



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

2012-2013 Annual Report 年報

注重投資，放眼未來

Invest Today, Eye For The Future



廣東金葉二期廠房外觀

Outlook Appearance of Second Phase of Guangdong Jinye

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Ms. CHU Lam Yiu (*Chairman & CEO*)
Mr. POON Chiu Kwok (*Company Secretary*)
Mr. WANG Guang Yu
Mr. XIA Li Qun (*CFO*)
Mr. XIONG Qing

Independent Non-executive Directors

Dr. JIN Lizuo
Mr. LEE Luk Shiu
Ms. MA Yun Yan

AUDIT COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
Dr. JIN Lizuo
Ms. MA Yun Yan

REMUNERATION COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
Ms. MA Yun Yan
Mr. XIA Li Qun

NOMINATION COMMITTEE

Ms. CHU Lam Yiu (*Chairman*)
Dr. JIN Lizuo
Mr. LEE Luk Shiu

QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCPA, FCCA*

COMPANY SECRETARY

Mr. POON Chiu Kwok *FCIS, FCS*

AUDITORS

PricewaterhouseCoopers

LEGAL ADVISOR

Herbert Smith Freehills

PRINCIPAL BANKERS

Hang Seng Bank Limited
Industrial and Commercial Bank of China Limited
China Merchants Bank Co., Ltd.

董事會

執行董事

朱林瑤女士 (*主席兼總裁*)
潘昭國先生 (*公司秘書*)
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

金立佐博士
李祿兆先生
麻雲燕女士

審核委員會

李祿兆先生 (*主席*)
金立佐博士
麻雲燕女士

薪酬委員會

李祿兆先生 (*主席*)
麻雲燕女士
夏利群先生

提名委員會

朱林瑤女士 (*主席*)
金立佐博士
李祿兆先生

合資格會計師

蔡文霞女士 *FCPA, FCCA*

公司秘書

潘昭國先生 *FCIS, FCS*

核數師

羅兵咸永道會計師事務所

法律顧問

史密夫•斐爾律師事務所

主要往來銀行

恒生銀行有限公司
中國工商銀行股份有限公司
招商銀行股份有限公司

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3008
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL SHARE REGISTRAR

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudian Road
Pembroke HM8
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
3008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 Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudian Road
Pembroke HM8
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>

Financial Highlights

財務摘要

FINANCIAL HIGHLIGHTS

- Sales increased by approximately 10.1% to HKD3,645,940,000
- Operating profit decreased by approximately 1.9% to HKD2,024,668,000, if the amounts of Exchange Gain (please refer to the Table of Financial Highlights on P.5 for definition) were excluded, it represented a growth of approximately 0.8% over the corresponding period last year
- Profit attributable to the equity holders of the Company decreased by approximately 1.9% to HKD1,716,375,000, if the amounts of Exchange Gain were excluded, it represented a growth of approximately 1.2% over the corresponding period last year
- Net cash generated from operating activities increased by approximately 4.9% to HKD1,615,626,000
- Cash and bank balances* increased by approximately 1.6% to HKD2,323,349,000 as compared with 31 March 2012, net cash* reached HKD1,858,349,000
- Proposed final dividends of HK9.40 cents per share and a special dividend of HK2.80 cents per share, representing a total dividend payout ratio of approximately 41% for the whole year, which was increased by approximately 2 percentage points from last year

RESULTS HIGHLIGHTS

- Second phase of Guangdong Jinye production line completed and commenced production in November 2012, RTL business realized rapid growth
- Gross profit margin of 69.1% improved from 68.1% from the first half this year
- Operating profit margin of 55.5% improved from 53.3% from the first half this year
- Very sound financial position, net cash reached HK\$1,860 million, representing an increase of 36.7% as compared with 31 March 2012

AREAS OF DEFICIENCY

- Sales of fragrances segment decreased due to change in revenue mix of business with lower gross profit margin, though profitability has seen improvement
- Sales of RTL marginally lower than management's target, mainly affected by progress of capacity ramp-up
- Selling and marketing expenses as well as administrative expenses increased 26.5% from last financial year, but has slightly improved from 27.3% from the first half this year

財務摘要

- 營業額增加約10.1%至港幣3,645,940,000元
- 營運盈利下降約1.9%至港幣2,024,668,000元，除匯兌收益（定義見第五頁之財務摘要表）前同比增長約0.8%
- 本公司權益持有人應佔盈利下降約1.9%至港幣1,716,375,000元，除匯兌收益前同比增長約1.2%
- 營運活動所產生的淨現金增加約4.9%至港幣1,615,626,000元
- 銀行及庫存現金+比二零一二年三月三十一日增加約1.6%至港幣2,323,349,000元，淨現金*達港幣1,858,349,000元
- 建議期末股息為每股港幣9.40仙，另加派特別股息每股港幣2.80仙，全年合共派息率約41%，比去年增加約2個百分點

業績亮點

- 廣東金葉二期生產線於二零一二年十一月竣工投產，帶動煙草薄片板塊高速增長
- 全年毛利率69.1%，比本年度上半年的68.1%有所改善
- 全年營運盈利率55.5%，比本年度上半年的53.3%有所改善
- 財務狀況十分穩健，集團淨現金達港幣18.6億元，較二零一二年三月三十一日增加了約36.7%

業績不足之處

- 日用板塊由於低毛利的業務結構調整導致營業額倒退，惟盈利能力有所上升
- 煙草薄片板塊收入略低於管理層預期，主要受達產進度影響
- 銷售及市場推廣開支和行政開支比上一個財政年度上升約26.5%，但比本年度上半年的27.3%上升幅度有所改善

TABLE OF FINANCIAL HIGHLIGHTS

財務摘要表

		2013 二零一三年 HKD'000 港幣千元	2012 二零一二年 HKD'000 港幣千元	Change in percentage 百分比變動
Sales	營業額	3,645,940	3,311,304	+10.1%
Gross profit	毛利	2,518,909	2,335,996	+7.8%
Gross profit margin	毛利率	69.1%	70.5%	
Operating profit	營運盈利	2,024,668	2,064,051	-1.9%
Operating profit margin (EBIT margin)	營運盈利率 (EBIT率)	55.5%	62.3%	
Selling and marketing expenses to sales	銷售及市場推廣開支 佔銷售比率	3.8%	3.2%	
Administrative expenses to sales	行政開支佔銷售比率	14.6%	12.8%	
Profit before income tax	除稅前盈利	2,047,404	2,080,989	-1.6%
Profit attributable to the equity holders of the Company	本公司權益持有人應佔盈利	1,716,375	1,750,419	-1.9%
Exchange gain ("Exchange Gain") (note 22)	匯兌收益 (「匯兌收益」) (附註22)	8,316	62,777	
Operating profit before Exchange Gain	除匯兌收益前之營運盈利	2,016,352	2,001,274	+0.8%
Profit attributable to the equity holders of the Company before Exchange Gain	除匯兌收益前之本公司 權益持有人應佔盈利	1,708,059	1,687,642	+1.2%
Earnings per share (HK cents)	每股盈利 (港仙)			
– Basic	– 基本	54.53	55.48	-1.7%
– Diluted	– 攤薄	54.49	55.31	-1.5%
Net cash generated from operating activities	營運活動產生之淨現金	1,615,626	1,540,158	+4.9%
Net cash*	淨現金*	1,858,349	1,359,077	
Total equity	總權益	7,625,676	6,650,249	
Interim and final dividends per share for the year (HK cents)	每股中期及期末股息 (港仙)	16.88	16.68	+1.2%
Aggregated special dividends per share for the year (HK cents)	每股全年累計特別股息 (港仙)	5.28	5.18	+1.9%
Dividend payout ratio	全年股息分派率	41%	39%	
Debt ratio#	負債比率#	6.4%	14.7%	
Current ratio (times)	流動比率 (倍)	3.4	2.4	
Liquidity ratio (times)	速動比率 (倍)	2.8	2.0	
Inventory turnover (days)	存貨週轉率 (日)	219	210	
Trade receivables turnover (days)	應收賬款週轉率 (日)	72	70	
Trade payables turnover (days)	應付賬款週轉率 (日)	118	122	

+ "Cash and bank balances" equals to "Short-term time deposits" plus "Cash and cash equivalents".

+ 「銀行及庫存現金」等於「短期銀行貸款」加「現金及現金等價物」。

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

* 「淨現金」等於「短期定期存款」加「現金及現金等價物」減「短期銀行貸款」。

"Debt ratio" Equals to "Total borrowings (include current & non-current borrowings)" divided by "Total Equity (exclude non-controlling interests)".

「負債比率」等於「總借貸 (已包括流動及非流動借貸)」除以「總權益 (不含非控制性權益)」。

Company Profile, Corporate Culture and Key Events for the Year

集團簡介、企業文化及全年大事記

Company profile

Huabao Group is primarily engaged in the R&D, production and sales of flavours, fragrances and RTL. Utilizing its systemic technology integration, to provide China tobacco industry and fast-moving consumer goods enterprises with solutions on products' taste profiles and comprehensive services.

The 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, maintaining a significant position within the flavours and fragrances industry in China. The Group possesses an integrated core value chain, established upstream raw material extraction bases in Shandong, Jiangsu, Yunnan and Hunan, etc., production bases in Shanghai, Yunnan, Guangdong, Jiangsu, Jiangxi, 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 Guangdong, Yunnan and Fujian. 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.

The Group is also one of the market leaders in China's RTL industry, where its production capacity and sales account for significant market shares and its production workmanship and product quality have reached leading domestic and advanced international levels.

集團簡介

華寶集團主要從事香精香料及煙草薄片的研發、生產和銷售，並採用技術系統集成，為中國煙草行業及快速消費品企業提供產品風味系統解決方案和綜合技術服務。

本集團為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佔有重要地位。本集團擁有核心一體化的產業鏈，在山東、江蘇、雲南及湖南等地擁有上游原材料提取中心，在上海、雲南、廣東、江蘇、江西、福建及香港等地設有生產基地，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、雲南及福建設有研發部門。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。

本集團也是中國煙草薄片行業的領導者之一，其生產能力及銷售額同樣在行內佔有重要市場份額，而且其生產工藝及產品質量均達到國內領先和國際先進水平。本集團屬下的廣東金葉集團是中國國煙局



The Group's new domestic headquarter in Shanghai
集團位於上海的新國內總部

Company Profile, Corporate Culture and Key Events for the Year 集團簡介、企業文化及全年大事記

Guangdong Jinye Group, a sub-group of the Group, is one of the RTL R&D bases authorized by the STMA. In November 2012, the Group's sub-group, second phase of Guangdong Jinye RTL production line was completed and commenced production, where its workmanship and product quality have both reached international advanced standards. The Group as well is a leader in the area of new materials and new workmanship for cigarettes. Production bases armed with experimental capabilities and their innovative products are gradually being accepted by their clients. The Group established production bases in Guangdong and Guizhou, and has established an upstream tobacco leave extraction base in Botswana, southern Africa, and possesses R&D departments in Shanghai, Yunnan and Guangdong. In the future, RTL and new materials and new workmanship for cigarettes will become an important growth engine for the Group, which will provide the Group with a long-term and sustainable development momentum.

By leveraging on its excellent management model, a team of high-calibre talents, innovating in operating ideas, and stable growth, the Group is committed to continuously creating value for the society and bringing fruitful returns to its Shareholders!

煙草薄片研發基地之一。二零一二年十一月，本集團下屬公司廣東金葉二期煙草薄片生產線竣工投產，其工藝設計及產品質量均達到國際先進水平。本集團在捲煙新材料以及新工藝領域亦具有領先優勢，已具有試驗性的生產基地，其創新性產品正在逐步被客戶接受。本集團在廣東和貴州均設有生產基地，另在非洲南部博茨瓦納擁有上游煙葉提取中心，在上海、雲南及廣東設有研發部門。未來，煙草薄片及捲煙新材料以及新工藝將成為集團重要增長引擎，為本集團長期及可持續發展提供動力。

本集團將繼續憑借優秀的管理模式、高素質的人才隊伍、創新的經營理念以及穩健的發展，不斷為社會創造價值，為股東帶來豐厚的回報！

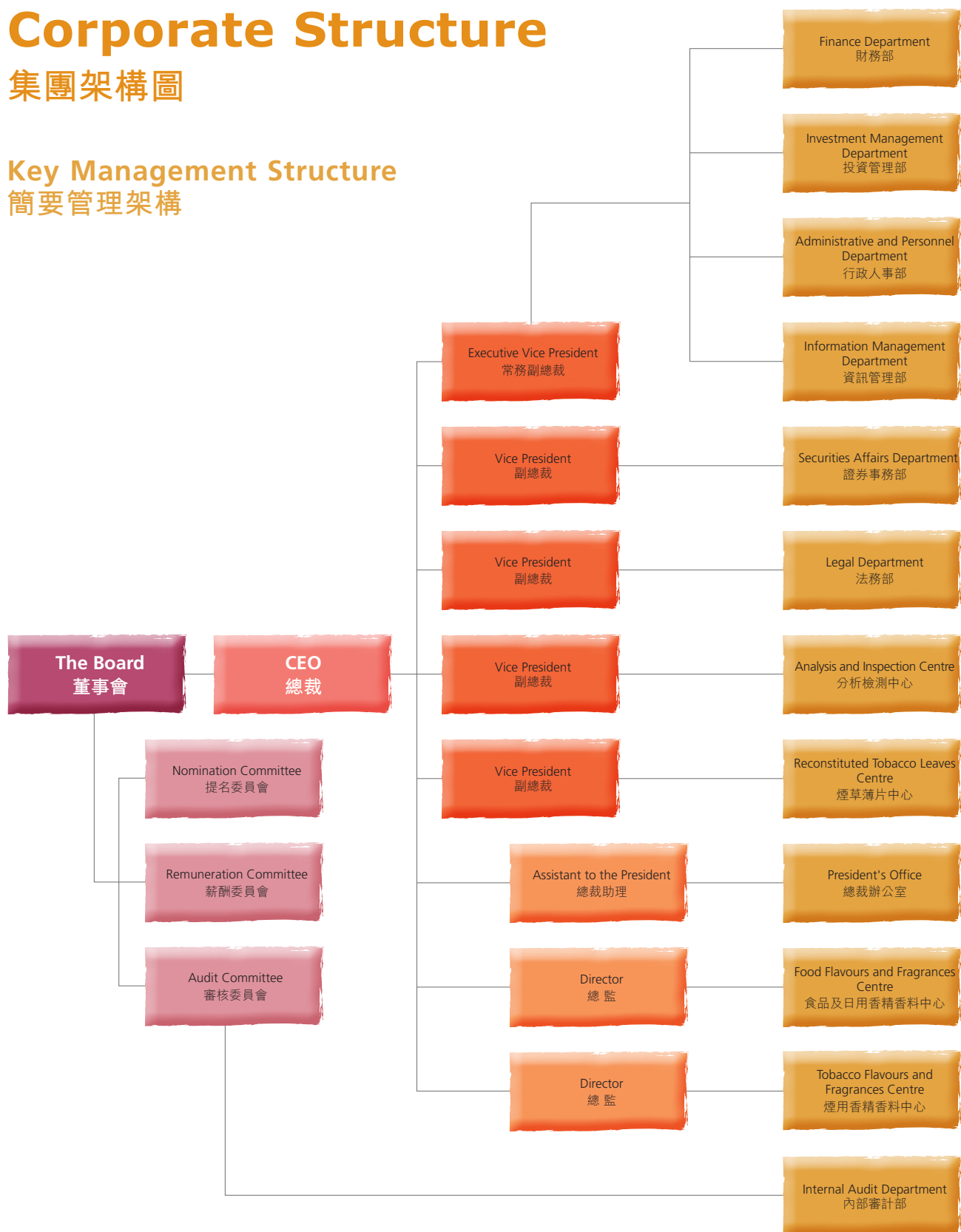


The Group's management team taken at the inauguration ceremony of the new office tower in Shanghai
集團管理團隊攝於上海新辦公大樓啟用儀式

Corporate Structure

集團架構圖

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

Spirit 精神

Innovative, pragmatic, loyal and cooperative
創新、務實、忠誠、協作

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

Strategy 戰略

- Persistent in the development strategy of “multi-pronged, focus growth”
- Steadily develop the flavours business, strive to construct an integrated core value chain
- Accelerate the development of RTL and new cigarette materials and new workmanship businesses
- Expand through organic growth and M&A
- To develop into a China-focused leading player in tasty life
- 堅持「同心多元化」發展戰略
- 穩步發展香精香料業務，打造核心一體化的產業鏈
- 加快發展煙草薄片以及捲煙新材料和新工藝業務
- 採用自身發展與併購相結合的方式
- 發展成為專注中國市場的美味生活領跑者

Key Events for the Year

全年大事記

2012 MARCH 3月

- The year of 2012 is the centennial year for the establishment of “Kongque Flavours” and Huabao Kongque held a series of celebration events. The reputation and value of “Kongque Flavours” are highly approved by the industry
- 二零一二年是「孔雀香精」創立一百週年，華寶孔雀舉行了一系列慶典活動，「孔雀香精」的美譽度和價值得到業內高度認可

2012 JULY 7月

- “National Paper-making Reconstituted Tobacco Key Program – Technical and Research Chief Experts Seminar” sponsored by the Science and Education Department of the STMA was held in Guangdong Jinye, experts from domestic RTL enterprises and research facilities attended such seminar
- 由國煙局科教司主辦的「國家造紙法再造煙葉重大專項－工藝研究首席專家工作團隊研討會」在廣東金葉召開，國內各大煙草薄片生產企業及各科研院所專家出席了該會議

2012 JUNE 6月

- Guangdong Jinye acquired Zhejiang Xiangyuan, the Group will actively research and promote its innovative workmanship on specialized RTL and its commercial production
- 廣東金葉完成收購浙江香緣，集團將積極研究並推進其特種煙草薄片上的創新工藝的商業化生產

2012 AUGUST 8月

- Yingtian Huabao passed Yingtian Municipal Technology Bureau’s audit check, and was awarded High-tech Enterprise certification in October
- 鷹潭華寶順利通過鷹潭市科技局香精香料技術工程研究中心的專家審核，並於10月獲頒高新技術企業資質證書
- Huabao Korea commenced trial production, marked another attempt for the Group in the area of new cigarette materials
- 華寶韓國開始進行試生產，為本集團在捲煙新材料領域上另一嘗試

2012 NOVEMBER 11月

- Second phase of Guangdong Jinye production line completed and commenced production, the Group has entered a stage of rapid growth in the field of RTL
- 廣東金葉二期煙草薄片生產線竣工投產，集團在煙草薄片領域進入高速發展期

2012 DECEMBER 12月

- The Group's Chairman Ms. Chu Lam Yiu led a group of over 70 employees participated in the 2012 Shanghai International Marathon
- 集團主席朱林瑤女士率領逾70名員工參加了2012上海國際馬拉松賽

2013 FEBRUARY 2月

- Established an U.S.-based R&D centre, marked another attempt by the Group to utilize it as a high-tech platform to provide the Group and major customers with comprehensive problem solving solutions
- 成立美國研發中心，定位於立足美國，為集團和大客戶提供產品整體解決方案的高科技平台的另一嘗試

2013 JANUARY 1月

- The Group's domestic headquarter and new office tower inauguration ceremony was held in Shanghai, the Group's management capabilities reached new heights
- 集團國內管理總部暨新辦公大樓啟用儀式在上海舉行，集團規範化管理再上新台階
- Established Guizhou Huashuo, which is to supply RTL coating base to Guangdong Jinye in the future. Guangdong Jinye's upstream integration progress further expanded
- 成立貴州華燦，未來將為廣東金葉供應煙草薄片塗布液里料，廣東金葉上游一體化程度進一步提高

2013 March 3月

- Guangdong Zhaoqing was awarded "2012 Guangdong Province Food Industry Integrity and Advanced Enterprise" and "2012 Guangdong Province Food Safety Advanced Enterprise"
- 廣東肇慶榮獲「2012年廣東省食品行業誠信自律先進企業」和「2012年廣東省食品安全先進企業」兩項殊榮

2013 MAY 5月

- Established Analysis and Inspection Centre in an attempt to probe the potential development in the independent analysis and inspection area
- 成立分析檢測中心，未來將探索第三方檢測驗證領域的發展空間

Chairman's Statement

主席報告



**Dear Shareholders, on behalf of the Board of Directors,
I present to all Shareholders that,
各位股東，我謹代表董事會向全體股東宣佈，**

for the year ended 31 March 2013, the Group's sales revenue reached approximately HKD3,646 million, representing an increase of approximately 10.1% over last financial year; profit attributable to Shareholders was approximately HKD1,716 million, representing a decrease of approximately 1.9% over last financial year. The Company proposed to declare a final dividend of HK9.40 cents per Share, together with a special dividend of HK2.80 cents per Share, bringing the total dividends for this financial year to HK22.16 cents per Share, with a total dividend payout ratio of approximately 41%. Since listing, Huabao has declared accumulated dividends of about HKD3.3 billion to its Shareholders. Since obtaining approval from the AGM in August last year, Huabao has devoted a total of over HKD200 million on proactive repurchases of over 58 million Shares of the Company's in 39 trading days. On one hand, the Company has overcome numerous challenges and achieved stable growth; on the other, the Company has maintained its dividend payout policy of basic dividend supplemented by special dividend and proactively implemented its share repurchase plan. Indeed, Huabao has strived to reward its Shareholders and safeguarding value of Shareholders.

Operating environment review

In 2012, as economic growth remained in the doldrums, and the European debt crisis repeatedly escalated, the international financial market saw serious volatility and the global economic recovery slowed down noticeably. Against the grim international situation, China witnessed evidently increasing downward pressure on the economy. In 2012, with Gross Domestic Product grew by 7.8%, lower than 8% for the first time, while the operating environment remained challenging. At the same time, as people's living standards improve, consumer behaviors have also been changing, from focusing

截至二零一三年三月三十一日止年度，本集團的銷售收入達到了約港幣36.46億元，較上年增長約10.1%；股東應佔盈利達約港幣17.16億元，較上一財政年度下降約1.9%。公司建議宣派每股港幣9.40仙的期末股息，連同特別股息每股港幣2.80仙，本財政年度總股息為每股港幣22.16仙，總派息率約為41%。自上市以來，華寶已累計向股東宣派了約港幣33億元的股息；自去年八月得到了股東週年大會的批准，華寶至今已累計動用了逾港幣2億元，在39個交易日內積極回購了逾5,800萬股本公司普通股。公司一方面戰勝了重重經營挑戰，實現穩步增長；另一方面公司亦維持了基本股息另加派特別股息的派息政策並積極地執行股票回購計劃。華寶是真正做到了回饋股東，捍衛股東價值。

經營環境回顧

二零一二年，由於經濟增長持續低迷，歐債危機反覆升級，國際金融市場大幅波動，全球經濟復蘇步伐明顯放緩。在此嚴峻的國際形勢下，中國經濟下行壓力明顯加大，二零一二年全國國內生產總值增長7.8%，首次低於8%，整個經營環境充滿挑戰。與此同時，隨着人們生活水平的提高，消費者的消費行為也在悄然發生變化，由對消費品數量的注重逐步過渡到對消費品的品質、安全和營養等方面的追求。另一方面，隨着中國煙草市場步入成熟期，

on the number of consumer products to gradually focusing on pursuit of quality, safety and nutrition of consumer products. On the other hand, as the Chinese tobacco market is maturing, and effects brought forth by policies such as restriction on government spending on business accounts, the growth of China's tobacco industry has further slowed down while industry political risks has gradually shown. The consumer products market has entered into a new stage, consumers shifted towards expecting more from upgrading of product quality instead of fast and extensive volume growth as in the past. Overall, in 2012, the business environment was full of challenges. The domestic market was generally strong, but has seen structural changes and slowdown. The management and I are satisfied that stable growth of core business and rapid development of new businesses have been achieved in such a complicated and changing environment.

Adhering to development of “multi-pronged, focus growth”, achieving rapid growth of RTL, and adjusting and optimizing certain food and beverage and fragrances businesses

For the year ended 31 March 2013, sales revenue of the Group increased by approximately 10.1% year-on-year to approximately HKD3,646 million. Gross profit margin reached approximately 69.1%, which was improved compared with approximately 68.1% in the first half of the year. EBIT margin reached approximately 55.5%, representing an increase of approximately 2.2 percentage points from approximately 53.3% in the first half of the year. The amount of Exchange Gain of this financial year was HKD8.316 million and was HKD62.777 million for the last financial year. If the amount of Exchange Gain were excluded, operating profit reached approximately HKD2,016 million and HKD2,001 million for the current financial year and last financial year respectively, representing an increase of approximately 0.8% year-on-year. Profit attributable to equity holders of the Company was approximately HKD1,716 million, representing a decrease of approximately 1.9% over the last financial year. If the amounts of Exchange Gain were excluded, profit attributable to equity holders of the Company for this financial year and the last financial year reached approximately HKD1,708 million and HKD1,688 million respectively, representing an increase of approximately 1.2% year-on-year. Basic EPS was HK54.53 cents, representing a decrease of approximately 1.7% over the last financial year.

及限制「三公消費」等政策出台的影響，中國煙草行業的增長進一步放緩，行業政策風險逐步顯現。消費品行業以往粗放式的，快速用量增長的時代已經過去，取而代之的是消費者對產品質量升級的不斷需求，消費品市場進入了新的階段。總的來說，二零一二年經營環境充滿挑戰。整個內需市場雖然總體強勁，但已出現了結構性的變化及速度的放緩。我和管理層對華寶能夠在如此複雜多變的環境中實現核心業務的穩步增長以及新業務的快速發展感到滿意。

堅持同心多元化的發展，實現煙草薄片的快速增長，調整和優化部份食品飲料和日用業務

截至二零一三年三月三十一日止年度，本集團實現銷售收入約港幣36.46億元，同比增長約10.1%；毛利率為約69.1%，比本年度上半年的約68.1%有所改善；EBIT率達約55.5%，比本年度上半年的約53.3%提高了約2.2個百分點。本財政年度的匯兌收益約港幣831.6萬元而上一個財政年度的匯兌收益約港幣6,277.7萬元，除匯兌收益前本財政年度及上一個財政年度的營運盈利分別為約港幣20.16億元及港幣20.01億元，增長約0.8%。本公司權益持有人應佔盈利為約港幣17.16億元，比上一個財政年度下降約1.9%，除匯兌收益前本財政年度及上一個財政年度的本公司權益持有人應佔盈利分別為約港幣17.08億元及港幣16.88億元，增長約1.2%。每股基本盈利港幣54.53仙，比上一個財政年度下降約1.7%。

In terms of flavours business, sales revenue of the segment reached HKD2,997 million, representing an increase of approximately 4.1% from the last financial year. Operating profit reached HKD1,888 million, representing a decrease of approximately 4.7% from the last financial year. In terms of tobacco business, as the Chinese tobacco industry has stepped into a mature and stable stage, sales growth of cigarette has further slowed down. In addition, as previously mentioned by the management, consumption of the overall tobacco industry in the future will be further affected by certain controls of the Chinese government on the tobacco industry, such as a series of smoking control measures and policies introduced to limit government spending on business accounts. By adhering to the development strategy of "Big customers, Big brands" over years, the Group was able to maintain a stable growth yet again in the changing market.

In terms of food and beverage business, as the food additives and flavours and fragrances industries suffered negative factors such as food safety problems and entered into a stage of structural adjustment. Some small and medium food enterprises gradually exited from the market, thus the demand for consumption of flavours and fragrances was directly affected. Over the past few years, some food additives and flavours enterprises went through aggressive expansion in pursuit of rapid growth, as a result, over-capacity gradually emerged in some market segments, with competition increasingly intensified. Faced with complicated operating environments, the management adopted different strategies in response to the subsidiaries' respective markets, adjusted their customer structure and enhanced profitability. Meanwhile, the Group strengthened supervision and management in respect of quality control, with product quality maintaining compliance with industrial safety standards, such that reputation was further increased.

In terms of fragrances business, competition in the fragrances market became more and more intensified due to macro-economic factors. Certain fragrances enterprises suffered over-capacities and fierce price wars occurred in low-end and middle markets. Xiamen Amber took advantage of its strong competitive position in the aromatic, sanitizing and pesticide products segment, achieved growth of sales revenue generated from its major customers, and further consolidated its market share in such field. At the same time, due to optimization of the raw material procurement system, both gross profit margin and profitability improved. Yunnan Huaxiangyuan saw its profitability drop as it was impacted by volatility of raw material prices starting from last year. Although Yunnan Huaxiangyuan had limited contribution in terms of sale revenue and profit in the past, to control potential risks, the Group timely adjusted the management structure and business of Yunnan Huaxiangyuan. The management is of the view that such adjustment will not present negative effect on the Group's overall profitability.

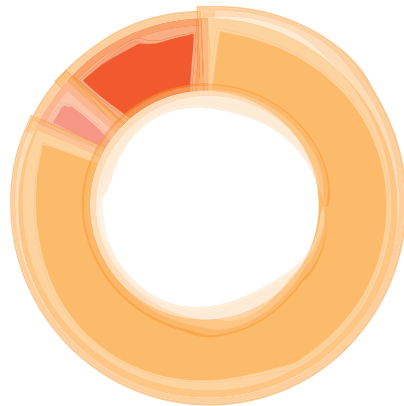
在食用香精香料方面，板塊銷售收入達港幣29.97億元，較上一個財政年度增長約4.1%。營運盈利達港幣18.88億元，較上一個財政年度下降約4.7%。在煙草業務方面，隨着中國煙草行業步入成熟穩定期，捲煙的銷量增長進一步放緩；另外，如管理層以往已提到，受中國政府對煙草行業的若干政策調控影響，如一系列的控煙措施及限制「三公消費」等舉措，對未來整體煙草行業的消費將產生進一步的影響。有賴於集團多年來堅持「大品牌，大客戶」的發展策略，在變化的市場環境中，始終保持了穩步增長。

在食品及飲料業務方面，由於食品添加劑以及香精香料行業受食品安全事故等不利行業因素影響而進入結構性的調整期；部份中小型食品企業逐漸退出市場，從而直接影響到對香精香料用量的需求。而過去幾年，一些食品添加劑和香精企業為追逐高速增长而激進地擴大生產，導致產能過剩的情況在一些細分市場開始出現，行業競爭日趨激烈。管理層面對複雜的經營環境，對下屬公司所處各細分市場採取了不同的應對策略，調整客戶結構，提升盈利能力。同時，亦於品控方面加強監督及管理，產品品質保持符合行業安全標準，業內聲譽進一步提升。

在日用香精香料方面，由於受到宏觀經濟因素影響，日用香精香料市場競爭越趨激烈。部份日用香精香料企業產能過剩，中低檔市場出現了激烈的價格戰。廈門琥珀充分發揮自身在熏香、消毒及殺蟲產品領域的優勢，實現了對重點客戶銷售收入的增長，進一步鞏固了在該領域的市場份額。同時，由於對原材料採購系統的優化，毛利率及盈利能力均有所提升。雲南華香源方面，自去年開始受到原材料價格波動的影響，其盈利能力有所下降。儘管雲南華香源過去在銷售收入及盈利方面貢獻不大，但為控制潛在風險，本集團及時地對雲南華香源的管理結構和業務作出調整。管理層認為該調整不會對本集團整體盈利產生負面影響。

In terms of RTL business, benefiting from continuous enhancement of the average selling price of products of Guangdong Jinke production line and commencement of operation of the second phase of Guangdong Jinye production line in November 2012, sales revenue of the RTL business achieved rapid growth during the financial year. Currently, product quality of the second phase of Guangdong Jinye production line has reached domestic leading level and has penetrated big customers' core brands, with product quality well received by its customers. With respect to external RTL projects, the Group will continuously strive for Huangguoshu Jinye's production workmanship's design and implementation stage, as well as actively participate in China Tobacco Anhui RTL production line's trial operation. The Group has entered into an overall development phase of RTL business.

在煙草薄片方面，受惠於廣東金科生產線產品平均售價持續提升，以及廣東金葉二期生產線於二零一二年十一月竣工投產，本財政年度內煙草薄片的銷售收入實現了高速增長。目前廣東金葉二期生產線的產品質量達到國內領先水平並已進入大客戶的核心品牌，產品質量受到客戶的良好評價。在煙草薄片的對外合作方面，本集團將繼續推進黃果樹金葉生產工藝的設計和施工階段，並積極參與安徽中煙煙草薄片生產線的初步調試工作，集團在煙草薄片方面已進入全面發展期。



● Flavours 食用香精香料	82.2%
● Fragrances 日用香精香料	4.5%
● RTL 煙草薄片	13.3%

With solid financial position, proactively devoting internal resources to safeguard Company's and Shareholders' value

For the year ended 31 March 2013, the Group's net cash generated from operating activities amounted to approximately HKD1,616 million, representing an increase of approximately 4.9% as compared with last year. Net cash amounted to approximately HKD1,858 million, representing an increase of approximately 36.7% as compared with last year, reflecting a sound financial position maintained by the Group. The Group has proactively allocated its internal resources during the financial year, included the repayment of HKD540 million of bank loan and share repurchases of over 58 million Shares of the Company's with more than HKD200 million since August last year; meanwhile, it has once again declare a special dividend to its shareholders in accordance with its cash flow and future development plans. Since listing, the Group has declared total dividends of about HKD3.3 billion. All the above has demonstrated that the Group's determination in safeguarding Company's and Shareholders' value.

財務狀況穩健，積極動用內部資源，捍衛公司及股東價值

截至二零一三年三月三十一日止年度，本集團由營運活動產生的淨現金流達約港幣16.16億元，與去年相比增加了約4.9%。淨現金達約港幣18.58億元，與去年相比增加了約36.7%，財務狀況維持良好。本集團在本財政年度內積極動用內部資源，包括償還了港幣5.40億元的銀行貸款，及自去年八月份至今動用了逾港幣2億元回購了逾5,800萬股本公司普通股；同時，亦按現金流情況及未來發展計劃，再次向股東派發特別股息。自上市以來，本集團總派息金額達約港幣33億元。以上都顯示了本集團捍衛公司及股東價值的決心。

Continuingly increasing R&D input to establish an analysis and inspection centre to enhance R&D strength

For the year ended 31 March 2013, the Group's R&D cost amounted to HKD213 million, representing approximately 5.9% of sales revenue and further elevated from approximately 5.6% of the last financial year. The Group continued to strengthen establishment of the R&D team, and increased input on R&D hardware. A number of joint laboratories set up with major customers achieved a series of progressive results during the financial year.

In February 2013, the Group started to set up an U.S.-based R&D centre. Such centre is to develop alternatives to tobacco products (such as smokeless products) as key development direction, it is a new attempt in providing the Group and its customers with a technology platform that offers overall solutions to high-standard products. The establishment of U.S. R&D centre is with an aim to further improve the Group's international vision and level of R&D to render strong support to the development of system integration.

During the year, the Group has achieved fruitful results by applied and granted over 20 patent technologies. Furthermore, the Group commenced preparation for establishment of an Analysis and Inspection centre in May 2013. This could enable it to capture the potential business opportunities from the increased threshold of quality control in the industry and to be well positioned to explore the development opportunities in the inspection and verification field.

Future development plans

The global economic conditions are uncertain, while China's economic structural adjustment continues. The macro-economic environment is presented with a potential downside risk. Food and beverage and additives industries have entered into a stage of adjustment in consumption structures, while the tobacco industry has entered into a mature and stable stage, policy adjustment and restrictions may impose uncertainties on sales growth and upgrading of structure of consumption. All of the above may affect the Group's future development. However, the management and I remain confident that, by adhering to the development strategy of "multi-pronged, focus growth", to insist on innovation, to precisely using the end market as a pivotal point, to utilize technology systemic integration, to develop innovative products and production workmanship, and to provide customers with solutions on products' profile and comprehensive services, then the Group will be able to overcome challenges and to further solidify its market share in the flavours and fragrances industry; it will fully boost development of RTL and new cigarette materials businesses; meanwhile, when the Group realizes continuous growth, it will also focus on investment return and to create higher value for its shareholders.

不斷加大研發投入，成立分析檢測中心，提升研發實力

截至二零一三年三月三十一日止年度，本集團共投入研發費用港幣2.13億元，佔銷售收入約5.9%，比上一個財政年度的約5.6%進一步提升。集團持續地加強在研發團隊的建立並加大在研發硬件上的投入；與重點客戶建立的若干個聯合實驗室在本財政年度內均取得了一系列階段性的成果。

二零一三年二月，集團開始籌建美國研發中心，定位於立足美國，以煙草替代產品（如無煙產品）為重點發展方向的另一嘗試，為集團和客戶提供高水平產品整體解決方案的科技平台。美國研發中心的成立，將進一步提升本集團的研發國際視野和水平，為爭取構建系統技術集成提供重要支撐。

年內，本集團申報並獲得了逾20項發明專利，碩果累累。另外，本集團於二零一三年五月開始籌建分析檢測中心；該舉措能夠把握從行業提高品控門檻而帶來潛在的商機，為探索檢測驗證領域的發展機會做好準備。

未來發展計劃

全球經濟形勢不明朗，中國經濟的結構調整仍在繼續，宏觀的經濟存在繼續下行的風險。食品飲料及添加劑行業進入了消費結構的調整期，煙草行業進入了成熟穩定期，及政策上的調控和限制將對銷售量增長以及消費結構的提升帶來不確定性；以上都將對集團未來的發展帶來影響。我和管理層深信，只要堅持同心多元化的發展策略，堅持創新理念，真正基於終端市場需求，採用技術系統集成，開發創新性的產品和生產工藝，為客戶提供產品風味系統解決方案和綜合技術服務；就能夠戰勝挑戰，進一步鞏固在香精香料行業的市場份額；並全速推進煙草薄片和捲煙新材料業務的發展；同時，本集團在實現持續增長的同時將始終注重投資回報，為股東創造更大的價值。

In respect of tobacco business, the Group will continue to adhere to take big customers as a business base and fully boost a new business model, namely utilizing the end-market as a pivotal point, to design and create competitive products for its customers from flavours, RTL, new cigarette materials and other different perspectives in order to achieve mutual development.

In respect of food ingredients and flavours businesses, the Group will adopt corresponding development strategies against the operating characteristics of all market segments and highlighted our competitive advantages in terms of branding, product quality and safety. It will proactively adjust its product structure, and continue to enhance its profitability while focusing on investment return to strive to achieve stable growth.

In respect of fragrances, due to intense competition in the industry, the Group will concentrate on development of Xiamen Amber's competitive advantages in aromatic, sanitizing and pesticide businesses, optimize the raw material purchasing system, strictly control product quality and expand healthy and natural new products. The Group will put efforts on expanding overseas markets while maintaining well servicing to domestic major customers.

In respect of RTL, the Group will utilize end market consumers as the pivot point, to fully integrate the Group's overall competitiveness in tobacco chemistry technology, RTL coating base technology and new cigarette materials; to utilize systemic technology integration, to promote product and production workmanship innovation, in order to provide customers with solutions on products' taste profiles and comprehensive services; by ways of organic development and acquisition, to gradually develop into the Group's long-term growth engines. In addition, the Group will also keep exploring and researching on the possibility and feasibility of multi-channels of financing.

As regards the use of cash, the Group has always insisted on its principal in using its ample cash flow generated from operation prudently. After taking into consideration of its business expansion, the Group has timely paid off its bank loan, and has continually rewarded Shareholders through share repurchases, basic dividends and special dividends. These measures have indicated that the management is proactively taking actions to improve cash management to further optimize return on equity. With respect to business development, the Group will continue to invest in the RTL and new cigarette materials fields in the future and the capital expenditure for next year is planned to be approximately HKD500 million. With respect to corporate governance, it is proposed to invite two independent directors into the Board at the AGM to be held in August with an aim to increasing the governance level of the Group. Meanwhile, the Group is from time to time identifying appropriate candidates for the next chief executive officer for the purpose of realizing division of work of chairman and chief executive officer in a long term, but it shall be cautious in selecting candidates and the Group shall update the market timely should there be further development.

在煙草業務方面，本集團將繼續堅持以大客戶為業務基礎，全力推進新的業務模式，即以終端市場為導向，從香精香料、煙草薄片及捲煙新材料等不同的角度，為客戶設計及創造具有競爭優勢的產品，實現雙方共同的發展。

在食品配料及香精香料業務方面，本集團將針對各細分市場的經營特點，採取相應的發展策略，突出我們在品牌、產品質量及安全性等方面的競爭優勢；積極調整產品結構，不斷提升盈利能力；注重投資回報，努力實現平穩增長。

在日用香精香料方面，針對激烈的行業競爭，本集團將集中精力發展廈門琥珀在熏香、消毒及殺蟲等業務上的競爭優勢，優化原材料採購體系，嚴格控制產品質量，拓展健康及天然的新型產品。在服務好國內大客戶的同時，努力拓展海外市場。

在煙草薄片方面，本集團將以終端市場消費者為導向，充分結合集團在煙草化學技術、煙草薄片塗布液裡料技術以及捲煙新材料的綜合優勢，採用技術系統集成，開發創新性的產品和生產工藝，為客戶提供產品風味系統解決方案和綜合技術服務；通過有機發展和併購的方式，逐步發展成為本集團長期增長引擎；另外，亦將不斷探索和探索多渠道融資的可能性和可行性。

在現金使用方面，本集團歷來對運營產生的豐富現金流堅持審慎使用的原則，在兼顧業務拓展的同時，適時償還銀行貸款，又通過股票回購、基本股息及特別股息不斷回饋股東，這些舉措表明了管理層正在積極採取行動提升現金管理水平，進一步優化股本回報率。在業務發展方面，未來集團將繼續在煙草薄片和捲煙新材料領域進行投資，計劃下年度的資本開支約為港幣5億元。在公司治理方面，又建議於八月份的股東週年大會上建議邀請兩位獨立董事加入董事會，以進一步提高本集團的管治水平。同時，本集團亦不時地在考察下一任行政總裁的合適人選，旨在從長期上實現主席和行政總裁的分工，但人選問題須謹慎行事，如有進展本集團將適時向市場公佈。

Chairman's Statement

主席報告

I would like to take this opportunity to express my gratitude to our loyal Shareholders, customers, suppliers and principal bankers, etc., for their continuous shepherd and support. I truly wish to express my appreciation to the Directors, the management and all staff members of the Group for their diligent hard-work in the past year. Together with the management 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!

