwest and South China areas. In the meantime, the Group has established a new plant of approximately 6,000 square meters, in order to be better equipped for the upcoming capacity expansion of the Hanfo Cooking Secret.

As to food safety, the Group has been implementing rigorous control procedures from raw materials to finished goods to ensure safe production and product quality. When the Food Safety Law of the People's Republic of China came into effect on 1 June, the Chairman of Shanghai Food Additive Industry Association, Huabao Kongque, together with the Vice-Chairman, committee members and other member enterprises initiated the "Food Safety Declaration" activity (食品安全宣言) in the industry, and undertook to the society that they would earnestly abide by and strictly implement the Food Safety Law and the Hygienic Standards for Uses of Food Additives (GB2760-2007)(食品添加劑使用衛生標準(GB2760-2007)).

As to the development of new products, during the reporting period, the Group has conducted an in-depth market trend investigation and successfully developed various new products through dedication to highlight the timely demand of "natural, healthy, fashionable, classic". During the "2009 Shanghai International Food Additives & Ingredients Exhibition" (FIS2009上海食品添加劑和配料展覽會), the "natural butter flavor-enhancing products and high quality heat-durable products" (天然奶脂增香產品和高品質耐高溫產品) produced by Huabao Kongque received favorable receptions from participated professionals. In addition, Guangzhou Huabao has achieved encouraging results in respect of clients from convenient food and meat product sectors, establishing partnerships with renowned customers such as Huafeng (華豐), Uni-president (統一) and Shuanghui (雙匯).

## 管理層討論及分析(續)

去年剛投入運營的廣州華寶，經過一年的市場拓展，已經迅速地建立一些高質量的大客戶基礎，比如中糧、李錦記等。專為中國快餐業設立的漢方廚寶系列，也取得了初步的成功。今年以來，本集團以「川味行天下·漢方掌「味」來」為主題，成功地在西南四省市(四川、重慶、雲南及貴州)推出漢方廚寶系列產品，通過組織招商大會，建立廚師俱樂部，開展專題講座等一系列卓有成效的市場推廣活動，已經在上述地區初步樹立了該品牌。目前為配合餐飲的發展和漢方系列品牌的推廣，成立了餐飲事業部，將以西南和華南地區為重點，進行漢方系列產品的深度推廣工作。同時，集團在廣州已新建了約6,000平方米的廠房，為漢方系列產品未來產能擴張做好充足準備。

在食品安全方面，本集團一直以來實施嚴格的品控程序，從原料到成品，每一步都進行嚴密的監控。真正做到安全生產，保證質量。在《中華人民共和國食品安全法》於六月一日正式實施之際，上海市食品添加劑行業協會會長單位華寶孔雀攜同副會長、理事和廣大會員企業在行業倡議發起《食品安全宣言》活動，鄭重向社會承諾：認真遵守、嚴格執行《食品安全法》和《食品添加劑使用衛生標準(GB2760-2007)》。

在新產品開發方面，在本報告期內，本集團深入市場調查流行趨勢，突出「天然、健康、時尚、經典」的時代要求，成功開發出多款新產品。在「FIS2009上海食品添加劑和配料展覽會」上，華寶孔雀推出的天然奶脂增香產品和高品質耐高溫產品深受廣大專業觀眾的好評。除此之外，廣州華寶在方便食品、肉製品類客戶也取得可喜成績，成功開發了華豐、統一、雙匯等知名大客戶。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Our scope of customers continued to expand with an optimized customer base, enhancing the operating efficiency of the entire segment. The EBIT margin of flavours business increased by 1.1 percentage points compared to the corresponding period last year.

### Review of Fragrances Business

For the six months ended 30 September 2009, the sales revenue of the Group's fragrances segment amounted to HKD27,728,000, representing an increase of about 36.9% as compared with HKD20,251,000 of the corresponding period last year, and accounted for approximately 2.5% of the total sales revenue of the Group. The EBIT margin of fragrances was approximately 17.2%, representing a decrease as compared with the corresponding period last year. Such decrease was mainly attributable to greater efforts used in marketing and promotion and more resources invested in R&D. With the business continuously expanding, the EBIT margin is expected to improve in the second half of the year.

As to the market and customers, the Group has increased its input in the marketing side of business, established offices in Shanghai and Guangzhou in order to aggressively explore core markets in Pearl River Delta and Yangtze Delta, gradually establishing partnerships with key customers in the China market including Liby (立白), Lanju (欖菊), Lonkey (浪奇) and Guangzhou Ador (廣州雅黛), and achieved encouraging results.

As to the products, Amber aggressively developed personal care products and stepped up efforts in R&D by leveraging on its competitive edge in respect of aromatherapy fragrances and detergent fragrances. During the reporting period, Amber has developed over 100 new products.

As to branding, Amber is a famous brand in Xiamen and has proactively participated in different major product exhibitions in the PRC through Huabao's platform. In May this year, Amber participated in the "14th China Beauty Expo" in Shanghai which had 3,600 exhibition spaces in line with international standard and participating enterprises from 30 different countries and regions. Amber gained enormous success in the expo, laying a solid foundation for the future cooperation with key customers in the fragrances business.

## 管理層討論及分析(續)

客戶範圍不斷擴大，客戶基礎不斷優化，這些良好的勢頭使得整個板塊的經營效率不斷提高。食用香精香料的EBIT率比去年同期提高了1.1個百分點。

### 日用香精香料業務回顧

截至二零零九年九月三十日止六個月，本集團日用香精香料銷售收入為港幣27,728,000元，較去年同期的港幣20,251,000元增長了36.9%，佔整個集團的收入約2.5%。日用香精香料的板塊EBIT率約為17.2%，較去年同期水平有所下降，主要是由於業務拓展，增加市場推介力度以及加大研發投入所致。隨著業務規模的進一步擴大，預計下半年EBIT率將有所改善。

市場和客戶方面，本集團加大了市場拓展力度，先後在上海及廣州成立辦事處，積極拓展以珠三角和長三角為核心的重點市場區域，逐步與一些在中國市場上知名的優質客戶建立合作關係，包括：立白、欖菊、浪奇、廣州雅黛等，取得了可喜的成績。

產品方面，琥珀突出自身在熏香類、洗滌類香精的優勢，大力發展護理類產品，加大新產品開發力度。本報告期內，琥珀開發超過100個新產品。

品牌建設方面，琥珀是廈門市著名商標，利用華寶的平台積極參加國內各大型產品展覽會。今年五月琥珀在上海參加了「第十四屆中國美容博覽會」，此次盛會有3,600個國際標準展位，有30個國家和地區的企業參展。琥珀在此次展會上取得了圓滿成功，為今後與日化大客戶的合作打下了扎實的基礎。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### R&D and Innovation ability

Operating the only state-recognized technology centre in China's flavours and fragrances industry, a national post-doctorate scientific research workstation, an overseas R&D centre in Germany and a R&D team which is up to international standards, the Group's R&D capability is far ahead of other peers in the industry within the PRC. The Group laid great emphasis on the enterprise's R&D capability and products' scope of application, devoting more resources on R&D to improve the enterprise's overall competitiveness.

For the six months ended 30 September 2009, the Group has applied for 18 patents, undertaken two "863" projects of the Chinese government, achieving fruitful results in R&D. The Group has expanded its research work in the field of tobacco leaf chemistry and achieved a series of favorable outcomes in the extraction of tobacco leaf and new cigarette materials. Meanwhile, the Group has proactively improved the technological standard of its subsidiaries. During the reporting period, Huabao Kongque was rewarded for the fifth consecutive year by the Shanghai Municipal Commission of Commerce as "Foreign Funded Enterprise with Advanced Technology" (外商投資先進技術企業). Through the research of industry mutual technology and key technology, Huabao Kongque has achieved more appealing results in the development of natural and heat-durable fragrance products. After the assessment and approval of Technology Bureau of Wuxi New District (無錫市新區科技局), Wuxi Huahai was granted the distinctive title of "Technological R&D Institute of Wuxi New District" (無錫新區企業技術研發機構), while Wuxi Jiahua's "Reaction flavors prepared by enzymatic-treated tobacco concretes and tobacco dust extracts" (利用酶制法製備的煙草浸膏或煙末浸膏物反應型香料) was awarded the innovative and high technology product by the Jiangsu province.

In addition, the Group has achieved satisfactory progress in respect of bringing in international talent. Through the successful recruitment of internationally renowned expert in flavour industry, Guangzhou Huabao stepped up efforts in product development.

### BUSINESS PROSPECT

According to National Bureau of Statistics of China, during the first three quarters of 2009, the economy underwent recovery and the growth of GDP in the PRC reached 7.7%. With the implementation of a series of economic stimulation scheme of the PRC government, the Chinese economy to maintain its growth momentum has become a consensus view. As the domestic market remains strong, our views on the mid-long term prospect of the domestic consumer market remains optimistic.

## 管理層討論及分析(續)

### 研發和創新能力

本集團擁有中國香精香料行業唯一的國家級企業技術中心、國家級博士後科研工作站以及在德國的海外研發中心和一支具有國際水平的研發團隊，在國內同行中遙遙領先。集團非常重視企業的基礎研發能力和產品應用能力，不斷加大投入，增強企業的綜合競爭力。

截至二零零九年九月三十日止六個月，本集團申報專利18項；承擔國家863項目兩個，取得了豐碩的基礎研發成果。本集團加大煙草化學方面的研究工作，在煙葉提質及卷煙新材料方面取得一系列的新成果。同時，本集團積極推進各下屬企業的科技水平。本報告期內，華寶孔雀被上海市商務委員會認定為「外商投資先進技術企業」。這是華寶孔雀連續第五次獲得此項殊榮。通過行業共性技術和關鍵技術研究，華寶孔雀在天然及耐高溫香精產品開發方面取得較大突破。經無錫市新區科技局的考核及認定，無錫華海被授予「無錫新區企業技術研發機構」榮譽稱號。無錫嘉華的《利用酶制法製備的煙草浸膏或煙末浸膏物反應型香料》獲得江蘇省高新技術產品稱號。

此外，在人才國際化中亦取得了良好進程。廣州華寶成功引進世界知名調香師，大大加快了產品開發力度。

### 業務展望

根據國家統計局的數據，二零零九年前三季中國GDP增長達7.7%，經濟明顯復蘇。隨著政府一攬子刺激經濟的措施到位，中國經濟將保持增長勢頭已成為共識。內需市場將保持良好勢頭。對此我們對中國消費品行業中長期樂觀的看法不變。



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

When the Food Safety Law of the People's Republic of China, which sets higher standards for food and food additive sector, came into effect on 1 June, we expect that it will continue to lift up the entry barrier for food and beverage as well as the related industries within the PRC, leading to a higher market concentration. As one of the leading players in the domestic flavours and fragrances industry, the Group will seize every opportunity to achieve robust growth through leveraging on its competitive edge. The management is fully confident in achieving the business development goals of the year.

The long term development strategy of Huabao will remain unchanged, insisting on the strategy of "Multipronged, focus growth". With flavours and fragrances as our core business, Huabao will aggressively explore relative industries and expand its technological, marketing and management strengths to new areas including aromatic raw materials, food and beverage ingredients and new materials for cigarettes to provide a comprehensive product solution to customers and to establish an integrated core value chain in order to create a more tasty life for general consumers. Huabao will continue to develop new business units on top of the flavours and fragrances segments to secure the next wave of Chinese economy boom and to capture huge opportunities in the domestic consumer industry arising from the wealth effect and achieve robust growth through organic development and M&A:

- To improve the core competitiveness with the flavours and fragrances as the core to maintain a rapid growth;
- To enhance the development of aromatic raw materials, including natural plants, animals and other major aromatic raw materials with global pricing capability and small special category;
- To focus on the development of savory products and related food and beverage ingredients in order to highlight our brand strengths;
- To focus on the development of new materials for cigarettes, to secure the huge opportunity arising from tar content and harm reduction; and
- To construct domestic capital platform to further support business development in future

The management is fully confident in Huabao's developing into a China-based global flavours and fragrances leading player. We will be committed to create more investment value and returns for our Shareholders!

## 管理層討論及分析(續)

《中華人民共和國食品安全法》於六月一日正式實施，樹立了對食品和其添加的更高標準，我們預計中國食品飲料行業以及相關行業的進入門檻和市場集中度將不斷提高。作為中國香精香料行業的領頭羊，本集團將憑藉自身的優勢，抓住機會，實現快速增長。管理層對實現全年的業務發展目標充滿信心。

華寶的長期發展策略保持不變，繼續堅持同心多元化的戰略，以香精香料業務為核心，積極拓展相關行業，利用華寶的技術、市場拓展和管理優勢擴展至有關香原料、食品及餐飲配料以及卷煙新材料，為客戶提供全方位的產品解決方案，打造一體化的產業鏈，為廣大消費者創造更加美味的生活。華寶將繼續在香精香料的板塊基礎上，創建新的業務單元，全力把握下一輪中國經濟騰飛和財富效應為中國消費品行業帶來的巨大商機，通過有機和併購的發展實現高速增長：

- 以香精香料業務為核心，強化核心競爭力，繼續保持快速發展；
- 加速發展香原料產業，包括天然植物、動物以及大宗具全球定價能力和小品種特色的香原料；
- 大力發展鹹味香精及與其密切相關的食品配料和餐飲配料，突出品牌優勢；
- 大力發展卷煙新材料，把握降焦減害的巨大商機；及
- 創建國內資本平台，支持未來的業務發展

管理層對將華寶發展成為植根中國市場、全球頂級的香精香料公司充滿信心！我們將繼續努力，為股東創造更大的投資價值和回報！

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### FINANCIAL REVIEW

#### Analysis of interim results for the six months ended 30 September 2009

##### *Sales revenue*

The Group's sales revenue amounted to HKD1,088,854,000 for the six months ended 30 September 2009, representing an increase of 22.1% as compared with HKD892,109,000 for the corresponding period last year. The rapid growth in the sales revenue was mainly attributable to a substantial increase in the sales of flavours and fragrances. For the six months ended 30 September 2009, the sales revenue from flavours increased by 21.7% to HKD1,061,126,000, while the sales revenue from fragrances increased by 36.9% to HKD27,728,000.

