



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

2013-2014 Interim Report 中期報告



不斷改進
Improving Always

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Corporate Information

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. DING Ningning
 Mr. LEE Luk Shiu
 Ms. MA Yun Yan
 Mr. WU Chi Keung

AUDIT COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
 Dr. DING Ningning
 Ms. MA Yun Yan
 Mr. WU Chi Keung

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Ms. CHU Lam Yiu (*Chairman*)
 Dr. DING Ningning
 Mr. LEE Luk Shiu

QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCCA, 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.

公司資料

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

丁寧寧博士
 李祿兆先生
 麻雲燕女士
 胡志強先生

審核委員會

李祿兆先生 (*主席*)
 丁寧寧博士
 麻雲燕女士
 胡志強先生

薪酬委員會

李祿兆先生 (*主席*)
 麻雲燕女士
 胡志強先生
 夏利群先生

提名委員會

朱林瑤女士 (*主席*)
 丁寧寧博士
 李祿兆先生

合資格會計師

蔡文霞女士 *FCCA, 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

Corporate Information (cont'd)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3008
30/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
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>

公司資料 (續)

總部及香港主要營業地點

香港
灣仔
港灣道18號
中環廣場30樓
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

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM11
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

- Sales increased by approximately 15.3% to HKD1,941,939,000
- Operating profit increased by approximately 16.1% to HKD1,042,925,000
- Profit attributable to the equity holders of the Company increased by approximately 13.8% to HKD893,188,000
- Basic earnings per share increased by approximately 15.8% to HK28.80 cents
- Proposed an interim dividend of HK8.68 cents per share and a special dividend of HK2.88 cents per share, representing a dividend payout ratio of 40%

RESULTS HIGHLIGHTS

- Gross profit margin elevated by 0.5 percentage point over the corresponding period last year to 68.6%; operating profit margin elevated by 0.4 percentage point over the corresponding period last year to 53.7%, operating efficiency further improved
- With an effort to respond to ever-changing macro economy environment, flavours segment continues to maintain a steady growth momentum, with operating profit margin saw improvement
- RTL continues to maintain a rapid growth momentum, with segment revenue significantly increased by approximately 141.3% over the corresponding period last year to HKD473,377,000; profitability also significantly improved, with segment operating profit significantly increased by approximately 199.8% to HKD181,345,000, operating profit margin also significantly elevated by 7.5 percentage points to 38.3%
- Net cash generated from operating activities increased by approximately 20.3% to HKD849,872,000
- Financial position remains strong, cash and bank balances* increased by approximately 31.6% to HKD3,057,735,000 as compared with 31 March 2013; net cash* reached HKD2,577,600,000, representing an increase of approximately 38.7% as compared with 31 March 2013

財務摘要

- 營業額增加約15.3%至港幣1,941,939,000元
- 營運盈利增加約16.1%至港幣1,042,925,000元
- 本公司權益持有人應佔盈利增加約13.8%至港幣893,188,000元
- 每股基本盈利增加約15.8%至港幣28.80仙
- 建議中期股息為每股港幣8.68仙，另加派特別股息每股港幣2.88仙，股息分派率達40%

業績亮點

- 毛利率比去年同期提升0.5個百分點至68.6%；營運盈利率則比去年同期提升0.4個百分點至53.7%，營運效率進一步提高
- 努力應對變化萬千的宏觀經濟環境，食用香精香料板塊繼續保持穩步增長勢頭，營運盈利率有所提升
- 煙草薄片板塊繼續保持高速增長勢頭，板塊銷售收入比去年同期大幅增長約141.3%至港幣473,377,000元；盈利能力同樣明顯提升，板塊營運盈利大幅增長約199.8%至港幣181,345,000元，營運盈利率則明顯提升7.5個百分點至38.3%
- 營運活動所產生之淨現金增加約20.3%至港幣849,872,000元
- 財務狀況保持穩健，銀行及庫存現金+比二零一三年三月三十日增加約31.6%至港幣3,057,735,000元；淨現金*達港幣2,577,600,000元，較二零一三年三月三十一日增加約38.7%

Financial Highlights (cont'd)

AREAS OF DEFICIENCY

- Fragrances segment sales revenue decreased over 50% as compared with the corresponding period last year, mainly due to the fact that the Group had made adjustments to the management structure and business of Yunnan Huaxiangyuan, and had subsequently disposed of all the equity interest in Yunnan Huaxiangyuan. The disposal of Yunnan Huaxiangyuan would have, comparatively, bigger impact on segment sales revenue in a short term, but the impact on the Group's overall profitability is minimal
- Due to changes in domestic macro economy and being affected by the rise of the price level in general, the Group's selling and marketing expenses as well as administrative expenses maintained an upward trend. During the reporting period, selling and marketing expenses as well as administrative expenses increased by approximately 22.7% as compared with the corresponding period last year, but has already shown an improvement from 26.5% of increase in the last financial year

財務摘要 (續)

業績不足之處

- 日用香精香料板塊銷售收入比去年同期大幅減少逾半，主要是由於本集團對雲南華香源的管理結構和業務作出了調整，及其後悉數出讓了雲南華香源的股權所致；出讓雲南華香源雖然短期內對板塊銷售收入影響較大，但對集團整體盈利方面的影響則非常小
- 受國內宏觀經濟環境變化及物價水平普遍上升影響，本集團的銷售及市場推廣開支和行政開支繼續呈上升之勢。於本報告期內，銷售及市場推廣開支和行政開支比去年同期上升約22.7%，但比上一財政年度的26.5%升幅有所改善

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

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

+ 「銀行及庫存現金」等於「短期銀行貸款」加「現金及現金等價物」。

* 「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」。

Financial Highlights (cont'd)

TABLE OF FINANCIAL HIGHLIGHTS

財務摘要 (續)

財務摘要表

		Unaudited 未經審核		Change in percentage 百分比變動
		For the six months ended 30 September 截至九月三十日止六個月		
		2013 二零一三年 HKD'000 港幣千元	2012 二零一二年 HKD'000 港幣千元	
Sales	營業額	1,941,939	1,684,042	+15.3%
Operating profit	營運盈利	1,042,925	898,188	+16.1%
Gross profit margin	毛利率	68.6%	68.1%	
EBITDA margin	EBITDA率	58.6%	57.0%	
EBIT margin	EBIT率	53.7%	53.3%	
Profit before income tax	除稅前盈利	1,058,417	905,262	+16.9%
Profit attributable to the equity holders of the Company	本公司權益持有人應佔盈利	893,188	784,903	+13.8%
Net cash generated from operating activities	營運活動產生之淨現金	849,872	706,608	+20.3%
		HK cents 港仙	HK cents 港仙	
Earnings per share	每股盈利			
– Basic	– 基本	28.80	24.87	+15.8%
– Diluted	– 攤薄	28.79	24.85	+15.9%
Interim dividend per share	每股中期股息	8.68	7.48	+16.0%
Special dividend per share	每股特別股息	2.88	2.48	+16.1%
Dividend payout ratio	股息分派率	40%	40%	

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the interim results of the Group for the six months ended 30 September 2013.

Since the beginning of 2013, although the global economy has shown signs of a slow recovery, there are still certain downside risks. In the U.S., economic growth displayed a gradual rebound and unemployment improved slightly during the first half of the year, though has yet to indicate a clear direction on its quantitative easing policy and other economic measures. In Europe, according to the second quarter results released by the Eurostat, although performance in the Eurozone finally took a turn after six consecutive quarters of negative growth, the European debt crisis has yet to be settled. In respect of the PRC market, as affected by factors like weak demand, overcapacity and policy adjustments, China's economy continued to slow down this year. Through the first two quarters of 2013, the Gross Domestic Product (GDP) growth were recorded at 7.7% and 7.5% respectively, while final consumption expenditure only accounted for 45.9% of the GDP growth, which was significantly less than the contribution by gross capital formation of 55.8%. Hence, it indicates that the PRC government's attempt to restructure and remodel the economy still has a long way to go.

Continuous business growth with sound financial position

When the PRC economy is currently confronted by complicated environments both domestically and abroad, the Group continues to build on its solid core business, to further promote its development strategy of "multi-pronged, focus growth", and to strive for excellence in all of its business segments. For the six months ended 30 September 2013, the Group's sales revenue reached approximately HKD1.94 billion, representing an increase of approximately 15.3% over the corresponding period last year. The overall gross profit margin reached approximately 68.6%, representing a slight increase as compared with 68.1% for the corresponding period last year. Operating profit was approximately HKD1.04 billion, representing an increase of approximately 16.1% over the corresponding period last year. EBIT margin reached approximately 53.7%, representing a slight increase as compared with 53.3% for the corresponding period last year. Profit attributable to equity holders of the Company was approximately HKD893 million, representing an increase of approximately 13.8% over the corresponding period last year. Diluted EPS was HK28.79 cents, representing an increase of approximately 15.9% over the corresponding period last year. Net cash generated from operating activities reached approximately HKD850 million, representing an increase of approximately 20.3% over the corresponding period last year. As at 30 September 2013, the Group's cash and bank balances amounted to approximately HKD3.06 billion, and net cash amounted to approximately HKD2.58 billion, demonstrating a solid financial position.

主席報告

各位股東：

在此，本人謹代表董事會欣然向各股東報告本集團截至二零一三年九月三十日止六個月的中期業績。

全球經濟自二零一三年年初以來，呈現了一定的緩慢復蘇跡象，但依舊存在不小的下行風險。美國方面，今年上半年經濟增長逐步回溫，失業情況有所改善，但其於量化寬鬆等經濟舉措上還未有清晰取向；歐洲方面，從歐盟統計局(Eurostat)發佈的第二季度經濟數據來看，歐元區經濟目前在經歷了連續六個季度的負增長後雖然有所改善，但歐債危機問題依然沒有完全解決；在中國市場方面，受需求減弱、產能過剩和政策調控等因素的影響，今年以來中國經濟增長繼續放緩，二零一三年首兩季度的國內生產總值增長分別為7.7%及7.5%。其中，最終消費支出對中國經濟的貢獻率僅為45.9%，明顯遜於資本形成總額55.8%的貢獻率，可見中國政府所試圖推進的經濟轉型及重塑過程仍然任重而道遠。

業務持續增長，財務狀況穩健

面對中國經濟目前面臨國內國外錯綜複雜的環境，本集團一如既往地以堅實的核心業務為基礎，貫徹推動「同心多元化」的發展策略，在各個業務板塊上力爭上游。截至二零一三年九月三十日止六個月，本集團實現銷售收入約港幣19.4億元，同比增長約15.3%。綜合毛利率約68.6%，比上一年度同期的約68.1%略為上升。營運盈利約港幣10.4億元，同比增長約16.1%。EBIT率約53.7%，比上一年度同期的約53.3%同樣略為上升。本公司權益持有人應佔盈利約港幣8.93億元，同比增長約13.8%。每股攤薄盈利為港幣28.79仙，同比上升約15.9%。營運活動產生之淨現金達到約港幣8.50億元，同比增長約20.3%。於二零一三年九月三十日，本集團的銀行及庫存現金達約港幣30.6億元，淨現金達約港幣25.8億元，財務狀況保持穩健。

Chairman's Statement (cont'd)

Pragmatic use of cash reserve to safeguard Shareholders' value

Taking into account the Group's development plans for the near future and in view of the solid financial position and abundant cash flow, the Board decided to declare an interim dividend of HK8.68 cents and a special dividend of HK2.88 cents per share. The total dividend per share reached HK11.56 cents, representing a significant increase of approximately 16.1% as compared with HK9.96 cents per share last year. Dividend payout ratio reached approximately 40%, which is consistent with the corresponding period last year. Since the listing of the Group's flavours and fragrances business, the Company has declared dividends of over HKD3.65 billion.

On the other hand, the Group's first share repurchase program remained in effect during the financial year since its inception in the last financial year. During the reporting period, the Group repurchased approximately 4.2 million shares of the Company's from the market, with a total value of approximately HKD14 million. Since the commencement of the share repurchase program last August, the Group has repurchased over 58.5 million shares with more than HKD200 million. The aforementioned have clearly demonstrated the management's confidence in the Company and its determination in safeguarding Shareholders' value!

Continuous growth in flavours segment to maintain a healthy profit contribution

For the six months ended 30 September 2013, sales revenue of the Group's flavours segment amounted to approximately HKD1.43 billion, representing an increase of approximately 2.3% over the corresponding period last year. The PRC tobacco industry has entered into a post-consolidation era. Although the shift towards high-end cigarettes remained intact, the progress has moderated. Having regards to the core customers' various features and demands for flavours and fragrances, and taking into account the popularity of high-end and low tar cigarettes, the Group actively developed new products and managed a steady business growth amid a contracted production output and moderately slowed sales growth in the whole tobacco industry. In respect of food and beverage sector, in view of the difficult business environment faced by small and medium-sized customers, the Group adhered to the "Big Customers, Big Brands" strategy and focused on key customers through products upgrading and technical services and maintained sustainable business progression through the development of natural and popular new products.

主席報告 (續)

現金務實使用，捍衛股東價值

考慮到本集團下一步的發展部署，結合穩健的財務狀況以及充裕的現金流，董事會決定派發本年度中期股息每股港幣8.68仙，加派特別股息每股港幣2.88仙，合共股息每股港幣11.56仙，比去年同期的每股港幣9.96仙大幅增加約17.9%；股息分派率達約40%，與去年同期基本持平。自本集團的香精香料業務上市以來，已經向股東累計宣派超過港幣36.5億元的股息。

另一方面，本集團首個股票回購計劃自上一財政年度開展以來，於本財政年度內繼續進行。於報告期內，本集團於市場上回購了約420萬股，涉及約港幣1,400萬元。自去年八月啟動了股票回購計劃以來，本集團已累計回購了約5,850萬股，共花費逾港幣2億元。以上都充分表明了管理層對公司的信心，以及管理層對捍衛股東價值的決心！

食用香精香料板塊持續增長，維持穩健盈利貢獻

截至二零一三年九月三十日止六個月，集團食用香精香料板塊實現銷售收入約港幣14.3億元，同比增長約2.3%。中國煙草行業進入後整合時代，捲煙高檔化的趨勢雖仍然繼續，但速度已有所放緩。本集團針對核心客戶不同的發展特點以及對香精香料的需求，結合高檔捲煙產品以及低焦油捲煙產品暢銷的市場局面，積極開發新產品，在全行業產量減少、銷量增速略為降低的情況下，業務實現了穩中有升。在食品以及飲料類方面，面臨中小客戶業務遭受沖擊的情況下，本集團堅持「大客戶、大品牌」策略，對重點客戶通過產品升級和技術服務進行深度挖掘，通過開發天然化、流行性的新產品，保持業務持續發展。

Chairman's Statement (cont'd)

Adjustment to fragrances segment with an aim to gradually recover profitability

As mentioned in the 2012-2013 annual report published by the Group in June, profitability of Yunnan Huaxiangyuan had fluctuated significantly mainly due to changes in the prices of raw materials. In order to control risks, adjustments have been made timely to its management structure and business. In July 2013, the Group disposed of all the equity interest in Yunnan Huaxiangyuan. The management is of the view that despite the disposal of Yunnan Huaxiangyuan would have, comparatively, bigger impact on segment sales revenue in the short term, but the impact on the Group's overall profitability was minimal and the disposal was in line with the Group's overall strategic positioning.

Rapid growth of RTL segment and to become the Group's growth engine

The second phase of Guangdong Jinye production line was completed and commenced production in November 2012, which has injected new growth momentum into the Group. As a result of the contribution from the second phase production line, sales revenue of the RTL segment climbed up approximately 141.3% to HKD473 million for the reporting period, and the operating profit almost doubled over the corresponding period last year to HKD181 million, with operating margin also rising 7.5 percentage points to approximately 38.3%. After only three years of investment and operation, the RTL segment has contributed more than 24% of overall sales revenue for the reporting period, reflecting its rapid growth momentum.