CHU Lam Yiu

Chairman

Hong Kong, 18 June 2013

本人亦藉此機會謹向我們忠誠的股東、客戶、供應商及主要往來銀行等致謝，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勤勉工作致以真誠感激。本人將與全體管理層及員工一道，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！

朱林瑤

主席

香港，二零一三年六月十八日

Management Discussion and Analysis

管理層討論及分析

Production capacity of flavours and fragrances of major subsidiaries as at 31 March 2013
於二零一三年三月三十一日主要下屬公司香精香料的產能

		(tons 噸)
Shanghai	上海	
Huabao Shanghai	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	江蘇	
Taicang Wenhua	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	廣東	
Feijia Chuangye	飛嘉創業	500
Guangdong Zhaoqing	廣東肇慶	2,000
Guangzhou Huabao	廣州華寶	4,000
Guangzhou Huafang/Owada	廣州華芳 / 澳華達	2,000
Others	其他	
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
Yingtian Huabao	鷹潭華寶	7,000
Yongzhou Shanxiang	永州山香	1,100
Yunnan Huaxiangyuan	雲南華香源	1,000
Yunnan Tianhong	雲南天宏	2,500
Total production capacity	總產能	Approximately 約 37,750

Production capacity of RTL and new cigarette materials supplements of major subsidiaries as at 31 March 2013
於二零一三年三月三十一日主要下屬公司煙草薄片及捲煙新材料配套的產能

		(tons 噸)
F&G (upstream tobacco leave extraction) – 100% ownership	F&G (上游煙葉提取) – 持有100%	150
Guizhou Huashuo (RTL coating base – under construction) – 100% ownership	貴州華燦 (煙草薄片塗布液里料 – 籌建中) – 持有100%	1,500
Guangdong Jinke (RTL) – 55.375% ownership	廣東金科 (煙草薄片) – 持有55.375%	10,000
Guangdong Jinye (RTL) – 100% ownership	廣東金葉 (煙草薄片) – 持有100%	20,000
Total production capacity	總產能	Approximately 約 31,650

Production capacity of RTL of major investment and technical cooperation as at 31 March 2013
於二零一三年三月三十一日主要投資項目及技術合作項目煙草薄片的產能

		(tons 噸)
Huangguoshu Jinye (RTL – under construction) – 40% ownership	黃果樹金葉 (煙草薄片 – 籌建中) – 持有40%	10,000
Hunan Jinye (RTL) – 10% ownership	湖南金葉 (煙草薄片) – 持有10%	10,000
Shanghai Tobacco Taichuang (RTL) – 6.96% ownership	上煙太倉 (煙草薄片) – 持有6.96%	10,000
China Tobacco Anhui (RTL) – technical service, entitled to 8% of profit sharing	安徽中煙 (煙草薄片) – 技術服務，享有8%利潤分紅權	10,000
Total production capacity	總產能	Approximately 約 40,000

Management Discussion and Analysis

管理層討論及分析

RECENT ACQUISITIONS AND COOPERATIONS

During the year, by establishing a subsidiary of Huabao Korea and acquiring Zhejiang Xiangyuan, the Group has taken a new attempt in the fields of new cigarette materials and new workmanship and will then actively pursue the feasibility of commercial development.

Establishment of Huabao Korea

In June 2012, the Group set up a subsidiary to engage mainly in cigarette filter manufacturing jointly with an independent third party in Korea. To date the Group has invested approximately HKD79,180,000 in such subsidiary and holds 70% equity interest. Establishment of such subsidiary is a new attempt by the Group in the development of new cigarette materials business. In the future, the Group will gradually develop Huabao Korea into an experimental production line for innovative cigarette filter materials business.

Acquisition of Zhejiang Xiangyuan

In June 2012, Guangdong Jinye entered into a sale and purchase agreement with independent third parties to acquire a 100% equity interests in Zhejiang Xiangyuan for a cash consideration of approximately HKD6,133,000 and liabilities assumed of approximately HKD5,054,000. Zhejiang Xiangyuan is principally engaged in development of the production technology and workmanship of a special type of RTL in China and has obtained certain experimental results. Through the acquisition, the Group will then combine Zhejiang Xiangyuan's research results with demands from major customers, to develop a new set of production workmanship and to actively pursue the feasibility of its commercial production and development.

最新收購和合作

於年內，通過組建附屬公司韓國華寶及收購浙江香緣，本集團在捲煙新材料及新工藝領域進行了新的嘗試並將積極研究下一步商業化推廣的可行性。

組建韓國華寶

於二零一二年六月，本集團在韓國與一名獨立第三方合資籌建主要生產煙用過濾嘴棒的附屬公司。本集團至今在該附屬公司的總投資金額為約港幣79,180,000元，本集團佔其70%的股權。成立該附屬公司是集團在發展捲煙新材料業務一個新的嘗試。未來，集團將逐步把韓國華寶打造為創新型捲煙過濾新材料業務的試驗性生產線。

收購浙江香緣

於二零一二年六月，廣東金葉與獨立第三方簽署買賣協議，以現金代價約港幣6,133,000元及承擔債務約港幣5,054,000元收購浙江香緣的100%權益。浙江香緣在中國主要從事一項特種煙草薄片生產技術和工藝的研究，並已取得了一定的實驗性成果。通過該收購，本集團將在浙江香緣研究成果的基礎上結合重點大客戶的需求，開發一套創新的生產工藝，積極研究其商業化生產及推廣的可行性。

BUSINESS REVIEW

Review of Flavours Business

1. Review of operating results

For the year ended 31 March 2013, sales revenue of the flavours business of the Group amounted to HKD2,997,495,000, representing an increase of approximately 4.1% from the last financial year. The EBIT margin of the flavours segment was approximately 63.0%, representing a decrease of approximately 5.8 percentage points as compared to approximately 68.8% for the last financial year, but improved from approximately 60.4% from first half this year. The EBITDA margin was approximately 65.6%, representing a decrease of approximately 5.5 percentage points as compared to approximately 71.1% for the last financial year. The growth rate in the flavours business has slowed compared with last year's, this was mainly attributable to the overall growth in China's tobacco industry has slowed down further as well as the food and beverage industry and food additives industry remained fiercely competitive following food safety problems in recent years. Decline in both the EBIT and EBITDA margins of the segment was mainly due to factors such as decrease in other income, and an increase in employee salary and benefits.

In respect of the tobacco business, as the tobacco industry entered into a maturity and stable stage, it is featured as follows:

- As the Chinese government increased its effort in smoking control, consumers' consciousness of health rises and the total smoking population is becoming saturated;
- Structure of brand consumption will continue to elevate, but it has slowed down amid measures introduced by the Chinese government such as limiting government spending on business accounts; and
- The tobacco industry has entered into a post-consolidation era, with cross-provincial consolidation stagnant.

業務回顧

食用香精香料業務回顧

1. 經營業績回顧

截至二零一三年三月三十一日止年度，本集團食用香精香料的銷售收入達到了港幣2,997,495,000元，較去年同期增長了約4.1%。食用香精香料的板塊EBIT率達約63.0%，較上一財政年度的約68.8%下降了約5.8個百分點，但比上半年的約60.4%有所改善；EBITDA率達約65.6%，較上一財政年度的約71.1%下降了約5.5個百分點。食用香精香料的銷售收入增長速度較去年有所放緩，主要是由於中國煙草行業整體增長進一步放緩，以及中國食品飲料行業以及食品添加劑行業在近幾年食品安全事故風波過後行業競爭持續激烈所致。板塊的EBIT率及EBITDA率有所下降，主要是由於其他收入下降以及工資和員工福利的增加等因素所致。

在煙用業務方面，隨着煙草行業步入成熟穩定期，表現出以下特點：

- 隨着中國政府控煙力度加大，消費者健康意識上升，吸煙人口總數趨於飽和；
- 品牌消費結構升級仍將持續，但受到中國政府限制「三公消費」等政策的影響，提升速度有所放緩；及
- 煙草行業進入後整合時代，跨省整合停滯不前。

Management Discussion and Analysis

管理層討論及分析

According to TobaccoChina Online, production volume of cigarette amounted to approximately 49.80 million cases in 2012, representing an increase of approximately 2.8% over the corresponding period last year; sales of cigarette reached approximately 49.45 million cases, representing a growth of approximately 2.4% over the corresponding period last year. In light of adhering to the Group's strategy of "Big customers, Big brands" over the years and supported by its capability of highly effective system integration and supply chain management, the Group was able to turned crises into opportunities with sales revenue of flavours continuing to realize steady growth. For the year ended 31 March 2013, sales revenue from the Group's largest customer, i.e. Yunnan Tobacco Materials (Group) Co., Ltd remained stable comparing with last year, while sales revenue from the Group's top 5 customers increased by approximately 10.9% from last year.

During the year, subsidiaries from the tobacco business achieved sound results. Huabao Shanghai was granted "Silver Award for Comprehensive Strength (Advanced Manufacturing Industry) in Jiading Industrial Zone" for the second straight year; since Yingtan Huabao's trial production commenced in second half of 2011, it was awarded for the first time "2011 Industrial Development Enterprise Improvement Award" by the government of Yingtan city in March 2012; Guangzhou Huafang, just as before, participated in and undertook various major campaigns in the PRC tobacco sector last year, such as "The 3rd Session of the 2nd Phase Training of Senior Cigarette Flavorists of Tobacco Industry" and the "STMA's 4th Training Course for Senior Cigarette Flavorists", etc.

In respect of food and beverage business, as China's food and beverage and food additives industries have entered into a stage of adjustment after a series of reported safety incidents, competition has increasingly intensified. In July 2012, by issuing the "Decision in respect to Strengthening the Food Safety by State Council", the State Council of the PRC planned to achieve obvious results in China's food safety by way of restructuring with an aim to assuring the technological supporting systems including China's food safety supervision systems and mechanisms, food safety laws and regulations and standard systems, inspections and tests and risk monitoring more scientific and complete. The level of consciousness in food safety management and integrity of social and food production enterprises have generally increased, while the overall level of food safety was improved to a larger extent. Meanwhile, some small and medium food enterprises that failed to meet the standards were eliminated, thereby directly causing the demand for food flavours from such enterprises to decline. The market boom in recent years triggered flavours and fragrances and food additives enterprises to accelerate expansion of their capacities, as a result, over-capacities have started to show in some market segments of the industry.

據《煙草在線》數據顯示，二零一二年行業累計生產捲煙約4,980萬箱，同比增長約2.8%；累計銷售捲煙約4,945萬箱，同比增長約2.4%。由於本集團多年來堅持「大客戶、大品牌」的策略，配合高效的系統集成與供應鏈管理能力，化危機為機遇，食用香精香料的銷售收入繼續實現平穩增長。截至二零一三年三月三十一日止年度，本集團來自最大客戶，即雲南中煙物資（集團）有限責任公司的收入與去年基本持平；來自前五大客戶的收入比去年增加約10.9%。

年內，煙用業務方面的下屬公司取得了良好的成績。華寶上海連續第二年獲得了「嘉定工業區綜合實力獎（先進製造業）銀獎」；自二零一一年下旬試產開始，鷹潭華寶於二零一二年三月首獲鷹潭市政府授予的「2011年度工業發展企業進步獎」；廣州華芳一如以往地在年內多次參與及承辦中國煙草行業的各種大型重點活動，例如「行業第二期捲煙高級調香師班第三學期培訓」、及「國煙局第四期捲煙高級調香師班」等課程。

在食品及飲料業務方面，由於中國食品飲料行業及食品添加劑行業在經歷了數次安全事故後進入了行業調整期，競爭日趨激烈。二零一二年七月，中國國務院印發了《國務院關於加強食品安全工作的決定》，計劃用約三年的時間，在中國食品安全治理整頓工作中取得明顯成效，目標使中國食品安全監管體制機制、食品安全法律法規和標準體系、檢驗檢測和風險監測等技術支撐體系更加科學化及完善。社會及食品生產經營者的食品安全管理水平和誠信意識普遍提高，食品安全整體水平得到較大幅度的改善；同時，過程中亦令一部份中小型、不規範的食品企業被淘汰出局，從而直接導致該類企業對食用香精的需求量有所下降。而近幾年的市場繁榮亦刺激各香精香料及食品添加劑企業加速擴充產能，行業產能過剩問題開始在一些細分市場中出現。

In respect of operations of the subsidiaries, their performances varied as they faced different factors in their respective market segments. As small and medium candy enterprises suffered from the impact of overall changes in China's economic environment and the government's increased efforts of supervision on the food industry, sales revenue of Huabao Kongque's candy business decreased. However, benefiting from orders steadily rising from big customer such as Bright Dairy, the optimized sales structure and the increased percentage of the flavours business with higher gross profit margin, both of Huabao Kongque's gross profit margin and profit during the year increased over the last financial year; in respect of Guangzhou Huabao, currently its market focus is to cultivate in big customers and regional distributors, prioritizing its resources in expanding and serving its key customers. During the year, Guangzhou Huabao focused on product cultivation with major customers, realized rapid growth in flavours products such as tomatoes, saucy beef and spicy chicken, indicating a remarkable effect of optimization of the customer structure; in respect of Yongzhou Shanxiang, with the commencement of its second phase production line, sales revenue significantly increased over the last financial year. However, the cost of litsea cubeba oil, a raw material for lemon citrus which is its major product remained high, which led to a lower gross profit margin while its export business remained weak on the European debt crisis. Despite improvements in both of gross profit margin and operating profit margin, Yongzhou Shanxiang did not record a profit; for Guangdong Zhaoqing and its major product ethyl maltol, as the industry underwent rapid expansion in the past few years, the market faced oversupply with generally excessive production capacity and output and fierce price competition. In order to stabilize its product price system, Guangdong Zhaoqing focused on the channel sales and high-end markets with higher prices while abandoned certain big direct sales customers with intensified competition and lower gross profit. During the financial year, even though its sales revenue slightly decreased as compared with the last financial year, both of gross profit margin and operating profit margin rose. With respect to Qingdao Qingda, in the third quarter of 2012, Chinese customs suddenly suspended tax refund policy for paprika coloring's export business, resulting in a serious halt for the export business of the entire paprika coloring industry. The products originally scheduled for exports flowed into the domestic market, which caused the market to become oversupply thus resulted in intensified price wars. The market price of paprika coloring sharply dropped over 30% during the year, which caused Qingdao Qingda's sales revenue to decline significantly over last year. The export policies of paprika coloring have been restored since the fourth quarter of 2012, but since its market price continues to trend down in the first half of 2013, the management anticipates the market price of paprika coloring may gradually rally following recovery of the industry's export business and domestic inventory further absorbed.

下屬公司運營方面，因面臨的細分市場的因素不同而表現各異。受累於中國整體經濟環境變化以及政府加強對食品行業的監管力度，中小型的糖果類企業均受到了一定沖擊，華寶孔雀在糖果類業務的銷售收入也有所下降；但受惠於重點客戶如光明集團等的訂單穩中有升，銷售結構優化以及高毛利率的香精業務比例增加，華寶孔雀在年內的毛利率及盈利均比上一財政年度有所上升；廣州華寶方面，目前市場開拓方向主要是培養大客戶和地區經銷商，集中公司資源開拓和服務大客戶。年內，廣州華寶針對現有大客戶的產品開發，在西紅柿、醬汁牛肉及辣子雞等香精產品中實現高速增長，客戶及產品結構優化成果明顯；永州山香方面，隨着其二期生產線的投產，銷售收入比上一財政年度錄得大幅上升。但由於其主導產品檸檬醛的原材料山蒼籽油成本普遍居高不下導致毛利率偏低，另外其出口業務亦持續受累於歐債危機而疲軟，永州山香於年內雖然毛利率及營運盈利率得以改善，但仍然未能帶來盈利。廣東肇慶及其主打產品乙基麥芽酚方面，由於該行業過去數年快速擴張擴產，導致市場目前處於供大於求的局面，產能和產量普遍過剩，價格競爭激烈。廣東肇慶為了穩定其產品的價格體系，主攻價格較高的渠道銷售和高端市場，而放棄了一部份競爭激烈和低於成本的直銷大客戶。本財政年度內，其銷售收入比去年雖稍為下降，但毛利率及營運盈利率均得以提高；青島青大方面，在二零一二年第三季度，中國海關對辣椒紅色素的出口退稅政策突然暫停，受此影響，辣椒紅色素整體行業的出口業務大受打擊，原定出口的產品轉為流入國內市場，造成了國內市場供過於求的局面並出現了激烈的價格戰；辣椒紅色素的市場價格於年內大幅下降逾30%，令青島青大的銷售收入比去年同期錄得大幅倒退。辣椒紅色素的出口政策自二零一二年第四季度起已重新恢復，但由於其市場價格於二零一三年上半年仍呈下降趨勢，管理層預料辣椒紅色素的市場價格可望在行業的出口業務重回正軌及國內存貨進一步消化後逐步回升。

Management Discussion and Analysis

管理層討論及分析



Yingtian Huabao production base
鷹潭華寶生產基地

During the year, the subsidiaries in respect of the food and beverage business increased investments in production process and raw material control, and kept its record of no material incidents on food safety, which further boosted its industry reputation. For instance, Huabao Kongque's "Kongque Flavours" was once again recognized as a "Shanghai Brand" due to its sound reputation, comprehensive corporate quality control system and customer satisfaction; it also passed the supplier qualification review of Yili Group and Kraft Foods respectively, which has ensured that the company meets market standards in terms of production, storage, equipment and facilities and quality control. For quality management systems, Guangdong Zhaoqing and Yongzhou Shanxiang successfully passed domestic ISO9001 quality management system review respectively during the year, delivering powerful assurance for product quality control.

年內，食品和飲料業務方面的下屬公司在生產過程及原材料控制上加大了投入力度，繼續保持無發生重大安全事故的記錄，業內聲譽進一步提升。例如，華寶孔雀的「孔雀香精」以其良好的知名度、完善的企業品控體系及用戶滿意度而再次被評定為「上海名牌」；並分別通過了伊利集團及卡夫食品的供應商資質審核，確保了公司在生產、倉儲、設備設施及品質控制等方面均達市場標準。而在質量管理體系方面，廣東肇慶及永州山香於年內分別順利通過了國內的ISO9001質量管理體系審核，為控制產品質量提供了有力保證。

Major financial indicators of flavours

食用香精香料之主要財務指標

HKD thousand	港幣千元	2013	2012
Sales revenue	銷售收入	2,997,495	2,880,286
EBIT	EBIT	1,887,719	1,980,782
EBIT margin	EBIT率	63.0%	68.8%
EBITDA	EBITDA	1,965,212	2,048,121
EBITDA margin	EBITDA率	65.6%	71.1%

2. Recent developments and prospects of the downstream sectors

- a. *Tobacco industry entered stage of maturity, sales volume growth slowed down further, industry development uncertainties increased*

The tobacco industry continues to play a significant role in the Chinese economy. According to TobaccoChina Online, it contributed industrial and commercial profit tax of approximately RMB865.0 billion in 2012, representing an increase of approximately 15.8%. In recent years, China's tobacco industry has been growing steadily and reflected several characteristics:

Firstly, since the industry has entered a stage of maturity, industry growth may slow down further. The management anticipates the total sales volume to maintain a slow growth momentum in a foreseeable future. According to TobaccoChina Online, for the period of January to March 2013, growth in sales volume of the tobacco industry has slowed down to 0.7%;

Secondly, Virginia-style cigarettes made up a substantial proportion of the total consumption, while imported cigarettes only accounted for a minimal amount of market share over the years; and

Thirdly, the trend of consumption structure elevation will continue, though the pace has been slowed due to policies such as restrictions on government spending on business accounts.

- b. *The Chinese government strengthened the regulation of the tobacco industry, regulation risks started to show*

The management noticed that the Chinese government introduced a series of new smoking control measures, including the controlling of smoking areas, promotion in tar and harmful content reduction, and implementation of new standards in maximum tar content, etc. According to the Twelfth Five-Year Plan for the tobacco industry, in the next few years, regulation on the new tar content will continue to be the major trend in the tobacco industry. In view of experience from other more developed countries, smoking control may impact cigarette consumption behaviour in a long run. Meanwhile, the government introduced measures to strictly limit government spending on business accounts, such that upgrading of the brand structure has slowed down. These administrative measures may impact the tobacco industry development and cigarette consumption in a long term. In the future, the management will continue to pay close attention to the latest developments in this area and respond with full preparation.

2. 下游行業的最新情況和展望

- a. *煙草行業進入成熟期，銷量增長將進一步放緩，行業發展不確定性增加*

煙草行業在中國國民經濟中依然佔有非常重要地位，據《煙草在線》數據顯示，煙草行業在二零一二年實現工商利稅約人民幣8,650億元，較去年增長了約15.8%。中國煙草行業一直處於平穩式增長，市場表現出幾大特點：

第一，由於行業已進入成熟期，銷量增長有可能進一步放緩，管理層預料銷售總量在中長期仍可保持緩慢增長的勢頭；據《煙草在線》數據顯示，二零一三年一至三月，煙草行業銷量同比增長已放緩至0.7%；

第二，消費結構將依然以中式烤煙為主，歷年來進口煙在中國的市場份額幾乎微乎其微；及

第三，消費結構升級趨勢不變，但受到限制「三公消費」等政策的影響，提升速度有所放緩。

- b. *中國政府對煙草行業加強監管力度，政策風險因素逐步顯現*

管理層注意到近期中國政府一系列新的控煙措施，包括對吸煙場所的控制，推進降焦減害及實施新的最高焦油含量標準等。根據煙草行業十二五規劃，未來幾年，執行新的焦油含量標準仍將為煙草行業的主要監管趨勢。從世界其他經濟比較發達的國家的經驗來看，控煙措施將會在長期對捲煙消費行為產生影響。同時，由於政府嚴格管制「三公消費」，品牌結構提升速度有所放緩。這些行政措施長遠可能對煙草行業的發展及捲煙消費產生一些影響。未來，管理層將繼續密切關注這方面的最新動態，予以充分應對。

c. *The food and beverage industry enters consolidation and adjustment stage*

In recent years, the food and beverage industry is shocked by a number of safety incidents and problems, which have caused great concern from society as well as the regulatory bodies. Along with introduction of new safety supervision regulations, the industry has entered into an adjustment stage. On one hand, some small and medium food and beverage enterprises gradually withdrew from the market, imposing negative impact on related industry chains; on the other hand, during this food safety disturbance, the food additives industry has taken a toll to a certain extent with lowered demand. As a result, over-capacities and intensified price wars have occurred in some market segments and growth in flavours and fragrances industry has slowed down. The management considered that such phenomenon, in near future, will linger and will cast certain negative impacts on the Group's related business. However, in the longer perspective, this is a phase before the whole industry becomes more consolidated and regulated. As such, the management remains optimistic on the long-term development of the PRC food and beverage industry.

3. Development strategy for the flavours business

a. *Tobacco sector*

- To continuously pursue the "Big Customers, Big Brands" development strategy, monitor closely on government policies, and to adjust development strategy accordingly;
- To fully utilize joint laboratories set up with major customers, and step up in comprehensive and technological cooperation with leading players in the tobacco industry, in continuously discovering new growth areas;
- To increase management on raw materials and to optimize suppliers and formulations structure, step up effort in safety and quality control, in order to assure product quality starting from top of production chain downward; and
- To utilize the foundation of traditional flavours and fragrances, to speed up products innovation and applications of such products, in order to cope with customers' development needs.

c. *食品飲料行業進入整合及調整期*

近年，食品飲料行業屢屢爆出安全和事故問題，引起了社會各界以及監管機構的高度關注。隨着新的安全監控條例出台，行業進入了調整期。一方面，一些中小型的食品飲料企業逐漸退出市場，從而對相應的產業鏈產生了一定的負面影響。另一方面，在這場食品安全風波之中，食品添加劑行業亦受到一定衝擊，市場需求不振。受此影響，部份細分市場出現了產能過剩及激烈的價格戰等現象，香精香料行業的增長亦有所放緩。管理層認為，這些現象在未來一段時間仍將繼續存在，並對本集團相關業務產生一定的不利影響。但從長遠來看，這是行業走向更集中、更規範的必經階段，故此管理層對中國食品飲料行業的長期發展仍持樂觀態度。

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，積極研究政策，及時調整發展思路；
- 充分利用與重點客戶的聯合實驗室，與煙草行業領先企業展開全方位的技術合作，不斷挖掘新的增長點；
- 加強原材料控制，優化供應商和配方結構，加強安全性過程控制及檢測力度，確保從生產源頭開始保證產品質量；及
- 在傳統香精香料基礎上，加強新型香精產品開發和香精產品新的應用技術方式，配合客戶的品牌發展需要。

b. Food and beverage sector

- Using “Big Customers, Big Brands” as a strategic direction, to continue to emphasize development of the upstream natural aromatic raw material business in order to continuously strengthen the integrated core value chain, and to set up an operational model with creating higher value for customers as the pivot point;
- Huabao Kongque will, by capturing the business opportunities arising from consumers’ pursuit of food with nutrition, health, and safety, especially the development that the younger generation of consumers increasingly favors quick and easy snack food, emphasize pioneering direct sales customers to improve the proportion of the direct sales business with higher gross profit;
- Guangzhou Huabao will actively focus on product development and application of meat product and frozen food industry, by adhering to the strategy of big customers, prioritize resources on strategic cooperation with the leading enterprises in the key industries;
- Yongzhou Shanxiang will continue to carry out refined processing of litsea cubeba oil products to develop new products and increase added value and core competitiveness, and will rely on the second phase production line to increase capacity following commencement of operation to reduce costs and improve profitability;
- Guangdong Zhaoqing will continue to adhere to high-end products as orientation, to capture key customers of good quality, to try best to avoid price wars, and to focus on the rate of return; and
- Qingdao Qingda will take high-value-added and high-quality paprika coloring as a top product to expand into the food industry, research and develop high-quality capsaicin products and reposition the business direction to improve the product structure, and gradually shift from products with lower gross profit to higher value-added.

b. 在食品飲料類方面

- 以「大客戶，大品牌」為戰略導向，持續重視上游天然香原料業務的發展部署，持續強化核心一體化的產業鏈，以建立為客戶創造更大價值為導向的經營模式；
- 華寶孔雀將抓緊消費者對具有營養性、保健性及安全性食品追求的商機，尤其是年輕一代消費者越加鐘愛的方便快捷休閒食品等發展；着重開拓直銷客戶，提高高毛利的直銷業務佔比份額；
- 廣州華寶將積極佈局肉製品與冷凍調理食品行業的產品研發與應用，堅持以大客戶為先的策略，集中優勢資源與重點行業的領先企業開展戰略合作；
- 永州山香將繼續於山蒼子油系列產品的精細加工，開發新產品，提高附加值及核心競爭力；並依靠二期生產線在投入生產後增加產能，降低成本，提升盈利能力；
- 廣東肇慶將繼續堅持以高端產品為業務導向，以優良品質鎖定重點大客戶，盡量回避價格戰，注重回報率；及
- 青島青大將以高附加值、高品質的辣椒紅色素作為向食品行業拓展的主打產品；研發高品質辣椒碱產品；重新定位經營方向，改善產品結構，從低毛利產品逐步轉向高附加值產品。

Review of Fragrances Business

1. Review of operating results

For the year ended 31 March 2013, sales revenue of the fragrances business of the Group amounted to HKD165,272,000, representing a decrease of approximately 7.1% from the last financial year. Operating profit amounted to HKD9,074,000, representing an increase of 13.2% from HKD8,016,000 of last financial year. EBIT margin reached approximately 5.5%, representing a slight improvement from 4.5% of last financial year. The decrease in sales revenue of the fragrances business was mainly contributed by the decreases in sales by Yunnan Huaxiangyuan as its business is in a transitional period after the Group has made adjustment to its management structure and business with a view of better risk control on raw material fluctuations.

In recent years, due to macro-economic factors, competition in the fragrances market became more intense. Over-capacities of certain fragrances enterprises have imposed price pressure on middle to low-end products. Xiamen Amber proactively streamlined the businesses that were overly grown in the past, and strived to expand its advantages in aromatic, sanitizing and pesticide products. As a result, sales from its major customers such as Lanju and Lizi recorded rapid growth, where market share in these fields continued to increase. In addition, benefiting from optimization of its raw material procurement system and sound control of raw material costs, both of gross profit margin and operating profit margin of Xiamen Amber elevated.

During the financial year, Xiamen Amber achieved good results in terms of scientific research. During the year, it successfully applied for 4 invention patents and 6 utility patents in total, product quality and production technology have seen improvement; to actively establish a key city-level laboratory to improve the technological framework; and to establish a relatively sound and stable application testing system for basic materials, basic formulae, effects of application and flavours testing. With respect to allocation of resources, Xiamen Amber put efforts in cultivating new talents based on market and current conditions, including flavorists, application engineers and flavours integration engineers, to ensure product quality and increase product innovation capability.

日用香精香料業務回顧

1. 經營業績回顧

截至二零一三年三月三十一日止年度，本集團日用香精香料的銷售收入為港幣165,272,000元，較上一個財政年度減少約7.1%。實現營運盈利港幣9,074,000元，較上一個財政年度的港幣8,016,000元增長約13.2%；EBIT率達約5.5%，比上一個財政年度的4.5%略有改善。日用香精香料業務收入的減少，主要是由於本集團為了控制原材料波動的風險對雲南華香源在管理架構和業務上做了調整，目前其業務處於過渡階段而導致銷售收入減少。

近年來，由於受到宏觀經濟因素影響，日用香精香料市場競爭越趨激烈；而部份日用香精香料企業生產能力過剩，對中低檔市場產品構成了價格壓力。廈門琥珀積極對以往發展過快的業務進行梳理，努力發揮自身在熏香、消毒及殺蟲產品領域的優勢，其重點客戶如欖菊及李字等品牌的銷售快速增加，繼續提高在該領域的市場份額。另外，受惠於原材料採購系統的優化，原材料成本控制得當，廈門琥珀的毛利率及營運盈利率均有所提升。

本財政年度內，廈門琥珀在科研方面得到了不錯的成績。年內共成功受理發明專利4項，實用新型專利6件，產品品質及生產工藝有所提升；積極籌建市級重點實驗室，完善技術框架，建立了比較完善的應用測試體系，從應用基礎原料、基礎配方、使用效果及香精香料測試條件等方面構建起較穩定的應用測試體系；在配置資源方面，廈門琥珀亦根據市場及目前情況着力培養新人，包括調香師、應用工程師及香料合成工程師等，以保障產品質量及增加產品創新能力。

Since last year, profitability of Yunnan Huaxiangyuan had declined due to fluctuations of raw material prices. In order to control volatility risks of raw materials, the Group was inclined to control and properly reduce inventories of raw materials to regulate its scale of assets by making timely adjustments to its management structure and business. Currently, Yunnan Huaxiangyuan is in a transitional stage. Despite the sales revenue of the fragrances segment will be affected to a large extent in a short term, the impact on the overall profitability of the Group is very limited.

從去年開始，受原材料價格的影響，雲南華香源的盈利能力有所下降。為了控制原材料波動的風險，本集團傾向於控制並適當減少原材料的存貨水平以調控資產規模，及時對雲南華香源的管理結構和業務作出了調整；雲南華香源目前處於調整過渡階段，日用板塊的銷售收入在短期內將有比較大的影響，但對於本集團整體盈利方面的影響則非常小。

Major financial indicators of fragrances

日用香精香料之主要財務指標

HKD thousand	港幣千元	2013	2012
Sales revenue	銷售收入	165,272	177,946
EBIT	EBIT	9,074	8,016
EBIT margin	EBIT率	5.5%	4.5%
EBITDA	EBITDA	12,350	11,180
EBITDA margin	EBITDA率	7.5%	6.3%

2. Development strategy for the fragrances business

- To continue in optimizing business structure, to establish a platform in which focusing on both revenue growth and profitability;
- To continue in solidifying competitive advantage in the areas of aromatic, sanitizing and pesticide products, and to further elevate market shares;
- To continue product innovation that are of market's standards in terms of safety, healthy and natural, to seize business opportunity in the area of liquid washing detergent;
- To focus on penetrating major fragrances customers and to increase effort in expanding export business, especially in the South East Asia countries where usage of fragrances is significant; and
- To seek opportunities for M&A or cooperation and identify the right opportunity to acquire and merge or to cooperate with those enterprises whose products and markets are complementary with the Group, in order to achieve rapid growth.

2. 日用香精香料的發展策略

- 繼續優化業務結構，建立一個以收入增長及盈利能力並重的平台；
- 繼續鞏固在熏香、消毒及殺蟲領域的優勢，進一步提升市場份額；
- 不斷研發適應市場需求安全、健康天然的新型產品，抓緊液體洗衣劑領域的商機；
- 集中資源攻堅國內日用企業客戶，並努力拓展海外市場，特別是東南亞等香料用量較大的國家；及
- 尋求併購或合作機會，擇機通過合作或併購與本集團在產品及市場方面具互補性的企業，實現快速增長。

Review of RTL Business

1. Review of operating results

For the year ended 31 March 2013, the Group's sales revenue of the RTL amounted to HKD483,173,000, representing an increase of approximately 90.9% as compared with HKD253,072,000 last year, and accounted for 13.3% of the Group's total sales revenue as compared with 7.6% last year. Operating profit reached HKD152,523,000, representing an increase of approximately 78.8% as compared with HKD85,316,000 last year. The significant increase in sales revenue of RTL is mainly attributable to the average selling price of Guangdong Jinke's products being elevated continuously and the second phase of Guangdong Jinye production line was completed and has commenced production since November 2012. EBIT margin reached approximately 31.6%, representing a decrease of 2.1 percentage points from 33.7% of last year; EBITDA margin reached approximately 43.7%, representing a decrease of 5.5 percentage points from 49.2% of last year. The decrease in EBIT and EBITDA margins was attributable to increased input in R&D, and increase in employee salary and benefits and depreciation expense. Sales revenue of RTL being slightly below management's target was mainly affected by the progress of capacity ramp-up of the second phase of Guangdong Jinye production line.

During the year, the second phase of Guangdong Jinye 20,000-ton production line, which the Group has put much effort to establish, was completed and commenced production in November 2012, marking a significant milestone that the Group has reached in the RTL industry and entered into a stage of rapid growth. Meanwhile, a constant technical upgrade has been carried out on the Guangdong Jinke 10,000-ton production line, which has noticeably improved its product quality, average product selling price and customer structure. Currently, the quality of Guangdong Jinke's RTL has reached a leading position in China and has penetrated into certain major brands' middle to high-end cigarette products, where its product qualities have been well received by customers.

As one of the RTL research and development bases authorized by the STMA, Guangdong Jinye undertook several significant industry events during the year. For instance, Guangdong Jinye held the "National Paper-making Reconstituted Tobacco Key Program – Technical and Research Chief Experts Seminar" organized by the Science and Education Department of STMA in July 2012. Domestic RTL manufacturers, management team and experts from various research institutes attended such seminar, to discuss workmanship, major directions and technical routes of the RTL. Such seminar was regarded as one of the major events in the domestic RTL industry and was of significant authority. Moreover, communications on industrial technology were promoted during the year as management and R&D teams of major business partners such as Shanghai Tobacco Group Taichuang Haiyan Reconstituted Tobacco Leaves Co., Ltd. and China Tobacco Jiangsu Industrial Co., Ltd. visited Guangdong Jinye for the purposes of field research and interaction. By holding the seminar and alike, the representativeness of Guangdong Jinye was increasingly highlighted in the industry.

煙草薄片業務回顧

1. 經營業績回顧

截至二零一三年三月三十一日止年度，本集團煙草薄片銷售收入達到了港幣483,173,000元，較去年的港幣253,072,000元增長了約90.9%，佔本集團總銷售收入的比重從去年的7.6%上升至本年的13.3%；實現營運盈利港幣152,523,000元，較去年的港幣85,316,000元增長了約78.8%。煙草薄片銷售收入的大幅提升，主要是由於廣東金科生產線產品平均售價持續提高，以及廣東金葉二期生產線於二零一二年十一月竣工並開始投產所致。EBIT率達約31.6%，比去年的約33.7%下降約2.1個百分點；EBITDA率達約43.7%，比去年的約49.2%下降約5.5個百分點。EBIT率和EBITDA率的下降主要是由於加大研發投入，工資及員工福利以及折舊費用的增加所致。煙草薄片銷售收入比管理層內部目標略低，主要是由於受廣東金葉二期生產線達產進度影響所致。

年內，集團全力打造的廣東金葉二期生產線，即20,000噸煙草薄片生產線於二零一二年十一月竣工投產，標誌着本集團在煙草薄片行業完成了一個重要的里程碑，業務亦開始進入高速增長期。另外，廣東金科10,000噸生產線在經過不斷的技術改造後，其產品的質量、平均產品售價以及客戶結構得到持續改善，現時廣東金科的煙草薄片質量在國內達領先水平，已經進入國內部份主流品牌的中高端捲煙產品中，產品質量受到客戶良好評價。

作為國煙局煙草薄片研發基地之一，廣東金葉於年內承辦了多個行業重點活動。其中，二零一二年七月，由國家煙草專賣局科教司主辦的「國家造紙法再造煙葉重大專項—工藝研究首席專家工作團隊研討會」於廣東金葉召開，國內煙草薄片各生產企業、各科研院所的管理團隊及專家出席了該會議，共同研討了煙草薄片的工藝研究的重點方向 and 技術路線。該會議為國內煙草薄片行業重點項目之一，具有很高的權威性。另外，上海煙草集團太倉海煙煙草薄片有限公司及江蘇中煙工業有限公司等重要業務伙伴的管理及研發團隊，都於年內先後蒞臨廣東金葉實地調研及交流，促進行業技術水平交流，廣東金葉在行內代表性日益彰顯。

As the STMA continues to promote for reducing tar and harmful content of cigarettes, the maximum tar limit has been lowered several times in recent years. Since 1 January 2013, cigarettes containing 11 mg or more of tar each cannot be sold in China; from 1 January 2015, the tar content in each cigarette must not exceed 10 mg (source: TobaccoChina Online). International tobacco industries' development has shown in the past several decades that RTL has proven to be one of the most widely used and effective methods for the process of tar reduction of cigarettes, while the STMA has listed RTL as one of the major developments in the Twelfth Five-Year Plan. Because of this, the management maintains its positive view on the outlook of RTL development.

With the completion of the second phase of Guangdong Jinye production line, the Group has preliminarily completed the first stage of planning and development in the RTL area. Currently, Guangdong Jinke and the second phase of Guangdong Jinye production line have a total production capacity of approximately 30,000-ton per annum, representing a considerable market share in the domestic RTL industry. Next, the Group will take full advantage of the model effect of the second phase of Guangdong Jinye production line, and rapidly propel its subsequent development in the RTL area, including to continuously strive for Huangguoshu Jinye's production workmanship's design and implementation stage, as well as actively participate in China Tobacco Anhui RTL production line's trial operation. The Group's development in the field of RTL has entered into full display. Meanwhile, the management often keeps an eye on various kinds of acquisition or cooperation opportunities arising from domestic and overseas RTL areas, so as to seize the business opportunities in cigarette products presented from the reduction of tar and harmful content.

國煙局為持續推進捲煙減害降焦工作，近年已多次調整捲煙焦油最高含量。自二零一三年一月一日起，每支焦油含量在11毫克或以上的捲煙產品不得在境內市場銷售；二零一五年一月一日起，每支捲煙焦油含量將不得超過10毫克（資料來源：煙草在線）。國外煙草行業過去幾十年的發展經歷證明了煙草薄片是捲煙降焦過程中最廣泛使用及有效的方法之一，而國煙局亦明確將煙草薄片列為「十二五」重點發展項目之一。對此，管理層對煙草薄片的發展前景始終持樂觀態度。

隨着廣東金葉二期生產線的完成，本集團在煙草薄片領域首階段的部署及發展已初步完成。目前，廣東金科及廣東金葉二期生產線合共擁有約30,000噸產能，在中國煙草薄片領域已佔有重要份額。未來本集團將充分發揮廣東金葉二期生產線的典範效應，迅速推進在煙草薄片領域後續階段的發展，包括繼續推進黃果樹金葉生產工藝的設計和施工階段，以及積極參與安徽中煙煙草薄片生產線的初步調試工作。本集團在煙草薄片方面已進入全面發展期。管理層亦不時留意國內國外煙草薄片領域的不同形式的收購或合作機會，把握捲煙產品從降焦減害過程中帶來的商機。



Outlook appearance of second phase of Guangdong Jinye
廣東金葉二期廠房外貌



Second phase of Guangdong Jinye production line
廣東金葉二期生產線

Management Discussion and Analysis

管理層討論及分析

2. Development strategy for the RTL business:

The future development strategy of RTL will be to utilize end market consumers as the pivot point, to effectively help customers to understand end users' needs, to fully integrate the Group's overall competitiveness in tobacco chemistry technology, RTL coating base technology and new cigarette materials; to utilize systemic technology integration, to promote product and production workmanship innovation, in order to provide customers with solutions on products' taste profiles and comprehensive services; by ways of organic development and acquisition, to gradually develop into the Group's long-term growth engines. Further, the Group will embark on the following:

- To continuously optimize product structure and customer base, to cope with reduction of tar and harmful content of the tobacco industry;
- To actively pursue ramp-up of second phase of Guangdong Jinye production line with an aim to reach full capacity within the financial year of 2013/14;
- To strive for the development Huangguoshu Jinye and China Tobacco Anhui RTL projects; and
- To continue in improving cooperation with domestic tobacco and RTL enterprises, meanwhile will monitor any different forms of acquisition or cooperation in domestic or international RTL areas in order to seize the business opportunities brought from reducing of tar and harmful content in cigarettes.