##### *Cost of goods sold*

The Group's cost of goods sold amounted to HKD266,587,000 for the six months ended 30 September 2009, representing an increase of 21.2% as compared with HKD220,044,000 for the corresponding period last year. The percentage increase in the cost of goods sold which was lower than the percentage increase in the sales revenue was the main reason for the stable increase in the gross profit margin of the Group.

##### *Gross profit and gross profit margin*

The gross profit of the Group increased from HKD672,065,000 for the six months ended 30 September 2008 to HKD822,267,000 for the six months ended 30 September 2009, representing an increase of 22.3%, while the gross profit margin of the Group slightly increased from 75.3% for the first half of last financial year to 75.5% for the first half of current financial year. The gross profit margin continued to remain stable. The remarkable increase in the gross profit was mainly attributable to the substantial increase in the sales revenue of the Group.

##### *Other income*

Other income of the Group was HKD17,756,000 for the six months ended 30 September 2009, representing a decrease of HKD9,775,000 as compared with HKD27,531,000 for the six months ended 30 September 2008. The decrease in other income was mainly attributable to the stabilization of RMB exchange rate.

## 管理層討論及分析(續)

### 財務狀況回顧

#### 截至二零零九年九月三十日止六個月的中期業績分析

##### *營業額*

截至二零零九年九月三十日止六個月，本集團的營業額達到港幣1,088,854,000元，較上年同期的港幣892,109,000元，增長22.1%。營業額的快速增長，主要是由於食用和日用香精香料銷售額的顯著增加所致。截至二零零九年九月三十日止六個月，本集團食用香精香料的營業額增加了21.7%至港幣1,061,126,000元，而日用香精香料的營業額增加了36.9%至港幣27,728,000元。

##### *銷售成本*

截至二零零九年九月三十日止六個月，本集團的銷售成本為港幣266,587,000元，較上年同期的港幣220,044,000元，增加21.2%。銷售成本同銷售收入相比漲幅略低，是本集團毛利率穩中有升的主要原因。

##### *毛利和毛利率*

本集團的毛利由截至二零零八年九月三十日止六個月的港幣672,065,000元增加至截至二零零九年九月三十日止六個月的港幣822,267,000元，增長22.3%，而本集團的毛利率則由上一財政年度上半年的75.3%輕微增加至本年度上半年的75.5%，毛利率繼續保持穩定。本集團毛利的大幅增加主要是本集團銷售收入大幅增加所致。

##### *其他收益*

截至二零零九年九月三十日止六個月，本集團的其他收益為港幣17,756,000元，較截至二零零八年九月三十日止六個月的港幣27,531,000元減少港幣9,775,000元。其他收入的減少主要是由於人民幣匯率穩定所致。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### *Selling and marketing expenses*

The selling and marketing expenses of the Group comprised mainly traveling expenses, transportation cost, salaries and office expenses. The selling and marketing expenses of the Group for the six months ended 30 September 2009 were HKD37,471,000, representing a decrease of 0.7% as compared with HKD37,721,000 for the corresponding period last year. The selling and marketing expenses to the total sales decreased from 4.2% of the corresponding period last year to 3.4% of this year. The decrease in the selling and marketing expenses was mainly attributable to the falling consumer price index in China as well as the economies of scale brought by the robust growth of flavours segment.

### *Administrative expenses*

The Group's administrative expenses amounted to HKD108,400,000 for the six months ended 30 September 2009, representing a decrease of 1.5% as compared with HKD110,042,000 for the corresponding period last year. Administrative expenses mainly comprise salaries, R&D expenses, professional advisory fees, share option compensation expenses, depreciation and amortization expenses, office administration expenses, public utilities expenses, etc. The decrease in administrative expenses was mainly attributable to the decrease of share option compensation expenses.

### *Operating profit*

The operating profit of the Group for the six months ended 30 September 2009 was HKD694,152,000, representing an increase of approximately 25.8% as compared with HKD551,833,000 for the corresponding period last year, while the operating profit margin increased to approximately 63.8% during the first half of the year from approximately 61.9% for the first half of last year. The increase in the operating profit was attributable to the increase in the sales revenue, gross profit margin and operation efficiency.

### *Income tax expenses*

The income tax expenses of the Group for the six months ended 30 September 2009 was HKD79,814,000, as compared with HKD35,455,000 for the corresponding period last year. The increase in the income tax expenses was mainly attributable to the expiry of preferential tax periods for certain subsidiaries of the Group in the PRC.

### *Profit attributable to the equity holders of the Company*

Profit attributable to the equity holders of the Company was HKD610,927,000 for the six months ended 30 September 2009, representing an increase of 18.1% as compared with HKD517,256,000 for the corresponding period last year.

## 管理層討論及分析(續)

### *銷售及市場推廣開支*

本集團銷售及市場推廣開支主要包括差旅費、運輸成本、薪金及辦公費用等。本集團截至二零零九年九月三十日止六個月的銷售及市場推廣開支為港幣37,471,000元，較上年度的港幣37,721,000元，減少0.7%。本期間及去年同期銷售及市場推廣開支所佔銷售總額的比例從去年的4.2%下降至3.4%。銷售及市場推廣開支費用和比例的下降，主要是由於內地居民消費價格指數下調和食用香精板塊收入的快速增長帶來規模效應所致。

### *行政開支*

本集團的行政開支在截至二零零九年九月三十日止六個月為港幣108,400,000元，較上年度同期的港幣110,042,000元，減少1.5%。行政開支主要包括薪金、研發開支、中介顧問費、購股權報酬費、折舊及攤銷開支、辦公行政費用、公共設施費用等。本期行政開支的減少主要是由於購股權報酬費用的減少所致。

### *營運盈利*

本集團營運盈利在截至二零零九年九月三十日止六個月為港幣694,152,000元，較上年同期的港幣551,833,000元增長了約25.8%。而本集團的營運利潤率則由上一年度同期的約61.9%增加至本年度同期的約63.8%。營運盈利的增加主要是由於銷售收入的增加、毛利率及運營效益的提高所致。

### *稅務開支*

本集團的稅務開支在截至二零零九年九月三十日止六個月為港幣79,814,000元，而上年同期則為港幣35,455,000元。所得稅開支的增加，主要是由於本集團的部份國內子公司之稅務優惠免稅期屆滿而大幅上升。

### *本公司權益持有人應佔盈利*

本公司權益持有人應佔盈利在截至二零零九年九月三十日止六個月為港幣610,927,000元，較去年同期的港幣517,256,000元，增長18.1%。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### *Net current asset value and financial resources*

As at 30 September 2009, the net current asset value of the Group was HKD1,446,204,000 (31 March 2009: HKD1,143,626,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 30 September 2009, the Group's cash and cash equivalents amounted to HKD1,423,289,000 (31 March 2009: HKD1,125,238,000).

The Group did not have any outstanding loans from financial institution nor had it held any forex hedging products or structured investment products or financial derivatives.

### *Debtors' turnover period*

Debtors' turnover period is calculated on the basis of the average amount of trade receivables net of provisions as at the beginning and the end of a relevant financial period divided by the total sales revenue for the corresponding period and multiplied by the number of days in that period. The Group generally offers its customers a credit period of approximately 0-180 days, depending on the business volume of, and the length of business relationship with, the customers. For the six months ended 30 September 2009, the Group's average debtors' turnover period was 73 days, representing a decrease of 1 day as compared with 74 days for the last financial year ended 31 March 2009. The debtors' turnover period remains stable.

### *Creditors' turnover period*

Creditors' turnover period is calculated on the basis of the average amount of trade payables as at the beginning and the end of a relevant financial period divided by the cost of goods sold for the corresponding period and multiplied by the number of days in that period. Credit periods granted by suppliers to the Group ranged from 0-180 days. For the six months ended 30 September 2009, the Group's average creditors' turnover period was 114 days, representing a decrease of 10 days as compared with 124 days for the last financial year ended 31 March 2009. The decrease of the creditors' turnover period was attributable to the adjustment of the suppliers' credit period to accommodate our inventory management.

## 管理層討論及分析(續)

### *流動資產淨值和財務資源*

於二零零九年九月三十日，本集團的流動資產淨值為港幣1,446,204,000元(二零零九年三月三十一日：港幣1,143,626,000元)。本集團主要透過經營業務提供營運資金，維持穩健財務狀況。在二零零九年九月三十日，本集團的現金及現金等價物為港幣1,423,289,000元(二零零九年三月三十一日：港幣1,125,238,000元)。

本集團沒有金融機構貸款亦無持有任何外匯對沖產品、結構性投資產品及財務衍生工具。

### *應收賬周轉期*

應收賬周轉期乃通過將有關財政年度期初及期末經扣除撥備的應收貿易賬款平均金額除以相應期間的營業總額再乘以相應期間天數計算。本集團一般給予客戶約0至180日的信貸期，根據客戶業務量的大小和業務關係時間長短而定。截至二零零九年九月三十日止六個月，本集團的平均應收賬周轉期為73日，比較截至二零零九年三月三十一日止上一財政年度的74日下降了1日，基本穩定。

### *應付賬周轉期*

應付賬周轉期乃通過將有關財政年度期初及期末的應付貿易賬款平均金額除以相應期間的銷售成本再乘以相應期間天數計算。供應商給予本集團的信貸期介乎零日至180日。截至二零零九年九月三十日止的六個月期間，本集團的平均應付賬周轉期為114日，比較截至二零零九年三月三十一日止上一財政年度的124日下降了10日。應付賬周轉期下降是因為配合存貨管理調整了供應商的賬期所致。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### *Inventory and inventory turnover period*

As at 30 September 2009, the Group's inventory balance amounted to HKD188,433,000 (31 March 2009: HKD215,653,000). The Group has continued to improve its inventory management and to optimize its inventory structure, thus the inventory balance has noticeably decreased. For the six months ended 30 September 2009, the inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning and the end of a relevant financial period divided by the total cost of goods sold for the corresponding period and multiplied by the number of days in that period) was 136 days, representing an increase of 1 day as compared with 135 days for the last financial year ended 31 March 2009. The inventory turnover period remains stable.

### *Foreign exchange and exchange rate risk*

The principal businesses of the Group are located in the Mainland China and most of the business transactions are denominated in RMB. The Board is of the view that the Group's exposure to foreign exchange risk is relatively low.

### *Contingent liabilities*

According to the information available to the Board, the Group had no contingent liabilities as at 30 September 2009.

## HUMAN RESOURCES

As at 30 September 2009, the Group employed a total of approximately 1,200 employees in the PRC, Hong Kong and Germany. The sound development of the Group attracts talents in the industry. Moreover, during the period, the Group continued to recruit talents based on the business needs and, in the meantime, the Group kept the core staff of acquired enterprises upon the acquisition, assimilating them into the Group's corporate culture. The Board places great emphasis on the career development of employees and provides them with ample space for growth. Meanwhile, we provide them with competitive remuneration as compared with the existing market condition.

To upgrade the Group to the international standard in terms of technology and management, the Group lays great stress on staff training and talent recruitment to continuously enhance the employees' initiative and creativity. The Group provides training to mid-top executives and the management on a regular basis, guiding them towards common values to strengthen team spirit. In addition, the Group has built talent banks for various staff levels to completely resolve the issue of talent availability encountered by the enterprise during long term development.

## 管理層討論及分析(續)

### *存貨和存貨周轉期*

本集團的存貨結餘於二零零九年九月三十日為港幣188,433,000元(二零零九年三月三十一日:港幣215,653,000元)。本集團不斷加強存貨管理、優化存貨結構,存貨金額明顯下降。在截至二零零九年九月三十日止六個月期間,存貨周轉期(將有關財政年度期初及期末的存貨平均結餘除以相應期間的銷售成本總額再乘以相應期間天數計算)為136日,比較截至二零零九年三月三十一日止上一個財政年度的135日增加了1日,基本穩定。

### *外匯及匯率風險*

本集團的主要業務均在中國大陸,絕大部分業務都以人民幣結算,故董事會認為本集團的外匯風險較低。

### *或然負債*

根據可供董事會查閱的資料,本集團於二零零九年九月三十日並無任何或然負債。

### *人力資源*

於二零零九年九月三十日,本集團在中國大陸、香港及德國共聘用員工約1,200人。本集團良好的發展勢頭吸引了大批業界優秀人士的加盟,此外,根據在業務上的需要,期內本集團繼續引進人才,同時,本集團在收購時保持了被收購企業骨幹員工的穩定並融入集團文化。董事會非常重視僱員的發展,給予他們充分的空間。同時在待遇方面我們及時地研究市場情況保持充分的競爭力。

為了配合集團實現技術和管理國際化發展規劃,本集團十分注意員工的培養和人才引進工作,不斷提高員工積極性的創造力。本集團定期對中高層及管理層人員進行培訓,樹立共同的價值觀,加強團體精神。另外,集團還建立了多個級別的人才庫,從根本上解決了企業長期發展所需之人才儲備問題。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

As to remuneration, the Group provides its employees with competitive remunerations, pension schemes and other fringe benefits, and grants awards to the employees based on their performance. The Group has implemented a share option scheme to reward the staff and directors who have made significant contributions to the business development of the Group since September 2006. For the period from year 2006 to 2008, the Group granted share options to 79 persons including directors, senior management, technical and business executives.

