



Huabao International Holdings Limited
華寶國際控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 00336

2009-2010 Annual Report 年報



Huabao 華寶

Creation of Tasty Life

創造美味生活

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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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCCA, FCCA*

COMPANY SECRETARY

Mr. POON Chiu Kwok *ACIS, ACS*

AUDITORS

PricewaterhouseCoopers

LEGAL ADVISOR

Herbert Smith

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 *FCCA, 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

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

www.huabao.com.hk

INVESTOR RELATIONS WEBSITE

<http://huabao.todayir.com/html/ir.php>

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

股份代號

香港聯合交易所有限公司：00336

公司網址

www.huabao.com.hk

投資者關係網站

<http://huabao.todayir.com/html/ir.php>

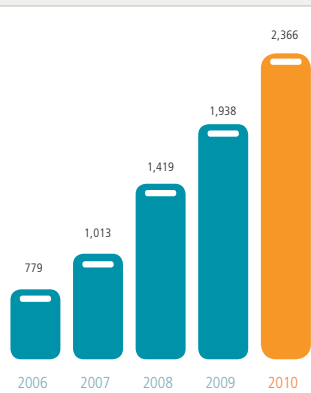
The Group has achieved outstanding results in the past five years:

- Sales increased to HKD2,366 million for the current year from HKD779 million for the year ended 31 March 2006 with a CAGR of approximately 32.0%
- Profit attributable to the equity holders of the Company increased to HKD1,340 million for the current year from HKD283 million for the year ended 31 March 2006 with a CAGR of approximately 47.5%
- Diluted earnings per share increased to HK42.58 cents for the current year from HK9.53 cents for the year ended 31 March 2006 with a CAGR of approximately 45.4%
- Net cash generated from operating activities increased to HKD1,386 million for the current year from HKD320 million for the year ended 31 March 2006 with a CAGR of approximately 44.3%

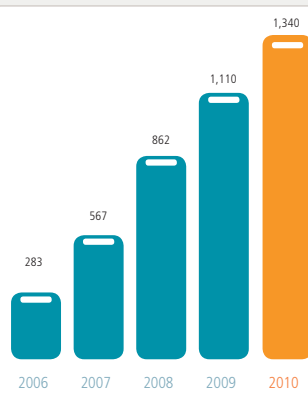
本集團於過去五年優異業績概要：

- 營業額從截至二零零六年三月三十一日止年度的港幣7.79億元增加到本年度的港幣23.66億元，複合年增長率約32.0%
- 股東應佔盈利從截至二零零六年三月三十一日止年度的港幣2.83億元增加到本年度的港幣13.40億元，複合年增長率約47.5%
- 每股攤薄盈利從截至二零零六年三月三十一日止年度的港幣9.53仙增加到本年度的港幣42.58仙，複合年增長率約45.4%
- 營運活動產生之淨現金流從截至二零零六年三月三十一日止年度的港幣3.2億元增加到本年度的港幣13.86億元，複合年增長率約44.3%

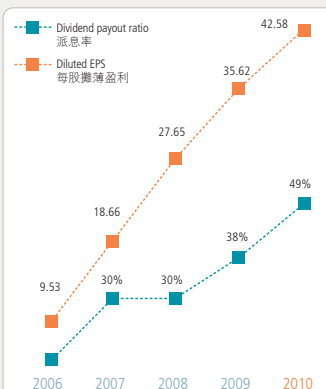
Sales
營業額
HKD million
港幣百萬元



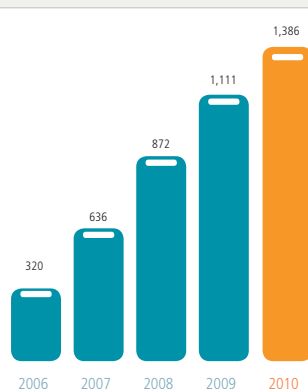
Profit attributable to equity holders of the Company
本公司權益持有人應佔盈利
HKD million
港幣百萬元



Diluted EPS and dividend payout ratio
每股攤薄盈利和派息率
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



		2010 二零一零年 HKD'000 港幣千元	2009 二零零九年 HKD'000 港幣千元	Change in percentage 百分比變動 %
			(restate) (重列)	
Sales	營業額	2,366,403	1,938,443	+22.1
Gross profit	毛利	1,786,835	1,462,515	+22.2
Gross profit margin	毛利率	75.5%	75.4%	
Operating profit	營運盈利	1,516,689	1,195,452	+26.9
Operating profit margin (EBIT margin)	營運盈利率 (EBIT率)	64.1%	61.7%	
Selling and marketing expenses to sales	銷售及市場推廣開支 佔銷售比率	3.1%	4.1%	
Administration expenses to sales	行政開支佔銷售比率	9.9%	11.6%	
Profit before income tax	除稅前盈利	1,531,649	1,207,499	+26.8
Profit attributable to the equity holders of the Company	本公司權益持有人應佔 盈利	1,340,085	1,110,324	+20.7
Earnings per share (HK cents)	每股盈利 (港仙)			
– Basic	– 基本	43.15	36.08	+19.6
– Diluted	– 攤薄	42.58	35.62	+19.5
Net cash generated from operating activities	經營活動產生之淨現金	1,385,960	1,110,736	+24.8
Net cash*	淨現金*	1,659,290	1,126,735	
Total equity	總權益	3,918,207	2,929,606	+33.7
Aggregated dividends per share for the whole year (HK cents)	每股全年累計股息 (港仙)	12.78	10.8	+18.3
Aggregated special dividends per share for the whole year (HK cents)	每股全年累計特別股息 (港仙)	8.3	3.0	+176.7
Dividend payout ratio	全年股息分派率	49%	38%	
Debt ratio [#]	負債比率 [#]	6.6%	Nil	
Current ratio (times)	流動比率 (倍)	3.5	2.5	
Liquidity ratio (times)	速動比率 (倍)	3.2	2.2	
Inventory turnover (days)	存貨周轉率 (日)	139	132	
Trade receivables turnover (days)	應收賬款周轉率 (日)	71	73	
Trade payables turnover (days)	應付賬款周轉率 (日)	121	119	

* Equals to "Short-term time deposits" plus "Cash and cash equivalents" minus "Short-term borrowings".

Equals to "Total borrowing (include current & non-current borrowings)" divided by "Total Equity (exclude minority interest)".

* 等於「短期定期存款」加「現金及現金等價物」減「銀行貸款」。

等於「總借貸 (已包括流動及非流動借貸)」除以「總權益 (不含少數股東權益)」。

Company Profile 集團簡介

Company profile

Huabao Group is a market leader in China's flavours and fragrances industry. The Group has been the leading producer in terms of sales revenue among competitors, maintained a significant position within the flavours and fragrances industry in China. The Group is primarily engaged in the R&D, production and sales of flavours and fragrances. The Group possesses an integrated core value chain, established upstream raw material extraction bases in Botswana, southern Africa, Qingdao, and Wuxi, and in total of 19 manufacturing bases in Shanghai, Yunnan, Guangdong, Jiangsu, Fujian and Hong Kong etc., and has established a R&D centre in Holzminden, Germany, a State-recognized technical centre in Shanghai and R&D departments in Guangzhou, Yunnan and Fujian. The technical centre of Huabao Shanghai, a wholly owned subsidiary of the Group, is currently the only State-recognized technical centre in China's flavours and fragrances industry. The Group takes on leadership roles in a number of industry associations, including the Deputy Director of CAFFCI, Deputy Director of China Food Additives & Ingredients Association and Chairman of Shanghai Food Additive Industry Association.

By leveraging on its excellent management model, a team of high-calibre talents with international perspective, outstanding quality of customer services and its high growing momentum, the Group is committed to continuously creating value for the society and bringing fruitful return to its Shareholders!

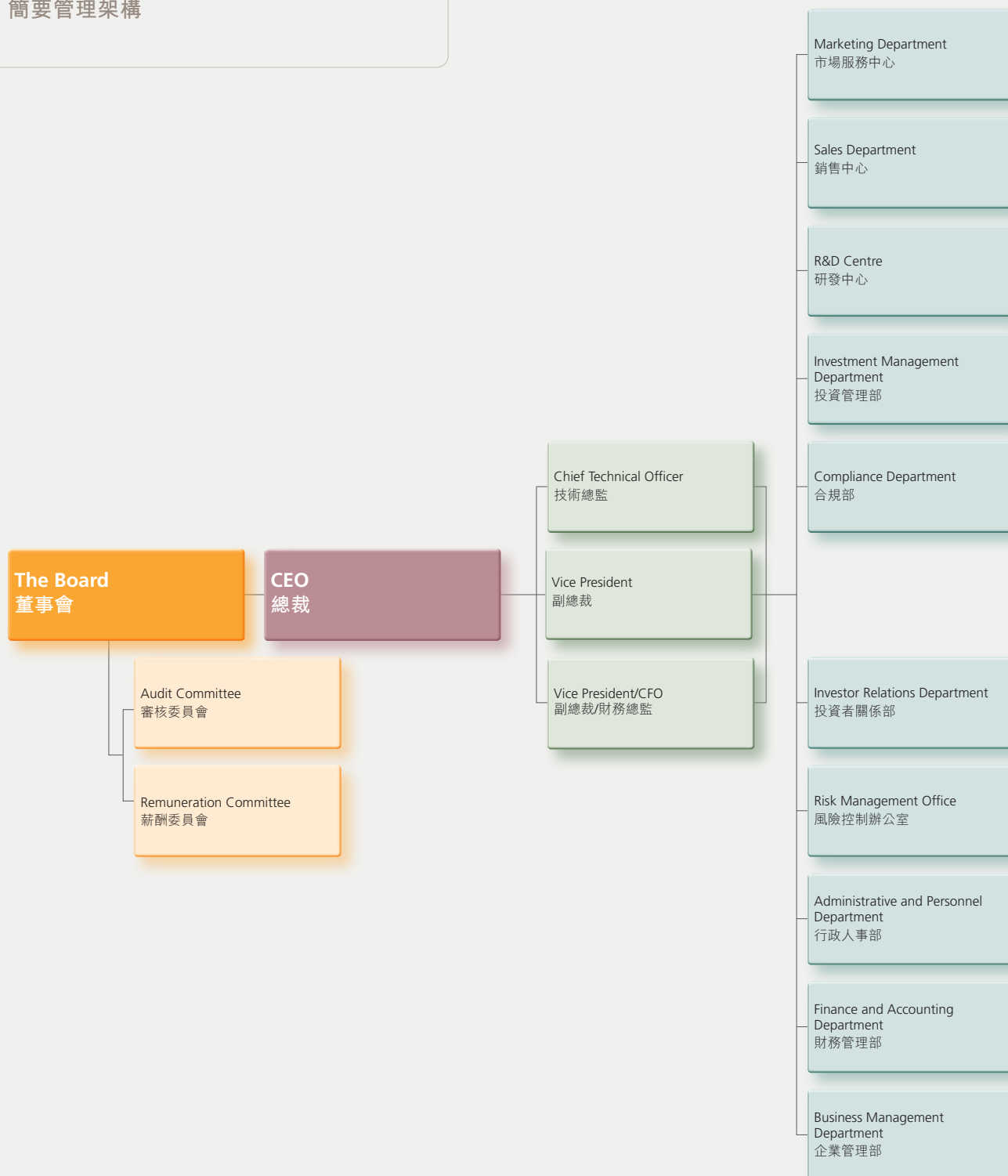
集團簡介

華寶集團是中國香精香料行業的領導者，其銷售額在同行業一直名列前茅，在中國香精香料市場有重要地位。本集團主要從事食用及日用香精香料的研發、生產和銷售。本集團擁有核心一體化的產業鏈，在非洲南部博茨瓦納、青島、無錫擁有上游原材料提取中心，在上海、雲南、廣東、江蘇、福建及香港等地設有19個製造基地，在德國霍爾茨明登設有海外研發中心，並於上海擁有一所國家級企業技術中心，另在廣東、雲南、福建設有研發部門。本集團之全資附屬公司華寶上海之企業技術中心是現時國內同行業中唯一的國家級企業技術中心。本集團在中國香精香料行業組織擔任多個領導職位，包括中國香料香精化妝品工業協會副理事長、中國食品添加劑工業協會副理事長和上海市食品添加劑行業協會會長等。

本集團將繼續憑借優秀的管理模式、高素質、國際化的人才隊伍、良好的客戶服務能力以及高速成長性，不斷為社會創造價值，為股東帶來豐厚的回報！



Key Management Structure
簡要管理架構



Corporate Culture
企業文化

Vision
願景

Striving to be No. 1

爭做第一

Core Value
核心價值觀

Adhere to the "market driven and client first" philosophy and achieve mutual growth for both the Group and its staff

以市場為龍頭，堅持客戶至上的原則，實現集團和員工共同成長

Spirit
精神

Innovative, pragmatic, loyal and cooperative

創新、務實、忠誠、協作

Strategy
戰略

- Multi-pronged with focus on flavours and fragrances as core value
- Accelerate the development of flavours business, actively develop fragrances business
- Proactively expand into the new cigarette materials and food ingredients businesses
- Expand upstream aromatic raw materials business and strive to form an integrated core value chain
- Expand through organic growth and M&A
- Leverage on China's market to grow into a globally leading player in the flavours and fragrances industry and tasty life
- 堅持以香精香料為核心的同心多元化發展戰略
- 加快食用香精香料的發展步伐，積極拓展日用香精香料
- 積極拓展卷煙新材料和餐飲配料業務
- 積極發展上游香原料業務，致力於打造核心一體化的產業鏈
- 採用自身發展與併購相結合的方式
- 依托中國市場，發展成為全球頂級的香精香料公司和美味生活的領跑者

Key Events for the Year
全年大事記

Mr. Yu Zhengsheng, member of the Political Bureau of the CPC Central Committee and Secretary of the CPC Shanghai Municipal Committee, visited Shanghai Huabao and is very positive on its future development;

中共中央政治局委員、上海市委書記俞正聲視察上海華寶，對公司的發展寄予厚望；

2009 JUN 6月
2009 AUG 8月

Acquired Maoming Kebi, further enhanced position within our major customer;

收購茂名科比，進一步加強在重點煙草客戶的地位；



“Year 2009 State Recognized Enterprise Technology Center Innovation Ability Construction Project” passed the approval of National Development and Reform Commission and was awarded RMB5 million of subsidy from the State;

「2009國家認定企業技術中心創新能力建設項目」通過了國家發展與改革委員會的審批並予以立項，並將獲得國家補助資金500萬元；

2009 AUG 8月
2009 SEP 9月

Huabao Shanghai achieved two State-recognized patents, which represent that Huabao's R&D capability has reached international standards in terms of tobacco chemistry, enzyme engineering, Maillard Reaction and emulsive stability technology;

華寶上海兩項國家發明專利喜獲授權，集團在煙草化學、酶工程技術、美拉德反應技術和乳化穩定性技術等技術領域已經達到國際水平；



The Group promoted the setup of the joint-venture – Yunnan Qing Tian Xiang, for the development of new cigarette materials business;

集團設立合資公司雲南清甜香，着力發展卷煙新材料；

2009 OCT 10月
2009 NOV 11月

Acquired F&G Group, representing the establishment of the Group's first overseas raw material base, was another major step in achieving an integrated core value chain;

收購F&G集團，標誌着本集團第一個海外原料基地的成立，華寶在核心一體化產業鏈發展中又邁出了重要一步；

Key Events for the Year
 全年大事記



Guangzhao Huabao's 6,000 square-meter Phase two factory expansion was completed ahead of schedule, symbolizing the Group's business in the savory flavours and food ingredients will enter a rapid growing stage;

廣州華寶二期擴建6,000平方米廠房項目提前竣工，標誌着集團鹹味香精香料及餐飲配料業務進入快速發展時期；

2009 NOV 11日
 2010 JAN 1日

Reconstituted tobacco leaf put into pilot run production, representing the Group's another major breakthroughs in the new cigarette materials business;

集團薄片試線投入試運營，這標誌着集團在卷煙新材料方面的又一重大突破；



The Group subscribed for the controlling stake in Qingdao Qingda, to develop business in natural raw material. It further enhances our development in the upstream aromatic raw materials and food ingredients business;

本集團增資控股青島青大，發展天然原料，進一步推進上游香原料和餐飲配料業務的發展；

2010 MAR 3日
 2010 MAR 3日

Guangdong Zhaoqing won the titles of "Pioneer of Innovation and Development in Guangdong Food Industry" and "Pioneer of Food Safety in Guangdong Province";

廣東肇慶榮獲「廣東省食品行業創新發展排頭兵」和「廣東省食品安全排頭兵」稱號；

2010 APR 4日
 2010 APR 4日

Xiamen Amber won the title of "The Most Potential SME" from the Economic Development Bureau of Xiamen City with its strong growth momentum;

廈門琥珀以強勁的增長勢頭喜獲「廈門市最具成長性中小企業」；

The Group signed a strategic partnership agreement with China National Food Industry (Group) Company, enabling both parties to work alongside comprehensively on business, technology and joint-venture projects in the future.

本集團與中國食品工業(集團)公司簽署戰略合作協議，雙方將在業務、技術及項目合作方面全面開展合作。





Dear Shareholders,

During the financial year of 2009/2010, the Group recorded excellent operational results. In the past five years, despite of global financial crisis, we maintained a rapid growth of operational result while the profit attributable to equity holders delivered a CAGR of **47.5%** and the CAGR of the dividends per share also rose by **55.5%**, which reflected our efforts to maximize the return for our Shareholders.

各位股東：

2009/2010財年，本集團繼續取得了良好的經營業績。回顧過去的五年，雖然經歷了全球性的金融危機，但本集團的經營業績始終保持着持續快速的增長，股東應佔盈利的年複合增長率為**47.5%**，同時每股派息年複合增長率為**55.5%**，最大限度地回報廣大股東。

In my opinion, innovation is the key factor of the Group's continuous rapid growth. With the backdrop of the changing global environment, the only thing stays still is innovation. Only by adhering to the principle of constant innovation can we meet changes with constancy. I always believe that successful experience in the past is prone to be the cause of failure in the future because success will hinder one from progressing in tandem with times. Ever since its establishment, the Group has upheld innovation as the pillar of corporate development, which penetrates through its development history.

Corporate innovation means innovation in every aspects. The awareness of innovation among the management, particularly middle to high level management, and their leading role in pursuing innovation is the key to mobilize employees' enthusiasm for creativity because during the course of innovation, we will not only face with difficulties but also frustrations, and the support from the management is crucial to preserve innovators' initiative. At the same time, due to the imperfect nature of novelties, the management should pay more attention and tolerance to foster innovations. Therefore, management at all levels should not only pioneer in the pursuit of innovation by themselves, but also guide and encourage the whole team in the proper direction.

I'm gratified to find out that the Group is incorporated with a strong sense of innovation, reflected by the fact that management at all levels excels in promoting the concept of corporate innovation which from my perception is the momentum of the Group's continuous development. I'm assured that the Group will continue to reinforce the idea of innovation and maintain the dynamics to surpass other competitors in the Group's future development.

I would like to express my gratitude to the marvelous work contributed by our management team and all staff members. I would also like to express my gratitude to all of our Shareholders for their continuous support.

CHU Lam Yiu
Chairman

Hong Kong, 18 June 2010

我認為創新是本集團取得持續快速增長的重要因素。當今世界瞬息萬變，唯一不變的是創新。只有堅持不斷創新，才能以不變應萬變。我始終認為，過去成功的經驗，很可能就會成為今後失敗的原因，因為沒有與時俱進。本集團自創立以來，始終把創新作為企業發展的靈魂。創新貫穿了本集團的發展歷程。

企業創新，是全員的創新。如何才能調動全體員工的創造熱情，各級管理人員，尤其是中高層管理人員的創新意識和帶頭作用是關鍵。因為創新過程會遇到很多困難，甚至是挫折。這就需要各級管理人員悉心保護創新者的積極性。同時，由於創新的事物往往還不太完善，這就更需要管理人員多一點關心和包容，並身體力行地去推動。因此，各級管理人員不僅自己要創新，還需要領導和促進整個團隊的創新。

令我倍感欣慰的是，本集團有強烈的創新意識，特別是各級管理人員能很好地推動企業創新，我想這是本集團持續發展的動力所在。本集團將繼續強化全員的創新理念，保持創新活力，在集團未來發展過程中，始終快人一步，我對此很有信心。

感謝管理團隊和全體員工一年來卓有成效的工作。同時，也感謝各位股東一如既往的支持。

朱林瑤
主席

香港，二零一零年六月十八日





On behalf of the Board of Directors, I am pleased to present to the Shareholders the annual results of the Group for the year ended 31 March 2010.

In 2009, the global economy entered into a phase of steady recovery after bottoming out. The Chinese economy maintained a robust growth of more than 8% (in terms of Gross Domestic Product), and the Chinese consumer products market continued to sustain a speedy growth momentum, becoming a spotlight of the global economy. As the Group continues to implement a “multi-pronged, focus-growth” development strategy, it has accomplished various business development goals with its excellent management and execution capability. Sales revenue amounted to HKD2,366 million, representing a growth of approximately 22.1% from last year; profit attributable to equity holders amounted to HKD1,340 million, representing an increase of 20.7% from last year. The Group's financial position remained sound and strong, and the capital management has been improving continuously. The proposed total dividend payout ratio for the year reached 49%, further enhancing the return for our Shareholders.

Outstanding Operating Results

For the year ended 31 March 2010, sales revenue of the Group increased by approximately 22.1% to approximately HKD2,366 million, out-performing the management's expected growth target; gross profit margin remained stable at 75.5%; EBIT margin reached approximately 64.1%, elevated by approximately

本人謹代表董事會欣然向各股東報告本集團截至二零一零年三月三十一日止年度之全年業績。

二零零九年，全球經濟觸底並進入了穩步恢復期，中國經濟保持了8%以上的強勁增長（按國內經濟生產總值計），中國消費品市場持續高速增長的勢頭，成為全球經濟的亮點。本集團始終堅持同心多元化的發展戰略，憑借卓越的管理和執行能力，完成了業務發展的各项目標。銷售收入達到港幣23.66億元，較上年增長約22.1%；股東應佔利潤達港幣13.40億元，較上年增長約20.7%，同時，本集團財務狀況亦保持非常穩健，資金管理水平不斷提高，本年度擬總派息率達49%，進一步提升股東回報。

優秀的經營業績

截至二零一零年三月三十一日止年度，本集團實現銷售收入約港幣23.66億元，增長約22.1%，超額實現了管理層預期的增長目標；毛利率達到75.5%，保持平穩；EBIT率達約64.1%，比去年提升了約2.4個百分點；股東應佔利潤為約港幣13.40億元，增

2.4 percentage points from last year; profit attributable to equity holders was approximately HKD1,340 million, representing an increase of approximately 20.7%; and basic earnings per share was approximately HK43.15 cents, representing an increase of about 19.6%. All of these representing an excellent operating results.

Dividend and Special Dividend

For the year ended 31 March 2010, the Group's net cash flow generated from operating activities amounted to approximately HKD1,386 million, a strong increase of approximately 24.8% from last year. Net cash amounted to approximately HKD1,659 million, maintaining a very healthy financial position. To reward our Shareholders, after taking into account the excellent operating results and strong cash flows, the Board recommended the payment of a final dividend for the year of HK6.78 cents per share (2009: HK 5.8 cents) plus a special dividend of HK5.5 cents per share (2009: HK3.0 cents). For the year ended 31 March 2010, the accumulated proposed dividends declared by the Group for the year amounted to approximately HKD660 million or HK21.08 cents per Share (2009: HK13.8 cents), dividend payout ratio reached approximately 49%.

Review on Flavours and Fragrances Business

For the year ended 31 March 2010, the Group achieved a rapid sales revenue growth of 21.7% in the flavours business, where operating margin is further elevated.

Regarding the tobacco flavours business, the long-term commitment to the "Big Customers, Big Brands" development strategy has enabled the Group to successfully capitalize on the opportunities arising from the consolidation of the tobacco industry in China, and therefore continuously benefited from the development trend of tobacco products with higher quality and lower tar and harmful content, and maintained a rapid growth momentum. For flavours used in food and beverages, the Group continued to develop natural and healthy innovative products that fitted local tastes, offered product plus comprehensive technology value-added services for the development of key direct customers, and implemented an overall strategy by fully leveraging its strengths in having a nationwide network for the development of local small- and medium-sized customers. After several years of rapid development, the Group has become one of the largest local flavours and fragrances providers in China. Regarding the product mix, the Group has been heavily developing on the foundation of the two traditional lines, namely sweet and savory series, exploring into the area of food ingredients with local China taste profile. The results have been obvious and the Group achieved rapid growth.

長約20.7%；每股基本盈利港幣43.15仙，增長約19.6%，取得了優異的經營業績。

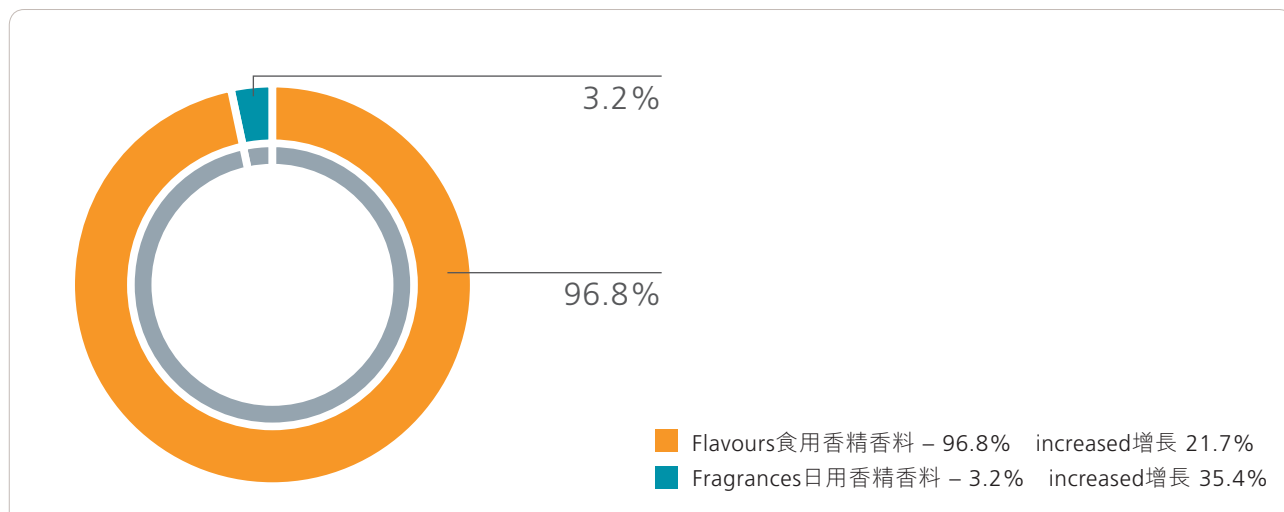
股息和特別股息

截至二零一零年三月三十一日止年度，本集團由經營活動產生的淨現金流達約港幣13.86億元，比去年強勁地增加了約24.8%。淨現金達約港幣16.59億元，財務狀況非常健康。考慮到良好的經營業績和強勁的現金流，為了回報廣大股東，董事會建議宣派本年度末期股息每股港幣6.78仙（二零零九年：港幣5.8仙）並加派每股港幣5.5仙的特別股息（二零零九年：港幣3.0仙）。本集團截至二零一零年三月三十一日止年度，全年累計擬派息約港幣6.6億元，每股港幣21.08仙（二零零九年：港幣13.8仙），全年擬派息率約達49%。

香精香料業務回顧

截至二零一零年三月三十一日止年度，本集團在食用香精香料的收入實現了21.7%的快速增長，而且還實現了經營利潤率的進一步提升。

在煙用類香精方面，本集團長期以來堅持「大客戶、大品牌」的發展策略，成功把握中國煙草行業的整合的契機，並在煙草行業品質高檔化、產品降焦減害過程中持續受益，保持了快速的增長勢頭。在食品和飲料類香精方面，本集團堅持以發展天然、健康、本地口味的創新產品，提供全面增值服務發展重點直銷客戶，充分發揮遍佈全國的網絡優勢發展本地中小客戶的總體戰略，經過過去幾年的快速發展，已經成為中國本土最大的香精香料供應商之一。在產品結構上，在集團傳統甜、鹹兩大系列產品基礎上，大力發展具中華特色的餐飲配料產品，取得了明顯的成效，集團實現了業務的快速增長。



As to the fragrances business, the Group remains committed to establishing a good working relationship with a group of renowned and quality daily chemical enterprises in the Chinese market. Through relentless product innovations and sound technical servicing capabilities, Xiamen Amber's reputation and significance was further elevated in the fragrances industry, its business achieved a continuous rapid growth. The sales revenue of Xiamen Amber amounted to approximately HKD75.49 million, representing a growth of 35.4% from last year, which is in line with management's target.

As to raw materials, following the establishment of the Wuxi Huahai raw materials base, the Group has taken another important step in the overseas raw materials development plan through the acquisition of F&G Group in the Republic of Botswana, southern Africa. F&G employs high extraction technologies in the exploitation of unique natural raw materials which have enhanced the competitiveness of their products significantly.

The Group continued to increase spending on R&D by employing top international R&D professionals, fully leveraging on the advantages of the domestic and overseas R&D centers and conducting application and fundamental researches, and therefore reaping fruitful R&D achievements. During the year, the Group has applied, obtained in aggregate of 50 patents for its inventions. I am pleased to see Huabao's R&D team is promising with fruitful results, which will translate into strong competitiveness of Huabao for future development.

在日用香精方面，本集團致力於與一批在中國市場上知名的優質日化企業建立良好的合作關係，通過不斷開發新產品及良好的技術服務能力，廈門琥珀在日用香精香料領域的知名度和影響力進一步提升，實現了業務持續快速的增長。廈門琥珀本年度實現收入約港幣7,549萬元，較上年增長約35.4%，實現了管理層既定的目標。

在原料方面，繼成立無錫華海原料基地後，通過收購位於非洲南部博茨瓦納共和國的F&G集團，本集團在海外原料發展中又邁出了重要一步。F&G採用高科技的提取技術，開發獨特的天然原料，大大的提升了產品的競爭力。

在研發方面，本集團不斷加大投入力度，引進國際頂尖研發人才，充分發揮國內外研發中心的優勢，推進應用型和基礎領域的研究，取得了豐碩的研發成果。本年度申請、獲得專利累計共50項。我欣喜地看到華寶的研發隊伍蒸蒸日上，研發成果碩果累累，這將轉化為華寶未來發展的強大競爭力。

Achievements of M&A and Integration

I am very pleased with the achievements made by the M&A and integration team of the Group. Maoming Kebi acquired by the Group in August 2009 is undergoing a comprehensive integration and is in line with our integration targets. For the 8 months ended 31 March 2010, unaudited sales revenue (net of value-added tax) of Maoming Kebi amounted to approximately HKD34.02 million, profit after tax reached approximately 17.96 million, representing a substantial rise in profitability. For the year ended 31 March 2010, Xiamen Amber's revenue amounted to approximately HKD75.49 million. Operating profit amounted to approximately HKD18.67 million, representing a year-on-year increase of approximately 39.2%. Wealthy King Group and Win New Group, which have been previously acquired by the Group, have completed their integration process and achieved a rapid organic growth, where both companies' profitability have improved substantially to catch up with the Group's level.

Future Development Plans

The management has mapped out future development plans pursuant to which Huabao, whilst maintaining the existing flavours and fragrances business as its core, will gradually move into three new key areas, namely new cigarette materials, food ingredients and aromatic raw materials.

Firstly, setting targets as "532" and "461", the Chinese Government has stipulated the brand development for the Chinese tobacco industry in the next Twelfth Five-Year Plan, to further enhance brand concentration and build up world-class brands. It has also set a new target for reducing the tar content and harm by limiting tar content per cigarette to below 10 mg per stick from 1 January 2015, to be gradually in line with international standards (Sources: *China Tobacco*). The Group has been insisting in the development strategy of "Big customers, Big brands" and to promote a long term and stable business relationship with core customers, we expect the current rapid growth momentum in the flavours business will be sustained. In the mean time, one of Huabao's key strengths is the ability to accurately grasp of the core of the quality and the future popular trends of Chinese-style cigarettes. Under the trend of higher quality and lower tar and harmful content of the tobacco products, it will present the Group with huge space for the development of new cigarette materials. I am also pleased to announce that the Group's joint-venture company, Yunnan Qing Tian Xiang, will be exploring into new cigarette materials and representing the Group's inception into such area and implementation stage.

併購及整合效果明顯

本人對集團併購和整合團隊的工作成績非常滿意。於二零零九年八月收購的茂名科比，正在實施全方位的整合，目前各項整合指標實施順利。截至二零一零年三月三十一日止年度8個月，茂名科比未經審計的（不含增值稅）銷售收入達到港幣3,402萬元，稅後盈利達港幣1,796萬元，盈利能力大幅提升。截至二零一零年三月三十一日止年度，廈門琥珀的收入達到約港幣7,549萬元，經營盈利已經達到港幣約1,867萬元，同比增長約39.2%。之前併購的富君集團和凱新集團，經過整合，目前不但在盈利性方面大幅提高至本集團水平，而且又實現了快速的有機增長。

未來發展計劃

管理層已經制定了未來的發展計劃，本集團未來將在依托現有香精香料業務下，逐步進入三大新的領域，即卷煙新材料、餐飲配料以及香原料業務。

首先，在中國煙草行業，政府在下一個「十二五」計劃中明確了將「532」和「461」作為品牌發展目標，以進一步提高品牌集中度，打造世界級的品牌。同時，對於降焦減害亦提出了新的目標，由二零一五年一月一日起，每根香煙焦油含量逐步與國際水平接軌，必須控制在10毫克以下（資料來源：《中國煙草》）。本集團長期以來堅持的「大客戶、大品牌」的發展策略及與重點客戶長期穩定的合作關係，我們預期未來集團現有的香精香料業務將保持快速的增長勢頭。同時，本集團的核心優勢之一就是對中式卷煙品質核心以及對未來流行趨勢的準確把握。在煙草行業產品品質高檔化及降焦減害的大趨勢下，將會為本集團卷煙新材料的發展帶來迎來巨大的發展空間。我亦高興地告訴大家，本集團成立的合資公司，雲南清甜香，將着力發展卷煙新材料，這也標誌着華寶在卷煙新材料領域揚帆起錨，進入了實施階段。

Secondly, we expect the quickened pace of life and consumers' ongoing pursuit of better quality lifestyle will trigger a new round of revolution in cooking methods in the Chinese catering industry. A new breed of more natural, safer and faster composite cooking seasonings are anticipated to become the trend and should hold enormous space for development in the food ingredients segment in the future. Huabao's core strength in this area is the possession of technological advantages in product development, and the advantages in having a nationwide network as well as the accurate grasp of the domestic market. Following the investment in Qingdao Qingda and the completion of Guangzhao Huabao's Phase two factory, I believe that Huabao will be able to achieve good results in this sector.

In the upstream aromatic raw materials sector, the Chinese consumer products market is growing to a higher level, and the per capita value of the consumption of flavours and fragrances will increase significantly. The focus of the global flavours and fragrances market is gradually shifting towards Asia. Huabao has always been committed to the strategic development of the upstream aromatic raw materials business to create an integrated core value chain and enhance its overall competitiveness. Following the establishment of the bases of Wuxi Huahai and Botswana's F&G, the Group has achieved appealing success in the development of the aromatic raw materials sector. Next step, the Group will aggressively develop a number of distinctive aromatic raw materials in order to seize this enormous market space. Huabao's core strength in this area is the ability in understanding downstream market resources and the marketing network to generate benefits rapidly from the integration.

These new segments are closely linked to the existing flavours and fragrances businesses, enabling Huabao to better strength its competitive edge in the flavours and fragrances industry, and to create greater coordination efficiency and greater value in line with its strategic planning in the past few years.

其次，在中國餐飲業，我們預計隨着生活節奏的加快，消費者對生活品質的不斷追求，會引發在烹飪方式的新一輪革命。新型的以天然、安全、快捷為特點的複合烹飪調味料將成為主流趨勢，預計未來餐飲配料領域有巨大的發展空間。華寶在這一領域的核心優勢是產品開發的技術優勢及遍佈全國的網絡優勢，對國內市場的準確把握。隨着入股青島青大和廣州華寶二期生產線的竣工，我相信華寶將在這一領域將大有作為。

在上游香原料領域，中國消費品市場正在向更高階段發展，人均對香精香料消耗的價值將大幅提升。全球香精香料的重心正在逐步移向亞洲。華寶始終致力於戰略性地發展上游香原料業務，打造核心一體化的產業鏈，增強華寶的綜合競爭力。隨着無錫華海、博茨瓦納F&G基地的建立，本集團在香原料領域的發展突顯成效。下一步，本集團將積極通過併購拓展一些有特色的香原料產品，把握這一巨大的市場空間。華寶在這一領域的核心優勢在於掌握的下游市場資源和營銷網絡能夠通過併購及整合迅速實施整合效益。

這些新的板塊與現有的食用和日用香精香料業務緊密聯繫，具有很高的相關性，能夠將華寶在香精香料行業的競爭優勢發揮到更好，配合華寶過去幾年的戰略佈局，產生更大的協調增效，創造更大的價值。

Looking ahead, the Group will continue to implement the “multi-pronged, focus-growth” development strategy. In line with its prudent corporate management approach, the Group will also develop its businesses by way of the combination of organic growth and M&As so as to create an integrated core value chain and fully capitalize on the enormous business opportunities arising from the Chinese consumer products market as a result of the next round of China's economic boom and the wealth effect. Through organic and M&A development, the Group will grow rapidly into a globally leading player in the flavours and fragrances industry and tasty life! The management and I are confident in the future of Huabao, and will work together diligently to create an optimal value and return for our Shareholders.

I would like to take this opportunity to express my gratitude to our Shareholders, customers and suppliers for their continuous shepherd and support. I truly express my appreciation to the Directors, the management and all staff members of the Group for their loyalty, diligence and hard-working in the past year. Together with the Directors and the staff, we will uphold the spirit of Huabao: “innovative, pragmatic, loyal and cooperative”, to strive for the best of Huabao and to deliver more prosperous returns for all Shareholders!

LAU Chi Tak
CEO

Hong Kong, 18 June 2010

展望未來，集團堅持同心多元化的發展戰略，執行穩健的企業管理風格，繼續走自身發展與收購相結合的發展道路，打造核心一體化產業鏈，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，發展成為全球規模的香精香料公司和美味生活的領跑者！管理層和本人對華寶的未來充滿信心，本人將和其他管理層一同努力奮鬥，在未來為股東創造更大的價值和回報。

本人籍此機會謹向我們的股東、客戶及供應商致謝，感謝他們長期的關心和支持。本人並向各位董事、管理層及全體員工就大家在過去一年對本集團的忠誠、努力和勤奮致以真誠感激。本人將與全體董事及員工一道，秉承創新、務實、忠誠、協作的華寶精神，為華寶的事業竭盡全力，為廣大股東帶來更理想的回報！

劉志德
總裁

香港，二零一零年六月十八日

Production capacity of flavour and fragrance of major subsidiaries
as at 31 March 2010

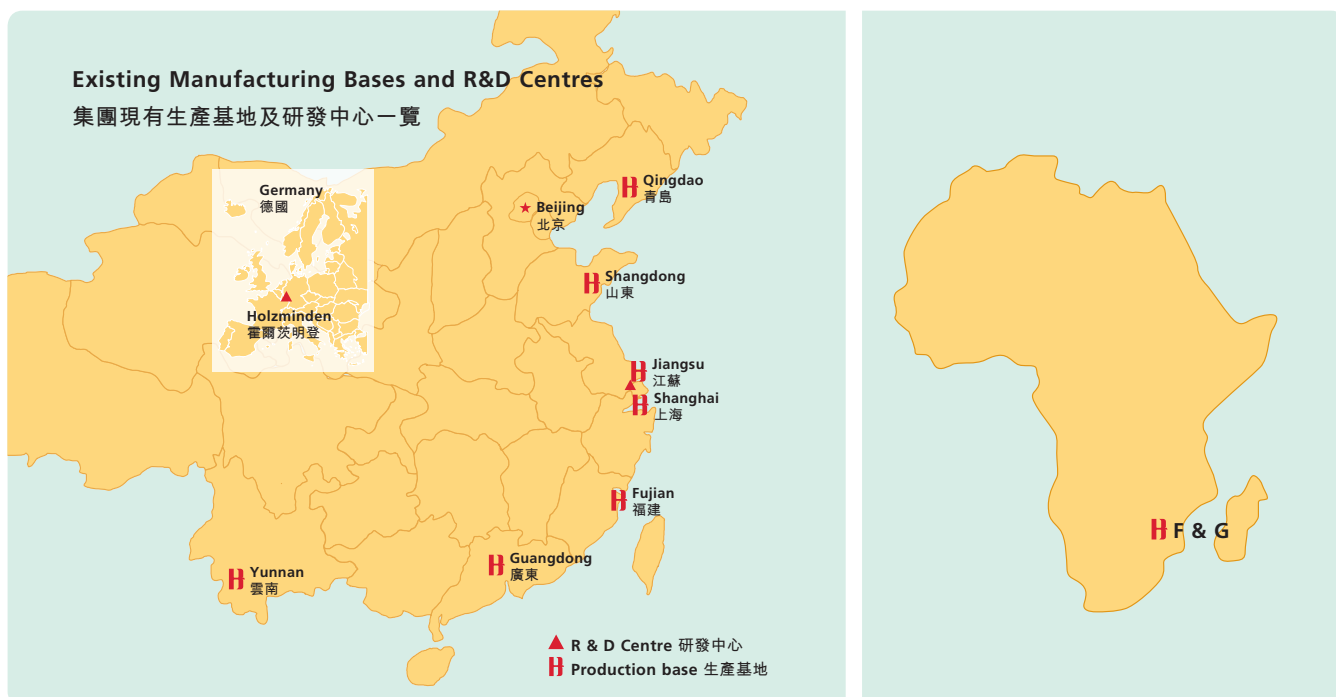
於2010年3月31日主要下屬公司香精香料的產能

		(tons 噸)
Shanghai		
Huabao Shanghai	上海 華寶上海	3,000
Huabao Kongque	華寶孔雀	4,500
Huashun Shanghai	華順上海	1,300
Shanghai Yinghua	上海英華	1,500
Jiangsu		
Taicang Wenhua	江蘇 太倉文華	800
Wuxi Fuhua	無錫福華	1,500
Wuxi Jiahua	無錫嘉華	1,200
Wuxi Huaxin	無錫華馨	600
Wuxi Huahai	無錫華海	500
Guangdong		
Feijia Additive (Wealthy King Group)	廣東 飛嘉創業 (富君集團)	500
Guangdong Zhaoqing	廣東肇慶	1,000
Guangzhou Huabao	廣州華寶	4,000
Guangzhou Huafang/Owada (Wealthy King Group)	廣州華芳 / 澳華達 (富君集團)	2,000
Others		
F&G	其他 F&G	150
Huabao Hong Kong	華寶香港	300
Qingdao Huabao	青島華寶	1,000
Qingdao Qingda	青島青大	650
Xiamen Amber	廈門琥珀	800
Yunnan Tianhong	雲南天宏	2,500
Total production capacity		總產能 27,800

Approximately
約

Existing Manufacturing Bases and R&D Centres

集團現有生產基地及研發中心一覽



Acquisitions completed during the reporting period

The Group remains committed to its development strategy by combining organic growth plus M&A in carrying out consolidation in the Chinese flavours and fragrances industry on an ongoing basis, which has reaped very good results. During the reporting period, the Group completed the acquisition of Maoming Kebi and F&G Group as well as the investment in Qingdao Qingda, making dynamic progress in implementing the strategic planning of constructing an integrated core value chain. As a result, the Group's overall competitiveness had further been enhanced.