Major financial indicators of RTL

煙草薄片之主要財務指標

HKD thousand	港幣千元	2013	2012
Sales revenue	銷售收入	483,173	253,072
EBIT	EBIT	152,523	85,316
EBIT margin	EBIT率	31.6%	33.7%
EBITDA	EBITDA	211,316	124,516
EBITDA margin	EBITDA率	43.7%	49.2%

2. 煙草薄片的發展策略

煙草薄片的未來發展策略將以終端市場消費者為導向，真正幫助客戶了解終端客戶的需求，充分結合本集團在煙草化學技術、煙草薄片塗布液里料技術以及捲煙新材料的綜合優勢，採用技術系統集成，開發創新性的產品和生產工藝，為客戶提供產品風味系統解決方案和綜合技術服務；通過有機發展和併購的方式，逐步發展成為本集團長期增長引擎。為此，本集團將著手：

- 不斷優化產品結構及客戶基礎，服務於煙草行業的降焦減害；
- 全面推進廣東金葉二期生產線的達產工作，力爭二零一三／一四財政年度內全面達產達標；
- 加快實施黃果樹金葉及安徽中煙合作項目；及
- 繼續加強與國內煙草及煙草薄片企業的合作，同時留意國內國外煙草薄片領域的不同形式的收購或合作機會，把握捲煙產品從降焦減害過程中帶來的商機。

New cigarette materials updates

The management noted that, as the tobacco industry entered the post-consolidation era, the landscapes of remaining major tobacco groups and brands gradually became clear. Inter-brand competition was gradually elevated to focus on high quality, innovation and personalised products. As a market leader in China's RTL industry, Huabao perceived the development potential contained therein a few years ago, and started to conduct R&D on new cigarette materials leveraging the Group's competitiveness in overall technology and understanding of products profile. In June 2012, the Group established a cigarette filter joint enterprise in Korea. The accumulated investment by the Group was approximately HKD79,180,000, where the Group holds 70% of the equity interest. Currently, the establishment of Korea Huabao is basically completed. With its production equipments in place and capable of trial production, next will then accelerate the development of more innovative products.

Review of R&D

The Group pays foremost attention to constantly enhancing the capacity of research and development. During the year, the Group's R&D cost amounted to HKD213,491,000, representing approximately 5.9% of its sales revenue, a further increase as compared with approximately 5.6% of last financial year. After continuous investment, the Group has set up a R&D team which is in a lead position in China and is of international standards. The State-recognized technology centre in Shanghai, the overseas R&D centre in Germany and the professional R&D departments in Yunnan, Guangdong and Fujian, etc., 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, to gradually form a R&D team with a global perspective and deliver an integrated platform of technology system, and thereby comprehensively elevate its overall competitiveness in relation to research and development.

During the year, several of the Group's subsidiaries such as Yingtan Huabao, Guangzhou Huafang and Wuxi Huahai were awarded High-tech Enterprise certifications by local administrative authorities in recognition of their innovative R&D and administration level, the technical content embodied in their products, the capacity of application of R&D efforts and quality assurance, reflecting the relatively high level of innovative R&D capacity of each section of the Group's integrated core value chain.

捲煙新材料的最新發展

管理層留意到，隨着煙草行業進入後整合時代，主要煙草集團及品牌亦已逐漸明朗化。品牌間之競爭亦已逐漸提升至高質量、創新及個性化等方面。華寶作為中國煙草薄片行業的領導者，數年前已洞察到其中的契機，並充分利用本集團在綜合技術和對產品風味把握的優勢，開始着手對捲煙新材料的研發。二零一二年六月，本集團在韓國合資組建煙用過濾嘴棒企業，至今本集團累計總投資額為約港幣79,180,000元，持有韓國華寶70%的股權。目前，韓國華寶的籌建工作已基本完成，設備亦已到位，具備了試驗性的生產能力，未來將加快開發更多創新性產品。

研發情況回顧

本集團非常注重不斷地提升研發能力，於年內，本集團共投入研發費用港幣213,491,000元，佔銷售收入的約5.9%，比上一財政年度的約為5.6%進一步提升。經過不斷投入，本集團已經建立了一支國內領先、具有國際水平的研發團隊；憑借上海國家級企業技術中心、德國海外研發中心以及雲南、廣東及福建等地的專業化研發部門，建立了一個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原動力，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；逐步建立一支具有國際視野的團隊，打造一個技術系統集成平台，全面提升綜合研發實力。

本內，鷹潭華寶、廣州華芳及無錫華海等多個集團下屬公司憑借創新研發及管理水平、產品技術含量、成果轉化能力及質量保證等重要指標，喜獲當地行政部門頒發「高新技術企業」證書，顯示了集團核心一體化產業鏈中各個部份的創新研發能力均達相當水平。

Management Discussion and Analysis

管理層討論及分析

Besides, the Group has more than 20 invention patents being recognized during the year, representing fruitful results achieved by the R&D team. Among all, they are:

A method for preparing ethanol by ferment using tobacco leaves as raw materials

A method to reduce total sugar content in tobacco leaves and its application

A method to reduce sugar and related matters using functional liquid

A method to reclaim tobacco flavours from tobacco waste

A method for extracting oligosaccharide from flue-cured tobacco

A method for extracting tobacco oil from tobacco seeds

A method for preparing reconstituted tobacco leaves with composite natural ingredient as additives

A method for improving quality of tobacco stem extract using ammoniation technology

Method, products and application of coating method for preparing flavored particles of cigarette filter

Method for identifying tonered dye in red peppers and tomatoes

The R&D team has also maintained a close cooperation with the industrial and research institutions, so as to promote bilateral technical exchanges. For example, it cooperated and discussed with major domestic tobacco groups, regional universities and strategic cooperation partners on the R&D of more than twenty subjects. Meanwhile, the Group has established a R&D branch in Germany since 2006; in February 2013, the Group started to establish a U.S.-based R&D centre, to develop alternatives to tobacco products (such as smokeless products) as key development direction, which is a new attempt by the Group to provide the Group and our customers with a technology platform that offers total solutions to high-standard products. The establishment of U.S. R&D centre is aimed to further improve the Group's international vision and level of R&D to render strong support to the development of system integration; in May 2013, the Group has started to establish an Analysis and Inspection Centre. It is with an aim to elevate the Group's analysis and inspecting capabilities and to provide backup support to the Group's long-term development.

Internationalized R&D team

國際化的研發團隊

Foreign experts	外籍專家	16*
Senior experts with over 20 years of experience	資歷超過20年的資深專家	35
Tobacco flavours technicians	煙用香精技術人員	59
Food flavours technicians	食用香精技術人員	39
Fragrances technicians	日用香精技術人員	9
Biological technology technicians	生化科技技術人員	33
Fragrances developing technicians	香料研發技術人員	39
New cigarette materials and new workmanship developing technicians	捲煙新材料及新工藝研發技術人員	70
Analysis, tests and quality control professionals	分析檢測和品控	141
Total	總數	441

* Including 5 are also senior experts with over 20 years of experience

另外，集團於年內有超過20項專利發明得以認定，研發團隊碩果累累，其中包括：

一種以煙葉為原料發酵制備乙醇的方法

一種降低煙葉總糖含量的方法及其用途

一種利用功能液降低煙葉中糖類物質含量的方法

一種從捲煙生產廢棄物中回收煙用香精的方法

一種從烤煙煙葉中提取低聚糖的方法

一種從煙草種子中提取煙油的方法

一種添加複合天然成分的煙草薄片的制備方法

一種利用氨化技術改善煙梗提取液品質的方法

包衣法制備捲煙過濾嘴用加香顆粒的方法、所得產品及用途

紅辣椒與西紅柿中蘇丹紅染料的鑑別方法

研發團隊亦不忘與行業及各類科研機構密切合作，促進雙方技術交流。如與國內主要煙草集團、地區大學及戰略合作伙伴等，合作研發及探討課題逾二十個。同時，集團自二零零六年起已在德國設立了研發中心；二零一三年二月，開始籌建位於美國的研發中心，以煙草替代產品（如無煙產品）為重點發展方向的另一嘗試，為集團和客戶提供高水平產品整體解決方案的科技平台。美國研發中心的成立，將進一步提升本集團的研發國際視野和水平，爭取為構建系統技術集成提供重要支撐；於二零一三年五月，集團開始籌建分析檢測中心，旨在提升本集團的檢測分析水平，並為集團長足發展提供後續支持。

* 其中5位亦為資歷超過20年的資深專家

With regard to R&D equipment, the Group introduced several advanced devices from abroad to further improve the hardware for its R&D. Among which, "Gel Permeation Chromatograph", a product of U.S. Waters, was introduced after the establishment in May 2011 of "Huabao Shanghai/U.S. Waters Jointly-Constructed Key Laboratory" through cooperation between Huabao Shanghai and U.S. Waters. As one of the largest professional manufacturers of liquid chromatography, mass spectrometry and related products in the world, U.S. Waters possesses powerful research institutions and a leading production plant of chromatographic column around the globe, it is one of the few professional manufacturers who has the capacity to produce three liquid chromatography elements as liquid chromatographs, chemicals and data processing system simultaneously.

Joint laboratories updates

During the year, supported by the Group's strong composite R&D platform, the research and experiments on a number of joint technology projects through several joint laboratories established with key customers, such as the research on and application of brand-oriented RTL technology, the cigarette combustion control technology, aromatic raw materials as well as several innovative cigarette materials, have obtained progressive results. Through close contact and communication, a series of experiments on the methodologies of control and inspection on the cigarette safety have been carried out, receiving top recognition from its business partners.

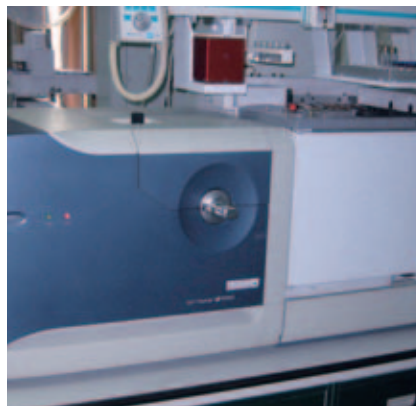
在研發設備方面，本集團從國外引進多台先進設備，進一步提升研發的硬件水平。其中，「凝膠滲透色譜儀」為美國沃特斯公司產品，是自二零一一年五月華寶上海與美國沃特斯合作成立「華寶上海／美國沃特斯公司聯合重點實驗室」後引進。美國沃特斯是全球最大的液相色譜、質譜及相關產品專業生產商之一，擁有實力雄厚的研究機構和全球領先的色譜柱生產工場，是少數同時生產液相色譜儀器、化學品及數據處理系統三大液相色譜要素的專業生產商。

聯合實驗室的最新情況

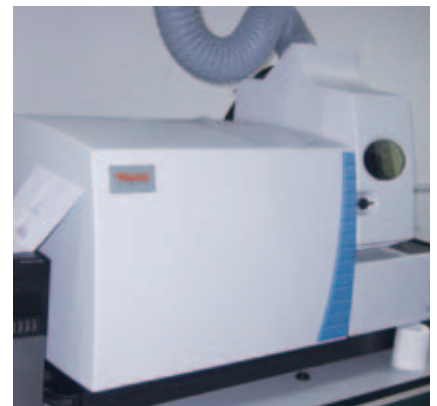
年內，依托本集團強大的綜合研發平台，通過與重點客戶建立的多個聯合實驗室分別開展了針對品牌專用煙草薄片技術、捲煙燃燒控制技術、特色香原料以及若干創新性捲煙材料的研究與應用等多項聯合技術項目的研究和實驗，並取得了階段性成果；在捲煙安全性控制和檢測方法等方面開展了緊密的聯繫與溝通，進行了一系列的試驗，亦獲得了業務伙伴的高度評價。



Gel Permeation Chromatograph
凝膠滲透色譜儀



Gas Series Flight Time Mass Spectrometer
氣相串聯飛行時間質譜儀



X2 Inductively Coupled Plasma Emission Mass Spectrometer
X2電感耦合等離子體發射質譜儀

Management Discussion and Analysis

管理層討論及分析

Human Resources and Corporate Culture Construction

The Group has 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, updates on official website, publications of Huabao Monthly and essay competitions. 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 has placed substantial emphasis on talent training. The Group has stepped up its efforts in creating a scientific and reasonable 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 a joint force in its staff to create more value for the Group. The Group established a sound training scheme for its reserve talents on the basis of external recruitment. The selection procedures applied to reserve talents include five stages, namely internal 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 organizes reserve talents selection and review 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.

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將其作為全體員工的奮鬥目標，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，以為客戶創造最大價值為己任，並把它作為每個員工的行為準則。集團通過領導專題文章或講話，官網更新、《華寶》月刊優化、徵文比賽等開展企業文化宣傳工作；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量提供科學、合理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，並保持團隊的凝聚力，為集團創造更大價值；集團在引進優秀人才的基礎上，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：內部推薦和選拔、單位審核，集團總部核查與批覆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及評估，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及監督。集團每年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及有序成長。通過人才梯隊建設，為企業的擴大和發展提供新生力量。

The Group has established a multi-level and 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, 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.

In regards to employee salary and incentive system, the Group has implemented a new remuneration system referenced to the market to attract stable and exceptional talents, so as to meet the Group's long term development needs. As at 31 March 2013, the Group employed a total of 2,507 employees in the PRC, Hong Kong, Germany, Botswana and Korea, representing an increase of 271 employees from 2,236 employees of last year. The labour costs of the year (including pension costs) amounted to HKD300,293,000, representing an increase of HKD108,085,000 from HKD192,208,000 of the last financial year. For details, please refer to Note 24 to the consolidated financial statements headed under "Employment Benefit Expenses". The increase in the labour costs was primarily attributable to the increase in the number of employees, hike of product prices and living standards in China and the Group's investment in human resources.

本集團建立了一套多層次及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。

在人員薪酬以及激勵機制方面，本集團根據市場化的原則，擬定了新一套薪酬制度，吸引和穩定優秀人才，適應集團的長遠發展需要。於二零一二年三月三十一日，本集團在中國大陸、香港、德國、博茨瓦納及韓國共聘用員工2,507人，比上年的2,236人增加271人。本年度共發生員工成本（包括退休金）為港幣300,293,000元，比上財政年度的港幣192,208,000元增加了港幣108,085,000元。有關詳情載於綜合財務報表附註24標題為「僱員福利開支」。本年度員工成本的增加，主要是由於員工人數增加、中國物價及生活水平的提高及以及集團加大對人才的投入所致。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Analysis of annual results for the year ended 31 March 2013

Sales revenue

The Group's sales revenue amounted to HKD3,645,940,000 for the year ended 31 March 2013, representing an increase of about 10.1% as compared with HKD3,311,304,000 for the last financial year. The continuous growth in sales revenue was mainly attributable to the stable growth momentum maintained by flavours and rapid growth in the sales of RTL. For the year ended 31 March 2013, sales revenue from flavours reached HKD2,997,495,000, contributing about 82.2% of total sales revenue; sales revenue from fragrances reached HKD165,272,000, contributing about 4.5% of total sales revenue; while sales revenue from RTL reached HKD483,173,000, contributing about 13.3% of total sales revenue.

Cost of goods sold

The Group's cost of goods sold amounted to HKD1,127,031,000 for the year ended 31 March 2013, representing an increase of about 15.6% as compared with HKD975,308,000 for the last financial year. The increase in cost of goods sold being higher than the increase in sales revenue was mainly attributable to the decrease in gross profit margin.

Gross profit and gross profit margin

Gross profit of the Group increased from HKD2,335,996,000 for the year ended 31 March 2012 to HKD2,518,909,000 for the year ended 31 March 2013, representing an increase of about 7.8%; gross profit margin was 69.1%, representing a decrease from 70.5% of the last financial year. The decrease in gross profit margin was mainly attributable to the change of the sectors' revenue mix, with sales revenue of RTL, whose gross profit margins are lower, to overall sales revenue ratio rapidly increased from approximately 7.6% for the last financial year to approximately 13.3% this year.

Other income

Other income of the Group was HKD176,692,000 for the year ended 31 March 2013, representing a decrease of HKD81,859,000 as compared with HKD258,551,000 for the last financial year. The significant decrease in other income was mainly attributable to factors such as significant decrease in exchange gain due to the appreciation of RMB during the current financial year was lower than that in the last financial year.

財務狀況回顧

截至二零一三年三月三十一日止年度的業績分析

銷售額

截至二零一三年三月三十一日止年度，本集團的銷售額達港幣3,645,940,000元，較上一財政年度的港幣3,311,304,000元，增長了約10.1%。銷售額的持續增長，主要是由於本集團食用香精香料保持穩步增長勢頭以及煙草薄片的銷售額快速增長所致。截至二零一三年三月三十一日止年度，食用香精香料的銷售額達港幣2,997,495,000元，佔總收入約82.2%；日用香精香料的銷售額達港幣165,272,000元，佔總收入約4.5%；煙草薄片的銷售額達港幣483,173,000元，佔總收入約13.3%。

銷售成本

截至二零一三年三月三十一日止年度，本集團的銷售成本為港幣1,127,031,000元，較上一財政年度的港幣975,308,000元，增加了約15.6%。銷售成本漲幅高於銷售收入漲幅，主要是由於毛利率的下降所致。

毛利和毛利率

本集團的毛利由截至二零一二年三月三十一日止年度的港幣2,335,996,000元增加至截至二零一三年三月三十一日止年度的港幣2,518,909,000元，增長了約7.8%；毛利率為69.1%，較上一財政年度的70.5%有所下降。毛利率的下降主要是由於業務板塊佔銷售收入的比重發生改變所致，毛利率較低的煙草薄片的銷售收入佔總收入的比重從去年的約7.6%，迅速上升至今年的約13.3%。

其他收益

截至二零一三年三月三十一日止年度，本集團的其他收益為港幣176,692,000元，較上一財政年度的港幣258,551,000元，減少了港幣81,859,000元。其他收益的大幅減少主要是由於本年度人民幣的升值幅度比去年少而令匯兌收益大幅減少等原因所致。

Selling and marketing expenses

The selling and marketing expenses of the Group mainly comprised of travelling expenses, transportation costs, salaries and office expenses. The selling and marketing expenses of the Group for the year ended 31 March 2013 were HKD139,464,000, representing an increase of about 31.8% as compared with HKD105,807,000 for the last financial year. Selling and marketing expenses to total sales revenue for the year ended 31 March 2013 and 2012 amounted to approximately 3.8% and 3.2% respectively. The increase of such ratio was mainly attributable to increases in employee benefit expenses and the Group stepped up its selling efforts which resulted in increase of related expenses.

Administrative expenses

The Group's administrative expenses amounted to HKD531,469,000 for the year ended 31 March 2013, representing an increase of approximately 25.1% as compared with HKD424,689,000 for the last financial year. Administrative expenses to total sales revenue during the current financial year amounted to approximately 14.6%, representing an increase of approximately 1.8 percentage points as compared with 12.8% for the last financial year. Among which the ratio of R&D expenses to total sales revenue was approximately 5.9%, increased by approximately 0.3 percentage point as compared with last financial year. The increase in the ratio of administrative expenses to total sales revenue was mainly attributable to the increase in R&D expenses, as well as employee benefit expenses and depreciation expenses, etc.

Operating profit

Operating profit of the Group for the year ended 31 March 2013 was HKD2,024,668,000, representing a decrease of approximately 1.9% as compared with HKD2,064,051,000 for the last financial year, while the operating profit margin decreased to approximately 55.5% of the current financial year from approximately 62.3% of the last financial year. The decrease in operating profit was mainly attributable to the significant decrease in other income, increase in selling and marketing expenses and administrative expenses, and lower gross profit margin.

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。本集團截至二零一三年三月三十一日止年度的銷售及市場推廣開支為港幣139,464,000元，較上年度的港幣105,807,000元，增加約31.8%。於截至二零一三年及二零一二年三月三十一日止年度銷售及市場推廣開支所佔銷售總額的比例分別為約3.8%及3.2%，該比例的增加主要是由於員工薪酬的增加及本集團加大銷售力度導致相關費用增加所致。

行政開支

本集團截至二零一三年三月三十一日止年度的行政開支為港幣531,469,000元，較上一財政年度的港幣424,689,000元，增加了約25.1%。而行政開支所佔本財政年度的銷售總額的比例為約14.6%，較上一財政年度的12.8%增加了1.8個百分點。其中研發費用佔本財政年度的銷售總額約5.9%，較上一財政年度增加了約0.3個百分點；行政開支金額及佔銷售比例增加的原因是集團研發費用、員工薪酬調整及折舊等費用的上升所致。

營運盈利

本集團營運盈利在截至二零一三年三月三十一日止年度為港幣2,024,668,000元，較上一財政年度的港幣2,064,051,000元，減少了約1.9%。而本集團的營運盈利率由上年度的約62.3%下降至本年度的約55.5%。營運盈利的減少主要是由於其他收益大幅下降、銷售及市場推廣開支和行政開支上升以及毛利率的下降所致。

Management Discussion and Analysis

管理層討論及分析

Income tax expenses

Income tax expenses of the Group for the year ended 31 March 2013 was HKD314,804,000, represent a slight increase as compared with HKD314,250,000 for the last financial year. Income tax rate of the current year was approximately 15.4%, which was slightly increased as compared with approximately 15.1% for last year. Income tax rate was stable as a whole.

Profit attributable to the equity holders of the Company

Profit attributable to the equity holders of the Company was HKD1,716,375,000 for the year ended 31 March 2013, representing a decrease of 1.9% as compared with HKD1,750,419,000 for the last financial year.

Net current asset value and financial resources

As at 31 March 2013, the net current asset value of the Group was HKD2,896,047,000 (2012: HKD2,254,535,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 31 March 2013, the Group's cash and bank balances amounted to HKD2,323,349,000 (2012: HKD2,286,577,000), over 91% 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 2013, the Group had bank borrowings of HKD465,000,000 (2012: HKD927,500,000), which are entirely unsecured loan with interest calculated based on HK dollars inter-banks borrowings rate. For the year ended 31 March 2013, the average annual interest rate of such unsecured loan was 2.47% (2012: 2.13%), which are due within one year. As at 31 March 2013, the Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests)) was about 6.4% (2012: 14.7%).

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 2013, the net cash used in investing activities amounted to HKD735,750,000, mainly incurred for the placement of short-term time deposits, procurement of properties, machineries and equipment. For the year ended 31 March 2012, the net cash used in investing activities amounted to HKD605,430,000.

稅務開支

本集團的稅務開支在截至二零一三年三月三十一日止年度為港幣314,804,000元，較上一財政年度的港幣314,250,000元稍為上升。本年度所得稅稅率約為15.4%，較去年度的約15.1%稍為上升。所得稅稅率整體平穩。

本公司權益持有人應佔盈利

本公司權益持有人應佔盈利在截至二零一三年三月三十一日止年度為港幣1,716,375,000元，較上一財政年度的港幣1,750,419,000元，減少1.9%。

流動資產淨值和財務資源

於二零一三年三月三十一日，本集團的流動資產淨值為港幣2,896,047,000元（二零一二年：港幣2,254,535,000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。於二零一三年三月三十一日，本集團的銀行及庫存現金為港幣2,323,349,000元（二零一二年：港幣2,286,577,000元），其中超過91%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

於二零一三年三月三十一日，本集團的銀行借貸總額為港幣465,000,000元（二零一二年：港幣927,500,000元），全部為信用貸款，按港元銀行同業拆借息率作基礎。截至二零一三年三月三十一日止年度，該無抵押貸款的平均年息率為2.47厘（二零一二年：2.13厘）並於一年內到期償還。於二零一三年三月三十一日，本集團之負債比率（總債務（包括流動及非流動貸款）除以總權益，不含非控制性權益）為6.4%（二零一二年：14.7%）。

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。截至二零一三年三月三十一日止年度，投資活動所用現金淨額為港幣735,750,000元，主要是增加了短期銀行定期存款，購買物業、機器及設備。而截至二零一二年三月三十一日止年度，投資活動所用的現金淨額為港幣605,430,000元。

Financing activities

For the year ended 31 March 2013, the net cash used in financing activities amounted to HKD1,285,984,000, mainly used for dividend distribution to shareholders, loan repayment and share repurchases. For the year ended 31 March 2012, the net cash used in financing activities amounted to HKD411,962,000.

Debtors' turnover period

Debtors' turnover period is calculated on the basis of the average amount of trade receivables net of provisions as at the beginning and 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 2013, the Group's average debtors' turnover period was 72 days, representing an increase of 2 days as compared with 70 days for the last financial year. Debtors' turnover period remains stable.

Creditors' turnover period

Creditors' turnover period is calculated on the basis of the average amount of trade payables as at the beginning and the end of a relevant financial 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 2013, the Group's average creditors' turnover period was 118 days, representing a decrease of 4 days as compared with 122 days for the last financial year. Creditors' turnover period remains stable.

Inventory and inventory turnover period

As at 31 March 2013, the Group's inventory balance amounted to HKD702,316,000 (2012: HKD667,871,000). For the year ended 31 March 2013, the inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning and end of a relevant financial year divided by the total cost of goods sold for the corresponding period and multiplied by 360 days) was 219 days, representing an increase of 9 days as compared with 210 days for the last financial year. The increase in inventory and longer inventory turnover period for the year was due to the increase in amount of raw materials and finished goods resulted from the production scale expansion of second phase of Guangdong Jinye production line since it was completed and commenced production in November 2012.

融資活動

截至二零一三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1,285,984,000元，主要用於向股東派發股息、償還貸款及回購股份。而截至二零一二年三月三十一日止年度，融資活動所用的現金淨額為港幣411,962,000元。

應收賬週轉期

應收賬週轉期乃通過將有關財政年度年初及年末經扣除撥備的應收貿易賬款平均金額除以相應期間的營業總額再乘以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。截至二零一三年三月三十一日止年度，本集團的平均應收賬週轉期為72日，比較上一個財政年度的70日上升了2日，基本穩定。

應付賬週轉期

應付賬週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。截至二零一三年三月三十一日止年度，本集團的平均應付賬週轉期為118日，比較上一個財政年度的122日下降了4日，基本穩定。

存貨和存貨週轉期

本集團的存貨結餘於二零一三年三月三十一日為港幣702,316,000元（二零一二年：港幣667,871,000元）。在截至二零一三年三月三十一日止年度，存貨週轉期（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219日，較上一財政年度的210日增加了9日。存貨和存貨週轉期較上年度有所增加是由於廣東金葉二期生產線於二零一二年十一月竣工投產後生產規模逐步擴大令原材料及製成品儲備總值上升所致。

Management Discussion and Analysis

管理層討論及分析

Foreign exchange and exchange rate risk

The principal businesses of the Group are located in Mainland China and the majority of the sales revenue is denominated in RMB, with the exception of only a certain amount of imported raw materials and equipment which are denominated in foreign currency such as USD or EUR. The Group is of the view that the risk of RMB depreciation is very low. As a result, the Group's exposure to exchange rate risk is relatively low.

Pledge of assets

As at 31 March 2013, the Group did not pledge any of its assets.

Capital commitments

As at 31 March 2013, the Group had capital commitments in respect of the purchase of property, plant, equipment, and investment in an associate, contracted for but not provided in the financial statements amounting to approximately HKD188,930,000 (2012: HKD385,586,000), the majority of which related to capital injection into Huangguoshu Jinye.

Contingent liabilities

According to the information available to the Board, the Group had no contingent liabilities as at 31 March 2013.

外匯及匯率風險

本集團的主要業務均在中國，收入絕大部份業務都以人民幣結算，僅部份進口原料及設備以美元或歐元等外幣結算。預期人民幣並無重大貶值風險，因此本集團所承擔之匯率風險也較低。

資產抵押

於二零一三年三月三十一日，本集團並無資產抵押。

資本承擔

於二零一三年三月三十一日，本集團就已訂約購買的物業、廠房、設備及於聯營公司之投資但並未於財務報表撥備的資本承擔約港幣188,930,000元（二零一二年：港幣385,586,000元），主要為注資於黃果樹金葉。

或然負債

根據可供董事會查閱的資料，本集團於二零一三年三月三十一日並無任何重大的或然負債。

FUTURE DEVELOPMENT PLANS

The global economic conditions are uncertain, while China's economic structural adjustment continues. The macro-economic environment is presented with a potential downside risk. Food and beverage and additives industries have entered into a stage of adjustment in consumption structures, while the tobacco industry has entered into a mature and stable stage, policy adjustment and restrictions may impose uncertainties on sales growth and upgrading of structure of consumption. All of the above may affect the Group's future development.

In respect of tobacco business, the Group will continue to adhere to take big customers as a business base and fully boost a new business model, namely utilizing the end-market as a pivotal point, to design and create competitive products for its customers from flavours, RTL, new cigarette materials and other different perspectives in order to achieve mutual development.

In respect of food ingredients and flavours businesses, the Group will adopt corresponding development strategies against the operating characteristics of all market segments and highlighted our competitive advantages in terms of branding, product quality and safety. It will proactively adjust its product structure, and continue to enhance its profitability while focusing on investment return to strive to achieve stable growth.

In respect of fragrances, due to intense competition in the industry, the Group will concentrate on development of Xiamen Amber's competitive advantages in aromatic, sanitizing and pesticide businesses, optimize the raw material purchasing system, strictly control product quality and expand healthy and natural new products. The Group will put efforts on expanding overseas markets while maintaining well servicing to domestic major customers.

In respect of RTL, the Group will utilize end market consumers as the pivot point, to fully integrate the Group's overall competitiveness in tobacco chemistry technology, RTL coating base technology and new cigarette materials; to utilize systemic technology integration, to promote product and production workmanship innovation, in order to provide customers with solutions on products' taste profiles and comprehensive services; by ways of organic development and acquisition, to gradually develop into the Group's long-term growth engines. In addition, the Group will also keep exploring and researching on the possibility and feasibility of multi-channels of financing.

未來業務發展計劃

全球經濟形勢不明朗，中國經濟的結構調整仍在繼續，宏觀的經濟存在繼續下行的風險。食品飲料及添加劑行業進入了消費結構的調整期，煙草行業進入了成熟穩定期，及政策上的調控和限制將對銷售量增長以及消費結構的提升帶來不確定性；以上都將對集團未來的發展帶來影響。

在煙草業務方面，本集團將繼續堅持以大客戶為業務基礎，全力推進新的業務模式，即以終端市場為導向，從香精香料、煙草薄片及捲煙新材料等不同的角度，為客戶設計及創造具有競爭優勢的產品，實現雙方共同的發展。

在食品配料及香精香料業務方面，本集團將針對各細分市場的經營特點，採取相應的發展策略，突出我們在品牌、產品質量及安全性等方面的競爭優勢；積極調整產品結構，不斷提升盈利能力；注重投資回報，努力實現平穩增長。

在日用香精香料方面，針對激烈的行業競爭，本集團將集中精力發展廈門琥珀在熏香、消毒及殺蟲等業務上的競爭優勢，優化原材料採購體系，嚴格控制產品質量，拓展健康及天然的新型產品。在服務好國內大客戶的同時，努力拓展海外市場。

在煙草薄片方面，本集團將以終端市場消費者為導向，充分結合集團在煙草化學技術、煙草薄片塗布液裡料技術以及捲煙新材料的綜合優勢，採用技術系統集成，開發創新性的產品和生產工藝，為客戶提供產品風味系統解決方案和綜合技術服務；通過有機發展和併購的方式，逐步發展成為集團長期增長引擎；另外，亦將不斷探索和研究的多渠道融資的可能性和可行性。

Management Discussion and Analysis

管理層討論及分析



Outlook appearance of Guangdong Jinye production base and office tower in Shantou
位於汕頭的廣東金葉生產基地及辦公大樓外貌

As regards the use of cash, the Group has always insisted on its principal in using its ample cash flow generated from operation prudently. After taking into consideration of its business expansion, the Group has timely paid off its bank loan, and has continually rewarded Shareholders through share repurchases, basic dividends and special dividends. These measures have indicated that the management is proactively taking actions to improve cash management to further optimize return on equity. With respect to business development, the Group will continue to invest in the RTL and new cigarette materials fields in the future and the capital expenditure for next year is planned to be HKD500 million.

The Group remains confident that, by adhering to the development strategy of “multi-pronged, focus growth”, to insist on innovation, to precisely using the end market as a pivotal point, to utilize technology systemic integration, to develop innovative products and production workmanship, and to provide customers with solutions on products’ profile and comprehensive services, then the Group will be able to overcome challenges and to further solidify its market share in the flavours and fragrances industry; it will fully boost development of RTL and new cigarette materials businesses; meanwhile, when the Group realizes continuous growth, it will also focus on investment return and to create higher value for its shareholders.

在現金使用方面，本集團歷來對營運產生的豐富現金流堅持審慎使用的原則，在兼顧業務拓展的同時，適時償還銀行貸款，又通過股票回購、基本股息及特別股息不斷回饋股東，這些舉措表明了管理層正在積極採取行動提升現金管理水平，進一步優化股本回報率。在業務發展方面，未來集團將繼續在煙草薄片和捲煙新材料領域進行投資，計劃下年度的資本開支在港幣5億元。

本集團深信，只要堅持同心多元化的發展策略，堅持創新理念，真正基於終端市場需求，採用技術系統集成，開發創新性的產品和生產工藝，為客戶提供產品風味系統解決方案和綜合技術服務；就能夠戰勝挑戰，進一步鞏固在香精香料行業的市場份額；並全速推進煙草薄片和捲煙新材料業務的發展；同時，本集團在實現持續增長的同時將始終注重投資回報，為股東創造更大的價值。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)

Executive Directors 執行董事



Ms. CHU Lam Yiu, aged 43, the Chairman, CEO (with effect from 9 April 2013), Executive Director and the Chairman of the Nomination Committee 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 35 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 a member of the Fifth 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 page 82 headed under Directors' Interests in Shares, Underlying Shares and Debentures.

朱林瑤女士，43歲，本公司主席、總裁（於二零一三年四月九日生效）、執行董事及提名委員會主席。朱女士亦是載於綜合財務報表附註35分別有「C1」和「C2」符號之本公司主要附屬子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。朱女士現任中國人民政治協商會議廣東省深圳市第五屆委員會委員。朱女士，透過受其控制的公司，實益擁有本公司股份，詳情已載於第82頁標題為「董事於股份、相關股份及債券之權益」。



Mr. LAU Chi Tak, aged 56, the CEO and Executive Director of the Company (retired with effect from 8 April 2013). Mr. Lau holds a Bachelor's degree in chemistry and has over 20 years' experience in the international flavours and fragrances industry. He held a managerial position in a leading international flavour and fragrance company before joining the Company. He 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，56歲，本公司總裁及執行董事（於二零一三年四月八日退任）。劉先生持有化學學士學位，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及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。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Mr. POON Chiu Kwok, aged 50, an Executive Director, Vice President and the Company Secretary of the Company. Mr. Poon was awarded the postgraduate diploma in laws by the University of London. He holds a Bachelor's degree in laws and a Bachelor's degree in business studies and a Master's degree in international accounting. He is a member of the Hong Kong Securities and Investment Institute, a fellow of The Institute of Chartered Secretaries and Administrators and a fellow of The Hong Kong Institute of Chartered Secretaries and a member of its Technical Consultation Panel. He worked as a regulator and investment banker and has experience in finance and securities regulations. Mr. Poon ceased to serve as an independent non-executive director of Tsingtao Brewery Company Limited in June 2011 and China Tianrui Group Cement Company Limited in December 2012 respectively. He now serves as an independent non-executive director of Guangzhou Shipyard International Company Limited (listed on both the Stock Exchange and Shanghai Stock Exchange ("SSE")), Ningbo Port Company Limited (listed on the SSE), SUNAC China Holdings Limited, Yuanda China Holdings Limited and Changan Minsheng APLL Logistics Co., Ltd. (the latter three companies are listed on the Stock Exchange).

潘昭國先生，50歲，本公司執行董事、副總裁及公司秘書。潘先生獲英國倫敦大學授予法學深造文憑，擁有法學學士學位、商業學學士學位和國際會計學碩士學位，為香港證券及投資學會會員、英國特許秘書及行政人員公會及香港特許秘書公會資深會士及其技術諮詢小組成員。彼曾擔任監管及投資銀行工作，在金融及證券法規方面擁有經驗。潘先生分別於二零一一年六月及二零一二年十二月卸任青島啤酒股份有限公司及中國天瑞集團水泥有限公司之獨立非執行董事。潘先生現任廣州廣船國際股份有限公司（於聯交所及上海證券交易所（「上交所」）上市）、寧波港股份有限公司（於上交所上市）、融創中國控股有限公司、遠大中國控股有限公司和重慶長安民生物流股份有限公司的獨立非執行董事（後者三家公司均於聯交所上市）。



Mr. WANG Guang Yu, aged 49, an Executive Director and Vice President of the Company. Mr. Wang is also 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 35 to the consolidated financial statements. Mr. Wang holds a Master's degree in chemical analysis and has a qualification of senior engineer. Mr. Wang was an expert with special allowance provided 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. He has over 20 years of R&D and management experiences in the chemical industry.

王光雨先生，49歲，本公司執行董事及副總裁。王先生亦是載於綜合財務報表附註35分別有「W1」及「W2」符號之本公司主要附屬子公司的董事及法定代表人。王先生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作出的突出貢獻。王先生曾任職於中國內地大型化工企業管理職位，擁有超過二十年化工技術研發及管理方面經驗。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Mr. XIA Li Qun, aged 46, an Executive Director, Executive Vice President, Chief Financial Officer and a Member of the Remuneration Committee of the Company. Mr. Xia is also 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 35 to the consolidated financial statements. Mr. Xia holds a Bachelor's degree 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. He previously worked in domestic accounting firms in China and was a senior management member of a foreign invested enterprise in China. Mr. Xia is currently the Honorary Chairman of the Shanghai Food Additive Trade Association.

夏利群先生，46歲，本公司執行董事、常務副總裁、財務總監及薪酬委員會會員。夏先生亦是載於綜合財務報表附註35分別有「X1」及「X2」符號之本公司主要附屬子公司的董事及法定代表人。夏先生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行業協會名譽會長。



Mr. XIONG Qing, aged 36, an Executive Director and Vice President of the Company. Mr. Xiong is also a director of the Company's principal subsidiaries marked with "XQ1" as set out in note 35 to the consolidated financial statements. Mr. Xiong majored in international accounting from Tsinghua University School of Economics and Management, and graduated with a Bachelor's degree in economics and he is also an EMBA degree holder of INSEAD in France. Prior to joining the Group, Mr. Xiong worked in several international investment banks for years. He has extensive experiences with Chinese enterprises and international capital market.

熊卿先生，36歲，本公司執行董事及副總裁。熊先生亦是載於綜合財務報表附註35有「XQ1」符號之本公司主要附屬子公司的董事。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，並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。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)

Independent Non-Executive Directors 獨立非執行董事



Dr. JIN Lizuo, aged 55, an Independent Non-executive Director and a Member of each of the Audit Committee and Nomination Committee of the Company. Dr. JIN graduated from Peking University and Oxford University and holds a Bachelor's degree in political economics and a Doctorate's degree in economics respectively. Dr. JIN had worked for university, the PRC government, international investment banks and consultancy firm, accumulated experiences in civil sectors and business consultancy. Dr. JIN also has experience in serving as an independent director of listed companies. Dr. Jin retired as an independent non-executive director of Cosco Shipping Co., Ltd. (listed in Shanghai) upon expiry of term in March 2012. He is currently an independent non-executive director of Beijing Development (Hong Kong) Limited (listed on SEHK).

金立佐博士，55歲，本公司獨立非執行董事、審核委員會和提名委員會會員。金博士畢業於北京大學和英國牛津大學，分別獲授政治經濟學學士學位及經濟學博士學位。金博士曾就職於大學、中國政府機關、國際投資銀行和顧問公司，累積了多年政府和企業顧問工作經驗，亦擁有任職上市公司獨立董事經驗。金博士於二零一二年三月屆滿卸任中遠航運股份有限公司（於上海上市）之獨立非執行董事。彼現任北京發展（香港）有限公司（於聯交所上市）之獨立非執行董事。



Mr. LEE Luk Shiu, aged 55, an Independent Non-executive Director, the Chairman of each of the Audit Committee and Remuneration Committee and a Member of the Nomination Committee of the Company. Mr. Lee is a fellow member of ACCA and an associate member of HKICPA. Mr. Lee has about 30 years of experience in commercial accounting and corporate finance. Mr. Lee has principally engaged in corporate finance and regulatory aspects in the Stock Exchange. He 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. Mr. Lee also served as a senior consultant of an investment bank for more than 5 years.

李祿兆先生，55歲，本公司獨立非執行董事、審核委員會主席、薪酬委員會主席和提名委員會會員。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。李先生在商業會計及企業融資方面擁有約三十年豐富經驗，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。彼亦曾擔任一間投資銀行的高級顧問逾五年時間。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Ms. MA Yun Yan, aged 52, an Independent Non-executive Director and a Member of each of the Audit Committee and Remuneration Committee of the Company. Ms. Ma has been serving as an Independent Non-executive Director of the Company since September 2004. She graduated from the Law School of Peking University in 1984 and has been 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., Wisesoftware Co., Ltd., which shares are listed in the Mainland, and also AAC Technologies Holdings Inc., CGN Mining Company Limited (formerly known as "Vital Group Holdings Limited") and Shenzhen High-Tech Holdings Limited, which shares are listed in Hong Kong. Ms. Ma was one of the members of the Fourth Listing Committee of Shenzhen Stock Exchange. From August 2009 to August 2011, Ms. Ma was a member of the Growth Enterprises Board Public Offering Review Committee of China Securities Regulatory Committee. She is now an independent non-executive director of Rainbow Department Store Co., Ltd. (will be retired upon expiry of term in July 2013) which is a Shenzhen listed company.