## 管理層討論及分析(續)

在薪酬待遇方面，本集團向員工提供具競爭力的薪酬和退休供款計劃等其他福利，並根據員工的表現給予適當的獎勵。本集團亦已於二零零六年九月份實行購股權計劃，以嘉獎為本集團業務發展做出重要貢獻的員工及董事，並於二零零六至二零零八年期間向包括董事、高層管理人員、技術和業務人員共79人授出購股權。



**OTHER INFORMATION****DIRECTORS' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 September 2009, the interests of the Directors and their associates in the Shares, underlying Shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

**(a) Long position in ordinary shares of HK\$0.10 each of the Company**

Name of Director	Capacity	Number of issued ordinary shares held	Percentage of the issued ordinary share capital of the Company
董事姓名	身份	持有已發行普通股數目	佔本公司已發行普通股股本百分比
CHU Lam Yiu 朱林瑤	Held through controlled corporations* 透過受控制公司持有*	1,741,679,415	56.121%
POON Chiu Kwok 潘昭國	Beneficial Owner 實益擁有人	730,000	0.024%
XIA Li Qun 夏利群	Beneficial Owner 實益擁有人	1,750,000	0.056%
XIONG Qing 熊卿	Beneficial Owner 實益擁有人	100,000	0.003%

\* 1,741,679,415 ordinary shares of the Company were held by Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited and Real Elite Investments Limited. Ms. CHU Lam Yiu is the sole beneficial owner of the aforesaid five companies.

**其他資料****董事於股份、相關股份及債券之權益**

於二零零九年九月三十日，董事及彼等之聯繫人士於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有本公司根據證券及期貨條例第352條規定所存置之登記冊所記錄之權益；或擁有根據上市規則附錄十所載的標準守則而須知會本公司及聯交所之權益如下：

**(a) 本公司每股面值港幣0.10元之普通股好倉**

Number of issued ordinary shares held	Percentage of the issued ordinary share capital of the Company
持有已發行普通股數目	佔本公司已發行普通股股本百分比

\* 本公司之1,741,679,415股普通股乃由 Mogul Enterprises Limited、Resourceful Link International Limited、Power Nation International Limited、Jumbo Elite Limited及 Real Elite Investments Limited共同持有，朱林瑤女士為此五間公司之唯一實益擁有人。

**OTHER INFORMATION (CONT'D)****DIRECTORS' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONT'D)****(b) Interests in share options of the Company**

The interests of the Directors in the share options of the Company are detailed in the "Share Options" section stated below.

Save as disclosed above, as at 30 September 2009, none of the Directors nor their associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its subsidiaries or associated companies as defined in the SFO.

**SHARE OPTIONS**

Pursuant to a resolution passed on the special general meeting of Shareholders held on 22 September 2006, the Company adopted a share option scheme (the "Share Option Scheme"). As at 30 September 2009, the share options granted by the Company pursuant to the Share Option Scheme which were valid and outstanding amounted to 87,619,000, representing approximately 2.82% of the issued share capital of the Company.

**其他資料(續)****董事於股份、相關股份及債券之權益(續)****(b) 本公司購股權之權益**

董事之購股權權益已詳列於以下「購股權」一節內。

除上文所披露者外，於二零零九年九月三十日，董事及彼等之聯繫人士概無於本公司或其任何附屬公司或相聯法團(定義見證券及期貨條例)之任何股份、相關股份或債券中擁有任何權益或淡倉。

**購股權**

根據本公司於二零零六年九月二十二日舉行的股東特別大會上通過的決議案，本公司採納購股權計劃(「購股權計劃」)。於二零零九年九月三十日，本公司根據購股權計劃所授出而仍然有效及未被行使的購股權數目合共87,619,000股，佔已發行普通股約2.82%。



## OTHER INFORMATION (CONT'D)

## SHARE OPTIONS (CONT'D)

Details of share options granted, exercised, canceled and lapsed during the reporting period under the Share Option Scheme are set out as follows:

## 其他資料(續)

## 購股權(續)

於期內，根據購股權計劃批授、行使、註銷及失效的購股權詳情如下：

Grantee	Grant Date	Exercise Price	Exercise Period	As at 1 April 2009 於 二零零九年 四月一日	Number of Share Options 股份數目				Balance as at 30 September 2009 於 二零零九年 九月三十日
					Granted during the period	Exercised during the period	Canceled during the period	Lapsed during the period	
承授人	授出日期	行使價	可行使日期		期內 批授	期內 行使	期內 註銷	期內 失效	
		HKD 港幣							
<b>Executive Directors</b> <b>執行董事</b>									
Mr. LAU Chi Tak 劉志德先生	14 April 2008 二零零八年四月十四日	6.39	14/4/2008-13/4/2018	7,000,000	-	-	-	-	7,000,000
Mr. POON Chiu Kwok 潘昭國先生	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	5,000,000	-	1,000,000	-	-	4,000,000
Mr. WANG Guang Yu 王光雨先生	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	4,500,000	-	800,000	-	-	3,700,000
Mr. XIA Li Qun 夏利群先生	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	5,250,000	-	-	-	-	5,250,000
Mr. XIONG Qing 熊卿先生	17 October 2007 二零零七年十月十七日	6.65	17/4/2008-16/10/2017	3,600,000	-	-	-	-	3,600,000
	14 April 2008 二零零八年四月十四日	6.39	14/4/2008-13/4/2018	3,400,000	-	-	-	-	3,400,000
<b>Independent Non-Executive Directors</b> <b>獨立非執行董事</b>									
Mr. LEE Luk Shiu 李祿兆先生	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	800,000	-	200,000	-	-	600,000
Ms. MA Yun Yan 麻雲燕女士	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	800,000	-	-	-	-	800,000
Mr. MAK Kin Kwong, Peter 麥建光先生	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	800,000	-	-	-	-	800,000
<b>Other employees</b> <b>其他僱員</b>									
	10 October 2006 二零零六年十月十日	3.09	10/10/2006-9/10/2016	58,135,000	-	15,916,000	-	2,200,000	40,019,000
	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	5,250,000	-	-	-	-	5,250,000
	17 October 2007 二零零七年十月十七日	6.65	17/4/2008-16/10/2017	13,900,000	-	700,000	-	-	13,200,000
Total 合計				108,435,000	-	18,616,000	-	2,200,000	87,619,000

**OTHER INFORMATION (CONT'D)****DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES**

Other than disclosed in note 9 to the condensed consolidated interim financial information, at no time during the reporting period was the Company, its ultimate holding companies or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

**INTERESTS OF SUBSTANTIAL SHAREHOLDERS**

As at 30 September 2009, other than the interests disclosed in the section "Directors' interest in Shares, underlying Shares and debentures", the register of substantial Shareholders maintained by the Company under Section 336 of the SFO showed that the following person(s)/ corporation(s) held interests or short positions in 5% or more of the issued share capital of the Company:

<b>Name of Shareholder</b>	<b>Capacity</b>	<b>Number of issued ordinary shares held</b>	<b>Percentage of the issued ordinary share capital of the Company</b>	<b>Long/Short Position</b>
股東名稱	身份	持有已發行普通股數目	佔本公司已發行普通股股本百分比	好/淡倉
JPMorgan Chase & Co.	Institutional Investor 機構投資者	198,125,266 (Note) (附註)	6.38%	Long Position 好倉

Note: The interest of JPMorgan Chase & Co. included a lending pool of 136,070,266 Shares.

**其他資料(續)****董事認購股份或債券之權利**

除於簡明綜合中期財務資料附註9所披露者外，本公司、其最終控股公司或其任何附屬公司於期內任何時間均無參與任何安排，致使本公司之董事可藉收購本公司或任何其他法團之股份或債券而獲益。

**主要股東之權益**

於二零零九年九月三十日，除於「董事於股份，相關股份及債券之權益」一節所披露之權益外，本公司根據證券及期貨條例第336條存置之主要股東登記冊顯示，下列人士/法團持有本公司已發行股本5%或以上權益或淡倉。

附註：JPMorgan Chase & Co.的權益包括136,070,266股股份的借貸倉。

**OTHER INFORMATION (CONT'D)****CORPORATE GOVERNANCE****Compliance with the Code on Corporate Governance Practices**

The Board of the Company recognizes the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability.

The Board members have regular discussions about the business strategies and performance of the Group. Finance Department provides and reports to the Board members on the key management accounting information of the Group on a regular basis.

During the reporting period, the Board had further strengthened corporate governance practices, including formalization of the reporting practice throughout the Group in monitoring the operation and business developments of the Company so as to capture potentially price-sensitive information on a monthly basis, monitoring the continuing disclosure obligation. In addition, the legal adviser of the Company had provided the Directors and the relevant senior executives with training on Listing Rules and regulatory requirements from time to time.

The Company had complied with the code provisions recommended in the CG Code for the six months ended 30 September 2009 except for the deviations from the following code provision:

Code Provision A.4.1 stipulates that INEDs should be appointed for specific term and subject to re-election. The INEDs of the Company were not appointed for a specific term as they are subject to retirement by rotation no later than the third annual general meeting of the Company since their last appointment or re-election and are eligible for re-election in accordance with the Company's bye-laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the CG Code.

**其他資料(續)****企業管治****遵守《企業管治常規守則》**

本公司董事會重視良好企業管治的重要性及益處，並已採納若干企業管治及披露常規，致力提高透明度和問責水平。

董事會成員定期討論本集團表現和經營策略。財務部亦定期向董事會成員匯報和提供本集團重要的管理會計資料。

於期內，董事會已進一步加強企業管治常規，包括監控本公司營運和業務發展的集團內匯報實施制度，以便按月記錄潛在股價敏感資料，監察持續披露責任。另外，本公司法律顧問已定期為董事和相關高層管理人員提供上市規則和法規要求的培訓。

本公司已於截至二零零九年九月三十日止六個月內遵守企業管治守則建議之守則條文，惟下列守則條文偏離除外：

守則條文第A.4.1條規定獨立非執行董事之委任須有指定任期，且須膺選連任。本公司獨立非執行董事並無指定任期，但須根據本公司之公司細則於其上次獲委任或重選後不超過第三屆本公司股東週年大會上輪值告退，並合乎資格膺選連任。因此，本公司認為，本公司已採取充分措施，確保本公司企業管治常規不比企業管治守則所載之規定寬鬆。

## OTHER INFORMATION (CONT'D)

### CORPORATE GOVERNANCE (CONT'D)

#### Changes in Information in respect of the Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) during the reporting period are set out below:

- Ms. CHU Lam Yiu ceased to act as Deputy Director of China Food Additive Production Application Industry Association as at 30 September 2009.
- Mr. POON Chiu Kwok ceased to be an Independent Non-Executive Director of CATIC Shenzhen Holdings Limited, a company listed on the Main Board of the Stock Exchange, with effect from 15 June 2009.
- Mr. MAK Kin Kwong, Peter ("Mr. MAK") ceased to be an Independent Non-Executive Director of Gemdale Industries Inc., a company listed on the Shanghai Stock Exchange, with effect from 18 April 2009.

Mr. MAK was appointed as an Independent Non-Executive Director of 361 Degrees International Limited, a company listed on the Main Board of the Stock Exchange, and Shenzhen Fiyata Holdings Limited, a company listed on the Shenzhen Stock Exchange, since 29 September 2008 and 4 June 2009, respectively.

- Ms. MA Yun Yan was appointed as a member of First Growth Enterprises Board Public Offering Review Committee of China Securities Regulatory Commission since 14 August 2009.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry to all the Directors, all the Directors confirmed that they had complied with the required standard as set out in the Model Code throughout the six months ended 30 September 2009.

### INTERIM AND SPECIAL DIVIDENDS

The Board has resolved to declare an interim dividend of HK6.0 cents per Share (2008: HK5.0 cents per Share) and special dividend of HK2.8 cents per Share (2008: nil) both in cash for the six months ended 30 September 2009, which are expected to be paid around 26 February 2010 to Shareholders whose names appear on the Register of Members of the Company as at 9 February 2010.