Acquisition of Maoming Kebi – continuous consolidation of tobacco flavours industry

In August 2009, the Group acquired 100% equity interest in Maoming Kebi from independent third parties at a consideration of approximately HKD117,209,000. Maoming Kebi is a medium-sized tobacco flavours supplier in the PRC and its customer is China Tobacco Zhejiang. As the products that Maoming Kebi supplies to its customer can be highly integrated with the existing products provided to the same customer by the Group, the acquisition of Maoming Kebi will further increase the Group's market share of key customers, which is in line with the Group's "Big Customers, Big Brands" development strategy.

As one of the terms of the transaction, the vendor guaranteed sales revenue (inclusive of value-added tax) of not less than RMB50 million in the next 12 months (i.e. from August 2009 to July 2010). For the eight months ended 31 March 2010, Maoming Kebi's unaudited sales revenue (net of value-added tax) amounted to approximately HKD34.02million, while its profit after tax reached approximately HKD17.96million, which met with the management's expectations.

Completed the acquisition of F&G Group – established the first overseas raw materials base

In November 2009, the Group entered into an acquisition agreement with Chairman Ms. CHU Lam Yiu ("Ms. CHU") to acquire 100% equity interest in F&G Group at a consideration of HKD29,267,000 based on F&G Group's net asset value. F&G is located in the Republic of Botswana in southern Africa and is engaged in the production and sales of natural extracts. The acquisition was an integral part of the Group's strategy of constructing an integrated core value chain, under which F&G will work together with the Group in the future business development of new cigarette materials and the development of new products primarily made of natural materials so as to capture the enormous business opportunities in the Chinese tobacco industry arising from the policy of lowering tar content and harm reduction.

本報告期內完成的收購

本集團堅持有機與併購增長相結合的發展戰略，不斷對中國香精香料行業進行整合，並取得了很好的效益。本報告期內，本集團已完成了收購茂名科比和F&G集團以及入股青島青大等項目，積極推進打造核心一體化產業鏈的戰略部署，並進一步加強了本集團的綜合競爭力。

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貨商，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。

交易條件方面，出讓方承諾未來12個月（即由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。截至二零一零年三月三十一日止8個月，茂名科比未經審計的（不含增值稅）銷售收入約港幣3,402萬元，稅後利潤約港幣1,796萬元，符合管理層預期。

完成對F&G集團的收購 – 建立首個海外原料基地

於二零零九年十一月，本集團以F&G集團的淨資產價值作為代價，即港幣29,267,000元，與主席朱林瑤女士（「朱女士」）訂立收購協議，收購F&G集團的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。收購的主要理由是集團打造核心一體化戰略的重要部署之一，F&G將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。

Equity investment in Qingdao Qingda – aggressive development of the upstream natural materials and food ingredients business

In March 2010, the Group subscribed for 51% controlling stake in Qingdao Qingda, an independent third party, at a consideration of approximately HKD11.60 million by way of injecting additional capital. Qingdao Qingda is a professional natural extracts producer in the PRC, currently its major products are various natural pepper essences, which have development potential in the domestic and overseas markets. Its customers include Japan's Ikeda Corporation and McCormick, etc. After this investment, the Group's capability in natural spices extraction is further enhanced. The management believes the equity investment in Qindao Qingda is part of the Group's strategic planning for constructing an integrated core value chain, and will help accelerate the Group's development in the savory flavours and food ingredients segment.

BUSINESS REVIEW

Review of Flavours Business

1. Review of operating results

For the year ended 31 March 2010, sales revenue of the flavours business amounted to HKD2,290,910,000, representing an increase of about 21.7% from the corresponding period last year and maintaining a speedy growth momentum. The EBIT ratio of the flavours segment was 66.3%, representing an increase of 1.1 percentage points as compared to 65.2% for the corresponding period last year. The continuous rapid growth in the flavours business was primarily attributable to the ongoing rapid rise in the demand from tobacco customers and the speedy development in the food and beverage business. The increase in operating profit margin was primarily attributable to the rapid growth in the tobacco flavours business and the fast organic growth in the food and beverage flavours businesses, and enabled the Group to achieve economies of scale.

入股青島青大 – 積極發展上游天然原料和餐飲配料業務

於二零一零年三月，集團以約港幣1,160萬元，向獨立第三方青島青大增資控股其51%的股權。青島青大是一家國內專業化的天然提取物生產商，目前主要產品為多種天然辣椒精華，在國內及國外市場有發展潛力，客戶主要包括日本Ikeda Corporation及味好美公司等。入股後，集團在天然香辛料提取方面的能力將得到進一步的加強。管理層認為控股青島青大是集團打造核心一體化戰略的部署之一，有利於加快集團在鹹味香精和餐飲配料板塊的發展。

業務回顧

食用香精香料業務回顧

1. 經營業績回顧

截至二零一零年三月三十一日止年度，食用香精香料的銷售收入達到了港幣2,290,910,000元，較去年同期增長了約21.7%，保持了快速增長的勢頭。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。食用香精香料的持續快速增長來源於煙草類客戶需求的持續快速增長以及在食品、飲料類業務取得高速發展。營運盈利率的提高主要得益於煙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。

Major financial indicators of flavours

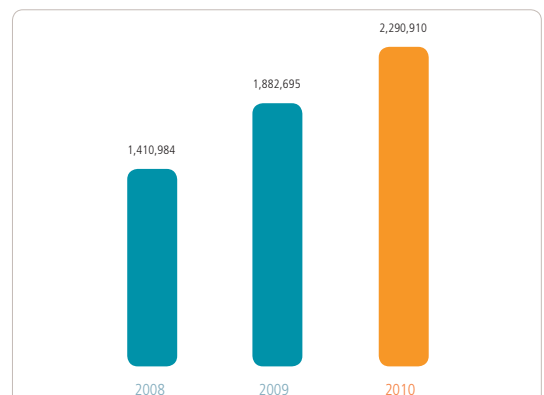
食用香精香料之主要財務指標

HKD thousand	港幣千元	2010	2009
EBIT	EBIT	1,519,994	1,227,421
EBIT rate	EBIT率	66.3%	65.2%
EBITDA	EBITDA	1,577,208	1,281,818
EBITDA rate	EBITDA率	68.8%	68.1%

Sales revenue review of flavours for the past 3 years

過去3年食用香精香料銷售回顧

HKD thousand
港幣千元



The Group continued to apply the “Big Customers, Big Brands” development strategy by establishing long-term working relationships with the majority of domestic tobacco enterprises and by providing customers with comprehensive technical services, making itself a dominant player in the flavours market for high-quality domestic cigarettes. In recent years, the Group has been growing rapidly along with its customers and steadily increasing its market share. During the year, the Group acquired 100% equity interest in Maoming Kebi from independent third parties, further increasing the Group’s market share of certain key customers and brands. Currently, the integration of Maoming Kebi is progressing smoothly. The management expects the acquisition will generate good returns for the Shareholders.

For flavours used in food and beverages, the Group continued to develop natural and healthy innovative products that fitted local tastes, offered comprehensive technology value-added services for the development of key direct sales customers, and implemented an overall strategy by fully leveraging its strengths in having a nationwide network for the development of local small- and medium-sized customers. After several years of rapid development, the Group has become one of the largest local flavours and fragrances providers in China. Regarding the product mix, on the foundation of the two traditional lines, namely sweet and savory series, the Group has been heavily developing the area of food ingredients with a localized taste profile. The results have been obvious and achieved rapid growth.

In addition, the Group’s major subsidiaries achieved marvelous results on daily operations during the year.

- The “Year 2009 State Recognized Enterprise Technology Center Innovation Ability Construction Project” of Huabao Shanghai was recognized and approved by National Development and Reform Commission, indicating that the Group is equipped with capabilities to take up national major scientific and research projects. Huabao Shanghai was also granted several honorary titles including “2009 Top Ten Enterprises of the Flavors & Fragrance Sector in Chinese Light Industry”, “Top Overseas Chinese Enterprises in Shanghai”, “Scientific and Technological Innovation Award of Jiading District” and “Super Enterprise of Jiading District” while its trademark “Hedon” once again won the title of “Shanghai Famous Brand Product”.

本集團堅持「大客戶、大品牌」的發展策略，與國內大多數煙草企業建立了長期合作關係，為客戶提供全方位技術服務，在國產名優卷煙的香精香料市場中佔有主導地位，近幾年來一直伴隨客戶實現了快速增長，市場份額穩步提高。年內，本集團向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股東產生良好的回報。

在食品和飲料類香精方面，本集團堅持以發展天然、健康、本地口味的創新產品，提供全面增值服務發展重點直銷客戶，充分發揮遍佈全國的網絡優勢發展本地中小客戶的總體戰略，經過過去幾年的快速發展，已經成為中國本土最大的香精香料供應商之一。在產品結構上，在集團傳統甜、鹹兩大系列產品基礎上，大力發展具中華特色的餐飲配料產品，取得了明顯的成效，實現了業務的快速增長。

此外，年內集團主要下屬公司在日常運營上亦取得了很好的成績。

- 華寶上海的「2009國家認定企業技術中心創新能力建設項目」通過了國家發展與改革委員會的審批立項，這標誌着本集團具備了承擔國家大型科研項目的能力。上海華寶獲得了「2009年度中國輕工業香料香精行業十強企業」、「上海市明星僑資企業」、「嘉定區科技創新獎」及「嘉定區小巨人企業」等榮譽稱號。其「喜登」商標再獲上海市名牌產品稱號。

- Yunnan Tianhong successfully obtained the environmental management system and occupational health and safety management system certification. Its “Tianhong” trademark was recognized as a famous trademark in Yunnan. In addition, Yunnan Tianhong was also granted the Yunnan Province High-Tech Enterprises Certification and duly approved by municipal-level enterprise technology centre.



- 雲南天宏順利通過環境管理體系和職業健康安全管理体系認證，其「天宏」商標被評為雲南省著名商標，雲南天宏還通過了雲南省高新技術企業認定及市級企業技術中心考核驗收。

- After obtaining the Guangdong Province High-Tech Enterprises Certification, Owada was certified as a “Grade A Labor Protection and Integrity Enterprise”.
- Wuxi Jiahua was certified as one of the first innovative and high technology products of Jiangsu Province in 2009.

- 澳華達通過廣東省高新技術企業認定，並再度獲得勞動保障誠信A級企業榮譽。
- 無錫嘉華喜獲2009年江蘇省第一批高新技術產品認定。

- Huashun Shanghai’s self-developed “emulsified milk flavor (19943) preserved with the natural food preservative chitosan” product was approved by experts and granted the title of “Shanghai Key New Product” by Science and Technology Commission of Shanghai Municipality. Huashun Shanghai was also granted the Gold Medal of “Jiading 2009 Advanced Manufacturing Industry” and “Year 2009 Super Enterprise in Jiading District”.



- 華順上海自主研發的「使用天然食品防腐劑殼聚糖防腐的乳化型奶香精19943」產品目前通過了專家評審，被上海市科委授予「上海市重點新產品」稱號。華順上海還獲得了「2009年度嘉定區先進製造業金獎」和「2009年度嘉定區科技小巨人企業」稱號。

- Wuxi Huahai was recognized as innovative and high technology products of Jiangsu Province and certified by Enterprise Technology Development Institution of Wuxi New District.

- 無錫華海獲江蘇省高新技術產品和無錫新區企業技術研發機構認定。

- Huabao Kongque was accredited the title of “Shanghai Technology Advance Foreign-invested Enterprise” for five consecutive years. To comply with the implementation of The Food Safety Law of the PRC, Huabao Kongque took initiative to announce its Food Safety Declaration within food additives industry in Shanghai and organized the Second Compliance Training Program of National Nuts and Roasted Seeds Industry, which was extensively welcomed by the industry. The sensory evaluation chamber, market samples and technology information chamber of Huabao Kongque commenced operation upon completion of reconstruction, signifying the further improvement of the management hardware and the further enhancement of Huabao Kongque’s fundamental management.



- 華寶孔雀已連續五年獲得上海市外商投資先進技術企業稱號。為配合《中國人民共和國食品安全法》的實施，華寶孔雀牽頭在上海食品添加劑行業發起《食品安全宣言》，以及承辦第二期全國堅果炒貨行業法規培訓班等活動，在行業引起廣泛好評。華寶孔雀感官鑑評室、市場樣品和技術資料室改造竣工正式啟用，標誌着華寶孔雀技術系統的管理硬件進一步得到改善，基礎管理工作進一步得到加強。

- Guangdong Zhaoqing successfully completed the technological self-improvement project and brought the post-acquisition consolidation to a new stage to further enhance its productivity. During the year, Guangdong Zhaoqing participated in the Autumn Food Additives and Ingredients Exhibition of China and strengthened the sound reputation of its brand “Star Lake” and the outcome was appealing. Guangdong Zhaoqing was also granted the Guangdong Province High-Tech Enterprises Certification.



- 廣東肇慶順利完成2009年度自主技改維修工作，將併購後的整合工作推進到新的階段，生產能得到進一步提升。年內，廣東肇慶亦參加全國秋季食品添加劑和配料展覽會，進一步鞏固了「星湖」牌商標在市場上的美譽度，取得了良好的效果。廣東肇慶亦通過了廣東省高新技術企業認定。

2. Recent developments and prospects of the downstream sectors

a. Recent developments in the tobacco industry

We note that China is the world's largest cigarettes consumption country, accounting for approximately one-third of the total annual consumption in the world. China has approximately 350 million smokers, consuming over 2.2 trillion sticks of cigarette each year. In recent years, China's tobacco industry has been growing steadily and reflected several characteristics:

Firstly, the total sales volume of the tobacco industry has maintained a steady growth at an annual CAGR of around 4% since 2002;

Secondly, Chinese style cigarettes made up a substantial proportion of the total consumption, while imported cigarettes only accounted for approximately 0.1% of the market share in the PRC over the previous years (Source: Euromonitor);

Thirdly, with the steady improvement in the living standards of Chinese residents, the demand for high-end consumer products has been growing gradually, CAGR of sales in the tobacco industry has remained at approximately 8% since 2002. Of these sales, there is a rapid increase in the demand for middle to high-end premium cigarettes;

2. 下游行業的最新情況和展望

a. 煙草行業的最新情況

我們了解到中國是全球第一大的卷煙消費國，約佔世界年總消費量的三分之一，中國約3.5億的煙民每年消耗掉超過2.2萬億支香煙。近幾年來，中國煙草行業處於平穩式增長，表現出幾大特點：

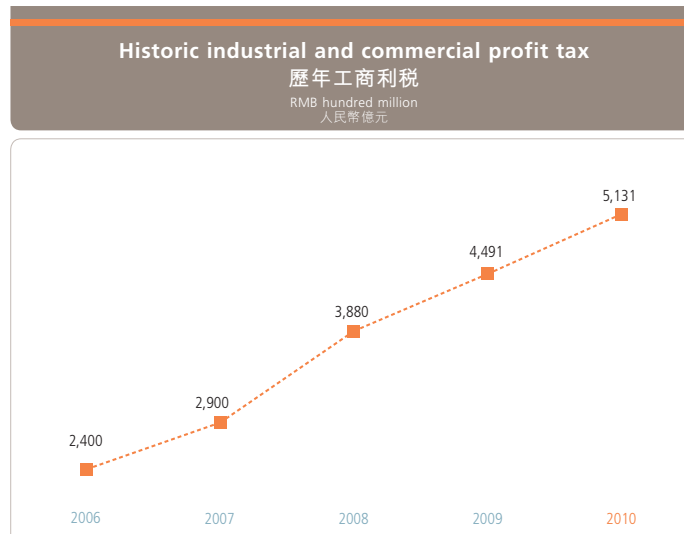
第一，銷售總量保持穩步增長，自二零零二年以來，煙草行業銷量年複合增長率在4%左右；

第二，消費結構以中式卷煙為主，進口煙在中國的市場份額歷年來只佔約0.1%左右（資料來源：Euromonitor）；

第三，隨着國內居民生活水平的逐步提高，消費的產品檔次逐步提高，自二零零二年以來，煙草行業銷售額年複合增長率在8%左右；其中，市場對中高檔名優卷煙的需求出現了高速增長的勢態；

Fourthly, the tobacco industry continues to play a significant role in the Chinese economy, contributing industrial and commercial profit tax of approximately RMB513.1 billion in 2009, and representing an increase of approximately 14.3% from RMB449.1 billion of the previous year.

第四，煙草行業在中國國民經濟中佔有非常重要地位，二零零九年實現工商利稅約人民幣5,131億元，較上年的人民幣4,491億元，增長了約14.3%。



b. Tobacco industry will enter the post-consolidation era

The Chinese tobacco industry has entered into the era of consolidation since 2005. In 2008, the consolidation evolved into a new stage in which cross-provincial and large scale industrial restructuring took place and brand concentration enhanced substantially. The market share of the top ten brands in terms of sales volume has increased by more than 50% over the past five years, and the top ten brands in terms of sales revenue have posted a double-digit rapid growth in CAGR. For example, the sales volume of Zhonghua cigarettes has doubled over the past few years. The China National Tobacco Corporation has precisely proposed that the quality of cigarettes must attain a higher standard and that key brands will be further cultivated. The “532” and “461” targets were set as the direction of development for tobacco brands under the next five-year plan. Brand concentration will be further improved to build up more than ten world-class brands of cigarettes. “532” means to have 5 major cigarette brands producing over 2 million Cases each per year, 3 major brands producing over 3 million Cases each, and 2 substantially bigger

b. 煙草行業將進入後整合時代

自二零零五年開始，中國煙草行業開始進入了整合時代，二零零八年煙草行業的整合進入到新的階段，出現了跨省和巨型的行業重組，品牌集中度大幅提高，前十大銷量品牌的市場佔有率在過去5年提高了50%以上，前十大銷售額的品牌更是出現了雙位數的高速複合增長，例如中華牌卷煙的銷量在過去幾年翻了一番。今年國家煙草專賣局明確提出卷煙上水平，進一步培育重點品牌的思想，將「532」和「461」目標列為下一個五年計劃煙草品牌的發展方向，打造10多個具世界級規模的卷煙品牌，品牌集中度將進一步提高。「532」是指打造5大卷煙品牌每年每個銷量超過2百萬大箱，3大品牌每個超過3百萬大箱，及2個特大品牌每個超過5百萬大箱；而「461」是指6大卷煙品牌每年每個銷售收入超過人民幣4百億元，4大品牌每個超過人民幣6百億元，及1個特大品牌超過人民幣1千億元（以上資料來源：煙草

brands producing over 5 million master Cases each. "461" means to have 6 major cigarette brands achieving over RMB40 billion in sales revenue each per year, 4 major brands achieving over RMB60 billion each, and 1 substantially bigger brand achieving over RMB100 billion. (Sources for the above: TobaccoChina Online). Based on the above, we believe that China's tobacco industry will enter into a post-consolidation era, giving rise to higher degree of concentration in the industry.

在線)。綜合以上情況，我們認為中國煙草行業將進入後整合時期，行業集中度將繼續不斷提高。

"532" and "461" consolidation target

「532」及「461」整合目標

Target production		Number of brands	Target sales		Number of brands
per brand (Cases)	每個品牌目標產量 (大箱)		per brand (RMB billion)	每個品牌目標銷售額 (億元人民幣)	
5 million+	5百萬+	2	100+	1,000+	1
3 million+	3百萬+	3	60+	600+	4
2 million+	2百萬+	5	40+	400+	6

c. *The State sets new standards for tar content in the next five years*

It is apparent that Chinese style cigarettes contain a relatively higher level of tar content than the standards prescribed by developed countries. In 2009, the average tar content per cigarette in China was approximately 12.1 mg, while the tar content of major cigarette brands in Europe and US was normally below 8 mg per cigarette and that of major cigarette brands in Japan was below 5 mg per cigarette. The Chinese Government introduced new regulations governing tar content in 2010, under which the tar content per cigarette shall not exceed 12 mg from 1 January 2011, and shall be further reduced to less than 10 mg from 1 January 2015 (sources: Tobacco Science & Technology). The management believes that following the development trend of healthier Chinese style cigarettes and new products, there will be more new cigarette materials used in products gradually. The new cigarette materials business will become the Group's potential room for development.

c. *國家明確未來五年焦油含量新標準*

中式卷煙的焦油含量一直明顯較發達國家水平相對偏高。二零零九年中國卷煙焦油平均含量約為每支12.1毫克，而歐美國家主要品牌的焦油含量大多在每支8毫克以下，日本的主要品牌則在每支5毫克以下。二零一零年，中國政府將焦油含量作出了新的規定，從二零一一年一月一日起，每根香煙焦油含量不得超過12毫克；二零一五年一月一日起，不得超過10毫克（資料來源：煙草科技）。管理層認為，隨着中式卷煙健康化以及新產品的發展趨勢，一些新的卷煙材料將逐步出現並擴大在產品中使用。卷煙新材料業務將成為本集團潛在的發展空間。

d. *New food safety law raises industry thresholds*

The new Food Safety Law of the People's Republic of China was promulgated in June 2009, setting out higher requirements for all players in the food industry and further raising the industry thresholds. The Group has always been rigid about product quality and food safety. All major subsidiaries of the Group have obtained quality certifications from both domestic and international institutions. In recent years, the Group has increased spending and efforts on establishing and implementing a set of stringent control procedures as an aggressive move to align with the high international standards. A set of strict quality control system for raw materials procurement, production and finished products has been set up. We expect a higher degree of concentration in the food and beverage industry and its related sectors in the future. As a local leading flavours and fragrances company, we believe there will be broader space for development of the Group in the future.

e. *Localized, natural and healthy tastes of food and beverages are becoming the main theme*

The Chinese consumer products sector is advancing to a higher level, characterized by higher product quality demand from consumers. We expect Chinese consumers' demand for localized, natural and healthy tastes of food and beverages is becoming the main theme. The Group has focused its R&D efforts and emphasized the contemporary needs of "natural, healthy, trendy and classic", successfully developed several new products and has achieved good results. Looking forward, the Group will expand the upstream natural materials sector to further enhance the competitiveness of our products.

3. Development strategy for the food flavours business

a. *Tobacco sector*

- To continuously pursue the "Big Customers, Big Brands" development strategy and capitalize on the industry consolidation to capture greater market share;
- To further step up technological exchange and cooperation with leading players in the tobacco industry, seize the opportunity from the lowering of tar content and harm reduction as well as constantly explore new ideas and launch new products;

d. *新的食品安全法進一步提高了行業門檻*

二零零九年六月，新的《中華人民共和國食品安全法》出台，對食品行業的所有參與者提出了更高的要求，行業門檻進一步提高。本集團一貫十分重視產品質量及食品安全工作，各主要附屬企業均獲得了國內和國際行業資質認證。這幾年集團一直加大投入和力量以建立和實施嚴格的監控程序，主動積極地向國際高標準看齊，從原料採購、生產、成品，建立了一套嚴密品控體系。我們預計未來食品飲料以及其相關行業的集中度將會提高；作為本土領先的香精香料企業，我們相信本集團未來的發展空間將更為廣闊。

e. *本土化、天然化、健康化口味正在成為食品飲料的主流趨勢*

中國消費品行業正在向更高級的階段發展，消費者對產品品質提出了更高的要求。我們預計中國消費者對本土化、天然化、健康化口味的需求正在成為食品飲料的主流趨勢。集團集中研發力量，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，取得了很好成績。未來，集團將拓展上游天然原料，以進一步提升產品的競爭力。

3. 食用香精香料的發展策略

a. *在煙草類方面*

- 繼續堅持「大客戶，大品牌」的發展策略，抓住行業整合的大好時機，進一步擴大市場份額；
- 進一步加強與煙草行業龍頭企業的技術交流與合作，抓住降焦減害的發展機遇，不斷探索新思路 and 推出新產品；

- To continue the consolidation of the tobacco flavours industry via M&As so as to maintain the Group's strategic position in the sector.

b. Food and beverage sector

- To continue carrying out the two-thronged approach of distribution and direct sales, further consolidate and improve the distribution network as well as fully utilize the market recognition and network advantages of "Kongque" brand;
- To focus on developing direct sales, foster key customers in the industry, establish all-round working relationship and strive to secure an ongoing rapid growth in the business with major direct sales customers;
- To accelerate the development of savory flavours and to provide local customers in the food and beverage industry and catering industry with more personalized products based on high standards, specialization and localization;
- To increase spending on R&D and bring in international top-notch R&D personnel continuously to upgrade the R&D standards of our products;
- To ensure food safety and prevent food hazards by focusing on food security, and to seize business opportunities in this aspect;
- To monitor industry development, seek opportunity to carry out M&As, establish an integrated value chain and accelerate the development of the upstream natural materials and downstream food ingredients business.

- 繼續通過兼併收購進行煙用香精香料行業的整合，確保本集團的行業戰略地位。

b. 在食品飲料類方面

- 堅持經銷與直銷相結合的銷售模式。進一步鞏固和完善經銷網絡，充分發揮「孔雀」品牌的知名度和網絡優勢；
- 大力發展直銷，培育行業重點客戶，建立全面合作關係，力爭直銷大客戶業務的持續快速增長；
- 加速發展鹹味香精香料，以高起點、專業化、本地化為本土食品飲料及餐飲客戶提供更多個性化的產品；
- 不斷加大對研發的投入，不斷引進國際一流的研發人員，提高產品的研發水平；
- 注重食品安全工作，確保食品的安全性，杜絕安全事故，把握機遇；
- 關注行業發展情況，擇機進行收購兼併，建立一體化產業鏈，加快上游天然原料和下游餐飲配料業務的發展。

Review of Fragrances Business

1. Business Review

In May 2008, the Group successfully acquired 51% equity interests in Xiamen Amber and entered into the fragrances industry. Upon acquisition, the Group carried out comprehensive integration of Xiamen Amber. Xiamen Amber out-ranked ten-thousands of small to medium sized enterprises and won the title of “The Most Potential SME” during the year. In addition, following the honorable recognition as a well-known trademark in Xiamen, “Amber” was recognized as a famous trademark in Fujian province. This symbolized that the brand construction of Xiamen Amber has reached a new stage. Xiamen Amber elevated its reputation by participated in the likes of the 14th “China Beauty Expo” during the year. Xiamen Amber conferred with famous daily chemical enterprises in the Pearl River Delta and Yangtze River Delta area to get a better understanding of each other and established a positive corporate image, laying a solid foundation for the future cooperation with key customers in the fragrance business. In addition, Xiamen Amber was granted the title of “High-tech Enterprise”. Other than demonstrating the consolidation ability of the Group, these outstanding performances also boosted the overall competitiveness of Xiamen Amber.

For the year ended 31 March 2010, sales revenue from Xiamen Amber amounted to HKD75,493,000, increased by approximately 35.4% from the previous year, and operating profit amounted to HKD18,669,000, increased by approximately 39.2% from the previous year. EBIT margin reached 24.7%, which maintained a steady growth. Through the integration of Xiamen Amber, the Group has recognized a robust growth in revenue and operating efficiency was highly elevated.

Major financial indicators of fragrances

日用香精香料之主要財務指標

HKD thousand	港幣千元	2010	2009
EBIT	EBIT	18,669	13,413
EBIT rate	EBIT率	24.7%	24.1%
EBITDA	EBITDA	20,924	14,857
EBITDA rate	EBITDA率	27.7%	26.7%

Xiamen Amber is dedicated to establishing good partnerships with a batch of quality and renowned customers in the Chinese market, such as Liby (立白), Lanju (攪菊), Lonkey (浪奇), Sanxiao (三笑), Rainbow Group (彩虹集團), Ador (雅黛) and some domestic leading daily chemical manufacturers. For the year ended 31 March 2010, Xiamen Amber has developed more than 70 new products and made major breakthroughs in fragrances used in fresheners, detergents, perfumed soaps and personal care products.

日用香精香料業務回顧

1. 業績回顧

本集團於二零零八年五月成功收購廈門琥珀51%的股權，進入日用香精香料領域。收購後，本集團對廈門琥珀實施了全方位的整合。年內，在廈門市幾萬家中小企業評選中，廈門琥珀脫穎而出成為「最具成長型中小企業」。此外，「琥珀」商標被認定為福建省著名商標，這是繼「琥珀」商標被認定為「廈門市著名商標」後的又一殊榮，標誌着廈門琥珀的品牌建設又上了一個新階段。年內廈門琥珀參加第十四屆「中國美容博覽會」等展會活動，大大提高了知名度。廈門琥珀與珠三角、長三角等地的國內著名日化企業進行洽談，增進了相互的了解，樹立了良好的企業形象，為今後與日化大客戶的合作打下了紮實的基礎。此外，廈門琥珀還喜獲「高新技術企業」稱號。這些成績不僅展示了集團的整合能力，而且也大大提升了廈門琥珀的綜合競爭力。

截至二零一零年三月三十一日止，廈門琥珀的銷售收入達到了港幣75,493,000元，較去年增長約35.4%。實現營運盈利港幣18,669,000元，較去年增長約39.2%，EBIT率達24.7%，穩中有升，通過整合廈門琥珀實現了收入高速增长及經營效率大大的提高。

廈門琥珀致力於與一批在中國市場上知名的優質最終客戶建立良好的合作關係，包括：立白、攪菊、浪奇、三笑、彩虹集團、雅黛以及國內一些大型日化企業等。截至二零一零年三月三十一日止年度，廈門琥珀共開發出新產品超過70個，在清新劑、洗滌劑、香皂及個人護理用品等方面的香精有較大的突破。

2. Development strategy for the fragrances business

- To fully utilize Xiamen Amber as a platform and the robust composite R&D capability of the Group's State-recognized technology centre and overseas R&D centre, specialize in expanding and developing localized products and business, establish a foothold in the field of aromatic and detergent products, and step up the development of new products such as shampoo, foam bath and air fresheners as well as the penetration of new customers;
- To capitalize on the relatively high regional concentration of the PRC fragrances market, set a foothold in Xiamen and further expand into the key markets in the Pearl River Delta and Yangtze River Delta to further enhance the size and strength of the Group;
- To seek opportunities for M&As and identify the right opportunity to acquire and merge with those enterprises whose products and markets are complementary with the Group so as to further enhance the size and strength of the Group.

Review of R&D

The R&D capability of a flavours and fragrances company reflects its overall strength. After continuous investment, the Group has set up a leading R&D team which is top-notch in China and up to international standards. The State-recognized technology centre, the overseas R&D centre in Germany and the professional R&D departments in Yunnan, Guangdong and Fujian together formed a vertically integrated platform for R&D in areas ranging from fundamental researches to applications. The R&D strategy of the Group is market-driven so as to closely follow the latest global industry trends and to accelerate the mastering of technologies in key raw materials. With such strengths, the Group is able to develop products and technologies that meet market demands, deliver comprehensive technical services to customers and remain dedicated to maximizing value for clients, while the Group's overall competitiveness is greatly elevated.

2. 日用香精香料的發展策略

- 充分利用廈門琥珀這一平台，充分利用本集團國家級技術中心及海外研發中心強大的綜合研發能力，專注開拓和發展具有本土特色的產品及業務；立足熏香、洗滌類產品，並加大在洗髮水、沐浴露、空氣清新類的產品及客戶開發力度；
- 結合中國日用香精香料市場區域相對集中的特點，立足廈門，進一步拓展珠三角和長三角等重點市場，做大做強；
- 尋求併購機會，擇機收購兼併與本集團在產品及市場方面具互補性的企業，做大做強。

研發情況回顧

研發能力是香精香料企業綜合實力的重要體現。經過不斷投入，本集團已經建立了一支國內頂級、具有國際水平的國際化研發團隊；憑藉國家級企業技術中心、德國海外研發中心以及雲南、廣東、福建等地的專業化研發部門，形成了從基礎到應用的垂直一體化研發平台。本集團的研發策略為始終以市場為導向，密切跟蹤國際行業的最新動向，加快對關鍵原料技術掌握，並開發出適合市場需求的產品和技術，為客戶提供全面技術服務，致力於為客戶創造更大價值，集團的綜合研發能力大大提高。

Increase input to build an internationalized R&D team

The Group has been continuously increasing input into R&D in order to achieve a top-notch R&D team in the industry and to sustain a long-term R&D advantage. This year the Group's R&D cost amounted to HKD83,071,000, representing approximately 3.5% of sales revenue, compared with 2.7% of corresponding period last year. In the mean time, Huabao has been emphasizing on the internationalization of its talented staff. Over the years, Huabao has embarked on setting up an internationalized R&D team, whose R&D capability is directly in line with the advanced international level. The Group closely monitors changes in the human resources market from time to time and is keen on building a diversified and internationalized team. Currently, the Group employed a total of 238 R&D personnel in various aspects, assembling a respectable team with strong R&D capabilities.

R&D Achievements

During the year, the Group accomplished fruitful achievements in fundamental R&D and in the area of applications. These included:

- Developed more than 500 new products in total
- Applied, obtained in aggregate of 50 patents
- "Year 2009 State Recognized Enterprise Technology Center Innovation Ability Construction Project" passed the approval of National Development and Reform Commission and was awarded RMB5 million of subsidy

加大投入，打造國際化的研發團隊

集團不斷地加大對研發投入，打造業內優異的研發團隊，形成持續的研發優勢。本年度集團共投入研發費用港幣83,071,000元，約佔銷售收入的3.5%，而去年同期約為2.7%；同時，華寶一直非常重視人才的國際化。多年以來，華寶着手建立了一支國際化的研發團隊，在研發能力上與國際先進水平直接接軌。本集團對人才市場時刻保持密切，積極推進人才的多元化和國際化。目前，集團擁有各類研發人才238人，團隊陣容強大，研發能力大大提升。

研發成果

本年度，本集團在基礎研發和應用領域取得了豐碩的成果，其中包括：

- 共開發新產品超過500個
- 申請、獲得專利累計共50項
- 「2009國家認定企業技術中心創新能力建設項目」通過了國家發展與改革委員會的審批並予以立項，並將獲得國家補助資金人民幣500萬元。

List of major patents	主要專利列表
1 One method of extracting flavor components from Chinese herbs and medicine and their application	1 一種天然中草藥香味成分的提取方法及其提取物應用
2 Compound Chinese herbs and medicine additives in tobacco and its application	2 複方中草藥煙用添加劑及其用途
3 A new style technology of microencapsulated flavour	3 新型微膠囊包埋技術
4 The separation and the tobacco flavor application of Glucoside from loquat leaves	4 枇杷葉中糖甙類化合物部位的提取分離及其在卷煙加香中的應用
5 The separation and the tobacco flavor application of the aromatic component from sour oranges	5 酸橙中致香部位的提取分離及其在卷煙加香中的應用
6 One synthesis method of bromo-tetra-o-acetyl-β-D-glucopyranose and its application	6 一種溴代四乙酰葡萄糖及其合成方法與它的用途
7 Off-taste masking powdered tobacco flavour	7 掩雜型煙用粉末香精

Human Resources And Corporate Culture Construction

The Group remained committed to corporate culture construction and established a clear vision, as well as a common goal for all employees, of combining corporate development and individual growth to achieve common development of the Company and its employees. Adhering to its core value of “client first” for years to maximize client values, the Group also constituted a code of conduct for each employee on the basis of this concept. The Group organized corporate culture promotion activities, including articles and speeches delivered by the management, publication of Huabao Monthly and essay competition. The Group enriched employees’ leisure time through various recreational and sports activities including sports contests and outward bound training to reinforce cohesion of Huabao people and their sense of identity.

The Group placed substantial emphasis on talent training. The Group stepped up its efforts in creating a scientific and flexible management environment and institutional mechanism in terms of policy, system and culture development, empowering each employee to make full use of his expertise and specialties and maintaining joint force of its staff to create more values for the Group. The Group established sound training scheme for its reserve talents on the basis of external recruitment. The selection procedures applied to reserve talents include five stages, namely public nomination and selection, work units review, verification by headquarter, approval and result announcement. Reserve talents management mainly comprises regular inspection, dynamic adjustment, training and profile management. Through its annual examination and assessment on reserve talents, the result of which is to be recorded into personal profile, the Group will promote those with excellent appraisal performance and eliminate those with unsatisfactory results. During inspection period, reserve talents are under direct coaching and supervision of mentors. The Group organized reserve talents selection and review from April to May every year to guarantee healthy and orderly development of reserve talents. The continuous construction of our talent team guarantees new momentum for corporate expansion and development.

The Group established a multi-level comprehensive staff training system, comprising special training program for middle to high level employees, intensive training for reserve talents, as well as business skills and industrial know-how coaching for front-line staff. External experts and internal management and professionals were invited to act as program trainers. Through these successive training programs, the initiatives of employees were mobilized while their professional knowledge and technical competency were enhanced.

人力資源及企業文化建設

本集團一直重視企業文化建設。本集團有明確的願景並作為全體員工的奮鬥目標，並倡導將企業發展與個人成長結合起來，實現企業與員工共同發展的理念。本集團多年來堅持客戶至上的核心價值觀，把為客戶創造最大價值為己任，並作為每個員工的行為準則。集團通過領導專題文章或講話，通過《華寶月刊》、徵文比賽開展企業文化宣傳工作。集團還通過體育比賽、拓展訓練等文體活動，豐富華寶人的業餘生活，增強華寶人的凝聚力和對企業文化的認同感。

本集團高度重視人才建設。集團在政策、制度和文化建設上盡力提供科學、寬鬆的管理環境與制度保障，促使每位華寶員工能在自己的崗位上發揮自身專長，做到人盡其才，並保持團隊的合力，為集團創造更大價值；集團在引進對外優秀人才的增加基礎上，建立了完善的後備人才培養機制。後備人才的選拔程序分為：民主推薦和選拔、單位審核，集團總部核查與批復和結果公示等五個環節；後備人才隊伍的管理主要包括：定期考察、動態調整、培訓和檔案管理等內容。集團每年對後備人才進行考核、評估，對於考評結果優良者，集團將優先提拔使用。考核結果錄入個人檔案，對考核結果末位者進行淘汰。考察期間，後備人才由導師直接輔導、監督。集團每年4-5月份將組織一次後備人才甄選與梳理工作，以保證後備人才隊伍健康、有序成長。通過人才梯隊建設，為企業的擴大和發展提供新生力量。

本集團建立了一套多層次、全方位的員工培訓體系，既有針對集團中高層員工專題培訓，也有對後備人才的集中培訓，同時還有對基層員工的業務技能和專業知識的培訓。培訓講師既有外聘專家，也有集團內部管理及專業人員。通過持續的培訓，不斷提高員工的知識水平及業務技能，大大調動了員工的積極性。

As at 31 March 2010, the Group employed a total of 1,316 employees in the PRC, Hong Kong, Germany and Botswana, representing an increase of approximately 5.7% or 71 employees from 1,245 employees of last year. The labour costs of the year (including pension costs) amounted to HKD128,497,000, representing a decrease of approximately 11.2% or HKD16,184,000 from HKD144,681,000 for the previous year. For details, please refer to Note 23 to the consolidated financial statements headed under "Employment Benefit Expenses". The decrease in the labour costs was primarily attributable to the decrease of staff's share option compensation expenses. The Group has launched a share option scheme as an incentive to those employees and directors who have made significant contributions to the business development of the Group. For the period from year 2006 to 2008, the Group granted share options to 79 persons including directors, senior management, technical and business executives.

FINANCIAL REVIEW

Analysis of annual results for the year ended 31 March 2010

Sales revenue

The Group's sales revenue amounted to HKD2,366,403,000 for the year ended 31 March 2010, representing an increase of about 22.1% as compared with HKD1,938,443,000 for the corresponding period last year. The rapid growth in sales revenue was mainly attributable to a substantial increase in the sales of flavours and fragrances. For the year ended 31 March 2010, sales revenue from flavours increased by about 21.7% to HKD2,290,910,000, contributing about 96.8% of total sales revenue, while sales revenue from fragrances increased approximately 35.4% to HKD75,493,000, contributing about 3.2% of total sales revenue.

Cost of goods sold

The Group's cost of goods sold amounted to HKD579,568,000 for the year ended 31 March 2010, representing an increase of about 21.8% as compared with HKD475,928,000 for the corresponding period last year. The percentage increase in cost of goods sold being slightly lower than the percentage increase in sales revenue was mainly attributable to the slight increase in gross profit margin of the Group.