麻雲燕女士，52歲，本公司獨立非執行董事、審核委員會和薪酬委員會會員。麻女士自二零零四年九月起出任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、四川大智勝軟件股份有限公司；香港上市公司瑞聲科技控股有限公司、中廣核礦業有限公司（前稱「維奧集團控股有限公司」）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。麻女士曾經擔任深圳證券交易所第四屆上市委員會委員。麻女士由二零零九年八月至二零一一年八月止，受聘擔任中國證券監督管理委員會創業版發行審核委員會委員。麻女士現任深圳上市的天虹商場股份有限公司之獨立非執行董事，並將於二零一三年七月屆滿卸任。

Note: Information contained in this section was up to 31 March 2013 and listed in alphabetical order of surname.

附註：此部份所載資料乃截至二零一三年三月三十一日止及按英文姓氏字母順序編排。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)

Senior Management 高級管理層



Mr. YANG Tao, aged 36, is a Vice President of the Company and General Manager of Guangdong Jinye. Mr. Yang graduated from Yunnan University majored in biology and holds a Bachelor's degree in science, later he studied at the Kunming Institute of Botany, Chinese Academy of Sciences and obtained a Doctorate's degree in science. Before joining the Group, Mr. Yang worked for relevant enterprises and has extensive R&D experience in new cigarette materials and relevant fields.

楊濤先生，36歲，本公司副總裁及廣東金葉總經理。楊先生畢業於雲南大學生物學專業，獲理學學士學位，後就讀於中國科學院昆明植物研究所，獲理學博士學位。楊先生在加入本集團前，曾在相關企業任職，在捲煙新材料及相關領域有豐富的研發經驗。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Mr. CHEN Hu, aged 39, is a Director of Food Flavours and Fragrances Centre of the Group. Mr. Chen is a graduate of Central South University with a Bachelor's degree in economics. Mr. Chen is currently studying for an EMBA degree from Nanyang Technological University. Before joining the Group, Mr. Chen worked for several companies and has extensive experience in merger and acquisition, marketing and management. Mr. Chen is currently the Deputy Director of Chinese Baked Products and Sugared Products Industry Association.

陳虎先生，39歲，集團食品及日用香精香料中心總監。陳先生畢業於中南工業大學，獲經濟學學士學位，目前正攻讀南洋理工大學EMBA學位。陳先生在加入本集團前，曾在多家企業任職，對投資併購、市場營銷和企業管理方面擁有豐富經驗。陳先生現擔任中國焙烤食品和糖製品工業協會副理事長。



Mr. CHOY Man Fai, aged 49, is a Director of Tobacco Flavours and Fragrances Centre of the Group, responsible for marketing and sales of tobacco flavours. He holds a diploma of Applied Chemical Technology of Hong Kong Polytechnic University. Mr. Choy served as a marketing manager in a number of world renowned flavours and fragrances companies. Mr. Choy has over 20 years of experience in flavours and fragrances marketing and management.

蔡文輝先生，現年49歲，集團煙用香精香料中心總監，負責煙用香精市場與銷售工作。彼持有香港理工大學應用化學技術工藝專業文憑。蔡先生曾任職於多家國際知名香精香料公司市場銷售管理職位。蔡先生擁有超過二十年香精香料市場行銷及管理方面經驗。



Mr. Alan DAVIES, aged 65, is a Chief Technical Officer of tobacco flavours and General Manager of Aromascope R&D 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 BBA, Carreras Rothmans, Dragoco and Symrise. Mr. Davies has over 35 years of experience in tobacco flavours.

Mr. Alan DAVIES，65歲，煙用香精香料技術總監，德國Aromascope研發中心總經理。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BBA，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。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Mr. SONG Jun He, aged 44, is an Assistant to the President of the Group. Mr. Song graduated from Anhui University and holds a Bachelor's degree in analytical chemistry, later he studied at Zhejiang University and obtained a Master's degree in management. Before joining the Group, Mr. Song was a board member of a large domestic chemical enterprise. He has comprehensive management experience in R&D and production in the field of chemical industry.

宋俊和先生，44歲，集團總裁助理。宋先生畢業於安徽大學，獲分析化學專業學士學位，後就讀於浙江大學，獲管理學碩士學位。宋先生在加入本集團前，曾在一家國內大型化工企業擔任董事會成員，具有豐富的化工行業技術研發及生產等綜合管理經驗。



Mr. XIA Zheng Lin, aged 51, is an Assistant to the President of the Group. Mr. Xia graduated from Huazhong Agricultural University, holds a Bachelor's degree in microbiology and is a qualified senior engineer of the STMA. Before joining the group, Mr. Xia served as a technology researcher in a domestic leading tobacco group research institute. Mr. Xia has extensive experience in marketing and business management of tobacco flavours technology.

夏正林先生，51歲，集團總裁助理。夏先生畢業於華中農業大學，獲微生物學學士學位，彼亦持有國煙局高級工程師資格。夏先生在加入本集團前，曾在一家國內領先的煙草集團研究院擔任工藝研究員，具有豐富的煙用香精香料技術銷售及企業經營管理經驗。



Ms. YUAN Xiao Qin, aged 45, is an Assistant to the President of the Group and Vice General Manager of Guangdong Jinye. She holds an MBA degree and is a qualified engineer. Before joining the Group, Ms. Yuan served as executive in a Hong Kong-listed state-owned enterprise. She has around 20 years of experience in senior management position. She is currently the Representative of the People's Congress in Shantou City, Guangdong Province, a Member of the National Committee of the Chinese People's Political Consultative Conference in Chaoyang District, Shantou City and the Vice-president of the Federation of Industry and Commerce in Chaoyang District, Shantou City.

袁肖琴女士，45歲，集團總裁助理和廣東金葉副總經理。彼持有工商管理碩士學位及工程師資格。袁女士在加入本集團前，在一家香港上市的中國國有企業擔任管理職務，擁有近二十年的高層行政經驗。現擔任廣東省汕頭市人民代表大會代表、汕頭市潮陽區政協委員、汕頭市潮陽區工商業聯合會副主席。

Note: Information contained in this section was up to 31 March 2013 and listed in alphabetical order of surname.

附註：此部份所載資料乃截至二零一三年三月三十一日止及按英文姓氏字母順序編排。

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.

CORPORATE GOVERNANCE

Throughout the year, the Company had complied with the code provisions in the CG Code and, where appropriate, adopted the recommended best practice as set out in the code provisions, except for code provisions A.4.1 and A.6.7:

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

Code provision A.6.7 provided that, INEDs and other non-executive directors should attend general meetings. Due to other business commitment abroad, Dr. JIN Lizuo (INED of the Company) was unable to attend the AGM of the Company held on 8 August 2012 (the "2012 AGM"). However, the other two INEDs of the Company, Mr. LEE Luk Shiu and Ms. MA Yun Yan attended the 2012 AGM and answered questions from shareholders and exchanged views.

Enhancing corporate governance is not simply a matter of applying and complying with the CG Code but about promoting and developing an ethical and healthy corporate culture. The Directors will continue to review and, where appropriate, improve the current practices on the basis of the experience and regulatory changes to enhance the confidence of shareholders of the Company and to safeguard shareholders' interest as well as the key to assuring healthy business developments.

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。

企業管治

於年內，本公司已遵守企業管治守則之守則條文，並在適當的情況下採納守則條文所載之建議最佳常規，惟守則條文第A.4.1條及A.6.7條除外：

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

守則條文第A.6.7條規定獨立非執行董事及其他非執行董事應出席股東大會。本公司的獨立非執行董事金立佐博士由於身在海外有其他業務在身，故此無法出席本公司於二零一二年八月八日舉行的股東週年大會（「二零一二年股東週年大會」），但本公司另外兩位獨立非執行董事李祿兆先生及麻雲燕女士已出席二零一二年股東週年大會，回答股東的提問及交流意見。

提升企業管治水平並非僅為應用及遵守企業管治守則，乃為推動及發展具道德與健全的企業文化。董事將按經驗、監管條例之變動，將持續檢討並在適當的情況下提升本公司之現行常規作為保證業務健康發展、加強本公司股東信心和保障股東利益的關鍵。

Changes to Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) subsequent to the date of the Interim Report as of 30 September 2012 of the Company are set out below:

1. Mr. POON Chiu Kwok was appointed as Vice President of the Company since 17 February 2013.
2. Mr. WANG Guang Yu was appointed as Vice President of the Company since 17 February 2013.

THE BOARD

Board Composition

The Company has a well-balanced Board. The Board comprises six Executive Directors and three INEDs. The members of the Board are as follows:

Executive Directors

Ms. CHU Lam Yiu

(Chairman and CEO (with effect from 9 April 2013))

Mr. LAU Chi Tak

(retired as CEO and Executive Director with effect from 8 April 2013)

Mr. POON Chiu Kwok (Company Secretary)

Mr. WANG Guang Yu

Mr. XIA Li Qun (CFO)

Mr. XIONG Qing

Independent Non-executive Directors

Dr. JIN Lizuo

Mr. LEE Luk Shiu

Ms. MA Yun Yan

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 45 to 52 of this annual report. The present Board has experience, expertise, and qualifications in aspects of production, management, accounting and finance, legal and regulatory experience both in Hong Kong and China. One out of three INEDs possesses recognized professional qualification in accounting or financial management. The INEDs bring independent judgment, professional knowledge and experience appropriate for the Board's deliberations. All Directors have relevant qualifications in relevant field of expertise and have exhibited personal and professional ethics and integrity. This diversity of experiences and backgrounds enables the Board to enhance good corporate governance and performance standard and to bring in valuable contributions and objective advices for the development of the Group's businesses.

董事資料更新

根據上市規則第13.51B(1)條，按照第13.51(2)條(a)至(e)和(g)段要求，於本公司截至二零一二年九月三十日止之中期報告日期之後的董事資料變動載列如下：

1. 潘昭國先生自二零一三年二月十七日起獲委任為本公司的副總裁。
2. 王光雨先生自二零一三年二月十七日起獲委任為本公司的副總裁。

董事會

董事會成員

本公司有一個全面化的董事會。董事會由六名執行董事和三名獨立非執行董事組成。董事會成員如下：

執行董事

朱林瑤女士

(主席兼總裁 (於二零一三年四月九日生效))

劉志德先生

(於二零一三年四月八日退任總裁及執行董事)

潘昭國先生 (公司秘書)

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

金立佐博士

李祿兆先生

麻雲燕女士

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45頁至第52頁。現時之董事會於生產、管理、會計及金融、法律及香港及中國規管方面具有經驗、專長及資格。三名獨立非執行董事當中一名擁有認可的會計專業資格或相關財務管理專長。獨立非執行董事為董事會議事提供適當專業的知識、經驗及獨立判斷。所有董事在其專業範圍內擁有相關資歷，並顯示了個人專業操守和誠信。董事會的多元化經驗及背景可提升良好企業管治表現及標準，並為本集團業務發展帶來寶貴貢獻及客觀建議。

During the year ended 31 March 2013, the Board met the requirements of the Listing Rules relating to the appointment of INEDs representing at least one-third of the board, 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.

Chairman and Chief Executive Officer

The role of Chairman and CEO of the Company was taken up by different persons for the period from 9 April 2008 to 8 April 2013*. To ensure a balance of power and authority, the Company has established a clear and defined division of the responsibilities between the Chairman, Ms. CHU Lam Yiu, and the CEO, Mr. LAU Chi Tak, in accordance with the CG Code.

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 Company Secretary and the Qualified Accountant ("QA"), 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 plans 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 professional 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;
- 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;

* Mr. LAU Chi Tak retired as CEO and Executive Director with effect from 8 April 2013.

* Ms. CHU Lam Yiu appointed as CEO with effect from 9 April 2013.

於截至二零一三年三月三十一日止年度內，董事會符合上市規則有關委任佔董事會成員人數至少三分之一的獨立非執行董事，並且其中至少一名獨立非執行董事須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。

主席和總裁

自二零零八年四月九日至二零一三年四月八日期間，董事會主席和總裁由不同人士擔任*。為確保平衡權力和授權，本公司已按企業管治守則清晰和明確區分主席朱林瑤女士，及總裁劉志德先生的職責。

主席之職責乃管理董事會，當中包括：

- 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、公司秘書及合資格會計師（「合資格會計師」）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完整、可靠和及時的資料，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；
- 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，並就任何獲提呈加入議程之事項，與其他董事聯繫；

* 劉志德先生於二零一三年四月八日退任總裁及執行董事。

* 朱林瑤女士於二零一三年四月九日獲委任為總裁。

Corporate Governance Report

企業管治報告

- To let directors express their views at board meetings, encourage all directors to make a full and active contribution to the board's affairs and to ensure that board decisions fairly reflect board consensus; and
- To ensure good corporate governance practices and procedures are in place. The Chairman, through the CFO, the Company Secretary and the QA, oversees the implementation of the code provisions and procedures set out in the CG Code.
- 讓每名董事在董事會會議中發表意見，鼓勵所有董事全力投入董事會事務，並確保董事會的決定符合本公司最佳利益；及
- 確保良好之企業管治常規及程序妥善執行。主席透過財務總監、公司秘書及合資格會計師，監督公司實行企業管治守則所載之守則條文及程序。

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 CFO and designated directors.
- 總裁之職責乃管理本公司業務，當中包括：
 - 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
 - 於財務總監和指定的董事的支持下，制定及維持合適的內部監控及制度。

Roles and Responsibilities of Directors

The Board, led by the Chairman, is collectively responsible for formulating and approving the business strategies of the Company, setting objectives for management, overseeing its performance and assessing the effectiveness of management strategies.

The primary objective of the Board is to maximize the profit of the Company and to enhance long-term value of the Company for the shareholders. To this end, the Board assumes the responsibilities for leadership and control of the Company and oversees the businesses, strategic development, financial performance and corporate governance of the Group. All new board members have been given information on the general business background and policy of the Company on joining the board and all the Directors have been provided with regular trainings by external experienced lawyers to update and refresh the applicable legal and other regulatory requirements and enhance the knowledge and skills required from Directors to perform their duties.

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

董事的角色和責任

在主席領導下，董事會負責制定審批公司的業務策略、為管理層設立目標、監督業務表現和評估管理策略的作用效益。

董事會之主要目的乃為權益持有人得到最大盈利及提高並保護公司的長期價值。為此，董事會負有領導並控制本公司、監察本集團業務、策略發展方向、財務表現和企業管治的責任。所有新的董事會成員在加入董事會時，均獲有關本公司一般業務背景和政策之資料。全體董事均獲經驗豐富的外聘律師提供定期培訓，以更新適用法規及監管規定要求和增進董事履行董事職責時所需的知識技能。

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。

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.

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.

Board Meetings

The Company conducts scheduled Board meetings on a quarterly basis to discuss strategies and business issues, including financial performance, of the Group. Details of attendance of the Directors at the physical meetings are set out on page 70 of this annual report.

Notices of 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/her proposed items into the agenda. The agenda and the relevant board papers are then circulated to the Directors at least three days before a Board meeting is convened 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 kept by the Company Secretary/Legal Department are sent to the Directors and committee members respectively for records and are open for inspection by the Directors and committee members. 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 relevant director(s) having an interest in the matter will abstain from voting.

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/Legal Department 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. INEDs are encouraged to take an active role in Board meetings and serve on the sub-board committees.

During the year, the chairman has held a meeting with the INEDs without the presence of Executive Directors.

本公司之公司細則載有關於董事會責任及議事程序的條文。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，公司設有適當的組織架構和清晰的責任和權限。

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。

董事會會議

董事會每季舉行預定的董事會會議，討論政策和業務事宜，包括本集團業務表現。董事出席會議的紀錄載於本年報第70頁。

本公司會在會議舉行前最少十四日向各董事會成員派發董事會會議通告，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最少三日供董事傳閱，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初稿分別會供董事及有關董事委員會成員審閱後方定稿，最後版本呈送給董事和相關委員會成員並由公司秘書／法務部保管，可供所有董事及委員會成員查閱。如個別董事在董事會會議擬考慮的事項中存有利益，該（等）董事需放棄投票，董事會確保有足夠的獨立董事參與會議作出決策。

各董事均有權查閱董事會文件及有關資料以及取得公司秘書／法務部的意見及服務，確保董事會程序及所有適用規則及規例均獲得遵守，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。本公司鼓勵獨立非執行董事積極參與董事會會議，並擔任董事會下屬委員會會員。

於年內，主席已與獨立非執行董事舉行一次沒有執行董事出席的會議。

Directors' Appointment and Re-election

Although all the Directors were not appointed for a specific term, every Director shall, in accordance with Bye-laws 87 of the Company, 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.

Directors' Interests and 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 in writing that they have complied with the required standard as set out in the Model Code throughout the year. Full details of the Directors' interests in the shares are set out on page 82 of this annual report.

Delegation of Directors

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 specific rules and policies on such delegation of power to facilitate efficient operation of the Company and is supported by three committees which are Remunerations Committee, Audit Committee and Nomination Committee.

BOARD COMMITTEES

The Company has maintained the Audit Committee, Remuneration Committee and Nomination Committee. Each of these committees has specific written terms of reference which deal clearly with their authority and duties. The chairman of the committees will report their findings and recommendations to the Board after each meeting.

Remuneration Committee

The Remuneration Committee consists of two INEDs, namely: Mr. Lee Luk Shiu (the Chairman of Remuneration Committee) and Ms. MA Yun Yan, and an Executive Director, Mr. XIA Li Qun.

The Remuneration Committee's responsibilities include making recommendations for approval by the Board with respect to matters relating to the remuneration of Executive Directors and senior management. The revised terms of reference of the Remuneration Committee in compliance with the requirements of the Listing Rules was adopted by the Board on 27 February 2012 and is published on the Company's website at www.huabao.com.hk and on the Stock Exchange's website at www.hkexnews.hk. In discharging its responsibilities, the Remuneration Committee has performed the following works:

- To review and make recommendations on the Company's policies and structure for the remuneration of the Executive Directors and senior management;

董事之委任和重選

雖然所有董事的委任均沒有指定任期，根據本公司之公司細則第87條，所有董事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，若符合資格，膺選連任。

董事權益和董事進行證券交易

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，全體董事已書面確認在整個年度內已遵守標準守則的規定。董事權益載列於本年報第82頁。

董事的委託

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、審核委員會及提名委員會三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。

董事委員會

本公司設有審核委員會、薪酬委員會和提名委員會。各委員會有特定的書面職權範圍以清晰確定其責任和授權。委員會主席在每次會議後向董事會匯報和提交建議。

薪酬委員會

薪酬委員會由兩名獨立非執行董事，即李祿兆先生（為薪酬委員會主席）和麻雲燕女士和一名執行董事，夏利群先生組成。

薪酬委員會之主要職責包括就有關執行董事及高級管理層的薪金事宜向董事會作出推薦意見，以備董事會通過。按上市規則要求修訂的薪酬委員會職權範圍，經董事會於二零一二年二月二十七日採納，已刊登於本公司網站www.huabao.com.hk和聯交所網站www.hkexnews.hk。為履行其職責，薪酬委員會已進行下列工作：

- 檢閱本公司之執行董事及高級管理層之薪酬政策及架構並作出推薦意見；

- 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 will abstain from voting in determining their own remuneration packages. The Remuneration Committee met once regarding the emolument packages of the Directors and senior management during the year ended 31 March 2013. The individual attendance of Remuneration Committee members is set out on page 70 of this annual report. Details of the emolument of the Directors are set out in note 24 to the consolidated financial statements while details of the Share Options Scheme and the share options granted to the Directors and senior management are set out on pages 78 to 80 of this annual report.

Audit Committee

The Audit Committee comprises three INEDs, namely, Mr. Lee Luk Shiu (the Chairman of Audit Committee), Ms. MA Yun Yan and Dr. JIN Lizuo.

The principal responsibilities of the Audit Committee include assisting the Board in maintaining a high standard of corporate governance, developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board, particularly by providing independent review of the effectiveness of the Company's financial reporting process and material internal controls, including financial, operational, compliance and risk management controls and, to maintain good and independent communications with the management as well as auditors of the Company. The Audit Committee is also responsible for performing the corporate governance duties set out in the terms of reference in code provision D.3.1 of the CG Code as delegated by the Board. 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;

- 參考市場水平、本集團業務表現及董事會不時訂立之個別及企業目標及目的，評估執行董事之薪酬組合，並就獨立非執行董事之薪酬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酬組合時放棄投票。於截至二零一三年三月三十一日止年度內，薪酬委員會就董事和高級管理層的薪酬組合召開一次會議，各薪酬委員會會員的出席紀錄載於本年報第70頁。董事之薪金詳情載於綜合財務報表附註24而購股權計劃詳情及授予董事和高級管理層之購股權亦載於本年報第78至第80頁。

審核委員會

審核委員會由三名獨立非執行董事，即李祿兆先生（為審核委員會主席）、麻雲燕女士和金立佐博士組成。

審核委員會主要職責為協助董事會維持高水平企業管治，制定及檢討本公司的企業管治政策及常規，並向董事會提出建議，尤其是就本公司的財務匯報體系之有效性和重大內部監控包括財務、運作、合規和風控提供獨立意見，以及與本公司管理層及核數師保持良好及獨立的溝通。審核委員會已獲董事會授權，負責履行載列於職權範圍內有關企業管治守則條文D.3.1條之職能。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；

- To approve the audit fees and terms of engagement of the external auditors;
 - To review the independence of the external auditors and make recommendation to the Board on the re-appointment of the external auditors; and
 - To review and monitoring the Company's policies and practices on compliance with legal and regulatory requirements.
- 批准外聘核數師之核數費用及委任任期；
 - 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推薦意見；及
 - 檢討及監察本公司在遵守法律及監管規定方面的政策及常規。

The Audit Committee meets regularly with the Company's external auditors to discuss various accounting issues, and reviews the effectiveness of internal controls. The revised terms of reference of Audit Committee in compliance with the requirements of the Listing Rules was adopted by the Board on 27 February 2012 and is published on the Company's website at www.huabao.com.hk and on the Stock Exchange's website at www.hkexnews.hk.

During the year ended 31 March 2013, the Audit Committee met twice for reviewing the financial reports for 2011 annual results and 2012 interim results (including the Company's compliance with the CG Code and the contents disclosed in the Corporate Governance Report) and the effectiveness of the Group's internal controls system. The individual attendance of Audit Committee members is set out on page 70 of this annual report. Members of the Audit Committee were satisfied with the Company's internal control systems and the financial reporting disclosures.

Nomination Committee

The Nomination Committee comprises an Executive Director, Ms. CHU Lam Yiu (the Chairman of Nomination Committee) and two INEDs, namely, Mr. Lee Luk Shiu and Dr. JIN Lizuo.

The principal responsibilities of the Nomination Committee include formulating nomination policy for the Board's consideration and implementing the Board's approved nomination policy, considering the development targets and strategies of the Company and the skills mix needed in respect of the Board, and making recommendations to the Board on the appointment of directors and succession planning for directors. Terms of reference of the Nomination Committee was adopted by the Board on 27 February 2012 and is published on the Company's website at www.huabao.com.hk and on the Stock Exchange's website at www.hkexnews.hk. In discharging its responsibilities, the Nomination Committee has performed the following work:

- reviewing the structure, size and composition (including the skills, knowledge, experience and length of service) of the Board, and making any proposed changes to the Board according to the Company's corporate strategy;
- 檢討董事會的架構、人數及組成（包括技能、知識、經驗及服務任期方面），並按公司的企業策略向董事會提出任何改動建議；

審核委員會定期與外聘核數師開會，討論各種會計問題，並審閱內部監控制度的成效。按上市規則要求修訂的審核委員會職權範圍，經董事會於二零一二年二月二十七日採納，已刊登於本公司網站 www.huabao.com.hk 和聯交所網站 www.hkexnews.hk。

於截至二零一三年三月三十一日止年度內，審核委員會舉行兩次會議，審閱二零一一年度業績及二零一二年中期業績（包括本公司遵守企業管治守則情況和於企業管治報告中披露的內容）以及檢討本集團之內部監控系統之有效性。審核委員會會員的出席會議紀錄載於本年報第70頁。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。

提名委員會

提名委員會由一名執行董事，朱林瑤女士（為提名委員會主席）和兩名獨立非執行董事，即李祿兆先生和金立佐博士組成。

提名委員會之主要職責為制定提名政策供董事會考慮，並執行經董事會批准的提名政策，考慮公司發展目標策略和董事會所需的技能組合，以及就董事委任和董事的繼任計劃向董事會提出建議。提名委員會的職權範圍經董事會於二零一二年二月二十七日採納，已刊登於本公司網站 www.huabao.com.hk 和聯交所網站 www.hkexnews.hk。履行其職責時，提名委員會已進行下列工作：

- considering the development targets and strategies of the Company and the skills mix needed in respect of the Board, and making recommendations to the Board;
- assessing the independence of INEDs and reviewing the INEDs' annual confirmations on their independence; and making disclosure of its review results in the Corporate Governance Report;
- reviewing the time required from a Director to perform his/her responsibilities.
- 考慮公司發展目標策略及董事會所需的技能組合，然後向董事會提出建議；
- 評核獨立非執行董事的獨立性及審視獨立非執行董事就其獨立性而作出的年度確認；並在《企業管治報告》內披露檢討結果；
- 檢討董事履行其責任所需付出的時間。

During the year ended 31 March 2013, the Nomination Committee met once for reviewing the board structure and the commitment of Directors. The board was of the view that every Director has given sufficient time and attention to the affairs of the Company. Each Director disclosed to the Company at the time of his appointment the directorships held in other listed companies or nature of offices held in public organizations and other significant commitment. The Company has also requested Directors to provide in a timely manner any change on such information. The individual attendance of Nomination Committee members is set out on page 70 of this annual report.

INTERNAL CONTROL

The Board has full responsibility for maintaining an integrated and effect internal control system of the Group, which includes the establishment of a defined management structure with specified limits of authority. The system is designed to assist in the achievement of business objectives of the Group, safeguarding assets against unauthorized use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication and ensuring compliance with relevant legislation and regulation. The internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The system (embedded in the operations of the Company and forms part of the Company's culture) includes:

- effectiveness and efficiency of operations;
- capability in responding quickly to evolving risks to the business arising from factors within the company and to change in the business environment; and include procedures for reporting immediately to appropriate levels of management any significant control weakness that are identified together with details of corrective action being undertaken;
- 營運的效益及效率；
- 能對由本公司內在因素所產生的業務風險及對營商環境的改變迅速作出反應，並包括向合適的管理層即時匯報經確認的任何重大監控弱點，及應採取的糾正行動的程序；

於截至二零一三年三月三十一日止年度內，提名委員會就檢討董事會的架構和董事履行職務的情況召開一次會議，董事會確認每名董事均已付出足夠時間及精神處理公司之事務。每名董事於接受委任時均會向公司披露於其他上市公司之董事職務或於公眾組織所擔任之職位以及其他重大承擔。公司亦已要求董事適時向公司提供該等資料之任何變動。提名委員會會員的出席紀錄載於本年報第70頁。

內部監控

董事會全權負責維持健全和有效的集團內部監控系統，包括制定管理層架構及其相關之權限。內部監控系統旨在協助達成本集團業務目標、保護資產以防未經授權之使用或處理、確保正確會計紀錄得以保存以便提供可靠的財務資料供內部使用或對外發放，並確保遵守相關法例與規則。內部監控系統旨在為無重大失實陳述或損失提供合理的、非絕對的保證。該系統已嵌入本公司營運和成為其文化之一，包括：

- reliability of financial reporting; and
- compliance with applicable laws and regulations.

The key procedures that the Board established to provide effective internal controls are as follows:

Organizational Structure

An appropriate organizational structure is in place with defined operating policies and procedures as well as responsibility and lines of authority.

Authority and Control

The executive directors and senior management are delegated with respective levels of authorities to carry out the corporate strategies and policies and related matters formulated by the Board.

Budgetary Control and Financial Reporting

The Group implements budget management and the financial budget is executed upon approval by the Board. Relevant procedures have been established to assess, review and approve major capital and recurring expenditures, and regular review and comparison between operating results and the budget are made.

The Group has established appropriate internal control procedures to ensure accurate and complete accounting and management records are kept on a timely basis. Examination and review are carried out regularly to ensure that the financial statements are properly prepared in conformity with the generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations.

Risk Management

The Group has Legal Department (the Compliance Department and Risk Management Department were merged into Legal Department during the restructuring of management structure of the Group as conducted in January 2013) headed by an Executive Director of the Company together with other business functions to monitor and assess risk regularly, boost related management standards and evaluate investment projects.

Internal Audit

The Company has set out internal audit team with scope of works advised by the Audit Committee shortly after a review on its internal control system by an external independent expert in 2008.

- 財務報告的可靠性；及
- 遵守適用的法律和法規。

董事會為有效的內部監控已設立的主要程序，如下：

組織結構

設有適當的組織結構和明確的營運政策和程序以及責任和授權。

授權和監控

授予執行董事和管理層適當的權力執行企業政策及策略和董事會制定的相關事項。

預算控制和財務匯報

本集團實施預算管理和財務預算，經董事會批准後執行。已設有相關程序評估、檢討和批准重大經常性資本支出，和定期比較預算與經營業績。

本集團設有適當的內部監控程序確保按時準確地和完整地記錄財務會計賬目。定期檢查和檢討確保會計賬目按一般公認會計原則、本集團會計政策和適用的法律規則等記帳。

風險管理

本集團設有由本公司一名執行董事為首的法務部（於二零一三年一月份本集團管理架構進行調整，合併合規部及風險控制辦公室為集團法務部）連同其他業務部門，定期監測和評估風險、提升相關管理水平和評估投資項目。

內部審計

於二零零八年外聘獨立顧問檢討內部監控系統不久後，本公司設立內部審計組，其工作範疇經由審核委員會建議。

Internal Control Review

During the reporting period, the Internal Audit Team had carried out an annual review on the internal control system including financial, operational and compliance control, and risk management functions. The review adopts a risk-based approach to create and review the effectiveness of an internal control system and includes:

- (i) To follow up the enhancement progress in response 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.

Internal Audit Team has presented their findings and make recommendations to the Audit Committee and the Audit Committee has discussed with the management and reported the progress of the work plan and related findings, particularly those related to new group members to the Board at board meeting during the year. In general, the Board considers that the internal control systems (including the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function) of the Group are effective.

Internal Control System and Corporate Governance enhancement

In compliance with the requirements of the Listing Rules and for the purpose of reinforcing the Group's internal control system, the Company has established a whistleblowing policy and system for employees to raise concerns, in confidence, with the Audit Committee about possible irregularities in financial reporting, internal control or other matters related to the Company. The Audit Committee is responsible for reviewing the relevant policy and system regularly.

內部監控評估

於報告期內，內部審計組對內部監控系統（包括財務、營運和合規監控和風險管理功能）進行評估。評估採用風險導向方式塑造和檢討內部控制系統成效，包括：

- (i) 回應過往外部獨立專家的意見，跟進提升內部監控系統的進度；
- (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。

於年內，內部審計組直接對審核委員會提交其評估報告和建議，且審核委員會已與管理層討論並在董事會會議上向董事會提交其工作計劃進展和相關發現，尤其是關於本集團新成員。整體而言，董事會認為本集團之內部監控系統（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。

內部監控制度及企業管治提升

為符合上市規則要求及進一步完善本集團的內部監控制度，本公司已設立舉報政策和系統，讓僱員可暗中向審核委員會就有關本公司之財務匯報、內部監控或其他方面的違規事宜提出關注，而審核委員會負責定期檢討有關政策及系統。

The Directors has 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. The Board has further strengthened corporate governance practices by establishing lending policy to monitor its credit level. In addition, Herbert Smith Freehills, the retained legal counsel of the Company, has provided the Directors (existing and new board members) and the relevant senior executives with training on Listing Rules, regulatory requirements and cases of enforcement at least twice a year.

Directors' Training

All Directors participated in appropriate continuous professional development and provided the Company with their records of training they received for the period from 1 April 2012 to 31 March 2013. Directors participated in the training which included reading regulatory updates, attending seminars or conducting training sessions and exchanging views.

董事會已進一步加強企業管治常規，包括監控本集團營運和業務發展的內部匯報實施制度，以便按月記錄潛在股價敏感資料，監察持續披露責任。董事會進一步提升企業管治常規就對外貸款制定政策監測借貸水平。此外，本公司常年法律顧問史密夫•斐爾律師事務所每年至少兩次為董事（原有及新加入的董事）和相關高級管理層提供上市規則、法規要求和執法個案的培訓。

董事培訓

於二零一二年四月一日至二零一三年三月三十一日止之期間內，所有董事均已參與合適之持續專業發展，並已向公司提供所接受培訓之紀錄。董事參與的培訓，包括閱讀最新監管資料，以及出席專題研討會或作培訓交流。

董事

Executive Directors

Ms. CHU Lam Yiu
Mr. LAU Chi Tak
Mr. POON Chiu Kwok
Mr. WANG Guang Yu
Mr. XIA Li Qun
Mr. XIONG Qing

執行董事

朱林瑤女士
劉志德先生
潘昭國先生
王光雨先生
夏利群先生
熊卿先生

Independent Non-executive Directors

Dr. JIN Lizuo
Mr. LEE Luk Shiu
Ms. MA Yun Yan

獨立非執行董事

金立佐博士
李祿兆先生
麻雲燕女士

**Attend seminars/
conduct training
sessions and
exchange views
出席專題研討會/
作培訓交流**

Yes 有
Yes 有
Yes 有
Yes 有
Yes 有
Yes 有

Yes 有
Yes 有
Yes 有

Company Secretary's Training

The Company Secretary is responsible for assisting the Board for facilitating communications among Directors as well as ensuring that the Board's policy and procedures are followed properly. The Company Secretary also provides professional advice and services to the Board on corporate governance and other matters. He is also responsible for organizing general meetings and facilitating the induction and professional development of Directors.

During the year ended 31 March 2013, the Company Secretary undertook no less than 15 hours of relevant professional training.

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 with, 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 90 to 91 of this annual report.

During the year, 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	
– for the audit of the Group	– 集團審計	6,322
– for the statutory audits of the PRC subsidiaries	– 國內子公司法定審計	1,618

Please also refer to Note 23 to consolidated financial statement set out on page 162 of this annual report for details of Auditors' Remuneration.

公司秘書培訓

公司秘書負責協助董事會，確保董事會成員之間有良好交流溝通及董事會之政策和程序得到適當的遵循。公司秘書亦向董事會提供企業管治事宜等各方面之專業意見及服務，並負責舉行公司股東大會事宜，以及安排董事之入職培訓及專業發展。

於截至二零一三年三月三十一日止之年度內，公司秘書已參加不少於15小時之相關專業培訓。

問責和審核

董事編製財務報表的責任

董事會負責編製並準時刊發財務報表。編製財務報表時，合理及謹慎地判斷及估算以確保有關法律法規已獲遵守，香港現行的適用會計準則已獲採納，適當的會計政策持續地予以應用以及持續經營基準已獲確認。

核數師聲明和酬金

核數師主要職責為就財務報表核數及作出報告，致股東之核數師報告載於本年報第90至91頁。

於年內，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服務，已付／應付核數師之費用如下：

核數師酬金詳情請參考載於本年報第162頁綜合財務報表附註23。

SHAREHOLDERS' RIGHTS

Shares with voting rights in the Company are ordinary shares. The number of ordinary shares as at 31 March 2013 was 3,110,128,961. Details of share capital of the Company can be found in note 16 of Notes to the Consolidated Financial Statements on page 154 of this annual report. Shareholders holding issued ordinary shares of the Company were set out below:

股東權利

賦有投票權的股份均為本公司普通股股份。於二零一三年三月三十一日，已發行普通股股份數目為3,110,128,961股。本公司股本載於本年報第154頁綜合財務報告附註16內。持有本公司已發行普通股之股東如下：

Category/Name	類別 / 名稱	Full details can be found on the following page of this report 詳細資料載於本年報	Total Number of issued Shares held 合共有已發行股份數目	Percentage of the issued Share capital 佔已發行股本百分比
Ms. CHU Lam Chiu ^(Note 1)	朱林瑤女士 ^(附註1)	page 82 第82頁	1,219,813,415	39.22%
Directors of the Company	本公司董事	page 82 第82頁	7,850,000	0.25%
Substantial Shareholders ^(Note 2)	主要股東 ^(附註2)	page 84 第84頁	1,443,944,012	46.43%
			2,671,607,427	85.90%
Public	公眾人士		438,521,534	14.10%
			3,110,128,961	100.00%

Notes:

- As defined in the Listing Rules, any person (including a holder of depositary receipts) who is or group of persons (including any holder of depositary receipts) who are together entitled to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Code on Takeovers and Mergers and Share Repurchase as being the level for triggering a mandatory general offer) or more of the voting power at general meeting of the Company;
- Pursuant to Section 336 of the SFO, corporations and/or persons hold interest or short positions in 5% or more issued share capital of the Company.

附註：

- 按上市規則釋義，任何有權在本公司股東大會上行使或控制行使30%（或《收購守則》不時規定會觸發強制性公開要約所需的其他百分比）或30%以上投票權的人士（包括預託證券持有人）；
- 根據證監條例第336條，企業和／或人士持有本公司已發行股本5%或以上權益或淡倉。

Procedures for shareholders to convene a special general meeting

Pursuant to Bye-law 58 of the Bye-laws of the Company, shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a SGM to be called by the Board for the transaction of any business transaction specified in such requisition.

股東召開股東特別大會的程序

按本公司之公司細則第58條，於遞呈要求之日期持有不少於賦有本公司股東大會表決權之本公司繳足股本十分之一之股東，於任何時候均有權透過向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明之任何事項。

The requisition shall state clearly the matters required to be considered and approved at the SGM and must be signed by the requisitioner(s) (with contact details) and submitted to the Board in written form to the Company's principal place of business in Hong Kong at least 21 days before the proposed date of the SGM.

The SGM shall be held within two (2) months after the deposit of such requisition. If the Directors do not within 21 days from the date of the deposit of the requisition proceed to convene a meeting, the requisitionists may themselves do so in accordance with the provisions of Section 74(3) of the Companies Act 1982 of the laws of Bermuda (as amended) (the "Companies Act"), but any meeting so convened shall not be held after the expiration of three (3) months from the said date.

Shareholders' right to propose resolutions at general meeting

Pursuant to Sections 79 and 80 of the Companies Act, (i) any number of shareholders representing not less than one-twentieth (5%) of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the general meeting to which the requisition relates; or (ii) not less than 100 shareholders, may submit to the Company a written request stating the resolution intended to be moved at AGM or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.

The written request/statement must be signed by all the requisitionists and may consist of several documents in like form, each signed by one or more of the requisitionists, and must be deposited at the Company's principal place of business in Hong Kong, not less than six (6) weeks before the AGM in case of a requisition requiring notice of a resolution or not less than one (1) week before the general meeting in case of any other requisition. Provided that if an AGM is called for a date six (6) weeks or less after the requisition has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for the purposes thereof.

Shareholders' right to propose a person for election as a director

Shareholders shall have right to propose a person for election as a director at the Company's general meeting. Please refer to the detailed procedures for such right on the Company's website (www.huabao.com.hk).

有關要求須清楚列明擬於股東特別大會上考慮及批准的事項和聯絡詳情，並經遞呈要求人士簽署後以書面形式通知董事會，在建議召開股東特別大會日期至少二十一天前遞交至本公司於香港的主要營業地點。

股東特別大會應於遞呈該要求後兩(2)個月內舉行。倘董事未能於接獲要求當日起計二十一天內召開該大會，遞呈要求人士可以按照一九八二年百慕達公司法(經修訂)(「公司法」)第74(3)條之規定召開該大會，惟據此召開的任何股東大會不得於遞呈要求當日起計三(3)個月屆滿後舉行。

股東於股東大會上提呈議案的權利

根據公司法第79及80條，(i)於遞呈要求日期持有不少於全體股東總投票權(賦有於要求所涉股東大會上之投票權)二十分之一(5%)之股東(不論人數)；或(ii)不少於100名股東，可向本公司遞呈書面要求並列明擬於股東週年大會上動議的決議案，或就於特定股東大會提呈之任何決議案所述的事項或處理的事務作出不超過1,000字的書面陳述。

該書面要求／陳述必須由所有遞呈要求人士簽署(可由多份格式相似並各自經一名或多名遞呈要求人士之文件組成)，並須於股東週年大會舉行前至少六(6)個星期(如屬要求決議案通告的要求)或股東大會舉行前至少一個星期(如屬任何其他要求)前遞交至本公司於香港的主要營業地點。倘股東週年大會在該要求書遞交後六個星期或較短時間內召開，則該要求書雖然並非在指定時間內遞交，但就此而言，亦須當作已恰當地遞交。

股東建議人士參選董事的權利

股東有權於本公司股東大會上建議人士參選董事，有關權利的詳細程序可於本公司網站www.huabao.com.hk上查閱。

Making enquires

Shareholders shall have the right to examine the relevant information of the Company according to the Bye-laws. Shareholders should direct their questions about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited. Shareholders may also direct questions or requests for information through the Company's website (www.huabao.com.hk) or by contacting the Investor Relations Manager of the Company (e-mail: jason.wong@huabao.com.hk).

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 (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.

Open Communications

The Group is committed to acting in good faith and in the best interests of its shareholders at all times and in all areas of its operations. The Group actively promotes open communication and full disclosure of all information needed to protect and maximize transparency.

Shareholders' communication policy

The shareholders' communication policy is available for viewing on the Company's website at www.huabao.com.hk.