For other cooperation and investment projects, the RTL production line of China Tobacco Anhui, which the Group participated by way of technical cooperation, successfully passed trial operation. In addition, the designing work for Huangguoshu Jinye RTL production line, an investment which the Group holds 40% equity interest, has generally completed. With the preliminary investment fund has been gradually in place, the Group will actively participate in Huangguoshu Jinye's construction in the future. The management is satisfied with its rapid development achieved in the field of RTL.

主席報告 (續)

日用香精香料板塊業務調整，力爭盈利能力逐步回升

如本集團於六月份刊發的2012-2013年度年報所述，由於受原材料價格變動的影響，雲南華香源的盈利能力出現了大幅波動。為了控制風險，管理層及時對其管理結構和業務作出了調整，並於二零一三年七月，本集團悉數出讓了雲南華香源的股權。管理層認為，出讓雲南華香源在短期內將對板塊銷售收入有較大的影響，但對於集團整體的盈利方面影響則非常小，而且符合集團的整體策略部署。

煙草薄片板塊高速增長，成為集團增長引擎

廣東金葉二期生產線自二零一二年十一月竣工投產，為集團業務注入了新的增長動力。由於得到了二期生產線的貢獻，煙草薄片板塊銷售收入在報告期內躍升約141.3%至港幣4.73億元，營運盈利比去年同期更漲近兩倍至港幣1.81億元，而營運盈利率亦明顯跳升7.5個百分點至約38.3%。經過短短三年的投入和經營，煙草薄片板塊佔本報告期內整體銷售收入已超過24%，突顯高速增長勢頭。

在其他合作及投資項目上，本集團以技術合作方式參與建設的安徽中煙煙草薄片生產線已順利通過初步調試工作。另外，本集團佔40%股權的投資項目，黃果樹金葉煙草薄片生產線的設計工作已經大致完成，本集團前期的投資資金亦已逐步到位，未來將積極參與黃果樹金葉的建設工作。管理層對在煙草薄片領域所取得的快速發展感到滿意。

Chairman's Statement (cont'd)

Proactively promoting technological innovation of new cigarette materials

Demand for new cigarette materials in the industry has been driven directly by the STMA's constant efforts to lower the maximum tar limit in cigarettes. The Group strived to capture the opportunities in the market by proactively promoting technological innovation and product development in the fields of new cigarette materials and new workmanships, thereby laying a solid foundation for sustainable and stable development of the Group in the future.

Operating environment and prospects

Currently, uncertainties still exist in both domestic and global economies. As a leader of developed economies, the U.S. has yet to indicate a clear direction on its quantitative easing policy and other economic measures, which resulted in a cautious sentiment on the macro economy. The Eurozone has been put under the shadow of the European debt crisis for the recent years, and its economic development is still rather passive and vulnerable. In China, the new leadership and administrative direction remain to be observed. In addition, as the growth of the tobacco industry has slowed down, the pressure on cost of production has relatively increased. All of these may bring uncertainties to the industry's future prospects. Adhered to the development strategy of "multi-pronged, focus growth", the Group will continue to respond to the changes in the market with its management talents, industry-leading R&D team and integrated core value chain forged over the years. The Group will remain focused on tobacco business as its core segment, using RTL and new cigarette materials businesses as growth drivers, and to continue to develop the food and beverages business, to look for new business growth points based on market needs; to continue to probe for multi-channels of financing and identify cooperation and acquisition targets in related industries domestically and abroad. Furthermore, the Group will continue in the development path of organic growth paired with M&A, with an aim to upholding continuous and consistent development for the Group, in order to keep creating more values and returns for its Shareholders!

CHU Lam Yiu

Chairman

Hong Kong, 26 November 2013

主席報告 (續)

積極推動捲煙新材料的技術創新

隨着國煙局對捲煙焦油最高含量的標準不斷調低，直接推動了行業對捲煙新材料的需求。本集團力圖抓緊市場機遇，積極推動捲煙新材料及新工藝的技術創新及產品研發的工作，為本集團在未來能保持持續穩健的發展奠定堅實的基礎。

經營環境及展望

目前國內國外經濟未見明朗，發達經濟體系以美國為馬首是瞻，惟其於量化寬鬆等經濟舉措上還未有清晰取向，導致宏觀經濟步步為營；歐元區長年被歐債危機陰霾所覆蓋，經濟環境偏於被動及脆弱；中國方面，新屆政府的施政方針有待落實；另外，由於煙草行業增長放緩，成本控制壓力亦相對加大，這些都對行業未來的發展帶來一定的不確定性。本集團未來將繼續本着「同心多元化」的發展策略，以優秀的管理人才、業內領先的研發團隊以及多年打造的一體化產業鏈，努力應對市場變化，以煙草業務為集團核心，以煙草薄片及捲煙新材料為增長引擎，持續發展食品及飲料業務，結合市場需求，尋找新的業務增長點；繼續開展探索多渠道融資平台的工作，並積極研究國內國外相關行業的合作及收購目標；繼續走以自身有機增長及併購相結合的發展道路，保持集團持續及穩健的發展，為股東創造更大的價值和回報！

朱林瑤

主席

香港，二零一三年十一月二十六日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Review of Flavours Business

For the six months ended 30 September 2013, sales revenue of the Group's flavours business amounted to HKD1,427,825,000, representing an increase of approximately 2.3% from HKD1,395,281,000 for the corresponding period last year, while the revenue accounted for approximately 73.5% of the total revenue of the Group. The operating profit of flavours segment reached HKD867,496,000, representing an increase of approximately 2.9% over the corresponding period last year; the EBIT margin was approximately 60.8%, representing a slight increase from 60.4% for the corresponding period last year. Growth in flavours business has slowed down, which was mainly due to a slight decline in production output of the tobacco industry of the PRC that led to a relatively slower growth of the Group's tobacco business.

In respect of the tobacco business, production output of the PRC tobacco industry slightly declined in the first half of this year. According to TobaccoChina Online, total production volume of cigarette in the first half of 2013 amounted to approximately 25.88 million cases, representing a decrease of approximately 0.4% over the corresponding period last year; sales of cigarette reached approximately 26.66 million cases, representing a growth of approximately 1.3% over the corresponding period last year. The management is of the view that as the STMA recently started to implement strictly the regulatory policies of "controlling overall production output, adjusting industrial structure, reducing inventory and stabilizing price", where it is mandated to digest the inventory and optimize the structure of the industry in the absence of significant increase in production output, so as to stabilize the selling price of cigarettes in the market. In addition, under the influence of the Chinese government's strengthened measures on smoking control and policies to strictly limit government spending on business accounts, the management anticipates that the overall production output and sales volume of the PRC tobacco industry will enter a stage of steady development, as the stage of continuous growth for more than a decade will likely come to an end.

Over the past few years, the management has been closely monitoring the development of and changes to the PRC tobacco industry, with a view to responding timely and adopting effective measures in its own business. Firstly, as the Chinese government steps up its effort in smoking control, consumers' consciousness of health rises and the total smoking population is becoming saturated; secondly, as the Chinese government introduced policies for the restriction on government spending on business accounts, premium cigarette consumptions have been affected significantly; and thirdly, as the tobacco industry has entered into a post consolidation era and with cross-provincial consolidation being stagnant, it is therefore unlikely for the production output of branded products to significantly increase.

業務回顧

食用香精香料業務回顧

截至二零一三年九月三十日止六個月，本集團食用香精香料銷售收入為港幣1,427,825,000元，較去年同期的港幣1,395,281,000元增長約2.3%，佔整個集團的收入約73.5%。食用香精香料的板塊營運盈利達港幣867,496,000元，同比增加約2.9%；EBIT率約為60.8%，比去年同期的約60.4%有所提升。食用香精香料的增長速度有所放緩，主要是由於中國煙草行業產量略有下降，以致本集團煙用業務增長相對減慢。

在煙用業務方面，中國煙草行業上半年的產量略有下降。據《煙草在線》數據顯示，二零一三年上半年中國煙草行業的捲煙產量達約2,588萬箱，同比減少約0.4%；實現捲煙銷售約2,666萬箱，同比增長約1.3%。據管理層了解，由於國煙局近年開始嚴格落實「控總量、調結構、降庫存、穩價格」的調控方針，在不明顯增加產量的情況下，努力消化社會庫存及優化其結構，從而穩定市場捲煙銷售價格。另外，受中國政府加大控煙力度以及嚴格限制「三公消費」等政策的影響，管理層預期中國煙草行業的產銷總量將結束過去十多年來的持續增長的勢態，進入一個平穩發展時期。

過去數年，管理層一直高度關注中國煙草行業的發展及變化，以便對自身的業務予以及時有效的應對及部署。首先，隨著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；第二，中國政府嚴格推行限制「三公消費」等政策，高端捲煙消費受到明顯的影響；第三，煙草行業已進入後整合時代，跨省整合停滯不前，目前不具有品牌產量大幅增加的可能性；

Management Discussion and Analysis (cont'd)

Furthermore, as the industry is regulating on its cost of production, tender process for raw materials procurement will further be introduced. All these factors brought uncertainties to the future development of the PRC tobacco industry. However, obvious progresses have been achieved for low tar cigarette products which have been recently strongly promoted domestically and abroad. According to TobaccoChina Online, domestic sales volume of low tar cigarette (8 mg or below) in the first half of 2013 amounted to approximately 3.70 million cases, representing a year-on-year growth of approximately 19.8%, making it among one of the fast-growing categories of Chinese-style cigarettes in terms of sales. In light of the development of the cigarette market, the Group has recently made adjustments to its arrangement and proactively developed strategies to address the emerging rules and regulations, in order to create new business opportunities. Also, the Group has laid solid foundation for its long-term business development by enhancing the R&D and application of aromatic raw materials, promoting technology innovation in the fields of low tar cigarettes and other innovative tobacco products, and strengthening cooperation with customers.

During the reporting period, the "STMA's 5th Training Course for Senior Cigarette Flavorists" was held smoothly in Guangzhou Huafang with participation by approximately 20 core technicians from cigarette enterprises in all provinces and cities nationwide. The training course of senior cigarette flavorists, mainly covering theoretical study and practical operation, has not only increased the delegates' flavoring technique, and also promoted their interaction and cooperation with the Group in terms of technology and business. During the reporting period, Yunnan Tianhong has achieved sound results and was awarded High-tech Enterprise certification again by leveraging on its R&D strength and advanced scientific research level. It has also passed review of the QEOHS management system by the review team of China Quality Certification Centre with its excellent product quality inspection capability.

In respect of food and beverage business, all subsidiaries carried out annual business targets and achieved overall steady developments although their performances varied as they faced different factors in their respective market segments. Huabao Kongque took advantage of the current industrial trend which favors healthy, nutritional and functional products and proactively developed fruity flavours and milky flavours applied to beverage dairy products. The products were well recognized by customers. Guangzhou Huabao focused on developing sales from major customers in recent years and efforts were made to optimize purchase orders, selling prices and internal controls, thus resulting in improvement in its gross profit margin during the reporting period. In respect of Guangdong Zhaoqing, although remained constrained by the macro economy, it was able to overcome obstacles such as the impact of slowdown of consumption in the food market resulting from the avian influenza scare in the first half of 2013 and impact of certain government administrative measures. Sales revenue of the company still maintained a steady growth.

管理層討論及分析 (續)

同時，受到行業成本控制的影響，原料採購的招標範圍將進一步擴大。這些因素都為中國煙草行業未來的發展帶來一些不確定性。雖然如此，國內國外近年大力提倡的低焦油捲煙產品，還是取得了較明顯的發展。據《煙草在線》資料顯示，二零一三年上半年國內低焦油捲煙（焦油量每支8毫克或以下）銷售約370萬箱，同比增長約19.8%，為中式捲煙銷售結構中增長相對高速的一類產品。本集團近年的工作，主要圍繞市場的變化而調整部署，針對各項條例的要求而積極研究對策，創造業務上的新切入點；抓緊香原料的研發及應用，以及低焦油捲煙和其他新型煙草產品的相關技術的研究，加強與客戶的合作，為集團長遠的業務發展打下堅實基礎。

在報告期內，「國家局第五期捲煙高級調香師班」在廣州華芳順利開課，來自全國各省市的捲煙企業技術骨幹約20人參加了該次培訓。捲煙高級調香師培訓課程主要涵蓋理論學習和實踐操作，不僅提高了學員的調香技術水平，同時亦加強了與本集團技術及業務的交流與合作。雲南天宏於報告期內亦取得了不俗成績，分別憑藉其研發實力與科研水平再次獲得了「高新技術企業」證書，並以優秀的產品品質驗證能力，通過了中國品質認證中心審核組的QEOHS管理體系審核。

在食品及飲料業務方面，各下屬公司按照年度業務指標執行，雖然因面臨的細分市場的因素不同而表現各異，總體上保持了穩定的發展。華寶孔雀抓緊目前行業流行的健康、營養及功能性的產品趨勢，積極開發應用於飲料乳品中的果味香精和奶味香精，產品受到客戶的好評。廣州華寶近年主力培養大客戶的銷售，從訂單、售價及內控等方面優化，於本報告期內的毛利率有所提升。廣東肇慶方面，雖然受制於市場宏觀經濟，但依然憑藉穩健的業務基礎克服了如二零一三年上半年所瀰漫的禽流感陰霾及一些政府政策令食品市場消費放緩等影響，銷售額保持穩中有升。

Management Discussion and Analysis (cont'd)

In the first half of 2013, sales of the flavours industry was negatively affected as growth in the macro economy and the upstream food manufacturing and beverage and catering industries in China relatively slowed down. However, from the long-term perspective, amid slow pace in economic recovery, and the influence of various medium to long term factors such as expanding domestic demand boosted by government policies and the accelerating urbanization process, the management is of the view that the food industry can still maintain a stable growth momentum in the future, and the management is still optimistic about the prospects of flavours and food additives industry.

Review of Fragrances Business

For the six months ended 30 September 2013, sales revenue of the Group's fragrances business amounted to HKD40,737,000, representing a significant decrease of approximately 56.0% from HKD92,619,000 for the corresponding period last year, representing approximately 2.1% of the total revenue of the Group. Operating profit of the fragrances segment reached HKD4,010,000; EBIT margin was approximately 9.8%. The significant decrease in sales revenue of the fragrances segment was mainly due to the Group's disposal of all the equity interests in Yunnan Huaxiangyuan.

Since last year, profitability of Yunnan Huaxiangyuan had fluctuated significantly mainly due to changes in prices of raw material. In order to control the price volatility risks of raw materials, the Group made timely adjustments to its management structure and business by controlling and properly reducing inventories of raw materials to regulate its scale of assets, and meanwhile maintained the transitional stage with limited production. In July 2013, the Group disposed of all the equity interest in Yunnan Huaxiangyuan. The management is of the view that despite the disposal of Yunnan Huaxiangyuan would have, comparatively, bigger impact on segment sales revenue in the short term, the impact on the overall profitability of the Group was minimal and the disposal was in line with the Group's overall strategic positioning.

Positive effects emerged for Xiamen Amber following a series of adjustments in terms of business and customer management. Xiamen Amber recorded a relatively stable growth in the fields of aromatic, sanitizing and pesticide businesses which it intensely developed during April and September, a general period of slack sales in the industry. Also, it achieved a significant increase in respect of the scale of cooperation with some major customers such as Lanju. In terms of export business, its target markets remain to be the South-east Asian countries such as Vietnam and Indonesia which are its major focus in recent years, and it actively promoted typical hygienic-used fragrance and overseas popular fragrance-based products. Xiamen Amber will then continue to proceed with the preparation of its key city-level laboratory, and expects to improve on the three key areas, being raw materials quality, flavouring development and application services, and to set up its own technological integration system backed by its technological platform, so as to establish its competitive advantages of product development and technological services.