## 其他資料(續)

### 企業管治(續)

#### 董事數據更新

根據上市規則第13.51B(1)條，按照第13.51(2)條(a)至(e)和(g)段要求，於期內，須予以披露的董事資料變動如下：

- 於二零零九年九月三十日，朱林瑤女士已不是中國食品添加劑生產應用工業協會副理事長。
- 潘昭國先生辭任於聯交所主板上市的深圳中航集團股份有限公司獨立非執行董事，由二零零九年六月十五日起生效。
- 麥建光先生(「麥先生」)辭任於上海交易所上市的金地(集團)股份有限公司獨立非執行董事，由二零零九年四月十八日起生效。

麥先生獲委任為361度國際有限公司(於聯交所主版上市公司)獨立非執行董事和深圳市飛亞達(集團)股份有限公司(於深圳交易所上市公司)獨立非執行董事，分別由二零零八年九月二十九日和二零零九年六月四日起生效。

- 麻雲燕女士為中國證券監督管理委員會第一屆創業板發行審核委員會委員，自二零零九年八月十四日起生效。

### 上市發行人董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之標準守則，作為董事進行證券交易之行為規範守則。經作出具體查詢後，全體董事確認於截至二零零九年九月三十日止六個月內一直遵守標準守則所規定之標準。

### 中期和特別股息

董事會決議向於二零一零年二月九日名列本公司股東登記冊之股東宣派截至二零零九年九月三十日止六個月之現金中期股息每股港幣6.0仙(二零零八年：每股港幣5.0仙)和特別股息每股港幣2.8仙(二零零八年：無)，預期中期和特別股息約於二零一零年二月二十六日派發。

**OTHER INFORMATION (CONT'D)****CLOSING OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from 4 February 2010 to 9 February 2010, both days inclusive, during which period no transfer of shares will be effected. All transfers of shares accompanied by relevant share certificate(s) must be lodged with the Company's Branch Share Registrars, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road, Wanchai, Hong Kong not later than 4:00 p.m. on 3 February 2010 in order to qualify for both the interim and special dividends.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2009.

**PUBLIC FLOAT**

Throughout the six months ended 30 September 2009, the Company had maintained the prescribed public float under the Listing Rules and as agreed with the Stock Exchange, based on the information that is publicly available to the Company and within the best knowledge of the Directors.

**AUDIT COMMITTEE**

The Board has formed an audit committee in accordance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company. The Audit Committee members currently comprise all the independent non-executive Directors, namely Mr. MAK Kin Kwong, Peter, Ms. MA Yun Yan and Mr. LEE Luk Shiu. The Audit Committee has reviewed and confirmed the Company's unaudited condensed consolidated interim financial information for the six months ended 30 September 2009 together with the Board.

By Order of the Board

**CHU Lam Yiu**

*Chairman*

Hong Kong, 2 December 2009

**其他資料(續)****暫停辦理股份過戶手續**

本公司將由二零一零年二月四日至二零一零年二月九日止(首尾兩日包括在內), 暫停辦理股份過戶登記手續。為符合資格獲派中期和特別兩個股息, 所有過戶文件連同有關股票最遲須於二零一零年二月三日下午四時前送達本公司的股份過戶登記分處卓佳登捷時有限公司, 地址為香港灣仔皇后大道東28號金鐘匯中心26樓。

**購買、出售及贖回本公司的上市證券**

在截至二零零九年九月三十日止六個月期間, 本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

**公眾持股量**

於截至二零零九年九月三十日止整個六個月內, 本公司根據可供公眾查閱之資料以及據董事所知, 本公司已維持上市規則所規定之及聯交所同意之公眾持股量。

**審核委員會**

董事會已根據上市規則成立了審核委員會, 以履行檢討及監察本公司財務匯報程序及內部監控之職責。審核委員會成員目前由本公司所有獨立非執行董事麥建光先生、麻雲燕女士及李祿兆先生擔任。審核委員會連同董事會已審閱並確認截至二零零九年九月三十日止六個月之未經審核簡明綜合中期財務資料。

承董事會命

主席

**朱林瑤**

香港, 二零零九年十二月二日

## REVIEW REPORT



羅兵咸永道會計師事務所

## 審閱報告

PricewaterhouseCoopers  
22nd Floor, Prince's Building  
Central, Hong Kong  
Telephone: (852) 2289 8888  
Facsimile: (852) 2810 9888  
www.pwchk.com

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
TO THE BOARD OF DIRECTORS OF  
HUABAO INTERNATIONAL HOLDINGS LIMITED**  
*(incorporated in Bermuda with limited liability)*

## INTRODUCTION

We have reviewed the interim financial information set out on pages 31 to 59 which comprises the condensed consolidated interim statement of financial position of Huabao International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2009 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

中期財務資料的審閱報告  
致華寶國際控股有限公司董事會

(於百慕達註冊成立的有限公司)

## 引言

本核數師(以下簡稱「我們」)已審閱列載於第31至59頁的中期綜合財務資料，此中期綜合財務資料包括華寶國際控股有限公司(「貴公司」)及其子公司(以下合稱「貴集團」)於二零零九年九月三十日的簡明綜合中期財務狀況表與截至該日止六個月期間的相關簡明綜合中期收益表、簡明綜合中期全面收益表、簡明綜合中期權益變動表和簡明綜合中期現金流量表，以及主要會計政策概要和其他附註解釋。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」編製及公平地列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並按照委聘之條款僅向整體董事會報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

## REVIEW REPORT (CONT'D)

### SCOPE OF REVIEW

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

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 2 December 2009

## 審閱報告(續)

### 審閱範圍

我們已根據香港會計師公會頒佈的香港審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故不能令我們可保證我們將知悉在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

### 結論

按照我們的審閱，我們並無發現任何事項，令我們相信中期財務資料在各重大方面未有根據香港會計準則第34號「中期財務報告」編制。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，二零零九年十二月二日



**CONDENSED CONSOLIDATED INTERIM  
STATEMENT OF FINANCIAL POSITION**

At 30 September 2009

(All amounts in HK dollar thousands unless otherwise stated)

**簡明綜合中期財務狀況表**

於二零零九年九月三十日

(除另有指明者外，所有金額均以港幣千元列示)

		Note 附註	As at 30 September 2009 於二零零九年 九月三十日 Unaudited 未經審核	As at 31 March 2009 於二零零九年 三月三十一日 Audited 經審核
<b>Assets</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、機器及設備	5	276,859	278,730
Land use rights	土地使用權	5	57,564	58,210
Intangible assets	無形資產	5	1,610,287	1,507,151
Investments in associates	於聯營公司之投資		14,512	9,233
Deferred income tax assets	遞延所得稅資產	6	28,726	31,055
			<b>1,987,948</b>	1,884,379
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		188,433	215,653
Trade and other receivables	貿易及其他應收款項	7	570,429	526,310
Cash and cash equivalents	現金及現金等價物		1,423,289	1,125,238
			<b>2,182,151</b>	1,867,201
<b>Total assets</b>	<b>總資產</b>		<b>4,170,099</b>	3,751,580
<b>Equity</b>	<b>權益</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>本公司權益持有人應佔股本及儲備</b>			
Share capital	股本	8	310,342	308,480
Reserves	儲備	10	318,167	246,730
Retained earnings	保留盈利			
– Proposed interim/final dividend	– 擬派中期／末期股息	15	186,205	178,919
– Proposed special dividend	– 擬派特別股息	15	86,896	92,544
– Others	– 其他		2,348,580	2,013,730
			<b>3,250,190</b>	2,840,403
<b>Minority interest</b>	<b>少數股東權益</b>		<b>97,661</b>	93,789
<b>Total equity</b>	<b>總權益</b>		<b>3,347,851</b>	2,934,192
<b>Liabilities</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred income tax liabilities	遞延所得稅負債	6	86,301	93,813
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	11	680,735	683,581
Current income tax liabilities	當期所得稅負債		55,212	39,994
			<b>735,947</b>	723,575
<b>Total liabilities</b>	<b>總負債</b>		<b>822,248</b>	817,388
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>4,170,099</b>	3,751,580
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>1,446,204</b>	1,143,626
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>3,434,152</b>	3,028,005

The notes on pages 36 to 59 are in integral part of this condensed consolidated interim financial information.

第36頁至59頁的附註為本簡明綜合中期財務資料的整體部份。



**CONDENSED CONSOLIDATED INTERIM  
INCOME STATEMENT**

For the six months ended 30 September 2009

(All amounts in HK dollar thousands unless otherwise stated)

**簡明綜合中期收益表**

截至二零零九年九月三十日止六個月

(除另有指明者外，所有金額均以港幣千元列示)

		<b>Unaudited 未經審核</b>		
		<b>For the six months ended 30 September</b>		
		<b>截至九月三十日止六個月</b>		
		<b>2009</b>	<b>2008</b>	
		<b>二零零九年</b>	<b>二零零八年</b>	
	Note 附註			
Sales	營業額	4	1,088,854	892,109
Cost of goods sold	銷售成本		(266,587)	(220,044)
<b>Gross profit</b>	<b>毛利</b>		<b>822,267</b>	672,065
Other income	其他收益		17,756	27,531
Selling and marketing expenses	銷售及市場推廣開支		(37,471)	(37,721)
Administrative expenses	行政費用		(108,400)	(110,042)
<b>Operating profit</b>	<b>營運盈利</b>		<b>694,152</b>	551,833
Finance income	財務收入		6,701	9,806
Finance costs	融資成本		(337)	(1,704)
Finance income – net	財務收入 – 淨額		6,364	8,102
Share of profit of associates	應佔聯營公司盈利		273	291
<b>Profit before income tax</b>	<b>除稅前盈利</b>		<b>700,789</b>	560,226
Income tax expense	所得稅	13	(79,814)	(35,455)
<b>Profit for the half year</b>	<b>半年度盈利</b>		<b>620,975</b>	524,771
<b>Attributable to:</b>	<b>應佔：</b>			
Equity holders of the Company	本公司權益持有人		610,927	517,256
Minority interest	少數股東權益		10,048	7,515
			<b>620,975</b>	524,771
			<b>HK cents</b>	HK cents
			港仙	港仙
<b>Earnings per share for profit attributable to the Company's equity holders for the half year</b>	<b>半年度本公司權益持有人應佔的每股盈利</b>			
Basic	基本	14(a)	19.75	16.83
Diluted	攤薄	14(b)	19.47	16.56
<b>Interim dividend per share</b>	每股中期股息	15	<b>6.0</b>	5.0
<b>Special dividend per share</b>	每股特別股息	15	<b>2.8</b>	–

The notes on pages 36 to 59 are in integral part of this condensed consolidated interim financial information.

第36頁至59頁的附註為本簡明綜合中期財務資料的整體部份。

**CONDENSED CONSOLIDATED INTERIM  
STATEMENT OF COMPREHENSIVE INCOME***For the six months ended 30 September 2009*

(All amounts in HK dollar thousands unless otherwise stated)

**簡明綜合中期全面收益表**

截至二零零九年九月三十日止六個月

(除另有指明者外，所有金額均以港幣千元列示)

		<b>Unaudited</b>	
		未經審核	
		<b>For the six months ended</b>	
		<b>30 September</b>	
		截至九月三十日止六個月	
		<b>2009</b>	2008
		二零零九年	二零零八年
<b>Profit for the half year</b>	半年度盈利	<b>620,975</b>	524,771
<b>Other comprehensive income:</b>	其他全面收益：		
Exchange differences on translating foreign operations	海外業務之匯兌差額	<b>3,518</b>	69,881
<b>Total comprehensive income for the half year</b>	半年度全面收益總額	<b>624,493</b>	594,652
<b>Total comprehensive income attributable to:</b>	應佔全面收益總額：		
Equity holders of the Company	本公司權益持有人	<b>614,347</b>	584,798
Minority interest	少數股東權益	<b>10,146</b>	9,854
		<b>624,493</b>	594,652

The notes on pages 36 to 59 are an integral part of this condensed consolidated interim financial information.