Shareholders' Meetings held during the reporting period

The general meeting provides a forum for the Board to communicate with the Shareholders. To facilitate enforcement of the Shareholders' rights, significant issues were 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:

股東查詢

根據本公司之公司細則，股東有權查閱有關本公司之資料。若股東對其名下持股有任何問題，可向本公司之香港股份過戶登記分處卓佳登捷時有限公司提出。股東亦可透過本公司網站 (www.huabao.com.hk)或聯絡本公司之投資者關係經理(電郵：jason.wong@huabao.com.hk)作出提問或要求索取資料。

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，董事會重視與股東溝通的重要性。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，確保股東明瞭公司的主要業務策略。

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)均可於公司網站瀏覽及下載，公司亦已制訂程序確保資料的披露將會根據上市規則適時更新。

開明的溝通

本集團本著真誠原則，全方位為股東最佳利益而行事。本集團積極提倡開明的溝通，確保以最大透明度對各類所需資料進行全面披露。

股東通訊政策

本公司之股東通訊政策可於公司網站www.huabao.com.hk上查閱。

於報告期內舉行的股東大會

股東大會為董事會與股東提供一個溝通論壇。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。於報告期內舉行之股東大會總括如下：

Meeting 會議	Date 日期	Venue 地點	Resolutions 決議案
1. AGM 股東週年大會	8 Aug 2012 二零一二年 八月八日	Falcon Room, Gloucester Luk Kwok, 72 Gloucester Road, Wanchai, Hong Kong 香港灣仔告士打道72號 六國酒店富萊廳	<p>1. To receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 March 2012; 省覽截至二零一二年三月三十一日止年度經審核財務報表、董事會報告及核數師報告；</p> <p>2. To declare a final dividend for the year ended 31 March 2012; 宣派截至二零一二年三月三十一日止年度的期末股息；</p> <p>3. To re-elect Directors and to authorize the Board to fix their remuneration; 重選董事並授權董事會釐定彼等之酬金；</p> <p>4. To re-appoint the auditors and to authorize the Board to fix their remuneration; and 重新委任核數師，並授權董事會釐定其酬金；及</p> <p>5. To grant general mandates to repurchase shares, to issue shares and to exercise the Repurchase Mandate. 授予一般授權以購回股份、發行股份及行使購回授權。</p>
2. SGM 股東特別大會	31 January 2013 二零一三年 一月三十一日	Suite 3008, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong 香港灣仔港灣道18號 中環廣場3008室	<p>1. To consider and approve the revision to the existing annual caps of the Continuing Connected Transaction for the three financial years ending 31 March 2015 contemplated under the Hongta Framework Agreement; and 考慮及批准修訂紅塔框架協議項下擬進行的截至二零一五年三月三十一日止三個財政年度的持續關連交易現有年度上限；及</p> <p>2. To consider and approve the Continuing Connected Transaction and the proposed caps for the period from 1 January 2013 to 31 March 2013, and for each of the two financial years ending 31 March 2015 contemplated under the GD Framework Agreement. 考慮及批准廣東框架協議項下擬進行的由二零一三年一月一日至二零一三年三月三十一日止期間及截至二零一五年三月三十一日止兩個財政年度各年的持續關連交易及建議上限。</p>

Corporate Governance Report

企業管治報告

Mergers & Acquisitions

Details of the mergers and acquisitions of the Company carried out during the reporting period can be found on page 76 of this annual report.

Continuing Connected Transactions

Details of the continuing connected transactions of the Company can be found on page 85 of this annual report.

Attendance Record

Attendance Record of Board regular meetings, Board Committees meeting and general meetings held during the reporting period are set out below:

		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	Nomination Committee Meetings 提名 委員會會議	Annual General Meeting 股東 週年大會	Special General Meeting 股東 特別大會
No. of meeting held	會議次數	5	2	1	1	1	1
Executive Directors	執行董事						
Ms. CHU Lam Yiu (Chairman)	朱林瑤女士 (主席)	5/5	N/A 不適用	N/A 不適用	1/1	1/1	1/1
Mr. LAU Chi Tak (CEO)	劉志德先生 (總裁)	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1	0/1
Mr. POON Chiu Kwok (Company Secretary)	潘昭國先生 (公司秘書)	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Mr. WANG Guang Yu	王光雨先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	0/1	1/1
Mr. XIA Li Qun (CFO)	夏利群先生 (財務總監)	5/5	N/A 不適用	1/1	N/A 不適用	0/1	1/1
Mr. XIONG Qing	熊卿先生	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Independent Non-executive Directors	獨立非執行董事						
Dr. JIN Lizuo	金立佐博士	5/5	2/2	N/A	1/1	0/1	1/1
Mr. LEE Luk Shiu	李祿兆先生	5/5	2/2	1/1	1/1	1/1	1/1
Ms. MA Yun Yan	麻雲燕女士	5/5	2/2	1/1	N/A 不適用	1/1	1/1

Major Changes to the Bye-Laws

During the reporting period, the Company did not make any amendments to the Company's Bye-laws.

收購合併

於報告期內，本公司收購合併詳情載於本年報第76頁。

持續關連交易

本公司之持續關連交易詳情載於本年報第85頁。

出席記錄

下表顯示各董事於報告期內出席董事會會議、董事委員會會議及股東大會的詳情：

公司細則重大變更

於報告期內，本公司之公司細則並無作出任何修訂。

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 the basic and 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

The Company's first share repurchase program commenced promptly after the approval was obtained at the AGM held on 8 August 2012. Up to date, the Company has used approximately HKD212,694,000 in aggregate (excluding relevant expenses) for repurchasing 58,533,000 ordinary shares of the Company's in 39 trading days.

During the 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, conducted effective and satisfactory communications under reasonable circumstances. Details of these activities during the reporting period are as follows:

Details of the activities

活動詳情

Non-deal roadshows in Mainland China and overseas	中國內地以及海外非交易路演
Investment conferences	投資者會議
One-on-one and group meetings	一對一及小組會議
Teleconferencing	電話會議
Plant visits and reverse roadshows	廠房參觀及反向路演

• 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 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 certain board members of the Company, representatives from the Audit Committee and the Company's auditors were present and available to answer questions raised at the AGM during the year.

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和財務表現，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。

投資者關係部門為本公司及投資大眾的橋梁。本集團按照公平披露的基本原則，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

自於二零一二年八月八日得到股東週年大會的批准後，本公司首個股票回購計劃迅速開展。本公司至今已累計動用了約港幣212,694,000元（未包括相關費用）在39個交易日內回購了58,533,000股本公司普通股股票。

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，務求在合理的情況下發揮事半功倍的良好溝通，本報告期內的活動詳情如下：

Number of participations (approximately) 參與次數（約）

3 (including Hong Kong, Singapore, and New York, etc.)
(包括香港、新加坡及紐約等地)

3

59

24

4

• 股東週年大會

對股東而言，能夠取得清晰及有效數據十分重要，他們可藉此與本公司建立有效溝通。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，本公司主席及部分董事會成員，審核委員會之代表及本公司的核數師已出席股東週年大會，並解答所提出的問題。

- **Interim Results Presentation**

Interim results presentation was held after the interim results announcement in November 2012, at which the management availed themselves to answer questions such as the Group's operational and financial performances.

- **International Roadshows and Investment Conferences**

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 such as 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 Company.

- **中期業績發佈會**

中期業績發佈會於二零一二年十一月之中期業績公告後舉行，當中，管理層回答有關本集團營運及財務表現等提問。

- **國際路演及投資者會議**

透過積極參與由知名的投資銀行、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。此外本公司亦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 interim and annual results, the Group held results presentations to facilitate the access of the most updated information of the Company by investors and the public in a fair, open and timely manner. In addition, to strengthen the interactions between the Group and the media it also proactively issued press releases on a timely basis.

• **Analysts Coverage**

Subject to the compliance with 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 9 established and reputable research institutes as follows:

- Citigroup Investment Research
- Credit Suisse (Hong Kong) Limited
- Deutsche Bank AG
- Essence International Securities (Hong Kong) Limited
- First Shanghai Securities Limited
- Guoyuan Securities (HK) Co., Ltd.
- J.P. Morgan Securities (Asia Pacific) Limited
- Jefferies Hong Kong Limited
- Yue Xiu Securities Holdings Ltd.

(listed in alphabetical order)

• **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**

本集團於中期及全年業績公佈時舉辦業績發佈會以加強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，本集團亦定時主動向媒體發出新聞稿以加強相互交流。

• **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，本公司獲九間知名研究機構撰寫研究報告，該等公司如下：

- 花旗銀行投資研究
- 瑞士信貸(香港)有限公司
- 德意志銀行
- 安信國際證券(香港)有限公司
- 第一上海證券有限公司
- 國元證券(香港)有限公司
- 摩根大通證券(亞太)有限公司
- Jefferies Hong Kong Limited
- 越秀證券控股有限公司

(按英文字母順序編排)

Investor Relations Report

投資者關係報告

Information for investors (as at 31 March 2013)		投資者資料 (截止二零一三年三月三十一日)	
Board Lot Size	1,000 shares	每手買賣單位股數	1,000股
Number of shares issued	3,110,128,961 shares	已發行股份數目	3,110,128,961股
Market capitalization (based on the closing price of HKD3.37 on 28 March 2013)	HKD10.481 billion	市值 (以二零一三年三月二十八日收市價港幣3.37元計算)	港幣104.81億元
Stock Code		股份代號	
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		財務日誌	
Announcement of 2012-13 Interim Results	19 November 2012 (Monday)	二零一二至一三年中期業績公佈	二零一二年十一月十九日 (星期一)
Announcement of 2012-13 Annual Results	18 June 2013 (Tuesday)	二零一二至一三年全年業績公佈	二零一三年六月十八日 (星期二)
Closing date for transfer of shares for Annual General Meeting	From 5 August to 8 August 2013 (Monday to Thursday, both days inclusive)	股份截止過戶日期 – 股東週年大會	二零一三年八月五日至八日 (星期一至星期四, 包括首尾兩日)
Closing date for transfer of shares for payment of final and special dividend	From 14 August to 16 August 2013 (Wednesday to Friday, both days inclusive)	股份截止過戶日期 – 派發期末及特別股息	二零一三年八月十四日至十六日 (星期三至星期五, 包括首尾兩日)
Annual General Meeting	8 August 2013 (Thursday)	股東週年大會	二零一三年八月八日 (星期四)
Date of payment of 2012-13 proposed final and special dividends	on or about 18 October 2013 (Friday)	派發建議宣派之二零一二至一三年度期末及特別股息日期	二零一三年十月十八日 (星期五) 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 3008
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
3008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>

Directors' Report

董事會報告

The Board presents its report together with the audited financial statements for the year ended 31 March 2013.

Mergers & Acquisitions

In June 2012, the Group through its subsidiary entered into a sale and purchase agreement with independent third parties to acquire the 100% equity interests in Zhejiang Xiangyuan, a company incorporated in the PRC, for a cash consideration of approximately HKD6,133,000 and liabilities assumed of approximately HKD5,054,000. The acquisition was completed on 30 June 2012. Zhejiang Xiangyuan is principally engaged in research of certain production technique of a specialized RTL in China.

Principal Activities

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in note 35 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 2013 are set out in the consolidated income statement on page 94 of the annual report.

The Board declared an interim dividend of HK7.48 cents per Share (2012: HK7.80 cents per Share) and a special dividend of HK2.48 cents per Share (2012: HK5.18 cents per Share) both in cash, amounting to a total of about HKD312,902,000 were paid on 22 February 2013.

The Board proposes to declare a final dividend of HK9.40 cents per Share (2012: HK8.88 cents per Share) and a special dividend of HK2.80 cents per Share (2012: Nil) both in cash, about HKD378 million in aggregate for the year ended 31 March 2013, which are expected to be paid on or about 18 October 2013 (Friday) to Shareholders whose names appear on the Register of Members of the Company as at 16 August 2013 (Friday), subject to Shareholders' approval at the forthcoming AGM to be held on 8 August 2013 (Thursday). The proposed final and special dividends together with the interim and special dividends paid will represent a total dividend distribution for the financial year ended 31 March 2013 of HK22.16 cents per Share (2012: HK21.86 cents per Share).

董事會謹此提呈其報告及截至二零一三年三月三十一日止年度之經審核財務報表。

收購合併

於二零一二年六月，本集團透過附屬公司與獨立第三方簽署買賣協議，以現金代價約港幣6,133,000元及承擔債務約港幣5,054,000元收購一間於中國成立的公司，浙江香緣的100%權益，該收購已於二零一二年六月三十日完成。浙江香緣主要在中國從事一項特種煙草薄片生產技術的研究。

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35。

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

本集團截至二零一三年三月三十一日止年度之業績載於年報第94頁之綜合收益表。

董事會已於二零一三年二月二十二日派付現金中期股息每股7.48港仙（二零一二年：每股7.80港仙）及特別股息每股2.48港仙（二零一二年：每股5.18港仙），共約港幣312,902,000元。

董事會建議向於二零一三年八月十六日（星期五）名列本公司股東名冊之股東宣派截至二零一三年三月三十一日止年度之現金期末股息每股9.40港仙（二零一二年：每股8.88港仙）及特別股息每股2.80港仙（二零一二年：無），共約港幣3.78億元，並預期於二零一三年十月十八日（星期五）或前後派發，但有待於二零一三年八月八日（星期四）舉行的股東週年大會上獲股東批准。擬派發的期末及特別股息連同已付的中期及特別股息，於截至二零一三年三月三十一日止年度之股息分派總額為每股22.16港仙（二零一二年：每股21.86港仙）。

Close of Register of Members for Annual General Meeting

In order to determine the entitlement of Shareholders to attend and vote at the AGM, the Register of Members of the Company will be closed from 5 August 2013 (Monday) to 8 August 2013 (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 Registrar, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 2 August 2013 (Friday). Shareholders whose names are recorded in the Register of Members of the Company on 8 August 2013 (Thursday) are entitled to attend and vote at the AGM.

Close of Register of Members for Payment of Final and Special Dividends

In order to determine Shareholders who qualify for the proposed final and special dividends, the Register of Members of the Company will be closed from 14 August 2013 (Wednesday) to 16 August 2013 (Friday), 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 Registrar, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 13 August 2013 (Tuesday). Shareholders whose names are recorded in the Register of Members of the Company on 16 August 2013 (Friday) are entitled to receive the final and special dividends both in cash for the year ended 31 March 2013.

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 96 and in note 18 to the consolidated financial statements.

Distributable Reserves

As at 31 March 2013, the distributable reserves of the Company amounted to HKD1,784,836,000 (2012: HKD2,051,357,000).

Donations

Charitable and other donations made by the Group during the year amounted to HKD51,681.

暫停辦理股份過戶登記手續 – 股東週年大會

為確定股東有權出席股東週年大會並在會上投票，本公司將由二零一三年八月五日（星期一）至二零一三年八月八日（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二零一三年八月二日（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。於二零一三年八月八日（星期四）記錄於本公司股東名冊的股東均有權出席並於股東週年大會上投票。

暫停辦理股份過戶登記手續 – 派發期末及特別股息

為確保股東有資格獲派建議之期末及特別股息，本公司將由二零一三年八月十四日（星期三）至二零一三年八月十六日（星期五）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二零一三年八月十三日（星期二）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。於二零一三年八月十六日（星期五）記錄於本公司股東名冊的股東均有權收取截至二零一三年三月三十一日止年度之現金期末及特別股息。

儲備

本集團及本公司於年內之儲備變動載於年報第96頁之綜合權益變動表及綜合財務報表附註18。

可供分派之儲備

於二零一三年三月三十一日，本公司之可供分派儲備為港幣1,784,836,000元（二零一二年：港幣2,051,357,000元）。

捐款

本集團在本年度內作出之慈善及其它捐款合共港幣51,681元。

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.

Share Capital

Details of the movements in share capital of the Company are set out in note 16 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 189.

Share Options

As per a resolution passed at the SGM held on 22 September 2006, the Company adopted a share option scheme ("Share Option Scheme"). As at 31 March 2013, the share options granted by the Company pursuant to the Share Option Scheme which are valid and outstanding amounted to 30,990,000 shares, represents approximately 1.0% of the Shares issued of the Company. 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

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。

股本

本公司之股本變動詳情載於綜合財務報表附註16。

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189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，本公司採納了購股權計劃（「購股權計劃」）。於二零一三年三月三十一日，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數目合共30,990,000股，佔本公司已發行普通股約1.0%。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章有關係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

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.

(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.

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過不時已發行普通股總數之30%。

(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）將不可超過不時已發行普通股總數之1%。如授出之數目超過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間內認購普通股（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) 購股權可予行使前須持有之最短期間

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可予行使前須持有之最短期間。

(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) 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.

(i) The life of the Scheme

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

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

(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) 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。

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 2013 於二零一三年 三月三十一日 結餘
				Balance as at 1 April 2012 於二零一二年 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	
<i>Executive Directors</i> 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	3,000,000	-	-	-	-	3,000,000
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	2,600,000	-	-	-	-	2,600,000
	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
<i>Independent Non-Executive Directors</i> 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	200,000	-	-	-	-	200,000
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
<i>Other employees</i> 其他僱員									
	10 October 2006 二零零六年十月十日	3.09	10/10/2006-9/10/2016	7,600,000	-	-	-	-	7,600,000
	17 October 2007 二零零七年十月十七日	6.65	17/4/2008-16/10/2017	6,390,000	-	-	-	-	6,390,000
Total 合計				30,990,000	-	-	-	-	30,990,000

DIRECTORS

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

Executive Directors:

Ms. CHU Lam Yiu
(Chairman and CEO (with effect from 9 April 2013))
Mr. LAU Chi Tak
(retired as CEO and Executive Director with effect from 8 April 2013)
Mr. POON Chiu Kwok (Company Secretary)
Mr. WANG Guang Yu
Mr. XIA Li Qun (CFO)
Mr. XIONG Qing

Independent Non-executive Directors:

Dr. JIN Lizuo
Mr. LEE Luk Shiu
Ms. MA Yun Yan

In accordance with Bye-laws 87(1) and (2) of the Company's Bye-laws, Ms. CHU Lam Yiu, Mr. LEE Luk Shiu and Mr. XIONG Qing shall retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

Dr. JIN Lizuo will retire by rotation at the forthcoming AGM and will not offer himself for re-election at the AGM due to his personal commitment.

The Board proposes to appoint Dr. DING Ningning and Mr. WU Chi Keung as INEDs of the Company. The proposed appointments are subject to approval by Shareholders by way of passing ordinary resolutions to be proposed at the forthcoming AGM.

Directors' Service Contracts

None of the Directors who is proposed for re-election at the forthcoming AGM 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 33 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.

董事

於本財政年度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
(主席兼總裁 (於二零一三年四月九日生效))
劉志德先生
(於二零一三年四月八日退任總裁及執行董事)
潘昭國先生 (公司秘書)
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：

金立佐博士
李祿兆先生
麻雲燕女士

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

金立佐博士將於應屆股東週年大會上輪值告退並且不會重選連任，以便投放更多時間於其個人事務。

董事會建議委任丁寧寧博士及胡志強先生為本公司之獨立非執行董事，該等建議委任有待股東批准通過於應屆股東週年大會上提呈的普通決議案後方可作實。

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立任何本公司在一年內不可在不予賠償 (法定賠償除外) 之情況下終止的服務合約。

董事於重大合約的權益

除綜合財務報表附註33所披露者外，於年結日或年內任何時間，本公司並無訂立任何涉及本公司董事直接或間接擁有重大權益且與公司最終控股公司或其任何附屬公司業務有關之重大合約。

Directors' Report

董事會報告

Directors' Interests in Competing Businesses

None of the Directors and their respective associates (as defined in the Listing Rules) is considered to have an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Biographical Details of Directors and Senior Management

Biographical details of directors and senior management as at 31 March 2013 are set out on pages 45 to 52 of the annual report.

Directors' Interests in Shares, Underlying Shares and Debentures

At 31 March 2013, 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 as set out in Appendix 10 to 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
CHU Lam Yiu ^(Note 2) 朱林瑤 ^(附註2)	Held through controlled corporations ^(Note 1) 透過受控制公司持有 ^(附註1)
XIA Li Qun 夏利群	Beneficial owner 實益擁有人
WANG Guang Yu 王光雨	Beneficial owner 實益擁有人
XIONG Qing 熊卿	Beneficial owner 實益擁有人

Note 1: 1,219,813,415 ordinary shares of the Company are respectively held by Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited, Raise Sino Investments Limited and Real Elite Investments Limited. Ms. CHU Lam Yiu is the sole beneficial owner of the aforesaid six companies.

Note 2: Ms. CHU Lam Yiu extended the expiry date of a derivative transaction to and including 31 December 2015 by an amendment agreement dated 10 January 2013. The derivative transaction related to a long position of a monetary value equivalent to 99,937,000 shares of the Company.

董事於競爭業務的權益

概無董事及其各自之聯繫人士（按上市規則定義）擁有與本集團業務直接或間接構成競爭或可能構成競爭的任何業務中擁有任何權益。

董事及高級管理層履歷

於二零一三年三月三十一日，董事及高級管理層的履歷載於年報第45頁至52頁。

董事於股份、相關股份及債券之權益

於二零一三年三月三十一日，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附錄十所載的標準守則規定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
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1,219,813,415	39.221%
5,250,000	0.169%
2,400,000	0.077%
200,000	0.006%

附註1: 本公司之1,219,813,415股普通股乃分別由Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited, Raise Sino Investments Limited和Real Elite Investments Limited共同持有。朱林瑤女士為此六間公司的唯一實益擁有人。

附註2: 朱林瑤女士通過日期為二零一三年一月十日的一份修訂協議，將一項有關本公司股份的衍生產品交易的好倉合約的到期日延長至二零一五年十二月三十一日止（含該日），相關金額所涉等值為99,937,000股本公司股份。

(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 2013, 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.

Directors' Rights to Acquire Shares or Debentures

Other than disclosed in note 17 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 2013, 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/corporations held interests or short positions in 5% or more of the issued share capital of the Company.

(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，於二零一三年三月三十一日，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。

董事認購股份或債券之權利

除於綜合財務報表附註17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

於二零一三年三月三十一日，除於「董事於股份、相關股份及債券之權益」一節所披露之權益外，本公司根據證券及期貨條例第336條存置之主要股東登記冊顯示，下列人士／法團持有本公司已發行股本5%或以上權益或淡倉。

Directors' Report

董事會報告

Long(L)/Short(S) positions in ordinary shares of HKD0.10 each of the Company

本公司每股面值港幣0.10元之普通股好倉／淡倉

Name of Substantial Shareholders 主要股東名稱	Capacity 身份	Long(L)/ short(S) position 好倉／淡倉	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
BlackRock, Inc. <i>(Note 1)</i>	Held through controlled corporations 透過受控制公司持有	L 好倉	178,104,298	5.73%
Lazard Asset Management LLC	Investment manager 投資經理	L 好倉	439,543,281	14.13%
Lazard Emerging Markets Equity Portfolio	Investment manager 投資經理	L 好倉	219,747,000	7.07%
Prudential plc	Held through controlled corporations 透過受控制公司持有	L 好倉	249,416,500	8.02%
The Bank of New York Mellon Corporation <i>(Note 2)</i>	Held through controlled corporations 透過受控制公司持有	L 好倉	158,483,274	5.10%
UBS AG <i>(Note 3)</i>	Beneficial owner 實益擁有人	L 好倉	116,672,495	3.75%
		S 淡倉	114,360,274	3.68%
	Held through controlled corporations 透過受控制公司持有	L 好倉	57,361,164	1.84%
		S 淡倉	9,047,714	0.29%
	Person having a security interest in shares 對股份持有保證權益的人	L 好倉	24,616,000	0.79%

Note 1: Long position of 2,282,000 Shares were held through cash settled derivatives (on exchange).

附註1: 2,282,000股好倉乃透過現金交收之衍生工具(場內)持有。

Note 2: The interest of The Bank of New York Mellon Corporation included a lending pool of 154,908,045 Shares.

附註2: The Bank of New York Mellon Corporation的權益包括154,908,045股股份的借貸倉。

Note 3: (i) Long position of 17,959 Shares were held through physically settled derivatives (on exchange); (ii) long position of 93,872,684 and short position of 99,951,120 Shares were held through cash settled derivatives (off exchange).

附註3: (i) 17,959股好倉乃透過實物交收之衍生工具(場內)持有; (ii) 93,872,684股好倉和99,951,120股淡倉乃透過現金交收之衍生工具(場外)持有。

Major Customers and Suppliers

For the year ended 31 March 2013, the percentage of turnover attributable to the Group's five largest customers accounted for approximately 49% and the largest customer contributed approximately 25% to the turnover of the Group (Yunnan Tobacco Materials (Group) Co., Ltd. being the largest customer), and the percentage of purchases attributable to the Group's five largest suppliers accounted for approximately 21% and the largest supplier contributed approximately 9% 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.

Continuing Connected Transactions

Continuing connected transactions with Hongta Tobacco Group

The Group through its subsidiary entered into a framework agreement with Hongta Tobacco on 28 August 2012, pursuant to which the Group shall continually provide tobacco flavours and fragrances products, RTL, stem powder, auxiliary materials and related services to Hongta Tobacco Group for a period from 1 April 2012 to 31 March 2015 ("Hongta Framework Agreement"). Yunnan Tianhong is a 60% indirect subsidiary of the Company. The remaining 40% equity interest in Yunnan Tianhong is held by Yunnan Hongta. Yunnan Hongta is wholly owned by Hongta Tobacco. By virtue of such 40% interest in Yunnan Tianhong, Hongta Tobacco Group are regarded as connected persons to the Company under the Listing Rules. Pursuant to the Listing Rules, all the transactions conducted between the Group and Hongta Tobacco Group under the Hongta Framework Agreement constituted continuing connected transactions of the Group and is subject to the reporting, announcement, independent shareholders' approval and annual review requirements. Pursuant to the Hongta Framework Agreement, prices of the products will be by reference to the prevailing market price. Such price shall be no more favourable than those offered by the Group to independent third party for similar products and services in its ordinary and usual course of business. Payments to the Group will be in cash according to the time frame as mutually agreed. The annual caps (as revised) of the continuing connected transactions for each of the three financial years ending 31 March 2015 under the Hongta Framework Agreement are RMB115,000,000, RMB141,000,000 and RMB192,000,000 ("Hongta Annual Caps") respectively. The Hongta Annual Caps contemplated under the Hongta Framework Agreement were approved by the independent shareholders at the SGM held on 31 January 2013.

主要客戶及供應商

截至二零一三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49%，而最大客戶則約為25%（雲南中煙物資（集團）有限責任公司為最大客戶）；本集團五位最大供應商佔本集團採購額之百分比約為21%，而最大供應商則約為9%。

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

持續關連交易

與紅塔煙草集團的持續關連交易

於二零一二年八月二十八日，本集團透過附屬公司與紅塔煙草訂立有關本集團持續向紅塔煙草集團自二零一二年四月一日至二零一五年三月三十一日止提供煙用香精香料、煙草薄片、梗粒、煙用輔料及相關服務之框架協議（「紅塔框架協議」）。雲南天宏為本公司間接擁有60%權益的附屬公司，雲南天宏餘下40%股權由雲南紅塔持有，雲南紅塔由紅塔煙草全資擁有，憑藉在雲南天宏的40%權益，紅塔煙草集團根據上市規則被視為本公司的關連人士。根據上市規則，紅塔框架協議所涉及的本集團與紅塔煙草集團之間進行的交易構成本集團之持續關連交易，須遵守上市規則的規定申報、公告、經獨立股東批准和年度審核。根據紅塔框架協議，貨品價格乃按當時的市場價格釐定，且該價格不低於本集團在日常及一般商業交易情況下向獨立第三方提供該類產品及相關服務所收取的價格，而應付予本集團的貨款根據互相協定的時間以現金支付。紅塔框架協議內持續關連交易於截至二零一五年三月三十一日止三個財政年度的年度上限（經修訂）分別定為人民幣115,000,000元、人民幣141,000,000元和人民幣192,000,000元（「紅塔年度上限」）。紅塔框架協議項下之紅塔年度上限已於二零一三年一月三十一日舉行之股東特別大會上獲得獨立股東批准。

Continuing connected transactions with Guangdong Tobacco Company

The Group through its subsidiary entered into a framework agreement with Guangdong Tobacco on 28 July 2010 for a period from 1 January 2010 to 31 December 2012 (the "2010-2012 Framework Agreement"). In view of business need, the Group through its subsidiary entered into a framework agreement with Guangdong Tobacco on 17 December 2012, pursuant to which the Group shall continually provide tobacco flavours and fragrances products, RTL and related products and services to Guangdong Tobacco Company for a period from 1 January 2013 to 31 March 2015 ("GD Framework Agreement").

Guangdong Jinke is a non-wholly owned subsidiary of Guangdong Jinye. Guangdong Jinye became an indirect wholly owned subsidiary of the Company since the completion of the acquisition of the 100% registered capital of Guangdong Jinye by the Group on 10 January 2011 (the "acquisition of Guangdong Jinye"). Guangdong Tobacco holds more than 10% equity interest in Guangdong Jinke. Guangdong Tobacco Company are regarded as connected persons to the Company since the acquisition of Guangdong Jinye under the Listing Rules. Pursuant to the Listing Rules, all the transactions conducted between the Group and Guangdong Tobacco Company under each of the 2010-2012 Framework Agreement and GD Framework Agreement constituted continuing connected transactions of the Group. Continuing connected transactions under the 2010-2012 Framework Agreement were subject to reporting, annual review and disclosure requirements under Rule 14A.41 of the Listing Rules and the Group is not required to set any annual caps for the transaction amount contemplated under the 2010-2012 Framework Agreement. Continuing connected transactions under the GD Framework Agreement are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under the Listing Rules. Pursuant to the GD Framework Agreement, prices of the products will be by reference to the prevailing market price. Such price shall be no more favourable than those offered by the Group to independent third party for similar products and services in its ordinary and usual course of business. Payments to the Group will be in cash according to the time frame as mutually agreed.

The transaction caps of the continuing connected transactions for the period from 1 January 2013 to 31 March 2013, and for each of the two financial years ending 31 March 2015 contemplated under the GD Framework Agreement are RMB90,253,000, RMB237,000,000 and RMB305,500,000 respectively, which were approved by the independent shareholders at the SGM held on 31 January 2013.

與廣東中煙公司的持續關連交易

本集團透過附屬公司與廣東中煙於二零一零年七月二十八日訂立年期由二零一零年一月一日至二零一二年十二月三十一日的框架協議（「二零一零年至二零一二年框架協議」）。基於業務需要，於二零一二年十二月十七日，本集團透過附屬公司與廣東中煙訂立有關本集團持續向廣東中煙公司自二零一三年一月一日至二零一五年三月三十一日止期間提供煙用香精香料、煙草薄片及有關產品及服務之框架協議（「廣東框架協議」）。

廣東金科為廣東金葉的非全資附屬公司，廣東金葉自本集團於二零一一年一月十日完成收購其100%註冊資本（「收購廣東金葉」）後成為本公司間接擁有的全資附屬公司，廣東中煙持有廣東金科逾10%股權，廣東中煙公司自完成收購廣東金葉後根據上市規則被視為本公司的關連人士。根據上市規則，二零一零年至二零一二年框架協議及廣東框架協議項下各自所涉及的本集團與廣東中煙公司之間進行的交易構成本集團之持續關連交易。按二零一零年至二零一二年框架協議下進行的持續關連交易須遵守上市規則第14A.41條的申報、年度審核及披露規定，而本集團無須就二零一零年至二零一二年框架協議項下擬進行的交易金額設定任何年度上限。按廣東框架協議下進行的持續關連交易須遵守上市規則的規定申報、公告、經獨立股東批准和年度審核。根據廣東框架協議，貨品價格乃按當時的市場價格釐定，且該價格不低於本集團在日常及一般商業交易情況下向獨立第三方提供該類產品及相關服務所收取的價格，而應付予本集團的貨款根據互相協定的時間以現金支付。

獨立股東已於二零一三年一月三十一日舉行之股東特別大會上批准廣東框架協議項下進行的持續關連交易於二零一三年一月一日至三月三十一日止期間及截至二零一五年三月三十一日止兩個財政年度期間的交易上限，分別為人民幣90,253,000元、人民幣237,000,000元和人民幣305,500,000元。

Annual review of continuing connected transactions

For the year ended 31 March 2013, the transactions between the Group and Hongta Tobacco Group under the Hongta Framework Agreement amounted to approximately RMB114,351,587. For the period from 1 April 2012 to 31 December 2012, the transactions between the Group and Guangdong Tobacco Company under the 2010-2012 Framework Agreement amounted to approximately RMB86,134,554. For the period from 1 January 2013 to 31 March 2013, the transactions between the Group and Guangdong Tobacco Company under the GD Framework Agreement amounted to approximately RMB47,809,835.

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) either 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.

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

持續關連交易的年度審核

截至二零一三年三月三十一日止年度，本集團與紅塔煙草集團按紅塔框架協議進行的交易的金額約為人民幣114,351,587元。由二零一二年四月一日至二零一二年十二月三十一日止期間本集團與廣東中煙公司按二零一零年至二零一二年框架協議進行的交易的金額約為人民幣86,134,554元；由二零一三年一月一日至三月三十一日止期間本集團與廣東中煙公司按廣東框架協議進行的交易的金額約為人民幣47,809,835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。

根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，本公司獨立核數師已受聘對本集團上述之持續關連交易作出報告。根據上市規則第14A.38條，獨立核數師已發出無保留函件，並載有其結果和結論。本公司已將羅兵咸永道會計師事務所出具的核數師函件副本呈送給聯交所。

Related Party Transactions

Details of the significant related party transactions entered into by the Group during the year ended 31 March 2013 are set out in Note 33 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules, except for the transactions described in this paragraph headed "Continuing Connected Transactions", in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

Purchase, Sale or Redemption of Listed Securities of the Company

During the year ended 31 March 2013, the Company repurchased a total of 54,320,000 ordinary shares of HK\$0.10 per Share through the Stock Exchange at an aggregate consideration of approximately HK\$198,802,000 (excluding transaction costs). Out of 54,320,000 Shares repurchased, 49,722,000 Shares were cancelled during the financial year while the remaining 4,598,000 Shares were cancelled subsequently on 30 April 2013. Details of Shares repurchased during the year are set out as follows:

Month/year	年份 / 月份	No. of shares repurchased 購回股份數目	Highest price paid per share 所支付的最高每股價格 (HKD) 港幣	Lowest price paid per share 所支付的最低每股價格 (HKD) 港幣	Aggregate price paid 所支付的價格總額 (HKD'000) 港幣千元
August 2012	二零一二年八月	14,082,000	4.55	3.70	58,220
September 2012	二零一二年九月	3,614,000	4.50	3.95	15,561
November 2012	二零一二年十一月	553,000	3.86	3.24	1,977
January 2013	二零一三年一月	693,000	4.34	4.30	2,998
March 2013	二零一三年三月	35,378,000	3.64	3.18	120,046
Total:	總計：	54,320,000			198,802

The Directors believe that repurchases of Shares are in the best interests of the Company and its Shareholders and that such repurchases of Shares would lead to an enhancement of the net asset value per Share and earnings per Share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2013.

關聯人士交易

本集團於截至二零一三年三月三十一日止年度訂立之重大關聯人士交易詳情載於綜合財務報表附註33。除於「持續關連交易」一節所述的交易（而此等交易已遵守上市規則第14A章的披露規定）外，該等關聯人士交易概無構成須予披露的關連交易（定義見上市規則）。

購買、出售或贖回本公司之上市證券

於截至二零一三年三月三十一日止年度內，本公司於聯交所回購共54,320,000股每股面值港幣0.10元之普通股，總代價約為港幣198,802,000元（不含交易成本）。在54,320,000股購回股份當中，49,722,000股已在本財政年度內被註銷，餘下的4,598,000股隨後於二零一三年四月三十日被註銷。於年內購回股份的詳情如下：

董事相信，回購股份乃符合本公司及其股東之最佳利益，並可提高本公司每股資產淨值及每股盈利。

除上文所披露者外，本公司或其任何附屬公司在截至二零一三年三月三十一日止年度內概無購買、出售或贖回本公司任何上市證券。

Legal Proceedings

As at 31 March 2013, none of the members of the Group was 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 to the best belief and knowledge of the Directors, the Company has maintained the prescribed public float 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 2013 have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM of the Company.

By Order of the Board
CHU Lam Yiu
Chairman and CEO

Hong Kong, 18 June 2013

法律訴訟

於二零一三年三月三十一日，本集團成員公司概無涉及任何重大訴訟或仲裁事項，亦無面臨任何待決的重大訴訟或索償。

公眾持股量

於本報告期內及截至本報告日，本公司根據可供公眾查閱之資料以及據董事所知和所信，本公司已維持上市規則所規定之公眾持股量。

核數師

截至二零一三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，該核數師將任滿告退，但表示願意於本公司應屆股東週年大會上應聘連任。

承董事會命
朱林瑤
主席兼總裁

香港，二零一三年六月十八日

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

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 92 to 188, which comprise the consolidated and company statements of financial position as at 31 March 2013, 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 information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with 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.

獨立核數師報告

致華寶國際控股有限公司股東

(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第92至188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二零一三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它附註解釋資料。

董事就綜合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香港《公司條例》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見,按照百慕達《一九八一年公司法》第90條僅向整體股東報告我們的意見。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責或承擔任何責任。

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2013, 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 2013

我們已根據香港會計師公會頒佈的香港審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定綜合財務報表是否不存在任何重大錯誤陳述。

審計涉及執行情序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。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綜合財務報表存在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綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

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二零一三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，二零一三年六月十八日

Consolidated Statement of Financial Position

綜合財務狀況表

(All amounts in HK dollar thousands unless otherwise stated)

(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	
		2013 二零一三年	2012 二零一二年
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、機器及設備	6 1,443,810	1,115,382
Land use rights	土地使用權	7 204,045	209,233
Intangible assets	無形資產	8 2,925,745	2,931,975
Investments in associates	於聯營公司之投資	10 102,299	101,545
Available-for-sale financial assets	可供出售金融資產	11 67,648	65,931
Deferred income tax assets	遞延所得稅資產	12 48,710	44,436
		4,792,257	4,468,502
Current assets	流動資產		
Inventories	存貨	13 702,316	667,871
Trade and other receivables	貿易及其他應收款項	14 1,059,769	928,969
Assets held for sale	持作出售資產	29(a) 5,102	-
Short-term time deposits	短期定期存款	15 437,166	-
Cash and cash equivalents	現金及現金等價物	15 1,886,183	2,286,577
		4,090,536	3,883,417
Total assets	總資產	8,882,793	8,351,919
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	16 311,013	315,985
Reserves	儲備	18 914,597	867,402
Retained earnings	保留盈利		
- Proposed final dividend	- 擬派末期股息	28 291,524	280,595
- Proposed special dividend	- 擬派特別股息	28 86,837	-
- Others	- 其他	19 5,675,440	4,854,325
		7,279,411	6,318,307
Non-controlling interests	非控制性權益	346,265	331,942
Total equity	總權益	7,625,676	6,650,249
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Deferred income tax liabilities	遞延所得稅負債	12 62,628	72,788
Current liabilities	流動負債		
Borrowings	貸款	20 465,000	927,500
Trade and other payables	貿易及其他應付款項	21 585,683	584,226
Current income tax liabilities	當期所得稅負債	143,806	117,156
		1,194,489	1,628,882
Total liabilities	總負債	1,257,117	1,701,670
Total equity and liabilities	總權益及負債	8,882,793	8,351,919
Net current assets	流動資產淨值	2,896,047	2,254,535
Total assets less current liabilities	總資產減流動負債	7,688,304	6,723,037

The notes on pages 98 to 188 are an integral part of these consolidated financial statements.

第98至188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

(All amounts in HK dollar thousands unless otherwise stated)

(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	2013 二零一三年	2012 二零一二年
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	9(a)	1,245,085	1,245,083
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項	14	503	480
Amounts due from subsidiaries	應收附屬公司款項	9(b)	1,932,358	2,732,808
Cash and cash equivalents	現金及現金等價物	15	114,365	11,908
			2,047,226	2,745,196
Total assets	總資產		3,292,311	3,990,279
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	16	311,013	315,985
Reserves	儲備	18	782,634	777,662
Retained earnings	保留盈利			
– Proposed final dividend	– 擬派期末股息	28	291,524	280,595
– Proposed special dividend	– 擬派特別股息	28	86,837	–
– Others	– 其他	19	1,118,284	1,482,571
Total equity	總權益		2,590,292	2,856,813
LIABILITIES	負債			
Current liabilities	流動負債			
Borrowings	貸款	20	465,000	927,500
Amounts due to subsidiaries	應付附屬公司款項	9(b)	231,913	198,964
Trade and other payables	貿易及其他應付款項	21	5,106	7,002
			702,019	1,133,466
Total liabilities	總負債		702,019	1,133,466
Total equity and liabilities	總權益及負債		3,292,311	3,990,279

The notes on pages 98 to 188 are an integral part of these financial statements.