於二零一零年三月三十一日，本集團在中國大陸、香港、德國及博茨瓦納共聘用員工1,316人，比上年的1,245人增加71人，增加了約5.7%。本年度共發生員工成本（包括退休金）為港幣128,497,000元，比上年的港幣144,681,000元減少了港幣16,184,000元，減少了約11.2%。有關詳情載於綜合財務報表附註23標題為「僱員福利開支」。本年度員工成本的減少，主要是由於員工購股權報酬費用的減少所致。本集團亦已實行購股權計劃，以激勵為本集團業務發展做出重要貢獻的員工及董事，並於二零零六年至二零零八年間向包括董事、高層管理人員、技術和業務人員共79人授出購股權。

財務狀況回顧

截至二零一零年三月三十一日止年度的業績分析

銷售額

截至二零一零年三月三十一日止年度，本集團的銷售額達港幣2,366,403,000元，較上年同期的港幣1,938,443,000元，增長了約22.1%。銷售額的快速增長，主要是由於本集團食用和日用香精香料銷售額的快速有機增長所致。截至二零一零年三月三十一日止年度，本集團食用香精香料的銷售額增加了約21.7%至港幣2,290,910,000元，佔總收入的約96.8%；而日用香精香料的銷售額增加了約35.4%至港幣75,493,000元，佔總收入的約3.2%。

銷售成本

截至二零一零年三月三十一日止年度，本集團的銷售成本為港幣579,568,000元，較上年同期的港幣475,928,000元，增加了約21.8%。銷售成本同銷售收入相比漲幅略低，主要是由於本集團毛利率略有上升所致。

Gross profit and gross profit margin

Gross profit of the Group increased from HKD1,462,515,000 for the year ended 31 March 2009 to HKD1,786,835,000 for the year ended 31 March 2010, representing an increase of about 22.2%, while gross profit margin of the Group slightly increased from 75.4% of last financial year to 75.5% of the current financial year. Gross profit margin continues to remain stable. The remarkable increase in gross profit was mainly attributable to the substantial increase in sales revenue of the Group.

Other income

Other income of the Group was HKD36,237,000 for the year ended 31 March 2010, representing a slight increase of HKD31,000 as compared with HKD36,206,000 for the year ended 31 March 2009. Other income remains stable.

Selling and marketing expenses

The selling and marketing expenses of the Group mainly comprised of traveling expenses, transportation cost, salaries and office expenses. The selling and marketing expenses of the Group for the year ended 31 March 2010 were HKD73,057,000, representing a decrease of about 7.5% as compared with HKD78,984,000 for the corresponding period last year. Selling and marketing expenses to total sales revenue during the years under review amounted to approximately 3.1% and 4.1% respectively, representing a decrease of approximately 1 percentage point. The decrease in the ratio of selling and marketing expenses to sales revenue was mainly attributable to cost saving, higher efficiency and economies of scale.

Administrative expenses

The Group's administrative expenses amounted to HKD233,326,000 for the year ended 31 March 2010, representing an increase of approximately 4.0% as compared with HKD224,285,000 for the corresponding period last year. Administrative expenses to total sales revenue during the current financial year amounted to approximately 9.9%, representing a decrease of approximately 1.7 percentage points as compared with 11.6% for the corresponding period last year. Among the total sales revenue during the current financial year, R&D expenses amounted to approximately 3.5%, an increase of approximately 0.8 percentage point compared with last year. The decrease in ratio of administrative expenses to total sales revenue was mainly attributable to the higher management efficiency and to aggressively control expenses.

毛利和毛利率

本集團的毛利由截至二零零九年三月三十一日止年度的港幣1,462,515,000元增加至截至二零一零年三月三十一日止年度的港幣1,786,835,000元，增長了約22.2%，而本集團的毛利率則由上一財政年度的75.4%輕微增加至本年度的約75.5%，毛利率繼續保持穩定。本集團毛利的增加主要是本集團銷售收入大幅增加所致。

其他收益

截至二零一零年三月三十一日止年度，本集團的其他收益為港幣36,237,000元，較截至二零零九年三月三十一日止年度的港幣36,206,000元，輕微增加了約港幣31,000元。其他收益保持穩定。

銷售及市場推廣開支

本集團的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。本集團截至二零一零年三月三十一日止年度的銷售及市場推廣開支為港幣73,057,000元，較上年度的港幣78,984,000元，減少約7.5%。銷售及市場推廣開支所佔回顧年度的銷售總額的比例分別為約3.1%及4.1%，比例下降了約1個百分點。該比例的下降主要是由於節省費用、提高效率以及規模效應所致。

行政開支

本集團截至二零一零年三月三十一日止年度的行政開支為港幣233,326,000元，較上年度的港幣224,285,000元，增加了約4.0%。而行政開支所佔本財政年度的銷售總額的比例為約9.9%，較上年度的11.6%下降了1.7個百分點。其中研發費用佔本財政年度的銷售總額約3.5%，較上年度增加了約0.8個百分點。行政開支佔銷售比例下降的原因是集團提高了管理效率及積極控制費用開支所致。

Operating profit

Operating profit of the Group for the year ended 31 March 2010 was HKD1,516,689,000, representing an increase of approximately 26.9% as compared with HKD1,195,452,000 for the corresponding period last year, while the operating profit margin reached 64.1%, increased by 2.4 percentage points comparing with last year. The increase in operating profit margin is mainly attributable to the decrease in selling and marketing expenses.

Income tax expenses

Income tax expenses of the Group for the year ended 31 March 2010 was HKD162,236,000, it was increased substantially as compared with HKD82,157,000 for the corresponding period last year, with the income tax rates were approximately 10.6% and approximately 6.8% respectively. The substantial increase in the income tax expenses was mainly attributable to the growth of the profit and the increase in income tax rate of certain PRC subsidiaries due to their preferential tax periods (two-year exemption and three-year half rate) were expired; the latter represents the main factor in the increase of the income tax rate during this year.

Net current asset value and financial resources

As at 31 March 2010, the net current asset value of the Group was HKD1,998,156,000 (2009: HKD1,127,616,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 31 March 2010, the Group had short-term time deposit of HKD230,886,000 (2009: nil). The Group's cash and cash equivalents amounted to HKD1,678,640,000 (2009: HKD1,126,735,000), over 96% of which was held in RMB. The Group neither held any forex hedging products nor structured investment products or financial derivatives.

Bank borrowings and gearing ratio

As at 31 March 2010, the Group had bank borrowings of HKD250,236,000, out of which HKD240,000,000 is clean loan with interest calculated based on HK dollars inter-banks borrowings rate. For the year ended 31 March 2010, the average annual interest rate was 1.63% (2009: nil). All bank borrowings are due within 1 year and the gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes minority interest)) was about 6.6% (2009: nil).

營運盈利

本集團營運盈利在截至二零一零年三月三十一日止年度為港幣1,516,689,000元，較上年度的港幣1,195,452,000元，增長了約26.9%。而本集團的營運盈利率則比上一年提高了2.4個百分點，達到了約64.1%。營運盈利率的提高主要是由於銷售及市場推廣開支的下降所致。

稅務開支

本集團的稅務開支在截至二零一零年三月三十一日止年度為港幣162,236,000元，較上年的港幣82,157,000元，顯着增加。所得稅率則分別為約10.6%和約6.8%。所得稅開支的顯着上升，主要是由於本集團的盈利增長以及因部份子公司兩免三減之稅務優惠免稅期屆滿而使所得稅率上升所致；其中後者為本年度所得稅率上升的主要原因。

流動資產淨值和財務資源

於二零一零年三月三十一日，本集團的流動資產淨值港幣1,998,156,000元（二零零九年：港幣1,127,616,000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。於二零一零年三月三十一日，本集團的短期定期存款為港幣230,886,000元（二零零九年：無）。而本集團的現金及現金等價物為港幣1,678,640,000元（二零零九年：港幣1,126,735,000元），其中超過96%是以人民幣持有。本集團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。

銀行貸款及負債比率

於二零一零年三月三十一日，本集團的銀行借貸總額為港幣250,236,000元，其中港幣2.4億元為信用貸款，按港元銀行同業拆借息率作基礎，截至二零一零年三月三十一日止年度，平均年息率為1.63厘（二零零九年：無），全部於一年內到期償還，而負債比率（總債務（包括流動及非流動貸款）除以總權益，不含少數股東權益）為6.6%（二零零九年：無）。

Investing activities

The Group's investing activities were mainly incurred for the purchase of fixed assets and the strategically development strategies for M&As. For the year ended 31 March 2010, the net cash used in investing activities amounted to HKD357,650,000, mainly incurred for the acquisition of F&G Group and Maoming Kebi, as well as the short-time time deposits. For the year ended 31 March 2009, the net cash used in investing activities amounted to HKD677,953,000.

Financing activities

For the year ended 31 March 2010, the net cash used in financing activities amounted to HKD476,591,000, mainly used for dividend distribution to shareholders and repayment of Shareholders' loan. For the year ended 31 March 2009, the net cash used in financing activities amounted to HKD281,930,000.

Debtors' turnover period

Debtors' turnover period is calculated on the basis of the average amount of trade receivables as at the beginning and the end of a relevant financial year divided by the total sales revenue for the corresponding period and multiplied by 360 days. 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 year ended 31 March 2010, the Group's average debtors' turnover period was 71 days, representing a decrease of 2 days as compared with 73 days for the last financial year ended 31 March 2009. The debtors' turnover period decreased as a result of enhancing credit management and control measures undertaken by the Group.

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 year divided by the cost of goods sold for the corresponding period and multiplied by 360 days. Credit periods granted by suppliers to the Group ranged from 0-180 days. For the year ended 31 March 2010, the Group's average creditors' turnover period was 121 days, representing an increase of 2 days as compared with 119 days for the last financial year ended 31 March 2009. The creditors' turnover period remains stable.

投資活動

本集團的投資活動主要與購買固定資產及作為收購兼併活動的戰略性發展策略有關。截至二零一零年三月三十一日止年度，投資活動所用現金淨額為港幣357,650,000元，主要是本集團收購F&G集團、茂名科比以及短期定期存款。而截至二零零九年三月三十一日止年度，投資活動所用的現金淨額為港幣677,953,000元。

融資活動

截至二零一零年三月三十一日止年度，本集團融資活動所用現金淨額為港幣476,591,000元，主要用於向股東派發股息及償還股東款項。而截至二零零九年三月三十一日止年度，融資活動所用的現金淨額為港幣281,930,000元。

應收賬周轉期

應收賬周轉期乃通過將有關財政年度年初及年末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360天計算。本集團一般給予客戶約0-180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。截至二零一零年三月三十一日止年度，本集團的平均應收賬周轉期為71日，比較截至二零零九年三月三十一日止年度的73日下降了2日。應收賬款周轉期下降，是本集團加強信貸管理和控制所致。

應付賬周轉期

應付賬周轉期乃通過將有關財政年度年初及年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360天計算。供貨商給予本集團的信貸期介乎零日至180日。截至二零一零年三月三十一日止年度，本集團的平均應付賬周轉期為121日，與截至二零零九年三月三十一日止年度的119日上升了2日。應付賬款周轉期保持穩定。

Inventory and inventory turnover period

As at 31 March 2010, the Group's inventory balance amounted to HKD235,294,000 (2009: HKD211,820,000). For the year ended 31 March 2010, 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 year divided by the total cost of goods sold for the corresponding period and multiplied by 360 days) was 139 days, representing an increase of 7 days as compared with 132 days for the last financial year. The longer inventory turnover period for the year was a result of inventory storage adjustment of the Group in order to fulfill the production requirement and shorter supply cycle of customers.

Foreign exchange and exchange rate risk

The principal businesses of the Group are located in the Mainland China and the majority of the business transactions are denominated in RMB. The Board is of the view that the Group's exposure to foreign exchange risk is insignificant. There is insignificant pressure for the depreciation of RMB and thus the Group's exposure to exchange rate risk is relatively low.

Pledge of assets

As at 31 March 2010, the secured bank loan of the Group amounted to RMB9,000,000.

Capital Commitments

As at 31 March 2010, the Group had capital commitments in respect of the purchase of property, plant and equipment contracted for but not provided in the financial statements amounting to approximately HKD4,234,000 (2009: HKD5,671,000).

Contingent liabilities

According to the information available to the Board, the Group had no contingent liabilities as at 31 March 2010.

存貨和存貨周轉期

本集團的存貨結餘於二零一零年三月三十一日為港幣235,294,000元(二零零九年：港幣211,820,000元)。在截至二零一零年三月三十一日止年度，存貨周轉期(將有關財政年度年初及年末的存貨平均結餘除以相應期間的銷售成本總額再乘以360天計算)為139日，較上年度的132日增加了7日。存貨周轉期較上年度有所增加是由於本集團為了滿足生產及客戶縮短供貨週期的需要，調整部份存貨的儲備量所致。

外匯及匯率風險

本集團的主要業務均在中國，絕大部份業務都以人民幣結算，故董事會認為本集團的外匯風險不高。而人民幣並無重大貶值壓力，因此本集團所承擔之匯率風險也較低。

資產抵押

二零一零年三月三十一日本集團的抵押貸款為人民幣9,000,000元。

資本承擔

於二零一零年三月三十一日，本集團就已訂約購買的物業、廠房及設備但並未於財務報表撥備的資本承擔約港幣4,234,000元(二零零九年：港幣5,671,000元)。

或然負債

根據可供董事會查閱的資料，本集團於二零一零年三月三十一日並無任何重大的或然負債。

FUTURE BUSINESS DEVELOPMENT PLANS

New Materials for Cigarettes

New materials for cigarette refer to the application of advanced technology to re-utilize some of the residues created during tobacco processing such as sesame chips, fragments and leaf stems, in order to reduce the tar content in cigarettes, stabilize cigarette taste and lower production costs. After nearly 20 years of development, new materials for cigarettes have been widely applied in the global tobacco industry. Based on the analysis on the current mainland tobacco industry, the management expects new materials for cigarettes will have very broad development potential in the coming cycle primarily due to the fact that lowering of tar content for harm reduction will have an impact on the quality of tobacco products, the structural imbalance between the persistent rapid rise in the market demand for high-end Chinese style cigarettes as well as the supply of upstream materials, etc.

Several years ago, Huabao has already aimed at this potentially huge market and initiated its strategic planning and positioning in China's future market for new cigarette materials. Proceeding aggressively with the upstream materials, team building, research projects, pre-stage pilot schemes and so forth, Huabao has made a breakthrough progress in reducing tar content and harm over the past several years. It has employed the core technology in tobacco flavours as a good starting point, and having mastered customer resources by means of the successful implementation of the "Big Customers, Big Brands" strategy over the years, supplemented by the availability of unique overseas upstream raw material resources. All of these

未來業務發展計劃

卷煙新材料

卷煙新材料指運用先進的技術將一部份煙葉處理中形成的殘留物，如芝麻片、碎片和葉梗等進行再次利用，達到降低卷煙中的焦油含量、穩定卷煙吃味並降低生產成本的目的。經過近20年的發展，卷煙新材料在國際煙草行業中形成了廣泛的應用。按目前國內卷煙行業的情況分析，管理層預計下一步卷煙新材料將有非常廣闊的發展潛力，其中原因包括



降焦減害對卷煙產品品質帶來的影響；市場對中式名優卷煙需求的持續快速增長和上游原料供應產生的結構性失衡等。

早在幾年以前，華寶就瞄準了這一潛在的巨大市場，並開始了華寶在未來中國卷煙新材料市場的戰略佈局和定位。從上游原料、團隊構建、科研立項、前期試點等方面積極推進，過去幾年華寶在降焦減害方面已經取得了突破性進展。華寶以煙用香精香料的核心技術作為切入點，憑藉多年來成功執行「大客戶，大品牌」掌握的客戶資源，再配合獨特的海外上游原料資源，這些奠定了華寶較強的核心競爭力。管理層有信心在未來幾年的時間將卷煙新材料發展成為新的強大增長動力之一。本年度，集團設立了合營公司雲南清甜香，着力發展卷煙新材



have established the stronger core competitiveness of Huabao. The management is confident in developing the new cigarette materials into one of the new strong growth drivers in the next several years. During the year, the Group established the joint-venture company, Yunnan Qing Tian Xiang, which will be focused on developing new cigarette materials; the commencement of such project symbolizes the Group's inception into such area and implementation stage. (Please refer to the third point of the Mergers and Acquisitions section in page 64 of this report)

Food ingredients

We note that the quickened pace of life and consumers' ongoing pursuit of quality lifestyle will trigger a new round of revolution in cooking methods in the Chinese catering industry. A new breed of more natural, safer, and faster composite cooking seasonings are anticipated to become the trend and should hold enormous space for development in the food ingredients area in the future. Huabao has identified this historic opportunity for development and is determined to become an expert in the quality of service in the Chinese fast food industry. Over the past several years, the strategic planning was basically completed by moving into the food sector with the acquisition of Huabao Kongque, followed by the success of Guangzhou Huabao in the separation of sweet and savory products. As one of the top ten local flavours companies in the PRC, Huabao has established advantages in terms of research team, product development and distribution channel. Last year, the Group launched the products of "Hanfo Cooking Secret" in Yunnan, Guizhou, Sichuan and Chongqing provinces, applying traditional Sichuan taste as an entry point in the fast food industry, which was well-received in the market. This year, the Group's new Muslim food ingredients line will commence production, its target market is mainland China and Southeast Asia regions. The management is confident in developing the food ingredients into one of the strong growth drivers of Huabao in the next several years.

料；該項目的籌建，標誌着華寶在卷煙新材料領域揚帆起錨，進入實施階段。（詳情請參閱本年報第64頁「收購合併」第三段）。

餐飲配料

我們注意到隨着生活節奏的加快，消費者對生活品質的不斷追求，會引發在中餐烹飪方式的新一輪革命。新型的以天然、安全、快捷為特點的複合烹飪調味料將成為主流趨勢，預計未來餐飲配料領域有巨大的發展空間。華寶早已看中這一歷史性的發展機遇，並立志發展成為中式快餐行業的品質服務專家。在過去幾年從開始併購華寶孔雀進入食品領域、到成立廣州華寶分離甜鹹類產品，基本完成了戰略佈局。作為中國本土食品香精香料前十強，華寶已經在這一領域建立了科研團隊、產品開發、網絡營銷上的優勢。去年，集團在雲貴川渝四省推出了「漢方廚寶」系列，以傳統川味為快餐切入點，在市場取得了良好的反應。今年，集團新建的清真食品配料線亦將投產，產品將面向國內及東南亞市場。管理層有信心在未來幾年的時間將餐飲配料發展成為又一個強大的增長動力之一。



Aromatic raw materials business

Raw materials are one of the core competitive edges of flavours and fragrances enterprises. Huabao has always been committed to the strategic development of the upstream flavouring materials business to create an integrated core value chain and enhance its overall competitiveness. The Group plans to further develop the flavour materials segment by establishing an international raw materials base and a special high-quality raw materials processing centre, through acquisition in order to obtain certain distinctive raw materials. In 2007, the Group established Wuxi Huahai in Wuxi to materialize its own scientific research achievements. Wuxi Huahai, which is engaged in the separation, purification and fine processing of natural fragrance products and Chinese herbal products, contributed to the Group by reducing costs and substantially improving the competitiveness of our products. The Group acquired F&G, the production base in Botswana in southern Africa, in November 2009. The exceptional abundance of local natural resources in Botswana has provided an important support for the upcoming development of new cigarette materials. During the year, the Group subscribed for the controlling stake in Qingdao Qingda for the development of natural spices extracts. Such development is largely in line with the Group's savory flavours and food ingredients business, thus laying a strong foundation for the long-term development of Huabao.

香原料業務

原料是香精香料企業的核心競爭力之一。華寶始終致力於戰略性地發展上游香原料業務，打造核心一體化的產業鏈，增強華寶的綜合競爭力。集團對原料板塊的發展思路在於建立國際原料基地，設立特種優質原料處理中心、通過併購掌握某些具特色的香原料。本集團於二零零七年在無錫成立無錫華海，將自身科研成果產業化。無錫華海從事天然香料產品和中草藥產品的分離純化和精加工，節省了成本並大幅提高了產品的競爭力。於二零零九年十一月收購位於非洲南部博茨瓦納的生產基地F&G，利用當地得天獨厚的自然優勢，為下一步卷煙新材料的發展提供重要支撐。本年度，集團增資控股青島青大，發展對天然香辛料的提取，大大配合本集團在鹹味香精香料和餐飲配料業務的發展，為華寶的長遠發展奠定更為堅實的基礎。



FUTURE PROSPECTS

With a population of 1.4 billion, the Chinese economy is embracing an enormous consumption potential and will soon become the second largest economy in the world. The Chinese consumer products market will continue to grow rapidly in terms of coverage and product quality. With the flavours and fragrances business as its core, the Group will adhere to its “multi-pronged, focus-growth” development strategy by capitalizing on the advantages of our technology, marketing, management and network to provide downstream customers with more personalized products and technical services, and diversifying into a new business segment that focuses on new cigarette materials, food ingredients and aromatic raw materials in the future to establish an integrated core value chain. Through organic and M&A development, the Group will grow rapidly into a globally leading player in the flavours and fragrances industry and tasty life.

Our future development strategy remains to seize the great opportunities arising from the Chinese economic development:

- Multi-pronged with focus on flavours and fragrances as core value
- Accelerate the development of flavours business, actively develop fragrances business
- Proactively expand into the new cigarette materials and food ingredients businesses
- Expand upstream aromatic raw materials business and strive to form an integrated core value chain
- Expand through organic growth and M&A
- Leverage on China's market to grow into a globally leading player in the flavours and fragrances industry and tasty life

未來展望

中國經濟很快將成為全球第二大經濟實體，14億人口蘊藏着巨大的消費潛力，中國消費品市場持續向更大、更高級的方向高速發展。集團將堅持同心多元化的發展戰略，以香精香料業務為核心，利用華寶在技術、市場、管理和網絡的優勢，為下游客戶提供更多個性化的產品和技術服務，多元化發展卷煙新材料、食品配料以及香原料為主的未來新的業務單元，打造核心一體化的產業鏈，通過有機和併購的發展實現高速增長，發展成為全球頂級的香精香料公司和美味生活的領跑者。

我們未來的發展策略仍然是：把握中國經濟發展的大好機遇，

- 堅持以香精香料為核心的同心多元化發展戰略
- 加快食用香精香料的發展步伐，積極拓展日用香精香料
- 積極拓展卷煙新材料和餐飲配料業務
- 積極發展上游香原料業務，致力於打造核心一體化產業鏈
- 採用自身發展與併購相結合的方式
- 依托中國市場，發展成為全球頂級的香精香料公司和美味生活的領跑者

Executive Directors 執行董事



Ms. CHU Lam Yiu, aged 40, the Chairman and Executive Director of the Company. Ms. Chu is also a director of the Company's principal subsidiaries marked with "C1" and the legal representative of those companies marked with "C2" as set out in note 33 to the consolidated financial statements. Ms. Chu is experienced in formulating strategies and making executive decisions on business operation, investments and market development. Ms. Chu is currently the Deputy Director of CAFFCI and a member of the Fourth Chinese People's Political Consultative Conference Committee (Shenzhen, Guangdong province). Ms. Chu, through the corporations controlled by her, is the beneficial owner of Shares of the Company as set out in note (a) in page 70 headed under Directors' Interests in Shares, Underlying Shares and Debentures.

朱林瑤女士，40歲，本公司主席及執行董事。朱女士亦是載於綜合財務報表附註33分別有「C1」和「C2」符號之本公司主要附屬公司的董事及法定代表人。朱女士擁有企業營運、投資及市場拓展之策略制定及決策方面之豐富經驗。朱女士現任中國香化協會副理事長及中國人民政治協商會議廣東省深圳市第四屆委員會委員。朱女士，透過受控制的公司，實益擁有本公司股份，詳情已載於第70頁標題為「董事於股份、相關股份及債券之權益」之附註(a)。

Mr. LAU Chi Tak, aged 53, CEO and an Executive Director of the Company. Mr. Lau is also a director of the Company's principal subsidiaries marked with "L1" and the legal representative of those companies marked with "L2" as set out in note 33 to the consolidated financial statements. Mr. Lau holds a bachelor's degree in chemistry and has over 20 years' experience in the international flavour and fragrance industry. He held a managerial position in a leading international flavour and fragrance company before joining the Company. Mr. Lau possesses in-depth knowledge of the Asian market and is particularly experienced in the business development in the greater China area.

劉志德先生，53歲，本公司執行董事兼總裁。劉先生亦是載於綜合財務報表附註33分別有「L1」及「L2」符號之本公司主要附屬公司的董事及法定代表人。彼持有化學學士學位。劉先生在國際香精及香料業界擁有超過二十年的經驗，之前在一家世界頂級的香精香料公司擔任管理職位，並對亞洲市場非常熟悉，尤其是對大中華之業務發展有豐富經驗。





Mr. POON Chiu Kwok, aged 47, an Executive Director and the Company Secretary of the Company. Mr. Poon was awarded the postgraduate certificate in laws by the University of London. He holds a bachelor degree in laws and a bachelor degree in business studies and a master degree in international accounting. He is a member and an Associate Instructor of the Hong Kong Securities Institute and its Professional Education Committee, an associate member of the Institute of Chartered Secretaries and Administrators, and the Hong Kong Institute of Chartered Secretaries. Mr. Poon worked as a regulator, commercial and investment banker and has broad experience in finance and securities regulations. He retired as an independent non-executive director of CATIC Shenzhen Holdings Limited upon expiry of term in June 2009 and now serves as an independent non-executive director of Tsingtao Brewery Company Limited, listed on the Main Board of the Stock Exchange.

潘昭國先生，47歲，本公司執行董事兼公司秘書。獲英國倫敦大學授予法律深造證書；擁有法律學士學位、商業學學士學位及國際會計學碩士學位。為香港證券專業學會會員及其專業教育委員會委員和特邀講師、英國特許秘書及行政人員公會及香港特許秘書公會會員。曾擔任監管、商業及投資銀行工作，在金融及證券法規方面擁有廣泛的經驗。曾任深圳中航集團股份有限公司獨立非執行董事，於二零零九年六月屆滿卸任。潘先生現任香港主板上市的青島啤酒股份有限公司的獨立非執行董事。

Mr. WANG Guang Yu, aged 46, an Executive Director of the Company. Mr. Wang is also the Chief Technical Officer of the Company and a director of the Company's principal subsidiaries marked with "W1" and the legal representative of those companies marked with "W2" as set out in note 33 to the consolidated financial statements. He holds a master's degree in chemical analysis and has a qualification of senior engineer. Mr. Wang was an expert with special allowance by the State Council of the PRC government in recognition of his outstanding contribution to the engineering technology sector of China. Mr. Wang previously worked in management positions of large-scale chemical company in China. Mr. Wang has over 15 years of R&D and management experiences in the chemical industry and is currently the Deputy Director of CAFFCI, a Member of Laws Committee of China Flavours & Fragrances Committee and a Member of Jiading Science Technology Committee of Shanghai Zhangjiang Hi-Tech Park.



王光雨先生，46歲，本公司執行董事。王先生亦為本集團技術總監及載於綜合財務報表附註33分別有「W1」及「W2」符號之本公司主要附屬公司的董事及法定代表人。彼持有分析化學碩士學位、高級工程師資格，為國務院特殊津貼專家，以表彰其對中國工程技術事業所做的突出貢獻，曾任職於中國內地大型化工企業管理職位。王先生擁有超過十五年化工技術研發及管理方面經驗。王先生現擔任中國香化協會副理事長、中國香精香料協會法規委員會委員及上海張江高科技園嘉定分區科學技術協會委員。



Mr. XIA Li Qun, aged 43, an Executive Director, the Vice President and Chief Financial Officer of the Company since September 2006. Mr. Xia is a director of the Company's principal subsidiaries marked with "X1" and the legal representative of those companies marked with "X2" as set out in note 33 to the consolidated financial statements. Mr. Xia is also responsible for the Group's finance, administration and human resources. Mr. Xia holds a bachelor of arts in economics and is a certified accountant, certified tax specialist and certified appraiser in China. Mr. Xia has over 20 years of financial and corporate management experience. Mr. Xia previously worked in domestic accounting firms in China and was a senior management member of a foreign invested enterprise in China. He is currently the Honorary Chairman of the Shanghai Food Additive Association.

夏利群先生，43歲，本公司執行董事、集團副總裁及財務總監，夏先生亦是載於綜合財務報表附註33分別有「X1」及「X2」符號之本公司主要附屬公司的董事及法定代表人。夏先生亦分管本集團財務、行政及人事工作。彼持有經濟學學士學位及中國註冊會計師、註冊稅務師及註冊評估師資格。夏先生擁有逾二十年財務及企業管理方面經驗。彼曾任職於中國內地會計師事務所和中國之外商投資企業高層管理職位。夏先生現擔任上海市食品添加劑協會名譽會長。

Mr. XIONG Qing, aged 33, an Executive Director of the Company since February 2008. Mr. Xiong majored in international accounting in Tsinghua University School of Economics and Management, and graduated with a bachelor's degree in economics. He is also an EMBA degree holder of INSEAD in France. Prior to joining the Group, Mr. Xiong previously worked in several international investment banks for years. Mr. Xiong has extensive experiences with Chinese enterprises and international capital market.

熊卿先生，33歲，本公司執行董事。熊先生畢業於清華大學經濟管理學院國際會計專業，獲經濟學學士學位。熊先生亦持有法國INSEAD商學院EMBA學位。熊先生在加入本集團之前，曾在多家國際投資銀行任職多年，對中國大陸之企業以及國際資本市場方面擁有豐富之經驗。



Independent Non-Executive Directors 獨立非執行董事



Mr. LEE Luk Shiu, aged 52, an Independent Non-executive Director of the Company. Mr. Lee is a fellow member of ACCA and an associate member of HKICPA. Mr. Lee is the senior consultant of an investment bank. Mr. Lee has about 25 years of ample experience in commercial accounting and corporate finance. Mr. Lee has principally engaged in corporate finance and regulatory aspects in the Stock Exchange. Mr. Lee was an Assistant Vice President of the Listing Division of the Stock Exchange, and his duties included regulating and monitoring the Hong Kong listed companies in relation to their compliance with the Listing Rules and processing new listing applications.

李祿兆先生，52歲，本公司獨立非執行董事。李先生為英國特許公認會計師公會資深會員及香港會計師公會會員。李先生現任一投資銀行的高級顧問。李先生在商業會計及企業融資方面擁有約二十五年豐富經驗。李先生曾主要從事聯交所之企業融資及監管事宜。李先生曾任職聯交所上市科副總監，其職責包括規管及監督香港上市公司有關遵守上市規則及處理新上市申請之程序。

Ms. MA Yun Yan, aged 49, an Independent Non-executive Director of the Company. She graduated from the Law School of Peking University in 1984 and qualified as a lawyer in China in 1986. Ms. Ma has been dedicated to teaching and doing research in the Law School in relation to international commerce and investment aspects for 10 years. She is now the Partner of Shu Jin Law Firm. Ms. Ma has extensive experience in the legal field in relation to the capital markets, including investments, acquisition and mergers, issuance of securities etc, and has lead-managed the issuance of shares and convertible bonds and major restructuring of numerous listed companies such as China Vanke Co., Ltd., China Petroleum Jilin Chemical Engineering Construction Co. Ltd., China Merchants Property Development Co., Ltd., Wisosoft Co., Ltd., shares of which are listed on the PRC stock exchanges, and also AAC Acoustic Technologies Holdings Inc., Vital BioTech Holdings Limited and Shenzhen High-Tech Holdings Limited, shares of which are listed on the main board of the Stock Exchange. Ms. Ma was a members of the Fourth Listing Committee of Shenzhen Stock Exchange. Ms. Ma is now a member of First Growth Enterprises Board Public Offering Review Committee of China Securities Regulatory Committee and an Independent Non-executive Director of Shenzhen Laibao High Technology Co. Ltd., the shares of which are listed in the Shenzhen Stock Exchange.



麻雲燕女士，49歲，本公司獨立非執行董事。彼於一九八四年畢業於北京大學法律系，一九八六年於中國內地取得律師資格。麻女士曾經從事國際商務與投資領域的法學教學、研究工作共十年時間。彼現在為廣東信達律師事務所合夥人。麻女士多年從事投資、收購兼併、證券發行等資本市場的法律業務，曾主辦了包括中國內地上市公司萬科企業股份有限公司、中油吉林化建工程股份有限公司、招商地產控股股份有限公司、四川川大智勝股份有限公司；香港主版上市公司AAC Acoustic Technologies Holdings Inc.、維奧生物科技控股有限公司及深圳科技控股有限公司等多家上市公司的股票、可換股債券發行以及重大重組。曾經擔任深圳證券交易所第四屆上市委員會委員。麻女士現任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和深圳上市公司深圳萊寶高科技股份有限公司的獨立非執行董事。



Mr. MAK Kin Kwong, aged 48, an Independent Non-executive Director of the Company. Mr. Mak is a graduate of the Hong Kong Polytechnic University, and a fellow member of HKICPA and ACCA, and a member of the Institute of Chartered Accountants, in England and Wales. Mr. Mak is the managing director of Venfund Investment, a Shenzhen based mid-market M&A investment banking firm specializing in cross-border mergers and acquisitions, corporate restructuring, capital raising and international financial advisory services for Chinese privately-owned clients, which he co-founded in late 2001. Prior to that, Mr. Mak spent 17 years at Arthur Andersen Worldwide where he was a Firm partner and served as the managing partner of Arthur Andersen Southern China in his last position with the Firm.

Mr. Mak serves as an independent non-executive director and audit committee chairman of Trina Solar Limited, China GrenTech Corp. Ltd., Dragon Pharmaceutical Inc. and China Security & Surveillance Technology, Inc. all of which are companies listed in the U.S.; Shenzhen Fiyata Holdings Limited, listed on Shenzhen Stock Exchange, 361 Degrees International Limited, China Dongxiang (Group) Co., Ltd., Pou Sheng International (Holdings) Limited and Real Gold Mining Limited, all listed on the Main Board of the Hong Kong Stock Exchange. Mr. Mak resigned as the non-executive director of Bright World Precision Machinery Ltd., a company listed on the Stock Exchange of the Republic of Singapore in December 2009 and as the non-executive director of Vinda International Holdings Ltd., a listed company on the Main Board of the Stock Exchange in December 2008 and as the independent director of Network CN Inc., a listed company in the U.S. in December 2009 and ceased to be an independent non-executive director of Gemdale Industries, Inc., a company listed on the Shanghai Stock Exchange in April 2009.

麥建光先生，48歲，本公司獨立非執行董事。麥建光先生畢業於香港理工大學會計系，為香港會計師公會資深會員，英國公認會計師公會資深會員及英國特許會計師公會會員。麥先生現任華雋投資董事總經理。華雋是於二零零一年底由麥先生及其合夥人創辦，致力為中國客戶提供跨國收購兼併、集團重組、國際財務顧問等投資銀行服務。之前，麥先生是安達信國際合夥人及安達信南中國地區主管合夥人。

麥先生為以下上市公司擔任獨立董事及審計委員會主席：於美國上市的天合光能有限公司、國人通信股份有限公司、凱龍藥業股份有限公司和中國安防技術有限公司、深圳上市的深圳市飛亞達（集團）有限公司、香港主板上市的361度國際有限公司、中國動向（集團）有限公司及寶勝國際（控股）有限公司和瑞金礦業有限公司。麥先生於二零零九年十二月辭任新加坡上市的沃得精機股份有限公司的非執行董事及分別於二零零八年十二月和二零零九年十二月退任香港主板上市公司維達國際控股有限公司的非執行董事和美國上市安博（美國）有限公司的獨立董事和於二零零九年四月退任在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。

Senior Management 高級管理層

Mr. ZHANG Yong, aged 49, is the Vice President of the Group and is responsible for marketing and sales. He holds a bachelor's degree in engineering. He served in local governments and large enterprises in the Mainland China. Mr. Zhang has nearly 20 years' experience in marketing and management.

張勇先生，49歲，副總裁，分管市場與銷售工作。彼持有工學學士學位。曾任職於中國內地地方政府和大型企業。張先生擁有近二十年的營銷及管理方面經驗。



Mr. Alan DAVIES, aged 62, is the Chief Technical Officer of tobacco flavour and Head of Aromascape Development Centre in Germany. Mr. Davies holds a Higher National Diploma in Food Science of Grimsby College of Technology, UK. Mr. Davies served as a senior flavourist in charge of creation and applications in a number of world renowned flavours and fragrances companies and tobacco factory, including Bush Boake Allen, Carreras Rothmans, Dragoco and Symrise. Mr. Davies has over 35 years' experience in tobacco flavouring.

Mr. Alan DAVIES，62歲，煙用香精香料技術總監，德國Aromascape科研中心主管。Mr. Davies持有英國Grimsby College of Technology的食品科學高級國家文憑，並曾任職於多家國際知名的香精香料公司和煙廠，包括Bush Boake Allen，Carreras Rothmans，Dragoco and Symrise，擔任高級調香師及主管開發和應用，Mr. Davies擁有超過三十五年的煙用香精香料經驗。

Mr. Helmut GEHLE, aged 52, is the Chief Technical Officer of food flavour, and holds Chemical Technology Certificate of Industrial Vocational School, Holzminden, Germany. Mr. Gehle served as a senior flavourist and senior technical officer in a number of world renowned flavours and fragrances companies including Dragoco, Quest and Symrise. Mr. Gehle has more than 20 years' experience in flavouring and management.



Mr. Helmut GEHLE，52歲，食用香精香料技術總監，持有德國Industrial Vocational School, Holzminden的化學技術證書。Mr. Gehle曾任職於Dragoco，Quest，Symrise等多家國際知名香精香料公司，擔任高級調香師和高級技術管理職位。Mr. Gehle擁有二十多年的調香和管理經驗。



Mr. LIN Chang Kui, aged 47, is the Administrative and Personnel Director of the Group. Mr. Lin is a doctor graduate student of enterprise management and holds an MBA degree; he served as a senior executive in a large enterprise group and has years of experience in operations management of enterprise group, proficient in corporate strategy planning, group strategy management, design of standard corporate governance, and well experienced in capital operations including project planning and enterprise M&A.

林長遠先生，47歲，集團行政人事總監。林先生為企業管理博士研究生，同時擁有工商管理碩士學位；曾經在大型的多元化企業集團出任高級管理職務，具有多年集團企業經營管理實際經驗，精通企業戰略規劃、集團戰略管理與企業規範管理和治理機制設計，在項目策劃和企業併購等資本運作方面也具有豐富的經驗。

Note: Information contained in this section was up to 31 March 2010.
附註：此部份所載資料乃截至二零一零年三月三十一日止。

Corporate governance refers to the rules and incentives by which the management of a company is directed and controlled to maximize the profitability and long-term value of the firm for shareholders while taking into account the interest of other legitimate stakeholders (UK Cadbury Report 1992). The Board recognizes the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices aiming at a high level of transparency and accountability. The Company is committed to continuously improving its corporate governance practices as part of its own corporate culture.

Directors' securities transactions

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 Directors. Having made specific enquiry to all Directors, all Directors confirmed they have complied with the required standard as set out in the Model Code throughout the year.

Corporate Governance Practices

The Company has adopted the code provisions in the CG Code contained in Appendix 14 to the Listing Rules as its own code on corporate governance practices except for the deviation from the code provision A.4.1 in respect of the terms of INEDs mentioned below. In addition, the Company complied with the code provisions as set out in the CG Code throughout the year ended 31 March 2010. The applications of the CG Code are set out below:

1. Board of Directors

Responsibilities of Directors

The Board, headed by the Chairman, is responsible for formulation of the business strategy of the Company and setting objectives for management, overseeing its performance and assessing the effectiveness of management strategies.

The Executive Directors are responsible for day-to-day management of the Company's operations and conduct meetings with senior management of the Group at which operational issues and financial performance are evaluated.

The Bye-laws of the Company set out the responsibilities and proceedings of the Board. Significant operational policies have to be discussed and approved by the Board. To enable the Directors to meet their obligations, an appropriate organizational structure is in place with clearly defined responsibilities and limits of authority.

企業管治乃引導及監控公司管理層之規則及動力，以為股東取得已兼顧其他合法持份者之權益的最大企業盈利及長期價值（英國Cadbury報告1992）。董事會重視良好企業管治常規之重要性及益處，並已採納若干企業管治及披露常規，力求提高透明度及問責水平。本公司將不斷致力於提升企業管治作為本身企業文化之一部份。

董事進行證券交易

本公司已採納載於上市規則附錄十的標準守則，作為董事買賣證券的標準守則。經作出具體查詢後，全體董事確認在整個年度內已遵守標準守則的規定。

企業管治的應用

除下文偏離守則條文第A.4.1條關於獨立非執行董事的委任期外，本公司已採納上市規則附錄十四企業管治守則的守則條文，作為本公司企業管治常規的守則。除此以外，本公司於截至二零一零年三月三十一日止年度內一直遵守載於企業管治守則的守則條文。企業管治守則的應用載於下文：

1. 董事會

董事責任

在主席領導下，董事會負責為管理層制定審批公司的發展、業務策略、目標和監督業務表現、評估管理策略的作用。

執行董事負責公司日常業務管理。彼等與集團的高級管理人員開會，評估各項業務運作及財務表現。

本公司的章程細則載有關於董事會責任及運作模式的條文。重大業務政策均須經董事會討論和審批。為確保董事履行職責，本公司設有適當的組織架構和清晰的責任權限。

The Board may from time to time delegate all or any of its powers that it may think fit to a director or member of senior management of the Company. The Board has formulated clear and specific rules and policies on such delegation of power to facilitate efficient operation of the Company and is supported by two committees which are Remuneration Committee and Audit Committee.

Board Composition

The Company has a well-balanced Board. As at the date of this annual report, the Board comprises six Executive Directors and three Independent Non-executive Directors. The Chairman of the Board is Ms. CHU Lam Yiu and the CEO is Mr. LAU Chi Tak. The role of Chairman and CEO of the Company has been segregated to allow a balance of power and delegation. All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity.

The Chairman's responsibility is to manage the Board including the following:

- To provide leadership for the Board and ensure that the Directors meet regularly and whenever necessary to consider all key and appropriate issues in a timely manner and thus ensure the Board functions effectively and discharges its responsibilities;
- With the supports of the CFO, the Qualified Accountant ("QA") and the Company Secretary, to ensure all Directors are properly briefed on issues arising at board meetings and receive adequate, complete, reliable and timely information for making decisions;
- To lead and set the strategic plan of the Company and supervise the implementation of resolutions approved by the Board. Each Executive Director is to oversee and monitor different functions of the Group according to their respective profession skills and expertise;
- To play a leading role in maintaining the balanced composition of the Board and sub-board committees, so as to make the Board an effective team that works with high degree of harmony;

董事會亦可不時將其所有或任何權力授予其認為適當的本公司董事或高級管理層成員。董事會在薪酬委員會及審核委員會兩個委員會支持下就有關授權制定清晰明確的規則及政策，使本公司更有效地營運。

董事會成員

本公司有一個全面化的董事會。於本報告日，董事會由六名執行董事和三名獨立非執行董事組成。董事會主席為朱林瑤女士而劉志德先生為行政總裁。董事會主席和行政總裁的職責載於下文。本公司董事會主席和行政總裁不是由同一人擔任以達致權力及職權方面的平衡。所有董事在其專業範疇內均擁有卓越資歷，並顯示了高標準的個人專業操守及誠信。

主席之職責乃管理董事會，當中包括負責下列職務：

- 領導董事會及確保董事定期及於有需要時召開會議，及時審議所有重要及適當事宜，從而確保董事會有效運作並履行職責；
- 於財務總監、合資格會計師（「合資格會計師」）及公司秘書的支持下，確保所有董事就於董事會會議提出的事項得到適當說明並獲得充足及時的數據，以作出決策；
- 領導及制定本公司之策略規劃，監察董事會通過之決議案之執行情況。按各執行董事各自之專業技能及知識，監督及監察本集團之不同部門；
- 於維持董事會及董事會委員會架構平衡上擔當領導之角色，帶領董事會有效運作、工作高度融洽；

- The Chairman has delegated to the designated director(s) and the Company Secretary the responsibilities of drawing up and approving the agenda for each board meeting and contacting other directors for any matters proposed for inclusion in the agenda before each board meeting; and
- To ensure good corporate governance practices and procedures are in place. In the Company, the Chairman, through the CFO, the QA and the Company Secretary, oversees the implementation of the practices and procedures set out in the CG Code.