第36頁至59頁的附註為本簡明綜合中期財務資料的整體部份。

**CONDENSED CONSOLIDATED INTERIM  
STATEMENT OF CHANGES IN EQUITY**

For the six months ended 30 September 2009

(All amounts in HK dollar thousands unless otherwise stated)

**簡明綜合中期權益變動表**

截至二零零九年九月三十日止六個月

(除另有指明者外，所有金額均以港幣千元列示)

		Unaudited 未經審核					
		Attributable to equity holders of the Company 本公司權益持有人應佔				Minority interest 少數 股東權益	Total equity 總權益
		Share capital 股本	Reserves 儲備	Retained earnings 保留盈利	Total 總計		
Balance at 1 April 2008	於二零零八年四月一日	306,911	130,748	1,514,572	1,952,231	69,746	2,021,977
Exchange differences	匯兌調整	-	67,542	-	67,542	2,339	69,881
Profit for the half year	半年度盈利	-	-	517,256	517,256	7,515	524,771
Total comprehensive income for the six months ended 30 September 2008	截至二零零八年九月三十日止六個月的全面收益總額	-	67,542	517,256	584,798	9,854	594,652
Dividends paid to minority shareholders	向少數股東派付的股息	-	-	-	-	(5,651)	(5,651)
Dividends payable to shareholders	向股東派付的股息	-	-	(184,540)	(184,540)	-	(184,540)
Appropriations from net profit	自純利撥付	-	1,569	(1,569)	-	-	-
Combination of Wealthy King Investments Ltd ("Wealthy King") and its subsidiaries ("Wealthy King Group")	收購富君投資有限公司(「富君」)及其附屬公司(「富君集團」)	-	(15,382)	-	(15,382)	-	(15,382)
Acquisition of Profit Fortune Holdings Ltd ("Profit Fortune") and its subsidiaries ("Profit Fortune Group")	收購利福控股有限公司(「利福」)及其附屬公司(「利福集團」)	-	-	-	-	12,044	12,044
Employee share option scheme	僱員購股權計劃	-	-	-	-	-	-
- Value of employee services	一期內僱員服務價值	-	19,957	-	19,957	-	19,957
- Exercise of share options	一行使購股權	765	22,874	-	23,639	-	23,639
		765	29,018	(186,109)	(156,326)	6,393	(149,933)
Balance at 30 September 2008	於二零零八年九月三十日	307,676	227,308	1,845,719	2,380,703	85,993	2,466,696
Balance at 1 April 2009	於二零零九年四月一日	<b>308,480</b>	<b>246,730</b>	<b>2,285,193</b>	<b>2,840,403</b>	<b>93,789</b>	<b>2,934,192</b>
Exchange differences	匯兌調整	-	3,420	-	3,420	98	3,518
Profit for the half year	半年度盈利	-	-	610,927	610,927	10,048	620,975
Total comprehensive income for the six months ended 30 September 2009	截至二零零九年九月三十日止六個月的全面收益總額	-	3,420	610,927	614,347	10,146	624,493
Dividends payable to minority shareholders	向少數股東派付的股息	-	-	-	-	(6,274)	(6,274)
Dividends payable to shareholders	向股東派付的股息	-	-	(272,696)	(272,696)	-	(272,696)
Appropriations from net profit	自純利撥付	-	1,743	(1,743)	-	-	-
Employee share option scheme	僱員購股權計劃	-	-	-	-	-	-
- Value of employee services	一期內僱員服務價值	-	8,120	-	8,120	-	8,120
- Exercise of share options	一行使購股權	1,862	58,154	-	60,016	-	60,016
		1,862	68,017	(274,439)	(204,560)	(6,274)	(210,834)
Balance at 30 September 2009	於二零零九年九月三十日	<b>310,342</b>	<b>318,167</b>	<b>2,621,681</b>	<b>3,250,190</b>	<b>97,661</b>	<b>3,347,851</b>

The notes on pages 36 to 59 are an integral part of this condensed consolidated interim financial information.

第36頁至59頁的附註為本簡明綜合中期財務資料的整體部份。

**CONDENSED CONSOLIDATED INTERIM CASH  
FLOW STATEMENT***For the six months ended 30 September 2009*

(All amounts in HK dollar thousands unless otherwise stated)

**簡明綜合中期現金流量表**

截至二零零九年九月三十日止六個月

(除另有指明者外，所有金額均以港幣千元列示)

		<b>Unaudited</b>	
		未經審核	
		<b>For the six months ended</b>	
		<b>30 September</b>	
		截至九月三十日止六個月	
		<b>2009</b>	2008
		二零零九年	二零零八年
Cash flows from operating activities, net	營運活動產生之淨現金	<b>671,546</b>	495,078
Cash flows used in investing activities, net	投資活動所用之淨現金	<b>(128,430)</b>	(474,782)
Cash flows (used in)/from financing activities, net	融資活動(所用)/產生之淨現金	<b>(247,240)</b>	37,833
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	<b>295,876</b>	58,129
Cash and cash equivalents at 1 April	於四月一日之現金及現金等價物	<b>1,125,238</b>	971,595
Effects of exchange rate changes on cash and cash equivalents	匯率差異對現金及現金等價物的影响	<b>2,175</b>	22,347
Cash and cash equivalents at 30 September	於九月三十日之現金及現金等價物	<b>1,423,289</b>	1,052,071

The notes on pages 36 to 59 are an integral part of this condensed consolidated interim financial information.

第36頁至59頁的附註為本簡明綜合中期財務資料的整體部份。

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(All amounts in HK dollar thousands unless otherwise stated)

### 1. GENERAL INFORMATION

Huabao International Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are mainly engaged in the production, distribution and sale of flavours and fragrances in the People's Republic of China (the “PRC”). The Company's holding companies are five limited companies incorporated in the British Virgin Islands, namely Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited and Real Elite Investments Limited, which are solely beneficially owned by Ms. Chu Lam Yiu (“Ms. Chu”), who is the Company's ultimate controlling shareholder and Chairman of the Board of Directors.

This condensed consolidated interim financial information is presented in thousands of units of HK dollars (“HKD’000”) unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board of Directors on 2 December 2009.

### 2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2009 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”. This condensed consolidated interim financial information should be read in conjunction with the financial statements of the Company for the year ended 31 March 2009.

## 簡明綜合中期財務資料附註

(除另有指明者外，所有金額均以港幣千元列示)

### 1. 一般資料

華寶國際控股有限公司(「本公司」)於百慕達註冊成立為獲豁免有限公司。其註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司的股份主要於香港聯合交易所有限公司(「聯交所」)上市。

本公司為投資控股公司。本公司及其附屬公司(「本集團」)之業務主要在中華人民共和國「中國」生產、分銷及銷售香精香料。本公司之控股公司乃五家於英屬處女群島註冊成立之有限公司Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited及Real Elite Investments Limited, 此等公司之權益均由本公司之最終控股股東及董事局主席朱林瑤女士(「朱女士」)唯一實益擁有。

本簡明綜合中期財務資料除另有指明者外，均以港幣千元(「港幣千元」)列示。本簡明綜合中期財務資料已於二零零九年十二月二日獲董事會批准刊發。

### 2. 編製基準

本公司截至二零零九年九月三十日止半年度的簡明綜合中期財務資料已根據聯交所證券上市規則「上市規則」附錄16之適用披露規定及香港會計準則34「中期財務報告」而編製。本簡明綜合中期財務資料應與本公司截至二零零九年三月三十一日止年度的財務報表一併閱讀。

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONT'D)

(All amounts in HK dollar thousands unless otherwise stated)

### 3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2009, as described in those financial statements.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2009:

- HKFRS 8, "Operating Segments" (effective for annual periods beginning on or after 1 January 2009). HKFRS 8 replaces HKAS 14, "Segment reporting". It requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. Following the adoption of HKFRS 8, the presentation of the segment results and segment assets has changed (see Note 4 for details). Comparatives for the six months ended 30 September 2008 have been restated.
- HKAS 1 (revised), "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All "non-owner changes in equity" are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: an income statement and a statement of comprehensive income. The condensed consolidated interim financial information has been prepared under the revised disclosure requirements.

## 簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以港幣千元列示)

### 3. 會計政策

除下文所述外，編制本簡明綜合財務資料中所採用之會計政策與截至二零零九年三月三十一日止年度之年度財務報表所採用的會計政策一致，並已詳列於該財務報表內。

下列的新訂及修訂準則首次強制應用於二零零九年四月一日開始的財務年度：

- 香港財務報告準則第8號—營運分部(由二零零九年一月一日起計開始之年度期間生效)。香港財務報告準則第8號取代了香港會計準則第14號「分部報告」。該準則規定採用「管理方針」，據此，分部資料按內部報告所採用的相同準備呈列。營運分部的呈報方式與向主要經營決策者提供的內部報告貫徹一致。於採納香港財務報告準則第8號後，分部業績及分部資產的呈報已改變(詳情載於附註4)。前期分部資訊已經進行重述以反映相關變化。
- 香港會計準則第1號(修訂)—財務報表之呈列(由二零零九年一月一日起計開始之年度期間生效)。此項經修訂準則禁止在權益變動表中呈列收入及支出項目(即「非擁有人的權益變動」)，並規定「非擁有人的權益變動」必須與擁有人的權益變動分開呈列。所有非擁有人的權益變動將需要在業績報表中呈列。

實體可選擇在一份業績報表(全面收益表)中，或在兩份報表(損益表和全面收益表)中呈報。本集團選擇呈報兩份報表(損益表及全面收益表)。此簡明綜合中期財務資料乃按照經修訂的披露要求編製。

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**3. ACCOUNTING POLICIES (CONT'D)**

- Amendment to HKFRS 7, "Financial instruments: disclosures". (effective for annual periods beginning on or after 1 January 2009). The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make additional relevant disclosures in its financial statements ending 31 March 2010.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2009, but are not currently relevant or do not have significant impact to the Group's operations:

- HKFRS 2 (Amendment), "Share-based Payment".
- HKAS 19 (Amendment), "Employee Benefits".
- HKAS 23 (Amendment), "Borrowing Costs".
- HKAS 28 (Amendment), "Investments in Associates".
- HKAS 32 (Amendment), "Financial Instruments: Presentation".
- HKAS 36 (Amendment), "Impairment of Assets".
- HKAS 38 (Amendment), "Intangible Assets".
- HKAS 39 (Amendment), "Financial Instruments: Recognition and Measurement".
- HK(IFRIC) – Int 9 (Amendment), "Reassessment of Embedded Derivatives" and HKAS 39 (amendment), "Financial Instruments: Recognition and Measurement".
- HK(IFRIC) – Int 13, "Customer Loyalty Programmes".
- HK(IFRIC) – Int 15, "Agreements for the Construction of Real Estate".
- HK(IFRIC) – Int 16, "Hedges of a Net Investment in a Foreign Operation".

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**3. 會計政策(續)**

- 香港財務報告準則第7號「金融工具：披露」的修改(由二零零九年一月一日起計開始之年度期間生效)。此修改增加有關公允值計量的披露規定，並修改有關流動性風險的披露。此修改引入了有關金融工具公允值計量披露的三層架構，並規定對被分類為架構內最低一層的金融工具某些特定的數量性披露資料。此等披露將有助於改善主體之間對公允值計量影響的可比較性。此外，此修改澄清並加強了有關流動性風險披露的現有規定，主要規定須分開衍生和非衍生金融負債的流動性風險分析。此修改亦規定必須披露金融資產的到期日分析，當中必須披露有助於瞭解流動性風險的性質和內容的資訊。本集團將於其截至二零一零年三月三十一日止年度的財務報表中作出額外的相關披露。

下列新訂準則、準則的修訂及詮釋於二零零九年四月一日開始的財政年度首次強制應用，但現與本集團業務無關或無重大影響：

- 香港財務報告準則2(修訂本)「以股份為基礎付款」
- 香港會計準則19(修訂本)「僱員福利」
- 香港會計準則23(修訂本)「借貸成本」
- 香港會計準則28(修訂本)「聯營公司的投資」
- 香港會計準則32(修訂本)「金融工具：呈報」
- 香港會計準則36(修訂本)「資產減值」
- 香港會計準則38(修訂本)「無形資產」
- 香港會計準則39(修訂本)「金融工具：確認和計量」
- 香港(國際財務報告詮釋委員會)－詮釋9(修訂本)「重估嵌入式衍生工具」和香港會計準則39(修訂本)「金融工具：確認和計量」
- 香港(國際財務報告詮釋委員會)－詮釋13「客戶忠誠度計劃」
- 香港(國際財務報告詮釋委員會)－詮釋15「房地產建築協議」
- 香港(國際財務報告詮釋委員會)－詮釋16「對沖海外業務淨投資」



**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**4. TURNOVER AND SEGMENT INFORMATION**

The Group has reassessed its operations and organized them into two main business segments:

- Flavours; and
- Fragrances.

The chief operating decision-makers have been identified as the executive directors (the "Executive Directors"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Directors consider the business from the operation perspective and assess the performance of flavours and fragrances segments. Flavours include research and development, production and sale of flavours products. Fragrances include research and development, production and sale of fragrances products.