第98至188頁的附註為本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

(All amounts in HK dollar thousands unless otherwise stated)

(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		
		Note 附註	2013 二零一三年	2012 二零一二年
Sales	營業額	5	3,645,940	3,311,304
Cost of goods sold	銷售成本	23	(1,127,031)	(975,308)
Gross profit	毛利		2,518,909	2,335,996
Other income	其他收益	22	176,692	258,551
Selling and marketing expenses	銷售及市場推廣開支	23	(139,464)	(105,807)
Administrative expenses	行政費用	23	(531,469)	(424,689)
Operating profit	營運盈利		2,024,668	2,064,051
Finance income	財務收入		41,277	33,168
Finance costs	融資成本		(19,079)	(16,373)
Finance income - net	財務收入－淨額	25	22,198	16,795
Share of profit of associates	應佔聯營公司盈利	10	538	143
Profit before income tax	除稅前盈利		2,047,404	2,080,989
Income tax expense	所得稅	26	(314,804)	(314,250)
Profit for the year	本年度盈利		1,732,600	1,766,739
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		1,716,375	1,750,419
Non-controlling interests	非控制性權益		16,225	16,320
			1,732,600	1,766,739
Earnings per share for profit attributable to the Company's equity holders for the year	年內本公司權益持有人應佔的每股盈利			
– Basic (HK cents)	– 基本 (港仙)	27(a)	54.53	55.48
– Diluted (HK cents)	– 攤薄 (港仙)	27(b)	54.49	55.31
Interim and final dividends	中期及期末股息	28	526,515	527,064
Special dividend	特別股息	28	164,748	163,680
			691,263	690,744

The notes on pages 98 to 188 are an integral part of these consolidated financial statements. 第98至188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

(All amounts in HK dollar thousands unless otherwise stated)

(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	
		2013 二零一三年	2012 二零一二年
Profit for the year	本年度盈利	1,732,600	1,766,739
Other comprehensive income:	其他全面收益：		
Fair value changes on available-for-sale financial assets, net of tax	可供出售金融資產之除稅後的公允值變動	(3,155)	12,466
Exchange differences on translating foreign operations	海外業務之匯兌差額	39,555	152,280
Other comprehensive income for the year, net of tax	本年度除稅後其他全面收益	36,400	164,746
Total comprehensive income for the year, net of tax	本年度除稅後全面收益總額	1,769,000	1,931,485
Total comprehensive income attributable to:	應佔全面收益總額：		
Equity holders of the Company	本公司權益持有人	1,750,950	1,903,668
Non-controlling interests	非控制性權益	18,050	27,817
		1,769,000	1,931,485

The notes on pages 98 to 188 are an integral part of these consolidated financial statements.

第98至188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

(All amounts in HK dollar thousands unless otherwise stated)

(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				Non- controlling interests 非控制性權益	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 2011		315,005	677,318	4,048,327	5,040,650	255,213	5,295,863
Fair value changes on available-for-sale financial assets, net of tax		-	12,466	-	12,466	-	12,466
Exchange differences		-	140,783	-	140,783	11,497	152,280
Profit for the year		-	-	1,750,419	1,750,419	16,320	1,766,739
Total comprehensive income for the year ended 31 March 2012		-	153,249	1,750,419	1,903,668	27,817	1,931,485
Transactions with owners in their capacity as owners:							
Appropriations from net profit	18,19	-	1,940	(1,940)	-	-	-
Capital injection to Yongzhou Shan Xiang Flavour Co., Ltd.		-	-	-	-	14,104	14,104
Capital injection to Qingdao Qingda Product Co., Inc., ("Qingdao Qingda")		-	-	-	-	5,408	5,408
Incorporation of non-wholly owned subsidiary		-	-	-	-	29,400	29,400
Final dividend for the year ended 31 March 2011		-	-	-	-	-	-
Interim and special dividend for the 6 months ended 30 September 2011	19	-	-	(251,737)	(251,737)	-	(251,737)
Employee share option scheme		-	-	(410,149)	(410,149)	-	(410,149)
- Value of employee services	23	-	75	-	75	-	75
- Exercise of share options	17	980	34,820	-	35,800	-	35,800
Total transactions with owners		980	36,835	(663,826)	(626,011)	48,912	(577,099)
Balance at 31 March 2012		315,985	867,402	5,134,920	6,318,307	331,942	6,650,249
Balance at 1 April 2012		315,985	867,402	5,134,920	6,318,307	331,942	6,650,249
Fair value changes on available-for-sale financial assets, net of tax		-	(3,155)	-	(3,155)	-	(3,155)
Exchange differences		-	37,730	-	37,730	1,825	39,555
Profit for the year		-	-	1,716,375	1,716,375	16,225	1,732,600
Total comprehensive income for the year ended 31 March 2013		-	34,575	1,716,375	1,750,950	18,050	1,769,000
Transactions with owners in their capacity as owners:							
Appropriations from net profit	18,19	-	4,336	(4,336)	-	-	-
Dividends paid to non-controlling interests		-	-	-	-	(22,729)	(22,729)
Acquisition of additional equity interests in Qingdao Qingda from non-controlling interests	30	-	3,312	-	3,312	(16,139)	(12,827)
Incorporation of non-wholly owned subsidiaries		-	-	-	-	35,141	35,141
Repurchase of shares		(4,972)	4,972	(199,661)	(199,661)	-	(199,661)
Final dividend for the year ended 31 March 2012		-	-	-	-	-	-
Interim and special dividend for the 6 months ended 30 September 2012	19	-	-	(280,595)	(280,595)	-	(280,595)
	19	-	-	(312,902)	(312,902)	-	(312,902)
Total transactions with owners		(4,972)	12,620	(797,494)	(789,846)	(3,727)	(793,573)
Balance at 31 March 2013		311,013	914,597	6,053,801	7,279,411	346,265	7,625,676

The notes on pages 98 to 188 are an integral part of these consolidated financial statements. 第98至188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

(All amounts in HK dollar thousands unless otherwise stated)

(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	
		2013 二零一三年	2012 二零一二年
	Note 附註		
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	31	1,907,337	1,890,949
Income tax paid		(291,711)	(350,791)
Net cash generated from operating activities	營運活動產生之現金淨額	1,615,626	1,540,158
Cash flows from investing activities	投資活動的現金流量		
Acquisition of subsidiaries	29	(4,889)	(39,619)
Capital injection in available-for-sale financial assets	11	(1,230)	(13,736)
Purchases of property, plant and equipment, land use right and intangible asset		(335,257)	(597,204)
Proceeds from disposal of property, plant and equipment		1,515	11,961
Short-term time deposits placed		(437,166)	-
Interests received		41,277	33,168
Net cash used in investing activities	投資活動所用之現金淨額	(735,750)	(605,430)
Cash flows from financing activities	融資活動的現金流量		
Dividends paid to shareholders		(628,118)	(668,923)
Acquisition of additional interests of subsidiary from non-controlling interests		(9,808)	-
Capital contributions from non-controlling interests		35,141	48,912
Proceeds from issue of shares in connection with exercise of share options		-	35,800
Repurchase of shares		(199,661)	-
Short-term bank borrowings	20	77,500	387,500
Repayment of borrowings	20	(540,000)	(203,701)
Interest paid		(21,038)	(11,550)
Net cash used in financing activities	融資活動所用之現金淨額	(1,285,984)	(411,962)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少)/增加淨額	(406,108)	522,766
Cash and cash equivalents at 1 April		2,286,577	1,676,410
Effects of exchange rate changes on cash and cash equivalents		5,714	87,401
Cash and cash equivalents at 31 March	於三月三十一日現金及現金等價物	1,886,183	2,286,577

The notes on pages 98 to 188 are an integral part of these consolidated financial statements.

第98至188頁的附註為本綜合財務報表的整體部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

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 research and development, production, distribution and sale of flavours and fragrances and reconstituted tobacco leaves in the People's Republic of China (the 'PRC'). Ms. Chu Lam Yiu ('Ms. Chu'), who is the Chairman of the Board of Directors, holds approximately 39% equity interest in the Company as at 31 March 2013, through six limited companies incorporated in the British Virgin Islands and solely beneficially owned by her, namely Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Raise Sino Investments Limited, Jumbo Elite Limited and Real Elite Investments Limited, and is the single largest shareholder of the Company.

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 2013.

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, as modified by remeasurement of available-for-sale financial assets.

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」）研究及發展、生產、分銷及銷售香精香料和煙草薄片。朱林瑤女士（「朱女士」）乃本公司之董事局主席，於二零一三年三月三十一日，透過六家於英屬處女群島註冊成立的並由朱女士唯一實益擁有的有限公司Mogul Enterprises Limited、Resourceful Link International Limited、Power Nation International Limited、Raise Sino Investments Limited、Jumbo Elite Limited及Real Elite Investments Limited，持有本公司約39%之權益，為本公司的單一大股東。

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二零一三年六月十八日獲董事會批准刊發。

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」），並按歷史成本法編製，且就重新計量之可供出售金融資產而作出修訂。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

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.

編製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計，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計的範疇，在附註4中披露。

(a) *The following amendment to standards are mandatory for the first time for the financial year beginning 1 April 2012, but are not currently relevant or do not have significant impact to the Group's operations (although they may affect the accounting for future transactions and events):*

(a) *下列的修改準則於二零一二年四月一日開始的財政年度首次強制應用，但現與本集團業務無關或無重大影響（雖然其可能會影響未來的交易和事項的會計記賬）：*

- HKAS 12 (Amendment) "Deferred tax: Recovery of underlying assets" is effective for annual periods beginning on or after 1 January 2012.
- HKFRS 1 (Amendment) "Severe hyperinflation and removal of fixed dates for first-time adopters" is effective for annual period beginning on or after 1 July 2011.
- HKFRS 7 (Amendment) "Disclosures – Transfers of financial assets" is effective for annual period beginning on or after 1 July 2011.

- 香港會計準則第12號（修改）「遞延稅項：相關資產的收回」（由二零一二年一月一日或之後開始的年度期間起生效）。
- 香港財務報告準則第1號（修改）「嚴重高通脹及剔除首次採納者的固定日期」（由二零一一年七月一日或之後開始的年度期間起生效）。
- 香港財務報告準則第7號（修改）「披露—金融資產的轉讓」（由二零一一年七月一日或之後開始的年度期間起生效）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(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)

(b) The following new standards, amendments to standards and interpretations are not yet effective and have not been early adopted by the Group:

(b) 下列仍未生效而本集團亦無提早採納的準則、修改及對現有準則的詮釋：

		Effective for annual periods beginning on or after 之後開始的年度期間起生效
HKAS 1 (Amendment) Presentation of Financial Statements – Other Comprehensive Income	香港會計準則第1號(修改) 「財務報表的呈列」—其他全面收益表	1 July 2012 二零一二年七月一日
HKFRS 7 (Amendment) Financial instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	香港財務報告準則第7號(修改)「金融工具：披露—抵銷金融資產及金融負債」	1 January 2013 二零一三年一月一日
HKFRS 10 (Amendment) Consolidated Financial Statements	香港財務報告準則第10號(修改) 「綜合財務報表」	1 January 2013 二零一三年一月一日
HKFRS 11 (Amendment) Joint arrangements	香港財務報告準則第11號(修改) 「合營安排」	1 January 2013 二零一三年一月一日
HKFRS 12 (Amendment) Disclosure of Interests in Other Entities	香港財務報告準則第12號(修改) 「在其他主體權益的披露」	1 January 2013 二零一三年一月一日
HKFRS 13 Fair value measurement	香港財務報告準則第13號 「公允價值計量」	1 January 2013 二零一三年一月一日
HKAS 19 (Amendment) Employee Benefits	香港會計準則第19號(修改) 「員工福利」	1 January 2013 二零一三年一月一日
HKAS 27 (Revised 2011) Separate Financial Statements	香港會計準則第27號(二零一一年修訂) 「獨立財務報表」	1 January 2013 二零一三年一月一日
HKAS 28 (Revised 2011) Investments in Associate and Joint Venture	香港會計準則第28號(二零一一年修訂) 「聯營公司及合營企業之投資」	1 January 2013 二零一三年一月一日
HKFRS 1 (Amendments) First time adoption of HKFRS	香港財務報告準則第1號 「首次採納香港財務報告準則」	1 January 2013 二零一三年一月一日
HKAS 1 (Amendment) Presentation of Financial statements	香港會計準則第1號(修改) 「財務報表的呈列」	1 January 2013 二零一三年一月一日
HKAS 16 (Amendment) Property, plant and equipment	香港會計準則第16號(修改) 「物業、機器及設備」	1 January 2013 二零一三年一月一日
HKAS 32 (Amendment) Financial instruments: Presentation	香港會計準則第32號(修改) 「金融工具：呈列」	1 January 2013 二零一三年一月一日
HKAS 34 (Amendment) Interim financial reporting	香港會計準則第34號(修改) 「中期財務報告」	1 January 2013 二零一三年一月一日
HK(IFRIC) Int 20 Stripping Costs in the Production Phase of a Surface Mine	香港(國際財務報告詮釋委員會) —詮釋20「露天礦生產階段的剝離成本」	1 January 2013 二零一三年一月一日
HKAS 32 (Amendment) Offsetting Financial Assets and Financial Liabilities	香港會計準則第32號(修改) —「抵銷金融資產及金融負債」	1 January 2014 二零一四年一月一日
HKFRS 9 Financial Instruments	香港財務報告準則第9號「金融工具」	1 January 2015 二零一五年一月一日
HKFRS 9 and HKFRS 7 (Amendments) Mandatory Effective Date of HKFRS 9 and Transition Disclosures	香港財務報告準則第9號及第7號(修改) 「強制性生效日期及過渡性披露」	1 January 2015 二零一五年一月一日

Management does not anticipate that the application of the revised standards will result in a material impact on the Group's consolidated financial statements.

管理層預期該等修訂準則的應用不會對本集團的綜合財務報表有重大影響。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.2 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. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise from circumstances such as enhanced minority rights or contractual terms between shareholders, etc.

(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。如本集團不持有超過50%投票權，但有能力基於實質控制權而管控財務和經營政策，也會評估是否存在控制權。實質控制權可來自例如增加非控制權益的數目或股東之間的合約條款等情況。

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.

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。

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

集團內公司之間的交易、交易的結餘及未實現盈利予以對銷。集團內公司間的盈虧(確認於資產)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。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(a) Subsidiaries (continued)

(a) 附屬公司 (續)

(i) Business combinations

(i) 業務合併

Apart from the application of merger accounting on those common control combinations, the Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

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。收購附屬公司的轉讓代價為本集團所轉讓資產、所產生負債及所發行的股權的公允價值。所轉讓代價包括或有代價安排所產生的任何資產或負債的公允價值。於業務合併時所收購可識別的資產以及所承擔的負債及或然負債，初步按收購日的公允價值計量。就逐項收購基準，本集團可按公允價值或按非控制性權益應佔被收購方淨資產的比例，計量被收購方的非控制性權益。

Acquisition-related costs are expensed as incurred.

收購的相關成本在產生時支銷。

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is measured to fair value at the acquisition date through profit or loss.

如業務合併分階段進行，收購方之前在被收購方持有的權益按收購日期的公允價值在損益中重新計量。

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

集團將轉讓的任何或有對價按收購日期的公允價值計量。被視為資產或負債的或有對價公允價值的其後變動，根據香港會計準則第39號的規定，在損益中或作為其他收益的變動確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(a) Subsidiaries (continued)

(a) 附屬公司 (續)

(i) Business combinations (continued)

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

(i) 業務合併 (續)

商譽初始計量為轉讓對價與非控制性權益的總額，超過所購入可辨認資產和承擔負債淨值的差額。如此對價低過所購買附屬公司淨資產的公允價值，該差額在損益中確認。

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of 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 non-controlling interests are also recorded in equity.

(ii) 不導致失去控制權的附屬公司權益變動

本集團將其非控制性權益進行、不導致失去控制權的交易入賬為權益交易 – 即與所有者以其作為所有者身份進行的交易。所支付任何對價的公允價值與相關應佔所收購附屬公司淨資產賬面值的差額記錄為權益。向非控制權益的處置的盈虧亦記錄在權益中。

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) 出售附屬公司

當集團不再持有控制權，在主體的任何保留權益於失去控制權當日重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他全面收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他全面收益中確認的數額重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(b) Application of merger accounting

(b) 同一控制下合併的合併會計法

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.

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。

The net assets of the combining entities are combined using the existing book values from the controlling party's 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允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.

綜合收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 closing 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、向股東提供資訊發生的費用，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。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(c) Associates

(c) 聯營公司

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. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

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。於聯營公司之投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營公司之投資包括收購時已識辨之商譽。

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

如聯營公司的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他全面收益中確認的數額重新分類至損益（如適當）。

The Group's share of post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in consolidated other comprehensive income with a corresponding adjustment to 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 legal or constructive obligations or made payments on behalf of the associate.

本集團應佔收購後聯營公司的盈利或虧損於綜合收益表內確認，而應佔收購後的其他全面收益表變動則於其他綜合收益表內確認，並相應調整賬面值。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，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(c) Associates (continued)

(c) 聯營公司 (續)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to share of profit/(loss) of an associate in the income statement.

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值的差額，並在收益表中的「應佔聯營公司盈利／(虧損)」中確認。

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are 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的上游及下游交易的盈虧，在本集團的財務報表中確認，但僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓資產已減值，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收益表內確認。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(d) Jointly controlled entity

(d) 共同控制實體

The Group's interests in jointly controlled entities 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 recognizes 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 recognize 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 recognized immediately if the loss provides evidence of a reduction in the net realizable value of the 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值現象，此交易虧損會即時確認。

2.3 Separate financial statements

2.3 獨立財務報表

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

附屬公司投資按成本扣除減值列賬。成本亦包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股息入賬。

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period 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.

如股息超過宣派股息期內附屬公司的總全面收益，或如在獨立財務報表的投資賬面值超過綜合財務報表中被投資公司淨資產（包括商譽）的賬面值，則必須對附屬公司投資作減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.4 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.

2.4 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。

2.5 Foreign currency translation

(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 dollars ('HKD'), which is the Company's functional currency and the Group's presentation currency.

2.5 外幣換算

(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，此乃本公司的功能貨幣及本集團的列賬貨幣。

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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) 交易及結餘

外幣交易均按當日的匯率交易或項目重新計量時按估值換算為功能貨幣。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綜合收益表內確認。

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'other income'.

與借款和現金及現金等價物有關的匯兌盈虧在綜合收益表內的「財務收入或成本」中列報。所有其他匯兌盈虧在綜合收益表內的「其他收益」中列報。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.5 Foreign currency translation (continued)

2.5 外幣換算 (續)

(b) Transactions and balances (continued)

(b) 交易及結餘 (續)

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between currency translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in amortised cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

被分類為可供出售且以外幣為單位的貨幣性證券的公允價值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的換算差額進行分析。與攤銷成本變動有關的換算差額確認為盈虧，賬面值的其他變動則於其他全面收益中確認。

Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

非貨幣性金融資產（例如分類為可供出售的權益）的換算差額包括在其他全面收益中。

(c) Group companies

(c) 集團公司

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:

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 reporting;
- (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 in other comprehensive income.

- (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；
- (ii) 每份收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在其他全面收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.5 Foreign currency translation (continued)

(c) Group companies (continued)

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. Exchange differences arising are recognized in other comprehensive income.

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group's losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group's losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2. 主要會計政策摘要 (續)

2.5 外幣換算 (續)

(c) 集團公司 (續)

收購海外實體產生的商譽及公允價值調整視為該海外實體的資產和負債，並按收市匯率換算。產生的匯兌差額在其他全面收益中確認。

(d) 處置和部份處置海外業務

對於海外業務的處置（即處置集團在海外業務中的全部權益，或者處置涉及喪失對擁有海外業務的附屬公司的控制權，或涉及喪失對擁有海外業務的共同控制實體的共同控制權，或涉及喪失對擁有海外業務的聯營企業的重大影響），就該項經營累計計入權益的歸屬於公司權益持有者的所有匯兌差額均重分類至損益。

對於並不導致集團喪失對擁有海外業務的附屬公司的控制權的部份處置，集團在累計匯兌差額中的比例份額重新歸屬於非控制性權益並且不在損益中確認。對於所有其他部份處置（即集團在聯營企業或共同控制實體中的所有權益的減少並不導致集團喪失重大影響或共同控制權），集團在累計匯兌差額中的比例份額重分類至損益。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.6 Property, plant and equipment

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.

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.

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 consolidated 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 2.9).

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

2.6 物業、機器及設備

在建工程乃指興建物業、機器及設備所產生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。

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。

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，其後成本才包括在資產的賬面值或確認為一項獨立資產（如適用）。被替換部分資產賬面值終止確認。所有其他維修保養費用於其產生的財政期間於綜合收益表中支銷。

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2.9）。

出售盈虧乃比較所得款項與賬面值而釐定，在綜合收益表內的其他收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.7 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.

2.8 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

2. 主要會計政策摘要 (續)

2.7 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扣除任何減值虧損在綜合收益表中支銷。

2.8 無形資產

(a) 商譽

商譽產生自收購附屬公司、聯營公司及合營公司，並相當於所轉讓對價超過本集團在被收購方的可識辨資產、負債和或有負債淨公允價值權益與非控制性權益在被收購方公允價值之數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單位（「現金產出單位」）或現金產出單位組（預期可從合併中獲取協同利益）。商譽被分配的每個單位或單位組指在主體內商譽被監控作內部管理用途的最低層次。商譽在經營分部層次進行監控。

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。商譽賬面值與可收回數額（使用價值與公允價值減出售成本較高者）比較。任何減值須即時確認及不得在之後期間撥回。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.8 Intangible assets (continued)

2.8 無形資產 (續)

(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 and licenses*

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. 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 and licenses over their estimated useful lives of 10 to 20 years.

(c) *商標及許可證*

分開購入的商標及許可證按歷史成本列賬。在業務合併中購入的商標及許可證按購買日的公允價值列賬。商標及許可證具有有限可使用年期，按成本減累計攤銷和累計減值虧損列賬。攤銷以直線法將商標及許可證的成本按其估計可使用年期10至20年計算。

(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用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 carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the technology and skills over their estimated useful life of 3 to 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，按成本減累計攤銷及及累計減值虧損列賬。攤銷以直線法將專利及技術的成本按其估計可使用年期3至10年計算。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible assets not ready to use, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization 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.

2.9 非金融資產的減值

不確定使用年期之資產(如商譽或尚未可供使用的無形資產)無需攤銷，但最少每年就減值進行測試。各項資產，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允價值扣除銷售成本或使用價值兩者之較高者為準。就評估減值而言，資產按可分開辨識現金流量(現金產出單位)的最低層次組合。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以撥回進行檢討。

2.10 Assets held-for-sale

Assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for deferred tax assets and financial assets) are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets and financial assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

2.10 持作出售資產

當持作出售資產的賬面值將主要透過一項出售交易收回而該項出售被視為極可能時，分類為持作出售的資產。該等非流動資產(除遞延所得稅資產及金融資產外)按賬面值與公允價值扣除銷售成本兩者的較低者列賬。遞延所得稅資產及金融資產即使持作出售，亦應按照別處的附註二所列示之會計政策繼續計量。

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2.11 金融資產

2.11.1 分類

本集團將其金融資產分為以下類別：貸款及應收款項及可供出售之金融資產。分類視乎購入財務資產之目的。管理層在初始確認時確定財務資產的分類。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.11 Financial assets (continued)

2.11 金融資產 (續)

2.11.1 Classification (continued)

2.11.1 分類 (續)

(a) 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 the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group and Company's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents', 'amount due from subsidiary' and 'short-term time deposits' in the statements of financial position.

(a) 貸款及應收款項

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金融資產。此等款項包括在流動資產內，但若由結算日起計超過12個月到期者，則分類為非流動資產。本集團及本公司的貸款及應收款列示於財務狀況表中「貿易及其他應收款項」、「現金及現金等價物」、「應收附屬公司款項」及「短期定期存款」內。

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(b) 可供出售金融資產

可供出售金融資產為被指定作此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在結算日後12個月內處置該投資，否則此等資產列示於非流動資產內。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.11 Financial assets (continued)

2.11 金融資產 (續)

2.11.2 Recognition and measurement

2.11.2 確認和計量

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. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

常規購入及出售的金融資產在交易日確認 – 交易日指本集團承諾購入或出售該資產之日。對於並非按公允價值透過損益記賬的所有金融資產，其投資初始按公允價值加交易成本確認。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有的所有風險和回報實際轉讓時，金融資產即終止確認。可供出售金融資產其後按公允價值列賬。貸款及應收款其後利用實際利息法按攤銷成本列賬。

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in accordance with the policy in other comprehensive income.

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動乃根據會計政策在其他全面收益中確認。

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated income statement as 'other gains – net'.

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入綜合收益表內作為「其他收益 – 淨額」。

Dividends on available-for-sale equity instruments are recognized in the consolidated income statement as part of other income when the Group's right to receive payments is established.

可供出售權益工具的股息，當本集團收取有關款項的權利確定時，在綜合收益表內確認為其他收益的一部份。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.12 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表報告其淨額。

2.13 Impairment of financial assets

(a) *Assets carried at amortized cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.13 金融資產減值

(a) *以攤銷成本列賬的資產*

本集團於每個結算日評估是否存在客觀證據證明某一金融資產或某一組金融資產出現減值。只有當存在客觀證據證明於首次確認資產後發生一宗或多宗事件導致出現減值（「虧損事項」），而該宗（或該等）虧損事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關的金融資產或金融資產組才算出現減值及產生減值虧損。

減值虧損的證據可包括債務人或一組債務人遇上嚴重財務困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

(All amounts in HK dollar thousands unless otherwise stated)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.13 Impairment of financial assets (continued)

2.13 金融資產減值 (續)

(a) Assets carried at amortized cost (continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statement.

(b) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its costs is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the consolidated income statement. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

(a) 以攤銷成本列賬的資產 (續)

對於貸款及應收款類別，其損失金額乃根據資產賬面值與金融資產按原實際利率貼現而估計未來現金流量（不包括仍未產生的未來信用損失）的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在綜合收益表確認。如貸款有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，集團可利用可觀察的市場價格，按工具的公允價值計量減值。

如在較後期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件（例如債務人的信用評級有所改善），則之前已確認的減值虧損可在綜合收益表撥回。

(b) 可供出售資產

本集團於每個結算日評估是否存在客觀證據證明某一金融資產或某一組金融資產出現減值。至於分類為可供出售的權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若可供出售金融資產存在此等證據，累計虧損—按收購成本與當前公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算—自權益中剔除並在綜合收益中記賬。在綜合收益表確認的權益工具的減值虧損不會透過綜合收益表撥回。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.14 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.

2.14 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。

2.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2.15 貿易及其他應收款項

貿易應收賬款為在日常經營活動中就商品銷售而應收客戶的款項。如貿易及其他應收款的收回預期在一年或以內(如仍在正常經營週期中，則可較長時間)，其被分類為流動資產；否則分類為非流動資產。

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.

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。

2.16 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.

2.16 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動性投資。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Share capital

Ordinary shares are classified as equity.

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.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to owners of the Company.

2.18 Borrowings

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

Fees paid on the establishment of loan facilities are recognized 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 capitalized as a prepayment for liquidity services and amortized 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. 主要會計政策摘要 (續)

2.17 股本

普通股列為權益。

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)。

如任何集團公司購入本公司的權益股本(庫存股份)，所支付的對價，包括任何直接所佔的新增成本(扣除所得稅)，自歸屬於本公司權益持有人的權益中扣除，直至股份被註銷或重新發行為止。如股份其後被重新發行，任何已收取的對價(扣除任何直接所佔的新增交易費用及相關受影響的所得稅)包括在歸屬於本公司權益持有人的權益。

2.18 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。

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。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.19 Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

2.20 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.

2.19 借款成本

直接歸屬於收購、興建或生產合資格資產（指必須經一段長時間籌備以作其預定用途或銷售的資產）的一般及特定借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他的借款成本在發生時計入發生期間的綜合收益表。

2.20 貿易應付款

貿易應付款為在日常經營活動中購買商品或服務而應支付予供應商的債務。如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。

貿易應付款初始以公允價值確認，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)

2.21 Current and deferred income tax

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

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting 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.

(b) Deferred income tax

Inside basis difference

Deferred income tax is recognized, 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, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, 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 reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2.21 當期及遞延所得稅

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

(a) 當期所得稅

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。

(b) 遞延所得稅

內在差異

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。然而，若遞延所得稅來自商譽的初始確認，以及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始確認，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會將適用之稅率（及法例）而釐定。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.21 Current and deferred income tax (continued)

2.21 當期及遞延所得稅 (續)

(b) *Deferred income tax (continued)*

(b) *遞延所得稅 (續)*

Inside basis difference (continued)

內在差異 (續)

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額時方會確認。

Outside basis differences

外在差異

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint controlled entity and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by 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額而作出撥備，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。

(c) *Offsetting*

(c) *抵銷*

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 taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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額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。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.22 Employee benefits

2.22 僱員福利

(a) Pension obligations

(a) 退休金責任

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 PRC 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 employee 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. No pension obligation is required under the Botswana laws and regulation.

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。根據博茨瓦納的法律及法規，並無退休金責任的要求。

(All amounts in HK dollar thousands unless otherwise stated)

(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)****2.22 Employee benefits (continued)****2.22 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, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. 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 is determined by reference to the fair value of the options granted:

本公司設有一項按權益償付，以股份支付酬金的計劃。根據該計劃，主體收取僱員的服務作為本集團權期工具（購股權）的對價。僱員為換取獲授予購股權而提供服務的公允價值確認為費用。作為費用的總金額，乃參照已授出的購股權之公允價值釐定：

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

- 包括任何市場表現的條件（例如實體的股價）；
- 不包括任何非市場表現的歸屬條件（例如盈利，銷售增長目標及僱員在某特定時期內留任實體）的影響；及
- 包括任何非歸屬條件（例如規定僱員儲蓄）的影響。

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

非市場表現和服務條件包括在有關預期可予行使購股權數目的假設中。費用的總金額在歸屬期間內確認，歸屬期間指將符合所有特定可行權條件的期間。此外，在某些情況下，僱員可能在授出日期之前提供服務，因此授出日期的公允價值就確認服務開始期與授出日期之間內的開支作出估計。在每個報告期末，本集團依據非市場表現和服務條件修訂其對預期可行權的購股權數目的估計。主體在收益表確認對原估算修訂（如有）的影響，並對權益作出相應調整。

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.22 Employee benefits (continued)

(b) Share-based compensation (continued)

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value-added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when 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 of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(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 collectability of the related receivables is reasonably assumed.

Delivery does not occur until the products have been delivered 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.

2.22 僱員福利 (續)

(b) 以股份支付之酬金 (續)

在購股權行使時，本公司發行新股份。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。

2.23 收入確認

收入按已收或應收對價的公允價值計量，並相當於供應貨品的應收款項，扣除折扣、退貨和增值稅後列賬。當收入的金額能夠可靠計量、未來經濟利益很有可能流入有關實體，及當本集團每項活動均符合具體條件時（如下文所述），本集團便會將收入確認。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。

(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。

當產品已付運予至指定地點，過時和損失風險已轉讓予客戶，而客戶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。

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(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)

2.23 Revenue recognition (continued)

2.23 收入確認 (續)

(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。已減值應收款的利息收益利用有效利率確認。

(c) Dividend income

Dividend income is recognized 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。

2.24 Research and development costs

2.24 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;
- (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.

- (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；
- (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。

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(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)

2.24 Research and development costs (continued)

Capitalized development costs are recorded as intangible assets and amortized 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. No development costs had been capitalized for the year ended 31 March 2013 (2012: Nil).

2.25 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.

2.26 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.

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. 主要會計政策摘要 (續)

2.24 研發成本 (續)

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。在截至二零一三年三月三十一日止年度內並無任何發展成本已資本化(二零一二年：無)。

2.25 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綜合收益表支銷。

2.26 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價值確認入賬。

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綜合收益表確認。

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綜合收益表確認。

(All amounts in HK dollar thousands unless otherwise stated)

(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)

2.27 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.

2.27 股息分派

向本公司股東分派的期末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，於本集團及本公司的財務報表內列為負債。

3. FINANCIAL RISK MANAGEMENT

3. 財務風險管理

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.

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（包括外匯風險、現金流量之利率風險及公允值之利率風險）、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。

Risk management is carried out under the policies approved by the Board of Directors. 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.

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) Market risk

(a) 市場風險

(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 and cash repatriation from the PRC are 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.

(i) 外匯風險

本集團主要於香港及中國內地經營，主要外匯風險為人民幣匯率風險。人民幣兌港幣之匯率以及從中國內地匯出之款項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，故本集團並無重大外匯風險。

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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) 外匯風險 (續)

If RMB had strengthened/weakened by 5% against HKD during the year ended 31 March 2013, with all other factors remaining unchanged, the profit after income tax for the year and equity as at year end date would have been affected as follows:

截至二零一三年三月三十一日止年度內，假若人民幣兌港幣升值／貶值5%，而所有其他因素維持不變，則對本年度除稅後盈利及於年末的權益的影響如下：

		Impact on profit after income tax for the year increase/(decrease)		Impact on equity as at 31 March increase/(decrease)	
		對本年度除稅後盈利的影響增加／(減少)	對本年度除稅後盈利的影響增加／(減少)	於三月三十一日對權益的影響增加／(減少)	於三月三十一日對權益的影響增加／(減少)
		2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年
Group	本集團				
- Strengthened by 5%	- 升值5%	45,068	88,006	239,953	305,875
- Weakened by 5%	- 貶值5%	(45,068)	(88,006)	(239,953)	(305,875)
Company	本公司				
- Strengthened by 5%	- 升值5%	-	-	-	-
- Weakened by 5%	- 貶值5%	-	-	-	-

(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.

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

At 31 March 2013, if interest rates on 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.

於二零一三年三月三十一日，在其他因素不變的情況下，若借款利率上升／下降兩個百分點，對本年盈利並無重大影響。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

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

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 and related parties arising from outstanding receivables.

(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、信貸予客戶及關聯人士之未償付的應收款項。

As at the reporting dates, all the Group's cash and cash equivalents and short-term time deposits are placed in high quality financial institutions without significant exposure to credit risk.

於結算日，本集團所有的現金及現金等價物及短期定期存款均存放於優質及無重大信貸風險的財務機構。

The Group currently sells substantially all its flavours, fragrances and reconstituted tobacco leaves 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 2013, the 5 largest debtors accounted for 31% (2012: 38%) of total trade receivables balance of the Group.

本集團現時主要於中國本地市場銷售其食用香精香料，日用香精香料及煙草薄片產品。授予主要客戶的信貸期最長為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。於二零一三年三月三十一日，五大客戶佔本集團總貿易應收款項結餘約31% (二零一二年：38%)。

The directors are of the view that most customers with outstanding balances as at 31 March 2013 are either existing customers with a 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 2013 amounting to approximately HKD7,356,000 (2012: HKD7,175,000) is considered adequate to cover any significant potential credit risk.

董事認為於二零一三年三月三十一日大多數客戶的未償還結餘為與本集團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，於二零一三年三月三十一日約港幣7,356,000元 (二零一二年：港幣7,175,000元) 的壞賬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，董事亦不預期其存在重大信貸風險。

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(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group. The Directors monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs and that the Group does not breach 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.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動性風險

現金流量預測是在本集團的經營主體執行。董事監控本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，但同時確保本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)。

下表顯示本集團及本公司的金融負債按照相關的到期組別，根據由資產負債表日至合同到期日的剩餘期間進行分析。在表內披露的金額為未經貼現的合同現金流量。金額在一年內到期乃相等於其賬面值是由於貼現的影響不重大。

			The Group 本集團	The Company 本公司
	Note 附註		Less than 1 year 一年以下	Less than 1 year 一年以下
At 31 March 2013		於二零一三年三月三十一日		
Borrowings (including interests)		貸款 (包括利息)	474,915	474,915
Trade and other payables excluding statutory liabilities and advance	21	貿易及其他應付款項 (不包括法定債項及預付款)	547,015	5,106
At 31 March 2012		於二零一二年三月三十一日		
Borrowings (including interests)		貸款 (包括利息)	945,339	945,339
Trade and other payables excluding statutory liabilities and advance	21	貿易及其他應付款項 (不包括法定債項及預付款)	542,018	7,002

As at 31 March 2013, the Group's net current assets is HKD2,896,047,000 (2012: HKD2,254,535,000).

於二零一三年三月三十一日，本集團之流動資產淨值為港幣2,896,047,000元 (二零一二年：港幣2,254,535,000元)。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)

3. 財務風險管理 (續)

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.

The Group monitors its capital risk based on the debt-to-equity ratio. This ratio is calculated by dividing the net debt by the total owners' equity. As at 31 March 2013, the Group's net debt is zero (2012: zero), which is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents.

3.3 Fair value estimation

The following analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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).

The financial assets of level 3 fair value hierarchy classification as at 31 March 2013 and 2012 were the available-for-sale financial assets, of which the changes for the year ended 31 March 2013 and 2012 are presented in Note 11. There were no transfers into or out of level 3.

3.2 資金風險管理

本集團的資金管理政策目的是保障本集團能繼續營運，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。

本集團以資本負債比率監察其資本。此比率乃按照債債務淨額除以總資本計算。於二零一三年三月三十一日，本集團之債務淨額為零（二零一二年：零）。債務淨額為總借貸（包括流動及非流動貸款）減去現金及現金等價物。

3.3 公允值估計

下表利用估值法分析按公允價值入賬的金融工具。不同層級的定義如下：

- 相同資產或負債在活躍市場的報價（未經調整）（第一層）；
- 除第1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）。

於二零一三年及二零一二年三月三十一日，第三類公允價值架構類別之金融資產為可供出售金融資產，其截至二零一三年及二零一二年三月三十一日止年度之變動呈列於附註11。概無任何金融資產於第三層架構類別轉入或轉出。

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(除另有說明者外，所有金額以港幣千元列示)

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.

4.1 Critical accounting estimates and assumptions

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 2.9. 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).

If the budgeted gross margin used in the value-in-use calculation for the respective CGUs of flavours and reconstituted tobacco leaves had been 10 percentage points lower than management's estimates at 31 March 2013, with all other assumptions remaining unchanged, the Group would not have recognized impairment of goodwill.

If the budgeted gross margin used in the value-in-use calculation for the CGU of fragrances had been 8 percentage points lower than management's estimates at 31 March 2013, with all other assumptions remaining unchanged, the Group would not have recognized impairment of goodwill.

If the estimated pre-tax discount rate applied to the cash flows of the respective CGUs of flavours, fragrances and reconstituted tobacco leaves had been 5 percentage points higher than management's estimates, with all other assumptions remaining unchanged, the Group would not have recognized an impairment of goodwill.

4. 關鍵會計估計及判斷

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。

4.1 關鍵會計估計及假設

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2.9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）。

如果食用香精香料及煙草薄片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二零一三年三月三十一日估計的下降10個百分點，其他假設保持不變，本集團無需對商譽確認減值。

如果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二零一三年三月三十一日估計的下降8個百分點，其他假設保持不變，本集團無需對商譽確認減值。

如在食用香精香料，日用香精香料及煙草薄片的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5個百分點，其他假設保持不變，本集團無需對商譽確認減值。

(All amounts in HK dollar thousands unless otherwise stated)

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4. 關鍵會計估計及判斷 (續)

4.1 Critical accounting estimates and assumptions (continued)

4.1 關鍵會計估計及假設 (續)

(b) Dividends policy of subsidiaries

According to the relevant regulations of the Corporate Income Tax 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.

(b) 附屬公司之股息政策

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。

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 and the approval on the treaty rate will be obtained. Therefore, deferred income tax liabilities had been provided based on 5% of the estimated profits to be remitted to Hong Kong.

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之直接母公司並會獲得批准享有稅務協定。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。

As at 31 March 2013, deferred income tax liabilities of HKD231,879,000 (31 March 2012: HKD143,991,000) have not been recognized 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.

某些中國大陸附屬公司之盈利於截止二零一三年三月三十一日止年度未派發股息予香港之直接母公司可能產生的遞延所得稅負債為港幣231,879,000元(二零一二年：港幣143,991,000元)。在可預見的將來，本公司董事決定暫不分配此部份盈利。

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

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。

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5. SEGMENT INFORMATION

The Group has organized its operations into three main operating segments:

- (1) Flavours
- (2) Fragrances; and
- (3) Reconstituted tobacco leaves.

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, fragrances and reconstituted tobacco leaves segments. Flavours include research and development, production and sale of flavours products. Fragrances include research and development, production and sale of fragrances products. Reconstituted tobacco leaves include research and development, production and sale of reconstituted tobacco leaves. The Executive Directors assess the performance of the operating segments based on a measure of operating profit.

5. 分部資料

本集團的經營分為三項主要營運分部：

- (1) 食用香精香料；
- (2) 日用香精香料；及
- (3) 煙草薄片。

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、日用香精香料及煙草薄片之分部業務表現。食用香精香料業務包括研發、生產及銷售食用香精香料產品。日用香精香料業務包括研發、生產及銷售日用香精香料產品。煙草薄片業務包括研發、生產及銷售煙草薄片產品。執行董事根據營運盈利的計量評估營運分部之表現。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

5. SEGMENT INFORMATION (continued)

The segment information for the year ended 31 March 2013 is presented below:

5. 分部資料 (續)

截至二零一三年三月三十一日止年度之分部資料呈列如下：

		Year ended 31 March 2013 截至二零一三年三月三十一日止年度					
		Reconstituted			Total	Corporate	Total
		Flavours	Fragrances	tobacco	segments	總部	總計
		食用香精香料	日用香精香料	煙草薄片	分部總計		總計
Total turnover	總營業額	3,044,411	166,887	483,173	3,694,471	-	3,694,471
Inter-segment sales	分部間銷售	(46,916)	(1,615)	-	(48,531)	-	(48,531)
Net turnover/segment sales	淨營業額／分部收入	2,997,495	165,272	483,173	3,645,940	-	3,645,940
Segment result	分部業績	1,887,719	9,074	152,523	2,049,316	(24,648)	2,024,668
Finance income	財務收入						41,277
Finance costs	融資成本						(19,079)
Finance income – net	財務收入 – 淨額						22,198
Share of profit of associates	應佔聯營公司盈利						538
Profit before income tax	除稅前盈利						2,047,404
Income tax expense	所得稅						(314,804)
Profit for the year	本年度盈利						1,732,600

		As at 31 March 2013 於二零一三年三月三十一日					
		Reconstituted			Total	Corporate	Total
		Flavours	Fragrances	tobacco	segments	總部	總計
		食用香精香料	日用香精香料	煙草薄片	分部總計		總計
Segment assets	分部資產	5,791,611	221,972	2,754,219	8,767,802	114,991	8,882,793

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5. SEGMENT INFORMATION (continued)

The segment information for the year ended 31 March 2012 is presented below:

5. 分部資料 (續)

截至二零一二年三月三十一日止年度之分部資料呈列如下：

		Year ended 31 March 2012 截至二零一二年三月三十一日止年度					
		Flavours 食用香精香料	Fragrances 日用香精香料	Reconstituted tobacco leaves 煙草薄片	Total segments 分部總計	Corporate 總部	Total 總計
Total turnover	總營業額	2,905,260	180,590	253,072	3,338,922	–	3,338,922
Inter-segment sales	分部間銷售	(24,974)	(2,644)	–	(27,618)	–	(27,618)
Net turnover/segment sales	淨營業額／分部收入	2,880,286	177,946	253,072	3,311,304	–	3,311,304
Segment result	分部業績	1,980,782	8,016	85,316	2,074,114	(10,063)	2,064,051
Finance income	財務收入						33,168
Finance costs	融資成本						(16,373)
Finance income – net	財務收入 – 淨額						16,795
Share of profit of associates	應佔聯營公司盈利						143
Profit before income tax	除稅前盈利						2,080,989
Income tax expense	所得稅						(314,250)
Profit for the year	本年度盈利						1,766,739

		As at 31 March 2012 於二零一二年三月三十一日					
		Flavours 食用香精香料	Fragrances 日用香精香料	Reconstituted tobacco leaves 煙草薄片	Total segments 分部總計	Corporate 總部	Total 總計
Segment assets	分部資產	5,827,643	222,140	2,289,627	8,339,410	12,509	8,351,919

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

5. SEGMENT INFORMATION (continued)

Segment result represents the profit earned by each segment without inclusion of unallocated corporate expenses, finance costs and finance income. 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 financial instruments and deferred tax assets, of the Group as at 31 March 2013 and 2012 are mainly located in the PRC.