The CEO's responsibility is to manage the Company's business including the following:

- To provide leadership for the management;
- To implement the strategic planning and business development;
- To supervise the business and operational management of the Company;
- To cooperate closely with management teams from all function to ensure the Company's smooth operation and development and to report regularly to the Board on major business development; and
- To establish and maintain proper internal controls and systems with the assistance of the CFO.

There is no relationship (including financial, business, family or other material relationship) between any members of the Board. Biographies of the Directors are set out on pages 42 to 48 of this annual report.

During the year ended 31 March 2010, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three INEDs with at least one INED possessing appropriate qualification, or accounting or related financial management expertise (in compliance with Rule 3.10 of the Listing Rules). The Company has received, from each of the INEDs, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the INEDs are considered to be independent pursuant to the Listing Rules.

- 主席委派職責予指定董事及公司秘書，在董事會會議召開前，草擬及審批董事會會議之議程，並就任何獲提呈加載議程之事項，與其他董事聯繫；及
- 確保良好之企業管治常規及程序妥善執行。於本公司內，主席透過財務總監、合資格會計師及公司秘書，監督公司實行企業管治守則所載之常規及程序。

總裁之職責乃管理本公司業務，當中包括負責下列職務：

- 領導管理層；
- 實行策略規劃及業務發展；
- 監督本公司業務及營運管理；
- 與各部門之管理團隊緊密合作，確保本公司作業及發展流暢，並定期向董事會匯報業務之主要動向；及
- 透過財務總監之支持，制定及維持合適之內部監控及制度。

董事會成員之間並無任何關係（包括財務、業務、家庭或其他重大關係）。董事履歷載於本年報第42頁至第48頁。

於截至二零一零年三月三十一日止年度內，董事會符合上市規則內需要委任至少三名獨立非執行董事，並其中由至少一名具備適當的專業資格，或具備相關適當的會計或相關的財務管理專長的獨立非執行董事之規定（遵守上市規則第3.10條的規定）。根據上市規則第3.13條，本公司已獲得各獨立非執行董事之年度獨立性確認書。董事會已評估彼等之獨立性，並認為全體獨立非執行董事根據上市規則均被視為獨立。

Directors' Appointment and Re-election

Pursuant to code provision A.4.1 of the CG Code, INEDs should be appointed for a specific terms, subject to re-election. Although the INEDs were not appointed for a specific term which deviates from the code provision A.4.1 of the CG Code, pursuant to the Bye-laws of the Company, the Directors shall retire from office by rotation no later than the third AGM of the Company since their last appointment or re-election and are eligible for re-election.

The Company has not established a nomination committee. New director is sought mainly through referrals, internal promotions or from the management of any acquired businesses. In evaluating whether an appointee is suitable to act as a Director, the Board will review the independence, experience and skills of the appointee as well as personal ethics, integrity and time commitment of the appointee. Appointment of a new director requires the unanimous approval of the Board members. All directors appointed by the Board are subject to election by Shareholders at the forthcoming general meeting.

Board Meetings

The Board meets regularly at least four times a year to consider operational reports of the Company and policies. Details of attendance of the Directors at the physical regular meetings are set out in paragraph 5 of this report.

Notice of regular board meeting are given to each member of the Board at least fourteen days prior to the meeting, whereby the director can put forward his proposed items into the agenda. The agenda and the relevant board papers are then circulated to the directors three days before a Board meeting to enable them to make informed decisions at the meeting. Drafts of the Board minutes and Board committee meeting minutes are circulated to all directors and the relevant Board committee members respectively for their review before finalization, and the final version of these minutes are kept by the Company Secretary and are available for inspection by the Board and auditors of the Company. If a director has an interest in a matter to be considered at a Board meeting, the Board will ensure that an adequate number of independent directors are involved in the consideration of the relevant resolutions, and the interest directors will abstain from voting.

董事之委任和重選

根據企業管治守則守則條文第A.4.1條，非執行董事的委任應有指定任期，並須膺選連任。雖然獨立非執行董事並非按特定年期獲委任，與企業管治守則守則條文A.4.1有所偏離，但須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，並符合資格膺選連任。

本公司尚未成立提名委員會。新董事主要透過推薦、內部提拔或任何收購事務之管理層而產生。於評估被委任者是否適合擔任董事時，董事會將審閱被委任者之獨立性、經驗及技能，以及個人品德、操守及可貢獻之時間。新董事之委任須獲得董事會成員一致批准。所有獲董事會委任之董事均須於應屆股東大會上由股東選舉。

董事會會議

董事會每年舉行最少四次正式會議，考慮公司的業務報告及制定政策。各董事的出席紀錄載於本報告第5段。

本公司會在會議舉行前最少十四日向各董事會成員派發定期董事會會議通告，而董事可將其建議項目加入會議議程。會議議程及有關會議文件會在董事會會議舉行前三日供董事傳閱，以便彼等在會上作出知情決定。董事會會議記錄及董事委員會會議記錄和會議討論的事項相關數據報括於會上所發表的意見的初稿分別會供董事及有關董事委員會成員審閱後方定稿，有關定稿則由公司秘書保管，可供所有董事及本公司核數師查閱。如個別董事在董事會會議擬考慮的事項中存有利益，該董事須放棄投票，董事會確保有足夠的獨立董事參與會議作出決策。

Every director is entitled to have access to Board papers and relevant materials and have unrestricted access to advice and services of the Company Secretary with a view to ensuring that board procedures and all applicable rules and regulations, are followed and is able to seek independent professional advice as and when required at the Company's expense. The Company has arranged appropriate insurance cover for the Directors and senior management of the Company in respect of legal action against them in the course of execution of their duties in good faith.

2. Board Committees

Remuneration Committee

The Remuneration Committee consists of two INEDs, namely Mr. MAK Kin Kwong (the Chairman of the Remuneration Committee), Ms. MA Yun Yan and an Executive Director, Mr. XIA Li Qun.

The term of reference of the Remuneration Committee has been adopted by the Board and is posted on the Company's website www.huabao.com.hk. The Remuneration Committee's responsibilities include making recommendations for approval by the Board with respect to matters relating to the remuneration of Executive Directors. In discharging its responsibilities, the Remuneration Committee has performed the following works:

- To make recommendations on the Company's policies and structure for all the remuneration of the Executive Directors;
- To evaluate remuneration packages of the Executive Directors, and make recommendations on the remuneration of the INEDs for the Board's approval by reference to market conditions, performance of the Group and the individual and corporate goals and objectives as set by the Board from time to time; and
- To review and evaluate the Company's share option scheme.

Directors abstain from voting in determining their own remuneration packages.

The Remuneration Committee met at least once during the year and the attendance record is set out in paragraph 5 of this report.

各董事均有權查閱董事會文件及有關數據及為了確保董事會程序及所有適用規則及規例均獲得遵守，可取得公司秘書的意見及服務，亦可在有需要時徵求獨立專業意見，有關費用由本公司支付。本公司已就董事及本公司之高級管理層在真誠善意地執行職責時可能招致任何法律訴訟，為彼等安排適當保險保障。

2. 董事委員會

薪酬委員會

薪酬委員會由兩名獨立非執行董事，即麥建光先生（為薪酬委員會主席）、麻雲燕女士和執行董事，夏利群先生，組成。

薪酬委員會已確立其職權指引，並已刊登於本公司網站www.huabao.com.hk。薪酬委員會之主要職責包括就有關執行董事薪金之事宜作出推薦意見，以備董事會通過。為履行其職責，薪酬委員會已進行下列工作：

- 就本公司之執行董事之所有薪金政策及架構作出推薦意見；
- 參考市場水平、本集團表現及董事會不時訂立之個別及企業目標及目的，建議執行董事之薪金組合，並就獨立非執行董事之薪金作出推薦意見，以備董事會通過；及
- 審閱及評估本公司之購股權計劃。

董事須就釐定彼等薪金組合時放棄投票。

於年內，薪酬委員會召開一次會議，出席紀錄載於本報告第5段。

Details of the emolument of each Director are set out in note 23(b) to the consolidated financial statements. Details of the Share Options Scheme and the share options granted to the Directors and senior management are set out on pages 66 to 68 of this annual report.

Audit Committee

The Audit Committee comprises three INEDs, namely, Mr. MAK Kin Kwong (the Chairman of the Audit Committee), Ms. MA Yun Yan and Mr. LEE Luk Shiu.

The primary function of the Audit Committee is to review and supervise the Group's financial reporting system, internal control procedures and to maintain good and independent communications with the management as well as auditors of the Company. In discharging its responsibilities, the Audit Committee has performed the following work:

- To review the annual and interim financial statements and results announcements during the year;
- To discuss with the external auditors and the management on possible accounting risks;
- To review the effectiveness of the Group's financial controls, internal controls and risk management systems;
- To review the sufficiency of manpower for financial reporting purposes;
- To approve the audit fees and terms of engagement of the external auditors; and
- To review the independence of the external auditors and make recommendation to the Board on the re-appointment of the external auditors.

The Audit Committee meets regularly with the Company's external auditors to discuss various accounting issues, and reviews the effectiveness of internal controls. Written term of reference has been adopted and are posted on the Company's website www.huabao.com.hk.

During the year ended 31 March 2010, the Audit Committee met twice and individual attendance of Audit Committee members is set out in paragraph 5 of this report. Members of the Audit Committee have been satisfied with the Company's internal control procedures with the financial reporting disclosures.

各董事之薪金詳情載於財務報表附註23(b)。購股權計劃詳情及授予董事和高級管理層之購股權已載於本年報第66至第68頁。

審核委員會

審核委由三名獨立非執行董事，即麥建光先生（為審核委員會主席）、麻雲燕女士和李祿兆先生組成。

審核委員會主要職責為審閱及監督本公司財務報告體系、內部監控程序，並與本公司管理層及核數師保持良好及獨立之溝通。於履行其職責時，審核委員會已進行下列工作：

- 審閱年內之年度及中期財務報表及業績公佈；
- 與外聘核數師及管理層就潛在會計風險作出討論；
- 檢討本集團之財務監控、內部監控及風險管理系統之有效性；
- 檢討處理財務匯報功能的人手是否充足；
- 批准外聘核數師之核數費用及委任任期；及
- 審閱外聘核數師之獨立性及就續任外聘核數師向董事會作出的推薦意見。

審核委員會定期與公司的外聘核數師開會，討論各種會計問題，並審閱內部監控制度的成效。經董事會採納，審核委員會的職權指引已刊登於本公司網站www.huabao.com.hk。

審核委員於年內舉行兩次會議，出席會議紀錄載於本報告第5段。審核委員會委員對本公司之內部監控系統和財務報告的披露表示滿意。

3. Internal Control

The Board acknowledges its responsibility to maintain a sound internal system of control and considers internal control system and risk management functions are highly essential.

In this regard, the Board has 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 an on-going basis, monitoring the continuing disclosure obligation. In addition, Herbert Smith, the retained legal counsel of the Company, has provided the Directors and the relevant senior executives with training on Listing Rules, regulatory requirements and cases of enforcement at least twice a year.

During the reporting period, the Board has carried out a review on the internal control system including financial, operational and compliance control, and risk management functions. The review includes:

- (i) To follow up the enhancement progress pursuant to the previous recommendations from an external independent expert in respect of internal control system;
- (ii) To carry out a high level review on the internal control system of new members/businesses of the Group under the principles set out by The Committee of Sponsoring Organizations of the Treadway Committee (“COSO”) covering major control aspects; and
- (iii) To arrange site visit and perform focused walk through test on the internal control system of members of the Group on a selective basis pursuant to the principles of COSO.

In general, the Board considers that the internal controls systems (including the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function) of the Company are effective.

3. 內部監控

董事會知悉有責任保持健全的內部監控制度並認為內部監控系統和風險管理十分重要。

據此，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數據，監察持續披露責任。此外，本公司常位法律顧問史密夫律師事務所每年至少兩次為董事和相關高管提供上市規則、法規要求、執法個案的培訓。

於期內，董事會對集團內部監控系統（包括財務、營運和合規監控和風險管理功能）進行檢查，主要包括：

- (i) 按過去外部獨立專家的意見，跟進提升內部監控系統的執行進度；
- (ii) 根據 The Committee of Sponsoring Organization Of the Treadway Committee (「COSO」) 所訂之原則，當中包括檢討各重大之監控範疇，對集團新成員或業務的內部監控系統進行高層次檢查；和
- (iii) 隨機到訪本集團之廠房和根據COSO的原則對其內部監控系統進行專項穿行測試。

整體而言，董事會認為本公司之內部監控系統（包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠）屬有效。

4. Accountability and Audit

Directors' Responsibility in Preparing Financial Reporting

The Board is responsible for the preparation and timely publication of financial statements. In preparing the financial statements, relevant statutory requirements have been complied, applicable accounting standards in force in Hong Kong have been adopted, appropriate accounting policies have been applied on a consistent basis, going concern basis has been adopted and reasonable and prudent judgments and estimates have been made.

Auditors' statement and remuneration

The external auditors have a primary responsibility for auditing and reporting on the financial statements and the Auditors' Report to the Shareholders is set out on pages 75 to 76 of this annual report.

During the reporting period, the remuneration paid/payable to the Company's auditors (including statutory auditors of the subsidiaries) in relation to audit services and non-audit services are as follows:

Nature of Services	服務性質	Amount 金額 (HK\$'000) (港幣千元)
Audit services	核數服務	3,808
Non-audit services	非核數服務	
– interim results review	– 審閱中期業績	1,649

5. Accessible and Transparent Communication with Shareholders

In addition to the on-going investor relation efforts to mention in the next section, the Board values the importance of communications with the shareholders. The Company uses a range of communications tools, such as AGM, annual report, various notices, announcements and circulars, to ensure its shareholders are kept well informed of key business imperatives.

The Company has maintained a website at www.huabao.com.hk which serves as a forum for corporate communication with its shareholders and the general public. All corporate communications required under the Listing Rules are displayed and can be achieved (for documents published in the previous 7 years) on the Company's website and there is established procedure to ensure timely update in compliance with the Listing Rules.

4. 問責和審核

董事編製財務報表的責任

董事會負責編製並准時刊發財務報表。編製財務報表時，有關法律規定已獲遵守，香港現行之適用會計準則已獲採納，適當之會計政策已按一貫基準予以應用，持續經營基準已獲採納，而合理及謹慎之判斷及估算亦已作出。

核數師聲明和酬金

核數師主要職責為就財務報表核數其作出報告，致股東之核數師報告載於本年報第75至76頁。

於期內，就核數師（包括附屬公司法定的核數師）向本集團提供之核數及非核數費用服務應付核數師之費用如下：

5. 與股東緊密及具透明之溝通

除下文所述持續投資者關係努力的結果外，董事會重視與股東的溝通的重要。本公司採用多項溝通工具，包括股東週年大會、年報、各類通告、公告及通函等，確保股東明了公司的主要業務策略。

本公司設有網站(www.huabao.com.hk)，為股東及公眾人士提供一個論壇作公司通訊用途。上市規則規定的所有公司通訊（過去七年刊發的文件）均可於本公司網站瀏覽及下載，本公司亦已制訂程序確保數據的披露將會根據上市規則適時更新。

Shareholders' Meetings

The general meeting provides a forum for the Board to communicate with the Shareholders.

Shareholders holding not less than one-tenth of the paid up capital of the Company may deposit a written requisition to the Board or the Company Secretary to request a special general meeting for transaction of any business specified in such requisition.

To facilitate enforcement of the Shareholders' rights, significant issues are dealt with under separate resolutions at the general meeting, including the election and re-election of individual Director.

Details of general meeting(s) held during reporting period are summarized as follows:

Meeting 會議	Date 日期	Venue 地點	Resolutions 決議案
AGM 股東週年大會	7 Aug 2009 二零零九年 八月七日	Suite 1103, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong 香港灣仔港灣道18號 中環廣場1103室	<ol style="list-style-type: none"> To receive the audited financial statements for the year ended 31 March 2009; 省覽截至二零零九年三月三十一日止年度經審核財務報表； To declare final dividend for the year ended 31 March 2009; 宣派截至二零零九年三月三十一日止年度的末期股息； To re-elect Directors and to authorize the Board to fix their remuneration; 重選董事並授權董事釐定彼等之薪金； To re-appoint the auditors; and 重新委任核數師；及 To grant general mandates to repurchase shares and to issue shares. 授予一般授權以購回股份及發行股份。

The Chairman and representative(s) from the Audit Committee were present and available to answer questions raised by the Shareholders at the AGM or other general meeting(s).

To facilitate communication further, Shareholders may send their enquiries which require the Board's attention to the Company Secretary at the Company's principal place of business in Hong Kong. Relevant contact information is set out on page 63 of this annual report and is also available on the Company's website www.huabao.com.hk.

股東大會

股東大會為董事會與股東提供一個溝通論壇。

持有本公司繳足股本不少於十分之一之股東可向董事會或公司秘書致函，要求召開股東特別大會，以處理該等要求列明的任何事項。

為方便股東在股東大會上行使權利，重要事宜乃根據個別決議案於股東大會上處理，包括選舉及重選個別董事。

總括年內舉行之股東大會如下：

本公司主席及審核委員會之代表均出席於股東週年大會，並解答股東所提出的疑問和鼓勵股東參與股東大會。

為更有效溝通，股東可向本公司於香港的主要營業地點的公司秘書致函，向董事會提出疑問。有關聯絡資料載於本年報第63頁，並刊載於本公司網站www.huabao.com.hk。

6. Attendance Record

Attendance Record of Board regular meetings and Board Committees meeting held during the reporting period are set out below. The average attendance rate of Directors of the Board Meetings during the period was 93% (2009: 97%).

6. 出席記錄

下表顯示各董事於年內出席董事會及董事委員會會議的詳情。於年內，董事的董事會會議平均出席率為93% (2009年：97%)。

		Board regular Meetings 董事會 定期會議	Audit Committee Meetings 審核委員會 會議	Remuneration Committee Meetings 薪酬委員會 會議
Executive Directors	執行董事			
Ms. CHU Lam Yiu	朱林瑤女士	4/5 *	N/A不適用	N/A不適用
Mr. LAU Chi Tak	劉志德先生	5/5	N/A不適用	N/A不適用
Mr. POON Chiu Kwok	潘昭國先生	5/5	N/A不適用	N/A不適用
Mr. WANG Guang Yu	王光雨先生	3/5	N/A不適用	N/A不適用
Mr. XIA Li Qun	夏利群先生	5/5	N/A不適用	1/1
Mr. XIONG Qing	熊卿先生	5/5	N/A不適用	N/A不適用
Independent Non-executive Directors	獨立非執行董事			
Mr. LEE Luk Shiu	李祿兆先生	5/5	2/2	N/A不適用
Ms. MA Yun Yan	麻雲燕女士	5/5	2/2	1/1
Mr. MAK Kin Kwong	麥建光先生	5/5	2/2	1/1

* One of the Board Meetings is related to transaction in which Ms. CHU has material interests, she did not attend and hence abstained from voting at the meeting.

* 其中一次董事會會議是有關朱女士涉及重大利益的一項交易，因此她沒有出席會議並放棄表決。

The Company is committed to upholding an open and proactive investor relations strategy with an aim at optimizing the knowledge and understanding of the investment community with respect to the Company's corporate mission and vision, development strategies, competitive position in the industry and operating and financial performance, so as to enable public investors to make informed decisions on their investments. The Company fulfils the above-mentioned through a designated Investor Relations Department.

The Investor Relations Department acts as an intermediary between the Company and public investors. The Group abides by fair disclosure guidelines to ensure that communication with Shareholders, investors and media is conducted in a fair manner and that no material non-public information is made available to any individual on a selective basis.

Investor Relations Review

During this reporting period, in order to develop continuously and maintain investor relations communications to ensure that the most updated information would be transmitted to investors in an accurate and fair manner, the Group organized various activities proactively and aggressively through different channels to conduct effective and satisfactory communications under stringent expenses. Details of these activities during the previous year are as follows:

本公司致力維持公開及積極的投資者關係策略，旨在有效令投資社群知悉及理解有關本公司之企業宗旨及願景、發展策略、業內競爭狀況及營運及財務表現，以致投資大眾能為彼等的投資作出知情決定。本公司透過特設的投資者關係部門以取得達致。

投資者關係部門作為本公司及投資大眾的橋樑。本集團按照公平披露指引，以確保與股東、投資者及傳媒之溝通以一個公平方式進行，及並無以選擇性準則向任何個別人士提供重大非公眾信息。

投資者關係工作回顧

在本報告期內，本集團為持續發展及維持投資者關係溝通，以確保最新訊息能準確公平地傳遞至投資者，本集團更主動且積極透過不同渠道進行各項活動，務求在節約開支的情況下發揮事半功倍的良好溝通，上年度的活動詳情如下：

Details of the activities	活動詳情	Number of participations (approximately) 參與次數 (約)
Non-deal roadshows in Mainland and overseas	中國內地以及海外 非交易路演	6 (including Hong Kong, Beijing, Shanghai, Singapore, Tokyo, New York, Boston and London, etc.) (包括香港、北京、上海、新加坡、東京、紐約、波士頓、及倫敦等地)
Investment conferences	投資者會議	13
One-on-one and group meetings	一對一及小組會議	119
Teleconferencing	電話會議	42
Plant visits and reverse roadshows	廠房參觀及反向路演	14

• Annual General Meetings

It is important that the Shareholders have access to clear and meaningful data which enables them to have a constructive dialogue with, and increases their engagement in, the Company. Shareholders can raise any questions and comments on the performance or future business directions of the Company and on any resolutions to be considered at the AGM and SGM. The Chairman and representatives from the Audit Committee were present and available to answer questions raised at the AGM during the year.

• 股東週年大會

對股東而言，能夠取得清晰及主要數據十分重要，他們可藉此建立有效溝通，及增加參與，本公司事務。股東可就本公司之表現、未來業務方針及於股東週年大會及股東特別大會將予審議之任何決議案提出任何詢問及發表評論。年內，本公司主席及審核委員會之代表已出席股東週年大會，並解答所提出的問題。

- **Press and Analysts' Conference**

Press and analysts' conference was held after the interim results announcement in December 2009, at which the Executive Directors availed themselves to answer questions such as regarding the Group's operational and financial performances.

- **International Roadshows and Investment Forums**

The Company treasures every opportunity to communicate with and explain its strategies to investors and Shareholders through active participation in global investor roadshows and investors' conferences hosted by reputable investment banks, securities houses and research institutes.

- **Ongoing Communication with the Investment Community**

Regular face-to-face meetings and an ongoing schedule of teleconferencing calls with institutional investors and research analysts were held throughout the year. Questions and comments on the Company raised at the meetings were summarized and reported to the senior management team after the meetings. Regular meetings with research analysts were organized which provided a different channel for the analysts to communicate with the members of the Board. All these serve the multi purposes of maintaining market surveillance and close contact with investors as well as gathering constructive suggestions from the capital market.

- **Company's Site Visits and Reverse Roadshows**

Site visits to the Company's major customers, R&D centres and production bases had been arranged for investors and analysts during the year which provided them on one hand the opportunities to have better understanding of the Company's businesses, technology and daily operations, and independent market surveillance on the other.

- **E-Communication via Websites of the Company and Professional Investor Relations**

The Company's website at www.huabao.com.hk contains information like important corporate data, biographical details of Directors, organizational structure and press releases, while interim and annual reports, announcements and circulars are published on its professional investor relations website at <http://huabao.todayir.com/html/ir.php>, which enables the Company's Shareholders and members of the investor community to have timely access to the most updated information about the Group.

- **新聞發佈會及分析員會議**

新聞發佈會及分析員會議於二零零九年十二月之中期業績公告後舉行，當中，執行董事回答有關本集團營運及財務表現等提問。

- **國際路演及投資論壇**

透過積極參與由享譽盛名的投資銀行、證券行及研究機構主持的全球投資者路演及投資者會議，本公司把握每一個機會與投資者及股東溝通及向彼等闡述其策略。

- **持續與投資社群溝通**

本公司年內定期與機構投資者及研究分析員直接會面，並不時安排與他們進行電話會議。本公司總括會議上就本公司提出的問題及作出的評論，並於會議後向高級管理團隊匯報。本公司與研究分析員定期會面，藉此為分析員提供不同渠道與董事會成員溝通。此等活動具有多重意義，既可提供市場監控，又能與投資者維持緊密聯繫，亦可收集資本市場任何建設性意見。

- **公司實地參觀及反向路演**

本公司年內為投資者及分析員安排參觀本公司主要客戶、研發中心及生產基地，一方面藉此讓他們有機會對本公司業務、科技及日常營運有更透徹了解。另一方面，亦可提供獨立市場對企業的監控。

- **透過公司網站及專業投資者關係網站進行電子溝通**

本公司網站為www.huabao.com.hk，載有重要之企業數據、董事履歷、組織架構、公司新聞等信息，此外本公司還設有專業投資者關係網站：<http://huabao.todayir.com/html/ir.php>，刊發中期及年度報告、公告及通函，讓本公司股東及投資社群適時取得有關本集團之最新信息。

• **Other Communication Channels**

Shareholders and members of the investor community are welcome to raise enquiries through our Investor Relations Department at the Company's principal place of business in Hong Kong or via the "Enquiry Form" on the Company website. Designated personnel are assigned for this task to ensure that all data is disclosed on a fair and non-selective basis and in compliance with the Company's policy and the relevant regulatory requirements.

• **Media Communications**

During the announcement of its annual results, the Group held a press conference to facilitate the access of the most updated information of the Company by media, investors and the public in a fair, open and timely manner. In addition, to strengthen the interactions between the Group and the media, it voluntarily issued press releases and arranged interviews with the management on a regular basis.

• **Analysts Coverage**

Subject to the compliance of relevant regulatory requirements, the Company is committed to continuous communications with research institutes in a proactive manner for transparency sake. During the reporting period, the Company was covered by 15 established and reputable research institutes as follows:

- BOC International
- China International Capital Corporation Limited
- Citigroup Investment Research
- CLSA Research Limited
- Credit Suisse (Hong Kong) Limited
- DBS Vickers Securities
- Deutsche Bank
- First Shanghai Group
- Goldman Sachs Gao Hua Securities Company Limited
- HSBC
- JP Morgan
- Macquarie Securities
- Nomura International (Hong Kong) Limited
- SWS Research Co., Ltd.
- UOB Kay Hian Pte Ltd.

(shown in alphabetical order in English)

• **其他溝通渠道**

本公司歡迎股東及投資社群成員透過本公司於香港的主要營業地點投資者關係部門，或透過本公司網站內「查詢表格」向本公司查詢。本公司設有專職人員負責此項工作，以確保所有數據乃以公平及非選擇性準則披露，並符合本公司之政策及有關規管規定。

• **媒體溝通**

本集團於年度業績公佈時舉辦新聞發佈會以加強媒體、投資者及公眾於公平、公開以及及時的情況下獲得公司的最新消息。此外，本集團於定時主動向媒體發夜新聞稿及安排管理層接受媒體訪問，加強相互交流。

• **分析員**

為使增加透明度，本公司一直致力在遵守有關監管規定情況下，積極與研究機構保持溝通。在報告期內，本公司獲十五間知名研究機構撰寫研究報告，該等公司如下：

- 中銀國際
- 中國國際金融有限公司
- 花旗銀行投資研究
- 里昂證券投資研究有限公司
- 瑞信(香港)有限公司
- 星展唯高達證券
- 德意志銀行
- 第一上海
- 高盛高華證券有限公司
- 滙豐銀行
- 摩根大通
- 麥格理證券
- 野村國際(香港)有限公司
- 申銀萬國證券研究所
- 大華繼顯(香港)有限公司

(按英文字母順序編排)

Information for investors (as at 31 March 2010)

投資者資料 (截止二零一零年三月三十一日)

Board Lot Size	1,000 shares	每手買賣單位股數	1,000股
Number of shares issued	3,128,820,961 shares	已發行股份數目	3,128,820,961股
Market capitalization (based on the closing price of HKD9.33 on 31 March 2010)	HKD29.192 billion	市值 (以二零一零年三月三十一日收市價港幣9.33元計算)	港幣291.92億元
Stock Code			
The Stock Exchange of Hong Kong Limited stock code	00336	香港聯合交易所有限公司股份代號	00336
Reuters ticker	336.HK	路透社股份代號	336.HK
Bloomberg ticker	336HK	彭博股份代號	336HK
Financial Calendar			
Announcement of 2009-10 Interim Results	2 December 2009 (Wednesday)	二零零九至一零年中期業績公佈	二零零九年十二月二日 (星期三)
Announcement of 2009-10 Final Results	18 June 2010 (Friday)	二零零九至一零年期末業績公佈	二零一零年六月十八日 (星期五)
Closing date for transfer of shares	From 2 August 2010 to 5 August 2010 (Monday to Thursday, both days inclusive)	股份截止過戶日期	二零一零年八月二日至五日 (星期一至星期四, 包括首尾兩日)
Annual General Meeting	5 August 2010 (Thursday)	股東週年大會	二零一零年八月五日 (星期四)
Date of Payment of 2009-10 proposed Final Dividend and Special Dividend	18 October 2010 (Monday) on or about	派發建議宣派二零零九至一零年度末期及特別股息日期	二零一零年十月十八日 (星期一) 或前後
Financial Year End Date	31 March	財政年度結算日	三月三十一日

Investor Relations Contacts

For inquiries, please contact:
Investor Relations Department
Huabao International Holdings Limited
Suite 1103
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Telephone: (852) 2185 1233
Fax: (852) 2511 8229
E-mail: jason.wong@huabao.com.hk
Investor Relations website: <http://huabao.todayir.com/html/ir.php>

投資者關係聯絡

如有查詢，請聯繫：
香港
灣仔
港灣道18號
中環廣場
1103室
華寶國際控股有限公司
投資者關係部

電話：(852) 2185 1233
傳真：(852) 2511 8229
電郵：jason.wong@huabao.com.hk
投資者關係網站：<http://huabao.todayir.com/html/ir.php>

The Board presents its report together with the audited financial statements for the year ended 31 March 2010.

Mergers & Acquisitions

In August 2009, the Group completed an acquisition of 100% equity interest of Maoming Kebi, a tobacco flavour supplier in PRC, at a consideration of approximately HKD117,209,000 in cash, from independent third parties.

In November 2009, the Group completed an acquisition of 100% equity interests of F&G Group, which mainly engages in the production and sales of natural extracts, at a consideration of HKD29,267,000 in cash from Ms. CHU who is a director and controlling shareholder of the Company. The acquisition constituted a connected transaction of the Company pursuant to the Listing Rules. Details of the acquisition were set out in the Company's announcement dated 20 November 2009.

In December 2009, the Group established a joint venture Company, Yunnan Qing Tian Xiang, in which the Group holds 49% equity interest. As at 31 March 2010, the Group's total investment was approximately HKD5,016,000.

In March 2010, the Company completed an investment of 51% equity interest of Qingdao Qingda, a professional natural extracts producer in PRC, at a cash consideration of approximately HKD11,600,000 from independent party.

Principal Activities

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in note 33 to the consolidated financial statements.

Segment Information

An analysis of the Group's performance for the year by business segment is set out in note 5 to the consolidated financial statements.

Results and Dividends

The results of the Group for the year ended 31 March 2010 are set out in the consolidated income statement on page 79 of the annual report.

The Board declared an interim dividend of HK6.0 cents (2009: HK5.0 cents) per share together with a special dividend of HK2.8 cents per share (2009: nil), amounting to a total of about HKD274,954,000, were paid on 26 February 2010.

董事會謹此提呈其報告及截至二零一零年三月三十一日止年度之經審核財務報表。

收購合併

於二零零九年八月，本集團完成收購於中國境內的香精香料供貨商茂名科比之100%股權，代價為現金約港幣117,209,000元。

於二零零九年十一月，本集團完成向本公司之董事兼控股股東朱女士收購主要從事生產和銷售天然提取物的F&G集團的100%股權，代價為現金港幣29,267,000元。根據上市規則，收購構成本公司的聯連交易。收購詳情已載列於日期為二零零九年十一月二十日的公告內。

於二零零九年十二月，本集團合資成立了雲南清甜香並持有49%股權，於二零一零年三月三十一日，本集團的總投資額約為港幣5,016,000元。

於二零一零年三月，本集團完成投資於中國境內的專業化的天然提取物生產商青島青大的51%股權，代價為現金約港幣11,600,000元。

主要業務

本公司之主要業務為投資控股，其主要附屬公司之業務載於綜合財務報表附註33。

分部資料

本年度本集團按業務分部劃分之表現分析載於綜合財務報表附註5。

業績及股息

本集團截至二零一零年三月三十一日止年度之業績載於年報第79頁之綜合收益表。

董事會已於二零一零年二月二十六日派付現金中期股息每股6.0港仙（二零零九年：5.0港仙）及現金特別股息每股2.8港仙（二零零九年：無），共約港幣274,954,000元。

The Board proposed the declaration of a final dividend of HK6.78 cents (2009: HK5.8 cents) per share together with a special dividend of HK5.5 cents (2009: HK3.0 cents) per share both in cash, about HKD384 million in aggregate, for the year ended 31 March 2010, are expected to be paid on or about 18 October 2010 (Monday) to Shareholders whose names appear on the Register of Members of the Company as at 5 August 2010 (Thursday), subject to Shareholders' approval in the forthcoming annual general meeting to be held on 5 August 2010 (Thursday) (for notice of annual general meeting please refer to the relevant circular). Together with the interim dividend and special dividend declared, the total dividend distribution for the year amounted to HK21.08 cents (2009: HK13.8 cents) per share.

Closing of Register of Members

Shareholders are reminded that in order to qualify for the proposed final dividend and special dividend and be entitled to attend and vote at the 2010 AGM, the Register of Members of the Company will be closed from 2 August 2010 (Monday) to 5 August 2010 (Thursday), both days inclusive, during which no transfer of shares will be effected, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Share Registrars, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road, Wanchai, Hong Kong not later than 4:30 p.m. on 30 July 2010 (Thursday).

Reserves

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 81 and in note 17 to the consolidated financial statements.

Distributable Reserves

As at 31 March 2010, the distributable reserves of the Company amounted to HKD1,481,138,000 (2009: HKD1,496,575,000).

Donations

Charitable and other donations made by the Group during the year amounted to HKD136,000.

Property, Plant and Equipment

Details of movements in property, plant and equipment of the Group are set out in note 6 to the consolidated financial statements.

董事會建議向於二零一零年八月五日(星期四)名列本公司股東名冊之股東宣派就截至二零一零年三月三十一日止年度之現金末期股息每股6.78港仙(二零零九年: 5.8港仙)和現金特別股息每股5.5港仙(二零零九年: 3.0港仙), 共約港幣3.84億元, 並預期於二零一零年十月十八日(星期一)或前後派發, 但須於二零一零年八月五日(星期四)舉行的股東週年大會上獲股東批准(股東週年大會通告見相關通函); 連同已派發的中期和特別股息, 本年度之股息分派總額為每股21.08港仙(二零零九年: 13.8港仙)。

暫停辦理股份過戶手續

為確保獲派建議之末期股息和特別股息及有權出席二零一零年股東週年大會並在會上投票, 特提示股東本公司將由二零一零年八月二日(星期一)至二零一零年八月五日(星期四)止(首尾兩日包括在內)暫停辦理股份過戶登記手續; 所有填妥的過戶表格連同有關股票最遲須於二零一零年七月三十日(星期五)下午四時三十分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。

儲備

本集團及本公司於年內之儲備變動載於年報第81頁之綜合權益變動表及綜合財務報表附註17。

可供分派之儲備

於二零一零年三月三十一日, 本公司之可供分派儲備為港幣1,481,138,000元(二零零九年: 港幣1,496,575,000元)。

捐款

本集團在本年度內作出之慈善及其他捐款合共港幣136,000元。

物業、機器及設備

本集團物業、機器及設備之變動詳情載於綜合財務報表附註6。

Share Capital

Details of the movements in share capital of the Company are set out in note 15 to the consolidated financial statements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

Five Year Financial Summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 165.

Share Options

As per a resolution passed at the special general meeting held on 22 September 2006, the Company adopted a share option scheme ("Share Option Scheme"). As at 31 March 2010, the share options granted by the Company pursuant to the Share Option Scheme which are valid and outstanding amounted to 62,220,000 shares, represents approximately 1.99% of the ordinary Shares issued. The following is a summary of the Share Option Scheme:

(a) Purpose of the Scheme

The Share Option Scheme aims at encouraging the participants to make contributions to and promote benefits of the Group and developing and maintaining business relationships with participants for the benefit of the Group.

(b) Participants of the Scheme

The Board has absolute discretion to grant share option to any participant.

(c) Maximum number of shares issuable under the Scheme

The total number of share options to be granted under the Share Option Scheme shall not exceed 10% of the issued ordinary share capital of the Company as at 22 September 2006. Upon approval by the Shareholders, the Company may renew the Scheme Mandate Limit, provided that each renewal shall not exceed 10% of the total number of issued Shares as at the date of approval by the Shareholders, and a circular regarding the proposed renewal of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules. The aggregate maximum number of Shares which may be issued upon exercise of share options granted under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

股本

本公司之股本變動詳情載於綜合財務報表附註15。

優先購買權

本公司之公司細則或百慕達法例中概無有關優先購買權之條文，規定本公司須按比例向現有股東發售新股份。

五年財務摘要

本集團過去五個財政年度之業績及資產與負債概要載於年報第165頁。

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」）。於二零一零年三月三十一日，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合共62,220,000份，佔已發行普通股1.99%。購股權計劃的摘要載列如下：

(a) 計劃之目的

購股權計劃旨在激勵參與者為本集團作出貢獻及促進利益，為與可對本集團有利之參與者發展及維持業務關係。

(b) 計劃的參與人士

董事會擁有絕對酌情權，可向任何參與者授出購股權。

(c) 計劃中可予發行股份總數最高上限

根據購股權計劃批授的購股權數目，不得超逾二零零六年九月二十二日本公司已發行普通股股本的10%。在獲得股東批准後，本公司可更新計劃授權限額，惟每一次更新的計劃授權限額，均不得超逾股東批准更新限額該日已發行普通股總數之10%；及須遵照上市規則第17章有關條文規定之方式將建議更新計劃授權限額之通函寄發予股東，該通函其中載有上述條文所規定之資料。因按照購股權計劃及本公司任何其他購股權計劃授出之購股權獲行使及將獲行使，而將予發行之最多普通股數目不可超逾不時已發行普通股總數之30%。

(d) Maximum entitlement of each participant

The maximum number of Shares (issued and to be issued) upon exercise of options (whether exercised, cancelled or outstanding) granted to any participants in any 12-month period under the Share Option Scheme and any other share option scheme of the Company shall not exceed 1% of the total number of ordinary Shares in issue from time to time. Any excess over 1% requires the formal approval by Shareholders through an ordinary resolution at a general meeting at which the relevant participant and his associates shall abstain from voting and the Company shall issue a circular pursuant to relevant provisions of Chapter 17 of the Listing Rules.

(e) Time for exercise of options

The grantee may subscribe for ordinary Shares during such period as may be determined by the Board (the said period shall not in whatever case be later than the last day of the 10-year period after the day on which the offer relating to the option is duly approved by the Board in accordance with the Share Option Scheme (subject to early termination)).

(f) Minimum period for which an option must be held before it can be exercised

Unless the Directors determine otherwise and state in the offer of the grant of option to the grantee, the Share Option Scheme does not provide for any minimum period for which share options must be held before it can be exercised.

(g) Acceptance of option offer and payment

The grantee may accept the offer of the share option within 21 days from the date of the offer letter issued by the Company. The grantee shall pay HKD1 as consideration for accepting the offer of the share option.

(h) Basis for determining the exercise price

The exercise price of share option granted pursuant to the Share Option Scheme shall be determined by the Board and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of offer, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the Shares.

(d) 計劃中各參與人士可獲授權益上限

根據本公司購股權計劃及任何其他購股權計劃而於任何12個月期間向任何參與者所授出之購股權（無論已行使、已註銷或尚未行使者），其有關之普通股最多數目（包括已發行及將予發行股份數目）將不可超逾不時已發行普通股總數之1%。如授出之數目超逾1%，則必須經股東於股東大會上以普通決議案正式批准，有關參與者及其聯繫人士則須放棄在大會上投票，而本公司亦須按照上市規則第17章有關條文之規定發出通函。

(e) 行使購股權之期限

承授人可於董事會釐定之期內認購普通股（該期間無論如何最遲於董事會根據購股權計劃正式批准有關購股權建議當日後十年期間之最後一日屆滿（可提前終止））。

(f) 購股權可行使前須持有之最短期限

除非董事另行決定並於向承授人授出購股權之建議中表明，否則購股權計劃並無條文規定購股權持有人在承授後需持有任何最短期間方可行使購股權。

(g) 接納購股權的期限及付款

承授人可於本公司發出的建議函件當日起計21日內接納購股權建議，而接納批授購股權建議時，須支付港幣1元的代價。

(h) 釐定行使價的基準

根據購股權計劃所批授的購股權，其行使價須由董事會釐定，惟不得低於下列各項中之較高者：(i)購股權要約日期（必須為營業日）聯交所每日報價表所列之股份收市價；(ii)在緊接授出日期前五個營業日在聯交所每日報價表所列收市價的平均數；或(iii)股份面值。

(i) The life of the Scheme

The Share Option Scheme will remain in force for 10 years starting from 22 September 2006.