管理層討論及分析 (續)

二零一三年上半年，由於中國宏觀經濟、上游食品製造業及餐飲行業等增長有所放緩，食用香精香料行業銷售受到一定影響。但從長期來看，在經濟緩慢復蘇、政策促進內需擴大以及城鎮化進程不斷加快等多重中長期因素的作用下，管理層認為，食品行業未來將依然保持平穩增長的勢頭，對食用香精香料及食品添加劑行業未來依然保持樂觀態度。

日用香精香料業務回顧

截至二零一三年九月三十日止六個月，本集團日用香精香料銷售收入為港幣40,737,000元，較去年同期的港幣92,619,000元大幅下降約56.0%，佔整個集團的收入約2.1%。日用香精香料的板塊營運盈利達港幣4,010,000元；EBIT率約為9.8%。日用香精香料板塊的銷售收入大幅下降，主要是由於本集團悉數出讓了雲南華香源的股權所致。

從去年開始，受原材料價格變動的影響，雲南華香源的盈利能力出現了大幅波動。為了控制原材料波動的風險，本集團及時對雲南華香源的管理結構和業務作出了調整，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，同時維持於限量生產的過渡階段。於二零一三年七月，本集團悉數出讓了雲南華香源的股權。管理層認為，出讓雲南華香源在短期內將對銷售收入有比較大的影響，但對於本集團整體盈利方面的影響則非常小，而且符合集團的整體策略部署。

廈門琥珀在經過一系列的業務及客戶管理等調整後，成果有所顯現。廈門琥珀在其主力發展的熏香、消毒及殺蟲業務領域中，在行業一般的銷售淡季四至九月期間亦錄得相對穩定的增長，與一些重要客戶如欖菊等的合作規模更是取得了大幅增長。在出口業務方面，目標市場依然為近年大力開發的如越南及印尼等東南亞國家，主力推展經典衛生香及海外流行香型的產品。下一步，廈門琥珀將繼續推進其市級重點實驗室的籌備工作，期望未來能以其技術平台為支撐，完善原料品質、調香開發及應用服務三個體系，建立廈門琥珀自身的技術集成系統，形成產品開發和技術服務並重的競爭優勢。

Management Discussion and Analysis (cont'd)

Review of RTL Business

For the six months ended 30 September 2013, sales revenue of the Group's RTL business reached HKD473,377,000, representing a significant increase of approximately 141.3% as compared to HKD196,142,000 for the corresponding period last year, while percentage to the total revenue of the Group increased significantly to approximately 24.4%. Operating profit of RTL segment reached HKD181,345,000, representing a significant increase of approximately 199.8% from the corresponding period last year. EBIT margin was approximately 38.3%, representing a significant increase of 7.5 percentage points over approximately 30.8% for the corresponding period last year. The significant increase in sales revenue and operating profit of RTL segment was mainly attributable to the continuing increase of product quality of the production line of Guangdong Jinke and a higher average selling price, and the operation commencement of the second phase of the production line of Guangdong Jinye in November 2012.

Since completion of acquisition of Guangdong Jinye Group in November 2010, the Group energetically promoted the workmanship upgrade of Guangdong Jinke production line by its R&D and operational team that are of international level, thus product quality and target customer base were optimized with average selling price constantly increased, showing remarkable results. Currently, the product quality of Guangdong Jinke has reached domestically leading level. As to the second phase of Guangdong Jinye production line, since its operation commencement in November 2012, the operational team is exerting efforts to boost its production efficiency and is striving to further improve and maintain the balance between efficient production and product quality with an aim to match with international level. Currently, the quality and average selling price of the products turned out from second phase of Guangdong Jinye have reached domestically premium level. The management is satisfied with the results of the second phase of Guangdong Jinye production line since its operation commencement in November last year.

管理層討論及分析 (續)

煙草薄片業務回顧

截至二零一三年九月三十日止六個月，本集團煙草薄片銷售收入為港幣473,377,000元，較去年同期的港幣196,142,000元大幅增長約141.3%，佔整個集團的收入明顯提升至約24.4%。煙草薄片的板塊營運盈利達港幣181,345,000元，同比大幅增加約199.8%；EBIT率約為38.3%，比去年同期的約30.8%明顯提高了7.5個百分點。煙草薄片的銷售收入和營運盈利的大幅增加，主要是由於廣東金科生產線產品的品質及平均售價持續提高，以及廣東金葉二期生產線於二零一二年十一月竣工並全面投入生產所致。

自二零一零年十一月完成廣東金葉集團的收購以來，集團以其具國際水平的研發及經營團隊大力推動廣東金科生產線的工藝改造，產品品質及目標客戶群得以優化，產品平均售價持續提高，效果明顯。目前，廣東金科的產品品質已達國內領先水平。廣東金葉二期生產線方面，自二零一二年十一月竣工並開始投產以來，經營團隊正努力推進其生產效能，以行業國際水平為目標，務求進一步提升並維持高效生產以及產品品質的均衡。目前，廣東金葉二期的產品品質及產品平均售價已達國內高端水平。管理層對廣東金葉二期生產線自去年十一月開始投產以來的成績感到滿意。

Management Discussion and Analysis (cont'd)

In January 2013, the Group established Guizhou Huashuo. It is another strategic arrangement of the Group to promote production of upstream raw materials of RTL. The main product produced by Guizhou Huashuo is coating base, one of the core raw materials applied to RTL coating. RTL coating is an integral application product during production and flavouring of RTL, and its application will directly influence fragrance and quality of RTL. Keeping abreast of the production technology of coating base is instrumental for the Group to flexibly accommodate to the various needs of customers, so as to further provide customers with solutions on products' profile and comprehensive services such as products innovation and quality improvement.

For other cooperation and investment projects, the RTL production line of China Tobacco Anhui, which the Group participated by way of technical cooperation, successfully passed trial operation. In addition, the designing work for Huangguoshu Jinye RTL production line, an investment which the Group holds 40% equity interest, has generally completed. With the preliminary investment fund has been gradually in place, the Group will actively participate in Huangguoshu Jinye's construction in the future. The management is satisfied with its rapid development achieved in the field of RTL.

As the STMA continues to promote reduction of tar 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, and from 1 January 2015, the tar content in each cigarette must not exceed 10 mg (source: TobaccoChina Online). As RTL plays an important role in terms of reducing tar content of cigarettes, strengthening style and features of cigarettes and increasing quality stability of cigarette products, the management believes that the above administrative regulations will further boost the application of RTL in the future. In addition, the STMA has listed RTL as one of the major developments in the Twelfth Five-Year Plan. Against such background, the management maintains its optimistic view on the outlook of RTL development. With the completion of the second phase of Guangdong Jinye production line, the Group currently has a total production capacity of approximately 30,000-ton per annum, representing a considerable market share in the domestic RTL industry. The management will then keep a close eye on various kinds of acquisition, cooperation and joint operation opportunities arising from domestic and overseas RTL areas, so as to seize the business opportunities in cigarette products presented from the reduction of tar content.

管理層討論及分析 (續)

於二零一三年一月，本集團成立了貴州華燦，為本集團在推進煙草薄片上游原材料生產的另一策略性部署。貴州華燦的主要生產產品為塗布液裡料，為應用於煙草薄片塗布液內的核心原材料之一。塗布液是煙草薄片生產及調香過程中的一項重要附加產品，其應用將直接影響煙草薄片的香氣、香味及品質；而掌握塗布液裡料的生產技術亦有助於本集團進一步靈活應對客戶的各種需求，開發創新性的產品和提高產品品質，為客戶提供產品風味系統解決方案。

在其他合作及投資項目上，本集團以技術合作方式參與建設的安徽中煙煙草薄片生產線已順利通過初步調試工作。另外，本集團佔40%股權的投資項目，黃果樹金葉煙草薄片生產線的設計工作已經大致完成，本集團前期的投資資金亦已逐步到位，下一步將積極參與黃果樹金葉的建設工作。管理層對在煙草薄片領域所取得的快速發展感到滿意。

國煙局為持續推進捲煙降焦方面的工作，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；由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）。由於煙草薄片對降低捲煙焦油、強化捲煙風格特色以及提高捲煙產品質量穩定性等方面能發揮重要的作用，管理層認為，上述的行政條例將進一步推動未來煙草薄片的應用。另外，國煙局已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持樂觀的態度。隨著廣東金葉二期生產線的完成，本集團目前合共擁有約30,000噸產能，在中國煙草薄片領域已佔有重要份額。下一步，本集團將密切留意國內國外煙草薄片領域的不同形式的收購、合作及聯合經營機會，把握捲煙產品降焦過程中所引發的商機。

Management Discussion and Analysis (cont'd)

New cigarette materials updates

As the tobacco industry progressed through the rapid consolidation era, the market is becoming saturated in recent years and its growth has significantly slowed down. On the other hand, given that the STMA actively promotes the development of low tar cigarette products, new business opportunities have been presented to relevant industries. As a market leader in China's RTL industry, the Group had first disclosed the concept of new cigarette materials in its 2008-2009 annual report, and has thereafter adhered to its advantages in comprehensive technologies and knowledge in products taste profiles, to carry out research and investment in new cigarette materials that are with functions of tar reduction. Since the acquisition of Guangdong Jinye Group in 2010 and the completion of the second phase of Guangdong Jinye production line in 2012, the RTL business has developed rapidly and became another major business segment of the Group. During the reporting period, revenue from RTL accounted for over 24% of the overall revenue, and such outstanding result has proved the forward looking and strategic deployment of the Group.

Besides RTL, the Group has also obtained progressive results on other experimental products and technologies in the fields of new cigarette materials and new workmanships. Three major platforms we currently focus on for development include:

- *Cigarette smoke transmission technological platform*
The transmission technological platform is mainly committed in the R&D of cigarette filters, which is to control the sensory and quality of smoke before being ingested into the body through burning. In addition, the transmission technological platform is also responsible for R&D of cigarette filters that are with other personalized functions with added value. In June 2012, the Group established a cigarette filter joint enterprise Huabao Korea in Korea, and with a capital injection completed in April 2013, the accumulated investment by the Group reached approximately HKD79,180,000. The Group holds a 70% equity interest of Huabao Korea. Currently, the establishment of Huabao Korea is basically completed. With its production equipments in place, Huabao Korea is capable of trial production. We will then accelerate the development of more innovative cigarette filter products in the future;

管理層討論及分析 (續)

捲煙新材料的最新發展

隨著中國煙草行業跨越了早年快速的整合時代，市場規模近年逐漸趨於飽和，增速明顯放緩；但另一方面，近年國煙局大力推動低焦油捲煙產品的發展，為相關產業帶來了新的商機。本集團作為中國煙草薄片行業的領先者，於2008-2009年度年報內已首次披露有關捲煙新材料的發展概念，並在其後一直堅持充分利用自身在綜合技術和對產品風味把握方面的優勢，研發並投資具有降焦效果的捲煙新材料。自二零一零年收購廣東金葉集團、二零一二年廣東金葉二期生產線竣工至今日，煙草薄片業務已高速發展成為本集團的又一主要業務板塊，本報告期內其銷售收入已逾總銷售收入的24%，斐然的成績彰顯本集團具有前瞻性的正確戰略部署。

除煙草薄片以外，本集團在捲煙新材料及新工藝領域內其他的試驗性產品和技術亦取得了階段性的成果。目前的開發分為三個主要平台，包括：

- *捲煙煙氣傳質技術平台*
傳質技術平台主要致力於過濾嘴棒的研發工作，在捲煙煙氣經過燃燒被吸入人體前，對煙氣的感官及質量進行控制。另外，傳質技術平台也負責研發過濾嘴棒的其他個性化增值功能。本集團於二零一二年六月在韓國合資組建了煙用過濾嘴棒企業華寶韓國，並於二零一三年四月完成了增資，持有華寶韓國70%的股權，累計總投資額為約港幣79,180,000元。目前，華寶韓國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捲煙過濾嘴產品；

Management Discussion and Analysis (cont'd)

- *Specialized RTL technological platform*
The Group acquired Zhejiang Xiangyuan in June 2012 and has sped up the Group's existing R&D on a specialized RTL production technology. Such RTL production technology is regarded as an innovation in technology workmanship, under which, tobacco materials are shaped directly after being crushed. Benefits from such water-less production technology include superior sensory quality, stronger in nature to endure processing, and less emission of production wastes, which makes it an effective supplement to and innovative development direction for the existing paper-making RTL; and
- *Innovation tobacco stem technological platform*
This platform is established to render further craft process in respect of tobacco stem raw materials and realize effective improvement of the application of such materials, thus to offer to the customers the systematic technology plan for process and application of tobacco stem. The new type of tobacco stem features with characteristics such as loosened structure, better flammability and lower in tar content, etc, which makes it easier to adapt to cigarettes and be utilized as well. Accordingly, utilization rate could be improved to realize various functions.

The Group will then utilize the above mentioned platforms, to further promote the R&D in the field of new cigarette materials and related products, so as to maintain its leading position in such field.

R&D and Innovation capability

The Group has a leading R&D platform in the China's flavours and fragrances industry and an international-calibre R&D team. The Group has constructed a State-recognised technical centre in Shanghai, which is a national post-doctorate scientific research workstation, a designated RTL production and R&D base in Shantou, Guangdong province authorised by the STMA, joint laboratories established with major tobacco enterprises, and an overseas R&D centre in Germany. The Group will also continue the establishment of its R&D centre in the U.S.. The Group possesses a R&D team that is comprised of experienced personnel, both domestically and abroad, with its R&D capability continuing to lead the domestic industry.

管理層討論及分析 (續)

- *特種煙草薄片技術平台*
本集團於二零一二年六月收購了浙江香緣，加快了本集團原有在特種煙草薄片生產技術的研發。該特種煙草薄片生產技術是一項創新的技術工藝，其特點是將煙草物料經過粉碎後直接成型，屬於乾法生產技術，具有產品感官質量好、耐加工性能強及生產廢棄物排放少的優點，是目前造紙法煙草薄片的有效補充和創新的發展方向；及
- *新型煙梗處理技術平台*
本平台的成立是為了對煙梗原材料進行深度工藝處理，有效提升煙梗原材料的可用性，為客戶提供煙梗加工及利用的系統技術方案。新型煙梗具有結構蓬鬆、燃燒性好及焦油含量低等特點，容易適應捲煙及被納用，從而提高使用率，以實現各種功能效果。

本集團未來將以以上各個平台為基礎，進一步推進在捲煙新材料及其他產品的研發工作，保持集團在該領域的領先地位。

研發和創新能力

本集團擁有中國香精香料行業領先的研發平台和具有國際經驗的研發團隊。本集團建立了位於上海的國家級企業技術中心，國家級博士後科研工作站，位於廣東汕頭的國家煙草專賣局認定煙草薄片生產及研發基地，與大型煙草企業組建的聯合實驗室，以及位於德國的海外研發中心。本集團亦將繼續籌建位於美國的研發中心。本集團擁有一支由具有豐富經驗的中外專家組成的研發團隊，研發實力在國內同行中繼續保持領先水平。

Management Discussion and Analysis (cont'd)

In terms of input into R&D, for the six months ended 30 September 2013, the Group's R&D expenses was approximately HKD107,417,000, representing an increase of approximately 9.4% compared with corresponding period last year. The Group will continue to increase its investment in R&D and technology innovation in the future. Other than strengthening the existing R&D projects, the Group will further promote the R&D for other innovative tobacco products.

BUSINESS PROSPECTS

Currently, uncertainties still exist in both domestic and global economies. As a leader of developed economies, the U.S. has yet to indicate a clear direction on its quantitative easing policy and other economic measures, which resulted in a cautious sentiment on the macro economy. The Eurozone has been put under the shadow of the European debt crisis for the recent years, and its economic development is still rather passive and vulnerable. In China, the new leadership and administrative direction remain to be observed. In addition, as the growth of the tobacco industry has slowed down, the pressure on cost of production has relatively increased. All of these may bring uncertainties to the industry's future prospects. Adhered to the development strategy of "multi-pronged, focus growth", the Group will continue to respond to the changes in the market with its management talents, industry-leading R&D team and integrated core value chain forged over the years. The Group will remain focused on tobacco business as its core segment, using RTL and new cigarette materials businesses as growth drivers; and to continue to develop the food and beverages business, to look for new business growth points based on market needs; to continue to probe for multi-channels of financing and identify cooperation and acquisition targets in related industries domestically and abroad. Furthermore, the Group will continue in the development path of organic growth paired with M&A, with an aim to upholding continuous and consistent development for the Group, in order to keep creating more values and returns for its shareholders!