Revenues from external customers are derived from the sales of flavours, fragrances and reconstituted tobacco leaves to customers mainly located in the PRC.

Revenue derived from sales made to one single external customer amounted to 25% (2012: 27%) of the Group's total revenue. These revenues are attributable to flavours segment.

5. 分部資料 (續)

分部業績是代表各分部之盈利，當中並沒有包括未分類總部支出、融資成本及財務收入。此分部業績主要是為分配資源和評估各分部之表現而向營運決策者呈列的方式。

除金融工具和遞延所得稅資產以外，於二零一三年及二零一二年三月三十一日本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及煙草薄片予國內客戶。

來源於最大外部客戶的收入佔本集團總收入的25% (二零一二年：27%)。這些收入是由食用香精香料分部產生的。

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(除另有說明者外，所有金額以港幣千元列示)

6. PROPERTY, PLANT AND EQUIPMENT – GROUP

6. 物業、機器及設備 – 本集團

	Note	Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Leasehold improvements	Construction in progress	Total
	附註	樓宇	機器及設備	汽車	傢俬、裝置及設備	租賃裝修	在建工程	總計
At 1 April 2011	於二零一一年四月一日							
Cost	成本	357,734	307,199	45,525	107,693	13,378	46,045	877,574
Accumulated depreciation	累計折舊	(96,823)	(153,499)	(28,979)	(56,872)	(5,028)	-	(341,201)
Net book value	賬面淨值	260,911	153,700	16,546	50,821	8,350	46,045	536,373
Year ended 31 March 2012	截至二零一二年三月三十一日止年度							
Net book value at 1 April	於四月一日賬面淨值	260,911	153,700	16,546	50,821	8,350	46,045	536,373
Additions	添置	26,157	14,184	23,599	14,561	2,927	548,964	630,392
Transfers	轉移	88,748	5,357	255	6,569	-	(100,929)	-
Acquisition under business combination	業務合併下之收購	-	2,540	899	234	-	-	3,673
Disposals	出售	(1,864)	(7,593)	(1,911)	(688)	(8)	-	(12,064)
Depreciation	折舊	23 (17,532)	(24,281)	(4,884)	(11,846)	(2,725)	-	(61,268)
Exchange differences	匯兌調整	9,740	4,857	623	1,602	242	1,212	18,276
Net book value at 31 March	於三月三十一日賬面淨值	366,160	148,764	35,127	61,253	8,786	495,292	1,115,382
At 31 March 2012	於二零一二年三月三十一日							
Cost	成本	484,281	332,064	67,109	127,215	16,704	495,292	1,522,665
Accumulated depreciation	累計折舊	(118,121)	(183,300)	(31,982)	(65,962)	(7,918)	-	(407,283)
Net book value	賬面淨值	366,160	148,764	35,127	61,253	8,786	495,292	1,115,382
Year ended 31 March 2013	截至二零一三年三月三十一日止年度							
Net book value at 1 April	於四月一日賬面淨值	366,160	148,764	35,127	61,253	8,786	495,292	1,115,382
Additions	添置	535	23,524	10,561	22,613	2,378	357,130	416,741
Transfers	轉移	267,000	421,291	-	31,796	971	(721,058)	-
Acquisition of subsidiary	收購附屬公司	29 -	3,999	85	2	-	-	4,086
Disposals	出售	(1,253)	(2,782)	(199)	(1,041)	-	-	(5,275)
Depreciation	折舊	23 (26,695)	(38,550)	(8,317)	(14,153)	(2,037)	-	(89,752)
Exchange differences	匯兌調整	1,126	(1,234)	89	(475)	1,246	1,876	2,628
Net book value at 31 March	於三月三十一日賬面淨值	606,873	555,012	37,346	99,995	11,344	133,240	1,443,810
At 31 March 2013	於二零一三年三月三十一日							
Cost	成本	752,213	727,649	77,237	175,854	21,875	133,240	1,888,068
Accumulated depreciation	累計折舊	(145,340)	(172,637)	(39,891)	(75,859)	(10,531)	-	(444,258)
Net book value	賬面淨值	606,873	555,012	37,346	99,995	11,344	133,240	1,443,810

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

6. PROPERTY, PLANT AND EQUIPMENT – GROUP (continued)**6. 物業、機器及設備 – 本集團 (續)**

Depreciation was recorded in the following categories:

折舊按以下分類支銷：

		Year ended 31 March 截至三月三十一日止年度		
		2013 二零一三年	2012 二零一二年	
		Note 附註		
Manufacturing overheads	製造費用		46,212	26,813
Selling and marketing expenses	銷售及推廣開支		2,558	1,852
Administrative expenses	行政費用		40,982	32,603
Total depreciation	折舊總額	23	89,752	61,268

7. LAND USE RIGHTS – GROUP**7. 土地使用權 – 本集團**

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analyzed as follows:

本集團於土地使用權的權益為預付經營租金，其賬面淨值分析如下：

		As at 31 March 於三月三十一日	
		2013 二零一三年	2012 二零一二年
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	204,045	209,233

		Year ended 31 March 截至三月三十一日止年度		
		2013 二零一三年	2012 二零一二年	
		Note 附註		
At 1 April	於四月一日		209,233	194,697
Additions	添置		272	13,389
Amortization	攤銷	23	(6,101)	(5,872)
Exchange differences	匯兌調整		641	7,019
At 31 March	於三月三十一日		204,045	209,233

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(除另有說明者外，所有金額以港幣千元列示)

8. INTANGIBLE ASSETS – GROUP

8. 無形資產 – 本集團

		Goodwill	Trademarks and licences	Customer relationships	Non-competition agreement	Computer Software	Patents	Total	
		商譽	商標及許可證	客戶關係	非競爭協議	電腦軟件	專利	總計	
	Note	(a)	(b)						
	附註								
At 1 April 2011	於二零一一年四月一日								
Cost	成本	2,569,712	126,905	263,166	4,888	1,728	18,899	2,985,298	
Accumulated amortization	累計攤銷	–	(9,854)	(90,521)	(1,719)	(646)	(2,600)	(105,340)	
Net book value	賬面淨值	2,569,712	117,051	172,645	3,169	1,082	16,299	2,879,958	
Year ended 31 March 2012	截至二零一二年三月三十一日止年度								
Net book value at 1 April	於四月一日賬面淨值	2,569,712	117,051	172,645	3,169	1,082	16,299	2,879,958	
Additions	添置	–	–	–	–	610	385	995	
Acquisition under business combination	業務合併下之收購	5,781	1,358	–	–	–	–	7,139	
Amortization	攤銷	–	(7,633)	(28,342)	(494)	(387)	(6,148)	(43,004)	
Exchange differences	匯兌調整	76,556	4,508	5,230	5	36	552	86,887	
Net book value at 31 March	於三月三十一日賬面淨值	2,652,049	115,284	149,533	2,680	1,341	11,088	2,931,975	
At 31 March 2012	於二零一二年三月三十一日								
Cost	成本	2,652,049	133,255	272,390	4,888	2,402	20,022	3,085,006	
Accumulated amortization	累計攤銷	–	(17,971)	(122,857)	(2,208)	(1,061)	(8,934)	(153,031)	
Net book value	賬面淨值	2,652,049	115,284	149,533	2,680	1,341	11,088	2,931,975	
Year ended 31 March 2013	截至二零一三年三月三十一日止年度								
Net book value at 1 April	於四月一日賬面淨值	2,652,049	115,284	149,533	2,680	1,341	11,088	2,931,975	
Additions	添置	–	–	–	–	288	113	401	
Acquisition of subsidiary	收購附屬公司	29	13,993	–	–	–	2,582	16,575	
Amortization	攤銷	23	–	(7,693)	(494)	(423)	(6,679)	(43,924)	
Exchange differences	匯兌調整	–	20,330	387	(32)	5	3	20,718	
Net book value at 31 March	於三月三十一日賬面淨值	–	2,686,372	107,978	120,866	2,191	1,209	7,129	2,925,745
At 31 March 2013	於二零一三年三月三十一日								
Cost	成本	–	2,686,372	133,760	273,018	4,893	22,817	3,123,523	
Accumulated amortization	累計攤銷	–	–	(25,782)	(152,152)	(2,702)	(15,688)	(197,778)	
Net book value	賬面淨值	–	2,686,372	107,978	120,866	2,191	7,129	2,925,745	

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。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

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:

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：

		2013 二零一三年				2012 二零一二年			
		Reconstituted tobacco			Total 總計	Reconstituted tobacco			Total 總計
		Flavours 食用香精香料	Fragrances 日用香精香料	leaves 煙草薄片		Flavours 食用香精香料	Fragrances 日用香精香料	leaves 煙草薄片	
Goodwill	商譽	1,464,615	54,511	1,167,246	2,686,372	1,459,741	54,308	1,138,000	2,652,049

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 (2012: ten-year period) as management believes that the cash flow of the Group is 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:

每個現金產生單位的可收回金額乃以使用價值計算。由於管理層認為本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（二零一二年：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：

		2013 二零一三年			2012 二零一二年		
		Reconstituted tobacco			Reconstituted tobacco		
		Flavours 食用香精香料	Fragrances 日用香精香料	leaves 煙草薄片	Flavours 食用香精香料	Fragrances 日用香精香料	leaves 煙草薄片
Gross margin	毛利率	74%	42%	56%-60%	75%	20%-21%	45%-58%
Growth rate	增長率	5%	5%	3%	5%	5%	3%
Discount rate	貼現率	13.5%	13.5%	15%	13.5%	13.5%	15%

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

8. INTANGIBLE ASSETS – GROUP (continued)

(a) (continued)

These assumptions have been used for the analysis of each CGU within the operating segment.

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 of the goodwill as at 31 March 2013 and 2012.

(b) Trademarks represent the Peacock, Xinghu and Samshiang 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, denominated in HKD and repayable on demand. The fair value of the balances with subsidiaries approximate to their carrying value. None of the balances is either past due or impaired.

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。

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。

在評估多個現金產生單位的現金流預測後，董事認為於二零一三年及二零一二年三月三十一日商譽並無減值。

(b) 商標乃指孔雀、星湖及湘農山香牌商標。

9. 於附屬公司之投資及與其之結餘 – 本公司

(a) 於附屬公司之投資

As at 31 March
於三月三十一日

2013
二零一三年 2012
二零一二年

1,245,085 1,245,083

(b) 附屬公司之結餘乃無抵押、免息、以港幣為單位及須於要求時償還。與附屬公司之結餘的賬面值與公允值相若。沒有結餘已逾期或減值。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

10. INVESTMENTS IN ASSOCIATES – GROUP

10. 於聯營公司之投資 – 本集團

			Year ended 31 March 截至三月三十一日止年度	
			2013 二零一三年	2012 二零一二年
		Note 附註		
At 1 April	於四月一日		101,545	61,009
Share of profit of associates	應佔聯營公司盈利	31	538	143
Capital injection in Guizhou Huangguoshu Jinye Technology Co Ltd. ('Huangguoshu Jinye')	注資貴州黃果樹金葉科技有限公司 (「黃果樹金葉」)		–	38,485
Dividends declared	宣派股息		(461)	(304)
Exchange differences	匯兌調整		677	2,212
At 31 March	於三月三十一日		102,299	101,545

The results, assets and liabilities of the Group's associates, which are all unlisted, as at 31 March 2013 and 2012 are as follows:

於二零一三年及二零一二年三月三十一日，本集團之聯營公司（非上市公司）之業績、資產和負債如下：

Name	Country of incorporation	Assets	Liabilities	Revenues	Net profit/ (Loss) for the year	% Interests indirectly held	Principal activities
名稱	註冊成立國家	資產 RMB'000 人民幣千元	負債 RMB'000 人民幣千元	收益 RMB'000 人民幣千元	本年度淨 盈利/(虧損) RMB'000 人民幣千元	間接所持 權益百分比	主要業務
Henan Jinrui Flavours Co. Ltd. (‘Henan Jinrui’) 河南金瑞香精香料有限公司 (「河南金瑞」)							
31 March 2013 二零一三年三月三十一日	PRC 中國	45,743	21,882	54,525	3,633	25%	Production and sale of tobacco flavours and fragrances and fine chemicals products
31 March 2012 二零一二年三月三十一日	PRC 中國	38,348	16,120	35,656	1,563	25%	生產及銷售煙用香精香料及精細化工產品
Huangguoshu Jinye 黃果樹金葉							
31 March 2013 二零一三年三月三十一日	PRC 中國	184,523	220	–	(1,177)	40%	Pre-operating 籌備開業中
31 March 2012 二零一二年三月三十一日	PRC 中國	185,726	246	–	(684)	40%	

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(除另有說明者外，所有金額以港幣千元列示)

11. AVAILABLE FOR SALE FINANCIAL ASSETS – 11. 可供出售金融資產—本集團 GROUP

		Year ended 31 March 截至三月三十一日止年度		
		2013 二零一三年	2012 二零一二年	
		Note 附註		
At 1 April	於四月一日		65,931	38,067
Capital injection in Shanghai Tobacco Group Taichuang Haiyan Reconstituted Tobacco Leaves Company Limited	注資上海煙草集團太倉海煙煙草薄片有限公司		–	13,736
Capital injection in Yongzhou Shi SME Credit Guarantee Co., Ltd.	注資永州市中小企信用擔保有限責任公司		1,230	–
Net fair value change recorded in equity	公允淨值變動記入權益	18	229	12,466
Exchange differences	匯兌差額		258	1,662
At 31 March	於三月三十一日		67,648	65,931

Available-for-sale financial assets include:

可供出售金融資產包括：

		As at 31 March 於三月三十一日	
		2013 二零一三年	2012 二零一二年
Unlisted equity investments: at fair value	非上市權益投資：公允值	67,648	65,931

Available-for-sale financial assets are all denominated in RMB.
None of these financial assets is impaired.

可供出售金融資產以人民幣計值。沒有金融資產已減值。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

12. DEFERRED INCOME TAX ASSETS/LIABILITIES – GROUP 12. 遞延所得稅資產／負債 – 本集團

The movement in the deferred income tax is as follows:

遞延所得稅變動如下：

	Note	Deferred income tax assets		Deferred income tax liabilities		Total
		遞延所得稅資產	Unrealized profits arising from intra-group sales	Valuation surplus of assets and recognition of intangible assets	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC	
	附註	集團內公司間銷售所產生的集團內未變現盈利	集團內公司間銷售所產生的集團內未變現盈利	資產評估盈餘及無形資產的確認	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	總計
At 1 April 2011	於二零一一年四月一日		42,800	73,443	29,387	102,830
Recognized in the income statement	於收益表確認		26	25	(9,389)	(31,992)
Exchange differences	匯兌調整		1,611	1,950	–	1,950
At 31 March 2012	於二零一二年三月三十一日		44,436	66,004	6,784	72,788
Acquisition of subsidiary	收購附屬公司	29	–	646	–	646
Recognized in reserves	於儲備確認	18	–	3,384	–	3,384
Recognized in the income statement	於收益表確認	26	4,080	(8,539)	(5,560)	(14,099)
Exchange differences	匯兌調整		194	(91)	–	(91)
At 31 March 2013	於二零一三年三月三十一日		48,710	61,404	1,224	62,628

Deferred income tax assets are recognized for temporary differences arising from the unrealized 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.

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

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。

遞延所得稅負債乃由於收購或合併附屬公司所導致之物業、機器及設備，土地使用權及無形資產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。

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(除另有說明者外，所有金額以港幣千元列示)

12. DEFERRED INCOME TAX ASSETS/LIABILITIES – GROUP (continued)

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. However, the 5% treaty rate is not automatically granted. The taxpayer needs to apply for an approval for enjoying the tax treaty from the in-charge tax bureau. 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 and the approval on the treaty rate will be obtained. 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 and revise the dividend distribution policy of its subsidiaries as appropriate.

As at 31 March 2013, deferred income tax liabilities of HKD231,879,000 (2012: HKD143,991,000) have not been recognized for the withholding tax that would otherwise 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:

12. 遞延所得稅資產／負債－本集團(續)

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，故中國企業向香港投資者分派股息，可享有較優惠的稅率5%徵收。但該5%協定稅率並非自動獲得，納稅人需向主管稅務局申請批准享有稅務協定。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之直接母公司。因此，遞延所得稅負債乃按預期匯出香港之盈利以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。

於二零一三年三月三十一日，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231,879,000元(二零一二年：港幣143,991,000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	
		2013 二零一三年	2012 二零一二年
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	48,710	44,436
Deferred income tax liabilities:	遞延所得稅負債		
– to crystallize after more than 12 months	– 在超過十二個月後收回部份	59,531	57,380
– to crystallize within 12 months	– 在十二個月內收回部份	3,097	15,408
		62,628	72,788

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

13. INVENTORIES – GROUP**13. 存貨 – 本集團**

		As at 31 March 於三月三十一日	
		2013 二零一三年	2012 二零一二年
At cost:	按成本：		
Raw materials	原材料	624,564	608,537
Work in progress	在製品	9,722	16,807
Finished goods	製成品	68,030	42,527
		702,316	667,871

The cost of inventories recognized as expense and included in cost of goods sold and administrative expenses for the year ended 31 March 2013 amounted to approximately HKD1,004,188,000 (2012: HKD873,580,000).

截至二零一三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及行政費用的金額約為港幣1,004,188,000元（二零一二年：港幣873,580,000元）。

14. TRADE AND OTHER RECEIVABLES**14. 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	
		2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年
Trade receivables	貿易應收款項	822,863	635,047	-	-
Less: Provision for impairment of receivables	減：應收款項減值撥備	(7,356)	(7,175)	-	-
Trade receivables – net	貿易應收款項 – 淨額	815,507	627,872	-	-
Notes receivable	應收票據	118,196	169,760	-	-
Prepayments and other receivables	預付款項及 其他應收款項	90,317	110,640	503	480
Advances to staff	員工墊款	4,990	6,996	-	-
Others	其他	30,759	13,701	-	-
		1,059,769	928,969	503	480

Except for prepayment of HKD15,220,000 (2012: HKD20,210,000), trade and other receivables balances are financial assets categorized under 'loans and receivables'. All trade and other receivables are either repayable within one year or on demand. Accordingly, the fair values of the trade and other receivables approximate to their carrying values.

除預付賬款港幣15,220,000元（二零一二年：港幣20,210,000元）外，貿易及其他應收款項為金融資產被分類為「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。故貿易及其他應收款項賬面值與公允值相若。

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14. TRADE AND OTHER RECEIVABLES (continued)

- (a) The credit period generally granted to customers ranges from 0 to 180 days. At 31 March 2013 and 2012, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on invoice date was as follows:

0 – 90 days	0至90日
91 – 180 days	91至180日
181 – 360 days	181至360日
Over 360 days	360日以上

As at 31 March 2013, trade receivables of HKD815,507,000 (2012: HKD627,872,000) were fully performing.

After considering the credit period, trade receivables are assessed for impairment. As at 31 March 2013, trade receivables of HKD47,719,000 (2012: HKD41,511,000) 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 these trade receivables is as follows:

Past due up to 90 days	逾期至90日
Past due over 90 days	逾期超過90日

14. 貿易及其他應收款項 (續)

- (a) 授予客戶的信貸期一般為0至180日。於二零一三年及二零一二年三月三十一日，貿易應收款項（包括關聯人士的貿易應收款項）根據發票日期的賬齡分析如下：

As at 31 March
於三月三十一日
Group
本集團

	2013 二零一三年	2012 二零一二年
737,855	566,547	
53,875	40,636	
15,439	10,078	
15,694	17,786	
822,863	635,047	

於二零一三年三月三十一日，貿易應收款項港幣815,507,000元（二零一二年：港幣627,872,000元）已全數獲得履行。

信用期滿後，已對貿易應收款項進行減值評估。於二零一三年三月三十一日，貿易應收款項港幣47,719,000元（二零一二年：港幣41,511,000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。此等貿易應收款的賬齡分析如下：

As at 31 March
於三月三十一日
Group
本集團

	2013 二零一三年	2012 二零一二年
33,527	21,159	
14,192	20,352	
47,719	41,511	

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

14. TRADE AND OTHER RECEIVABLES (continued)

(a) (continued)

As at 31 March 2013, trade receivables of HKD7,356,000 (2012: HKD7,175,000) 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 to repay. 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:

14. 貿易及其他應收款項 (續)

(a) (續)

於二零一三年三月三十一日，貿易應收款港幣7,356,000元(二零一二年：港幣7,175,000元)經已減值及全數撥備。個別減值的應收款項主要來自與本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	
		2013	2012
		二零一三年	二零一二年
RMB	人民幣	813,105	633,977
United States Dollar ('USD')	美元	9,728	1,070
HKD	港幣	30	-
		822,863	635,047

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14. TRADE AND OTHER RECEIVABLES (continued)

(a) (continued)

Movements of the provision for impairment of trade receivables were as follows:

		Year ended 31 March 截至三月三十一日止年度	
		Group 本集團	
		2013 二零一三年	2012 二零一二年
	Note 附註		
At 1 April	於四月一日	7,175	3,407
Provision for impairment on trade receivables	貿易應收款減值撥備	212	3,859
Trade receivables written off during the year as uncollectible	於年中註銷未收的貿易應收款	(60)	-
Exchange differences	匯兌調整	29	(91)
At 31 March	於三月三十一日	7,356	7,175

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 amount of each class of receivables mentioned above. The Group does not hold any collateral as security.

14. 貿易及其他應收款項 (續)

(a) (續)

貿易應收款減值撥備的變動如下：

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。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

15. CASH AND BANK BALANCES – GROUP AND COMPANY

15. 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	
	Note 附註	2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年
Cash and cash equivalents	現金及現金等價物	1,886,183	2,286,577	114,365	11,908
Short-term time deposits	短期定期存款 (a)	437,166	–	–	–
		2,323,349	2,286,577	114,365	11,908

(a) The initial maturity of time deposits was one year with deposit interest rate of 3.3%. The fair value of the short-term time deposits approximate to their carrying value. None of the deposits is either past due or impaired.

(a) 短期定期存款的初始到期日乃一年及其存款利息率為3.3厘。短期定期存款賬面值與公允值相若。概無存款逾期或減值。

Cash and bank balances are denominated in the following currencies:

銀行及庫存現金以下列貨幣為單位：

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年
RMB	人民幣	2,115,713	2,173,855	–	–
HKD	港幣	172,818	90,586	114,365	11,908
USD	美元	15,632	19,530	–	–
Euro and others	歐元及其他	19,186	2,606	–	–
		2,323,349	2,286,577	114,365	11,908

As at 31 March 2013, the Group's and the Company's maximum exposure to credit risk of cash and bank balances is their carrying amount.

於二零一三年三月三十一日，本集團及本公司面對的最高信貸風險乃來自銀行及庫存現金的賬面價值。

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16. SHARE CAPITAL – GROUP AND COMPANY

16. 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 附註	Number of shares 股份數目	HKD'000 港幣千元
Authorized:	法定：			
At 1 April 2011, 31 March 2012 and 31 March 2013	於二零一一年四月一日、 二零一二年三月三十一日及 二零一三年三月三十一日		5,000,000,000	500,000
Issued and fully paid:	已發行及繳足：			
At 1 April 2011	於二零一一年四月一日		3,150,050,961	315,005
Exercise of share options	行使購股權	17	9,800,000	980
At 31 March 2012	於二零一二年三月三十一日		3,159,850,961	315,985
At 1 April 2012	於二零一二年四月一日		3,159,850,961	315,985
Repurchase and cancellation of shares	回購及註銷股份	(a)	(49,722,000)	(4,972)
At 31 March 2013	二零一三年三月三十一日		3,110,128,961	311,013

(a) During the year ended 31 March 2013, the Company repurchased a total of 54,320,000 of its own ordinary shares through the Stock Exchange at an aggregate consideration of approximately HKD198,802,000 (excluding transaction costs), of which 49,722,000 of the repurchased shares were cancelled during the year and the amount paid on the repurchased shares was deducted from retained earnings of the Company. The highest price and lowest price paid for the repurchase was HK\$4.55 per share and HK\$3.18 per share respectively. The remaining 4,598,000 shares repurchased are recorded as "treasury shares" at 31 March 2013, which were subsequently cancelled on 30 April 2013.

(a) 於截至二零一三年三月三十一日止年度，本公司透過聯交所總代價約港幣198,802,000元（不包括交易成本）回購合共54,320,000股自有普通股，其中49,722,000股回購股份已於本年度註銷。回購股份所支付之代價於本公司保留盈利中扣除。回購所支付之最高價與最低價分別為每股港幣4.55元及港幣3.18元。回購股份中餘下的4,598,000股於二零一三年三月三十一日已記入「庫存股份」內，並隨後於二零一三年四月三十日註銷。

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(除另有說明者外，所有金額以港幣千元列示)

17. 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 to 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 recognized in the consolidated income statement is shown in Note 23.

Movements in the number of share options outstanding during the year and their related weighted average exercise prices are as follows:

17. 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，予僱員及一名董事。及於二零零八年四月十四日，本集團授予兩名董事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示於附註23。

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 截至三月三十一日止年度			
		2013 二零一三年		2012 二零一二年	
	Note	Weighted average exercise price in HKD per share	Number of share options ('000)	Weighted average exercise price in HKD per share	Number of share options ('000)
	附註	加權平均行使價港元 (每股計)	購股權數目 (股數以千計)	加權平均行使價港元 (每股計)	購股權數目 (股數以千計)
At 1 April	於四月一日	5.23	30,990	4.85	40,790
Exercised	已行使	16	-	3.65	(9,800)
At 31 March	於三月三十一日	5.23	30,990	5.23	30,990

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17. SHARE OPTION SCHEME (continued)

Share options outstanding as at 31 March 2013 are analyzed as follows:

17. 購股權計劃 (續)

於二零一三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	4,000	24 October 2016 2016年10月24日
		6.65	2,600	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	7,600	9 October 2016 2016年10月9日
		6.65	6,390	16 October 2017 2017年10月16日
At 31 March 2013	於二零一三年三月三十一日		30,990	

All share options outstanding as at 31 March 2013 and 2012 are currently exercisable.

於二零一三年及二零一二年三月三十一日，所有未行使的購股權於現在可予行使。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

18. RESERVES

18. 儲備

		GROUP 本集團									
	Note	Contributed surplus	Merger reserve	Share premium	Treasury shares	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Exchange reserve	Other reserves	Total
	附註	實繳盈餘	合併儲備	股份溢價	庫存股份	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	換算儲備	其他儲備	總計
At 1 April 2011	於二零一一年 四月一日	288,191	(617,160)	405,162	-	1,677	-	47,737	408,809	142,902	677,318
Fair value changes on available-for-sale financial assets, net of tax	可供出售金融資產 之除稅後的 公允價值變動	11	-	-	-	-	-	-	-	12,466	12,466
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	-	1,940	1,940
Employee share option scheme	僱員購股權計劃										
- Value of employee services	一僱員服務價值	23	-	-	-	-	-	75	-	-	75
- Exercise of share options	一行使購股權	-	-	40,815	-	-	-	(5,995)	-	-	34,820
Exchange differences	匯兌調整	-	-	-	-	-	-	-	140,783	-	140,783
At 31 March 2012	於二零一二年 三月三十一日	288,191	(617,160)	445,977	-	1,677	-	41,817	549,592	157,308	867,402
At 1 April 2012	於二零一二年 四月一日	288,191	(617,160)	445,977	-	1,677	-	41,817	549,592	157,308	867,402
Fair value changes on available-for-sale financial assets, net of tax	可供出售金融資產 之除稅後的公允 價值變動	11,12	-	-	-	-	-	-	-	(3,155)	(3,155)
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	-	4,336	4,336
Acquisition of additional interests of Qingdao Qingda from non-controlling interests	向非控制性權益 收購青島青大 額外權益	30	-	-	-	-	-	-	-	3,312	3,312
Repurchase of shares	回購股份	16	-	-	(460)	-	5,432	-	-	-	4,972
Exchange differences	匯兌調整	-	-	-	-	-	-	-	37,730	-	37,730
At 31 March 2013	於二零一三年 三月三十一日	288,191	(617,160)	445,977	(460)	1,677	5,432	41,817	587,322	161,801	914,597

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18. RESERVES (continued)

18. 儲備 (續)

		COMPANY 本公司							
	Note	Contributed surplus	Share premium	Treasury shares	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Total	
	附註	實繳盈餘	股份溢價	庫存股份	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	總計	
At 1 April 2011	於二零一一年四月一日	288,191	405,162	-	1,677	-	47,737	742,767	
Employee share option scheme	僱員購股權計劃								
- Value of employee services	- 僱員服務價值	23	-	-	-	-	75	75	
- Exercise of share options	- 行使購股權	-	40,815	-	-	-	(5,995)	34,820	
At 31 March 2012	於二零一二年三月三十一日	288,191	445,977	-	1,677	-	41,817	777,662	
At 1 April 2012	於二零一二年四月一日	288,191	445,977	-	1,677	-	41,817	777,662	
Repurchase of shares	回購股份	16	-	(460)	-	5,432	-	4,972	
At 31 March 2013	於二零一三年三月三十一日	288,191	445,977	(460)	1,677	5,432	41,817	782,634	

19. RETAINED EARNINGS

19. 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	
		2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年
At 1 April	於四月一日	5,134,920	4,048,327	1,763,166	1,602,727
Profit for the year	本年度盈利	1,716,375	1,750,419	526,637	822,325
Appropriations from net profit	自純利撥付	(4,336)	(1,940)	-	-
Repurchase of shares	回購股份	(199,661)	-	(199,661)	-
Final dividend for the year ended 31 March 2011	截至二零一一年三月三十一日止年度之期末股息	-	(251,737)	-	(251,737)
Interim and special dividend for the six months ended 30 September 2011	截至二零一一年九月三十日止六個月之中期及特別股息	-	(410,149)	-	(410,149)
Final dividend for the year ended 31 March 2012	截至二零一二年三月三十一日止年度之期末股息	(280,595)	-	(280,595)	-
Interim and special dividend for the six months ended 30 September 2012	截至二零一二年九月三十日止六個月之中期及特別股息	(312,902)	-	(312,902)	-
At 31 March	於三月三十一日	6,053,801	5,134,920	1,496,645	1,763,166

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HKD526,637,000 (2012: HKD822,325,000).

盈利歸屬於本公司權益持有人在本公司財務報表中處理的數額為港幣526,637,000元 (2012: 港幣822,325,000元)。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

20. BORROWINGS – GROUP AND COMPANY**20. 貸款 – 本集團及本公司**

		As at 31 March 於三月三十一日	
		2013 二零一三年	2012 二零一二年
Current	流動		
– Unsecured bank loans	– 無抵押銀行貸款	465,000	927,500
Total borrowings	總貸款	465,000	927,500

Movement in borrowings is analyzed as follows:

貸款變動情況分析如下：

		Year ended 31 March 截至三月三十一日止年度	
		2013 二零一三年	2012 二零一二年
At 1 April	於四月一日	927,500	743,562
New short-term bank loan	新增短期銀行貸款	77,500	387,500
Repayment of bank loan	償還銀行貸款	(540,000)	(203,701)
Exchange differences	匯兌差額	–	139
At 31 March	於三月三十一日	465,000	927,500

The unsecured bank loans are denominated in HKD and are repayable within one year. During the year, the average interest rate is 2.47% (2012: 2.13%) per annum.

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2.47厘（二零一二年：2.13厘）。

Borrowings are financial liabilities categorized under ‘financial liabilities measured at amortized cost’. The carrying amounts of the borrowings approximate their fair values.

貸款乃金融負債被分類為「按攤銷成本計量的金融負債」。貸款的賬面值與公允價值相若。

Interest expense on bank borrowings for the year ended 31 March 2013 amounted to HKD19,016,000 (2012: HKD16,373,000). No interest expense (2012: nil) was capitalized during the year.

截至二零一三年三月三十一日止年度的銀行貸款利息開支為港幣19,016,000元（二零一二年：港幣16,373,000元），於年內並無（二零一二年：無）利息費用資本化。

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21. TRADE AND OTHER PAYABLES

21. 貿易及其他應付款項

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
	Note 附註	2013 二零一三年	2012 二零一二年	2013 二零一三年	2012 二零一二年
Trade payables	(a)	378,162	359,310	-	-
Non-trade payables to related parties	33(d)	123,985	123,985	-	-
Dividends payable		2,652	14,497	-	-
Wages payable		19,593	11,806	-	-
Other taxes payable		18,092	25,069	-	-
Accrued expenses		13,730	12,303	2,183	6,700
Advances from customers		983	5,333	-	-
Other payables		28,486	31,923	2,923	302
		585,683	584,226	5,106	7,002

Except for other taxes payable of HKD18,092,000 (2012: HKD25,069,000), wages payable of HKD19,593,000 (2012: HKD11,806,000) and advances from customers of HKD983,000 (2012: HKD5,333,000), 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 amounts.

除其他應付稅款港幣18,092,000元(二零一二年：港幣25,069,000元)，應付工資港幣19,593,000元(二零一二年：港幣11,806,000元)及客戶預付款港幣983,000元(二零一二年：港幣5,333,000元)外，貿易及其他應付款項乃金融負債被分類為「按攤銷成本計量的金融負債」。貿易及其他應付款項的公允價值與其賬面值相若。

(a) As at 31 March 2013 and 2012, the ageing analysis of the trade payables (including amounts due to related parties which are trade in nature) based on invoice dates were as follows:

(a) 於二零一三年及二零一二年三月三十一日，貿易應付款項(包括關聯人士的貿易應付款項)根據發票日期的賬齡分析如下：

		As at 31 March 於三月三十一日	
		Group 本集團	
		2013 二零一三年	2012 二零一二年
0 – 90 days	0至90日	317,433	285,947
91 – 180 days	91至180日	33,532	43,625
181 – 360 days	181至360日	3,910	7,831
Over 360 days	360日以上	23,287	21,907
		378,162	359,310

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

21. 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:

21. 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	
		2013	2012
		二零一三年	二零一二年
RMB	人民幣	368,847	330,032
USD	美元	4,417	16,301
HKD	港幣	1,386	1,377
EUR and other	歐元及其他	3,512	11,600
		378,162	359,310

22. OTHER INCOME**22. 其他收益**

		Year ended 31 March	
		截至三月三十一日止年度	
		2013	2012
		二零一三年	二零一二年
Government grants	政府津貼	147,474	139,910
Exchange gain – net	匯兌收益 – 淨額	8,316	62,777
Others	其他	20,902	55,864
		176,692	258,551

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(除另有說明者外，所有金額以港幣千元列示)

23. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and marketing expenses and administrative expenses are analyzed according to their nature (except for the item of "Research and development expenses", amount related to research and development were excluded from each expenses item) as follows:

23. 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，並根據其性質（除「研究及發展開支」外，每項開支均已不包括有關研究及發展的金額）分析如下：

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2013 二零一三年	2012 二零一二年
Depreciation	折舊	6	77,848	51,433
Amortization	攤銷	7,8	43,858	48,876
Changes in inventories of finished goods and work in progress	製成品及在製品存貨變動		(18,418)	(17,942)
Raw materials and consumables used	已用原材料及消耗品		950,079	835,241
Provision for impairment on trade receivables	貿易應收款之減值撥備	14(b)	212	3,859
Lease rentals	租金		18,505	12,143
Auditor's remuneration	核數師酬金		7,940	10,371
Travelling expenses	差旅開支		28,218	24,277
Entertainment expenses	應酬開支		31,052	25,763
Employee benefit expenses, excluding share option compensation expenses	僱員及福利開支 (不包括購股權報酬費用)	24	217,443	133,268
Share option compensation expenses	購股權報酬費用	18,24	-	75
Research and development expenses	研究及發展開支	(a)	213,491	186,382
Delivery expenses	運輸開支		38,783	32,116
Utilities expenses	公共設施開支		54,199	36,759
Motor vehicle expenses	汽車費用開支		18,268	14,969
Others	其他		116,486	108,214
Total of 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		1,797,964	1,505,804

(a) Employee benefit expenses, depreciation and amortization included in research and development expenses are set out below:

(a) 研究及發展開支中包括的僱員及福利開支、折舊和攤銷列示如下：

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2013 二零一三年	2012 二零一二年
Employee benefit expenses	僱員及福利開支	24	82,850	58,865
Depreciation	折舊	6	11,904	9,835
Amortization	攤銷	7,8	6,167	-

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

24. EMPLOYMENT BENEFIT EXPENSES**24. 僱員福利開支**

		Year ended 31 March 截至三月三十一日止年度	
		2013 二零一三年	2012 二零一二年
	Note 附註		
Wages, salaries and bonus	工資、薪酬及花紅	249,193	153,018
Pension costs – defined contribution plans	退休金 – 定額供款計劃	29,533	22,340
Share options granted to directors and employees	授予董事及僱員之購股權	–	75
Others	其他	21,567	16,775
		300,293	192,208

(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 HKD1,250 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 HKD1,250 (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.

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 benefits to those staff who retire.

Furthermore, the Group makes defined 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 benefits to those staff who retire. No pension obligation is required under the Botswana laws and regulations.

(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1,250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1,250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。

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。地方政府有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。博茨瓦納的相關法律和法規並無要求需向員工支付退休金的責任。

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24. EMPLOYMENT BENEFIT EXPENSES (continued)

24. 僱員福利開支(續)

(b) Directors' and chief executive's emoluments

The remuneration of each director and chief executive's for the year ended 31 March 2013 and 2012 are set out below:

(b) 董事及總裁酬金

各董事及總裁於截至二零一三年及二零一二年三月三十一日止年度之酬金如下：

Name of director	Note	2013 二零一三年					2012 二零一二年				
		Fees	Salaries	Bonus	Employer's contribution to pension scheme 僱主就退休計劃供款	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> 執行董事:											
Ms. Chu Lam Yiu		9,800	-	-	-	9,800	-	-	-	-	-
Mr. Lau Chi Tak	(a)	-	2,400	-	15	2,415	-	1,500	12	50	1,562
Mr. Poon Chiu Kwok		-	2,117	200	197	2,514	-	1,319	195	-	1,514
Mr. Wang Guang Yu		1,258	554	314	71	2,197	-	546	62	-	608
Mr. Xia Li Qun		1,766	647	440	39	2,892	-	637	33	-	670
Mr. Xiong Qing		-	2,300	217	15	2,532	-	1,430	12	25	1,467
<i>Independent non-executive directors:</i> 獨立非執行董事:											
Dr. Jin Lizuo (appointed on 19 August 2011)	金立佐先生(於二零一一年八月十九日獲委任)	240	-	-	-	240	111	-	-	-	111
Mr. Lee Luk Shiu	李祿兆先生	240	-	-	-	240	180	-	-	-	180
Ms. Ma Yun Yan	麻雲燕女士	240	-	-	-	240	180	-	-	-	180
Mr. Mak Kin Kwong (resigned on 5 August 2011)	麥建光先生(於二零一一年八月五日辭任)	-	-	-	-	-	62	-	-	-	62
						23,070					6,354

(a) Mr. Lau Chi Tak is also the chief executive of the Company.

(a) 劉志德先生兼任本集團的總裁。

No directors waived any emoluments during the years ended 31 March 2013 and 2012.

截至二零一三年及二零一二年三月三十一日止年度，無董事放棄任何酬金。

During the years ended 31 March 2013 and 2012, 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.

截至二零一三年及二零一二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。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

24. EMPLOYMENT BENEFIT EXPENSES (continued)**24. 僱員福利開支 (續)****(c) Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group for the year include 4 (2012: 3) directors whose emoluments are reflected in the analysis presented above. The emoluments paid and payable to the remaining 1 (2012: 2) individuals during the year are as follows:

(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四位(二零一二年：三位)為董事，而彼等之酬金詳情已載於上文。本年度支付予其餘一名人士(二零一二年：兩名)之酬金如下：

		Year ended 31 March 截至三月三十一日止年度	
		2013 二零一三年	2012 二零一二年
Basic salaries and allowances	基本薪金及津貼	4,644	6,354
Contributions to the retirement scheme	退休福利計劃供款	113	104
		4,757	6,458

The emoluments fell within the following bands:

彼等之酬金在以下範圍：

		Number of employees 僱員人數	
		2013 二零一三年	2012 二零一二年
Emolument bands	酬金範圍		
HKD1,500,001- HKD2,000,000	港幣1,500,001至2,000,000元	-	1
HKD4,500,001- HKD5,000,000	港幣4,500,001至5,000,000元	1	1

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25. FINANCE INCOME AND FINANCE COSTS

25. 財務收入及融資成本

		Year ended 31 March 截至三月三十一日止年度	
		2013 二零一三年	2012 二零一二年
Financial income:	財務收入		
Interest income on bank deposits	利息收入 — 銀行存款	41,277	33,168
Financial cost:	融資成本		
Interest expenses on bank borrowings and others	利息費用 — 銀行貸款及其他	(19,079)	(16,373)
Finance income – net	財務收入 — 淨額	22,198	16,795

26. INCOME TAX EXPENSE

26. 所得稅

The amount of taxation charged to the consolidated income statements represented:

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	
		2013 二零一三年	2012 二零一二年
Current income tax	即期稅項		
– Hong Kong profits tax	– 香港所得稅	9,308	12,553
– PRC corporate income tax	– 中國企業所得稅	323,436	332,853
– Germany company income tax	– 德國企業所得稅	150	87
– Botswana company income tax	– 博茨瓦納企業所得稅	89	774
Deferred income tax	遞延所得稅	(18,179)	(32,017)
		314,804	314,250

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year.