The segment information for the six months ended 30 September 2009 is presented below:

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**4. 營業額及分部資料**

本集團重新評估其經營並分為兩項主要業務分部：

- 食用香精香料；及
- 日用香精香料。

主要經營決策者明確為執行董事(「執行董事」)，執行董事檢討本集團的內部報告以評估表現及分配資源。管理層按照此報告以決定營運分部。

執行董事從經營活動角度考慮業務及評估食用香精香料及日用香精香料之分部業務表現。食用香精香料業務包括研發、生產及銷售食用香精香料產品。日用香精香料業務包括研發、生產及銷售日用香精香料產品。

截至二零零九年九月三十日止六個月的分部資料呈列如下：

		<b>Unaudited 未經審核 For the six months ended 30 September 2009 截至二零零九年九月三十日止六個月</b>		
		<b>Flavours 食用香精香料</b>	<b>Fragrances 日用香精香料</b>	<b>Total 總計</b>
Total turnover	總營業額	<b>1,061,176</b>	<b>27,728</b>	<b>1,088,904</b>
Inter-segment sales	分部間銷售	<b>(50)</b>	-	<b>(50)</b>
<b>Net turnover/Segment sales</b>	<b>淨營業額/分部收入</b>	<b>1,061,126</b>	<b>27,728</b>	<b>1,088,854</b>
Segment result	分部業績	<b>703,676</b>	<b>4,777</b>	<b>708,453</b>
Less: unallocated expenses	減：未分類支出			<b>(14,301)</b>
<b>Operating profit</b>	<b>營運盈利</b>			<b>694,152</b>
Finance income	財務收入			<b>6,701</b>
Finance costs	融資成本			<b>(337)</b>
Finance income – net	財務收入－淨額			<b>6,364</b>
Share of results of associates	應佔聯營公司盈利			<b>273</b>
<b>Profit before income tax</b>	<b>除稅前盈利</b>			<b>700,789</b>



**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**4. TURNOVER AND SEGMENT INFORMATION (CONT'D)****簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**4. 營業額及分部資料(續)**

**Unaudited**  
未經審核  
**As at 30 September 2009**  
於二零零九年九月三十日

		<b>Flavours</b> 食用香精香料	<b>Fragrances</b> 日用香精香料	<b>Total</b> 總計
Total segment assets	分部總資產	<b>3,982,370</b>	<b>137,170</b>	<b>4,119,540</b>
Unallocated assets	其他未分類資產			<b>50,559</b>
				<b>4,170,099</b>

The segment information for the six months ended 30 September 2008 is presented below:

截至二零零八年九月三十日止六個月的分部資料呈列如下：

**Unaudited**  
未經審核  
For the six months ended  
30 September 2008  
截至二零零八年九月三十日止六個月

		<b>Flavours</b> 食用香精香料	<b>Fragrances</b> 日用香精香料	<b>Total</b> 總計
Total turnover	總營業額	878,644	20,251	898,895
Inter-segment sales	分部間銷售	(6,786)	-	(6,786)
Net turnover/Segment sales	淨營業額／分部收入	871,858	20,251	892,109
Segment result	分部業績	568,278	4,957	573,235
Less: unallocated expenses	減：未分類支出			(21,402)
Operating profit	營運盈利			551,833
Finance income	財務收入			9,806
Finance costs	融資成本			(1,704)
Finance income – net	財務收入－淨額			8,102
Share of results of an associate	應佔聯營公司盈利			291
Profit before income tax	除稅前盈利			560,226

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**4. TURNOVER AND SEGMENT INFORMATION (CONT'D)****簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**4. 營業額及分部資料(續)**

		<b>Unaudited</b> 未經審核		
		<b>As at 30 September 2008</b> 於二零零八年九月三十日		
		<b>Flavours</b> 食用香精香料	<b>Fragrances</b> 日用香精香料	<b>Total</b> 總計
Total segment assets	分部總資產	3,555,916	115,307	3,671,223
Unallocated assets	其他未分類資產			10,551
				3,681,774

Segment result represents the profit earned by each segment without inclusion of unallocated expenses, finance costs, finance income and share of results of associates. This is the measure reported to chief operating decision markers for the purposes of resource allocation and assessment of segment performance.

分部業績是代表各營運分部之溢利，當中並沒有包括未分類支出、融資成本、財務收入及應佔聯營公司業績。此分部業績主要是為分配資源和評估各營運分部之表現而向營運決策者呈列的方式。

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**5. PROPERTY, PLANT AND EQUIPMENT, LAND USE  
RIGHTS AND INTANGIBLE ASSETS****5. 物業、機器及設備、土地使用權及無形資產**

		Unaudited 未經審核						
	Note	Property, plant and equipment (excluding construction in progress)	Construction in progress	Total property, plant and equipment 物業、機器 及設備 (含在建工程) 總計	Land use rights 土地使用權	Goodwill 商譽	Other intangible assets 其他 無形資產	Total intangible assets 無形資產 總計
	附註	物業、機器 及設備(不含 在建工程)	在建工程					
For the six months ended	截至二零零八年							
30 September 2008	九月三十日止六個月							
At 1 April 2008	於二零零八年四月一日	187,707	11,171	198,878	24,887	566,184	133,775	699,959
Combination of Wealthy King Group	收購富君集團	44,183	-	44,183	26,965	648,164	99,631	747,795
Acquisition of Profit Fortune Group	收購利福集團	797	22,770	23,567	5,710	49,618	5,905	55,523
Additions	添置	13,457	7,205	20,662	1,212	-	81	81
Transfers	轉移	7,025	(7,025)	-	-	-	-	-
Disposals	出售	(29)	-	(29)	-	-	-	-
Depreciation and amortization	折舊及攤銷	(13,432)	-	(13,432)	(817)	-	(12,623)	(12,623)
Exchange differences	匯兌調整	7,048	271	7,319	1,795	33,959	6,778	40,737
At 30 September 2008	於二零零八年九月三十日	246,756	34,392	281,148	59,752	1,297,925	233,547	1,531,472
For the six months ended	截至二零零九年							
30 September 2009	九月三十日止六個月							
At 1 April 2009	於二零零九年四月一日	274,546	4,184	278,730	58,210	1,290,248	216,903	1,507,151
Acquisition of Maoming Kebi Flavour & Fragrance Limited ("Maoming Kebi")	收購茂名市科比 香精香料有限公司 (「茂名科比」)	8	-	8	-	109,650	5,221	114,871
Additions	添置	4,138	9,049	13,187	-	-	123	123
Transfers	轉移	3,713	(3,713)	-	-	-	-	-
Disposals	出售	(321)	-	(321)	-	-	-	-
Depreciation and amortization	折舊及攤銷	(14,756)	-	(14,756)	(704)	-	(13,122)	(13,122)
Exchange differences	匯兌調整	7	4	11	58	1,150	114	1,264
At 30 September 2009	於二零零九年九月三十日	267,335	9,524	276,859	57,564	1,401,048	209,239	1,610,287

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**6. DEFERRED INCOME TAX ASSETS/LIABILITIES**

The movement in the deferred income tax is as follows:

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**6. 遞延所得稅資產／負債**

遞延所得稅變動如下：

		Unaudited 未經審核				
		Deferred income tax assets 遞延所得稅資產	Deferred income tax liabilities 遞延所得稅負債			
		Unrealized profits arising from intra-group sales 集團內公司間 銷售所產生 的集團內 未變現盈利	Valuation surplus of assets and recognition of intangible assets 資產評估 盈餘及無形 資產的確認	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC 集團內位於 中國國內的 公司預期 匯出的股息 所產生之 預提所得稅	Total 總計	
	Note 附註					
At 1 April 2008		12,345	30,701	-	30,701	
Combination of Wealthy King Group		3,614	30,939	-	30,939	
Acquisition of Profit Fortune Group		-	1,551	-	1,551	
Recognized in the income statement	13	6,647	(2,436)	30,117	27,681	
Exchange differences		530	1,799	-	1,799	
At 30 September 2008		23,136	62,554	30,117	92,671	
At 1 April 2009		31,055	58,985	34,828	93,813	
Acquisition of Maoming Kebi		-	1,305	-	1,305	
Recognized in the income statement	13	(2,360)	(2,556)	9,436	6,880	
Paid for withholding income tax for dividend		-	-	(15,724)	(15,724)	
Exchange differences		31	27	-	27	
At 30 September 2009		28,726	57,761	28,540	86,301	

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**6. DEFERRED INCOME TAX ASSETS/LIABILITIES (CONT'D)**

Deferred income tax assets are recognized for temporary differences arising from the unrealized intra-group profits from intra-group sales, and calculated under the liability method using the tax rates which are enacted or substantively enacted by the balance sheet date. The deferred income tax assets are expected to be recovered within 12 months from the balance sheet date.

Deferred income tax liabilities are arisen from the valuation surplus of property, plant and equipment and land use rights and recognition of intangible assets as a result of acquisition/combination of subsidiaries; and withholding income tax on dividends expected to be remitted abroad by group entities incorporated in the PRC.

Pursuant to the Corporate Income Tax Laws of the PRC approved by the National People's Congress on 16 March 2007, a 10% withholding tax is levied on dividends remitted from the PRC entities to overseas investors with effect from 1 January 2008. A lower withholding tax rate of 5% is applied to Hong Kong investors as there is a tax treaty arrangement between the PRC and Hong Kong. The directors of the Company estimated that a portion of profits generated by the PRC subsidiaries would be distributed to their Hong Kong immediate parent companies in the year ending 31 March 2010. Therefore, deferred income tax liabilities had been provided based on 5% of the estimated profits to be remitted to Hong Kong. The directors of the Company will review the fund requirements of the Group from time to time and revise the dividend distribution policy of its subsidiaries as appropriate.

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**6. 遞延所得稅資產／負債(續)**

集團內公司間銷售所產生的集團內未變現盈利確認為遞延所得稅資產，其金額以負債法按資產負債表日已生效的稅率計算暫時性差額確定。遞延所得稅資產預期可於結算日起計12個月內實現。

遞延所得稅負債乃由於本公司收購或合併附屬公司所導致之物業、機器及設備和土地使用權的評估盈餘或無形資產的確認而產生，及集團內於中國註冊成立的公司預期匯出境外股息所產生之所得稅。

根據全國人民代表大會於二零零七年三月十六日通過的中國企業所得稅法，由二零零八年一月一日起，中國大陸企業向外商投資企業分派股息，需按10%之稅率徵收所得稅。基於中國及香港有特別稅務協定，故中國大陸企業向香港投資企業分派股息，可享有較優惠的稅率5%徵收。本公司董事預計會將某些中國大陸子公司之盈利於截至二零一零年三月三十一日止年度派發股息予其於香港的直接母公司。因此，遞延所得稅負債乃預計匯出香港之盈利以5%的稅率計算。本公司董事將不時檢討本集團之資金需求並適時調整附屬公司之股息政策。

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**7. TRADE AND OTHER RECEIVABLES****7. 貿易及其他應收款項**

			<b>As at 30 September 2009 於二零零九年 九月三十日 Unaudited 未經審核</b>	<b>As at 31 March 2009 於二零零九年 三月三十一日 Audited 經審核</b>
Trade receivables	貿易應收款項	(b)	<b>474,381</b>	409,285
Less: Provision for impairment of receivables	減：應收款項減值撥備		<b>(1,951)</b>	(1,989)
Trade receivables – net	貿易應收款項－淨額		<b>472,430</b>	407,296
Note receivables	應收票據		<b>61,884</b>	85,766
Prepayments and other receivables	預付款項及其他應收款項		<b>22,392</b>	19,671
Advances to staff	員工墊款		<b>4,784</b>	4,439
Others	其他		<b>8,939</b>	9,138
			<b>570,429</b>	526,310

(a) The carrying amounts of trade and other receivables approximate their fair values.

(a) 貿易及其他應收款項賬面值與公平值相若。

(b) The credit period generally granted to customers ranges from 0 to 180 days. The ageing analysis of the trade receivables as at the balance sheet dates is as follows:

(b) 授予客戶的信貸期一般為0至180日。於結算日，貿易應收款項的賬齡分析如下：

			<b>As at 30 September 2009 於二零零九年 九月三十日 Unaudited 未經審核</b>	<b>As at 31 March 2009 於二零零九年 三月三十一日 Audited 經審核</b>
0 – 90 days	0至90日		<b>427,658</b>	339,187
91 – 180 days	91至180日		<b>27,419</b>	49,836
181 – 360 days	181至360日		<b>10,712</b>	10,644
Over 360 days	360日以上		<b>8,592</b>	9,618
			<b>474,381</b>	409,285

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**8. SHARE CAPITAL****簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**8. 股本**

		<b>Ordinary shares of HKD0.10 each 每股面值港幣0.10元之普通股</b>	
		<b>Number of shares</b>	<b>HKD'000</b>
		<i>Note</i> 附註	股份數目 港幣千元
Authorized:	法定：		
At 1 April 2008, 30 September 2008 and 30 September 2009	於二零零八年四月一日、 二零零八年九月三十日及 二零零九年九月三十日		5,000,000,000 500,000
Issued and fully paid:	已發行及繳足：		
At 1 April 2008	於二零零八年四月一日		3,069,110,961 306,911
Exercise of share options	行使購股權	9	7,650,000 765
At 30 September 2008	於二零零八年九月三十日		3,076,760,961 307,676
<b>At 1 April 2009</b>	於二零零九年四月一日		<b>3,084,805,961</b> <b>308,480</b>
Exercise of share options	行使購股權	9	<b>18,616,000</b> <b>1,862</b>
<b>At 30 September 2009</b>	於二零零九年九月三十日		<b>3,103,421,961</b> <b>310,342</b>



**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**9. SHARE OPTION SCHEME**

On 10 October 2006 and 25 October 2006, the Group granted 97,200,000 and 30,400,000 share options with an exercise price of HKD3.09 per share to employees and directors respectively. On 17 October 2007, the Group granted 13,900,000 and 3,600,000 share options with an exercise price of HKD6.65 per share to employees and a director respectively. On 14 April 2008, the Group granted 10,400,000 share options to two directors with an exercise price of HKD6.39 per share.

Movement in the number of share options outstanding during the half year and their related weighted average exercise price are as follows:

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**9. 購股權計劃**

於二零零六年十月十日及二零零六年十月二十五日，本集團分別授出97,200,000及30,400,000股購股權，行使價為每股港幣3.09元，予現有僱員及董事。及於二零零七年十月十七日，本集團分別授出13,900,000及3,600,000股購股權，行使價為每股港幣6.65元，予現有僱員及一名董事。及於二零零八年四月十四日，本集團授予現有兩名董事10,400,000股購股權，行使價為每股港幣6.39元。

於半年度內，未行使的購股權數目之變動及其相關之加權平均行使價列示如下：

		Unaudited 未經審核			
		For the six months ended 30 September 截至九月三十日止六個月			
		2009 二零零九年		2008 二零零八年	
		Weighted average exercise price in HKD per share 加權平均 行使價 港元 (每股計)	Number of share options 購股權數目 ('000) (股數以千計)	Weighted average exercise price in HKD per share 加權平均 行使價 港元 (每股計)	Number of share options 購股權數目 ('000) (股數以千計)
	Note 附註				
Beginning of the period	期初	3.98	108,435	3.63	115,730
Granted	授出	-	-	6.39	10,400
Exercised	已行使	3.22	(18,616)	3.09	(7,650)
Forfeited	失效	3.09	(2,200)	3.09	(1,800)
End of the period	期終	4.16	87,619	3.92	116,680

(a) The weighted average share price immediately before the share option exercised dates was HKD7.57 (30 September 2008: HKD6.82) per share.