(ii) 計劃的尚餘有效期

購股權計劃於二零零六年九月二十二日起計十年內有效。

The details of share options granted, exercised, cancelled and lapsed during the year under the Share Option Scheme are set out as follows:

於年內，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 承授人	Grant Date 授出日期	Exercise Price 行使價	Exercisable Period 可行使日期	Number of Share Options 購股權數目				Balance as at 31 March 2010 於二零一零年三月三十一日結餘	
				Balance as at 1 April 2009 於二零零九年四月一日結餘	Granted during the year 年內批授	Exercised during the year 年內行使	Cancelled during the year 年內註銷		Lapsed during the year 年內失效
		HKD 港幣							
Executive Directors 執行董事									
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	-	1,700,000	-	3,300,000	
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	
Independent Non-Executive Directors 獨立非執行董事									
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	-	400,000	-	400,000	
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 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	-	-	
Other employees 其他僱員									
	10 October 2006 二零零六年十月十日	3.09	10/10/2006-9/10/2016	58,135,000	-	39,015,000	-	2,200,000	
	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	-	1,300,000	-	12,600,000	
Total 合計				108,435,000	-	44,015,000	-	2,200,000	62,220,000

Directors

The Directors of the Company during the year and up to the date of this report were:

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

In accordance with Bye-law 87(1) and (2) of the Company's bye-laws, Ms. CHU Lam Yiu, Messrs. LAU Chi Tak and LEE Luk Shiu shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Directors' Service Contracts

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Interests In Contracts of Significance

Other than disclosed in note 31 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, its ultimate holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Businesses Competing with the Group

None of the Directors and their respective associates (as defined in the Listing Rules) has an interest in any business which completes or may complete with the business of the Group.

董事

年內及截至本報告日期本公司之董事如下：

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

根據本公司之公司細則第87(1)及(2)條，朱林瑤女士，劉志德先生和李祿兆先生將於應屆股東週年大會輪值告退，惟彼等符合資格，並願膺選連任。

董事服務合約

在應屆股東週年大會上候選連任之董事概無與本公司訂有任何本公司不可於一年內免付賠償（法定賠償除外）而終止之服務合約。

董事之重大合約權益

除綜合財務報表附註31所披露者外，本公司、其最終控股公司或其任何附屬公司並無訂立任何涉及本集團之業務，而本公司董事直接或間接在其中擁有重大權益，並且於年結日或年內任何時間有效之重大合約。

董事之同業競爭業務

並無任何董事及其各自之聯繫人擁有與本集團構成或可能構成同業競爭的任何業務之權益。

Biographical Details of Directors and Senior Management

Biographical details of directors and senior management are set out on pages 42 to 48 of the annual report.

Directors' Interests in Shares, Underlying Shares and Debentures

At 31 March 2010, the interests of the Directors and their associates in the Shares, underlying Shares and debentures of the Company and its associated corporations (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 contained in the Listing Rules, were as follows:

(a) Long positions in ordinary shares of HKD0.10 each of the Company

Name of Directors 董事姓名	Capacity 身份	Number of issued Shares held 持有已發行 股份數目	Percentage of the issued Share capital 佔已發行 股本百分比
CHU Lam Yiu 朱林瑤	Held through controlled corporation* 透過受控公司持有*	1,591,679,415	50.872%
POON Chiu Kwok 潘昭國	Beneficial Owner 實益持有人	1,160,000	0.037%
XIA Li Qun 夏利群	Beneficial Owner 實益持有人	1,750,000	0.056%
XIONG Qing 熊卿	Beneficial Owner 實益持有人	100,000	0.003%

* 1,591,679,415 ordinary shares of the Company are respectively 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.

(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 above.

Save as disclosed above, as at 31 March 2010, 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.

董事及高級管理層履歷

董事及高級管理層的履歷載於年報第42頁至48頁。

董事於股份、相關股份及債券之權益

於二零一零年三月三十一日，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 Shares held 持有已發行 股份數目	Percentage of the issued Share capital 佔已發行 股本百分比
1,591,679,415	50.872%
1,160,000	0.037%
1,750,000	0.056%
100,000	0.003%

* 本公司之1,591,679,415股乃分別由Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited and Real Elite Investments Limited共同持有。朱林瑤女士為此五間公司的唯一實益擁有人。

(b) 本公司購股權之權益

董事之購股權權益已詳列於以上「購股權」一節內。

除上文所披露者外，於二零一零年三月三十一日，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。

Directors' Rights to Acquire Shares or Debentures

Other than disclosed in note 16 to the consolidated financial statements, at no time during the year was the Company, its ultimate holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

Management Contracts

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

Interests of Substantial Shareholders

As at 31 March 2010, other than the interests disclosed in the section headed "Directors' interests 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 persons Company held interests or short positions in 5% or more issued share capital of the Company.

Long position in ordinary shares of HKD0.10 each of the Company

Name of Substantial Shareholders 主要股東名稱	Capacity 身份	Number of issued Shares held 持有已發行 股份數目	Percentage of the issued Share capital 佔已發行 股本百分比
FMR LLC	Investment manager 投資經理	244,071,000	7.80%
Wellington Management Company, LLP	Investment manager 投資經理	159,621,486	5.10%

Major Customers and Suppliers

For the year ended 31 March 2010, the percentage of turnover attributable to the Group's five largest customers accounted for approximately 53% and the largest customer contributed approximately 29% to the turnover of the Group, and the percentage of purchases attributable to the Group's five largest suppliers accounted for approximately 28% and the largest supplier contributed approximately 19% to the purchases of the Group.

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

董事認購股份或債券之權利

除於綜合財務報表附註16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。

管理合約

概無於年內訂立或存有任何涉及本公司整體業務或任何重要業務之管理及行政工作之合約。

主要股東之權益

於二零一零年三月三十一日，除於「董事於股份、相關股份及債券之權益」一節所批露之權益外，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，下列人士持有本公司已發行股本5%或以上權益或淡倉。

本公司每股面值港幣0.10元之普通股好倉

Name of Substantial Shareholders 主要股東名稱	Capacity 身份	Number of issued Shares held 持有已發行 股份數目	Percentage of the issued Share capital 佔已發行 股本百分比
FMR LLC	Investment manager 投資經理	244,071,000	7.80%
Wellington Management Company, LLP	Investment manager 投資經理	159,621,486	5.10%

主要客戶及供應商

截至二零一零年三月三十一日止年度內，本集團五位最大客戶佔本集團營業額之百分比約為53%，而最大客戶則約為29%；本集團五位最大供應商佔本集團採購額之百分比約為28%，而最大供應商則約為19%。

本公司董事或其任何聯繫人士或任何股東（就董事所知，其擁有逾5%本公司已發行股本），概無擁有本集團五大客戶及供應商之任何權益。

Continuing Connected Transactions

Sale of tobacco flavour products to Hongta Tobacco Group and its associates

On 18 February 2009, the Group and Hongta Tobacco Group entered into a framework agreement ("2009 Framework Agreement") pursuant to which the Group shall continually sell tobacco flavour products to Hongta Tobacco Group and its associates. The 2009 Framework Agreement is valid from 1 April 2009 to 31 March 2012, and all the transactions conducted between the Group and Hongta Tobacco Group under the 2009 Framework Agreement constituted continuing connected transactions of the Group. The upper limits of annual amounts of continuing connected transactions under the 2009 Framework Agreement for the three years ending 31 March 2012 are RMB66,000,000, RMB86,000,000 and RMB112,000,000 ("Annual Caps") respectively. The Company has obtained a waiver from the Stock Exchange to approve the entering into of the 2009 Framework Agreement, the conduct of the continuing connected transactions and the Annual Caps on the basis of a written independent shareholders' approval in lieu of holding a shareholders' meeting of the Company under Rule 14A.43 of the Listing Rules.

Raw materials purchase from F&G Group and its associates

On 4 November 2008, the Group entered into a framework agreement ("2008 Framework Agreement") with F&G Group pursuant to which F&G Group and its associates will supply natural extracts on an on-going basis for a 30-month period from 9 October 2008 to 31 March 2011. F&G was incorporated in the Republic of Botswana in southern Africa and is principally engaged in the production and sales of natural extracts. Prior to the completion of the acquisition of F&G Group as mentioned below, F&G Group was owned by the Company's controlling shareholder and Director, Ms. Chu. Pursuant to Rule 14A.34 of the Listing Rules, F&G and its subsidiaries and associates were the connected persons of the Company. Hence, the transactions contemplated under the 2008 Framework Agreement constituted continuing connected transactions subject to reporting and announcement requirement but are exempted from the independent shareholders' approval. The upper limits of annual amounts of the continuing connected transactions under the 2008 Framework Agreement for the three years ending 31 March 2011 are HKD13,000,000, HKD21,500,000 and HKD21,500,000 respectively. On 20 November 2009, Right Source Enterprises Limited, a wholly-owned subsidiary of the Company, entered into sale and purchase agreement with Ms. Chu to acquire 100% equity interest of F&G Group ("Acquisition of F&G Group"). The Acquisition of F&G Group was completed in November 2009 and the continuing connected transactions with F&G Group were ceased then.

持續關連交易

銷售煙用香精香料產品予紅塔煙草集團及其聯繫人

於二零零九年二月十八日，本集團與紅塔煙草集團訂立有關本集團持續向紅塔煙草集團及其聯繫人銷售煙用香精香料產品之框架協議（「二零零九年框架協議」）。二零零九年框架協議之有效期為自二零零九年四月一日至二零一二年三月三十一日止，而二零零九年框架協議所涉及之本集團與紅塔煙草集團間進行之交易均構成本集團之持續關連交易。二零零九年框架協議內持續關連交易的每年交易額於截至二零一二年三月三十一日止三個年度設定上限分別為人民幣66,000,000元、人民幣86,000,000元和人民幣112,000,000元（「年度上限」）。本公司已根據上市規則第14A.43條從聯交所取得豁免，以獨立股東書面批准方式批准訂立二零零九年框架協議、每年度上限及進行持續關連交易而毋須召開本公司股東大會。

向F&G集團及其聯繫人採購原材料

於二零零八年十一月四日，本集團與F&G集團訂立框架協議（「二零零八年框架協議」），據此，F&G集團及其聯繫人將於二零零八年十月九日至二零一一年三月三十一日止30個月期間持續地向本集團出售天然提取物。F&G是在博茨瓦納共和國註冊成立的公司，主要從事生產天然提取物。在下文所述的完成收購F&G集團前，為本公司董事和大股東朱女士所擁有。根據上市規則第14A.34條，F&G、其附屬公司和聯繫人為本公司的關連人士，因此，二零零八年框架協議項下的交易構成本集團持續關連交易，須遵守有關報告及公告的規定，惟毋須獲得獨立股東批准。二零零八年框架協議內持續關連交易的年度上限於截至二零一一年三月三十一日止三個年度分別為港幣13,000,000元、港幣21,500,000元及港幣21,500,000元。於二零零九年十一月二十日，本公司全資附屬公司Right Source Enterprises Limited與朱女士簽訂買賣協議，向其購入F&G集團100%股權（「收購F&G集團」）。收購F&G集團於二零零九年十一月完成和持續關連交易亦從此終止。

The Board also confirms that the Company has complied with the disclosure requirements as required by the Listing Rules in relation to the aforementioned continuing connected transactions.

Annual review of continuing connected transactions

For the year ended 31 March 2010, the tobacco flavour products sold by the Group to the associates of Hongta Tobacco Group and the natural extracts purchased by the Group from F&G Group before the completion of the Acquisition of F&G Group amounted to approximately RMB36,550,000 and HKD5,177,000, respectively.

The aforesaid continuing connected transactions have been reviewed by the INEDs of the Company. The INEDs confirm that the aforesaid connected transactions have been entered into:

- (i) in the ordinary and usual course of business of the Company;
- (ii) on normal commercial terms or on terms no less favourable to the Company than terms available to independent third parties; and
- (iii) in accordance with the terms of the relevant agreement, and are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the Board appointed the auditors of the Company to make sample inspections on the aforesaid continuing connected transactions in accordance with Hong Kong Standard on Related Services 4400, "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information", issued by HKICPA. The auditors have reported to the Board the findings and conclusions concerning the transactions as per the agreed-upon procedures.

Based on the agreed-upon procedures carried out, the auditor of the Company submitted to the Board a letter confirming that the continuing connected transactions:

- (i) have been approved by the Board;
- (ii) are in accordance with the pricing/procurement policies of the Company;
- (iii) have been entered into in accordance with the terms of the relevant agreements; and
- (iv) have not exceeded the aforesaid annual limits.

關於上述持續關連交易，董事會亦確認本公司已遵守上市規則的披露要求。

持續關連交易的年度審核

截至二零一零年三月三十一日止年度，本集團向紅塔煙草集團之聯繫公司銷售煙用香精香料產品及在完成收購F&G集團之前，向F&G集團採購天然提取物分別約為人民幣36,550,000元和港幣5,177,000元。

上述持續關連交易已由本公司的獨立非執行董事審閱。獨立非執行董事確認上述關連交易：

- (i) 屬本公司的一般及日常業務；
- (ii) 是按照一般商業條款進行，或其條款不遜於本公司從獨立第三方可獲取的條款；及
- (iii) 是根據有關的協議條款進行，而交易條款公平合理，並且符合本公司股東的整體利益。

因應上市規則第14A.38條，董事會已委聘本公司核數師按照香港會計師公會所頒佈之香港服務準則第4400號「就財務資料執行協定程式的聘用協定」，以抽樣方式對上述持續關連交易進行若干事實查明程式。核數師已就該交易根據該協定程式所得之事實結論向董事會報告。

基於執行的協定的程序，本公司的審計師向董事會提供記述了下列內容的信函，確認持續關連交易：

- (i) 已獲得董事會的批准；
- (ii) 均按照本公司的定價／採購政策而進行；
- (iii) 均按照有關交易的協議條款進行；及
- (iv) 交易並無超越上文所述的年度限額。

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

Legal Proceedings

As at 31 March 2010, the members of the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against any member of the Group.

Public Float

Based on the information that is publicly available to the Company and within the best belief and knowledge of the Directors, the Company has maintained a sufficient public float of the Company's securities during the reporting period and up to the date of this report as required under the Listing Rules.

Auditors

The financial statements for the year ended 31 March 2010 have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

By Order of the Board
CHU Lam Yiu
Chairman

Hong Kong, 18 June 2010

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於年內概無購買、出售或贖回本公司任何上市證券。

法律訴訟

於二零一零年三月三十一日，本集團成員公司並無涉及或任何未完結或面臨的重大訴訟、仲裁事項。

公眾持股量

於本報告期內及截至本公告日可供本公司查閱之公眾資料以及就董事所知和所信，本公司已維持上市規則所規定之本公司證券之足夠公眾持股量。

核數師

截至二零一零年三月三十一日止年度之財務報表已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，但表示願意於本公司臨近舉行的股東週年大會上應聘連任。

承董事會命
朱林瑤
主席

香港，二零一零年六月十八日



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HUABAO INTERNATIONAL HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Huabao International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 77 to 164, which comprise the consolidated and company statements of financial position as at 31 March 2010, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Directors' responsibility for the financial
statements**

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

獨立核數師報告

致華寶國際控股有限公司全體股東
(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第77至164頁華寶國際控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一零年三月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 June 2010

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並按照百慕達一九八一年《公司法》第90條僅向整體股東報告。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。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一零年三月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一零年六月十八日

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

於二零一零年三月三十一日
(除另有指明者外，所有金額均以港幣千元列示)

		As at 31 March 於三月三十一日	
		2010 二零一零年	2009 二零零九年 Restated 重列 (Note 34) (附註34)
	Note 附註		
ASSETS			
Non-current assets			
Property, plant and equipment	6	301,798	289,849
Land use rights	7	67,684	58,515
Intangible assets	8	1,602,659	1,507,151
Investments in associates	10	6,236	9,233
Deferred income tax assets	11	50,544	31,055
		2,028,921	1,895,803
Current assets			
Inventories	12	235,294	211,820
Trade and other receivables	13	660,117	531,298
Short-term time deposits	14	230,886	-
Cash and cash equivalents	14	1,678,640	1,126,735
		2,804,937	1,869,853
Total assets		4,833,858	3,765,656
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	15	312,882	308,480
Reserves	17	410,403	248,458
Retained earnings			
– Proposed final dividend	27	212,134	179,731
– Proposed special dividend	27	172,085	92,964
– Others	18	2,682,600	2,006,184
		3,790,104	2,835,817
Minority interest		128,103	93,789
Total equity		3,918,207	2,929,606
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	11	108,870	93,813
Current liabilities			
Short-term borrowings	19	250,236	-
Trade and other payables	20	486,242	702,243
Current income tax liabilities		70,303	39,994
		806,781	742,237
Total liabilities		915,651	836,050
Total equity and liabilities		4,833,858	3,765,656
Net current assets		1,998,156	1,127,616
Total assets less current liabilities		4,027,077	3,023,419

The notes on pages 83 to 164 are an integral part of these consolidated financial statements.

第83至164頁的附註為本綜合財務報表的整體部份。

On behalf of the Board

代表董事會

Ms. CHU Lam Yiu
朱林瑤女士
Chairman
主席

Mr. XIA Li Qun
夏利群先生
Director
董事

Statement of Financial Position

財務狀況表

As at 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

於二零一零年三月三十一日
(除另有指明者外，所有金額均以港幣千元列示)

		As at 31 March 於三月三十一日		
		Note 附註	2010 二零一零年	2009 二零零九年
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	9(a)	1,245,083	1,245,083
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項	13	473	478
Amounts due from subsidiaries	應收附屬公司款項	9(b)	1,280,246	889,849
Cash and cash equivalents	現金及現金等價物	14	35,503	11,809
			1,316,222	902,136
Total assets	總資產		2,561,305	2,147,219
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	15	312,882	308,480
Reserves	儲備	17	655,017	506,179
Retained earnings	保留盈利			
– Proposed final dividend	– 擬派末期股息	27	212,134	179,731
– Proposed special dividend	– 擬派特別股息	27	172,085	92,964
– Others	– 其他	18	808,728	935,689
Total equity	總權益		2,160,846	2,023,043
LIABILITIES	負債			
Current liabilities	流動負債			
Short-term borrowings	短期貸款	19	240,000	–
Amounts due to subsidiaries	應付附屬公司款項	9(b)	140,356	122,095
Trade and other payables	貿易及其他應付款項	20	20,103	2,081
			400,459	124,176
Total liabilities	總負債		400,459	124,176
Total equity and liabilities	總權益及負債		2,561,305	2,147,219

The notes on pages 83 to 164 are an integral part of these financial statements.

第83至164頁的附註為本綜合財務報表的整體部份。

On behalf of the Board

代表董事會

Ms. CHU Lam Yiu
朱林瑤女士
Chairman
主席

Mr. XIA Li Qun
夏利群先生
Director
董事

Consolidated Income Statement

綜合收益表

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有指明者外，所有金額均以港幣千元列示)

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年 Restated 重列 (Note 34) (附註34)
	Note 附註		
Sales	5	2,366,403	1,938,443
Cost of goods sold	22	(579,568)	(475,928)
Gross profit		1,786,835	1,462,515
Other income	21	36,237	36,206
Selling and marketing expenses	22	(73,057)	(78,984)
Administrative expenses	22	(233,326)	(224,285)
Operating profit		1,516,689	1,195,452
Finance income		15,761	19,555
Finance costs		(1,508)	(7,934)
Finance income – net	24	14,253	11,621
Share of profit of associates	10	707	426
Profit before income tax		1,531,649	1,207,499
Income tax expense	25	(162,236)	(82,157)
Profit for the year		1,369,413	1,125,342
Attributable to:			
Equity holders of the Company		1,340,085	1,110,324
Minority interest		29,328	15,018
		1,369,413	1,125,342
Earnings per share for profit attributable to the Company's equity holders for the year (expressed in HK cents per share)			
– Basic	26(a)	43.15	36.08
– Diluted	26(b)	42.58	35.62
Interim and final dividends	27	399,603	333,831
Special dividend	27	259,570	92,964
		659,173	426,795

The notes on pages 83 to 164 are an integral part of these consolidated financial statements.

第83至164頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有指明者外，所有金額均以港幣千元列示)

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年 Restated 重列 (Note 34) (附註34)
	Note 附註		
Profit for the year	5	1,369,413	1,125,342
Other comprehensive income:			
Exchange differences on translating foreign operations		13,174	52,475
Total comprehensive income for the year, net of tax		1,382,587	1,177,817
Total comprehensive income attributable to:			
Equity holders of the Company		1,352,907	1,160,167
Minority interest		29,680	17,650
		1,382,587	1,177,817

The notes on pages 83 to 164 are an integral part of these consolidated financial statements.

第83至164頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Changes in Equity 綜合權益變動表

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有指明者外，所有金額均以港幣千元列示)

	Note 附註	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	-	49,843	-	49,843	2,632	52,475
Profit for the year	本年度盈利	-	-	1,110,324	1,110,324	15,018	1,125,342
Total comprehensive income for the year ended 31 March 2009	截至二零零九年三月三十一日止年度的 全面收益總額	-	49,843	1,110,324	1,160,167	17,650	1,177,817
Dividends paid to minority shareholders	向少數股東派付的股息	-	-	-	-	(5,651)	(5,651)
Appropriations from net profit	自純利撥付	-	5,432	(5,432)	-	-	-
Combination of Wealthy King Investments Ltd ("Wealthy King") and its subsidiaries ("Wealthy King Group")	合併富君投資有限公司 (「富君」)及其附屬公司 (「富君集團」)	-	(15,382)	-	(15,382)	-	(15,382)
Combination of Faraway International Limited and Long State International Limited and their subsidiary F&G Botswana (Proprietary) Limited ("F&G Group")	合併遠威國際有限公司及 朗域國際有限公司及 其附屬公司 (「F&G集團」)	-	-	(1,945)	(1,945)	-	(1,945)
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
Final dividend for the year ended 31 March 2008	截至二零零八年三月三十一日止年度之 末期股息	-	-	(184,540)	(184,540)	-	(184,540)
Interim dividend for the 6 months ended 30 September 2008	截至二零零八年九月三十日止六個月之 中期股息	-	-	(154,100)	(154,100)	-	(154,100)
Employee share option scheme	僱員購股權計劃	-	-	-	-	-	-
- Value of employee services	- 一年內僱員服務價值	-	30,889	-	30,889	-	30,889
- Exercise of share options	- 行使購股權	1,569	46,928	-	48,497	-	48,497
		1,569	67,867	(346,017)	(276,581)	6,393	(270,188)
Balance at 31 March 2009 (Restated, Note 34)	於二零零九年三月三十一日 (重列，附註34)	308,480	248,458	2,278,879	2,835,817	93,789	2,929,606
Balance at 1 April 2009	於二零零九年四月一日	308,480	248,458	2,278,879	2,835,817	93,789	2,929,606
Exchange differences	匯兌調整	-	12,822	-	12,822	352	13,174
Profit for the year	本年度盈利	-	-	1,340,085	1,340,085	29,328	1,369,413
Total comprehensive income for the year ended 31 March 2010	截至二零一零年三月三十一日止年度的 全面收益總額	-	12,822	1,340,085	1,352,907	29,680	1,382,587
Dividends paid to minority shareholders	向少數股東派付的股息	-	-	-	-	(6,287)	(6,287)
Appropriations from net profit	自純利撥付	-	4,496	(4,496)	-	-	-
Combination of F&G Group	合併F&G集團	-	(4,211)	-	(4,211)	-	(4,211)
Acquisition of Qingdao Qingda Product Co., Inc., ("Qingdao Qingda")	收購青島青大物產股份有限公司 (「青島青大」)	-	-	-	-	10,921	10,921
Final and special dividend for the year ended 31 March 2009	截至二零零九年三月三十一日止年度之 末期及特別股息	-	-	(272,695)	(272,695)	-	(272,695)
Interim and special dividend for the 6 months ended 30 September 2009	截至二零零九年九月三十日止六個月之 中期及特別股息	-	-	(274,954)	(274,954)	-	(274,954)
Employee share option scheme	僱員購股權計劃	-	-	-	-	-	-
- Value of employee services	- 一年內僱員服務價值	-	12,605	-	12,605	-	12,605
- Exercise of share options	- 行使購股權	4,402	136,233	-	140,635	-	140,635
		4,402	149,123	(552,145)	(398,620)	4,634	(393,986)
Balance at 31 March 2010	於二零一零年三月三十一日	312,882	410,403	3,066,819	3,790,104	128,103	3,918,207

The notes on pages 83 to 164 are an integral part of these consolidated financial statements. 第83至164頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Cash Flows

綜合現金流量表

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有指明者外，所有金額均以港幣千元列示)

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年 Restated 重列 (Note 34) (附註34)
	Note 附註		
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	29	1,538,570	1,142,786
Income tax paid		(152,610)	(32,050)
Net cash generated from operating activities	營運活動產生之現金淨額	1,385,960	1,110,736
Cash flows from investing activities	投資活動之現金流量		
Acquisition of subsidiaries	28	(112,170)	(599,237)
Purchases of property, plant and equipment		(32,061)	(91,558)
Purchases of land use right		–	(2,027)
Proceeds from disposal of property, plant and equipment	29	606	459
Proceeds from disposal of an associate		3,911	–
Short-term time deposits placed		(230,886)	–
Purchases of intangible assets		(1,168)	(323)
Interests received		13,606	14,733
Dividends received		512	–
Net cash used in investing activities	投資活動所用之現金淨額	(357,650)	(677,953)
Cash flows from financing activities	融資活動之現金流量		
Dividends paid to shareholders		(547,649)	(338,554)
Proceeds from issue of shares in connection with exercise of share options		159,485	48,498
Repayment of short-term borrowings		–	(13,135)
Short-term bank borrowings		240,000	–
Interest paid		(1,508)	(65)
Proceeds from prior shareholder of Wealthy King		–	91,229
Shareholders' loan		–	27,169
Repayments to a shareholder		(326,919)	(97,072)
Net cash used in financing activities	融資活動所用之現金淨額	(476,591)	(281,930)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	551,719	150,853
Cash and cash equivalents at beginning of the year		1,126,735	972,887
Effects of exchange rate changes on cash and cash equivalents		186	2,995
Cash and cash equivalents at end of the year	年終現金及現金等價物	1,678,640	1,126,735

The notes on pages 83 to 164 are an integral part of these consolidated financial statements. 第83至164頁的附註為本綜合財務報表的整體部份。

For the Year ended 31 March 2010
(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.

Pursuant to an acquisition agreement dated 20 November 2009, the Company acquired F&G Group from Ms. Chu (the “Acquisition”) at a consideration of HKD29,267,000 satisfied by cash payment. The Acquisition was a connected transaction pursuant to The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the “Listing Rules”). Details of the transaction were set out in the announcement dated 20 November 2009 issued by the Company. The Acquisition was completed on 30 November 2009.

These consolidated financial statements are presented in thousands of units of HK dollars (“HKD’000”) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 18 June 2010.

截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

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。

根據二零零九年十一月二十日之收購協議，本公司向朱女士以現金港幣29,267,000元作為代價，收購F&G集團(「收購»)。根據聯交所之主板證券上市規則(「上市規則»), 該收購構成關連交易，其詳細資料請參見本公司於二零零九年十一月二十日的公告，該收購於二零零九年十一月三十日完成。

本綜合財務報表除另有說明者外，均以港幣千元(「港幣千元»)列示。本綜合財務報表已於二零一零年六月十八日獲董事會批准刊發。

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the 'HKICPA'). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) Application of merger accounting

Since the Company and F&G Group were both controlled by Ms. Chu before and after the completion of the transaction as mentioned in Note 1, the Acquisition has been accounted for using the principles of merger accounting, as prescribed in Hong Kong Accounting Guideline 5 ("AG 5") 'Merger Accounting for Common Control Combinations' issued by the HKICPA.

F&G Group has been effectively controlled by Ms. Chu since 6 October 2008.

The consolidated financial statements incorporate the financial statements of the combining entities in which the common control combination occurs on the basis that they had been combined from the date when the combining entities first came under the control of the controlling party.

2. 主要會計政策摘要

編製本綜合財務報表所應用的主要會計政策載於下文。除另有說明者外，此等政策在所呈報的所有年度內貫徹應用。

2.1 編製基準

本公司綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則（「香港財務報告準則」），並按歷史成本法編制。

編制符合香港財務報告準則的財務報表須使用若干關鍵會計估算，管理層亦須於應用本集團會計政策過程中行使其判斷，而涉及高度的判斷或高度複雜性之範疇，或涉及對綜合財務報表作出重大假設和估算的範疇，在附註4中披露。

(a) 合併會計法之應用

由於朱女士在附註1所述交易完成前後均控制本公司及F&G集團，本公司已採用香港會計師公會會計指引第五號「同一控制下合併的合併會計法」核算該項收購。

朱女士從二零零八年十月六日起開始有效地控制F&G集團。

當共同控制企業合併發生時，綜合財務報表包括被合併實體的財務報表，就如同被合併實體在開始處於控制所有者的共同控制下就已經被合併。

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.1 Basis of preparation (continued)

2.1 編製基準 (續)

(a) Application of merger accounting (continued)

(a) 合併會計法之應用 (續)

The net assets of the combining entities are combined using the existing book values from the controlling parties' perspective. No amount is recognized for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

從控制方的角度，被合併的實體的淨資產以賬面值合併。在共同控制企業合併中產生的商譽以及收購方應佔被收購方可辨認資產，負債及或然負債的公平淨值超過成本的金額不予確認。

The consolidated income statement includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

綜合損益表包括每一個合併實體的經營成果，而其期間為財務報表最早的披露日期與合併實體開始處於共同控制之日兩者較短期間，而不考慮共同控制企業合併日。

The comparative amounts in the consolidated financial statements are presented on the basis that the entities had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

綜合財務報表中的比較數據，已假設實體已於上一個結算日或首次受到共同控制時(以較短者為準)呈列。

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealized gains on transactions between combining entities or businesses are eliminated on consolidation.

在這些實體中採用統一的會計政策。集團內合併實體的所有交易、餘額及在交易中獲得的未實現收益在合併中對銷。

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognized as an expense in the period in which it is incurred.

交易成本，包括專業服務費、註冊費、提供股東資訊發生的費用，將單個業務合併起來發生的成本或損失等其他與採用共同權益會計核算的共同控制企業合併有關的成本於發生時費用化。

The following is a reconciliation of the effect arising from the Acquisition on the consolidated statement of financial position under AG 5.

以下為因收購而產生的對綜合財務狀況表之影響之調節。

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.1 Basis of preparation (continued)

2.1 編製基準 (續)

(a) Application of merger accounting (continued)

(a) 合併會計法之應用 (續)

The consolidated statement of financial position as at 31 March 2010:

於二零一零年三月三十一日之綜合財務狀況表：

		The Group (excluding F&G Group) 本集團 (不含F&G 集團)	F&G Group	Adjustments 調整 (Note) (附註)	Consolidated 合併
Investment in F&G Group	投資於F&G集團	29,267	-	(29,267)	-
Other assets – net	其他資產—淨值	3,888,238	29,969	-	3,918,207
Net assets	資產淨值	3,917,505	29,969	(29,267)	3,918,207
Share capital	股本	312,882	-	-	312,882
Merger reserve	合併儲備	17 (612,949)	-	(4,211)	(617,160)
Retained earnings and other reserves	保留盈利及 其他儲備	4,089,469	29,969	(25,056)	4,094,382
Minority interest	少數股東權益	128,103	-	-	128,103
		3,917,505	29,969	(29,267)	3,918,207

Note: It represents an adjustment to eliminate the share capital, share premium, retained earnings and other reserves of the combining entities against the investment cost. The difference of approximately HKD4,211,000 has been debited to merger reserve in the consolidated financial statements.

附註：此調整乃將合併實體的股本、股本溢價、累計盈利及其他儲備與投資成本之對銷。其差額約港幣4,211,000元已列示於綜合財務報表之合併儲備的借方內。

As Ms. Chu's control of F&G Group commenced on 6 October 2008, the financial statements of the Group as at 31 March 2009 have been restated.

由於朱女士在二零零八年十月六日開始控制F&G集團，本集團於二零零九年三月三十一日的財務報表已重列。

No significant adjustments were made to the net assets and net profit or loss of any entities as a result of the common control combination to achieve consistency of accounting policies.

無因共同控制合併為達致會計政策的一致性，而對任何實體或業務的淨資產及淨損益作出重大調整。

Merger accounting as depicted above has been adopted by the Group as one of its principal accounting policies.

以上描述之合併會計法已經被本集團採納為主要會計政策之一。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(b) *The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2009 and are relevant to the Group:*

- HKFRS 8, "Operating Segments" (effective for annual periods beginning on or after 1 January 2009). HKFRS 8 replaces HKAS 14, "Segment Reporting". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a decrease in the number of reportable segments presented. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. Following the adoption of HKFRS 8, the presentation of the segment results and segment assets has changed (see Note 5 for details). Comparatives have been restated in the note disclosure. However, such restatement in note disclosure does not have any impact on the financial statements.
- 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 in a statement of comprehensive income. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. The consolidated financial statements have been prepared and comparative information has been re-presented under the revised disclosure requirements. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

(b) *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政年度且與本集團相關：*

- 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則呈列。這導致所列報的報告分部數目減少。此外，分部的呈報方式與向主要經營決策者提供的內部報告更趨一致。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5)。比較數字已經在附註進行重列。然而，在附註披露的重列並無影響財務報表。
- 香港會計準則第1號(修訂)「財務報表之呈列」(自二零零九年一月一日起計開始之年度期間生效)。此項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」在綜合全面收益表中必須與擁有人的權益變動分開呈列。因此，本集團在合併權益變動表中列報全部所有者的權益變動，而非擁有人的權益變動則在合併綜合全面收益表中列報。比較數字已重列，以符合修訂準則。由於會計政策的改變只影響列報方面，故此對每股盈利並無影響。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.1 Basis of preparation (continued)

2.1 編製基準(續)

(b) *The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2009 and are relevant to the Group (continued):*

(b) 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政年度且與本集團相關(續)：

- Amendment to HKFRS 7, “Financial instruments: disclosures” (effective for annual periods beginning on or after 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.
- HKFRS 2 (Amendment), “Share-based payment” (effective for annual periods beginning on or after 1 January 2009). The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to the grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group has adopted HKFRS 2 (Amendment) from 1 April 2009. The amendment does not have a material impact on the Group’s financial statements.

- 香港財務報告準則第7號「金融工具－披露」的修改－自二零零九年一月一日起計開始之年度期間生效。此項修改要求提高有關公允價值計量和流動性風險的披露。此修改特別要求按公允價值的計量架構披露公允價值計量。由於會計政策的改變只導致額外披露，故此對每股盈利並無影響。

- 香港財務報告準則第2號(修訂本)「以股份為基礎的付款」(由二零零九年一月一日起計開始之年度期間生效)此修訂處理有關歸屬條件的註銷，澄清歸屬條件僅指服務條件和表現條件。以股份為基礎的付款的其他特徵不是歸屬條件。此等特徵將需要包括在與僱員和其他提供類似服務人士的交易於授予日的公允價值內；此等特徵將不影響授予日後預期將歸屬的獎勵數目或其估值。所有註銷，不論由實體或其他方作出，必須按相同的會計處理法入賬。本集團已由二零零九年四月一日起採納香港財務報告準則第2號(修訂本)。此修訂不會對本集團的財務報表有重大影響。

The adoption of other standards or amendments has no significant effects to the Group’s financial statements.

採納其他準則或修訂不會對本集團的財務報表有重大影響。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- (c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group*

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2010, but the Group has not early adopted them:

- HKAS 27 (Revised), "Consolidated and separate financial statements", (effective for annual periods beginning on or after 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in income statement. There is also additional guidance on linked transactions. The Group will apply HKAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 April 2010.

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

- (c) *仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋*

以下為已公佈的準則、修訂及對現有準則的詮釋，而本集團必須於二零一零年四月一日或之後開始的會計期間或較後期間採納，但本集團並無提早採納：

- 香港會計準則第27號(修訂)「綜合及獨立財務報表」(由二零零九年七月一日起計開始之年度期間生效)。此項經修訂準則規定，如控制權沒有改變，則與非控制性權益進行的所有交易的影響必須在權益中呈列，而此等交易將不再導致商譽或盈虧。此項準則亦列明失去控制權時的會計處理方法。任何在實體內的剩餘權益按公允價值重新計量，並在損益表中確認盈利或虧損。並就相關連交易提供額外指引。本集團將由二零一零年四月一日起對與非控制性權益的交易應用香港會計準則第27號(修訂)。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.1 Basis of preparation (continued)

2.1 編製基準(續)

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

(c) *仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋(續)*

- HKFRS 3 (Revised), "Business combinations" (effective for periods beginning on or after 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. When a business combination is achieved in stages, the acquirer should remeasure its previously held interest in the acquiree at its fair value at the date of control is obtained, recognising a gain/loss in the income statement. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (Revised) prospectively to all business combinations from 1 April 2010.

- 香港財務報告準則第3號(修訂)「業務合併」(由二零零九年七月一日起計開始之年度期間生效)。此項修訂準則繼續對業務合併應用收購法，但有些重大更改。例如，收購業務的所有款項必須按收購日期的公允價值記錄，而分類為債務的或然付款其後須在損益表重新計量。在非控制性權益被收購時，可選擇按公允價值或非控制性權益應佔被收購方淨資產的比例計量。如業務合併分階段進行，收購方應按取得控制權日期的公允價值，重新計量其之前在被收購方持有的權益，並在收益表確認盈利／虧損。所有與收購相關成本必須支銷。本集團將會由二零一零年四月一日起對所有業務合併應用香港財務報告準則第3號(修訂)。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HKAS 38 (Amendment), “Intangible Assets” (effective for annual periods beginning on or after 1 July 2009). The amendment is part of the HKICPA’s annual improvements project published in May 2009. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives. The amendment will not result in a material impact on the Group’s financial statements. The Group will apply HKAS 38 (Amendment) from 1 April 2010.
- HKFRS 5 (Amendment), “Measurement of non-current assets (or disposal groups) classified as held for sale” (effective for annual periods beginning on or after 1 January 2010). The amendment provides clarification that HKFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of HKAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of HKAS 1. The Group will apply HKFRS 5 (Amendment) from 1 April 2010.

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

(c) *仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋 (續)*

- 香港會計準則第38號(修訂本)「無形資產」(由二零零九年七月一日起計開始之年度期間生效)。此修改為香港會計師公會在二零零九年五月公佈的年度改進項目的一部份。此修改澄清了在業務合併中購買的無形資產的公允價值的計量指引，並容許假若每項資產的可使用年期相近，可將無形資產組合為單一資產。此修改不會對本集團的財務報表造成重大影響。本集團將會由二零一零年四月一日起應用香港會計準則第38號(修訂本)。
- 香港財務報告準則第5號(修訂本)「持作出售的非流動資產(或處置組)的計量」(由二零一零年一月一日起計開始之年度期間生效)。此修訂澄清了香港財務報告準則第5號說明分類為持作出售非流動資產(或處置組)和終止經營規定的有關披露。此修改亦澄清了香港會計準則第1號的一般規定仍然適用，尤其是第15段(以達致公平地呈列)和第125段(估計來源的不確定性)。本集團將會由二零一零年四月一日起應用香港財務報告準則第5號(修訂本)。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.1 Basis of preparation (continued)

2.1 編製基準(續)

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

(c) *仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋(續)*

- HKAS 1 (Amendment), "Presentation of financial statements" (effective for annual periods beginning on or after 1 January 2010). The amendment is part of the HKICPA's annual improvements project published in May 2009. The amendment provides clarification that the potential settlement of a liability component by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The Group will apply HKAS 1 (Amendment) from 1 April 2010. It is not expected to have a material impact on the Group's financial statements.
- HKFRS 2 (Amendment), "Group cash-settled share-based payment transactions" (effective for annual periods beginning on or after 1 January 2010). In addition to incorporating HK(IFRIC)-Int 8, "Scope of HKFRS 2", and HK(IFRIC)-Int 11, "HKFRS 2 – group and treasury share transactions", the amendments expand on the guidance in HK(IFRIC)-Int 11 to address the classification of group arrangements that were not covered by the interpretation. The Group will apply HKFRS 2 (Amendment) from 1 April 2010. The amendments are not expected to have a material impact on the Group's financial statements.

- 香港會計準則第1號(修訂本)「財務報表之呈列」。此修改為香港會計師公會在二零零九年五月公佈的年度改進項目的一部份。此修訂提供澄清負債可通過發行權益進行清償與負債的流動或非流動的劃分並不相關。通過修訂流動負債的定義，即使在交易對方可隨時要求實體以股份進行清償的情況下，修訂後的準則也允許將負債劃分為非流動負債(前提是實體能夠無條件將以轉讓現金或其他資產的方式進行的清償期到會計期間後至少十二個月)。本集團將會由二零一零年四月一日起應用香港會計準則第1號(修訂本)，預期不會對本集團的財務報表造成重大影響。
- 香港財務報告準則第2號(修訂本)「集團現金結算以股份為基礎的支付交易」(由二零一零年一月一日起生效)。除與香港(國際財務報告詮釋委員會)–詮釋8、香港財務報告準則第2號的範圍及香港(國際財務報告詮釋委員會)–詮釋11「香港財務報告準則第2號—集團及庫存股份交易」結合外，此修訂擴大香港(國際財務報告詮釋委員會)–詮釋11的指引針對未為該詮釋涵蓋的集團安排分類。本集團將會由二零一零年四月一日起應用香港財務報告準則第2號(修訂本)，此項新指引預期不會對本集團的財務報表造成重大影響。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

- HKFRS 9 “Financial Instruments” (effective for periods beginning on or after 1 January 2013). Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Management does not anticipate that the application will result in a material impact on the Group’s financial statements.
- There are a number of amendments to HKFRS 1 (Revised) “First-time adoption of HKFRSs”, HKAS 39 (Amendment) “Eligible hedge items”, HKFRS 1 (Amendment) “Additional exemptions for first-time adopters”, HK(IFRIC)-Int 19 “Extinguishing financial liabilities with equity instruments”, HKAS 24 (Revised) “Related party disclosures”, HKAS 32 (Amendment) “Classification of rights issue”, Amendment to HK(IFRIC)-Int 14 “Prepayments of a minimum funding requirement” and HK(IFRIC)-Int 17 “Distribution of Non-Cash Assets to owners”, which are not addressed above. These amendments are unlikely to have an impact on the Group’s financial statements and have therefore not been analysed in detail.