管理層討論及分析 (續)

在研發投入方面，截至二零一三年九月三十日止六個月，本集團研發費用約為港幣107,417,000元，較去年同期上升約9.4%。本集團未來將繼續加大對研發和創新技術的投入，除了強化現有的研發項目外，本集團還將進一步推進其他新型煙草產品的相關研究工作。

業務展望

目前國內國外經濟未見明朗，發達經濟體系以美國為馬首是瞻，惟其於量化寬鬆等經濟舉措上還未有清晰取向，導致宏觀經濟步步為營；歐元區長年被歐債危機陰霾所覆蓋，經濟環境偏於被動及脆弱；中國方面，新屆政府的施政方針有待落實；另外，由於煙草行業增長放緩，成本控制壓力亦相對加大，這些都對行業未來的發展帶來一定的不確定性。本集團未來將繼續本著「同心多元化」的發展策略，以優秀的管理人才、業內領先的研發團隊以及多年打造的一體化產業鏈，努力應對市場變化，以煙草業務為集團核心，以煙草薄片及捲煙新材料為增長引擎，持續發展食品及飲料業務，結合市場需求，尋找新的業務增長點；繼續開展探索多渠道融資平台的工作，並積極研究國內國外相關行業的合作及收購目標；繼續走以自身有機增長及收購兼併相結合的道路，保持集團持續及穩健的發展，為股東創造更大的價值和回報！

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

FINANCIAL REVIEW

財務狀況回顧

Analysis of interim results for the six months ended 30 September 2013

截至二零一三年九月三十日止六個月的中期業績分析

Sales revenue

營業額

The Group's sales revenue amounted to HKD1,941,939,000 for the six months ended 30 September 2013, representing an increase of 15.3% as compared with HKD1,684,042,000 for the corresponding period last year. The speedy growth in the sales revenue was mainly attributable to the steady growth momentum kept by flavours and rapid growth in sales revenue of RTL. For the six months ended 30 September 2013, sales revenue from flavours increased by 2.3% to HKD1,427,825,000; sales revenue from fragrances decreased by 56.0% to HKD40,737,000; and sales revenue from RTL increased by 141.3% to HKD473,377,000.

截至二零一三年九月三十日止六個月，本集團的銷售額達到港幣1,941,939,000元，較上年同期的港幣1,684,042,000元，增長15.3%。銷售額的快速增長，主要是由於食用香精香料保持穩步增長勢頭以及煙草薄片的銷售額高速增長所致。截至二零一三年九月三十日止六個月，本集團食用香精香料的銷售額增加了2.3%至港幣1,427,825,000元，日用香精香料的銷售額下降了56.0%至港幣40,737,000元，而煙草薄片的銷售額增加了141.3%至港幣473,377,000元。

Cost of goods sold

銷售成本

The Group's cost of goods sold amounted to HKD609,046,000 for the six months ended 30 September 2013, representing an increase of 13.4% as compared with HKD536,954,000 for the corresponding period last year. The increase of cost of goods sold being lower than the increase of sale revenue was mainly attributable to the slight increase in the Group's gross profit margin.

截至二零一三年九月三十日止六個月，本集團的銷售成本為港幣609,046,000元，較上年同期的港幣536,954,000元增加了13.4%。銷售成本漲幅比銷售額漲幅為低，主要是由於本集團的毛利率稍為上升所致。

Gross profit and gross profit margin

毛利和毛利率

The gross profit of the Group increased from HKD1,147,088,000 for the six months ended 30 September 2012 to HKD1,332,893,000 for the six months ended 30 September 2013, representing an increase of 16.2%. The Group's gross profit margin for the first half of the year reached 68.6% which was slightly higher than 68.1% of first half of last year, representing a sound management of cost of goods sold.

本集團的毛利由截至二零一二年九月三十日止六個月的港幣1,147,088,000元增加至截至二零一三年九月三十日止六個月的港幣1,332,893,000元，增長16.2%。而本集團上半年的毛利率達68.6%，比上一財政年度上半年的68.1%有所提升，銷售成本控制得宜。

Other income

其他收益

Other income of the Group was HKD84,838,000 for the six months ended 30 September 2013, representing an increase of HKD28,330,000 as compared with HKD56,508,000 for the six months ended 30 September 2012. The increase in other income was mainly attributable to exchange gain recorded during the reporting period due to RMB appreciation, whereas exchange loss was recorded in the corresponding period last year with the RMB exchange rate being lower.

截至二零一三年九月三十日止六個月，本集團的其他收益為港幣84,838,000元，較截至二零一二年九月三十日止六個月的港幣56,508,000元增加了港幣28,330,000元。其他收益的增加主要是由於人民幣升值導致於本報告期內錄得匯兌收益，而去年同期則因人民幣偏軟而錄得匯兌虧損。

Management Discussion and Analysis (cont'd)

Selling and marketing expenses

The selling and marketing expenses of the Group comprised mainly traveling expenses, transportation cost, salaries and office expenses. The selling and marketing expenses of the Group for the six months ended 30 September 2013 were HKD78,591,000, representing an increase of approximately 23.7% as compared with HKD63,519,000 for the corresponding period last year. Selling and marketing expenses to total sales revenue for the six months ended 30 September 2013 and 2012 amounted to approximately 4.0% and 3.8% respectively. The increase of such ratio was mainly attributable to increase 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 HKD296,215,000 for the six months ended 30 September 2013, representing an increase of 22.5% as compared with HKD241,889,000 for the corresponding period last year. The ratio of administrative expenses to total sales was approximately 15.3%, representing an increase of 0.9 percentage point as compared with 14.4% for the corresponding period last year. Among which the ratio of R&D expenses to total sales was approximately 5.5%, which was generally stable as compared with 5.8% for the corresponding period last year. The increase in ratio of administrative expenses to total sales revenue was mainly attributable to the increase in R&D expenses, employee salary, staff benefit expenses and depreciation expenses, etc.

Operating profit

The operating profit of the Group for the six months ended 30 September 2013 was HKD1,042,925,000, representing an increase of approximately 16.1% as compared with HKD898,188,000 for the corresponding period last year, while the operating profit margin slightly increased to approximately 53.7% during the first half of the year from approximately 53.3% for the first half of last year. The increase in operating profit was mainly attributable to speedy growth of sales revenue and significant increase in other income.

Income tax expenses

The income tax expenses of the Group for the six months ended 30 September 2013 was HKD157,462,000, representing a significant increase as compared with HKD109,702,000 for the corresponding period last year. Income tax rate of the current period was approximately 14.9%, which was increased by 2.8 percentage points as compared with approximately 12.1% for the corresponding period last year. The increase in income tax rate was mainly attributable to the expiration of preferential tax periods.

管理層討論及分析 (續)

銷售及市場推廣開支

本集團銷售及市場推廣開支主要包括差旅費、運輸成本、薪金及辦公費用等。本集團截至二零一三年九月三十日止六個月的銷售及市場推廣開支為港幣78,591,000元，較上年度的港幣63,519,000元，增加了23.7%。於截至二零一三年及二零一二年九月三十日止六個月的銷售及市場推廣開支所佔銷售總額的比例分別為約4.0%及3.8%，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

本集團的行政開支在截至二零一三年九月三十日止六個月為港幣296,215,000元，較上年度同期的港幣241,889,000元，增加22.5%。而行政開支所佔銷售總額的比例為約15.3%，較去年同期的14.4%增加了0.9個百分點。行政開支金額及佔銷售比例增加的主要原因是集團研發費用、員工薪酬、福利開支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九月三十日止六個月為港幣1,042,925,000元，較上年同期的港幣898,188,000元，增加了約16.1%。而本集團的營運盈利率則由上一年度同期的約53.3%稍為上升至本年度的約53.7%。營運盈利的增加主要是由於銷售額快速上升及其他收益大幅上升所致。

稅務開支

本集團的稅務開支在截至二零一三年九月三十日止六個月為港幣157,462,000元，較上年同期的港幣109,702,000元明顯上升。本期所得稅稅率約為14.9%，較去年同期的約12.1%上升了2.8個百分點。所得稅稅率的上升主要是由於優惠稅率到期所致。

Management Discussion and Analysis (cont'd)

Profit attributable to the equity holders of the Company

Profit attributable to the equity holders of the Company was HKD893,188,000 for the six months ended 30 September 2013, representing an increase of 13.8% as compared with HKD784,903,000 for the corresponding period last year.

Net current asset value and financial resources

As at 30 September 2013, the net current asset value of the Group was HKD3,325,175,000 (31 March 2013: HKD2,896,047,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 30 September 2013, the Group's cash and bank balances amounted to HKD3,057,735,000 (31 March 2013: HKD2,323,349,000). The Group neither had any forex hedging products nor structured investment products or financial derivatives.

Bank borrowings and gearing ratio

As at 30 September 2013, the Group had bank borrowings of HKD480,135,000 (31 March 2013: HKD465,000,000). Among which, HKD465,000,000 are unsecured loan with interest calculated based on HK dollars inter-banks borrowings rate. For the six months ended 30 September 2013, the average annual interest rate of such unsecured loan was 2.38% (2012: 2.47%) and is due within 1 year; the average annual interest rate of the remaining secured loan was 6.30% (2012: nil) which is also due within 1 year. The Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests)) was about 6.1% as at 30 September 2013, which was lowered further than that of 6.4% as at 31 March 2013.

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 at the end of a relevant financial period divided by the total sales revenue for the corresponding period and multiplied by 180 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 six months ended 30 September 2013, the Group's average debtors' turnover period was 80 days, representing an increase of 8 days as compared with 72 days for the last financial year ended 31 March 2013. The increase in debtors' turnover period was mainly attributable to the adjustment of accounts payable procedure of an individual customer that led to the Group's account receivables was temporary increased.

管理層討論及分析 (續)

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九月三十日止六個月為港幣893,188,000元，較去年同期的港幣784,903,000元增加了13.8%。

流動資產淨值和財務資源

於二零一三年九月三十日，本集團的流動資產淨值為港幣3,325,175,000元（二零一三年三月三十一日：港幣2,896,047,000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。於二零一三年九月三十日，本集團的銀行及庫存現金為港幣3,057,735,000元（二零一三年三月三十一日：港幣2,323,349,000元）。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

於二零一三年九月三十日，本集團的銀行借貸總額為港幣480,135,000元（二零一三年三月三十一日：港幣465,000,000元），其中港幣465,000,000元為信用貸款，按港元銀行同業拆借息率作基礎。截至二零一三年九月三十日止六個月，該無抵押貸款的平均年息率為2.38厘（二零一二年：2.47厘）並於一年內到期償還；而餘下的抵押貸款的平均年息率為6.30厘（二零一二年：無），同樣於一年內到期償還。於二零一三年九月三十日，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6.1%，比二零一三年三月三十一日的6.4%進一步下降。

應收賬週轉期

應收賬週轉期乃通過將有關財政年度期初及期末經扣除撥備的應收貿易賬款平均金額除以相應期間的營業總額再乘以180天計算。本集團一般給予客戶約0至180日的信貸期，根據客戶業務量的大小和業務關係時間長短而定。截至二零一三年九月三十日止六個月，本集團的平均應收賬週轉期為80日，比較截至二零一三年三月三十一日止上一財政年度的72日上升了8日，主要是由於個別客戶之應付賬款結算體系的調整導致本集團短期應收賬額暫時性的增加所致。

Management Discussion and Analysis (cont'd)

Creditors' turnover period

Creditors' turnover period is calculated on the basis of the average amount of trade payables as at the beginning and at the end of a relevant financial period divided by the cost of goods sold for the corresponding period and multiplied by 180 days. Credit periods granted by suppliers to the Group ranged from 0-180 days. For the six months ended 30 September 2013, the Group's average creditors' turnover period was 119 days, representing an increase of 1 day as compared with 118 days for the last financial year ended 31 March 2013. Creditor's turnover period remains stable.

Inventory and inventory turnover period

As at 30 September 2013, the Group's inventory balance amounted to HKD761,418,000 (31 March 2013: HKD702,316,000). The Group has continued to improve its inventory management and to optimize its inventory structure, thus the inventory balance has slightly decreased. For the six months ended 30 September 2013, the inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning and at the end of a relevant financial period divided by the total cost of goods sold for the corresponding period and multiplied by 180 days) was 216 days, representing a decrease of 3 days as compared with 219 days for the last financial year ended 31 March 2013. Inventory turnover period remains stable with a slight decrease.

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, only a certain amount of imported raw materials and equipment are calculated in foreign currency such as USD or EUR. The Group is of the view that the risk of RMB depreciating is very low. As a result, the Group's exposure to exchange rate risk is relatively low.

Pledge of assets

As at 30 September 2013, the secured bank loan of the Group amounted to RMB12,000,000.

Capital Commitments

As at 30 September 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 for in the financial statements amounting to approximately HKD139,675,000, majority of which related to capital injection into Huangguoshu Jinye and procured property and equipment of various subsidiaries (31 March 2013: HKD188,930,000).

Contingent liabilities

According to the information available to the Board, the Group had no contingent liabilities as at 30 September 2013.

管理層討論及分析 (續)

應付賬週轉期

應付賬週轉期乃通過將有關財政年度期初及期末的應付貿易賬款平均金額除以相應期間的銷售成本再乘以180天計算。供應商給予本集團的信貸期介乎0至180日。截至二零一三年九月三十日止六個月，本集團的平均應付賬週轉期為119日，比較截至二零一三年三月三十一日止上一財政年度的118日上升了1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九月三十日為港幣761,418,000元(二零一三年三月三十一日：港幣702,316,000元)。在截至二零一三年九月三十日止六個月，存貨週轉期(將有關財政年度期初及期末的存貨平均結餘除以相應期間的銷售成本總額再乘以180天計算)為216日，比較截至二零一三年三月三十一日止上一個財政年度的219日下降了3日，表現穩中有降。

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

於二零一三年九月三十日，本集團的抵押貸款為人民幣12,000,000元。

資本承擔

於二零一三年九月三十日，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139,675,000元，主要包括注資黃果樹金葉及若干附屬公司添置廠房及設備(二零一三年三月三十一日：港幣188,930,000元)。

或然負債

根據可供董事會查閱的資料，本集團於二零一三年九月三十日並無任何重大的或然負債。

Management Discussion and Analysis (cont'd)

HUMAN RESOURCES

As at 30 September 2013, the Group employed a total of 2,689 employees in the PRC, Hong Kong, Germany, Botswana and Korea. The sound development of the Group attracts talents in the industry. During the reporting period, the Group continued to recruit a variation of talents based on the business needs.

To upgrade the Group to the international standard in terms of technology and management, the Group places great emphasis on staff training and talent recruitment, enhancement of the employees' initiative and creativity. The Group provides training to middle to top executives and the management on a regular basis, guiding them towards common values to strengthen team spirit. In addition, the Group has built talent banks for various staff levels to completely resolve the issue of talent availability encountered by the enterprise during long term development. The Group has introduced its culture to its employees through the corporate website and internal monthly magazine. While also concerned with their well-being, diversified leisure-time activities were arranged for employees so as to provide them with ample space for development.

As to remuneration package, the Group monitors closely on changes in the PRC economics and market environment, reviews the remuneration level of its employees and human resources market on a regular basis and makes prompt adjustments to the remuneration and benefits of employees, targeting to maintain its competitiveness in the market. Meanwhile, the Group has aligned employees' salary with their business performance through a review system, so as to arouse employees' enthusiasm in their operations.