(a) 香港所得稅按本年度估計應課稅盈利以稅率16.5% (二零一二年：16.5%)撥備。

(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.

(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。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

26. 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:

26. 所得稅 (續)

- (c) 下列為本集團於中國大陸註冊之主要附屬公司的所得稅適用稅率明細：

			April to December 2011 二零一一年 四月至十二月	January to December 2012 二零一二年 一月至十二月	January to March 2013 二零一三年 一月至三月
		Note			
		附註			
Feijia Chuangye Additive (Shenzhen) Limited	飛嘉創業添加劑(深圳)有限公司	(i), (ii), (iii)	12%	12.5%	25%
Guangdong Jinke Reconstituted Tobacco Leaves Company Limited	廣東省金科再造煙葉有限公司	(i), (v)	15%	25%	25%
Guangdong Golden Leaf Technology Development Co., Ltd. ("Guangdong Jinye")	廣東省金葉科技開發有限公司(「廣東金葉」)	(i), (v)	15%	25%	25%
Guangdong Zhaoqing Fragrances Limited	廣東省肇慶香料廠有限公司	(v)	15%	15%	15%
Guangzhou Huabao Flavour & Fragrances Company Limited	廣州華寶香精香料有限公司	(i)	25%	25%	25%
Hua Fang Tobacco Flavors Limited	華芳煙用香料有限公司	(i), (v)	25%	15%	15%
Huabao Food Flavours & Fragrances (Shanghai) Company Limited	華寶食用香精香料(上海)有限公司	(v)	15%	15%	15%
Huashun Flavours (Shanghai) Company Limited ("Shanghai Huashun")	華順香料(上海)有限公司(「華順上海」)	(i), (iii)	12.5%	25%	25%
Owada Flavour Technology (Guangzhou) Limited	澳華達香料科技(廣州)有限公司	(i), (v)	15%	25%	25%
Qingdao Qingda Product Co Ltd	青島青大物產股份有限公司	(i)	25%	25%	25%
Shanghai H&K Flavours & Fragrances Company Limited	上海華寶孔雀香精香料有限公司	(v)	15%	15%	15%
Shanghai Yinghua Flavours & Fragrances Limited ("Shanghai Yinghua")	上海英華香精香料有限公司(「上海英華」)	(i), (iii)	12.5%	25%	25%
Shantou Tsing Hua Biochemical Engineering Company Limited	汕頭市青華生化工程有限公司	(i)	25%	25%	25%
Tai Cang Wenhua Enterprise Company Limited ("Taicang Wenhua")	太倉文華實業有限公司(「太倉文華」)	(i), (iii)	12.5%	25%	25%
Wuxi Fuhua Flavour & Fragrance Company Limited	無錫福華香精香料有限公司	(i), (iii), (v)	25%	25%	25%
Wuxi Hua Hai Flavour Company Limited	無錫華海香料有限公司	(iii), (v)	12.5%	15%	15%
Wuxi Hua Xin Flavour & Fragrance Company Limited ("Wuxi Huaxin")	無錫華馨香精香料有限公司(「無錫華馨」)	(i), (iii)	12.5%	25%	25%
Wuxi Jiahua Flavour & Fragrance Company Limited	無錫嘉華香精香料有限公司	(i)	25%	25%	25%
Xiamen Amber Fragrances Co Ltd	廈門琥珀香料有限公司	(v)	15%	15%	15%
Yongzhou Shan Xiang Flavour Co Ltd	永州山香香料有限公司	(i), (v)	25%	15%	15%
Yunnan Hua Xiang Yuan Flavours Limited	雲南華香源香料有限公司	(i), (iv)	25%	15%	15%
Yunnan Tianhong Flavor & Fragrance Company Limited	雲南天宏香精香料有限公司	(iv)	15%	15%	15%
Ying Tan Huabao Flavours & Fragrances Co., Ltd.	鷹潭華寶香精香料有限公司	(i), (v)	25%	15%	15%

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26. INCOME TAX EXPENSE (continued)

(c) (continued)

The income tax rates are derived from various 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.
 - (ii) PRC companies established before 16 March 2007 are entitled to the transitional rules announced by the State Council Circular [2007] No. 39 which stipulated that 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 is applied. For enterprises that do not benefit from such preferential policies due to their loss making status, the time for which such policy to apply shall commence from 1 January 2008. The preferential tax policy for Shanghai Huashun, Shanghai Yinghua, Taicang Wenhua and Wuxi Huaxin expired at the end of 2011.
 - (iv) Encouraged enterprises of western regions can continue to enjoy tax rate of 15% until 2022.
 - (v) The Corporate Income Tax Law also stipulated 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) Germany company income tax has been provided at the rate of 15% (2012: 15%) on the estimated assessable profit for the year.
 - (e) Botswana company income tax has been provided at the rate of 15% (2012: 15%) on the estimated assessable profit for the year.
 - (f) No provision for income tax in other jurisdictions has been made as the Group has no assessable profit in those jurisdictions during the year.

26. 所得稅 (續)

(c) (續) :

不同的所得稅稅率來自不同的政策。

- (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%。
 - (ii) 於二零零七年三月十六日之前成立的中國大陸企業按國務院頒佈之過渡條款[2007]第39號規定，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」的優惠政策正在應用。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。華順上海、上海英華、太倉文華及無錫華馨的優惠政策已於2011年到期。
 - (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2022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以15%的適用稅率徵收。
- (d) 德國企業所得稅按本年度估計應課稅盈利以稅率15%(二零一二年: 15%)撥備。
 - (e) 博茨瓦納企業所得稅按本年度估計應課稅盈利以稅率15%(二零一二年: 15%)撥備。
 - (f) 本集團於有關年度在其他司法權區並無取得應課所得稅收入，故無為其他司法權區的所得稅作出撥備。

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26. INCOME TAX EXPENSE (continued)

- (g) The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the standard tax rates before tax holiday applicable to the respective companies of the Group as follows:

26. 所得稅 (續)

- (g) 本集團就除稅前盈利的稅項，與本集團旗下相關公司所在地在免稅期前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	
		2013 二零一三年	2012 二零一二年
Profit before income tax	除稅前盈利	2,047,404	2,080,989
Less: Share of profit of associates	減：應佔聯營公司盈利	(538)	(143)
		2,046,866	2,080,846
Tax calculated at statutory tax rate	按適用稅率計算的稅項	482,425	521,761
Effect of tax incentives	免稅期影響	(165,571)	(185,659)
Super deduction for research and development expenditure	研發費用加計扣除的影響	(8,608)	(7,890)
Tax impact of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	3,263	2,211
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	(5,560)	(22,603)
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	8,855	6,430
Income tax expense	所得稅	314,804	314,250

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26. INCOME TAX EXPENSE (continued)

(g) (continued)

Due to the fact that the directors are not certain on whether future taxable profit would be available in certain subsidiaries, the Group did not recognize deferred income tax assets of HKD27,850,000 (2012: HKD18,995,000) in respect of tax losses of such dormant subsidiaries amounting to HKD129,965,000 (2012: HKD85,588,000). The tax loss will expire in the following years:

26. 所得稅 (續)

(g) (續)

因為董事無法確定於未來是否有足夠應課稅盈利彌補稅損，本集團並沒有確認部份附屬公司之可抵扣未來虧損港幣129,965,000元(二零一二年：港幣85,588,000元)的遞延所得稅資產約港幣27,850,000元(二零一二年：港幣18,995,000元)。可抵扣虧損將於下列年度到期：

		Year ended 31 March 於三月三十一日	
		2013 二零一三年	2012 二零一二年
Expired on 31 March 2014	二零一四年三月三十一日到期	12,715	2,170
Expired on 31 March 2015	二零一五年三月三十一日到期	6,144	12,577
Expired on 31 March 2016	二零一六年三月三十一日到期	15,423	6,077
Expired on 31 March 2017	二零一七年三月三十一日到期	23,188	15,255
Expired on 31 March 2018	二零一八年三月三十一日到期	34,602	22,935
No expiring date	沒有到期日	37,893	26,574
		129,965	85,588

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

27. 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.

27. 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	
		2013 二零一三年	2012 二零一二年
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	1,716,375	1,750,419
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數(千計)	3,147,638	3,155,203
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	54.53	55.48

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27. EARNINGS PER SHARE (continued)

(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 2013, the Company has one type of dilutive potential ordinary shares, i.e. share options.

For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to 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 the share options.

27. 每股盈利 (續)

(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。截至二零一三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。

		Year ended 31 March 截至三月三十一日止年度	
		2013 二零一三年	2012 二零一二年
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	1,716,375	1,750,419
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)	3,147,638	3,155,203
Adjustments for: – exercise of share options ('000)	調整： – 行使購股權 (千計)	2,409	9,587
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)	3,150,047	3,164,790
Diluted earnings per share (HK cents per share)	每股攤薄盈利 (每股港仙)	54.49	55.31

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

28. DIVIDENDS

28. 股息

		Year ended 31 March 截至三月三十一日止年度	
		2013 二零一三年	2012 二零一二年
Interim dividend paid of HK7.48 cents (2012: HK7.80 cents) per share	已付每股中期股息7.48港仙 (二零一二年：7.80港仙)	234,991	246,469
Proposed final dividend of HK9.40 cents (2012: HK8.88 cents) per share	擬派每股期末股息9.40港仙 (二零一二年：8.88港仙)	291,524	280,595
		526,515	527,064
Special dividend paid of HK2.48 cents (2012: HK5.18 cents) per share	已付每股特別股息2.48港仙 (二零一二年：5.18港仙)	77,911	163,680
Proposed special dividend of HK2.80 cents (2012: nil) per share	擬派每股特別股息2.80港仙 (二零一二年：無)	86,837	–
		164,748	163,680
		691,263	690,744

During the year ended 31 March 2013, an interim dividend of HKD234,991,000 (HK7.48 cents per share) (2012: HKD7.80 cents per share) and a special dividend of HKD77,911,000 (HK2.48 cents per share) (2012: HK5.18 cents per share) have been paid by the Company. A final dividend of HK9.40 cents per share (2012: HK8.88 cents per share), HKD291,524,000 in aggregate (2012: HKD280,595,000), together with a special dividend of HK2.80 cents per share (2012: nil), HKD86,837,000 in aggregate (2012: nil), are proposed at the meeting of the Board held on 18 June 2013 which is subject to the shareholders' approval at the forthcoming AGM. These consolidated financial statements do not reflect these proposed dividends. The aggregate amounts of the dividends paid and proposed during 2013 and 2012 have been disclosed in the consolidated income statement in accordance with the Hong Kong Companies Ordinance.

於截至二零一三年三月三十一日止年度內，本公司已支付的中期股息為港幣234,991,000元（每股港幣7.48仙）（二零一二年：每股港幣7.80仙）及特別股息為港幣77,911,000元（每股港幣2.48仙）（二零一二年：每股港幣5.18仙）。而擬派發的期末股息為每股港幣9.40仙（二零一二年：每股港幣8.88仙），共約港幣291,524,000元（二零一二年：港幣280,595,000元），及擬派發的特別股息為每股港幣2.80仙（二零一二年：無），共約港幣86,837,000元（二零一二年：無），在二零一三年六月十八日舉行的董事局會議建議派發，但需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建議股息。根據香港《公司條例》，二零一三年及二零一二年已派發及擬派發的股息總額已在綜合收益表中披露。

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29. BUSINESS COMBINATIONS

During the year, Guangdong Jinye, a subsidiary of the Company, entered into an agreement (the "S&P Agreement") with four independent third parties (the "Sellers") to acquire a 100% equity interests in Zhejiang Xiangyuan Filter Materials Co., Ltd. ("Zhejiang Xiangyuan"), a company incorporated in the PRC, for a cash consideration of RMB5,000,000 (approximately HKD6,133,000). According to the S&P Agreement, any time within approximately three years from the date of completion of the S&P Agreement, Guangdong Jinye has to sell back to three designated Sellers, and such Sellers has to acquire from Guangdong Jinye, the 100% equity interests in Zhejiang Xiangyuan for a consideration of RMB1 (the "Sale Back"). Prior to completion of the Sale Back, Guangdong Jinye has to ensure that Zhejiang Xiangyuan's assets include the existing prepayment for land use right, property and construction in progress with a total carrying amount of approximately HKD5,054,000 as at 30 June 2012 and Guangdong Jinye continues to be entitled to retain the technology and plant and equipment. The acquisition was completed on 30 June 2012 and Zhejiang Xiangyuan became a subsidiary of the Group.

Zhejiang Xiangyuan is principally engaged in the development of the production technology of special type reconstituted tobacco leaves in the PRC and has achieved experimental results. The Group will conduct further development based on these results through acquisition. It is expected that commercial production and promotion of the products will be conducted after test. The goodwill of HKD13,993,000 arose from the synergies expected to be created through the enrichment of the Group's reconstituted tobacco leaves products via acquisition.

29. 業務合併

於本年度，本公司之附屬公司，廣東金葉，與四名獨立第三方（「賣方」）簽署協議（「買賣協議」），以現金收購代價人民幣5,000,000元（約港幣6,133,000元）收購一間於中國成立的公司，浙江香緣過濾材料有限公司（「浙江香緣」）的100%權益。根據買賣協議，在買賣協議完成日起約三年內的任何時間，廣東金葉需要以人民幣1元的代價出售浙江香緣的100%權益予三名指定賣方而該賣方需要向廣東金葉買入（「售回」）。於售回完成前，廣東金葉需要確保浙江香緣的資產包括現有的土地使用權預付款，房產及在建工程（於二零一二年六月三十日的總賬面值約為港幣5,054,000元）。廣東金葉繼續享有技術和機器及設備。該收購已於二零一二年六月三十日完成而浙江香緣已成為本集團之附屬公司。

浙江香緣主要在中國從事一項特種薄片生產技術的研究，並已取得了實驗性成果。通過收購，本集團在此基礎上進行進一步研究，有望在完成中試後進行商業化生產及推廣。港幣13,993,000元商譽之產生乃通過收購進一步豐富本公司煙草薄片產品線而預期產生之協同效應。

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29. BUSINESS COMBINATIONS (continued)

Details of net liabilities acquired and goodwill are as follows:

29. 業務合併 (續)

收購產生之淨負債及商譽詳情如下：

		Total 合計
Purchase consideration	收購代價	
– cash paid and payable	– 已付及應付現金	6,133
– liability assumed	– 承擔的債務	5,054
Total purchase consideration	總收購代價	11,187
Fair value of identifiable net liabilities acquired – shown below	收購可辨認淨負債之公平價值 – 詳列下文	2,806
Goodwill	商譽	13,993

None of the goodwill recognized is expected to be deductible for income tax purpose.

已確認的商譽預期不可扣減稅項。

The fair values of assets and liabilities as at the acquisition date arising from the acquisition are as follows:

於收購日，因收購而產生之資產及負債的公允價值如下：

		Fair Value as at 30 June 2012 於二零一二年 六月三十日 之公允價值
Net liabilities acquired	收購之負債淨值	
Property (a)	房產(a)	738
Construction in progress (a)	在建工程(a)	2,476
Prepayment for land use right (a)	土地使用權預付款(a)	1,840
Plant and equipment	機器及設備	4,086
Intangible assets – Patent	無形資產 – 專利	2,582
Cash and cash equivalents	現金及現金等價物	18
Other receivables	其他應收款項	247
Trade and other payables	貿易及其他應付款項	(14,147)
Deferred tax liabilities	遞延所得稅負債	(646)
Net liabilities acquired	收購之負債淨值	(2,806)
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)	
Cash consideration paid	以現金支付收購代價	4,907
Cash and cash equivalents in the subsidiary acquired	收購附屬公司內的現金及現金等價物	(18)
Net cash outflow on acquisition	收購的淨現金流出	4,889

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29. BUSINESS COMBINATIONS (continued)

(a) Assets held for sale

Guangdong Jinye expects to sell back the property, construction in progress and prepayment for land use right with a total carrying amount of approximately HKD5,054,000 to some of the Sellers within one year from 31 March 2013. Therefore, these assets are recognized as "assets held for sale" and a correspondingly liability of the same amount is recognized as part of the consideration.

(b) Revenue and profit contribution

The acquired business contributed nil revenue and net loss after tax of HKD1,760,000 to the Group for the period from date of acquisition to 31 March 2013. If the acquisition had occurred on 1 April 2012, the consolidated revenue would not have changed and the consolidated net profit after tax would have decreased by approximately HKD649,000 and hence the consolidated income statement for the year ended 31 March 2013 would have shown the consolidated revenue of HKD3,645,940,000 and consolidated net profit after tax of HKD1,731,951,000.

29. 業務合併 (續)

(a) 持作出售資產

廣東金葉預期於一年內(自二零一三年三月三十一日起計)出售土地使用權預付款，房產及在建工程予部份賣方，其總賬面淨值為港幣5,054,000元。因此，此等資產被確認為「持作出售資產」。相應地，相同金額的負債被確認為代價的一部份。

(b) 收入及盈利貢獻

該業務自收購日至二零一三年三月三十一日止，並無為本集團帶來銷售收入及為本集團帶來約港幣1,760,000元的除稅後虧損。如該收購於二零一二年四月一日發生，本集團之綜合銷售收入將不會變動及綜合稅後盈利將減少約港幣649,000元，而在截至二零一三年三月三十一日止年度之綜合收益表亦將會顯示綜合銷售收入約港幣3,645,940,000元和綜合稅後盈利約港幣1,731,951,000元。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

30. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL**Acquisition of additional interests in Qingdao Qingda**

On 27 September 2012, Shanghai Huazhen Food Technology Development Company Limited, a wholly owned subsidiary of the Company, acquired an additional 25% equity interests from non-controlling interests in Qingdao Qingda for a cash consideration of approximately HKD12,827,000. After completion of the acquisition, the Group's shareholdings in Qingdao Qingda increased from 75% to 100%. The effect of changes in the ownership interest of Qingdao Qingda on the equity attributable to owners of the Company during the year is summarised as follows:

30. 附屬公司所有者權益的變動（不改變控制權）**收購青島青大額外權益**

於二零一二年九月二十七日，本公司之全資附屬公司，上海華臻食品科技發展有限公司以現金約港幣12,827,000元向非控制性權益收購青島青大額外的25%權益。該收購完成後，本集團於青島青大的股權由75%增至100%。年內就青島青大所有權益的變動對本公司權益持有人應佔權益的影響摘要如下：

		Amount
		金額
Carrying amount of non-controlling interests acquired	購入非控制性權益的賬面值	16,139
Consideration to non-controlling interests	支付予非控制性權益的對價	(12,827)
Excess of non-controlling interests acquired over cash consideration is recognized in equity	非控制性權益超出支付現金對價於權益中確認	3,312

The Group recognized a decrease in non-controlling interests of HKD16,139,000 and an increase in equity attributable to owners of the Company of HKD3,312,000.

本集團確認非控制性權益減少港幣16,139,000元和本公司權益持有人應佔權益增加港幣3,312,000元。

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(除另有說明者外，所有金額以港幣千元列示)

31. CASH GENERATED FROM OPERATIONS

31. 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	2013 二零一三年	2012 二零一二年
Profit before income tax	除稅前盈利		2,047,404	2,080,989
Adjustments for:	調整：			
– Depreciation	– 折舊	6	89,752	61,268
– Amortization	– 攤銷	7,8	50,025	48,876
– Interest expense	– 利息費用	25	19,079	16,373
– Interest income	– 利息收入	25	(41,277)	(33,168)
– Share of profit of associates	– 應佔聯營公司盈利	10	(538)	(143)
– Provision for impairment on trade receivables	– 貿易應收款項減值撥備	14(b),23	212	3,859
– Loss/(gain) on disposal of property, plant and equipment	– 出售物業、機器及設備虧損／(盈利)		3,208	(869)
– Share option compensation expenses	– 購股權報酬費用	24	–	75
– Exchange gain-net	– 匯兌收益－淨額	22	(8,316)	(62,777)
Changes in working capital (excluding acquisition of subsidiary):	營運資金變動 (不含收購附屬公司)：			
– Inventories	– 存貨		(25,746)	(138,357)
– Trade and other receivables	– 貿易及其他應收款項		(117,763)	167,398
– Trade and other payables	– 貿易及其他應付款項		(108,703)	(252,575)
Net cash generated from operations	經營業務所得現金淨額		1,907,337	1,890,949

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、機器及設備之所得款包括：

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2013 二零一三年	2012 二零一二年
Net book amount	賬面淨值	6	5,275	12,064
(Loss)/gain on disposal of property, plant and equipment	出售物業、機器及設備 (虧損)／(盈利)		(3,208)	869
Exchange differences	匯兌調整		(552)	(972)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備的所得款		1,515	11,961

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

32. 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	
		2013 二零一三年	2012 二零一二年
Contracted but not provided for:	已簽約但未撥備：		
Property, plant and equipment:	物業、機器及設備	53,214	250,383
Investment in an associate	於聯營公司之投資	135,716	135,203
		188,930	385,586

(b) Operating lease commitments

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

		As at 31 March 於三月三十一日	
		2013 二零一三年	2012 二零一二年
Land and buildings:	土地及樓宇：		
Not later than 1 year	不超過1年	11,122	9,959
Later than 1 year and not later than 5 years	超過1年但不超過5年	3,641	5,493
Later than 5 years	超過5年	163	–
		14,926	15,452

32. 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：

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

33. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name

名稱

Ms. Chu
朱女士
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」)
Henan Jinrui
河南金瑞

(b) Transactions with related parties

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

33. 關聯人士交易

(a) 關聯人士名稱與關係

Relationship

關係

The single largest shareholder of the Company
本公司的第一大股東
A company controlled by Ms. Chu
受朱女士控制
An associate indirectly held by the Company
本公司間接持有的聯營公司

(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	
	2013 二零一三年	2012 二零一二年
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	1,667	1,140

The above transactions were conducted at terms as agreed with related parties.

上述交易根據與關聯方所達成的條款進行。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

33. RELATED PARTY TRANSACTIONS (continued)**33. 關聯人士交易 (續)****(c) Key management compensation**

Key management includes directors (executive and independent non-executive) and senior management. The compensation paid and payable to directors is disclosed in Note 24(b). The compensation paid and payable to senior management for employee services is shown below:

(c) 主要管理人員酬金

主要管理人員包括董事(執行董事與獨立非執行董事)和高級管理人員。應付及已付予董事的酬金已在附註24(b)披露。向高級管理人員支付作為僱員服務的已付及應付酬金如下：

		Year ended 31 March 截至三月三十一日止年度	
		2013 二零一三年	2012 二零一二年
Fees, salaries and bonus	工資、薪酬及花紅	11,093	6,198
Employer's contribution to retirement benefit scheme	僱主就退休計劃供款	418	226
		11,511	6,424

The compensation of senior management fell within the following bands:

高級管理人員之酬金在以下範圍：

		Number of employees 僱員人數	
		2013 二零一三年	2012 二零一二年
Below HKD500,000	港幣500,000以下	-	3
HKD500,001 – HKD1,000,000	港幣500,001至1,000,000元	1	1
HKD1,000,001 – HKD1,500,000	港幣1,000,001至1,500,000元	5	-
HKD4,500,001 – HKD5,000,000	港幣4,500,001至5,000,000元	1	1

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

34. 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.

34. 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 於三月三十一日	
		2013 二零一三年	2012 二零一二年
Assets:	資產：		
Non-current assets	非流動資產	398	454
Current assets	流動資產	21,275	12,589
		21,673	13,043
Liabilities:	負債：		
Current liabilities	流動負債	14,481	6,626
Net assets	淨資產	7,192	6,417
		Year ended 31 March 截至三月三十一日止年度	
		2013 二零一三年	2012 二零一二年
Income	收益	35,004	26,118
Expenses	費用	(33,576)	(25,911)
Profit before income tax	除稅前盈利	1,428	207

There are no contingent liabilities relating to the Group's interest in the jointly controlled entity, and the jointly controlled entity has no contingent liabilities 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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(除另有說明者外，所有金額以港幣千元列示)

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES

35. 主要附屬公司之詳情

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定主體類別	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 and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Aromascape Development Centre GmbH	Germany, Limited liability company 德國，有限責任公司	EUR25,000 歐元25,000	-	100	Research and development of flavours & fragrances in Germany 研發香精香料，德國
Central Link Inc. Limited ^{C1, X1} 中昇興業有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD1 港幣1元	-	100	Investment holding, trading of fine chemicals in Hong Kong 投資控股、精細化工產品 貿易，香港
Chemactive Investments Limited ^{C1}	British Virgin Islands, Limited liability company 英屬處女島，有限責任公司	USD2 美元2	100	-	Investment holding in Hong Kong 投資控股，香港
Feijia Chuangye Additive (Shenzhen) Limited 飛嘉創業添加劑(深圳) 有限公司 ^{X1}	PRC*, Limited liability company 中國*，有限責任公司	HKD1,000,000 港幣1,000,000	-	100	Production, technical research & development, distribution, import & export of flavours & fragrances & related business in PRC 香精香料的生產、技術開發、 批發、進出口及相關配套 業務，中國
F&G (Botswana) (Proprietary) Limited	Republic of Botswana, Limited liability company 博茨瓦納共和國，有限責任公 司	BWP100 普拉100元	-	100	Production and sales of natural extracts in Botswana 生產和銷售天然提取物， 博茨瓦納共和國
Guangdong Jinke Reconstituted Tobacco Leaves Co., Ltd. 廣東金科再造煙葉有限公司	PRC*, Limited liability company 中國，有限責任公司	RMB40,000,000 人民幣40,000,000元	-	55.375	Manufacture & sale of reconstituted tobacco leaves in PRC 生產及銷售煙草薄片，中國
Guangdong Golden Leaf Technology Development Co., Ltd. 廣東省金葉科技開發有限公司	PRC*, Limited liability company 中國*，有限責任公司	RMB100,000,000 人民幣100,000,000元	-	100	Research & development, manufacture and sale of reconstituted tobacco leaves in PRC 研發、生產及銷售煙草薄片，中國

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定主體類別	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 and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Guangdong Zhaoqing Fragrances Limited 廣東省肇慶香料廠有限公司	PRC*, Limited liability company 中國*, 有限責任公司	RMB11,000,000 人民幣11,000,000元	-	100	Manufacturing & sales of food flavours & fragrances in PRC 生產及銷售食品香精香料，中國
Guangzhou Hanfo Food Culture Company Limited ^{X1} 廣州漢方飲食文化有限公司 ^{X1}	PRC*, Limited liability company 中國*, 有限責任公司	RMB2,000,000 人民幣2,000,000元	-	100	Research, development, manufacturing & sales of flavours & fragrances in PRC 研發、生產及銷售香精香料，中國
Guangzhou Huabao Flavour & Fragrances Company Limited ^{X1} 廣州華寶香精香料有限公司 ^{X1}	PRC*, Limited liability company 中國*, 有限責任公司	RMB10,000,000 人民幣10,000,000元	-	100	Research, development, manufacturing & sales of flavours & fragrances in PRC 研發、生產及銷售香精香料，中國
Guizhou Province Huashuo Biological Technology Co., Ltd. 貴州省華燦生物科技有限公司	PRC*, Limited liability company 中國*, 有限責任公司	RMB10,000,000 人民幣10,000,000元	-	100	Manufacturing & sales of natural extracts in PRC 生產和銷售天然提取物，中國
Hua Fang Tobacco Flavors Limited ^{C1, W1} 華芳煙用香料有限公司 ^{C1, W1}	PRC*, Limited liability company 中國*, 有限責任公司	USD4,000,000 美元4,000,000	-	51	Manufacturing & sales of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Huabao Flavours & Fragrances (HK) Limited ^{C1} 華寶香精香料(香港)有限公司 ^{C1}	Hong Kong, Limited liability company 香港, 有限責任公司	HKD3,000,000 港幣3,000,000元	-	100	Research, development, manufacturing & sales of flavours & fragrances in Hong Kong 研發、生產及銷售香精香料，香港
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*, Limited liability company 中國*, 有限責任公司	USD10,000,000 美元10,000,000	-	100	Manufacturing & sales of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Huabao Industrial & Trading Development (HK) Limited ^{C1, X1} 華寶工貿發展(香港)有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港, 有限責任公司	HKD10,000 港幣10,000元	-	100	Investment holding, trading of fine chemicals in Hong Kong 投資控股、精細化工產品貿易，香港

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35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定主體類別	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 and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Huabao Korea Company Limited ^{XQ1} 華寶韓國股份有限公司 ^{XQ1}	Korea, Limited liability company 韓國*，有限責任公司	WON11,100,000,000	-	60	Research, development, manufacturing and sale of Filter materials in Korea 研發、生產及銷售香煙濾咀產品， 韓國
Huashun Flavour (Shanghai) Limited ^{W1, W2, X1} 華順香料(上海)有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*，有限責任公司	USD1,000,000 美元1,000,000	-	100	Research, development, manufacturing and sale of fine chemicals in PRC 精細化工產品研發、生產及銷售， 中國
Owada Flavour Technology (Guangzhou) Limited ^{X1, X2} 澳華達香料科技(廣州)有限公司 ^{X1, X2}	PRC*, Limited liability company 中國*，有限責任公司	HKD60,000,000 港幣60,000,000	-	100	Research, development, production and sale of tobacco flavours & fragrances in PRC 研發、生產、加工及銷售煙用香精 香料產品，中國
Power Success International Development Limited ^{C1, X1} 力昇國際發展有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD1 港幣1元	-	100	Investment holding, trading of fine chemicals in Hong Kong 投資控股，精細化工產品貿易， 香港
Qingdao Huabao Flavors & Fragrances Co., Ltd. ^{C1, W1} 青島華寶香精香料有限公司 ^{C1, W1}	PRC*, Limited liability company 中國*，有限責任公司	RMB3,673,500 人民幣3,673,500元	-	70	Manufacturing and sale of flavors & fragrances in PRC 生產及銷售香精香料，中國
Qingdao Qingda Product Co., Inc. 青島青大物產股份有限公司	PRC*, Limited liability company 中國*，有限責任公司	RMB41,640,000 人民幣41,640,000元	-	75	Manufacturing & sales of natural extracts in PRC 生產及銷售天然提取物，中國
Shanghai Danhua Xianghua Keji Co., Ltd. 上海丹華香化科技有限公司	PRC*, Limited liability company 中國*，有限責任公司	RMB10,000,000 人民幣10,000,000元	-	72	Research, development and sale of flavours & fragrances in PRC 研發、生產及銷售香精香料，中國

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定主體類別	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 and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
Shanghai H&K Flavours & Fragrances Company Limited ^{W1, X1} 上海華寶孔雀香精香料 有限公司 ^{W1, X1}	PRC*, Limited liability company 中國*, 有限責任公司	RMB100,000,000 人民幣100,000,000元	-	100	Manufacturing & sales of food flavours & fragrances in PRC 生產及銷售食品香精香料，中國
Shanghai Yinghua Flavours & Fragrances Limited 上海英華香精香料有限公司	PRC*, Limited liability company 中國*, 有限責任公司	HKD1,000,000 港幣1,000,000元	-	100	Sales of tobacco flavours & fragrances in PRC 銷售煙用香精香料，中國
Shantou Tsing Hua Biochemical Engineering Company Limited 汕頭市青華生化工程有限公司	PRC*, Limited liability company 中國*, 有限責任公司	RMB20,000,000 人民幣20,000,000元	-	100	Engaged in research and development of flavours, fragrance and fine chemical materials, and acquisition of agricultural by-products 經營香精與香料、精細化工原料研發 及農副產品的收購
Sino Top Trading Limited ^{C1} 華置貿易有限公司 ^{C1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD100 港幣100元	-	100	Trading of fine chemicals in Hong Kong 精細化工產品貿易，香港
Smart Sino International Limited ^{C1, X1} 華烽國際有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD10,000 港幣10,000元	-	100	Investment holding, trading of fine chemicals in Hong Kong 投資控股，精細化工產品 貿易，香港
Tai Cang Wen Hua Enterprise Company Limited ^{W1, X1, X2} 太倉文華實業有限公司 ^{W1, X1, X2}	PRC*, Limited liability company 中國*, 有限責任公司	USD1,200,000 美元1,200,000	-	100	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Wisdom Bright International Investment Limited ^{C1, X1} 智輝國際投資有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD1 港幣1元	-	100	Investment holding, trading of fine chemicals in Hong Kong 投資控股，精細化工產品貿易， 香港

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued) 35. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定主體類別	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 and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接	
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*, Limited liability company 中國*, 有限責任公司	USD7,000,000 美元7,000,000	-	100	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Wuxi Hua Hai Flavour Company Limited ^{W1, W2, X1} 無錫華海香料有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*, 有限責任公司	USD650,000 美元650,000	-	100	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
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*, Limited liability company 中國*, 有限責任公司	USD1,000,000 美元1,000,000	-	100	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
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*, Limited liability company 中國*, 有限責任公司	RMB60,000,000 人民幣60,000,000元	-	100	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Xiamen Amber Fragrances Co., Ltd. ^{XQ1} 廈門琥珀香料有限公司 ^{XQ1}	PRC*, Limited liability company 中國*, 有限責任公司	RMB20,000,000 人民幣20,000,000元	-	51	Research, development, distribution and retail of fragrances in PRC 研發、生產、批發及零售日用香精 香料，中國
Ying Tan Huabao Flavours & Fragrances Co., Ltd. ^{W1, X1, X2} 鷹潭華寶香精香料有限公司 ^{W1, X1, X2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB64,000,000 人民幣64,000,000元	-	100	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Yongzhou Shan Xiang Flavour Co., Ltd. 永州山香料有限公司	PRC*, Limited liability company 中國*, 有限責任公司	RMB35,000,000 人民幣35,000,000元	-	67.14	Investment Holding in PRC 投資控股，中國
Yunnan Hua Xiang Yuan Flavours Limited ^{X1, X2} 雲南華香源香料有限公司 ^{X1, X2}	PRC*, Limited liability company 中國，有限責任公司	RMB5,000,000 人民幣5,000,000元	-	60	Manufacturing and sale of flavours and fragrances in PRC 生產及銷售香精香料，中國
Yunnan Tianhong Flavor & Fragrance Company Limited ^{C1, C2} 雲南天宏香精香料有限公司 ^{C1, C2}	PRC*, Limited liability company 中國*, 有限責任公司	USD2,250,000 美元2,250,000	-	60	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國

* 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。

Five Year Financial Summary

五年財務摘要

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度					2013
		2009 二零零九年	2010 二零一零年	2011 二零一一年	2012 二零一二年	二零一三年	
Turnover	營業額	1,938,443	2,366,403	2,852,173	3,311,304	3,645,940	
Gross Profit	毛利	1,462,515	1,786,835	2,120,459	2,335,996	2,518,909	
Profit before income tax	除稅前盈利	1,207,346	1,531,649	1,881,114	2,080,989	2,047,404	
Income tax expenses	稅項	(82,157)	(162,236)	(249,256)	(314,250)	(314,804)	
Profit for the year	本年度盈利	1,125,189	1,369,413	1,631,858	1,766,739	1,732,600	

ASSETS AND LIABILITIES

資產及負債

		As at 31 March 於三月三十一日					2013
		2009 二零零九年	2010 二零一零年	2011 二零一一年	2012 二零一二年	二零一三年	
Total assets	總資產	3,765,656	4,833,858	6,927,840	8,351,919	8,882,793	
Total liabilities	總負債	(836,050)	(915,651)	(1,631,977)	(1,701,670)	(1,257,117)	
Shareholders' funds	淨資產	2,929,606	3,918,207	5,295,863	6,650,249	7,625,676	

Other Financial Information

其他財務數據

		2009 二零零九年	2010 二零一零年	2011 二零一一年	2012 二零一二年	2013 二零一三年
Earnings per share, basic (HK cents)	每股盈利·基本 (港仙)	36.08	43.15	51.01	55.48	54.53
Earnings per share, diluted (HK cents)	每股盈利·攤薄 (港仙)	35.62	42.58	50.59	55.31	54.49
Interim and final dividends per share (HK cents)	每股中期及期末股息 (港仙)	10.8	12.78	15.18	16.68	16.88
Aggregated special dividend per share (HK cents)	每股累計特別股息 (港仙)	3.0	8.3	Nil 無	5.18	5.28
Fiscal year-end share prices (HKD)	財務年度終結日股價 (港元)	6.38	9.33	11.96	5.05	3.37
EBIT ratio	EBIT率	61.7%	64.1%	65.6%	62.3%	55.5%
EBITDA ratio	EBITDA率	66.1%	67.1%	68.5%	65.7%	59.4%
ROE	ROE	46.3%	40.3%	36.3%	30.8%	25.2%

Glossary

詞彙

AGM	Annual general meeting	股東週年大會	股東週年大會
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
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 53 to 70 of this annual report	企業管治報告	在本年報第53頁至第70頁內的企業管治報告
China or Mainland	Mainland of the PRC	中國或內地	中華人民共和國境內
China Tobacco Anhui	China Tobacco Anhui Reconstituted Tobacco Leaves Technology Limited	安徽中煙	安徽中煙再造煙葉科技有限公司
Company or Huabao	Huabao International Holdings Limited	本公司或華寶	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
Executive Director(s)	Executive director(s) of the Company	執行董事	本公司之執行董事
F&G	F&G (Botswana) (Proprietary) Limited	F&G	F&G (Botswana) (Proprietary) Limited
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
FCIS	Fellow member of The Institute of Chartered Secretaries and Administrators	FCIS	英國特許秘書及行政人員公會資深會員
FCPA	Fellow member of Hong Kong Institute of Certified Public Accountants	FCPA	資深會計師
FCS	Fellow member of The Hong Kong Institute of Chartered Secretaries	FCS	香港特許秘書公會資深會員
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 Jinke	Guangdong Jinke Reconstituted Tobacco Leaves Company Limited	廣東金科	廣東金科再造煙葉有限公司
Guangdong Jinye	Guangdong Golden Leaf Technology Development Co., Ltd. (Formerly known as "Guangdong Province Jinye Reconstituted Tobacco Leaves Technology Development Co., Ltd.")	廣東金葉	廣東省金葉科技開發有限公司(前稱「廣東省金葉煙草薄片技術開發有限公司」)

Guangdong Jinye Group	Guangdong Jinye and its subsidiaries and affiliated companies	廣東金葉集團	廣東金葉及其附屬公司及聯營公司
Guangdong Tobacco	China Tobacco Guangdong Industrial Co., Ltd.	廣東中煙	廣東中煙工業有限責任公司
Guangdong Tobacco Company	Guangdong Tobacco and its subsidiaries and associates	廣東中煙公司	廣東中煙及其附屬公司及聯繫人
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
Guizhou Huashuo	Guizhou Province Huashuo Biological Technology Co., Ltd.	貴州華燦	貴州省華燦生物科技有限公司
HKD	Hong Kong dollars	HKD	港幣
HKICPA	Hong Kong Institute of Certified Public Accountants	HKICPA	香港會計師公會
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	Hongta Tobacco (Group) Co., Ltd.	紅塔煙草	紅塔煙草(集團)有限責任公司
Hongta Tobacco Group	Hongta Tobacco and its subsidiaries and associates	紅塔煙草集團	紅塔煙草及其附屬公司及聯繫人
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 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
Huabao Korea	Huabao Korea Co., Ltd.	華寶韓國	華寶韓國株式會社
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
Huangguoshu Jinye	Guizhou Huangguoshu Jinye Technology Co., Ltd.	黃果樹金葉	貴州黃果樹金葉科技有限公司
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
mg	milligram	mg	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
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

Glossary

詞彙

Qingdao Qingda R&D	Qingdao Qingda Product Co., Inc. Research and development	青島青大 R&D	青島青大物產股份有限公司 研究及發展
RMB	Renminbi	人民幣	人民幣·中國法定貨幣
RTL	Reconstituted Tobacco Leaves	煙草薄片	再造煙葉
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權股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
STMA	State Tobacco Monopoly Administration	國煙局	國家煙草專賣局
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 USD	Tai Cang Wen Hua Enterprises Co Ltd. US dollars	太倉文華 美元	太倉文華實業有限公司 美元
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
Xiamen Amber	Xiamen Amber Fragrances Co., Ltd	廈門琥珀	廈門琥珀香料有限公司
Yingtán Huabao	Ying Tan Huabao Flavours & Fragrances Co., Ltd.	鷹潭華寶	鷹潭華寶香精香料有限公司
Yongzhou Shanxiang	Yongzhou Shan Xiang Flavour Co., Ltd.	永州山香	永州山香香料有限公司
Yunnan Huaxiangyuan	Yunnan Hua Xiang Yuan Flavours Limited	雲南華香源	雲南華香源香料有限公司
Yunnan Tianhong	Yunnan Tianhong Flavour & Fragrance Co Ltd.	雲南天宏	雲南天宏香精香料有限公司
Zhejiang Xiangyuan	Zhejiang Xiangyuan Filter Materials Co., Ltd.	浙江香緣	浙江香緣過濾材料有限公司