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

(c) *仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋 (續)*

- 香港財務報告準則第9號「金融工具」(由二零一三年一月一日起計開始之年度期間生效)金融資產必須分類為兩種計量類別：一種為其後按公允價值計量，一種為其後按攤銷成本計量。分類需要在初始確認時作出決定。分類視乎實體管理其金融工具的經營模式，以及工具的合約現金流量特點而決定。管理層預期新準則不會對本集團的財務報表有重大影響。
- 就香港財務報告準則第1號(修訂)「首次採納香港財務報告準則」，香港會計準則第39號(修訂本)「合資格套期項目」，香港財務報告準則第1號(修訂本)「首次採納者的額外豁免」，香港(國際財務報告詮釋委員會)－詮釋19「以權益工具消除金融負債」，香港會計準則第24號(修訂)「關聯方披露」，香港會計準則第32號(修訂本)「配股的分類」，香港(國際財務報告詮釋委員會)－詮釋14的修改「最低資金規定的預付款」以及香港(國際財務報告詮釋委員會)－詮釋17「向所有者分派非現金資產」的修訂並未有在上文提及。由於這些修訂對本集團財務報表沒有重大影響，因此不作詳細分析。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.1 Basis of preparation (continued)

2.1 編製基準(續)

(c) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)*

(c) *仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋(續)*

- Annual improvement project published in 2008 and 2009 to amend the following standards:

於二零零八年及二零零九年頒佈的年度改進項目對以下準則進行修訂：

- HKFRS 5 (Amendment) "Non-current assets held for sales or discontinued operations"
- HKAS 1 (Amendment) "Presentation of financial statements"
- HKAS 7 (Amendment) "Cash flow statements"
- HKAS 17 (Amendment) "Leases"
- HKAS 18 (Amendment) "Revenue"
- HKAS 36 (Amendment) "Impairment of assets"
- HKAS 38 (Amendment) "Intangible assets"
- HKAS 39 (Amendment) "Financial instruments: Recognition and measurement"
- HKFRS 2 (Amendment) "Share-based Payment"
- HKFRS 8 (Amendment) "Disclosure of information about segment assets"
- HK(IFRIC)-Int 9 (Amendment) "Reassessment of embedded derivatives"
- HK(IFRIC)-Int 16 (Amendment) "Hedges of a net investment in a foreign operation"

- 香港財務報告準則第5號(修訂本)「持有待售的非流動資產和終止經營」
- 香港會計準則第1號(修訂本)「財務報表之呈列」
- 香港會計準則第7號(修訂本)「現金流量表」
- 香港會計準則第17號(修訂本)「租賃」
- 香港會計準則第18號(修訂本)「收入」
- 香港會計準則第36號(修訂本)「資產減值」
- 香港會計準則第38號(修訂本)「無形資產」
- 香港會計準則第39號(修訂本)「金融工具：確認和計量」
- 香港財務報告準則第2號(修訂本)「以股份為基礎的支付」
- 香港財務報告準則第8號(修訂本)「分部資產的信息披露」
- 香港(國際財務報告詮釋委員會)－詮釋9(修訂本)本「嵌入衍生工具的重估」
- 香港(國際財務報告詮釋委員會)－詮釋16(修訂本)「對沖海外業務淨投資」

The amendments are not expected to have a material impact on the Group's financial statements.

此修訂本預期不會對本集團的財務報表造成重大影響。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 March.

2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至三月三十一日止之財務報表。

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

(a) 附屬公司

附屬公司指本集團有權管控其財務及營運政策的所有實體(包括特殊目的實體)，且一般附帶超過一半投票權之股權。當評定本集團是否控制另一實體時，目前可行使或可轉換之潛在投票權的存在及影響均予考慮。附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

Apart from the application of merger accounting on those common control combinations, the purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (Note 2.7(a)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated income statement.

除對共同控制下的實體合併採用合併會計法的情況外，會計法收購法乃用作本集團收購附屬公司的入賬方法。收購的成本根據於交易日期所給予資產、所發行的股本工具及所產生或承擔的負債的公平值計量，另加該收購直接應佔的成本。在企業合併中所收購可識別的資產以及所承擔的負債及或然負債，首先以彼等於收購日期的公平值計量，而不論任何少數股東權益的數額。收購成本超過本集團應佔所收購可識別資產淨值公平值的數額記錄為商譽(附註2.7(a))。若收購成本低於所購入附屬公司資產淨值的公平值，該差額直接在損益表確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.8). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

(b) Transactions with minority interest

The Group applies a policy of treating transactions with minority interest as transactions with equity holders of the Group. For purchases from minority interest, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to minority interest are also recorded in equity.

(c) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified on acquisition (Note 2.7(a)).

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

集團內公司之間的交易、交易的結餘及未實現收益予以對銷。除非交易能提供所轉讓資產已減值之憑證，否則未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

於本公司的財務狀況表內，於附屬公司之投資乃按成本值扣除減值虧損撥備列賬(附註2.8)。附屬公司的業績由本公司按已收及應收股息列賬。

(b) 與少數股東權益的交易

本集團採納了一項政策，將其與少數股東進行之交易視為與本集團權益持有者進行之交易。收購股東權益，所支付的任何代價與相關應佔所收購附屬公司淨資產之賬面值的差額在權益中反映。出售少數股東權益，所得盈虧亦於權益中記賬。

(c) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。聯營公司投資以權益會計法入賬。初始以成本確認。本集團於聯營公司之投資包括收購時已識辨之商譽(扣除任何累計減值虧損)(附註2.7(a))。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(c) Associates (continued)

(c) 聯營公司 (續)

The Group's share of its associates' post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

本集團應佔收購後聯營公司的溢利或虧損於綜合損益賬目內確認，而應佔收購後儲備的變動則於儲備賬目內確認。投資賬面值會根據累計之收購後儲備的變動而作出調整。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會進一步確認虧損，除非本集團已代聯營公司承擔責任或作出付款。

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

本集團與其聯營公司之間交易的未實現收益按集團在聯營公司權益的數額對銷。除非交易提供所轉讓資產減值之憑證，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

Dilution gains and losses arising in investments in associates are recognized in the consolidated income statement.

在聯營公司的攤薄盈虧於綜合損益表確認。

(d) Jointly controlled entity

(d) 共同控制實體

The Group's interests in the jointly controlled entity are accounted for by proportionate consolidation. The Group combines its share of the jointly controlled entity's individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements. The Group recognises the portion of gains or losses on the sale of assets by the Group to the jointly controlled entity that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the jointly controlled entity that result from the Group's purchase of assets from the jointly controlled entity until it re-sells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

本集團在共同控制實體的權益按比例合併法入賬。本集團將其應佔共同控制實體的個別收益和費用、資產和負債以及現金流量，分別按本集團財務報表中相類似的報表項目以項對項基準合併。本集團向共同控制實體銷售資產確認按照投入的比例確認收益或損失。本集團不確認向共同控制實體購買資產而獲得的收益或損失，直到資產轉售予獨立第三方。然而，倘虧損顯示流動資產的可變現淨值有減損現象，交易虧損會即時確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2.3 分部報告

經營分部按照向主要經營決策者提供的內部報告貫徹一致的方式報告。主要經營決策者被認為作出策略性決定的執行董事負責分配資源和評估經營分部的表現。

2.4 Foreign currency translation

2.4 外幣換算

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Hong Kong dollar ('HKD'), which is the Company's functional and presentation currency.

(a) 功能和列賬貨幣

本集團各實體之財務報表所包括的項目，乃按該實體經營所在的主要經濟環境的貨幣（「功能貨幣」）計量。本綜合財務報表以港幣列示，此乃本公司的功能及列賬貨幣。

(b) Transactions and balances of individual companies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

(b) 個別公司的交易及結餘

外幣交易均按交易當日的匯率換算為功能貨幣。除了現金流對衝或淨投資對衝造成的匯兌盈虧，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在損益表確認。

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(c) 集團公司

功能貨幣與列賬貨幣不同的所有集團實體（當中沒有嚴重通脹的貨幣）的業績及財務狀況，乃按以下方式換算為列報貨幣：

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that balance sheet;

- (i) 每份呈報的財務狀況表所呈列之資產及負債乃按其結算日之收市匯率換算；

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.4 Foreign currency translation (continued)

2.4 外幣換算 (續)

(c) Group companies (continued)

(c) 集團公司 (續)

- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized as a separate component of equity.

- (ii) 每份損益表內的收入和費用乃按平均匯率換算(除非該平均匯率並不代表交易當日匯率的累計影響的合理約數;在此情況下,收支則按交易當日的匯率換算);及

- (iii) 所有因此而產生的匯兌差額確認為權益的獨立組成項目。

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the consolidated income statement as part of the gain or loss on sale.

在綜合賬目時，換算海外業務的淨投資所產生的匯兌差額列入股東權益。當售出或清理部份海外業務時，該等匯兌差額在收益表確認為出售盈虧的一部份。

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債，並按收市匯率換算。

2.5 Property, plant and equipment

2.5 物業、廠房及設備

Construction in progress represents the direct costs of construction of property, plant and equipment incurred plus interest capitalized less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and available for their intended use.

在建工程乃指興建物業、廠房及設備所引起之直接並加上完工日前之資本化利息扣除任何減值虧損。在建工程不予折舊，直至相關資產完成及可供使用為止。

All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

所有其他物業、機器及設備按歷史成本扣除折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔的開支。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Plant and machinery	5-10 years
Motor vehicles	5 years
Furniture, fixtures and equipment	5-10 years
Leasehold improvements	2-5 years or over the lease term, whichever is shorter

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income/loss, in the consolidated income statement.

2.6 Land use rights

Land use rights are up-front payments to acquire long-term interests in the usage of land. They are stated at cost and charged to the consolidated income statement over the remaining period of the lease on a straight-line basis, net of any impairment losses.

2. 主要會計政策摘要(續)

2.5 物業、廠房及設備(續)

僅在與項目相關之日後經濟效益有可能流入本集團，而有關項目的成本能夠可靠地計量時，其後成本會計入資產賬面值或確認為獨立資產(如適用)。被替換部份資產賬目值終止確認。所有其他維修保養費用於其產生的財政期間於損益表中支銷。

物業、機器及設備以直線法計算折舊，並按估計可使用年期分配至其剩餘價值，估計可使用年期如下：

樓宇	20年
機器及設備	5至10年
汽車	5年
傢俬、裝置及設備	5至10年
租賃物業改良	2至5年或按租賃年期，以較短者為準

於每個結算日均會檢討資產剩餘價值及可使用年期，並在適當情況下作出調整。倘資產賬面值高於其估計可收回金額，該資產的賬面值即時被撇減至其可收回金額(附註2.8)。

出售盈虧乃比較所得款項與賬面值而釐定，在損益賬內的其他收益／虧損中確認。

2.6 土地使用權

土地使用權是為在使用土地時獲取長期利益而預先支付的款項。土地使用權所預付租賃款在租賃期內按照直線法在損益表中支銷。若有減值，減值在損益表中支銷。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.7 Intangible assets

2.7 無形資產

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(a) 商譽

商譽指收購成本超過收購當日本集團應佔所收購附屬公司及聯營公司可識辨資產公平值之數額。收購附屬公司所產生之商譽計入「無形資產」。收購聯營公司所產生之商譽則計入「聯營公司之投資」，作為整體結餘的一部份，並每年就減值進行測試。分開確認的商譽每年就減值進行測試，並按成本減累計減值虧損列賬。商譽的減值虧損不會撥回。出售某個實體的盈虧包括與被出售實體有關的商譽的賬面值。

Goodwill is allocated to cash-generating units ('CGUs') for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

就減值測試而言，商譽會分配至現金產生單位。此項分配是對預期可從商譽產生的業務合併中得益的現金產生單位或現金產生單位的組別而作出的。

(b) Customer relationships and non-competition agreement

Customer relationships and non-competition agreement acquired as part of a business combination are capitalized separately from goodwill and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives of 10 years.

(b) 客戶關係及非同業競爭協議

客戶關係及非同業競爭協議為業務合併的一部份，並已資本化與商譽分開，按成本減累計攤銷及累計減值虧損列賬。攤銷以直線法將無形資產的成本按其估計可使用年期10年計算。

(c) Trademarks

Acquired trademarks are shown at historical cost. They have a finite useful life and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 10 to 20 years.

(c) 商標

商標按歷史成本列賬。商標具有有限可使用年期，按成本減累計攤銷和累計減值準備列賬。攤銷以直線法將商標的成本按其估計可使用年期10至20年計算。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.7 Intangible assets (continued)

2.7 無形資產(續)

(d) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of 3 to 5 years.

(d) 電腦軟件

購入的電腦軟件牌照按購入及使該特定軟件達到可使用時所產生的成本作資本化處理。此等成本按估計可使用年期(三至五年)攤銷。

(e) Patent

Patent includes purchased technology and skills acquired from third parties. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the technology over their estimated useful life 10 years.

(e) 專利

專利乃購自第三方的技術並具有有限可使用期，按成本減累計攤銷列賬。攤銷以直線法將專利的成本按其估計可使用年期10年計算。

2.8 Impairment of investments in subsidiaries, associates, jointly controlled entity and non-financial assets

2.8 附屬公司、聯營公司、共同控制實體及非財務資產的減值

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

沒有確定使用年期之資產(如商譽)無需攤銷，但最少每年就減值進行測試。當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。須作攤銷之資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公平值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時，資產按可分開識辨現金流量(現金產生單位)的最低層次組合。除商譽外，已蒙受減值的非財務資產在每個報告日期均就減值是否可以撥回進行檢討。

Impairment testing of the investments in subsidiaries, associates or jointly controlled entity is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary, associate or jointly controlled entity in the period in which the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

當從被投資附屬公司、聯營公司或共同控制實體收取之股息超過附屬公司、聯營公司或共同控制實體於股息宣派期間之總全面收益，或者個別財務報表中的投資賬面值超過被投資企業淨資產(包括商譽)於綜合財務報表中之賬面值，則從該等投資收到股息時需對附屬公司、聯營公司或共同控制實體之投資進行減值。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.9 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held-to-maturity. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. During the year, the Group only had loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified as "trade and other receivables", "short-term time deposits", "cash and cash equivalents" and "amounts due from subsidiaries" in the statement of financial position (Note 2.11 and 2.12).

Regular way purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. For all financial assets not carried at fair value through profit or loss, they are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in Note 2.11.

2.10 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.9 財務資產

本集團將其財務資產分為以下類別：按公平值透過損益記賬、貸款及應收款項，可供出售之財務資產及持有到期之財務資產。分類視乎購入財務資產之目的。管理層在初始確認時釐定財務資產的分類。於本年度，本公司只有貸款和應收款項。

貸款及應收款為固定或可釐定付款且沒有在活躍市場上報價的非衍生財務資產。此等款項包括在流動資產內，但到期日由結算日起計超過12個月者，則分類為非流動資產。貸款及應收款列示於財務狀況表中「貿易及其他應收款項」、「短期定期存款」、「現金及現金等價物」及「應收附屬公司款項」(附註2.11及2.12)內。

定期購入及出售的財務資產在交易日確認—交易日指本集團承諾購入或出售該資產之日。對於並非按公平值透過損益記賬的所有財務資產，其投資初步按公平值加交易成本確認。當從資產收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，財務資產即終止確認。貸款及應收款利用實際利息法按攤銷成本列賬。

本集團於每個結算日均會評估是否有客觀證據顯示一項財務資產或一組財務資產經已減值。對貿易及其他應收款的減值測試於附註2.11內描述。

2.10 存貨

存貨按成本及可變現淨值兩者中的較低者列賬。成本按加權平均法釐定。製成品及在製品的成本主要包括原材料、直接勞工、其他直接成本及相關的生產開支(根據正常營運能力)。這不包括貸款成本。可變現淨值乃按正常業務過程中的估計售價，減去適用的變動銷售開支計算。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.11 Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the losses or subsequent recoveries of amounts previously written off is recognized in the consolidated income statement within 'administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.11 貿易及其他應收款項

貿易及其他應收款項最初以公允價值確認，其後以實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據顯示本集團無法按應收款項原訂條款於到期時全額收回所有款項時，須對該等貿易及其他應收款項計提減值撥備。債務人面對重大財政困難、有可能破產或進行財務重組，以及欠繳或拖延付款，均視為貿易應收賬款出現減值的跡象。撥備乃資產賬面值與估計未來現金流量按實際利率貼現後的差額。資產的賬面值透過使用備付賬戶削減，而有關的虧損數額則在損益表內的行政費用中確認。如一項貿易應收款無法收回，其會與貿易應收款內的備付賬戶撇銷。

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

2.12 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款及其他短期高流通性投資。

2.13 Share capital

Ordinary shares are classified as equity.

2.13 股本

普通股列為權益。

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.14 借款

借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內在收益表確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.14 Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.15 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset.

All other borrowing costs are charged to the consolidated income statement in the year in which they are incurred.

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.14 借款 (續)

設立貸款融資時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則貸款分類為流動負債。

2.15 借款成本

規定實體將直接與購買、構建或生產一項符合資本化條件的資產（需要一段很長時間籌備以供使用或出售）有關的借款成本資本化為該資產的部份成本。

所有其他的借款成本都在發生時計入發生年度的綜合損益表。

2.16 貿易應付款

應付賬款為在日常經營活動中從供應商購買商品或服務而應支付的義務。如貿易應付款的支付日期在一年或以內（如仍在正常經營週期中，則可較長時間），其被分類為流動負債；否則分類為非流動負債。

貿易應付款初步以公平值確認，其後利用實際利息法按攤銷成本計量。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.17 Current and deferred income tax

2.17 遞延所得稅

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

本期間的稅項支出包括當期和遞延稅項。稅項在收益表中確認，但與直接在權益中或其他全面收益中確認的項目有關者則除外。在該情況下，稅項亦分別在直接權益中或其他全面收益中確認。

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries, associates and jointly controlled entity operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

當期所得稅支出根據本公司、其附屬公司、聯營公司及共同控制實體營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

遞延所得稅以負債法就資產與負債的稅基與資產和負債在綜合財務報表的賬面值之差額產生的暫時差異全數撥備。然而，若遞延所得稅來自在交易（不包括企業合併）中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延稅項採用在結算日前已頒佈或實質上頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率（及法例）而釐定。

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

遞延所得稅資產於有可能出現未來應課稅溢利抵銷暫時差異時方會確認。

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, jointly controlled entity and associates, except where the timing of the reversal of the temporary difference is within the control of the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

遞延所得稅按投資於附屬公司、共同控制實體及聯營公司產生之暫時差異而作出撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.17 Current and deferred income tax (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 遞延所得稅 (續)

當有法定可執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同課稅實體但有意向以淨值基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.18 Employee benefits

2.18 僱員福利

(a) Pension obligations

The Group operates the Mandatory Provident Fund Scheme ('MPF Scheme') in Hong Kong which is generally funded through payments to insurance companies under defined contribution plan. It pays contributions to administered pension insurance plans on a mandatory, contractual or voluntary basis. Moreover, all the employees of the Group's entities incorporated in the Mainland China of the PRC (the 'Mainland China') participate in employee social security plans, including pension, medical, housing and other welfare benefits, organized and administered by the local governments. The Group also makes defined contribution to retirement schemes managed by the insurance company in accordance with German regulation and rules for the employees of the subsidiary located in Germany. The Group has no further payment obligations once these contributions have been paid. The contributions are recognized as employees benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(a) 退休金責任

本集團於香港設有強制性公積金計劃(「強積金計劃」)，該計劃一般透過根據定額供款向保險公司付款而注資。本集團向管理退休保險計劃作出強制、合約或自願性質供款。此外，所有身為本集團於中華人民共和國註冊成立實體之僱員，均已參與由地方政府組織及管理之僱員社會保障計劃，涵蓋退休金、醫療、房屋及其他社會福利。本集團根據德國相關法律和法規為設立於德國的附屬公司之合資格僱員根據定額供款退休計劃向有關保險公司作出供款。本集團的香港公司一經繳付供款後再無進一步付款責任。供款於應付時確認為僱員福利開支，並可由歸屬前離開計劃的僱員所放棄的全數供款撇減。預付供款按照現金退款或未來款項減少而確認為資產。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.18 Employee benefits (continued)

2.18 僱員福利(續)

(b) Share-based compensation

(b) 以股份支付之酬金

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, including any market performance conditions and the impact of any non-vesting conditions, excluding the impact of any service and non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognizes the impact of the revision of original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

本公司設有一項按權益償付，以股份支付酬金的計劃。為換取購股權的授出而獲得的僱員服務，按其公平值確認為開支。於歸屬期內列作開支的總金額，乃參照已授出的購股權之公平值釐定，不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)的影響。非市場既定條件包括在有關預期可予行使購股權數目的假設內。於各結算日，本集團會修訂其對預期可予以行使的購股權數目的估計。本集團在收益表確認對原來估計數字修訂(如有)的影響並對權益作相應調整。

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

當購股權獲行使時，已收取所得款項(扣除任何直接應佔交易成本)均列入股本(面值)及股份溢價中。

2.19 Revenue recognition

2.19 收益確認

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

收益指本集團在通常活動過程中出售貨品的已收或應收代價的公平值。收益在扣除增值稅、回報、回扣和折扣，以及對銷集團內部銷售後列賬。

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

當收益的數額能夠可靠計量、未來經濟利益很有可能流入有關實體，而本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收益確認。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.19 Revenue recognition (continued)

2.19 收益確認 (續)

(a) *Sales of goods*

Sales of goods are recognized when a Group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assumed.

(a) *貨品銷售*

銷售貨品於本集團實體送交貨品予客戶，客戶接受該產品，銷售額能夠可靠計量以及有關應收款的收回可合理確保時確認入賬。

Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

當產品已付運予至指定地點，過時和損失風險已轉讓予批發商，而批發商已根據銷售合同接收產品、或所有接收條款已作廢，或本集團有客觀證據顯示所有接收條款已經履行後，貨品交付才算產生。

(b) *Interest income*

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognized using the original effective interest rate.

(b) *利息收入*

利息收入採用實際利息法按時間比例基準確認入賬。倘應收款項出現減值時，本集團會將賬面值撇減至可收回款額，即估計的未來現金流量按該工具之原有效利率貼現值，並繼續將貼現計算並確認為利息收入。

(c) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(c) *股息收入*

股息收入在收取款項的權利確定時確認。

2.20 Research and development costs

2.20 研發成本

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognized as intangible assets when the following criteria are fulfilled:

研究費用於產生時確認為支出。倘開發中項目(有關設計及測試全新或經改良產品)所產生之費用，符合下列條件的確認為無形資產：

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (b) the management intends to complete the intangible asset and use or sell it;
- (c) there is an ability to use or sell the intangible asset;

- (a) 產品技術上可行並可完成該無形資產並能出售或使用；
- (b) 管理層有意完成該無形資產並出售或使用；
- (c) 有能力使用或出售該無形資產；

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Research and development costs (continued)

- (d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Development assets are tested for impairment annually.

2.21 Operating lease

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.22 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

2. 主要會計政策摘要 (續)

2.20 研發成本 (續)

- (d) 可證明該無形資產如何為將來產生經濟效益；
- (e) 足夠的技術、財務及其他資源可完成開發及使用或出售該無形資產；及
- (f) 於開發該無形資產時的成本能可靠計量。

資本化的研發費用計入無形資產並在資產達到可使用狀態時採用直線法在使用壽命內開始攤銷，使用年限不會超過5年。

其他研發費用於產生時如不符合上述條件的均會確認為費用。過往確認為費用之開發成本在其後期間並不確認為資產。

研發資產每年進行減值測試。

2.21 經營租賃

凡資產擁有權的大部份風險及回報仍歸出租人所有的租賃，均列作經營租賃。根據經營租賃的付款（扣除出租人給予的任何優惠）在租期內以直線法於損益表支銷。

2.22 政府補貼

當能夠合理地保證本集團符合所有附帶條件而將收取政府補貼時，政府提供的補貼按公允值確認入賬。

與成本有關之政府補貼遞延入賬，按擬補償成本之相應期間在損益表確認。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Government grants (continued)

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and Company's financial statements in the period in which the final dividends are approved by the Company's shareholders and interim dividends are approved by the Company's Board of Directors.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group does not have any significant price risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out under the policies approved by the Board of Directors (the 'Board'). The Group identifies and evaluates financial risks in close co-operations with its operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investing of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group mainly operates in Hong Kong and the Mainland China and is exposed to foreign exchange risk primarily with respect to Renminbi ('RMB'). The exchange rate of HKD against RMB is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have significant exposure to foreign exchange risk as the entities of the Group mainly earn their profits in RMB and the value of RMB has been appreciating against HKD.

2. 主要會計政策摘要 (續)

2.22 政府補貼 (續)

與購買物業、機器及設備有關之政府補貼列入非流動負債作為遞延收入，按有關資產之預計年期以直線法在損益表確認。

2.23 股息分派

向本公司股東分派的末期股息在股息獲本公司股東批准的期間內，中期股息在獲本公司董事會批准的期間內，於本集團和本公司的財務報表內列為負債。

3. 財務風險管理

3.1 財務風險因素

本集團的活動面對多項財務風險：市場風險（包括貨幣風險、現金流量之利率風險及公允價值之利率風險）、信貸風險及流動性風險。本集團無重大的價格風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求儘量減低對本集團財務表現的潛在不利影響。

風險管理按照董事會批准的政策執行、確定和評估財務風險。集團經營單位緊密合作以確定和評估財務風險。董事會為整體風險管理訂定指引，亦為若干特定範疇提供政策，例如貨幣風險、利率風險和信貸風險，以及投資剩餘的流動資金。

(a) 市場風險

(i) 貨幣風險

本集團主要於香港及中國內地經營，主要貨幣風險為人民幣匯率風險。人民幣兌港幣之匯率須遵守中國政府頒佈之外匯管制條例及規例。由於本集團各公司主要獲取人民幣收益且人民幣對港幣尚在升值，故本集團並無重大貨幣風險。

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3. FINANCIAL RISK MANAGEMENT (continued)

3. 財務風險管理(續)

3.1 Financial risk factors (continued)

3.1 財務風險因素(續)

(a) Market risk (continued)

(a) 市場風險(續)

(i) Foreign exchange risk (continued)

(i) 貨幣風險(續)

Should RMB be strengthened/weakened by 5% against HKD during the year ended 31 March 2010, with all other factors remaining unchanged, the profit after income tax for the year and equity would be affected as follows:

截至二零一零年三月三十一日止年度，假若人民幣兌港幣升值／貶值5%，而所有其他因素維持不變，則對除稅後盈利及權益的影響如下：

		Change of profit after income tax for the year increase/(decrease) 對除稅後盈利的影響 增加／(減少)	
		2010 二零一零年	2009 二零零九年
Group	本集團		
– Strengthened by 5%	– 升值5%	9,431	7,805
– Weakened by 5%	– 貶值5%	(9,431)	(7,805)
Company	本公司		
– Strengthened by 5%	– 升值5%	–	–
– Weakened by 5%	– 貶值5%	–	–
		Change of equity as at 31 March increase/(decrease) 於三月三十一日對權益的影響 增加／(減少)	
		2010 二零一零年	2009 二零零九年
Group	本集團		
– Strengthened by 5%	– 升值5%	90,759	42,086
– Weakened by 5%	– 貶值5%	(90,759)	(42,086)
Company	本公司		
– Strengthened by 5%	– 升值5%	–	–
– Weakened by 5%	– 貶值5%	–	–

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3. FINANCIAL RISK MANAGEMENT (continued)

3. 財務風險管理 (續)

3.1 Financial risk factors (continued)

3.1 財務風險因素 (續)

(a) Market risk (continued)

(a) 市場風險 (續)

(ii) Cash flow and fair value interest rate risk

(ii) 現金流量及公允值之利率
風險

Other than deposits held in banks, the Group does not have significant interest-bearing assets. Fluctuation of market rates does not have a significant impact to the Group's performance.

除存放於銀行的存款以外，本集團並無重大計息資產。市場利率的變動對本集團的表現無重大影響。

The Group's exposure to changes in interest rates is mainly attributable to its borrowings which are at floating rates, and expose the Group to cash flow interest-rate risk.

集團面臨的利率變動風險主要來自按浮動利率發行的貸款，令本集團承受現金流量利率風險。

As at 31 March 2010, if interest rates on short-term borrowings had been 2 percentage points higher/lower, with all other variables held constant, there would be no material impact to the profit for the year.

於二零一零年三月三十一日，在其他因素不變的情況下，若短期借款利率上升／下降兩個百分點，對本年盈利並無重大影響。

For the Year ended 31 March 2010
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3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) *Credit risk*

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, credit exposure to customers arising from outstanding receivables.

As at the balance sheet dates, all the Group's bank deposits are placed in high quality financial institutions without significant exposure to credit risk.

The Group currently sells substantially all its flavours and fragrances products in the PRC domestic market. Credit is granted for a period up to 6 months to the major customers. The credit period is determined according to an assessment made on the financial conditions and past payment history of these customers with the approval obtained from senior management. As at 31 March 2010, the 5 largest debtors accounted for 35% (2009: 28%) of total trade receivables balance of the Group.

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3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) *信貸風險*

信貸風險是按照組合方式管理。信貸風險主要來自存放於銀行及其他財務機構的存款及現金及現金等價物、信貸予客戶之未償付的應收款項。

於結算日，本集團所有的銀行存款均存放於優質及無重大信貸風險的財務機構。

本集團現時主要於中國本地市場銷售其食用及日用香精香料產品。授予主要客戶的信貸期為6個月。信貸期的確定乃根據該客戶的財務條件及過往付款紀錄評估得出並獲得高級管理層的核准。於二零一零年三月三十一日，五大客戶佔本集團總貿易應收款項結餘約35% (二零零九年：28%)。

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3. FINANCIAL RISK MANAGEMENT (continued)

3. 財務風險管理 (續)

3.1 Financial risk factors (continued)

3.1 財務風險因素 (續)

(b) *Credit risk (continued)*

(b) *信貸風險 (續)*

The directors are of the view that the customers with outstanding balances as at 31 March 2010 are either existing customers with long cooperation history with the Group and/or reputable companies in the industry. The risk of credit default is considered to be low and accordingly, the provision for doubtful debts as at 31 March 2010 amounting to approximately HKD2,215,000 (2009: HKD1,989,000) is considered adequate to cover any significant potential credit risk.

董事認為於二零一零年三月三十一日的存在未償還結餘的客戶為與本集團與之具有長期合作關係的現有客戶及／或於其行業具有良好信譽的客戶。故信貸風險相對較低，於二零一零年三月三十一日約港幣2,215,000元（二零零九年：港幣1,989,000元）的減值撥備足夠覆蓋任何重大潛在的信貸風險。

The Company also recorded some balances due from subsidiaries. The directors do not consider that there is significant credit risk arising from these balances in light of the past repayment history and operations of these subsidiaries.

就應收附屬公司款項，在考慮其以往還款情況及業務狀況後，管理層亦不預期其存在重大信貸風險。

(c) *Liquidity risk*

(c) *流動性風險*

Cash flow forecast is performed in the operating entities of the Group. The Company monitors rolling forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs and that the Group does not breach any borrowing covenants on its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and if applicable, external regulatory or legal requirements – for example, currency restrictions.

現金流量預測是在集團的經營主體執行。本公司監控集團的流動資金需求的滾動預測，確保有足夠資金應付經營需要，但同時確保集團不違反其借款條款。此等預測考慮了集團債務融資計劃、條款遵從、符合內部財務狀況表比率目標，及外部的監管或法例規定 – 例如貨幣限制（如適用）。

As at 31 March 2010 and 2009, all the borrowings and trade and other payables of the Group and the Company were with maturity dates within 1 year.

於二零一零年及二零零九年三月三十一日，本集團及本公司所有的貸款、貿易及其他應付賬款的到期日皆在1年內到期。

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3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The operating cash inflows of the Group are sufficient for investing activities including acquisition of new businesses.

3.3 Fair value estimation

The Group adopts the amendments to HKFRS 7 "Financial Statements: disclosures" for financial instruments that are measured in the consolidated statements of financial position at fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted price (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 March 2010 and 2009, the Group did not have any financial assets or financial liabilities that were subsequently measured at fair value.

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3. 財務風險管理 (續)

3.2 資金風險管理

本集團的資金管理政策目的是保障集團能繼續營運，以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股息數額、向股東分派的資本返還、發行新股或出售資產以減低債務。

本集團經營活動產生的現金流可足夠用於投資活動包括收購新業務。

3.3 公允價值估計

本集團採納香港財務報告準則第7號「金融工具－披露」的修訂，其規定在綜合財務狀況表內的財務工具按公允價值計量並需按下列公允價值計量架構披露公允價值計量層次：

- 相同資產或負債在活躍市場的報價（未經調整）（第一層）。
- 除了第一層所包括的報價外，可觀察的資產或負債的輸入值可直接（即如價格）或間接（即由價格衍生）（第二層）。
- 資產或負債的輸入值並非依據可觀察的市場數據（即不可觀察輸入值）（第三層）。

於二零一零年及二零零九年三月三十一日，本集團未持有任何以公允價值後續計量的資產或負債。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 8).

Should the budgeted gross margin used in the value-in-use calculation for the CGUs of flavours and fragrances be 10% lower than management's estimates at 31 March 2010 respectively, the Group will not need to recognise impairment of goodwill.

If the estimated pre-tax discount rate applied to the cash flows of the CGUs had been 1% higher than management's estimates, the Group will not need to recognise an impairment of goodwill.

(b) Dividends policy of subsidiaries

On 16 March 2007, National People's Congress approved the Corporate Income Tax Laws of the PRC (hereinafter "the New CIT Laws") which has become effective from 1 January 2008. According to the relevant regulations of the new CIT Laws, when a foreign investment enterprise distributes dividends out of the profits earned from 1 January 2008 onwards to its overseas investors, it will be subject to withholding income tax. The applicable withholding income tax rate varies with the origin of the overseas investors.

4. 關鍵會計估計及假設

估算和判斷會被持續評估，並基於過往經驗及其他因素，包括在有關情況下相信對未來事件的合理預測。

本集團為未來作出估算及假設。所得之會計估計如其定義，很少與相關的實際結果相符。涉及導致資產及負債之賬面值可能於下一個財政年度內須作出重大調整之估計及假設如下：

(a) 商譽減值之估計

根據附註2.8所述的會計政策，本集團每年測試商譽是否出現減值。現金產生單位的可收回金額按照使用價值計算而釐定。此等計算均需利用估算（附註8）。

如果食用及日用香精香料的現金產生單位的使用價值計算中所使用的預計毛利率較管理層在二零一零年三月三十一日估計的分別下降10%，本集團無需對商譽確認減值，亦無需減少其他無形資產和物業、機械及設備之賬面值。

如在現金產生單位的貼現現金流量所運用的估計稅前貼現率較管理層的估計增加1%，本集團無需對商譽確認減值，亦無需減少其他無形資產和物業、機械及設備之賬面值。

(b) 附屬公司之股息政策

於二零零七年三月十六日，全國人民代表大會通過了《中華人民共和國企業所得稅法》（「企業所得稅法」），並於二零零八年一月一日起生效。根據企業所得稅法的有關規定，中國國內之外商投資企業向境外投資者分派自二零零八年一月一日起產生的盈利作為股息，需要徵收所得稅，並根據外商投資者所處之不同地區適用不同的所得稅率。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Dividends policy of subsidiaries (continued)

The Group's PRC subsidiaries have accumulated significant distributable profits from 1 January 2008. The directors of the Company estimated that a portion of profits generated by the PRC subsidiaries would be distributed to their Hong Kong immediate holding companies. Deferred income tax liabilities had been provided based on 5% of the estimated profits to be remitted to Hong Kong.

As at 31 March 2010, deferred income tax liabilities of HKD43,246,000 (31 March 2009: HKD28,532,000) have not been recognised for the withholding tax that would be payable on the unremitted profits of certain PRC subsidiaries. The directors of the Company have determined not to distribute these earnings in the foreseeable future.

The directors of the Company will regularly review the fund requirements of the Group and thus revise the dividend distribution policy of its subsidiaries from time to time.

5. SEGMENT INFORMATION

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

- (1) Flavours; and
- (2) 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 Executive Directors assesses the performance of the operating segments based on a measure of operating profit, which is determined by using the accounting policies which are the same as those disclosed in Note 2.

4. 關鍵會計估計及假設 (續)

(b) 附屬公司之股息政策 (續)

本集團於中國大陸的附屬公司已向其境外母公司分配自二零零八年一月一日產生的大部份盈利。本公司董事預計會將某些中國大陸子公司之盈利派發股息予其於香港的直接母公司。已根據預計派發於香港的股息的5%確認遞延所得稅負債。

某些中國大陸附屬公司之盈利於截止二零一零年三月三十一日止年度未派發股息於香港的直接母公司可能產生的遞延所得稅負債為港幣43,246,000元(二零零九年：港幣28,532,000元)。在可預見的將來，本公司董事決定暫不分配此部份盈利。

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分派政策。

5. 分部資料

本集團重新評估其經營並分為兩項主要營運分部：

- (1) 食用香精香料；及
- (2) 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。執行董事根據營運盈利評估營運分部之表現，而此乃參照附註2中的會計準則所決定。

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5. SEGMENT INFORMATION (continued)

The segment information for the year ended 31 March 2010 is presented below:

5. 分部資料(續)

截至二零一零年三月三十一日止年度之分部資料呈列如下：

		Year ended 31 March 2010 截至二零一零年三月三十一日止年度				
		Flavours 食用 香精香料	Fragrances 日用 香精香料	Total segments 分部總計	Corporate 總部	Total 總計
Total turnover	總營業額	2,291,077	75,499	2,366,576	–	2,366,576
Inter-segment sales	分部間銷售	(167)	(6)	(173)	–	(173)
Net turnover/Segment sales	淨營業額/分部收入	2,290,910	75,493	2,366,403	–	2,366,403
Segment result	分部業績	1,519,994	18,669	1,538,663	(21,974)	1,516,689
Finance income	財務收入					15,761
Finance costs	融資成本					(1,508)
Finance income – net	財務收入 – 淨額					14,253
Share of results of associates	應佔聯營公司盈利					707
Profit before income tax	除稅前盈利					1,531,649
Income tax expense	所得稅					(162,236)
Profit for the year	本年度盈利					1,369,413
Other segment items	其他分部項目					
Depreciation (Note 6)	折舊(附註6)	29,934	1,486	31,420	41	31,461
Amortization (Notes 7 and 8)	攤銷(附註7及8)	27,280	769	28,049	–	28,049
Capital expenditure (Notes 6, 7 and 8)	資本開支 (附註6, 7及8)	168,966	949	169,915	5	169,920

		As at 31 March 2010 於二零一零年三月三十一日				
		Flavours 食用 香精香料	Fragrances 日用 香精香料	Total segments 分部總計	Corporate 總部	Total 總計
Segment assets	分部資產	4,638,964	156,316	4,795,280	38,578	4,833,858

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5. SEGMENT INFORMATION (continued)

The segment information for the year ended 31 March 2009 is presented below:

5. 分部資料 (續)

截至二零零九年三月三十一日止年度之分部資料呈列如下：

		Year ended 31 March 2009 截至二零零九年三月三十一日止				
		Flavours	Fragrances	Total	Corporate	Total
		食用	日用	segments		
		香精香料	香精香料	分部總計	總部	總計
Total turnover	總營業額	1,883,984	55,748	1,939,732	–	1,939,732
Inter-segment sales	分部間銷售	(1,289)	–	(1,289)	–	(1,289)
Net turnover/Segment sales	淨營業額／分部收入	1,882,695	55,748	1,938,443	–	1,938,443
Segment result	分部業績	1,227,421	13,413	1,240,834	(45,382)	1,195,452
Finance income	財務收入					19,555
Finance costs	融資成本					(7,934)
Finance income – net	財務收入 – 淨額					11,621
Share of results of associates	應佔聯營公司盈利					426
Profit before income tax	除稅前盈利					1,207,499
Income tax expense	所得稅					(82,157)
Profit for the year	本年度盈利					1,125,342
Other segment items	其他分部項目					
Depreciation (Note 6)	折舊 (附註6)	27,988	766	28,754	44	28,798
Amortization (Notes 7 and 8)	攤銷 (附註7及8)	26,409	678	27,087	–	27,087
Capital expenditure (Notes 6, 7 and 8)	資本開支 (附註6, 7及8)	860,772	92,794	953,566	54	953,620

As at 31 March 2009
於二零零九年三月三十一日

		Flavours	Fragrances	Total	Corporate	Total
		食用	日用	segments		
		香精香料	香精香料	分部總計	總部	總計
Segment assets	分部資產	3,617,448	135,610	3,753,058	12,598	3,765,656

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5. SEGMENT INFORMATION (continued)

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 makers for the purposes of resource allocation and assessment of segment performance.

The total of non-current assets, other than investments and deferred tax assets, of the Group as at 31 March 2010 and 2009 are mainly located in the PRC.

Revenues from external customers are derived from the sales of flavours and fragrances to customers mainly located in the PRC.

Revenue derived from sales made to one single external customer amounted to over 10% of the Group's total revenue. These revenues are attributable to flavours segment.