管理層討論及分析 (續)

人力資源

於二零一三年九月三十日，本集團在中國大陸、香港、德國、博茨瓦納及韓國共聘用員工2,689人。本集團良好的發展勢頭吸引了大批業界優秀人士的加盟。於報告期內，根據在業務上的需要，繼續引進了各類人才。

為了配合集團實現技術和管理國際化發展規劃，本集團十分注意員工的培養和人才引進工作，提高員工積極性並培養員工的創造力。本集團定期對中高層及管理層人員進行培訓，樹立共同的價值觀，加強團體精神。另外，集團還建立了多個級別的人才庫，從根本上解決了企業長期發展所需之人才儲備問題。本集團通過企業網站及內部月刊等倡導公司文化，亦同時重視員工的身心健康，為員工組織多元化的業餘活動，給予員工充分的發展空間。

在薪酬待遇方面，本集團密切關注中國經濟及市況的變化，定時檢討員工薪酬水平和人力資源的市場情況，及時調整員工的薪酬福利，保持市場競爭力；同時，本集團亦通過考核制度，將員工薪酬與其業務表現掛鉤，充分調動了員工工作的積極性。

Other Information

DIRECTORS' INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2013, the interests of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

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

Name of Director	Capacity	Number of Shares held	Percentage of the issued Share capital
董事姓名	身份	持有已發行普通股數目	佔已發行股本百分比
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)	1,219,813,415	39.33%
XIA Li Qun 夏利群	Beneficial Owner 實益擁有人	5,250,000	0.17%
WANG Guang Yu 王光雨	Beneficial Owner 實益擁有人	2,400,000	0.08%
XIONG Qing 熊卿	Beneficial Owner 實益擁有人	200,000	0.01%

Note 1: 1,219,813,415 ordinary shares of the Company were 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, respectively. 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.

(b) Interests in share options of the Company

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

Save as disclosed above, as at 30 September 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.

其他資料

董事於股份、相關股份及債券之權益

於二零一三年九月三十日，董事及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有本公司根據證券及期貨條例第352條規定所存置之登記冊所記錄之權益；或擁有根據上市規則附錄十所載的標準守則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 Shares held	Percentage of the issued Share capital
持有已發行普通股數目	佔已發行股本百分比
1,219,813,415	39.33%
5,250,000	0.17%
2,400,000	0.08%
200,000	0.01%

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) 本公司購股權之權益

董事之購股權權益已詳列於以下「購股權」一節內。

除上文所披露者外，於二零一三年九月三十日，董事及彼等之聯繫人士概無於本公司或其任何附屬公司或相聯法團（定義見證券及期貨條例）之任何股份、相關股份或債券中擁有任何權益或淡倉。

Other Information (cont'd)

其他資料 (續)

SHARE OPTIONS

Pursuant to a resolution passed at the special general meeting of the Company held on 22 September 2006, the Company adopted a share option scheme (the "Share Option Scheme"). As at 30 September 2013, the number of share options granted by the Company pursuant to the Share Option Scheme which were valid and outstanding amounted to 30,990,000, representing approximately 1.00% of the issued share capital of the Company upon full exercise of the aforesaid share options.

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

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」）。於二零一三年九月三十日，本公司根據購股權計劃所授出而仍然有效及尚未行使的購股權數目合共30,990,000份，上述購股權尚獲悉數行使將佔本公司已發行股本約1.00%。

於報告期內，根據購股權計劃批授、行使、註銷及失效的購股權詳情如下：

Grantee	Grant Date	Exercise Price	Exercisable Period	Number of Share Options					Balance as at 30 September 2013	
				Balance as at 1 April 2013	Granted during the reporting period	Exercised during the reporting period	Cancelled during the reporting period	Lapsed during the reporting period		
承授人	授出日期	行使價	可行使日期	於二零一三年四月一日結餘	報告期內批授	報告期內行使	報告期內註銷	報告期內失效	於二零一三年九月三十日結餘	
		HKD 港幣								
Executive Directors										
執行董事										
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	
Independent Non-Executive Directors										
獨立非執行董事										
Mr. LEE Luk Shiu 李祿兆先生	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	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	
Other Participants										
其他參與者										
	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	
	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	
Total				30,990,000	-	-	-	-	30,990,000	
合計				30,990,000	-	-	-	-	30,990,000	

Other Information (cont'd)

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in note 11 to the condensed consolidated interim financial information, at no time during the reporting period was the Company, its ultimate holding companies or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2013, other than the interests disclosed in the section headed "Directors' interest in shares, underlying shares and debentures", the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that the following person(s)/corporation(s) held interests or short positions in 5% or more of the issued share capital of the Company:

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

Name of Substantial Shareholders	Capacity	Long(L)/short(S) position	Number of issued Shares held	Percentage of the issued share capital
主要股東名稱	身份	好倉／淡倉	持有已發行普通股數目	佔已發行股本百分比
Lazard Asset Management LLC	Investment Manager 投資經理	L 好倉	434,102,281	14.00%
Lazard Emerging Markets Equity Portfolio	Investment Manager 投資經理	L 好倉	219,747,000	7.09%
Prudential plc	Held through controlled Corporations 透過受控制公司持有	L 好倉	248,240,500	8.00%
UBS AG (Note 1) (註1)	Beneficial owner 實益持有人	L 好倉	104,397,985	3.37%
		S 淡倉	101,171,800	3.26%
	Held through controlled corporations 透過受控制公司持有	L 好倉	45,738,400	1.47%
	Person having a security interest in shares 對股份持有保證權益的人	L 好倉	15,657,000	0.50%

Note 1 : (i) Long position of 904 shares were held through physically settled derivatives (on exchange); (ii) long position of 31,210,000 shares and short position of 99,937,000 shares were held through cash settled derivatives (off exchange).

其他資料 (續)

董事認購股份或債券之權利

除於簡明綜合中期財務資料附註11所披露者外，本公司、其最終控股公司或其任何附屬公司於報告期內任何時間均無參與任何安排，致使本公司之董事可藉收購本公司或任何其他法團之股份或債券而獲益。

主要股東之權益

於二零一三年九月三十日，除於「董事於股份，相關股份及債券之權益」一節所披露之權益外，本公司根據證券及期貨條例第336條存置之主要股東登記冊顯示，下列人士／法團持有本公司已發行股本5%或以上權益或淡倉。

本公司每股面值港幣0.10元之普通股好倉／淡倉

附註1 : (i)904股好倉乃透過實物交收之衍生工具(場內)持有；(ii)31,210,000股好倉和99,937,000股淡倉乃透過現金交收之衍生工具(場外)持有。

Other Information (cont'd)

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

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

The Board members have regular discussions about the business strategies and performance of the Group and have regular trainings on Listing Rules and regulatory requirements provided by the legal adviser of the Company from time to time together with the relevant senior executives. Finance Department provides and reports to the Board members on the key management accounting information of the Group on a regular basis. The Company has an established internal reporting practice throughout the Group to monitor the operation and business development of the Company so as to capture potentially price-sensitive information on a timely basis, and to monitor the continuing disclosure obligation.

Throughout the reporting period, 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.2.1 and A.4.1:

Code provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Ms. CHU Lam Yiu, Chairman of the Board and Executive Director of the Company, took up the position of CEO starting from 9 April 2013. As the Board meets regularly to consider matters relating to business operations of the Group, the Board is of the view that the above arrangement will not impair the balance of power and authority of the Board and the executive management. The effectiveness of corporate planning and implementation of corporate strategies and decisions will generally not be affected.

Code provision A.4.1 stipulates that non-executive directors 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 annual general meeting of the Company since their last appointment or re-election and are eligible for re-election in accordance with the Company's bye-laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the CG Code.

其他資料 (續)

企業管治

遵守《企業管治守則》

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

董事會成員定期討論本集團的表現和經營策略，並與相關高層管理人員接受本公司法律顧問定期提供的上市規則和法規要求的培訓。財務部亦定期向董事會成員匯報和提供本集團重要的管理會計資料。本公司已建立集團內部匯報制度以監控本公司營運和業務發展的情況，以便按時記錄潛在股價敏感資料和監察持續披露責任。

於報告期內，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.2.1條及第A.4.1條除外：

守則條文第A.2.1條規定，主席與行政總裁的角色應有區分，且不應由一人同時兼任。本公司董事會主席兼執行董事朱林瑤女士自二零一三年四月九日起兼任總裁職務。由於董事會定期舉行會議討論有關本集團業務營運的事項，故董事會認為有關安排將不會損害董事會與執行管理層之間之權責平衡，公司的規劃、策略的執行及決策的效率大致上將不會受到影響。

守則條文第A.4.1條規定，非執行董事之委任須有指定任期，並須接受重新選舉。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。

Other Information (cont'd)

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 Annual Report as of 31 March 2013 of the Company are set out below:

1. Mr. LAU Chi Tak retired as the CEO and Executive Director of the Company with effect from 8 April 2013.
2. Ms. CHU Lam Yiu was appointed as the CEO of the Company with effect from 9 April 2013.
3. Dr. JIN Lizuo retired as an INED of the Company with effect from 8 August 2013.
4. Dr. DING Ningning was appointed as an INED of the Company with effect from 8 August 2013.
5. Mr. WU Chi Keung was appointed as an INED of the Company with effect from 8 August 2013. He was appointed as an independent non-executive director of YuanShengTai Dairy Farm Limited (listed on the Stock Exchange on 26 November 2013) with effect from 7 November 2013.
6. Mr. POON Chiu Kwok was appointed as an independent non-executive director of Tonly Electronics Holdings Limited (listed on the Stock Exchange on 15 August 2013) with effect from 12 July 2013.
7. Ms. MA Yun Yan retired as an independent non-executive director of Rainbow Department Store Co., Ltd. (listed on Shenzhen Stock Exchange) upon expiry of term on 27 September 2013.

Model Code for securities transactions by the Directors of listed issuers

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry to all Directors, all Directors confirmed in writing that they had complied with the required standard as set out in the Model Code throughout the six months ended 30 September 2013.

其他資料 (續)

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，於本公司截至二零一三年三月三十一日止之年度報告日期之後的董事資料變動載列如下：

1. 劉志德先生退任本公司之總裁及執行董事，自二零一三年四月八日起生效。
2. 朱林瑤女士獲委任為本公司總裁，自二零一三年四月九日起生效。
3. 金立佐博士退任本公司之獨立非執行董事，自二零一三年八月八日起生效。
4. 丁寧寧博士獲委任為本公司之獨立非執行董事，自二零一三年八月八日起生效。
5. 胡志強先生獲委任為本公司之獨立非執行董事，自二零一三年八月八日起生效。彼獲委任為原生態牧業有限公司(二零一三年十一月二十六日於聯交所上市)之獨立非執行董事，自二零一三年十一月七日起生效。
6. 潘昭國先生獲委任為通力電子控股有限公司(二零一三年八月十五日於聯交所上市)之獨立非執行董事，自二零一三年七月十二日起生效。
7. 麻雲燕女士於二零一三年九月二十七日屆滿卸任天虹商場股份有限公司(於深圳證券交易所上市)之獨立非執行董事。

上市發行人董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之標準守則，作為董事進行證券交易之行為規範守則。經向全體董事作出具體查詢後，全體董事已書面確認於截至二零一三年九月三十日止六個月內已遵守標準守則所規定之標準。

Other Information (cont'd)

INTERIM AND SPECIAL DIVIDENDS

The Board has resolved to declare an interim dividend of HK8.68 cents per share (2012: HK7.48 cents per share) and a special dividend of HK2.88 cents per share (2012: HK2.48 cents per share) both in cash for the six months ended 30 September 2013, which are expected to be paid around 28 February 2014, to Shareholders whose names appear on the Register of Members of the Company on 17 February 2014.

CLOSE OF REGISTER OF MEMBERS

In order to determine Shareholders who qualify for the interim and special dividends, the Register of Members of the Company will be closed from 13 February 2014 to 17 February 2014, both days inclusive, during which no transfer of shares will be effected. All properly completed transfers form(s) accompanied by relevant share certificate(s) 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, Hong Kong not later than 4:30 p.m. on 12 February 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 September 2013, the Company repurchased a total of 4,213,000 ordinary shares of HKD0.10 per share through the Stock Exchange at an aggregate consideration of approximately HKD13,892,000 (excluding transaction costs). The aforesaid repurchased shares together with 4,598,000 shares, which were repurchased in the last financial year but not yet cancelled, were both cancelled on 30 April 2013. Details of shares repurchased during the reporting period are set out as follows:

Month/year	No. of Shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
年份／月份	購回的普通股數目	所支付的最高每股價格	所支付的最低每股價格	所支付的價格總額
		HKD 港幣	HKD 港幣	HKD'000 港幣千元
April 2013 二零一三年四月	4,213,000	3.40	3.21	13,892

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 six months ended 30 September 2013.

其他資料 (續)

中期及特別股息

董事會決議向於二零一四年二月十七日名列本公司股東名冊之股東宣派截至二零一三年九月三十日止六個月之現金中期股息每股港幣8.68仙(二零一二年：每股港幣7.48仙)及特別股息每股港幣2.88仙(二零一二年：每股港幣2.48仙)，預期中期及特別股息約於二零一四年二月二十八日派發。

暫停辦理股份過戶登記手續

為確保股東有資格獲派中期及特別股息，本公司將由二零一四年二月十三日至二零一四年二月十七日止(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二零一四年二月十二日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，地址為香港皇后大道東28號金鐘匯中心26樓。

購買、出售或贖回本公司的上市證券

於截至二零一三年九月三十日止六個月內，本公司於聯交所回購共4,213,000股每股面值港幣0.10元之普通股，總代價約為港幣13,892,000元(不含交易成本)，上述購回股份連同於上個財政年度購回但尚未註銷的4,598,000股均已在二零一三年四月三十日被註銷。於報告期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九月三十日止六個月期間內概無購買、出售或贖回本公司任何上市證券。

Other Information (cont'd)

PUBLIC FLOAT

Throughout the six months ended 30 September 2013, the Company had maintained the prescribed public float under the Listing Rules, based on the information that was publicly available to the Company and to the best belief and knowledge of the Directors.

AUDIT COMMITTEE

The Board has formed an audit committee in accordance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company. The Audit Committee members currently comprise all of the INEDs, namely Dr. DING Ningning, Mr. LEE Luk Shiu, Ms. MA Yun Yan and Mr. WU Chi Keung. The Audit Committee and the Board have reviewed and approved the Company's unaudited condensed consolidated interim financial information for the six months ended 30 September 2013.