(b) These represented share options forfeited due to resignation of employees.

(a) 緊接購股權行使日期之前的加權平均收市價為每股港幣7.57元(二零零八年九月三十日：港幣6.82元)。

(b) 購股權失效是由於員工離職。

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**9. SHARE OPTION SCHEME (CONT'D)**

Share options outstanding as at 30 September 2009 are analyzed as follows:

Grantee 被授予人		Exercise price in HKD per share 行使價 港元(每股計)	Number of share options 購股權數目 (‘000) (股數以千計) <b>Unaudited</b> 未經審核	Expiry Date 失效日期
Directors	董事	3.09	15,150	24 October 2016 2016年10月24日
		6.65	3,600	16 October 2017 2017年10月16日
		6.39	10,400	13 April 2018 2018年4月13日
Employees	僱員	3.09	40,019	9 October 2016 2016年10月9日
		3.09	5,250	24 October 2016 2016年10月24日
		6.65	13,200	16 October 2017 2017年10月16日
<b>At 30 September 2009</b>		<b>87,619</b>		

Out of the 87,619,000 (31 March 2009: 108,435,000) share options outstanding as at 30 September 2009, 45,369,000 (31 March 2009: 62,385,000) share options are currently exercisable.

於二零零九年九月三十日未行使的87,619,000 (二零零九年三月三十一日: 108,435,000)股購股權當中, 有45,369,000 (二零零九年三月三十一日: 62,385,000)股購股權於現在可予行使。

**簡明綜合中期財務資料附註(續)**

(除另有指明者外, 所有金額均以港幣千元列示)

**9. 購股權計劃(續)**

於二零零九年九月三十日未行使購股權之分析如下:

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**10. RESERVES****10. 儲備**

					Unaudited 未經審核				
	Note	Contributed surplus	Merger reserve	Share premium	Capital reserve	Share-based compensation reserve	Exchange reserve	Other reserves	Total
	附註	實繳盈餘	合併儲備	股份溢價	資本儲備	以股份為基礎 的酬金儲備	換算儲備	其他儲備	總計
At 1 April 2008	於二零零八年四月一日	288,191	(597,567)	90,481	1,677	48,013	177,700	122,253	130,748
Combination of Wealthy King Group	收購富君集團	-	(15,382)	-	-	-	-	-	(15,382)
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	1,569	1,569
Employee share option scheme	僱員購股權計劃								
- Value of employee services	- 僱員服務價值	-	-	-	-	19,957	-	-	19,957
- Exercise of share option	- 行使購股權	-	-	26,564	-	(3,690)	-	-	22,874
Exchange differences	匯兌調整	-	-	-	-	-	67,542	-	67,542
At 30 September 2008	於二零零八年九月三十日	288,191	(612,949)	117,045	1,677	64,280	245,242	123,822	227,308
<b>At 1 April 2009</b>	<b>於二零零九年四月一日</b>	<b>288,191</b>	<b>(612,949)</b>	<b>145,202</b>	<b>1,677</b>	<b>71,109</b>	<b>225,815</b>	<b>127,685</b>	<b>246,730</b>
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	1,743	1,743
Employee share option scheme	僱員購股權計劃								
- Value of employee services	- 僱員服務價值	-	-	-	-	8,120	-	-	8,120
- Exercise of share option	- 行使購股權	-	-	68,189	-	(10,035)	-	-	58,154
Exchange differences	匯兌調整	-	-	-	-	-	3,420	-	3,420
At 30 September 2009	於二零零九年九月三十日	288,191	(612,949)	213,391	1,677	69,194	229,235	129,428	318,167

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**11. TRADE AND OTHER PAYABLES****簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**11. 貿易及其他應收款項**

			<b>As at 30 September 2009 於二零零九年 九月三十日 Unaudited 未經審核</b>	<b>As at 31 March 2009 於二零零九年 三月三十一日 Audited 經審核</b>
Trade payables	貿易應付款項	(a)	<b>177,222</b>	160,835
Due to related parties	應付關聯人士款項	18(c)	<b>153,985</b>	460,905
Dividends payable	應付股息	(b)	<b>284,648</b>	–
Wages payable	應付工資		<b>9,302</b>	7,671
Other taxes payable	其他應付稅項		<b>19,740</b>	10,954
Accrued expenses	應計開支		<b>2,270</b>	5,280
Advance from customers	客戶預付款		<b>10,434</b>	10,860
Other payables	其他應付款項		<b>23,134</b>	27,076
			<b>680,735</b>	683,581

(a) The ageing analysis of the trade payables is as follows:

(a) 貿易應付款項賬齡分析如下：

			<b>As at 30 September 2009 於二零零九年 九月三十日 Unaudited 未經審核</b>	<b>As at 31 March 2009 於二零零九年 三月三十一日 Audited 經審核</b>
0 – 90 days	0至90日		<b>130,016</b>	122,427
91 – 180 days	91至180日		<b>28,919</b>	19,232
181 – 360 days	181至360日		<b>756</b>	6,532
Over 360 days	360日以上		<b>17,531</b>	12,644
			<b>177,222</b>	160,835

(b) Dividends payable

(b) 應付股息

It represents:

乃指：

(i) final and special dividend of the Company for the year ended 31 March 2009; and

(i) 本公司截止二零零九年三月三十一日止年度之末期和特別股息；及

(ii) dividend payable to a minority shareholder.

(ii) 向一位少數股東派付的股息。

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**12. EXPENSES BY NATURE**

Expenses included in cost of goods sold, selling and marketing expenses and administrative expenses are analyzed as follows:

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**12. 按性質分類的開支**

開支包括銷售成本、銷售及市場推廣開支及行政開支，分析如下：

		<b>Unaudited</b> 未經審核		
		<b>For the six months ended</b>		
		<b>30 September</b>		
		截至九月三十日止六個月		
		<i>Note</i>	<b>2009</b>	2008
		<i>附註</i>	二零零九年	二零零八年
Depreciation, excluding amounts included in research and development	折舊（不包括計入研發費用的金額）	5	<b>11,764</b>	11,615
Amortization	攤銷	5	<b>13,826</b>	13,440
Employee benefit expenses, excluding share option granted to directors and employees and amounts included in research and development	僱員及福利開支（不包括購股權授予僱員及董事及計入研發的金額）		<b>41,184</b>	40,983
Lease expenses	租金		<b>3,260</b>	3,107
Travelling expenses	差旅開支		<b>9,888</b>	8,946
Entertainment expenses	娛樂開支		<b>9,737</b>	7,072
Share options granted to directors and employees	購股權授予僱員及董事		<b>8,120</b>	19,957
Research and development	研究及發展			
– Employee benefit expenses	– 僱員及福利開支		<b>13,887</b>	11,920
– Depreciation	– 折舊	5	<b>2,992</b>	1,817
– Others	– 其他		<b>18,220</b>	7,054

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**13. INCOME TAX EXPENSE****簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**13. 所得稅**

		<b>Unaudited</b> 未經審核	
		<b>For the six months ended</b>	
		<b>30 September</b>	
		截至九月三十日止六個月	
	Note 附註	2009 二零零九年	2008 二零零八年
Current taxation:	即期稅項		
– Hong Kong profits tax	– 香港所得稅 (a)	<b>6,488</b>	32
– PRC enterprise income tax	– 中國企業所得稅 (b)	<b>64,086</b>	14,389
Deferred income tax assets	遞延所得稅資產 (c)	<b>2,360</b>	(6,647)
Deferred income tax liabilities	遞延所得稅負債 (c)	<b>6,880</b>	27,681
		<b>79,814</b>	35,455

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period.

(b) PRC enterprise income tax has been provided on the basis of the profit, which is prepared using the accounting rules and regulations applicable to enterprise in the PRC, adjusted for income and expense items, which are not assessable or deductible for income tax purpose.

(c) No provision for income tax in other jurisdictions has been made as the Group has no assessable income for income tax in those jurisdictions during the period.

(a) 香港所得稅按本期估計應課稅盈利以稅率16.5%(二零零八年:16.5%)撥備。

(b) 中國企業所得稅撥備按本集團在中國企業的盈利(根據中國企業適用的會計規則及規例編撰)而定，並就毋須課稅或不可扣除所得稅的收入及開支項目作出調整。

(c) 本集團於有關期間在其他司法權區並無取得應課所得稅收入，故無為其他司法權區的所得稅作出撥備。

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**14. EARNINGS PER SHARE****(a) Basic**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

		<b>Unaudited 未經審核</b>	
		<b>For the six months ended 30 September</b>	
		<b>截至九月三十日止六個月</b>	
		<b>2009</b>	<b>2008</b>
		<b>二零零九年</b>	<b>二零零八年</b>
Profit attributable to equity holders of the Company	本公司股權持有人應佔盈利	<b>610,927</b>	517,256
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數 (千計)	<b>3,093,403</b>	3,073,972
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	<b>19.75</b>	16.83

**(b) Diluted**

Diluted earnings per share is calculated based on the weighted average number of ordinary shares outstanding, assuming that all dilutive potential ordinary shares have been converted. For the six months ended 30 September 2009, the Company has one type of dilutive potential ordinary shares, i.e. share options.

As for share options, the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) is determined based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of share options.

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**14. 每股盈利****(a) 基本**

每股基本盈利乃根據本期間本公司權益持有人應佔盈利，除以期內已發行普通股的加權平均數目計算。

**(b) 攤薄**

每股攤薄盈利假設所有可攤薄的潛在普通股被轉換後，根據已發行普通股的加權平均股數計算。在截至二零零九年九月三十日止六個月，本公司有一類可攤薄的潛在普通股，即購股權。

至於購股權，根據未行使購股權所附的認購權的貨幣價值，釐定按公平值(釐定為本公司股份的平均年度市價)可購入的股份數目。按以上方式計算的股份數目，與假設購股權行使而應已發行的股份數目作出比較。



**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**14. EARNINGS PER SHARE (CONT'D)****(b) Diluted (Cont'd)**

		Unaudited 未經審核 For the six months ended 30 September 截至九月三十日止六個月	
		2009 二零零九年	2008 二零零八年
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	<b>610,927</b>	517,256
Weighted average number of ordinary shares used to calculate basic earnings per share ('000)	用以確定每股基本盈利的普通股的加權平均數(千計)	<b>3,093,403</b>	3,073,972
Adjustment for: – exercise of share options ('000)	調整： – 行使購股權(千計)	<b>43,882</b>	50,336
Weighted average number of ordinary shares for diluted earnings per share ('000)	每股攤薄盈利的普通股的加權平均數(千計)	<b>3,137,285</b>	3,124,308
Diluted earnings per share (HK cents per share)	每股攤薄盈利(每股港仙)	<b>19.47</b>	16.56

**15. DIVIDENDS**

The interim dividend for the six months ended 30 September 2009 declared after the balance sheet date amounts to HK6.0 cents (2008: HK5.0 cents) per ordinary share, HKD186,205,000 (2008: HKD154,100,000) in aggregate, together with a special dividend HK2.8 cents per share (2008: nil), HKD86,896,000 in aggregate. As the interim and special dividends are declared after the balance sheet date, they are not recognized as dividend payable as at 30 September 2009.

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**14. 每股盈利(續)****(b) 攤薄(續)**

		Unaudited 未經審核 For the six months ended 30 September 截至九月三十日止六個月	
		2009 二零零九年	2008 二零零八年
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	<b>610,927</b>	517,256
Weighted average number of ordinary shares used to calculate basic earnings per share ('000)	用以確定每股基本盈利的普通股的加權平均數(千計)	<b>3,093,403</b>	3,073,972
Adjustment for: – exercise of share options ('000)	調整： – 行使購股權(千計)	<b>43,882</b>	50,336
Weighted average number of ordinary shares for diluted earnings per share ('000)	每股攤薄盈利的普通股的加權平均數(千計)	<b>3,137,285</b>	3,124,308
Diluted earnings per share (HK cents per share)	每股攤薄盈利(每股港仙)	<b>19.47</b>	16.56

**15. 股息**

於結算日後宣派截至二零零九年九月三十日止六個月的中期股息，每股港幣6.0仙(二零零八年：港幣5.0仙)，合計港幣186,205,000元(二零零八年：港幣154,100,000元)，及特別股息每股港幣2.8仙(二零零八年：無)，合計港幣86,896,000元。由於中期及特別股息乃於結算日後宣派，因此並未確認於二零零九年九月三十日的應付股息內。

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**16. BUSINESS COMBINATIONS**

In August 2009, Wuxi Hua Hai Flavour Company Limited, a wholly owned subsidiary of the Company, entered into an agreement with independent third parties to acquire 100% equity interests in Maoming Kebi, a company incorporated in the PRC at a consideration of approximately HKD117,209,000.