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5. 分部資料 (續)

分部業績是代表各分部之溢利，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分部之表現而向主要營運決策者呈列的方式。

除投資和遞延所得稅資產以外，於二零零九年三月三十一日與二零一零年三月三十一日集團的非流動資產總額主要位於國內。

來自外部客戶的收入主要來自銷售食用與日用香精香料予國內客戶。

來源於最大外部客戶的收入佔集團總收入的10%以上。這些收入是由食用香精香料分部產生的。

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6. PROPERTY, PLANT AND EQUIPMENT – GROUP

6. 物業、機器及設備 – 本集團

	Note 附註	Buildings 樓宇	Plant and machinery 機器及設備	Motor vehicles 汽車	Furniture, fixtures and equipment 傢俬、裝置及設備	Leasehold improvements 租賃裝修	Construction in progress 在建工程	Total 總計
At 1 April 2008	於二零零八年四月一日							
Cost	成本	155,701	65,119	26,498	52,366	4,884	11,171	315,739
Accumulated depreciation	累計折舊	(46,992)	(23,267)	(15,821)	(29,174)	(1,607)	-	(116,861)
Net book amount	賬面淨值	108,709	41,852	10,677	23,192	3,277	11,171	198,878
Year ended 31 March 2009	截至二零零九年 三月三十一日止年度							
Opening net book amount	年初賬面淨值	108,709	41,852	10,677	23,192	3,277	11,171	198,878
Additions	添置	5,826	21,411	2,017	4,937	468	12,273	46,932
Transfers	轉移	26,378	7,551	-	8,089	15	(42,033)	-
Combination of Wealthy King Group	合併雷君集團	34,540	5,613	2,740	1,290	-	-	44,183
Acquisition of Profit Fortune Group	收購利福集團	-	797	-	-	-	22,770	23,567
Combination of F&G Group	合併F&G集團	-	197	73	20	-	-	290
Disposals	出售	-	(368)	(95)	(57)	-	-	(520)
Depreciation	折舊	22 (9,284)	(8,681)	(3,647)	(6,249)	(937)	-	(28,798)
Exchange differences	匯兌調整	3,696	1,132	264	172	50	3	5,317
Closing net book amount	年終賬面淨值	169,865	69,504	12,029	31,394	2,873	4,184	289,849
At 31 March 2009	於二零零九年 三月三十一日							
Cost	成本	227,696	100,082	32,919	68,402	5,453	4,184	438,736
Accumulated depreciation	累計折舊	(57,831)	(30,578)	(20,890)	(37,008)	(2,580)	-	(148,887)
Net book amount	賬面淨值	169,865	69,504	12,029	31,394	2,873	4,184	289,849
Year ended 31 March 2010	截至二零一零年 三月三十一日止年度							
Opening net book amount	年初賬面淨值	169,865	69,504	12,029	31,394	2,873	4,184	289,849
Reclassification	重分類	(269)	269	-	-	-	-	-
Additions	添置	-	3,619	2,180	4,053	1,646	20,563	32,061
Transfers	轉移	1,092	2,794	1,776	624	-	(6,286)	-
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
Acquisition of Qingdao Qingda*	收購青島青大*	4,056	5,005	341	141	-	-	9,543
Disposals	出售	(214)	(41)	(53)	(49)	-	-	(357)
Depreciation	折舊	22 (9,980)	(9,338)	(3,764)	(7,305)	(1,074)	-	(31,461)
Exchange differences	匯兌調整	240	320	(143)	2,174	(448)	12	2,155
Closing net book amount	年終賬面淨值	164,798	72,132	12,366	31,032	2,997	18,473	301,798
At 31 March 2010	於二零一零年 三月三十一日							
Cost	成本	233,870	112,605	36,819	75,720	6,461	18,473	483,948
Accumulated depreciation	累計折舊	(69,072)	(40,473)	(24,453)	(44,688)	(3,464)	-	(182,150)
Net book amount	賬面淨值	164,798	72,132	12,366	31,032	2,997	18,473	301,798

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6. PROPERTY, PLANT AND EQUIPMENT – GROUP (continued)

* Short-term borrowing is partly secured by building with a carrying amount of approximately HKD3,134,000 (2009: Nil) (Note 19).

Depreciation was expensed in the following categories:

		Year ended 31 March 截至三月三十一日		
		Note 附註	2010 二零一零年	2009 二零零九年
Manufacturing overheads	製造費用		11,019	9,721
Selling and marketing expenses	銷售及推廣開支		1,489	1,145
Administrative expenses	行政費用		18,953	17,932
Total depreciation	折舊總額	22	31,461	28,798

7. LAND USE RIGHTS – GROUP

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analyzed as follows:

		As at 31 March 於三月三十一日	
		2010 二零一零年	2009 二零零九年
Outside Hong Kong, held on:	在香港境外按以下年期持有：		
Leases between 10 to 50 years	10至50年的租約	67,684	58,515

		Year ended 31 March 截至三月三十一日年度		
		Note 附註	2010 二零一零年	2009 二零零九年
Beginning of the year	年初		58,515	24,887
Additions	添置		–	2,027
Combination of Wealthy King Group	合併富君集團		–	26,965
Acquisition of Profit Fortune Group	收購利福集團		–	5,710
Combination of F&G Group	合併F&G集團		–	305
Acquisition of Qingdao Qingda*	收購青島青大*	28	10,415	–
Amortization	攤銷		(1,430)	(1,384)
Exchange differences	匯兌調整		184	5
End of the year	年終		67,684	58,515

* Short-term borrowing is partly secured by a piece of land with a carrying amount of approximately HKD2,236,000 (2009: Nil) (Note 19).

* 短期借款乃用部分土地的賬面值約港幣2,236,000元(二零零九年：無)作抵押(附註19)。

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8. INTANGIBLE ASSETS – GROUP

8. 無形資產 – 本集團

	Note 附註	Goodwill 商譽 (a)	Trademarks 商標 (b)	Customer relationships 客戶關係	Non- competition agreement 非競爭協議	Computer software 電腦軟件	Patents 專利	Total 總計
At 1 April 2008	於二零零八年四月一日							
Cost	成本	566,184	17,097	129,276	2,329	523	-	715,409
Accumulated amortization	累計攤銷	-	(2,807)	(12,308)	(222)	(113)	-	(15,450)
Net book amount	賬面淨值	566,184	14,290	116,968	2,107	410	-	699,959
Year ended 31 March 2009	截至二零零九年 三月三十一日止年度							
Opening net book amount	年初賬面淨值	566,184	14,290	116,968	2,107	410	-	699,959
Additions	添置	-	-	-	-	87	236	323
Combination of Wealthy King Group	合併富君集團	648,164	-	97,453	2,175	3	-	747,795
Acquisition of Profit Fortune Group	收購利福集團	49,618	-	5,905	-	-	-	55,523
Amortization	攤銷	-	(1,400)	(23,727)	(461)	(100)	(15)	(25,703)
Exchange differences	匯兌調整	26,282	320	2,592	50	10	-	29,254
Closing net book amount	年終賬面淨值	1,290,248	13,210	199,191	3,871	410	221	1,507,151
At 31 March 2009	於二零零九年 三月三十一日							
Cost	成本	1,290,248	17,483	235,532	4,577	625	236	1,548,701
Accumulated amortization	累計攤銷	-	(4,273)	(36,341)	(706)	(215)	(15)	(41,550)
Net book amount	賬面淨值	1,290,248	13,210	199,191	3,871	410	221	1,507,151
Year ended 31 March 2010	截至二零一零年 三月三十一日止年度							
Opening net book amount	年初賬面淨值	1,290,248	13,210	199,191	3,871	410	221	1,507,151
Additions	添置	-	-	-	-	1,060	108	1,168
Acquisition of Maoming Kebi	收購茂名科比	109,650	-	5,139	82	-	-	114,871
Acquisition of Qingdao Qingda	收購青島青大	244	-	1,416	194	-	-	1,854
Amortization	攤銷	-	(1,405)	(24,533)	(494)	(153)	(34)	(26,619)
Exchange differences	匯兌調整	3,915	40	274	5	-	-	4,234
Closing net book amount	年終賬面淨值	1,404,057	11,845	181,487	3,658	1,317	295	1,602,659
At 31 March 2010	於二零一零年 三月三十一日							
Cost	成本	1,404,057	17,539	242,490	4,888	1,687	345	1,671,006
Accumulated amortization	累計攤銷	-	(5,694)	(61,003)	(1,230)	(370)	(50)	(68,347)
Net book amount	賬面淨值	1,404,057	11,845	181,487	3,658	1,317	295	1,602,659

Amortization is included in administrative expenses in the consolidated income statement.

攤銷包括在綜合收益表的行政費用內。

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8. INTANGIBLE ASSETS – GROUP (continued)

- (a) Goodwill is mainly attributable to the anticipated profitability of operations, the anticipated future operating synergies and enlarged market share. Goodwill is allocated to the Group's CGUs identified mainly according to the operating segments.

The goodwill is allocated as follows:

		As at 31 March 於三月三十一日					
		2010 二零一零年			2009 二零零九年		
		Flavours 食用 香精香料	Fragrances 日用 香精香料	Total 總計	Flavours 食用 香精香料	Fragrances 日用 香精香料	Total 總計
Goodwill	商譽	1,353,939	50,118	1,404,057	1,240,288	49,960	1,290,248

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a ten-year period (2009: ten-year period) as management believes that the cash flows of the Group are comparatively stable and a forecasted period longer than five years is feasible. Cash flows beyond the ten-year period are extrapolated using the estimated growth rates below. The growth rate does not exceed the long-term average growth rate for the businesses in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

		As at 31 March 於三月三十一日			
		2010 二零一零年		2009 二零零九年	
		Flavours 食用 香精香料	Fragrances 日用 香精香料	Flavours 食用 香精香料	Fragrances 日用 香精香料
Gross margin	毛利率	75%	40%	34%-75%	40%
Growth rate	增長率	5%	5%	3%-8%	5%
Discount rate	貼現率	13.5%	13.5%	13.5%	13.5%

8. 無形資產 – 本集團 (續)

- (a) 商譽主要由經營活動的預期盈利狀況、預期的未來經營協同效應和擴大的市場份額決定。本集團之商譽主要根據其業務分部分配至多個現金產生單位。

商譽分配的摘要呈列如下：

每個現金產生單位的可收回金額乃以使用價值計算。由於管理層認為集團的現金流相對穩定，可以預測較長時間（超過五年）的現金流，上述採用計算基於管理層已批准的十年期財務預算而預計之稅前貼現現金流量計算（二零零九年：10年期）。超逾十年期的現金流量使用的預計年增長率列示如下。該增長率不會超過現金產生單位之業務分部營運的長期平均增長率。

使用價值計算的主要假設如下：

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8. INTANGIBLE ASSETS – GROUP (continued)

(a) (continued)

These assumptions have been used for the analysis of each CGU within the operating segment. The adoption of HKFRS 8 has resulted in a decrease in the number of reportable segments presented. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. As goodwill is allocated by management to groups of cash-generating units on a segment level, the change in reportable segments does not require a reallocation of goodwill.

Management determined budgeted gross margin based on past performance and their expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

After assessing the cash flow projections of the various CGUs, the directors considered that there is no impairment on the goodwill as at 31 March 2010 and 2009.

(b) Trademarks represent the Peacock and Xinghu trademarks.

9. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES – COMPANY

(a) Investments in subsidiaries

Investments at cost – unlisted shares 投資按成本值 – 非上市股份

(b) The balances with subsidiaries are unsecured, interest-free and repayable on demand.

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8. 無形資產 – 本集團 (續)

(a) (續)

此假設已沿用於營運分部中的每個現金產生單位的分析內。採納香港財務報告準則第8號導致所呈列的報告分部數目減少。此外，分部的報告方式與向主要經營決策者提供的內部報告更為一致。由於商譽是由管理層根據分部分配至現金產生單位，報告分部的變動不需要重新分配商譽。

管理層根據過往的業績及其對市場發展的預期確定預計毛利率。所用的貼現率為稅前並反映有關分部的特定風險。

在評價多個現金產生單位的現金流預測後，本集團之董事認為於二零一零年及二零零九年三月三十一日商譽並無減值。

(b) 商標乃指孔雀及星湖牌商標。

9. 於附屬公司之投資及與其之結餘 – 本公司

(a) 附屬公司之投資

As at 31 March

於三月三十一日

	2010 二零一零年	2009 二零零九年
Investments at cost – unlisted shares	1,245,083	1,245,083

(b) 附屬公司之結餘乃無抵押、免息及須於要求時償還。

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10. INVESTMENTS IN ASSOCIATES

10. 於聯營公司之投資

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2010 二零一零年	2009 二零零九年
Beginning of the year	年初		9,233	3,663
Share of profit of associates	應佔聯營公司盈利	29	707	426
Gain on disposal of Weihai Huayuan Green Industry Co Ltd. ("Weihai Huayuan")	出售威海華元綠色產業有限公司「威海華元」盈利	29	740	—
Combination of Wealthy King Group	合併富君集團		—	5,913
Proceeds from disposal of Weihai Huayuan	出售威海華元所得款		(3,911)	—
Dividends declared	宣派股息		(512)	(679)
Exchange differences	匯兌調整		(21)	(90)
End of the year	年終		6,236	9,233

The Group's investments in an associate as at 31 March 2010 is as follows:

於二零一零年三月三十一日，本集團於聯營公司之投資如下：

Name	Country of incorporation	Paid-up capital	Assets	Liabilities	Revenues	Net profit for the year 本年度淨盈利	% Interest indirectly held 間接所持權益百分比	Principal activities
名稱	註冊成立國家	繳足股本	資產	負債	收益	淨盈利	百分比	主要業務
Henan Jinrui Flavours Co. Ltd. ("Henan Jinrui")	PRC	RMB10,000,000	RMB38,033,000	RMB16,043,000	RMB29,245,000	RMB3,269,000	25%	Production and sale of tobacco flavours and fragrances and fine chemicals products
河南金瑞香精香料有限公司 (「河南金瑞」)	中國	人民幣10,000,000	人民幣38,033,000	人民幣16,043,000	人民幣29,245,000	人民幣3,269,000	25%	生產及銷售煙用香精香料及精細化工產品

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11. DEFERRED INCOME TAX ASSETS/LIABILITIES – 11. 遞延所得稅資產／負債 – 本集團 GROUP

The movement in the deferred income tax is as follows:

遞延所得稅變動如下：

			Deferred income tax assets 遞延 所得稅資產	Deferred income tax liabilities		
			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	於二零零八年 四月一日		12,345	30,701	–	30,701
Combination of Wealthy King Group	合併富君集團		3,614	30,939	–	30,939
Acquisition of Profit Fortune Group	收購利福集團		–	1,551	–	1,551
Recognized in the income statement	於收益表確認	25	14,709	(4,890)	34,828	29,938
Exchange differences	匯兌調整		387	684	–	684
At 31 March 2009	於二零零九年 三月三十一日		31,055	58,985	34,828	93,813
Acquisition of Maoming Kebi	收購茂名科比	28	–	1,305	–	1,305
Acquisition of Qingdao Qingda	收購青島青大	28	–	2,673	–	2,673
Recognized in the income statement	於收益表確認	25	19,341	(5,171)	12,509	7,338
Exchange differences	匯兌調整		148	78	3,663	3,741
At 31 March 2010	於二零一零年 三月三十一日		50,544	57,870	51,000	108,870

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 rate which are enacted or substantively enacted by the balance sheet date.

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，其金額以負債法按結算日已生效或已實質生效的稅率計算暫時性差額確定。

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11. DEFERRED INCOME TAX ASSETS/LIABILITIES – GROUP (continued)

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. 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 funding requirements of the Group from time to time and revise the dividend distribution policy of its subsidiaries as appropriate.

As at 31 March 2010, deferred income tax liabilities of HKD43,246,000(31 March 2009: HKD28,532,000) have not been recognised for the withholding tax that would be payable on the unremitted profits of certain PRC subsidiaries.

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

11. 遞延所得稅資產／負債－本集團(續)

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及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的股息所產生之預提所得稅。

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附屬公司之盈利派發股息予其於香港的直接母公司。因此，遞延所得稅負債乃按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。

於二零一零年三月三十一日，本集團並未就若干中國大陸附屬公司之未匯出盈利須予支付的預提所得稅確認遞延所得稅負債港幣43,246,000元(二零零九年：港幣28,532,000元)。

遞延所得稅資產及負債的分析如下：

		As at 31 March 於三月三十一日	
		2010 二零一零年	2009 二零零九年
Deferred income tax assets:	遞延所得稅資產		
– to be recovered within 12 months	– 在十二個月內收回部份	50,544	31,055
Deferred income tax liabilities:	遞延所得稅負債：		
– to be recovered after more than 12 months	– 在超過十二個月後收回部份	53,999	55,357
– to be recovered within 12 months	– 在十二個月內收回部份	54,871	38,456
		108,870	93,813

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12. INVENTORIES – GROUP

12. 存貨 – 本集團

		As at 31 March 於三月三十一日	
		2010 二零一零年	2009 二零零九年
At cost:	按成本：		
Raw materials	原材料	186,578	170,964
Work in progress	在製品	4,378	6,135
Finished goods	製成品	44,338	34,721
		235,294	211,820

The cost of inventories recognized as expense and included in cost of goods sold for the year ended 31 March 2010 amounted to approximately HKD544,194,000 (2009: HKD438,832,000).

截至二零一零年三月三十一日止年度之存貨成本確認為費用並計入銷售成本的金額約為港幣544,194,000元(二零零九年：港幣438,832,000元)。

13. TRADE AND OTHER RECEIVABLES

13. 貿易及其他應收款項

			As at 31 March 於三月三十一日			
			Group 本集團		Company 本公司	
		Note 附註	2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
Trade receivables	貿易應收款項	13(b)	519,895	409,285	–	–
Less: Provision for impairment on receivables	減：應收款項減值撥備		(2,215)	(1,989)	–	–
Trade receivables – net	貿易應收款項 – 淨額		517,680	407,296	–	–
Notes receivable	應收票據		89,487	85,766	–	–
Prepayments and other receivables	預付款項及其他應收款項		36,727	24,508	473	478
Advances to staff	員工墊款		4,404	4,439	–	–
Others	其他		11,819	9,289	–	–
			660,117	531,298	473	478

(a) Except for prepayment of HKD13,127,000, the trade and other receivables balances are financial assets categorised under “loans and receivables”. All trade and other receivables are either repayable within one year or on demand. Accordingly, the fair values of the Group’s and the Company’s trade and other receivables approximate to their carrying values.

(a) 除預付賬款港幣13,127,000元外，貿易及其他應收款項分類為「貸款和應收款項」。所有貿易及其他應收款項乃於一年內或於通知時清還。故本集團及本公司之貿易及其他應收款項賬面值與公平值相若。

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13. TRADE AND OTHER RECEIVABLES (continued)

- (b) The credit period generally granted to customers ranges from 0 to 180 days. The ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) as at the balance sheet dates is as follows:

		As at 31 March 於三月三十一日	
		Group 本集團	
		2010 二零一零年	2009 二零零九年
0 – 90 days	0至90日	457,936	339,187
91 – 180 days	91至180日	44,546	49,836
181 – 360 days	181至360日	10,535	10,644
Over 360 days	360日以上	6,878	9,618
		519,895	409,285

As at 31 March 2010, trade receivables of HKD517,680,000 (2009: HKD407,296,000) were fully performing.

After considering the credit period, trade receivables are assessed for impairment. As at 31 March 2010, trade receivables of HKD15,198,000 (2009: HKD18,273,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of the past due trade receivables is as follows:

		As at 31 March 於三月三十一日	
		Group 本集團	
		2010 二零一零年	2009 二零零九年
Pass due up to 180 days	逾期至180日	10,535	10,644
Pass due over 180 days	逾期180日以上	6,878	9,618
		17,413	20,262

13. 貿易及其他應收款項 (續)

- (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（包括關聯人士的貿易應收款項）的賬齡分析如下：

於二零一零年三月三十一日，貿易應收款港幣517,680,000元（二零零九年：港幣407,296,000元）已全數獲得履行。

信用期滿後，應對貿易應收款項進行減值評估。於二零一零年三月三十一日，貿易應收款項港幣15,198,000元（二零零九年：港幣18,273,000元）經已逾期但並無減值。此等款項涉及多個最近沒有拖欠還款記錄的獨立客戶。此等貿易應收款的逾期賬齡分析如下：

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

13. TRADE AND OTHER RECEIVABLES (continued)

(b) (continued)

As at 31 March 2010, trade receivables of HKD2,215,000 (2009: HKD1,989,000) were impaired and fully provided. The individually impaired receivables mainly relate to customers which had ceased cooperation with the Group and were not in a position for repayment. These receivables are all aged over one year.

The carrying amounts of the Group's trade receivables (including amounts due from related parties which are trade in nature) are denominated in the following currencies:

		As at 31 March 於三月三十一日	
		Group 本集團	
		2010 二零一零年	2009 二零零九年
United States Dollar ('USD')	美元	3,039	583
RMB	人民幣	516,856	408,702
		519,895	409,285

Movements of the provision for impairment on trade receivables were as follows:

		Year ended 31 March 截至三月三十一日止年度	
		Group 本集團	
		2010 二零一零年	2009 二零零九年
Beginning of the year	年初	1,989	2,100
Provision for/(reversal of) impairment on trade receivables	貿易應收款減值撥備/(回撥)	119	(62)
Exchange differences	匯兌調整	107	(49)
End of the year	年終	2,215	1,989

截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

13. 貿易及其他應收款項 (續)

(b) (續)

於二零一零年三月三十一日，貿易應收款港幣2,215,000元(二零零九年：港幣1,989,000元)經已減值及全數撥備。個別減值的應收款項主要來自與集團終止合作關係及無還款能力的客戶。上述應收款項賬齡均超過一年。

本集團的貿易應收款的賬面值(包括關聯人士的貿易應收款項)以下列貨幣為單位：

		As at 31 March 於三月三十一日	
		Group 本集團	
		2010 二零一零年	2009 二零零九年
United States Dollar ('USD')	美元	3,039	583
RMB	人民幣	516,856	408,702
		519,895	409,285

貿易應收款減值撥備的變動如下：

		Year ended 31 March 截至三月三十一日止年度	
		Group 本集團	
		2010 二零一零年	2009 二零零九年
Beginning of the year	年初	1,989	2,100
Provision for/(reversal of) impairment on trade receivables	貿易應收款減值撥備/(回撥)	119	(62)
Exchange differences	匯兌調整	107	(49)
End of the year	年終	2,215	1,989

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

13. TRADE AND OTHER RECEIVABLES (continued)

(b) (continued)

The creation and release of provision for impaired receivables have been included in “administrative expenses” in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

13. 貿易及其他應收款項 (續)

(b) (續)

對已減值應收款撥備的設立和撥回已包括在綜合收益表中「行政費用」內。計入撥備賬戶中的數額一般會在預期無法收回額外現金時撇銷。

貿易及其他應收款項內的其他類別沒有包含已減值資產。

在報告日期，信貸風險的最高風險承擔為上述每類應收款項的賬面值。本集團不持有任何作為抵押的抵押品。

14. CASH AND BANK BALANCES – GROUP AND COMPANY

14. 銀行及庫存現金 – 本集團及本公司

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
Short-term time deposits	短期定期存款	230,886	–	–	–
Cash and cash equivalents	現金及現金等價物	1,678,640	1,126,735	35,503	11,809
		1,909,526	1,126,735	35,503	11,809

Cash and bank balances are denominated in the following currencies:

銀行及庫存現金以下列外幣金額列示：

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
RMB	人民幣	1,845,110	1,103,240	–	–
HKD	港幣	58,047	17,916	35,503	11,809
USD	美元	4,637	4,101	–	–
Euro and others	歐元及其他	1,732	1,478	–	–
		1,909,526	1,126,735	35,503	11,809

For the Year ended 31 March 2010
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

14. CASH AND BANK BALANCES – GROUP AND COMPANY (continued)

As at 31 March 2010, the Group's and the Company's maximum exposure to credit risk of short-term time deposits and cash and cash equivalents is their carrying value.

14. 銀行及庫存現金 – 本集團及本公司 (續)

於二零一零年三月三十一日，本集團及本公司面對的來自短期定期存款及現金及現金等價物的最高信貸風險乃其賬面價值。

15. SHARE CAPITAL – GROUP AND COMPANY

15. 股本 – 本集團及本公司

		Ordinary shares of HKD0.10 each 每股面值港幣0.10元之普通股		
		Note	Number of shares 股份數目	HKD'000 港幣千元
		附註		
Authorized:	法定：			
At 1 April 2008, 31 March 2009 and 31 March 2010	於二零零八年四月一日、 二零零九年三月 三十一日及二零一零年 三月三十一日		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	16	15,695,000	1,569
At 31 March 2009	於二零零九年 三月三十一日		3,084,805,961	308,480
At 1 April 2009	於二零零九年四月一日		3,084,805,961	308,480
Exercise of share options	行使購股權	16	44,015,000	4,402
At 31 March 2010	於二零一零年 三月三十一日		3,128,820,961	312,882

16. 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 and vesting periods of 0 to 3 years 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 and vesting periods of 0.5 of 3 years 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 and vesting periods of 0 to 3 years. The options have a contractual option term of 10 years. The Group has no legal or contractual obligation to repurchase or settle the options in cash. The fair value of the share options was determined using the Black-Scholes valuation model. Share option compensation expense recognised in the consolidated income statement is shown in Note 22.

16. 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元及歸屬期為0至3年，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元及歸屬期為半年至3年，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元及歸屬期為0至3年。合同規定購股權的期限為十年。本集團無法律義務或合同回購及以現金支付購股權。購股權的公允價值由Black-Scholes評估模型確認。在綜合收益表裏確認的購股權報酬費用列於附註22。

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截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

16. SHARE OPTION SCHEME (continued)

Movements in the number of share options outstanding during the year and their related weighted average exercise prices are as follows:

16. 購股權計劃 (續)

於年內，未行使的購股數目之變動及其相關之加權平均行使價列示如下：

				Year ended 31 March 截至三月三十一日			
				2010 二零一零年		2009 二零零九年	
		Note		Weighted average exercise price in HKD per share 加權平均 行使價港元 (每股計)	Number of share options (‘000) 購股權數目 (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 (‘000) 購股權數目 (股數 以千計)
Beginning of the year	年初			3.98	108,435	3.63	115,730
Granted	授出			–	–	6.39	10,400
Exercised	已行使	15,16(a)		3.20	(44,015)	3.09	(15,695)
Forfeited	失效	16(b)		3.09	(2,200)	3.09	(2,000)
End of the year	年終			4.57	62,220	3.98	108,435

(a) The weighted average share price immediately before the share option exercised dates was HKD7.96 (2009: HKD6.05) per share.

(a) 緊接購股權行使日期之前的加權平均收市價為港幣7.96元(二零零九年：港幣6.05元)。

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

(b) 購股權失效是由於員工離職。

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截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

16. SHARE OPTION SCHEME (continued)

Share options outstanding as at 31 March 2010 are analysed as follows:

16. 購股權計劃 (續)

於二零一零年三月三十一日未行使購股權之分析如下：

Grantee	被授予人	Exercise price in HKD per share 行使價港元 (每股計)	Number of share options (‘000) 購股權數目 (股數以千計)	Expiry date 失效日期
Directors	董事	3.09	12,250	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	18,120	9 October 2016 2016年10月9日
		3.09	5,250	24 October 2016 2016年10月24日
		6.65	12,600	16 October 2017 2017年10月16日
At 31 March 2010	於二零一零年 三月三十一日		62,220	

Out of the 62,220,000 (2009: 108,435,000) share options outstanding as at 31 March 2010, 52,645,000 (2009: 62,385,000) share options are currently exercisable.

於二零一零年三月三十一日未行使的62,220,000 (2009年：108,435,000) 股購股權當中，52,645,000 (2009年：62,385,000) 股購股權於現在可予行使。

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截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

17. RESERVES

17. 儲備

		GROUP 本集團							
		Contributed surplus	Merger reserve	Share premium	Capital reserve	Share-based compensation reserve 以股份為基礎的酬金儲備	Exchange reserve	Other reserves	Total
		Note							
		附註	實繳盈餘	合併儲備	股份溢價	資本儲備	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	130,748
Combination of Wealthy King Group	合併富君集團		-	(15,382)	-	-	-	-	(15,382)
Appropriations from net profit	自純利撥付		-	-	-	-	-	5,432	5,432
Employee share option scheme	僱員購股權計劃		-	-	-	-	-	-	-
- Value of employee services	一僱員服務價值	22	-	-	-	30,889	-	-	30,889
- Exercise of share options	一行使購股權		-	-	54,721	(7,793)	-	-	46,928
Exchange differences	匯兌調整		-	-	-	-	49,843	-	49,843
At 31 March 2009	於二零零九年三月三十一日		288,191	(612,949)	145,202	1,677	71,109	127,685	248,458
At 1 April 2009	於二零零九年四月一日		288,191	(612,949)	145,202	1,677	71,109	127,685	248,458
Combination of F&G Group	合併F&G集團	2.1(a)	-	(4,211)	-	-	-	-	(4,211)
Appropriations from net profit	自純利撥付		-	-	-	-	-	4,496	4,496
Employee share option scheme	僱員購股權計劃		-	-	-	-	-	-	-
- Value of employee services	一僱員服務價值	22	-	-	-	12,605	-	-	12,605
- Exercise of share options	一行使購股權		-	-	159,428	(23,195)	-	-	136,233
Exchange differences	匯兌調整		-	-	-	-	12,822	-	12,822
At 31 March 2010	於二零一零年三月三十一日		288,191	(617,160)	304,630	1,677	60,519	132,181	410,403

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截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

17. RESERVES (continued)

17. 儲備 (續)

		COMPANY 本公司					
	Note	Contributed surplus	Share premium	Capital reserve	Share-based compensation reserve	Total	
	附註	實繳盈餘	股份溢價	資本儲備	以股份為基礎的酬金儲備	總計	
At 1 April 2008	於二零零八年四月一日	288,191	90,481	1,677	48,013	428,362	
Employee share option scheme	僱員購股權計劃						
- Value of employee services	- 僱員服務價值	-	-	-	30,889	30,889	
- Exercise of share options	- 行使購股權	-	54,721	-	(7,793)	46,928	
At 31 March 2009	於二零零九年三月三十一日	288,191	145,202	1,677	71,109	506,179	
At 1 April 2009	於二零零九年四月一日	288,191	145,202	1,677	71,109	506,179	
Employee share option scheme	僱員購股權計劃						
- Value of employee services	- 僱員服務價值	-	-	-	12,605	12,605	
- Exercise of share options	- 行使購股權	-	159,428	-	(23,195)	136,233	
At 31 March 2010	於二零一零年三月三十一日	288,191	304,630	1,677	60,519	655,017	

18. RETAINED EARNINGS

18. 保留盈利

Year ended 31 March
截至三月三十一日止年度

		Group 本集團		Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
Beginning of the year	年初	2,278,879	1,514,572	1,208,384	1,217,784
Profit for the year	本年度盈利	1,340,085	1,110,324	532,212	329,240
Appropriations from net profit	自純利撥付	(4,496)	(5,432)	-	-
Combination of F&G Group	合併F&G集團	-	(1,945)	-	-
Final dividend for the year ended 31 March 2008	截至二零零八年三月三十一日止年度之末期股息	-	(184,540)	-	(184,540)
Interim dividend for the six months ended 30 September 2008	截至二零零八年九月三十日止六個月之中期股息	-	(154,100)	-	(154,100)
Final and special dividend for the year ended 31 March 2009	截至二零零九年三月三十一日止年度之末期及特別股息	(272,695)	-	(272,695)	-
Interim and special dividend for the six months ended 30 September 2009	截至二零零九年九月三十日止六個月之中期及特別股息	(274,954)	-	(274,954)	-
End of the year	年終	3,066,819	2,278,879	1,192,947	1,208,384

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(All amounts in HK dollar thousands unless otherwise stated)

截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

18. RETAINED EARNINGS (continued)

The Company's profit for the year ended 31 March 2010 included approximately HKD549,687,000 (2009: HKD366,034,000) which was dividend income from subsidiaries and eliminated on consolidation.

18. 保留盈利(續)

截至二零一零年三月三十一日止年度，本公司盈利中包括由附屬公司分配股息所得約港幣549,687,000元(二零零九年：港幣366,034,000元)，該項股息收入已在編製合併報表時對銷。

19. SHORT-TERM BORROWINGS

19. 短期貸款

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
Short-term bank borrowings	短期銀行貸款				
Secured (a)	— 有抵押(a)	10,236	—	—	—
Unsecured (b)	— 無抵押(b)	240,000	—	240,000	—
		250,236	—	240,000	—

(a) The bank loan is secured by a pledge of certain land (note 7) and building (note 6) located in Qingdao owned by Qingdao Qingda. It is denominated in RMB and is repayable within one year. During the year, the average interest rate is 5.84% per annum.

(a) 有抵押銀行貸款乃以青島青大所持有的位於青島土地(附註7)及樓宇(附註6)作為抵押。該貸款以人民幣為單位，並需於一年內償還。於年內，該貸款平均利息為每年5.84厘。

(b) The unsecured bank loan is denominated in HKD and is repayable within one year. During the year, the average interest rate is 1.63% per annum.

(b) 無抵押銀行貸款以港幣為單位，並需於一年內到期償還。於年內，該貸款平均利息為每年1.63厘。

The carrying amounts of the short-term borrowings approximate their fair values.

短期貸款的賬面值與公允價值相近。

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截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

20. TRADE AND OTHER PAYABLES

20. 貿易及其他應付款項

As at 31 March
於三月三十一日

		Note 附註	Group 本集團		Company 本公司	
			2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
Trade payables	貿易應付款項	20(a)	237,303	151,251	–	–
Non-trade payables to related parties	非貿易應付關聯 人士款項	31(c)	133,985	488,994	–	–
Wages payable	應付工資		8,913	7,671	–	–
Other taxes payable	其他應付稅項		42,153	10,850	–	–
Accrued expenses	應計開支		4,732	5,280	–	–
Customer advance payment	客戶預付款		1,915	10,860	–	–
Other payables	其他應付款項		57,241	27,337	20,103	2,081
			486,242	702,243	20,103	2,081

Except for advances from customers of HKD1,915,000, trade and other payables balances are financial liabilities categorized under “financial liabilities measured at amortized cost”. The fair values of trade and other payables approximate their carrying values.

除客戶預付款計港幣1,915,000元外，貿易及其他應付款被分類為按攤銷成本計量的財務負債。貿易及其他應付款項的公允價值與其賬面值相若。

(a) The ageing analysis of the trade payables (including amounts due to related parties) as at the balance sheet dates are as follows:

(a) 於結算日貿易應付款項（包括關聯人士的貿易應付款項）的賬齡分析如下：

		As at 31 March 於三月三十一日	
		Group 本集團	
		2010 二零一零年	2009 二零零九年
0 – 90 days	0至90日	185,073	112,843
91 – 180 days	91至180日	33,744	19,232
181 – 360 days	181至360日	1,094	6,532
Over 360 days	360日以上	17,392	12,644
		237,303	151,251

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20. TRADE AND OTHER PAYABLES (continued)

- (b) The carrying amounts of the Group's trade payables (including amounts due to related parties which are trade in nature) are denominated in the following currencies:

20. 貿易及其他應付款項 (續)

- (b) 本集團的貿易應付款(包括關聯人士的貿易應付款項)的賬面值以下列貨幣為單位：

		As at 31 March 於三月三十一日 Group 本集團	
		2010 二零一零年	2009 二零零九年
EUR	歐元	6,853	453
USD	美元	16,372	6,345
RMB	人民幣	214,078	144,453
		237,303	151,251

21. OTHER INCOME

21. 其他收益

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Sales of raw materials	出售原材料	808	761
Government grants	政府津貼	30,751	20,295
Exchange gain – net	匯兌收益—淨額	1,924	13,832
Gain on disposal of an associate	出售聯營公司盈利	740	–
Others	其他	2,014	1,318
		36,237	36,206

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22. EXPENSES BY NATURE

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

22. 按性質分類的開支

費用包括銷售成本、銷售及市場推廣開支及行政費用，分析如下：

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
	Note 附註		
Depreciation, excluding amounts included in research and development	折舊（不包括計入研究及發展的金額）	6	23,638
Amortization	攤銷	7,8	27,087
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動	(7,860)	(21,488)
Raw materials and consumables used	已用原材料及消耗品	527,615	457,777
Provision for/(Reversal of) impairment on trade receivables	貿易應收款之減值撥備／（回撥）	13(b)	119 (62)
Lease rentals	租金	4,106	4,954
Auditor's remuneration	核數師酬金	5,457	6,269
Travelling expenses	差旅開支	20,060	18,562
Entertainment expenses	娛樂開支	19,401	17,176
Employee benefit expenses, excluding share option compensation expenses and amounts included in research and development	僱員及福利開支（不包括購股權報酬費用及計入研發的金額）	23	83,063 82,558
Share option compensation expenses	購股權報酬費用	17,23	12,605 30,889
Research and development	研究及發展		
– Employee benefit expenses	– 僱員及福利開支	23	32,829 31,234
– Depreciation	– 折舊	6	6,044 5,160
– Others	– 其他		44,198 15,274
Delivery expenses	運輸開支		18,743 19,103
Utilities	公共設施開支		13,309 12,352
Motor vehicle expenses	汽車費用開支		8,016 6,956
Others	其他		44,780 41,758
Total cost of goods sold, selling and marketing expenses and administrative expenses	總銷售成本、銷售及市場推廣開支和行政費用		885,951 779,197

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23. EMPLOYMENT BENEFIT EXPENSES

23. 僱員福利開支

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2010 二零一零年	2009 二零零九年
Wages, salaries and bonuses	工資、薪酬及獎金		95,143	91,811
Pension costs – defined contribution plans	退休金一定額供款計劃	23(a)	12,457	12,355
Share options granted to directors and employees	授予董事及僱員之購股權	22	12,605	30,889
Others	其他		8,292	9,626
			128,497	144,681

(a) Retirement scheme benefit

The Group operates a MPF Scheme for all the eligible employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group.

Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries up to a maximum of HKD1,000 per employee and they can choose to make additional contributions. The employer's monthly contributions are calculated at 5% of each employee's monthly salaries up to a maximum of HKD1,000 (the 'mandatory contributions'). The employees are entitled to 100% of the employer's mandatory contributions upon their retirement at the age of 65 years old, death or total incapacity.

Moreover, the Group makes defined contribution to retirement schemes managed by the local governments in the Mainland China. It is the local governments' responsibility to pay the retirement pension to those staff who retired.

Furthermore, the Group makes contribution at certain percentage of monthly salary to retirement schemes managed by the insurance company in accordance with German regulation and rules. It is the insurance company's responsibility to pay the retirement pension to those retired staffs.

(a) 退休金計劃福利

本集團為香港所有合資格僱員設立強積金計劃。強積金計劃之資產與本集團所持者獨立分開。

根據強積金計劃，每名僱員須按月薪5%（最高供款額為港幣1,000元）作出供款，並可選擇作出額外供款。僱主亦須按每名僱員月薪5%（最高供款額為港幣1,000元）作出供款（「強制供款」）。僱員可於六十五歲退休、身故或完全喪失工作能力時收取僱主作出之全部強制供款。

此外，本集團根據合資格員工的基本薪金若干百分比向中國地方政府所管理的退休金計劃作出定額供款。地方政府責任向該等退休僱員支付退休金。

另本集團亦根據德國的相關法律和法規向合資格員工按月薪的若干百分比向有關保險公司作出供款。保險公司有責任向該等退休僱員支付退休金。

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23. EMPLOYMENT BENEFIT EXPENSES (continued)

23. 僱員福利開支(續)

(b) Directors' emoluments

The remuneration of each director for the year ended 31 March 2010 is set out below:

(b) 董事酬金

各董事於截至二零一零年三月三十一日止年度之酬金如下：

Name of director 董事姓名	2010 二零一零年					2009 二零零九年				
	Fees	Salaries	Employer's contribution to pension scheme 僱主就退休計劃供款	Share options granted to directors 授予董事之購股權	Total	Fees	Salaries	Employer's contribution to pension scheme 僱主就退休計劃供款	Share options granted to directors 授予董事之購股權	Total
<i>Executive director:</i> Ms. Chu Lam Yiu	-	-	-	-	-	-	-	-	-	-
Mr. Lau Chi Tak (i)	-	1,500	12	3,338	4,850	-	1,438	12	7,145	8,595
Mr. Poon Chiu Kwok	-	1,319	195	120	1,634	-	1,501	12	440	1,953
Mr. Wang Guang Yu	-	370	49	120	539	-	358	43	440	841
Mr. Xia Li Qun	-	443	24	120	587	-	441	22	440	903
Mr. Xiong Qing	-	1,430	12	2,818	4,260	-	1,430	12	5,992	7,434
<i>Independent non-executive directors:</i> Mr. Lee Luk Shiu	180	-	-	14	194	180	-	-	50	230
Ms. Ma Yun Yan	180	-	-	14	194	180	-	-	50	230
Mr. Mak Kin Kwong	180	-	-	14	194	180	-	-	50	230
					12,452					20,416

Note:

(i) Appointed on 9 April 2008.

No directors waived any emoluments during the years ended 31 March 2010 and 2009.

During the years ended 31 March 2010 and 2009, no emoluments had been paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office.

附註：

(i) 於二零零八年四月九日獲委任。

截至二零一零年及二零零九年三月三十一日止年度，無董事放棄任何酬金。

截至二零一零年及二零零九年三月三十一日止年度，本集團亦無向董事支付酬金作為加入本集團的獎勵或作為離職補償。

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23. EMPLOYMENT BENEFIT EXPENSES (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 3 (2009: 3) directors whose emoluments are reflected in the analysis presented above. The emoluments paid and payable to the remaining 2 (2009: 2) individuals during the year are as follows:

23. 僱員福利開支 (續)

(c) 五名最高薪酬人士

年內，在本集團之五名最高薪酬人士包括三位(二零零九年：三位)為董事，而彼等之酬金詳情已載於上文。本年度支付予其餘兩名人士(二零零九年：兩名)之酬金如下：

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Basic salaries and allowances	基本薪金及津貼	4,209	4,260
Contributions to the retirement scheme	退休福利計劃供款	118	120
Share options granted	授予購股權	743	1,675
		5,070	6,055

The emoluments fell within the following bands:

彼等之酬金在以下範圍：

		Number of employees 僱員人數	
		2010 二零一零年	2009 二零零九年
Emolument bands	酬金範圍		
HKD2,000,001– HKD2,500,000	港幣2,000,001至2,500,000元	1	1
HKD3,000,001– HKD3,500,000	港幣3,000,001至3,500,000元	1	–
HKD3,500,001– HKD4,000,000	港幣3,500,001至4,000,000元	–	1

24. FINANCE INCOME AND FINANCE COSTS

24. 財務收入及融資成本

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Interest income on bank deposits	銀行存款利息收入	15,761	19,555
Interest expenses	利息費用	(1,508)	(7,934)
Finance income – net	財務收入 – 淨額	14,253	11,621

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25. INCOME TAX EXPENSE

The amount of taxation charged to the consolidated income statement represented:

25. 所得稅

計入綜合收益表之稅項金額列示如下：

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Current income tax	即期稅項		
– Hong Kong profits tax	– 香港所得稅	(a) 13,742	–
– PRC corporate income tax	– 中國企業所得稅	(b) 159,965	66,928
– Botswana company income tax	– 博茨瓦納企業所得稅	(d) 532	–
Deferred income tax assets	遞延所得稅資產	11 (19,341)	(14,709)
Deferred income tax liabilities	遞延所得稅負債	11 7,338	29,938
		162,236	82,157

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the year.
- (b) PRC corporate income tax has been calculated on the estimated assessable profit for the year at the tax rates applicable to respective companies of the Group.