By Order of the Board

CHU Lam Yiu

Chairman and CEO

Hong Kong, 26 November 2013

其他資料 (續)

公眾持股量

於截至二零一三年九月三十日止六個月內，根據可供本公司查閱之公開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。

審核委員會

董事會已根據上市規則成立了審核委員會，以履行檢討及監察本公司財務匯報程序及內部監控之職責。審核委員會成員目前由本公司所有獨立非執行董事丁寧寧博士、李祿兆先生、麻雲燕女士及胡志強先生擔任。審核委員會連同董事會已審閱並批准本公司截至二零一三年九月三十日止六個月之未經審核簡明綜合中期財務資料。

承董事會命

朱林瑤

主席兼總裁

香港，二零一三年十一月二十六日

Review Report



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

Introduction

We have reviewed the interim financial information set out on pages 33 to 66, which comprises the condensed consolidated statement of financial position of Huabao International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2013 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on the interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of the interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

審閱報告

羅兵咸永道

中期財務資料的審閱報告

致華寶國際控股有限公司董事會
(於百慕達註冊成立的有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第33至66頁的中期財務資料,此中期財務資料包括華寶國際控股有限公司(「貴公司」)及其子公司(合稱「貴集團」)於二零一三年九月三十日的簡明綜合財務狀況表與截至該日止六個月期間的相關簡明綜合收益表、綜合全面收益表、權益變動表和現金流量表,以及主要會計政策概要和其他附註解釋。香港聯合交易所有限公司證券上市規則規定,就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」編製及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論,並按照委聘之條款僅向整體董事會報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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Review Report (cont'd)

Scope of Review

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

Conclusion

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 November 2013

審閱報告 (續)

審閱範圍

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

結論

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

羅兵咸永道會計師事務所
執業會計師

香港，二零一三年十一月二十六日

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 September 2013
(All amounts in HK dollar thousands unless otherwise stated)

於二零一三年九月三十日
(除另有指明者外，所有金額均以港幣千元列示)

	Note 附註	30 September 2013 二零一三年 九月三十日 Unaudited 未經審核	31 March 2013 二零一三年 三月三十一日 Audited 經審核
Assets			
Non-current assets			
Property, plant and equipment	7	1,447,416	1,443,810
Land use rights	7	203,469	204,045
Intangible assets	7	2,952,545	2,925,745
Investments in associates		170,947	102,299
Investments in a jointly controlled entity		6,244	–
Available-for-sale financial assets		73,897	67,648
Deferred income tax assets	8	95,727	48,710
		4,950,245	4,792,257
Current assets			
Inventories		761,418	702,316
Trade and other receivables	9	1,209,583	1,059,769
Assets held for sale		5,197	5,102
Short-term time deposits		521,952	437,166
Cash and cash equivalents		2,535,783	1,886,183
		5,033,933	4,090,536
Total assets		9,984,178	8,882,793
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	10	310,132	311,013
Reserves	12	1,050,816	914,597
Retained earnings			
– Proposed interim/final dividend	19	269,194	291,524
– Proposed special dividend	19	89,318	86,837
– Others		6,184,229	5,675,440
		7,903,689	7,279,411
Non-controlling interests		312,273	346,265
Total equity		8,215,962	7,625,676
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	8	59,458	62,628
Current liabilities			
Borrowings	13	480,135	465,000
Trade and other payables	14	1,054,693	585,683
Current income tax liabilities		173,930	143,806
		1,708,758	1,194,489
Total liabilities		1,768,216	1,257,117
Total equity and liabilities		9,984,178	8,882,793
Net current assets		3,325,175	2,896,047
Total assets less current liabilities		8,275,420	7,688,304

The notes on pages 38 to 66 are an integral part of this condensed consolidated interim financial information.

第38頁至66頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Income Statement 簡明綜合收益表

For the six months ended 30 September 2013
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一三年九月三十日止六個月
(除另有指明者外，所有金額均以港幣千元列示)

		Unaudited 未經審核 Six months ended 30 September 截至九月三十日止六個月		
		Note 附註	2013 二零一三年	2012 二零一二年
Sales	營業額	6	1,941,939	1,684,042
Cost of goods sold	銷售成本		(609,046)	(536,954)
Gross profit	毛利		1,332,893	1,147,088
Other income	其他收益	15	84,838	56,508
Selling and marketing expenses	銷售及市場推廣開支		(78,591)	(63,519)
Administrative expenses	行政費用		(296,215)	(241,889)
Operating profit	營運盈利		1,042,925	898,188
Finance income	財務收入		22,707	18,444
Finance costs	融資成本		(5,783)	(11,473)
Finance income – net	財務收入 – 淨額		16,924	6,971
Share of (loss)/profit of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之(虧損)/盈利		(1,432)	103
Profit before income tax	除稅前盈利		1,058,417	905,262
Income tax expense	所得稅	17	(157,462)	(109,702)
Profit for the period	本期間盈利		900,955	795,560
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		893,188	784,903
Non-controlling interests	非控制性權益		7,767	10,657
			900,955	795,560
Earnings per share for profit attributable to the Company's equity holders for the period	本期間本公司權益持有人應佔的每股盈利			
Basic (HK cents)	基本(港仙)	18(a)	28.80	24.87
Diluted (HK cents)	攤薄(港仙)	18(b)	28.79	24.85
Interim dividend	中期股息	19	269,194	235,033
Special dividend	特別股息	19	89,318	77,926
			358,512	312,959

The notes on pages 38 to 66 are an integral part of this condensed consolidated interim financial information.

第38頁至66頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 September 2013
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一三年九月三十日止六個月
(除另有指明者外，所有金額均以港幣千元列示)

		Unaudited 未經審核	
		Six months ended 30 September 截至九月三十日止六個月	
		2013 二零一三年	2012 二零一二年
Profit for the period	本期間盈利	900,955	795,560
Other comprehensive income: <i>Items that may be reclassified to profit or loss</i>	其他全面收益： 可重新分類至損益的項目		
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	3,745	(2,511)
Currency translation difference on foreign operations	海外業務之 貨幣換算差額	127,936	(41,827)
Other comprehensive income/(loss) for the period, net of tax	本期間除稅後其他全面 收益／(虧損)	131,681	(44,338)
Total comprehensive income for the period, net of tax	本期間除稅後 全面收益總額	1,032,636	751,222
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	1,017,524	745,718
Non-controlling interests	非控制性權益	15,112	5,504
		1,032,636	751,222

The notes on pages 38 to 66 are an integral part of this condensed consolidated interim financial information.

第38頁至66頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 September 2013
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一三年九月三十日止六個月
(除另有指明者外，所有金額均以港幣千元列示)

		Unaudited 未經審核						
		Attributable to equity holders of the Company 本公司權益持有人應佔					Non-controlling interests 非控制性權益	Total equity 總權益
Note 附註		Share capital 股本	Reserves 儲備	Retained earnings 保留盈利	Total 總計			
	Balance at 1 April 2012	於二零一二年四月一日	315,985	867,402	5,134,920	6,318,307	331,942	6,650,249
	Total comprehensive income for the six months ended 30 September 2012	截至二零一二年九月三十日止六個月的全面收益總額	-	(39,185)	784,903	745,718	5,504	751,222
	Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
	Dividends payable to shareholders	向股東派付的股息	-	-	(280,595)	(280,595)	-	(280,595)
	Dividend payable to non-controlling interests	向非控制性權益派付的股息	-	-	-	-	(19,369)	(19,369)
	Appropriations from net profit	自純利撥付	-	828	(828)	-	-	-
	Repurchase and cancellation of shares	回購及註銷股份	(1,468)	1,468	(74,069)	(74,069)	-	(74,069)
	Acquisition of additional interest in Qingdao Qingda Product Co., Inc. ("Qingdao Qingda") from non-controlling interest	向非控制性權益收購青島青大物產股份有限公司(「青島青大」)額外權益	-	3,312	-	3,312	(16,139)	(12,827)
	Incorporation of non-wholly owned subsidiaries	成立非全資附屬公司	-	-	-	-	22,913	22,913
	Total transactions with owners	與擁有人交易總額	(1,468)	5,608	(355,492)	(351,352)	(12,595)	(363,947)
	Balance at 30 September 2012	於二零一二年九月三十日	314,517	833,825	5,564,331	6,712,673	324,851	7,037,524
	Balance at 1 April 2013	於二零一三年四月一日	311,013	914,597	6,053,801	7,279,411	346,265	7,625,676
	Effects on change of accounting policy	會計政策變更的影響	-	(264)	264	-	-	-
	Total comprehensive income for the six months ended 30 September 2013	截至二零一三年九月三十日止六個月的全面收益總額	-	124,336	893,188	1,017,524	15,112	1,032,636
	Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
	Dividends payable to shareholders	向股東派付的股息	-	-	(378,361)	(378,361)	-	(378,361)
	Dividends payable to non-controlling interests	向非控制性權益派付的股息	-	-	-	-	(33,675)	(33,675)
	Appropriations from net profit	自純利撥付	-	12,214	(12,214)	-	-	-
	Repurchase and cancellation of shares	回購及註銷股份	(881)	881	(13,937)	(13,937)	-	(13,937)
	Acquisition of additional interest in Yongzhou Shanxiang Flavour Co., Ltd. ("Yongzhou Shanxiang") from non-controlling interest	向非控制性權益收購永州山香香料有限公司(「永州山香」)額外權益	22(a)	(948)	-	(948)	(4,294)	(5,242)
	Disposal of a subsidiary	出售附屬公司	-	-	-	-	(14,356)	(14,356)
	Additional investment in a non-wholly owned subsidiary	額外注資於非全資附屬公司	22(b)	-	-	-	3,221	3,221
	Total transactions with owners	與擁有人交易總額	(881)	12,147	(404,512)	(393,246)	(49,104)	(442,350)
	Balance at 30 September 2013	於二零一三年九月三十日	310,132	1,050,816	6,542,741	7,903,689	312,273	8,215,962

The notes on pages 38 to 66 are an integral part of this condensed consolidated interim financial information.

第38頁至66頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

For the six months ended 30 September 2013
(All amounts in HK dollar thousands unless otherwise stated)

截至二零一三年九月三十日止六個月
(除另有指明者外，所有金額均以港幣千元列示)

		Unaudited 未經審核	
		Six months ended 30 September 截至九月三十日止六個月	
		2013 二零一三年	2012 二零一二年
Cash flows from operating activities, net	營運活動產生之淨現金	849,872	706,608
Cash flows used in investing activities, net	投資活動所用之淨現金	(207,689)	(219,209)
Cash flows used in financing activities, net	融資活動所用之淨現金	(25,056)	(60,864)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	617,127	426,535
Cash and cash equivalents at 1 April	於四月一日之現金及現金等價物	1,886,183	2,286,577
Effects of currency translation on cash and cash equivalents	貨幣換算對現金及現金等價物的影響	32,473	(21,231)
Cash and cash equivalents at 30 September	於九月三十日之現金及現金等價物	2,535,783	2,691,881

The notes on pages 38 to 66 are an integral part of this condensed consolidated interim financial information.

第38頁至66頁的附註為本簡明綜合中期財務資料的整體部份。

Notes to the Condensed Consolidated Interim Financial Information

(All amounts in HK dollar thousands unless otherwise stated)

1. GENERAL INFORMATION

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

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

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are mainly engaged in the research and development, production, distribution and sale of flavours, 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 30 September 2013, and is the single largest shareholder of the Company.

This condensed consolidated interim financial information is presented in thousands of units of HK dollars ("HKD'000") unless otherwise stated and it has been approved for issue by the Board of Directors on 26 November 2013.

This condensed consolidated interim financial information has been reviewed and has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2013 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Main Board of Stock Exchange (the "Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

簡明綜合中期財務資料附註

(除另有指明者外，所有金額均以港幣千元列示)

1. 一般資料

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

本公司的股份主要於香港聯合交易所有限公司（「聯交所」）上市。

本公司為投資控股公司。本公司及其附屬公司（「本集團」）之業務主要在中華人民共和國（「中國」）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，於二零一三年九月三十日朱女士持有本公司約39%之權益，為本公司的單一大股東。

本簡明綜合中期財務資料除另有指明者外，均以港幣千元（「港幣千元」）列示。本簡明綜合中期財務資料已於二零一三年十一月二十六日獲董事會批准刊發。

本簡明綜合中期財務資料已經審閱，並未經審核。

2. 編製基準

本公司截至二零一三年九月三十日止六個月的簡明綜合中期財務資料已根據聯交所證券上市規則「上市規則」附錄16之適用披露規定及香港會計師公會（「香港會計師公會」）頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」而編制。本簡明綜合中期財務資料應與本集團根據香港財務報告準則（「香港財務報告準則」）而編製的截至二零一三年三月三十一日止年度的綜合財務報表一併閱讀。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2013, as described in those financial statements.

- (a) HKFRS 11, "Joint arrangements". According to HKFRS 11, Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The policy choice of proportionate consolidation under HKAS 31 has been eliminated under HKFRS 11. Equities accounting should be used for joint ventures.

Before 1 April 2013, the Group's investment in its jointly controlled entity, Yunnan Qing Tian Xiang Keji Fazhan Co. Ltd. ("Yunnan Qingtian") was accounted for by proportionate consolidation. Under HKFRS 11, Yunnan Qingtian is a jointly controlled entity which shall be accounted for using the equity method retrospectively.

The financial effects of using equity accounting for the investment in Yunnan Qingtian are not material to the Group's consolidated financial statements and therefore the Directors have decided not to restate the consolidated financial statements for the year ended 31 March 2012 and 2013. All the financial effects are reflected in the consolidated financial statements for the six months ended 30 September 2013.

- (b) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

3. 會計政策

除下文所述外，編制本簡明綜合財務資料中所採用之會計政策與截至二零一三年三月三十一日止年度的年度財務報表所採用的會計政策一致，並已詳列該財務報表內。

- (a) 香港財務報告準則第11號「合營安排」。根據香港財務報告準則第11號，在合營安排下的投資，將視乎每個投資者的合同權益和義務而分類為聯合經營或合營企業，而非按合營安排的法定結構。香港會計準則第31號比例合併已經被香港財務報告準則第11號替換，對合營企業必須採用權益法入賬。

在二零一三年四月一日前，本集團對其共同控制實體（雲南清甜香科技發展有限公司（「雲南清甜」）的投資乃採用比例合併法入賬。根據香港財務報告準則第11號，雲南清甜被評為共同控制實體且應採用權益法入賬，並追溯調整以前期間。

採用權益法對雲南清甜的投資入賬對本集團的綜合財務報表並未有重大的財務影響，因此董事決定不對截至二零一二年和二零一三年三月三十一日止年度的綜合財務報表作追溯調整，而所有財務影響會反映在截至二零一三年九月三十日止六個月的綜合財務報表內。

- (b) 中期所得稅乃按照預期年度的總盈利所適用之稅率予以預提。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

- (c) The following amendment to standard and interpretation are mandatory for the first time for the financial year beginning 1 April 2013, but are not currently relevant or do not have significant impact to the Group's operations:
- HKAS 19 (Amendment), "Employee benefits"
 - HK(IFRIC) Int 20, "Stripping Costs in the Production Phase of a Surface Mine"
- (d) The following new standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the Group:

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

3. 會計政策 (續)

- (c) 下列修訂準則及詮釋於二零一三年四月一日開始的財政年度首次強制應用，但現與本集團業務無關或無重大影響：
- 香港會計準則第19號 (修改)「員工福利」。
 - 香港 (國際財務報告詮釋委員會) 一詮釋20「露天礦生產階段的剝離成本」。
- (d) 已發佈但仍未生效而本集團亦無提早採納的準則、修訂及對現有準則的詮釋：

	Effective for annual periods beginning on or after 之後開始的年度期間起生效
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 10, HKFRS 12 and HKFRS 27 (revised 2011) (Amendments) Investment entities 香港財務報告準則第10號，第12號及香港會計準則第27號 (二零一一年修訂)的修改「投資主體」	1 January 2014 二零一四年一月一日
HKAS 36 (Amendments) Recoverable amount disclosures for non-financial assets 香港會計準則第36號 (修改)「非金融資產的可收回金額披露」	1 January 2014 二零一四年一月一日
HKAS 39 (Amendments) Novation of derivatives 香港會計準則第39號 (修改)「更替衍生金融工具」	1 January 2014 二零一四年一月一日
HK(IFRIC) Int 21 Levies 香港 (國際財務報告詮釋委員會) 一詮釋21「徵稅」	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 new standards, amendments to standards and interpretations will result in a material impact on the Group's consolidated financial statements.

管理層預期該等新訂、修訂及對現有準則的詮釋之應用不會對本集團的綜合財務報表有重大影響。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

4. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2013.

5. FINANCIAL RISK MANAGEMENT

5.1 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 condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2013.

There have been no changes in the risk management policies since 31 March 2013.