Maoming Kebi is principally engaged in the manufacture and sale of flavours and fragrances in the PRC. Pursuant to the acquisition agreement, the acquisition was completed on 1 August 2009 and Maoming Kebi became a wholly-owned subsidiary of the Group.

The acquired business contributed revenue of HKD7,592,000 and net profit after tax of HKD4,595,000 to the Group for the period from date of acquisition to 30 September 2009.

If the acquisition had occurred on 1 April 2009, consolidated revenue and consolidated net profit after tax would have been increased by approximately HKD11,630,000 and HKD5,206,000.

Details of net assets acquired and goodwill are as follows:

		<b>Unaudited 未經審核 Total 合計</b>
Purchase consideration:	收購代價：	
Consideration – cash paid	代價—現金支付	117,209
Direct expenses relating to the acquisition	收購業務之直接費用	145
Total purchase consideration	總收購代價	117,354
Fair value of identifiable net assets acquired – shown below	收購可辨認淨資產之 公平價值—詳列下文	(7,704)
Goodwill (Note 5)	商譽(附註5)	109,650

The goodwill is attributable to the profitability and the synergies expected to arise from the acquired business.

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**16. 業務合併**

於二零零九年八月，本公司之全資附屬公司，無錫華海香料有限公司，與第三方簽署協議，以現金收購代價約為港幣117,209,000元收購一間於中國成立的公司茂名科比所有權益。

茂名科比主要在中國從事生產及銷售香精香料產品。根據收購協議，該收購已於二零零九年八月一日完成及茂名科比已成為本集團之全資附屬公司。

該業務自收購日至二零零九年九月三十日止，已為本集團帶來約港幣7,592,000元的銷售收入及約港幣4,595,000元的除稅後盈利。

如該業務收購於二零零九年四月一日，本集團之合併銷售收入和合併除稅後盈利將會增加約港幣11,630,000元和約港幣5,206,000元。

收購產生之淨資產及商譽詳情如下：

		<b>Unaudited 未經審核 Total 合計</b>
Purchase consideration:	收購代價：	
Consideration – cash paid	代價—現金支付	117,209
Direct expenses relating to the acquisition	收購業務之直接費用	145
Total purchase consideration	總收購代價	117,354
Fair value of identifiable net assets acquired – shown below	收購可辨認淨資產之 公平價值—詳列下文	(7,704)
Goodwill (Note 5)	商譽(附註5)	109,650

商譽乃歸因於所收購業務之盈利能力及協同效益。

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**16. BUSINESS COMBINATIONS (CONT'D)**

The assets and liabilities arising from the acquisition are as follows:

**16. 業務合併(續)**

因收購而產生之資產及負債如下：

		Fair value 公平值	Acquiree's Carrying amount 被收購方之賬面值
Net assets acquired	收購之資產淨值		
Intangible assets	無形資產	5,221	-
Property, plant and equipment	物業、廠房及設備	8	8
Trade and other receivables	應收貿易及其他賬款	4,724	4,724
Trade and other payables	應付貿易及其他賬款	(704)	(704)
Current tax liabilities	應付稅項	(240)	(240)
Deferred tax liabilities	遞延所得稅負債	(1,305)	-
<b>Net assets acquired</b>	<b>收購資產淨值</b>	<b>7,704</b>	<b>3,788</b>
Outflow of cash to acquire business, net of cash acquired	收購業務之現金流出 (扣除收購之淨現金)		
Consideration – cash paid	以現金支付收購代價		117,209
Direct expenses relating to the acquisition	關於收購之直接開支		145
<b>Net cash outflow on acquisition</b>	<b>收購的淨現金流出</b>		<b>117,354</b>

**17. COMMITMENTS****(a) Capital commitments**

The Group's capital expenditure at the balance date but not yet incurred is as follows:

**17. 承擔****(a) 資本承擔**

本集團於結算日仍未產生的資本開支如下：

		As at 30 September 2009 於二零零九年 九月三十日 Unaudited (未經審核)	As at 31 March 2009 於二零零九年 三月三十一日 Audited (經審核)
Property, plant and equipment Contracted but not provided for	物業、廠房及設備： 已簽約但未撥備	<b>903</b>	5,671

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**17. COMMITMENTS (CONT'D)****(b) Operating lease commitments**

The future aggregate minimum lease payments under non-cancellable operating leases at the balance sheet date are as follows:

		<b>As at 30 September 2009 於二零零九年 九月三十日 Unaudited (未經審核)</b>	<b>As at 31 March 2009 於二零零九年 三月三十一日 Audited (經審核)</b>
Land and buildings:	土地及樓宇：		
Not later than 1 year	1年內	<b>4,934</b>	5,778
Later than 1 year and not later than 5 years	1年後5年內	<b>2,713</b>	3,393
		<b>7,647</b>	9,171

**18. RELATED PARTY TRANSACTIONS****(a) Name and relationship of related parties**

<b>Name 名稱</b>	<b>Relationship 關係</b>
Ms. Chu 朱女士	The ultimate controlling shareholder of the Company 本公司最終控股股東
Owada International Flavors & Fragrances (Guangzhou) Limited ("Owada International") 澳華達國際香料(廣州)有限公司(「澳華達國際」)	A company controlled by Ms. Chu 受朱女士控制
F&G (Botswana) (Proprietary) Limited ("F&G") F&G (Botswana) (Proprietary) Limited(「F&G」)	A company controlled by Ms. Chu 受朱女士控制
Henan Jinrui Flavours Co. Limited ("Henan Jinrui") 河南金瑞香精香料有限公司(「河南金瑞」)	An associate indirectly held by the Company 本公司間接持有的聯營公司
Weihai Huayuan Green Industry Co., Ltd. ("Weihai Huayuan") 威海華元綠色產業有限公司(「威海華元」)	An associate indirectly held by the Company 本公司間接持有的聯營公司

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**17. 承擔(續)****(b) 營運租賃承擔**

本集團於結算日根據不可撤銷營運租約租賃，未來最低租賃付款總額如下：

**18. 關聯人士交易****(a) 關聯人士名稱與關係**

<b>Name 名稱</b>	<b>Relationship 關係</b>
Ms. Chu 朱女士	The ultimate controlling shareholder of the Company 本公司最終控股股東
Owada International Flavors & Fragrances (Guangzhou) Limited ("Owada International") 澳華達國際香料(廣州)有限公司(「澳華達國際」)	A company controlled by Ms. Chu 受朱女士控制
F&G (Botswana) (Proprietary) Limited ("F&G") F&G (Botswana) (Proprietary) Limited(「F&G」)	A company controlled by Ms. Chu 受朱女士控制
Henan Jinrui Flavours Co. Limited ("Henan Jinrui") 河南金瑞香精香料有限公司(「河南金瑞」)	An associate indirectly held by the Company 本公司間接持有的聯營公司
Weihai Huayuan Green Industry Co., Ltd. ("Weihai Huayuan") 威海華元綠色產業有限公司(「威海華元」)	An associate indirectly held by the Company 本公司間接持有的聯營公司

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**18. RELATED PARTY TRANSACTIONS (CONT'D)****(b) Transactions with related parties**

The Group entered into the following significant transactions with related parties:

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**18. 關聯人士交易(續)****(b) 與關聯人士的交易**

本集團與關聯人士進行下列重大交易：

		<b>Unaudited</b>	
		<b>未經審核</b>	
		<b>For the six months ended</b>	
		<b>30 September</b>	
		<b>截至九月三十日止六個月</b>	
		<b>2009</b>	<b>2008</b>
		<b>二零零九年</b>	<b>二零零八年</b>
Sales of goods, net of value-added tax, to:	銷售貨品，除增值稅後，予：		
– Henan Jinrui	– 河南金瑞	<b>302</b>	18
– Weihai Huayuan	– 威海華元	<b>38</b>	–
		<b>340</b>	18
Purchase of raw materials from:	購買材料自：		
– F&G	– F&G	<b>168</b>	–
– Weihai Huayuan	– 威海華元	<b>26</b>	27
– Owada International	– 澳華達國際	–	2,313
		<b>194</b>	2,340
Interest expense to:	支付利息予：		
–Ms. Chu	– 朱女士	<b>319</b>	1,655

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (CONT'D)**

(All amounts in HK dollar thousands unless otherwise stated)

**18. RELATED PARTY TRANSACTIONS (CONT'D)****(c) Balances with related parties**

		<b>As at 30 September 2009</b>	<b>As at 31 March 2009</b>
	<i>Note</i> <i>附註</i>	<b>Unaudited</b> <b>(未經審核)</b>	<b>Audited</b> <b>(經審核)</b>
<b>Balances due from related parties: 應收關聯人士結餘：</b>			
Included in trade receivables	計入貿易應收款項		
– Weihai Huayuan	– 威海華元	<b>14</b>	150
– Henan Jinrui	– 河南金瑞	<b>947</b>	80
		<b>961</b>	230
<b>Balances due to related parties: 應付關聯人士結餘：</b>			
Included in trade payables	計入貿易應付款項		
– F&G	– F&G	<b>616</b>	9,635
– Owada International	– 澳華達國際	<b>16,622</b>	16,606
– Weihai Huayuan	– 威海華元	<b>34</b>	37
		<b>17,272</b>	26,278
Included in non-trade payables	應付非貿易款項		
– Ms. Chu	– 朱女士	<b>153,985</b>	460,905

All the balances with related parties were unsecured, interest-free and repayable on demand.

所有關聯人士結餘均為無抵押、免息及須於通知時清還。

**簡明綜合中期財務資料附註(續)**

(除另有指明者外，所有金額均以港幣千元列示)

**18. 關聯人士交易(續)****(c) 關聯人士結餘**

## GLOSSARY

ACIS	Member of Institute of Chartered Secretaries and Administrators
ACS	Member of Hong Kong Institute of Chartered Secretaries
Amber	Xiamen Amber Fragrances Co., Ltd.
Board	Board of the Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CG Code	Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the listing of Securities on The Stock Exchange of Hong Kong Limited
China or Mainland Company or Huabao	Mainland of the PRC Huabao International Holdings Limited
Director(s)	Director(s) of the Company
EPS	Earnings per share
F&G	F&G (Botswana) (Proprietary) Limited
FCCA	Fellow Member of Association of Chartered Certified Accountants
FCPA	Fellow Member of Hong Kong Institute of Certified Public Accountants
Group or Huabao Group	the Company and its subsidiaries
Guangdong Zhaoqing	Guangdong Zhaoqing Fragrances Limited
Guangzhou Huabao	Guangzhou Huabao Flavour & Fragrance Company Limited
HKD	Hong Kong dollars
Hong Kong or HKSAR	Hong Kong Special Administrative Region of the People's Republic of China
Huabao Kongque	Shanghai H&K Flavours & Fragrances Co. Ltd.
INED(s)	Independent Non-executive Director(s) of the Company
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
M&A	Mergers and acquisitions
Maoming Kebi	Maoming Kebi Flavor & Fragrance Ltd.
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers
PRC	The People's Republic of China
R&D	Research and development
RMB	Renminbi
SFO	Securities and Futures Ordinance of the Laws of HKSAR
Share(s)	Ordinary share(s) of HKD0.10 each of the Company
Shareholder(s)	Shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Wealthy King Group	Wealthy King Investments Limited and its subsidiaries
Win New Group	Win New Group Limited and its subsidiaries
Wuxi Huahai	Wuxi Hua Hai Flavour Co. Ltd.
Wuxi Jiahua	Wuxi Jiahua Flavour & Fragrance Co. Ltd.

## 詞彙

ACIS	英國特許秘書及行政人員公會會員
ACS	香港特許秘書公會會士
琥珀	廈門琥珀香料有限公司
董事會	本公司的董事會
CEO	總裁
CFO	財務總監
企業管治守則	香港聯合交易所有限公司證券上市規則附錄十四所載列的企業管治常規守則
中國或內地	中華人民共和國境內
本公司或華寶	華寶國際控股有限公司
董事	本公司董事
EPS	每股盈利
F&G	F&G (Botswana) (Proprietary) Limited
FCCA	英國特許公認會計師公會資深會員
FCPA	資深會計師
本集團或華寶集團	本公司及其附屬公司
廣東肇慶	廣東省肇慶香料廠有限公司
廣州華寶	廣州華寶香精香料有限公司
HKD	港幣
香港	中華人民共和國香港特別行政區
華寶孔雀	上海華寶孔雀香精香料有限公司
獨立非執行董事	本公司之獨立非執行董事
上市規則	香港聯合交易所有限公司證券上市規則
併購	兼併與收購
茂名科比	茂名科比香精香料有限公司
標準守則	上市發行人董事進行證券交易的標準守則
中國	中華人民共和國
研發	研究及發展
人民幣	人民幣·中國法定貨幣
證券及期貨條例	香港法例之證券及期貨條例
普通股	本公司股本中每股面值港幣0.10元的普通股
股東	本公司股份持有人
聯交所	香港聯合交易所有限公司
富君集團	富君投資有限公司及其附屬公司
凱新集團	凱新集團有限公司及其附屬公司
無錫華海	無錫華海香料有限公司
無錫嘉華	無錫嘉華香精香料有限公司