- (a) 香港所得稅按本年度估計應課稅盈利以稅率16.5% (二零零九年：16.5%)撥備。
- (b) 中國企業所得稅撥備按本集團在中國大陸企業於本年度的盈利以其適用的稅率而定。

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25. INCOME TAX EXPENSE (continued)

- (c) The income tax rates enacted or substantively enacted to the major subsidiaries of the Group incorporated in the PRC were as follows:

25. 所得稅 (續)

- (c) 下列為本集團於中國大陸註冊之主要企業的所得稅適用稅率明細：

			April to December 2008 二零零八年 四月至十二月	January to December 2009 二零零九年 一月至十二月	January to March 2010 二零一零年 一月至三月
	Note				
	附註				
Huabao Food Flavours & Fragrances (Shanghai) Company Limited	(v)	華寶食用香精香料(上海)有限公司	15%	15%	15%
Shanghai H&K Flavours & Fragrances Company Limited	(iii&v)	上海華寶孔雀香精香料有限公司	12.5%	12.5%	15%
Huabao Xianghua Keji Fazhan (Shanghai) Company Limited	(i)	華寶香化科技發展(上海)有限公司	25%	25%	25%
Wuxi Fuhua Flavour & Fragrance Company Limited	(iii)	無錫福華香精香料有限公司	12.5%	12.5%	25%
Wuxi Jiahua Flavour & Fragrance Company Limited	(iii)	無錫嘉華香精香料有限公司	12.5%	12.5%	25%
Qingdao Huabao Flavors & Fragrances Company Limited	(iii)	青島華寶香精香料有限公司	0%	0%	12.50%
Yunnan Tianhong Flavor & Fragrance Company Limited	(iv)	雲南天宏香精香料有限公司	15%	15%	15%
Hua Fang Tobacco Flavors Limited	(ii)	華芳煙用香料有限公司	18%	25%	25%
Shanghai Zhezhan Trading Limited	(i)	上海拓展貿易有限公司	25%	25%	25%
Shenzhen Dongjiang Chuangzhan Trading Limited	(ii)	深圳市東江創展商貿有限公司	18%	20%	22%
Guangdong Zhaoqing Fragrances Limited	(v)	廣東省肇慶香料廠有限公司	25%	15%	15%
Taicang Wenhua Enterprise Company Limited	(iii)	太倉文華實業有限公司	0%	12.5%	12.50%
Huashun Fragrance (Shanghai) Company Limited	(iii)	華順香料(上海)有限公司	0%	12.5%	12.50%
Wuxi Huaxin Flavour & Fragrance Company Limited	(iii)	無錫華馨香精香料有限公司	0%	12.5%	12.50%
Shanghai Yinghua Flavours & Fragrances Limited	(iii)	上海英華香精香料有限公司	0%	12.5%	12.50%
Guangzhou Huabao Flavour & Fragrances Company Limited	(i)	廣州華寶香精香料有限公司	25%	25%	25%
Wuxi Hua Hai Flavour Company Limited	(iii)	無錫華海香料有限公司	0%	0%	12.50%
Xiamen Amber Fragrances Co Ltd	(ii)	廈門琥珀香料有限公司	18%	15%	15%
Feijia Chuangye Additive (Shenzhen) Limited	(iii)	飛嘉創業添加劑(深圳)有限公司	0%	0%	11%
Owada Flavours Technology (Guangzhou) Limited	(v)	澳華達香料科技(廣州)有限公司	15%	15%	15%
Maoming Kebi	(i)	茂名科比	25%	25%	25%
Qingdao Qingda	(i)	青島青大	25%	25%	25%

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25. INCOME TAX EXPENSE (continued)

(c) (continued)
The income tax rates are derived from various preferential tax policies.

(i) The Corporate Income Tax Law of the PRC stipulates the applicable income tax rate at 25% for domestic enterprises in the PRC.

PRC companies established before 16 March 2007 are entitled to the transitional rules announced by the State Council Circular [2007] No. 39 which stipulates:

(ii) From 1 January 2008, the existing tax rate of 15% applied to some enterprises shall be increased to 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012.

(iii) The 'two-year exemption and three-year half rate' preferential tax policy can be continued to enjoy. For enterprises that do not benefit from such preferential policies due to their non-profit making status, the period of time for which such policies apply shall be commenced from 1 January 2008.

(iv) Encouraged enterprises of western regions can continue to enjoy tax rate of 15% until its original policy expiry (i.e. 2010).

(v) The CIT Law also stipulates that the Corporate Income Tax shall be levied at the reduced rate of 15% for High/New Tech Enterprises that are specifically supported by the State.

(d) Botswana company income tax has been provided at the rate of 15% (2009: 15%) on the estimated assessable profit for the year.

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

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25. 所得稅 (續)

(c) (續)
不同的所得稅稅率來自不同的優惠政策。

(i) 企業所得稅法規定中國國內企業的適用所得稅稅率為25%。

於二零零七年三月十六日之前成立的大陸企業按國務院頒佈之過渡條款[2007]第39號：

(ii) 由二零零八年一月一日，部份企業應用現有的15%稅率將增加至2008年的18%、2009年的20%、2010年的22%、2011年的24%及2012年的25%。

(iii) 該「兩免三減半」的優惠政策將繼續。企業因未有盈利而未能受益於此優惠政策的，將由二零零八年一月一日開始應用此政策。

(iv) 於西部區域受鼓勵的企業可繼續享有15%的稅率直至原政策到期日(即2010年)。

(v) 企業所得稅法規定企業所得稅將對於受國家支持的高新技術企業適用15%的稅率。

(d) 博茨瓦納企業所得稅按本年度的估計應課稅盈利以稅率15%(二零零九年：15%)撥備。

(e) 本集團於有關年度在其他司法權區並無取得應課稅收入，故無為其他司法權區的所得稅作出撥備。

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25. INCOME TAX EXPENSE (continued)

- (f) The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rates applicable to respective companies of the Group as follows:

25. 所得稅 (續)

- (f) 本集團就除所得稅前盈利的稅項，與本集團旗下相關公司所在地適用稅率釐定的理論稅額有所不同，載列如下：

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Profit before income tax	除稅前盈利	1,531,649	1,207,499
Less: Share of profit of associates	減：應佔聯營公司盈利	(707)	(426)
		1,530,942	1,207,073
Tax calculated at tax rate applicable to respective group companies	按本集團旗下相關公司適用稅率計算的稅項	371,891	315,478
Effect of tax holiday	免稅期影響	(225,740)	(271,433)
Tax impact of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	1,435	2,690
Utilization of previously unrecognized tax losses	動用先前未確認的稅務虧損	(140)	(2,306)
Withholding tax on the earnings anticipated to be remitted by subsidiaries	附屬公司預期匯出的股息所產生之預提所得稅	12,509	34,828
Tax losses for which no deferred income tax assets were recognized	並無確認遞延所得稅資產的稅務虧損	2,281	2,900
Income tax expense	所得稅	162,236	82,157

Due to the fact that the directors are not certain on whether future taxable profit would be available, the Group did not recognise deferred income tax assets of HKD8,292,000 (2009: HKD6,141,000) in respect of tax losses of certain subsidiaries of the Group amounting to HKD39,618,000 (2009: HKD14,813,000). Losses of HKD771,000, HKD581,000, HKD2,025,000, HKD11,201,000 and HKD5,907,000 will expire on 31 Mar 2011, 31 Mar 2012, 31 Mar 2013, 31 Mar 2014 and 31 Mar 2015 respectively, and losses of HKD19,133,000 do not have an expiry date.

因為董事無法確定於未來是否有足夠應課稅溢利彌補稅損，本集團並沒有確認部份附屬公司之可抵扣未來虧損港幣39,618,000元（二零零九年：港幣14,813,000元）的遞延所得稅資產約港幣8,292,000元（二零零九年：港幣6,141,000元）。未來可抵扣虧損金額港幣771,000元，港幣581,000元，港幣2,025,000元，港幣11,201,000元及港幣5,907,000元將分別在二零一一年三月三十一日，二零一二年三月三十一日，二零一三年三月三十一日，二零一四年三月三十一日及二零一五年三月三十一日失效，港幣19,133,000元的可抵扣虧損沒有到期日。

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26. 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 year.

26. 每股盈利

(a) 基本

每股基本盈利乃根據本年度本公司權益持有人應佔盈利，除以年內已發行普通股的加權平均數目計算。

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Profit attributable to equity holders of the Company	本公司股權持有人應佔盈利	1,340,085	1,110,324
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數(千計)	3,105,873	3,077,276
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	43.15	36.08

(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 year ended 31 March 2010, 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.

(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。截至二零一零年三月三十一日止年度，本公司有一類可攤薄的潛在普通股(購股權)。

至於購股權，根據未行使購股權所附的認股權的貨幣價值，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。

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26. EARNINGS PER SHARE (continued)

(b) Diluted (continued)

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Profit attributable to equity holders of the Company	本公司股權持有人應佔盈利	1,340,085	1,110,324
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)	3,105,873	3,077,276
Adjustments for: – exercise of share options ('000)	調整： – 行使購股權 (千計)	41,250	40,105
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)	3,147,123	3,117,381
Diluted earnings per share (HK cents per share)	每股攤薄盈利 (每股港仙)	42.58	35.62

26. 每股盈利 (續)

(b) 攤薄 (續)

27. DIVIDENDS

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
Interim dividend paid of HK6.0 cents (2009: HK 5.0 cents) per share	已付每股中期股息6.0港仙 (二零零九年：5.0港仙)	187,469	154,100
Proposed final dividend of HK6.78 cents (2009: HK5.8 cents) per share	擬派每股末期股息6.78港仙 (二零零九年：5.8港仙)	212,134	179,731
		399,603	333,831
Special dividend paid of HK2.8 cents (2009: nil) per share	已付每股特別股息2.8港仙 (二零零九年：無)	87,485	–
Proposed special dividend of HK5.5 cents (2009: HK3.0 cents) per share	擬派每股特別股息5.5港仙 (二零零九年：3.0港仙)	172,085	92,964
		259,570	92,964
		659,173	426,795

27. 股息

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27. DIVIDENDS (continued)

During the year ended 31 March 2010, an interim and a special dividend of HKD187,469,000 (HK6.0 cents per share) (2009: HK5.0 cents per share) and HKD87,485,000 (HK2.8 cents per share) (2009: nil) have been paid by the Company respectively. A final dividend of HK6.78 cents per share (2009: HK5.8 cents per share), HKD212,134,000 in aggregate (2009: HKD179,731,000), together with a special dividend of HK5.5 cents per share (2009: HK3.0 cents per share), HKD172,085,000 in aggregate (2009: HKD92,964,000), are proposed at the meeting of the Board held on 18 June 2010 which is subject to the shareholders' approval in the forthcoming annual general meeting. These consolidated financial statements do not reflect these as dividends payable.

28. BUSINESS COMBINATIONS

(a) Acquisition of Maoming Kebi

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

Maoming Kebi is principally engaged in the manufacture and sale of flavours & 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 HKD34,023,000 and net profit after tax of HKD17,959,000 to the Group for the period from date of acquisition to 31 March 2010.

If the acquisition had occurred on 1 April 2009, consolidated revenue and consolidated net profit after tax would have been increased by approximately HKD4,041,000 and HKD612,000, respectively.

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27. 股息 (續)

於截至二零一零年三月三十一日止年度內，本公司已支付的中期和特別股息分別為港幣187,469,000及港幣87,485,000元(分別為每股港幣6.0仙及2.8仙)(二零零九年：每股港幣5.0仙及無)。而擬派發的末期股息為每股港幣6.78仙(二零零九年：每股港幣5.8仙)，共約港幣212,134,000元(二零零九年：港幣179,731,000)，及擬派發的特別股息為每股港幣5.5仙(二零零九年：每股港幣3.0仙)，共約港幣172,085,000元(二零零九年：92,964,000)，在二零一零年六月十八日舉行的董事局會議建議派發，但須於臨近舉行的股東週年大會上獲股東批准。此綜合財務報表並未反映此為應付股息。

28. 業務合併

(a) 收購茂名科比

於二零零九年八月，本集團之全資附屬公司，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。

該業務自收購日至二零一零年三月三十一日止，已為本集團帶來約港幣34,023,000元的銷售收入及約港幣17,959,000元的除稅後盈利。

如該收購於二零零九年四月一日發生，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4,041,000元和約港幣612,000元。

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28. BUSINESS COMBINATIONS (continued)

(b) Acquisition of Qingdao Qingda

In February 2010, Guangzhou Huabao Flavour & Fragrance Company Limited, a wholly owned subsidiary of the Group, entered into an agreement with independent parties to acquire 51% equity interests in Qingdao Qingda, a company incorporated in the PRC at a cash consideration of approximately HKD11,600,000.

Qingdao Qingda is principally engaged in the manufacture and sale of flavours & fragrances in the PRC. Pursuant to the acquisition agreement, the acquisition was completed on 1 March 2010 when Qingdao Qingda became a subsidiary of the Group.

The acquired business contributed revenue of HKD4,511,000 and net profit after tax of HKD414,000 to the Group for the period from date of acquisition to 31 March 2010.

If the acquisition had occurred on 1 April 2009, consolidated revenue would have been increased by approximately HKD23,605,000 and consolidated net profit after tax decreased by HKD675,000, respectively.

Details of net assets acquired and goodwill are as follows:

		Maoming Kebi 茂名科比	Qingdao Qingda 青島青大	Total 總額
Purchase consideration:	收購代價：			
Consideration – cash paid	代價—現金支付	117,209	11,600	128,809
Direct expenses relating to the acquisition	收購之直接費用	145	11	156
Total purchase consideration	總收購代價	117,354	11,611	128,965
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)	(11,367)	(19,071)
Goodwill (Note 8)	商譽(附註8)	109,650	244	109,894

28. 業務合併(續)

(b) 收購青島青大

於二零一零年二月，本集團之全資屬公司，廣州華寶香精香料有限公司，與第三方簽署協議，以現金收購代價約為港幣11,600,000元收購一間於中國成立的公司青島青大的51%權益。

青島青大主要在中國從事生產及銷售香精香料產品。根據收購協議，該收購已於二零一零年三月一日完成及青島青大已成為本集團之附屬公司。

該業務自收購日至二零一零年三月三十一日止，已為本集團帶來約港幣4,511,000元的銷售收入及約港幣414,000元的除稅後盈利。

如該收購於二零零九年四月一日發生，本集團之合併銷售收入將會增加約港幣23,605,000元和合併除稅後盈利將減少約港幣675,000元。

收購產生之淨資產及商譽詳情如下：

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28. BUSINESS COMBINATIONS (continued)

The fair value and carrying value of assets and liabilities as at the respective acquisition dates arising from the acquisitions are as follows:

28. 業務合併 (續)

因收購而產生之資產及負債(在各自的收購日)的公允價值及賬面值如下:

		Fair value 公允價值			Acquiree's carrying amount 被收購方之賬面值		
		Maoming Kebi 茂名科比	Qingdao Qingdao 青島青大	Total 總額	Maoming Kebi 茂名科比	Qingdao Qingdao 青島青大	Total 總額
Net assets acquired	收購之資產淨值						
Intangible assets	無形資產	5,221	1,610	6,831	-	-	-
Land use right	土地使用權	-	10,415	10,415	-	2,240	2,240
Property, plant and equipment	物業、機器及設備	8	9,543	9,551	8	8,636	8,644
Inventories	存貨	-	6,452	6,452	-	6,452	6,452
Trade and other receivables	貿易及其他應收賬款項	4,724	5,473	10,197	4,724	5,473	10,197
Cash and cash equivalents	現金及現金等價物	-	16,795	16,795	-	16,795	16,795
Short-term borrowings	短期貸款	-	(10,235)	(10,235)	-	(10,235)	(10,235)
Trade and other payables	貿易及其他應付賬款項	(704)	(14,979)	(15,683)	(704)	(14,979)	(15,683)
Current income tax liabilities	當期所得稅負債	(240)	(113)	(353)	(240)	(113)	(353)
Deferred income tax liabilities (Note 11)	遞延所得稅負債(附註11)	(1,305)	(2,673)	(3,978)	-	-	-
Net assets acquired	收購之資產淨值	7,704	22,288	29,992	3,788	14,269	18,057
Less: minority interest	減：少數股東權益	-	(10,921)	(10,921)			
		7,704	11,367	19,071			
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	代價 – 現金支付				117,209	11,600	128,809
Direct expenses relating to the acquisition	收購之直接費用				145	11	156
Cash and cash equivalents in subsidiaries acquired	購入附屬公司之現金及現金等價物				-	(16,795)	(16,795)
Net cash outflow/(inflow) on acquisition	收購的淨現金流出/(流入)				117,354	(5,184)	112,170

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29. CASH GENERATED FROM OPERATIONS

29. 經營活動產生的現金

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2010 二零一零年	2009 二零零九年
Profit before income tax	除稅前盈利		1,531,649	1,207,499
Adjustments for:	調整：			
– Depreciation	– 折舊	6	31,461	28,798
– Amortization	– 攤銷	7,8	28,049	27,087
– Interest expenses	– 利息費用	24	1,508	7,934
– Interest income	– 利息收入	24	(15,761)	(19,555)
– Share of profit of associates	– 應佔聯營公司盈利	10	(707)	(426)
– Provision for/(Reversal of) impairment on trade receivables	– 貿易應收款項減值撥備/(撥回)	13(b),22	119	(62)
– Gain/(Loss) on disposal of property, plant and equipment	– 出售物業、機器及設備盈利/(虧損)		(249)	61
– Gain on disposal of an associate	– 出售聯營公司盈利	10	(740)	–
– Share option compensation expenses	– 購股權費用	23	12,605	30,889
– Exchange gain-net	– 匯兌收益 – 淨值	21	(1,924)	(13,832)
Changes in working capital:	營運資金變動：			
– Inventories	– 存貨		(17,022)	(31,668)
– Trade and other receivables	– 貿易及其他應收款項		(114,439)	156
– Trade and other payables	– 貿易及其他應付款項		84,021	(94,095)
Net cash generated from operations	經營業務所得現金淨額		1,538,570	1,142,786

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

於綜合現金流量表內，出售物業、機器及設備之收入包括：

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2010 二零一零年	2009 二零零九年
Net book amount	賬面淨值	6	357	520
Gain/(loss) on disposal of property, plant and equipment	出售物業、機器及設備盈利/(虧損)		249	(61)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備的所得款		606	459

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30. COMMITMENTS – GROUP

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

		As at 31 March 於三月三十一日	
		2010 二零一零年	2009 二零零九年
Property, plant and equipment:	物業、機器及設備：		
Contracted but not provided for	已簽約但未撥備	4,234	5,671

(b) Operating lease commitments

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

		As at 31 March 於三月三十一日	
		2010 二零一零年	2009 二零零九年
Land and buildings:	土地及樓宇：		
Not later than 1 year	不超過1年	7,291	5,778
Later than 1 year and not later than 5 years	超過1年但不超過5年	6,159	3,393
		13,450	9,171

30. 承擔 – 本集團

(a) 資本承擔

於結算日已簽約但仍未產生的資本開支如下：

(b) 營運租賃承擔

於結算日根據不可撤銷營運租賃，未來最低租賃付款總額如下：

31. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name 名稱	Relationship 關係
Ms. Chu 朱女士	The ultimate controlling shareholder of the Company 本公司最終控股股東
Owada International Flavours & 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
Henan Jinrui 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 威海華元	An associate indirectly held by the Company and disposed of during the year 本公司間接持有的聯營公司及於年內已出售

31. 關聯人士交易

(a) 關聯人士名稱與關係

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31. RELATED PARTY TRANSACTIONS (continued)

31. 關聯人士交易 (續)

(b) Transactions with related parties

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

(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：

		Year ended 31 March 截至三月三十一日止年度	
		2010 二零一零年	2009 二零零九年
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	1,026	550
– Weihai Huayuan	– 威海華元	42	42
		1,068	592
Purchase of raw materials from:	購買材料自：		
– Weihai Huayuan	– 威海華元	571	52
– Owada International	– 澳華達國際	–	3,565
		571	3,617
Interest expense to:	利息支付予		
– Ms. Chu	– 朱女士	319	7,869

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31. RELATED PARTY TRANSACTIONS (continued)

31. 關聯人士交易(續)

(c) Balances with related parties

(c) 關聯人士結餘

		As at 31 March 於三月三十一日	
		2010 二零一零年	2009 二零零九年
Note 附註			
Balances due from related parties:	應收關聯人士結餘：		
Included in trade receivables	計入貿易應收款項		
– Henan Jinrui	– 河南金瑞	1,798	150
– Weihai Huayuan	– 威海華元	–	80
		1,798	230
Balances due to related parties:	應付關聯人士結餘：		
Included in trade payables	計入貿易應付款項		
– Owada International	– 澳華達國際	15,923	16,606
– Weihai Huayuan	– 威海華元	–	37
		15,923	16,643
Included in non-trade payables	計入應付非貿易款項		
– Ms. Chu	– 朱女士	133,985	488,994

As at 31 March 2010, all the balances with related parties were unsecured, interest-free and repayable on demand (2009: amounts due to Ms. Chu of HKD299,050,000 were interest bearing).

於2010年3月31日，所有關聯人士結餘均為無抵押、免息及須於通知時清還（二零零九年：應付朱女士款項港幣299,050,000元需承擔利息）。

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(除另有說明者外，所有金額以港幣千元列示)

32. INTEREST IN JOINTLY CONTROLLED ENTITY

The Group has a 49% interest in a jointly controlled entity, Yunnan Qing Tian Xiang Keji Fazhan Co. Ltd., which was established on 24 November 2009 and is principally engaged in the manufacture and sale of flavours and fragrances in the PRC. The following amounts represent the Group's 49% share of the assets and liabilities, and sales and results of the jointly controlled entity. They are included in the consolidated statement of financial position and income statement.

32. 共同控制實體

本集團於共同控制實體雲南清甜香科技發展有限公司中持有49%權益，該企業在二零零九年十一月二十四日成立及主要在中國從事生產及銷售香精香料產品。以下金額為本集團在該共同控制實體的資產和負債，以及銷售和業績中應佔的49%份額，並已列入綜合財務狀況表和收益表內：

		As at 31 March 2010 於二零一零年 三月三十一日
Assets:	資產：	
Non-current assets	非流動資產	30
Current assets	流動資產	5,207
		5,237
Liabilities:	負債：	
Current liabilities	流動負債	459
		459
Net assets	淨資產	4,778
		For the period from date of establishment to 31 March 2010 由成立日至 二零一零年 三月三十一日
Income	收益	453
Expenses	費用	(690)
Loss before income tax	除稅前虧損	(237)

There are no contingent liabilities relating to the Group's interest in the jointly controlled entity, and no contingent liabilities of the jointly controlled entity itself.

本集團在該共同控制實體的權益並無涉及任何或有負債，而該共同控制實體本身亦無或有負債。

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截至二零一零年三月三十一日止年度
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33. PARTICULARS OF PRINCIPAL SUBSIDIARIES

33. 主要附屬公司之詳情

Name 公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued/ registered capital 已發行普通股／註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Aromascape Development Centre GmbH	Germany 德國	EUR25,000 歐元25,000	–	100	Research and development of flavours & fragrances 研發香精香料
Central Link Inc. Limited ^{C1, X1} 中昇興業有限公司 ^{C1, X1}	Hong Kong 香港	HKD1 港幣1元	–	100	Investment holding, trading of fine chemicals 投資控股，精細化工产品貿易
Delight Zone International Limited ^{C1} 樂域國際有限公司 ^{C1}	Hong Kong 香港	HKD1 港幣1元	–	100	Investment holding 投資控股
Feijia Chuangye Additive (Shenzhen) Limited 飛嘉創業添加劑(深圳)有限公司	PRC* 中國*	HKD1,000,000 港幣1,000,000	–	100	Production, technical research & development, distribution, import & export of flavours & fragrances & related business 香精香料的生產、技術開發、批發、進出口及相關配套業務
Guangdong Zhaoqing Fragrances Limited 廣東省肇慶香料廠有限公司	PRC* 中國*	RMB11,000,000 人民幣11,000,000元	–	100	Manufacturing & sale of food flavours & fragrances 生產及銷售香精香料
Guangzhou Huabao Flavour & Fragrances Company Limited ^{L1, L2, X1} 廣州華寶香精香料有限公司 ^{L1, L2, X1}	PRC* 中國*	RMB10,000,000 人民幣10,000,000元	–	100	Research, development, manufacturing & sale of flavours & fragrances 研發、生產及銷售香精香料
Hero Ace Limited ^{C1} 鴻至有限公司 ^{C1}	Hong Kong 香港	HKD1 港幣1元	100	–	Provision of management services 提供管理服務
Hua Fang Tobacco Flavors Limited ^{C1, W1} 華芳煙用香料有限公司 ^{C1, W1}	PRC* 中國*	USD4,000,000 美元4,000,000	–	51	Manufacturing & sale of tobacco flavours & fragrances 生產及銷售煙用香精香料

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33. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 33. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued/ registered capital 已發行普通股／註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Huabao Flavours & Fragrances (HK) Limited ^{C1} 華寶香精香料(香港)有限公司 ^{C1}	Hong Kong 香港	HKD3,000,000 港幣3,000,000元	–	100	Research, development, manufacturing & sale of flavours & fragrances 研發、生產及銷售香精香料
Huabao Food Flavours & Fragrances (Shanghai) Company Limited ^{W1, X1, X2} 華寶食用香精香料(上海)有限公司 ^{W1, X1, X2}	PRC* 中國*	USD10,000,000 美元10,000,000	–	100	Manufacturing & sale of tobacco flavours & fragrances 生產及銷售煙用香精香料
Hua Bao Industrial & Trading Development (HK) Limited ^{C1, X1} 華寶工貿發展(香港)有限公司 ^{C1, X1}	Hong Kong 香港	HKD10,000 港幣10,000元	–	100	Investment holding, trading of fine chemicals 投資控股，精細化工產品貿易
Huabao Xianghua Keji Fazhan (Shanghai) Company Limited ^{C1, W1, W2, X1} 華寶香化科技發展(上海)有限公司 ^{C1, W1, W2, X1}	PRC* 中國*	USD2,100,000 美元2,100,000	–	100	Research and development of flavours & fragrances 研發香精香料
Huashun Flavour (Shanghai) Limited ^{W1, W2, X1} 華順香料(上海)有限公司 ^{W1, W2, X1}	PRC* 中國*	USD1,000,000 美元1,000,000	–	100	Research, development, manufacture and sale of fine chemicals 精細化工產品研發、生產及銷售
Owada Flavour Technology (Guangzhou) Limited 澳華達香料科技(廣州)有限公司	PRC* 中國*	HKD60,000,000 港幣60,000,000	–	100	Research, development, production and sale of flavours & fragrances 研發、生產、加工及銷售各類合成香料及香精產品
Pacific Top Enterprises Limited ^{C1} 華東企業有限公司 ^{C1}	Hong Kong 香港	HKD1 港幣1元	–	100	Investment holding 投資控股

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(除另有說明者外，所有金額以港幣千元列示)

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 33. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued/ registered capital 已發行普通股/ 註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Power Success International Development Limited ^{C1, X1} 力昇國際發展有限公司 ^{C1, X1}	Hong Kong 香港	HKD1 港幣1元	–	100	Investment holding, trading of fine chemicals 投資控股，精細化工產品貿易
Profit Fortune Holdings Limited ^{C1} 利福控股有限公司 ^{C1}	British Virgin Islands 英屬處女島	USD2 美元2	–	100	Investment holding 投資控股
Rich Million Investments Limited ^{C1} 富銘投資有限公司 ^{C1}	Hong Kong 香港	HKD1 港幣1元	–	100	Investment holding 投資控股
Rich Success Investment Development Limited ^{C1, X1} 達成投資發展有限公司 ^{C1, X1}	Hong Kong 香港	HKD1 港幣1元	–	100	Investment holding 投資控股
Shanghai H&K Flavours & Fragrances Company Limited ^{L1, L2, W1, X1} 上海華寶孔雀香精香料有限公司 ^{L1, L2, W1, X1}	PRC* 中國*	RMB100,000,000 人民幣100,000,000元	–	100	Manufacturing & sale of food flavours & fragrances 生產及銷售食品香精香料
Shanghai Yinghua Flavours & Fragrances Limited ^{X1, X2} 上海英華香精香料有限公司 ^{X1, X2}	PRC* 中國*	HKD1,000,000 港幣1,000,000元	–	100	Sale of tobacco flavours & fragrances 銷售煙用香精香料
Sino Top Trading Limited ^{C1} 華置貿易有限公司 ^{C1}	Hong Kong 香港	HKD100 港幣100元	–	100	Trading of fine chemicals 精細化工產品貿易
Smart Sino International Limited ^{C1, X1} 華烽國際有限公司 ^{C1, X1}	Hong Kong 香港	HKD10,000 港幣10,000元	–	100	Investment holding, trading of fine chemicals 投資控股，精細化工產品貿易
Tai Cang Wen Hua Enterprise Company Limited ^{W1, X1, X2} 太倉文華實業有限公司 ^{W1, X1, X2}	PRC* 中國*	USD1,200,000 美元1,200,000	–	100	Production and sale of tobacco flavours & fragrances 生產及銷售煙用香精香料

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(除另有說明者外，所有金額以港幣千元列示)

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) **33. 主要附屬公司之詳情 (續)**

Name 公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued/ registered capital 已發行普通股／註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Winning Right Limited ^{C1} 凱正有限公司 ^{C1}	British Virgin Islands 英屬處女島	USD1 美元1	100	–	Investment holding 投資控股
Wisdom Bright International Investment Limited ^{C1, X1} 智輝國際投資有限公司 ^{C1, X1}	Hong Kong 香港	HKD1 港幣1元	–	100	Investment holding, trading of fine chemicals 投資控股，精細化工產品貿易
Wuxi Fuhua Flavour & Fragrance Company Limited ^{W1, W2, X1} 無錫福華香精香料有限公司 ^{W1, W2, X1}	PRC* 中國*	USD7,000,000 美元7,000,000	–	100	Production and sale of tobacco flavours & fragrances 生產及銷售煙用香精香料
Wuxi Hua Hai Flavour Company Limited ^{W1, W2, X1} 無錫華海香料有限公司 ^{W1, W2, X1}	PRC* 中國*	USD650,000 美元650,000	–	100	Production and sale of tobacco flavours & fragrances 生產及銷售香精香料
Wuxi Hua Xin Flavour & Fragrance Company Limited ^{W1, X1, X2} 無錫華馨香精香料有限公司 ^{W1, X1, X2}	PRC* 中國*	USD1,000,000 美元1,000,000	–	100	Production and sale of tobacco flavours & fragrances 生產及銷售煙用香精香料
Wuxi Jiahua Flavour & Fragrance Company Limited ^{W1, W2, X1} 無錫嘉華香精香料有限公司 ^{W1, W2, X1}	PRC* 中國*	RMB60,000,000 人民幣60,000,000元	–	100	Production and sale of tobacco flavours & fragrances 生產及銷售煙用香精香料
Xiamen Amber Fragrances Co., Ltd. ^{L1, L2} 廈門琥珀香料有限公司 ^{L1, L2}	PRC* 中國*	RMB10,000,000 人民幣10,000,000	–	51	Research, development, production, distribution and retail of fragrances 研發、生產、批發及零售日用化工產品
Yunnan Tianhong Flavor & Fragrance Company Limited ^{C1, C2} 雲南天宏香精香料有限公司 ^{C1, C2}	PRC* 中國*	USD2,250,000 美元2,250,000	–	60	Production and sale of flavours & fragrances 生產及銷售香精香料

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截至二零一零年三月三十一日止年度
(除另有說明者外，所有金額以港幣千元列示)

33. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

33. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation 註冊成立地點	Nominal value of issued/ registered capital 已發行普通股/ 註冊資本面值	Percentage of equity interest attributable to the Company 本公司應佔 股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Maoming Kebi Flavor & Fragrance Limited ^{W1, W2} 茂名科比香精香料有限公司 ^{W1, W2}	PRC* 中國*	RMB6,000,000 人民幣6,000,000	-	100	Production and sale of flavours & fragrances 生產及銷售香精香料
Qingdao Qingda Product Co., Inc. ^{X1} 青島青大物產股份有限公司 ^{X1}	PRC* 中國*	RMB12,244,900 人民幣12,244,900	-	51	Manufacturing & sale of flavours 生產及銷售香精香料

* All entities incorporated in PRC are identified as "Limited Liability Company".

* 所有於中國註冊成立的公司皆為有限責任公司。

34. COMPARATIVES

As depicted in Note 2.1(a), merger accounting was adopted for the common control combination in the current year. Therefore, the comparative figures of the Group were restated.

34. 比較數字

如附註2.1(a)所述，於本年度，就同一控制下之企業合併採用了合併會計法。因此，本集團的比較數字已經重列。

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度					2010 二零一零年
		2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年		
Turnover	營業額	779,018	1,013,229	1,419,137	1,938,443	2,366,403	
Gross Profit	毛利	368,482	704,146	1,063,148	1,462,515	1,786,835	
Profit before income tax	除稅前盈利	300,025	578,662	904,000	1,207,346	1,531,649	
Income tax expenses	稅項	(9,968)	(1,435)	(34,384)	(82,157)	(162,236)	
Profit for the year	本年度盈利	290,057	577,227	869,616	1,125,189	1,369,413	

ASSETS AND LIABILITIES

資產及負債

		As at 31 March 於三月三十一日					2010 二零一零年
		2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年		
Total assets	總資產	875,748	1,462,991	2,477,381	3,765,656	4,833,858	
Total liabilities	總負債	(423,810)	(322,087)	(455,404)	(836,050)	(915,651)	
Shareholders' funds	股東資金	451,938	1,140,904	2,021,977	2,929,606	3,918,207	

Other Financial Information

其他財務資料

		2006 二零零六年	2007 二零零七年	2008 二零零八年	2009 二零零九年	2010 二零一零年
Earnings per share, basic (HK cents)	每股盈利·基本 (港仙)	11.47	19.91	28.13	36.08	43.15
Earnings per share, diluted (HK cents)	每股盈利·攤薄 (港仙)	9.53	18.66	27.65	35.62	42.58
Aggregated dividend per share (HK cents)	每股全年累計股息 (港仙)	Nil無	5.6	8.3	10.8	12.78
Aggregated special dividend per share (HK cents)	每股累計特別股息 (港仙)	Nil無	Nil無	Nil無	3.0	8.3
Fiscal year-end share prices (HKD)	財務年度終結日股價 (港元)	1.95	4.73	6.40	6.38	9.33
EBIT ratio	EBIT率	39.0%	56.8%	62.7%	61.7%	64.1%
EBITDA ratio	EBITDA率	40.5%	61.0%	67.3%	66.1%	67.1%
ROE	ROE	N/A	76.7%	56.9%	46.3%	40.3%

ACIS	Associate Member of The Institute of Chartered Secretaries and Administrators	ACIS	英國特許秘書及行政人員公會會員
ACS	Associate Member of The Hong Kong Institute of Chartered Secretaries	ACS	香港特許秘書公會會員
AGM	Annual general meeting	股東週年大會	股東週年大會
Xiamen Amber	Xiamen Amber Perfumery Co., Ltd	廈門琥珀	廈門琥珀香料有限公司
Aromascape R&D Centre	Aromascape Development Centre GmbH	Aromascape研發中心	Aromascape Development Centre GmbH
Board	Board of the Company	董事會	本公司的董事會
Bye-laws	Bye-laws of the Company	公司細則	本公司之公司細則
CAFFCI	China Association of Fragrance Flavour and Cosmetic Industry	中國香化協會	中國香料香精化妝品工業協會
CAGR	Compound annual growth rate	CAGR	複合年增長率
Case	Every master case contains 50,000 sticks of cigarette	大箱	每大箱含50,000支香煙
CEO	Chief Executive Officer	CEO	總裁
CFO	Chief Financial Officer	CFO	財務總監
CG Code	Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited	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14所列的企業管治常規守則
CG Report	Corporate Governance Report as set out on pages 49 to 58 of this annual report	企業管治報告	在本年報第49頁至第58頁內的企業管治報告
China or Mainland Company or Huabao	Mainland of the PRC Huabao International Holdings Limited	中國或內地本公司或華寶	中華人民共和國境內華寶國際控股有限公司
Director(s)	Director(s) of the Company	董事	本公司董事
EPS	Earnings per share	EPS	每股盈利
F&G	F&G (Botswana) (Proprietary) Limited	F&G	F&G (Botswana) (Proprietary) Limited
F&G Group	F&G (Botswana) (Proprietary) Limited, Long State International Limited and Faraway International Limited	F&G集團	F&G (Botswana) (Proprietary) Limited、朗域國際有限公司及遠威國際有限公司
FCCA	Fellow member of Association of Chartered Certified Accountants	FCCA	英國特許公認會計師公會資深會員
FCPA	Fellow member of Hong Kong Institute of Certified Public Accountants	FCPA	資深會計師
Fejia Chuangye	Fejia Chuangye Additive (Shenzhen) Limited	飛嘉創業	飛嘉創業添加劑(深圳)有限公司
Group or Huabao Group	the Company and its subsidiaries	本集團或華寶集團	本公司及其附屬公司

Guangdong Zhaoqing	Guangdong Zhaoqing Fragrances Limited	廣東肇慶	廣東省肇慶香料廠有限公司
Guangzhou Huabao	Guangzhou Huabao Flavours & Fragrances Co Ltd.	廣州華寶	廣州華寶香精香料有限公司
Guangzhou Huafang	Hua Fang Tobacco Flavors Ltd.	廣州華芳	華芳煙用香料有限公司
HKAS	Hong Kong Accounting Standards	香港會計準則	香港會計準則
HKD	Hong Kong dollars	HKD	港幣
HKFRS	Hong Kong Financial Reporting Standards	香港財務報告準則	香港財務報告準則
HKICPA	Hong Kong Institute of Certified Public Accountants	HKICPA	香港會計師公會
HK(IFRIC)-Int	Hong Kong (IFRIC) Interpretations	香港 (國際報告詮釋委員會) 詮釋	香港 (國際報告詮釋委員會) 詮釋
Hong Kong or HKSAR	Hong Kong Special Administrative Region of the People's Republic of China	香港	中華人民共和國香港特別行政區
Hongta Tobacco Group	Hongta Tobacco (Group) Limited Liability Company	紅塔煙草集團	紅塔煙草 (集團) 有限公司
Huabao Hong Kong	Huabao Flavours & Fragrances (HK) Ltd.	華寶香港	華寶香精香料 (香港) 有限公司
Huabao Keji	Huabao Xianghua Keji Fazhan (Shanghai) Co. Ltd.	華寶科技	華寶香化科技發展 (上海) 有限公司
Huabao Shanghai	Huabao Food Flavours & Fragrances (Shanghai) Co Ltd.	華寶上海	華寶食用香精香料 (上海) 有限公司
Huabao Kongque	Shanghai H&K Flavours & Fragrances Co Ltd.	華寶孔雀	上海華寶孔雀香精香料有限公司
Huashun Shanghai INED(s)	Huashun Flavour (Shanghai) Limited Independent Non-executive Director(s) of the Company	華順上海 獨立非執行董事	華順香料 (上海) 有限公司 本公司之獨立非執行董事
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited	上市規則	香港聯合交易所有限公司證券上市規則
M&A(s)	Merger and acquisition	併購	兼併與收購
Maoming Kebi mg	Maoming Kebi Flavor Fragrance Ltd. milligram	茂名科比 mg	茂名市科比香精香料有限公司 毫克
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers	標準守則	上市發行人董事進行證券交易的標準守則

Glossary
詞彙

Owada	Owada Flavours Technology (Guangzhou) Limited	澳華達	澳華達香精香料(廣州)有限公司
PRC	The People's Republic of China	中國	中華人民共和國
Qingdao Huabao	Qingdao Huabao Flavours & Fragrances Co Ltd.	青島華寶	青島華寶香精香料有限公司
Qingdao Qingda	Qingdao Qingda Product Co., Inc.	青島青大	青島青大物產股份有限公司
RMB	Renminbi	人民幣	人民幣·中國法定貨幣
R&D	Research and development	R&D	研究及發展
Scheme Mandate Limit	The maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other share option scheme(s) of the Company	計劃授權限額	與根據購股權計劃及任何其他本公司購股權計劃不能授出之購股權有關之股份數目上限
SFC	Securities and Futures Commission	證監會	證券及期貨事務監察委員會
SFO	Securities and Futures Ordinance of the Laws of HKSAR	證券及期貨條例	證券及期貨條例
SGM	Special general meeting	股東特別大會	股東特別大會
Shanghai Yinghua	Shanghai Yinghua Flavours & Fragrances Ltd.	上海英華	上海英華香精香料有限公司
Shareholder(s)	Shareholder(s) of the Company	股東	本公司之股東
Share(s)	Ordinary share(s) of HKD0.10 each of the Company	普通股	本公司股本中每股面值港幣0.10元的普通股
Stock Exchange	The Stock Exchange of Hong Kong Limited	聯交所	香港聯合交易所有限公司
Taicang Wenhua	Tai Cang Wen Hua Enterprises Co Ltd.	太倉文華	太倉文華實業有限公司
USD	US dollars	美元	美元
Wealthy King Group	Wealthy King Investments Limited and its subsidiaries	富君集團	富君投資有限公司及其附屬公司
Win New Group	Win New Group Limited and its subsidiaries	凱新集團	凱新集團有限公司及其附屬公司
Wuxi Fuhua	Wuxi Fuhua Flavour & Fragrance Co Ltd.	無錫福華	無錫福華香精香料有限公司
Wuxi Huahai	Wuxi Hua Hai Flavour Co Ltd.	無錫華海	無錫華海香精香料有限公司
Wuxi Huaxin	Wuxi Hua Xin Flavour & Fragrance Co Ltd.	無錫華馨	無錫華馨香精香料有限公司
Wuxi Jiahua	Wuxi Jiahua Flavour & Fragrance Co Ltd.	無錫嘉華	無錫嘉華香精香料有限公司
Yunnan Tianhong	Yunnan Tianhong Flavour & Fragrance Co Ltd.	雲南天宏	雲南天宏香精香料有限公司
Yunnan Qing Tian Xiang	Yunnan Qing Tian Xiang Keji Fazhen Co., Ltd.	雲南清甜香	雲南清甜香科技發展有限公司