5.2 Liquidity risk

As at 30 September 2013, the Group's net debt is zero (31 March 2013: zero), which is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

4. 估計

編製中期財務報表要求管理層對影響會計政策的應用和所報告資產和負債以及收支的數額作出判斷、估計和假設。實際結果或會與此等估計不同。

在編製此等簡明綜合中期財務資料時，管理層應用本集團會計政策時作出的重大判斷和估計不確定性的關鍵來源，與截至二零一三年三月三十一日止年度綜合財務報表所應用的相同。

5. 財務風險管理

5.1 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價值之利率風險）、信貸風險及流動性風險。

簡明綜合中期財務資料並未包括年度財務資料規定的所有財務風險管理信息和披露，此中期財務報表應與本集團截至二零一三年三月三十一日止年度的年度財務報表一併閱讀。

自二零一三年三月三十一日以來，風險管理政策並無任何變動。

5.2 流動性風險

於二零一三年九月三十日，本集團之債務淨額為零（二零一三年三月三十一日：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。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation

The following analyses financial instruments carried at fair value within a fair value hierarchy that categorizes into three levels the inputs to valuation techniques used to measure fair value. The three different levels are as follows:

- Quoted prices (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 30 September 2013 and 31 March 2013 were the available-for-sale financial assets. During the reporting periods, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and no transfers into or out of level 3.

5.4 Fair value measurements using significant unobservable inputs (Level 3)

At 1 April 2013
Fair value change recorded in equity,
before netting off tax
Currency translation differences

於二零一三年四月一日
除稅前之公允淨值變動記入權益
貨幣換算差額

Amount
金額

67,648
4,993
1,256

At 30 September 2013

於二零一三年九月三十日

73,897

There were no changes in valuation techniques during the period.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

5. 財務風險管理 (續)

5.3 公允價值估計

以下利用三層金融工具厘定公允價值時所使用的不同輸入，來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）。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接（即例如價格）或間接（即源自價格）（第二層）。
- 資產和負債並非依據可觀察市場數據的輸入（即不可觀察輸入）（第三層）。

於二零一三年九月三十日及二零一三年三月三十一日，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。於本報告期內，在業務及經濟情況並無重大改變而引致本集團之金融資產的公允價值發生重大變化，及概無任何金融資產於第三層架構類別轉入或轉出。

5.4 使用重大不可觀察輸入的公允價值計量（第3層）

期內，估值技巧並無變動。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (continued)

5.5 Group's valuation processes

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every half a year, in line with the Group's reporting dates.

5.6 Fair value of financial assets and liabilities measured at amortized cost

The fair value of financial assets and financial liabilities measured at amortized cost approximate their carrying amounts.

6. SEGMENT INFORMATION

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

- Flavours;
- Fragrances; and
- 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.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

5. 財務風險管理 (續)

5.5 本集團的估值過程

本集團之財務部設有一個小組，負責就財務報告事宜執行對金融資產的估值，包括有關第3層公允價值。此小組直接向財務總監匯報。財務總監及評估小組乃按本集團之報告日期即每半年舉行一次討論估值流程與其結果。

5.6 按攤銷成本計量的金融資產及負債之公允價值

按攤銷成本計量的金融資產和負債的公允價值乃與其賬面值相若。

6. 分部資料

本集團的經營分為三項主要營運分部：

- 食用香精香料；
- 日用香精香料；及
- 煙草薄片。

主要經營決策者明確為執行董事（「執行董事」），執行董事審閱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的表現。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註 (續)

(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)

6. SEGMENT INFORMATION (continued)

The segment information for the six months ended 30 September 2013 is presented below:

6. 分部資料 (續)

截至二零一三年九月三十日止六個月的分部資料呈列如下：

		Unaudited 未經審核 For the six months ended 30 September 2013 截至二零一三年九月三十日止六個月					
		Flavours 食用 香精香料	Fragrances 日用 香精香料	tobacco leaves 煙草薄片	Total segments 分部總計	Corporate 總部	Total 總計
Total turnover	總營業額	1,469,385	40,748	473,377	1,983,510	-	1,983,510
Inter-segment sales	分部間銷售	(41,560)	(11)	-	(41,571)	-	(41,571)
Segment turnover – net	分部營業額 – 淨額	1,427,825	40,737	473,377	1,941,939	-	1,941,939
Segment result	分部業績	867,496	4,010	181,345	1,052,851	(9,926)	1,042,925
Finance income	財務收入						22,707
Finance costs	融資成本						(5,783)
Finance income – net	財務收入 – 淨額						16,924
Share of loss of associates and a jointly controlled entity	應佔聯營公司及 共同控制實體 之虧損						(1,432)
Profit before income tax	除稅前盈利						1,058,417
Income tax expense	所得稅						(157,462)
Profit for the period	本期間盈利						900,955

		Unaudited 未經審核 As at 30 September 2013 於二零一三年九月三十日					
		Flavours 食用 香精香料	Fragrances 日用 香精香料	tobacco leaves 煙草薄片	Total segments 分部總計	Corporate 總部	Total 總計
Segment assets	分部資產	6,464,699	166,834	3,269,533	9,901,066	83,112	9,984,178

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註(續)

(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)

6. SEGMENT INFORMATION (continued)

The segment information for the six months ended 30 September 2012 is presented below:

6. 分部資料(續)

截至二零一二年九月三十日止六個月的分部資料呈列如下：

		Unaudited 未經審核 For the six months ended 30 September 2012 截至二零一二年九月三十日止六個月					
		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	1,410,102	94,228	196,142	1,700,472	-	1,700,472
Inter-segment sales	分部間銷售	(14,821)	(1,609)	-	(16,430)	-	(16,430)
Segment turnover – net	分部營業額 – 淨額	1,395,281	92,619	196,142	1,684,042	-	1,684,042
Segment result	分部業績	843,437	5,848	60,482	909,767	(11,579)	898,188
Finance income	財務收入						18,444
Finance costs	融資成本						(11,473)
Finance income – net	財務收入 – 淨額						6,971
Share of profit of associates	應佔聯營公司之盈利						103
Profit before income tax	除稅前盈利						905,262
Income tax expense	所得稅						(109,702)
Profit for the half year	本期間盈利						795,560

		Unaudited 未經審核 As at 30 September 2012 於二零一二年九月三十日					
		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	5,915,126	214,792	2,509,171	8,639,089	339,028	8,978,117

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

6. 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.

Non-current assets other than financial instruments and deferred tax assets of the Group as at 30 September 2013 and 31 March 2013 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 for the six months ended 30 September 2013 amounted to 20% (30 September 2012: 25%) of the Group's total revenue. These revenues are attributable to flavours segment.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

6. 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主要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，於二零一三年及二零一三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。

來源於最大外部單一客戶於截至二零一三年九月三十日止六個月的收入佔集團總收入的20% (二零一二年九月三十日：25%)。這些收入是由食用香精香料分部產生的。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註(續)

(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)

7. PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INTANGIBLE ASSETS

7. 物業、機器及設備、土地使用權及無形資產

		Unaudited 未經審核						
	Note	Property, plant and equipment (excluding construction in progress) 物業、機器 及設備(不含 在建工程)	Construction in progress 在建工程	Total property, plant and equipment 物業、機器 及設備總計	Land use rights 土地使用權	Goodwill 商譽	Other intangible assets 其他 無形資產	Total intangible assets 無形 資產總計
For the six months ended	截至二零一二年							
30 September 2012	九月三十日止六個月							
At 1 April 2012	於二零一二年四月一日	620,090	495,292	1,115,382	209,233	2,652,049	279,926	2,931,975
Acquisition of a subsidiary	收購附屬公司	4,086	-	4,086	-	13,993	2,582	16,575
Additions	添置	39,629	174,970	214,599	-	-	97	97
Transfers	轉移	43,987	(43,987)	-	-	-	-	-
Disposals	出售	(387)	-	(387)	-	-	-	-
Depreciation and amortization	折舊及攤銷	16 (36,524)	-	(36,524)	(3,078)	-	(21,821)	(21,821)
Currency translation differences	貨幣換算差額	(5,663)	(4,355)	(10,018)	(1,532)	(11,156)	(1,552)	(12,708)
At 30 September 2012	於二零一二年九月三十日	665,218	621,920	1,287,138	204,623	2,654,886	259,232	2,914,118
For the six months ended	截至二零一三年							
30 September 2013	九月三十日止六個月							
At 1 April 2013	於二零一三年四月一日	1,310,570	133,240	1,443,810	204,045	2,686,372	239,373	2,925,745
Effects on change of accounting policy	會計政策變更的影響	(405)	-	(405)	-	-	-	-
Additions	添置	34,633	25,277	59,910	-	-	484	484
Transfers	轉移	68,345	(68,345)	-	-	-	-	-
Disposal of a subsidiary	出售附屬公司	(7,002)	(13)	(7,015)	-	-	-	-
Disposals	出售	(4,344)	-	(4,344)	(1,168)	-	-	-
Depreciation and amortization	折舊及攤銷	16 (70,005)	-	(70,005)	(3,173)	-	(22,497)	(22,497)
Currency translation differences	貨幣換算差額	22,983	2,482	25,465	3,765	46,576	2,237	48,813
At 30 September 2013	於二零一三年九月三十日	1,354,775	92,641	1,447,416	203,469	2,732,948	219,597	2,952,545

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

8. DEFERRED INCOME TAX ASSETS/LIABILITIES

The movement in the deferred income tax is as follows:

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

8. 遞延所得稅資產／負債

遞延所得稅變動如下：

				Unaudited 未經審核		
		Deferred income tax assets 遞延 所得稅資產	Deferred income tax liabilities			
			Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC 集團內 位於中國 國內的公司 預期匯出之 股息所產生之 預提所得稅			Total 總計
		Unrealized profits arising from intra-group sales 集團內 公司間銷售 所產生的 集團內 未變現盈利	Valuation surplus of assets and recognition of intangible assets 資產評估 盈餘及無形 資產的確認			
Note						
附註						
	At 1 April 2012	於二零一二年四月一日	44,436	66,004	6,784	72,788
	Acquisition of a subsidiary	收購附屬公司	-	646	-	646
	Recognized in reserves	於儲備確認	-	3,543	-	3,543
	Recognized in the consolidated income statement	於綜合收益表確認	17 (2,717)	(3,563)	39	(3,524)
	Currency translation differences	貨幣換算差額	(380)	(435)	-	(435)
	At 30 September 2012	於二零一二年九月三十日	41,339	66,195	6,823	73,018
	At 1 April 2013	於二零一三年四月一日	48,710	61,404	1,224	62,628
	Recognized in reserves	於儲備確認	-	1,248	-	1,248
	Recognized in the consolidated income statement	於綜合收益表確認	17 45,813	(3,681)	(1,224)	(4,905)
	Currency translation differences	貨幣換算差額	1,204	487	-	487
	At 30 September 2013	於二零一三年九月三十日	95,727	59,458	-	59,458

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

8. DEFERRED INCOME TAX ASSETS/LIABILITIES (continued)

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 rates 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.

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 relevant 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 have 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 30 September 2013, deferred income tax liabilities of HKD266,903,000 (31 March 2013: HKD231,879,000) have not been recognized for the withholding tax that would otherwise be payable on the unremitted profits of certain PRC subsidiaries.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以港幣千元列示)

8. 遞延所得稅資產／負債(續)

集團內公司間銷售所產生的集團內未變現盈利確認為遞延所得稅資產，其金額以負債法按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本公司收購或合併附屬公司所導致之物業、機器及設備、土地使用權和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。

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企業分派股息，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，納稅人需要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的直接母公司。因此，遞延所得稅負債乃按預計匯出香港之盈利以5%的稅率計算。本公司董事將不時檢討本集團之資金需求並調整附屬公司之股息政策。

於二零一三年九月三十日，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266,903,000元(二零一三年三月三十一日：港幣231,879,000元)。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

9. TRADE AND OTHER RECEIVABLES

		Note 附註	As at 30 September 2013 於二零一三年 九月三十日 Unaudited 未經審核	As at 31 March 2013 於二零一三年 三月三十一日 Audited 經審核
Trade receivables	貿易應收款項	(a)	893,977	822,863
Less: Provision for impairment of receivables	減：應收款項減值撥備		(7,492)	(7,356)
Trade receivables – net	貿易應收款項 – 淨額		886,485	815,507
Notes receivable	應收票據		169,305	118,196
Prepayments and other receivables	預付款項及其他應收款項		109,976	90,317
Advances to staff	員工墊款		5,820	4,990
Others	其他		37,997	30,759
			1,209,583	1,059,769

Except for prepayment of HKD40,398,000 (31 March 2013: HKD15,220,000), 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.

- (a) The credit period generally granted to customers ranges from 0 to 180 days. At 30 September 2013 and 31 March 2013, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on invoice date were as follows:

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

9. 貿易及其他應收款項

除預付賬款港幣40,398,000元(二零一三年三月三十一日：港幣15,220,000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。

- (a) 授予客戶的信貸期一般為0至180日。於二零一三年九月三十日及二零一三年三月三十一日，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 30 September 2013 於二零一三年 九月三十日 Unaudited 未經審核	As at 31 March 2013 於二零一三年 三月三十一日 Audited 經審核
0 – 90 days	0至90日	843,027	737,855
91 – 180 days	91至180日	18,703	53,875
181 – 360 days	181至360日	10,662	15,439
Over 360 days	360日以上	21,585	15,694
		893,977	822,863

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註(續)

(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)

10. SHARE CAPITAL

10. 股本

		Unaudited 未經審核	
		Ordinary shares of HKD0.10 each 每股面值港幣0.10元之普通股	
		Number of shares 股份數目	HKD'000 港幣千元
		Note 附註	
Authorized:	法定：		
At 1 April 2012, 30 September 2012, 1 April 2013 and 30 September 2013	於二零一二年四月一日、 二零一二年九月三十日、 二零一三年四月一日及 二零一三年九月三十日		5,000,000,000 500,000
Issued and fully paid:	已發行及繳足：		
At 1 April 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		(14,680,000) (1,468)
At 30 September 2012	於二零一二年九月三十日		3,145,170,961 314,517
At 1 April 2013	於二零一三年四月一日		3,110,128,961 311,013
Repurchase and cancellation of shares	回購及註銷股份	(a)	(8,811,000) (881)
At 30 September 2013	於二零一三年九月三十日		3,101,317,961 310,132

(a) During the six months ended 30 September 2013, the Company repurchased a total of 4,213,000 of its own ordinary shares through the Stock Exchange at an aggregate consideration of approximately HKD13,892,000 (excluding transaction costs). All of the repurchased shares together with 4,598,000 shares repurchased in the last financial year but were not cancelled as at 31 March 2013, 8,811,000 shares in aggregate were cancelled during the period. The consideration paid on the repurchased shares was deducted from retained earnings of the Company upon cancellation of the shares. The highest price and lowest price paid for the repurchase was HKD3.40 per share and HKD3.21 per share, respectively.

(a) 於截至二零一三年九月三十日止六個月，本公司透過聯交所總代價約港幣13,892,000元（不包括交易成本）購回合共4,213,000股自有普通股，全部購回股份連同於上一個財政年度回購但於二零一三年三月三十一日仍未註銷的4,598,000股，合共8,811,000股於本期間註銷。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3.40元及港幣3.21元。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

11. 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 up 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.

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

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

11. 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。

於半年度內，未行使的購股權數目之變動及其相關之加權平均行使價列示如下：

		Unaudited 未經審核			
		For the six months ended 30 September 截至九月三十日止六個月			
		2013 二零一三年		2012 二零一二年	
		Weighted average exercise price in HKD per share 加權平均 行使價港元 (每股計)	Number of share options (^{'000}) 購股權數目 (股數 以千計)	Weighted average exercise price in HKD per share 加權平均 行使價港元 (每股計)	Number of share options (^{'000}) 購股權數目 (股數 以千計)
At 1 April	於四月一日	5.23	30,990	5.23	30,990
Exercised	已行使	-	-	-	-
At 30 September	於九月三十日	5.23	30,990	5.23	30,990

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註 (續)

(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)

11. SHARE OPTION SCHEME (continued)

Share options outstanding as at 30 September 2013 are analyzed as follows:

11. 購股權計劃 (續)

於二零一三年九月三十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)	Unaudited 未經審核	
			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 二零一六年十月二十四日
		6.65	2,600	16 October 2017 二零一七年十月十六日
		6.39	3,400	13 April 2018 二零一八年四月十三日
Employees	僱員	3.09	7,600	9 October 2016 二零一六年十月九日
		6.65	6,390	16 October 2017 二零一七年十月十六日
Other participants	其他參與者	6.39	7,000	13 April 2018 二零一八年四月十三日
At 30 September 2013	於二零一三年九月三十日		30,990	

All share options outstanding as at 30 September 2013 are currently exercisable.

於二零一三年九月三十日，所有未行使的購股權於現在可予行使。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註(續)

(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)

12. RESERVES

12. 儲備

		Unaudited 未經審核									
Note		Contributed surplus	Merger reserve	Share premium	Treasury shares	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Currency translation 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	貨幣換算儲備	其他儲備	總計
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值變動	-	-	-	-	-	-	-	-	(2,511)	(2,511)
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	-	828	828
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	-	-	-	-	-	-	-	-	3,312	3,312
Repurchase and cancellation of shares	回購及註銷股份	-	-	-	(302)	-	1,770	-	-	-	1,468
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	-	(36,674)	-	(36,674)
At 30 September 2012	於二零一二年九月三十日	288,191	(617,160)	445,977	(302)	1,677	1,770	41,817	512,918	158,937	833,825
At 1 April 2013	於二零一三年四月一日	288,191	(617,160)	445,977	(460)	1,677	5,432	41,817	587,322	161,801	914,597
Effects on change of accounting policy	會計政策變更的影響	-	-	-	-	-	-	-	11	(275)	(264)
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	-	-	-	-	-	-	-	-	3,745	3,745
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	-	12,214	12,214
Acquisition of additional interests in Yongzhou Shanxiang from non-controlling interests	向非控制性權益收購永州山香額外權益	-	-	-	-	-	-	-	-	(948)	(948)
Repurchase and cancellation of shares	回購及註銷股份	-	-	-	460	-	421	-	-	-	881
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	-	120,591	-	120,591
At 30 September 2013	於二零一三年九月三十日	288,191	(617,160)	445,977	-	1,677	5,853	41,817	707,924	176,537	1,050,816

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註 (續)

(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)

13. BORROWINGS

13. 貸款

		Note 附註	As at 30 September 2013 於二零一三年 九月三十日 Unaudited 未經審核	As at 31 March 2013 於二零一三年 三月三十一日 Audited 經審核
Current	流動			
– Secured bank loan	– 有抵押銀行貸款	(a)	15,135	–
– Unsecured bank loan	– 無抵押銀行貸款	(b)	465,000	465,000
Total borrowings	總貸款		480,135	465,000

Movement in borrowings is analyzed as follows:

貸款變動情況分析如下：

		Unaudited 未經審核 For the six months ended 30 September 截至九月三十日止六個月	2013 二零一三年	2012 二零一二年
At 1 April	於四月一日		465,000	927,500
Short-term bank loan	短期銀行貸款		15,073	–
Currency translation differences	貨幣換算差額		62	–
At 30 September	於九月三十日		480,135	927,500

(a) The bank loan was secured by a pledge of land and buildings located in Hunan Province owned by a subsidiary, Yongzhou Shanxiang. The loan was denominated in RMB and is repayable within one year. During the period, the average interest rate was 6.30% per annum.

(a) 有抵押銀行貸款乃由附屬公司永州山香所持有的位於湖南省的土地及樓宇作為抵押。該貸款以人民幣為單位，並需於一年內到期償還。於期內，該貸款平均利息為每年6.30厘。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

13. BORROWINGS (continued)

- (b) The unsecured bank loan is denominated in HKD and is repayable within one year. During the period, the average interest rate was 2.38% (30 September 2012: 2.47%) per annum.

Borrowings are financial liabilities categorized under "financial liabilities measured at amortized cost". The fair values of the Group's borrowings approximate their carrying amounts.

Interest expense on bank borrowings for the six months ended 30 September 2013 amounted to HKD5,770,000 (30 September 2012: HKD11,456,000).

14. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項	(a)	424,263	378,162
Non-trade payables to related parties	非貿易應付關聯人士款項	21(c)	123,985	123,985
Dividends payable	應付股息	(b)	396,197	2,652
Wages payable	應付工資		44,469	19,593
Other taxes payable	其他應付稅項		18,743	18,092
Accruals for expenses	應計開支		16,861	13,730
Advance from customers	客戶預付款		1,095	983
Other payables	其他應付款項		29,080	28,486
			1,054,693	585,683

Except for other taxes payable of HKD18,743,000 (31 March 2013: HKD18,092,000), wages payable of HKD44,469,000 (31 March 2013: HKD19,593,000) and advances from customers of HKD1,095,000 (31 March 2013: HKD983,000), 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.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

13. 貸款 (續)

- (b) 無抵押銀行貸款以港幣為單位，並需於一年內到期償還。於期內，該貸款平均利息為每年2.38厘（二零一二年九月三十日：2.47厘）。

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值相近。

截至二零一三年九月三十日止六個月的銀行貸款利息開支為港幣5,770,000元（二零一二年九月三十日：港幣11,456,000元）。

14. 貿易及其他應付款項

Note 附註	As at 30 September 2013 於二零一三年 九月三十日 Unaudited 未經審核	As at 31 March 2013 於二零一三年 三月三十一日 Audited 經審核
	424,263	378,162
	123,985	123,985
	396,197	2,652
	44,469	19,593
	18,743	18,092
	16,861	13,730
	1,095	983
	29,080	28,486
	1,054,693	585,683

除其他應付稅項港幣18,743,000元（二零一三年三月三十一日：港幣18,092,000元），應付工資港幣44,469,000元（二零一三年三月三十一日：港幣19,593,000元）及客戶預付款港幣1,095,000元（二零一三年三月三十一日：港幣983,000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。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

14. TRADE AND OTHER PAYABLES (continued)

- (a) As at 30 September 2013 and 31 March 2013, the ageing analysis of the trade payables (including amounts due to related parties which are trade in nature) based on invoice dates was as follows:

		As at 30 September 2013 於二零一三年 九月三十日 Unaudited 未經審核	As at 31 March 2013 於二零一三年 三月三十一日 Audited 經審核
0 – 90 days	0至90日	317,752	317,433
91 – 180 days	91至180日	42,679	33,532
181 – 360 days	181至360日	50,698	3,910
Over 360 days	360日以上	13,134	23,287
		424,263	378,162

(b) Dividends payable

Dividends payable represent:

- (i) final and special dividends of the Company for the year ended 31 March 2013; and
- (ii) dividend payable to non-controlling shareholders.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

14. 貿易及其他應付款項 (續)

- (a) 於二零一三年九月三十日及二零一三年三月三十一日，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：

(b) 應付股息

應付股息乃指：

- (i) 本公司截至二零一三年三月三十一日止年度之末期和特別股息；及
- (ii) 向非控制性股東派付的股息。

15. OTHER INCOME

15. 其他收益

		Unaudited 未經審核 For the six months ended 30 September 截至九月三十日止六個月	
		2013 二零一三年	2012 二零一二年
Government grants	政府補貼	61,339	55,926
Exchange gain/(loss)	匯兌收益/(損失)	20,856	(15,930)
Gain on disposal of a subsidiary	出售附屬公司之收益	580	–
Others	其他	2,063	16,512
		84,838	56,508

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

16. EXPENSES BY NATURE

Expenses included in cost of goods sold, selling and marketing expenses and administrative expenses are analyzed according to their nature (with the exception of research and development expenses which are shown as a single item and analyzed according to their nature in note (a) below) as follows:

		Unaudited 未經審核		
		For the six months ended 30 September		
		截至九月三十日止六個月		
		Note 附註	2013 二零一三年	2012 二零一二年
Depreciation	折舊	7	62,074	31,067
Amortization	攤銷	7	22,531	21,823
Employee benefit expenses	僱員福利開支		145,900	86,848
Research and development expenses	研究及發展開支	(a)	107,417	98,167
Lease rentals	租金		10,177	8,032
Travelling expenses	差旅開支		16,880	12,195
Entertainment expenses	應酬開支		18,912	14,262
Utility expenses	公共設施開支		34,284	17,175
Delivery expenses	運輸開支		21,621	17,564

(a) Depreciation, amortization and employee benefit expenses included in research and development expenses are set out below:

		Unaudited 未經審核		
		For the six months ended 30 September		
		截至九月三十日止六個月		
		Note 附註	2013 二零一三年	2012 二零一二年
Depreciation	折舊	7	7,931	5,457
Amortization	攤銷	7	3,139	3,076
Employee benefit expenses	僱員福利開支		40,249	33,239

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

16. 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（除附註(a)按照性質所單獨列示的「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：

		Unaudited 未經審核		
		For the six months ended 30 September		
		截至九月三十日止六個月		
		Note 附註	2013 二零一三年	2012 二零一二年
Depreciation	折舊	7	62,074	31,067
Amortization	攤銷	7	22,531	21,823
Employee benefit expenses	僱員福利開支		145,900	86,848
Research and development expenses	研究及發展開支	(a)	107,417	98,167
Lease rentals	租金		10,177	8,032
Travelling expenses	差旅開支		16,880	12,195
Entertainment expenses	應酬開支		18,912	14,262
Utility expenses	公共設施開支		34,284	17,175
Delivery expenses	運輸開支		21,621	17,564

(a) 研究及發展開支中包括的折舊、攤銷及僱員福利開支列示如下：

		Unaudited 未經審核		
		For the six months ended 30 September		
		截至九月三十日止六個月		
		Note 附註	2013 二零一三年	2012 二零一二年
Depreciation	折舊	7	7,931	5,457
Amortization	攤銷	7	3,139	3,076
Employee benefit expenses	僱員福利開支		40,249	33,239

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註 (續)

(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)

17. INCOME TAX EXPENSE

17. 所得稅

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
		2013	2012
		二零一三年	二零一二年
Current income tax:	即期稅項		
– Hong Kong profits tax	– 香港所得稅	6,691	4,329
– PRC corporate income tax	– 中國企業所得稅	201,091	105,871
– Germany company income tax	– 德國企業所得稅	133	148
– Botswana company income tax	– 博茨瓦納企業所得稅	265	161
Deferred income tax	遞延所得稅	(50,718)	(807)
		157,462	109,702

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the period.

(b) PRC corporate income tax has been calculated on the estimated assessable profit for the period at the tax rates applicable to respective companies of the Group.

(c) Germany company income tax has been provided at the rate of 15% (2012: 15%) on the estimated assessable profit for the period.

(d) Botswana company income tax has been provided at the rate of 15% (2012: 15%) on the estimated assessable profit for the period.

(a) 香港所得稅按本期間估計應課稅盈利以稅率16.5% (二零一二年：16.5%) 撥備。

(b) 中國企業所得稅撥備按本集團在中國大陸企業於本期間估計應課稅盈利以其適用的稅率而定。

(c) 德國企業所得稅按本期間估計應課稅盈利以稅率15% (二零一二年：15%) 撥備。

(d) 博茨瓦納企業所得稅按本期間估計應課稅盈利以稅率15% (二零一二年：15%) 撥備。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

18. EARNINGS PER SHARE

(a) Basic

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

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
		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	893,188	784,903
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數(千計)	3,101,399	3,156,480
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	28.80	24.87

(b) Diluted

Diluted earnings per share is calculated based on the weighted average number of ordinary shares outstanding, assuming that all dilutive potential ordinary shares have been converted. For the six months ended 30 September 2013, the Company has one type of dilutive potential ordinary shares, i.e. share options.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the period) for the same total proceeds is added to the denominator. No adjustment is made to the net profit.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以港幣千元列示)

18. 每股盈利

(a) 基本

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

(b) 攤薄

每股攤薄盈利假設所有可攤薄的潛在普通股被轉換後，根據已發行普通股的加權平均股數計算。在截至二零一三年九月三十日止六個月，本公司有一類可攤薄的潛在普通股，即購股權。

至於購股權，假定所有具有攤薄效應的購股權均已被行使而對已發行股份的加權平均數進行調整。以假定所有已發行的具有攤薄效應的購股權行使時的股份數目，減去在行使該等購股權所取得的收益而計算股份的公允價值(釐定為本公司股份於期內的平均市價)可發行的股份數目，所得的差額加入於計算的分母。淨盈利無需調整。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註 (續)

(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)

18. EARNINGS PER SHARE (continued)

(b) Diluted (continued)

18. 每股盈利 (續)

(b) 攤薄 (續)

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
		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	893,188	784,903
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)	3,101,399	3,156,480
Adjustment for:	調整：		
– exercise of share options ('000)	– 行使購股權 (千計)	1,180	2,265
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)	3,102,579	3,158,745
Diluted earnings per share (HK cents per share)	每股攤薄盈利 (每股港仙)	28.79	24.85

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

19. DIVIDENDS

	Unaudited 未經審核	
	For the six months ended	
	30 September	
	截至九月三十日止六個月	
	2013	2012
	二零一三年	二零一二年
Proposed interim dividend of HK8.68 cents (2012: HK7.48 cents) per share 擬派每股中期股息港幣8.68仙 (二零一二年：港幣7.48仙)	269,194	235,033
Proposed special dividend of HK2.88 cents (2012: HK2.48 cents) per share 擬派每股特別股息港幣2.88仙 (二零一二年：港幣2.48仙)	89,318	77,926
	358,512	312,959

As the interim and special dividends for the six months ended 30 September 2013 were declared after the end of the reporting period, they are not recognized as dividend payable as at 30 September 2013.

截至二零一三年九月三十日止六個月的中期及特別股息乃於結算日後宣派，因此並未確認於二零一三年九月三十日的應付股息內。

20. COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	As at	As at
	30 September	31 March
	2013	2013
	於二零一三年	於二零一三年
	九月三十日	三月三十一日
	Unaudited	Audited
	未經審核	經審核
Contracted but not provided for:		
Property, plant and equipment 物業、機器及設備	68,238	53,214
Investment in an associate 於聯營公司之投資	71,437	135,716
	139,675	188,930

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

19. 股息

	Unaudited 未經審核	
	For the six months ended	
	30 September	
	截至九月三十日止六個月	
	2013	2012
	二零一三年	二零一二年
Proposed interim dividend of HK8.68 cents (2012: HK7.48 cents) per share 擬派每股中期股息港幣8.68仙 (二零一二年：港幣7.48仙)	269,194	235,033
Proposed special dividend of HK2.88 cents (2012: HK2.48 cents) per share 擬派每股特別股息港幣2.88仙 (二零一二年：港幣2.48仙)	89,318	77,926
	358,512	312,959

截至二零一三年九月三十日止六個月的中期及特別股息乃於結算日後宣派，因此並未確認於二零一三年九月三十日的應付股息內。

20. 承擔

(a) 資本承擔

於結算日已簽約但仍未產生的資本開支如下：

	As at	As at
	30 September	31 March
	2013	2013
	於二零一三年	於二零一三年
	九月三十日	三月三十一日
	Unaudited	Audited
	未經審核	經審核
Contracted but not provided for:		
Property, plant and equipment 物業、機器及設備	68,238	53,214
Investment in an associate 於聯營公司之投資	71,437	135,716
	139,675	188,930

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

20. COMMITMENTS (continued)

(b) Operating lease commitments

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

		As at 30 September 2013 於二零一三年 九月三十日 Unaudited 未經審核	As at 31 March 2013 於二零一三年 三月三十一日 Audited 經審核
Land and buildings:	土地及樓宇：		
Not later than 1 year	不超過1年	12,672	11,122
Later than 1 year and not later than 5 years	超過1年但不超過5年	10,474	3,641
Later than 5 years	超過5年	-	163
		23,146	14,926

21. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name 名稱	Relationship 關係
Ms. Chu 朱女士	The single largest shareholder of the Company 本公司的第一大股東
Owada International Flavors & Fragrances (Guangzhou) Limited ("Owada International") 澳華達國際香料(廣州)有限公司(「澳華達國際」)	A company controlled by Ms. Chu 受朱女士控制
Henan Jinrui Flavours Co. Limited ("Henan Jinrui") 河南金瑞香精香料有限公司(「河南金瑞」)	An associate indirectly held by the Company 本公司間接持有的聯營公司

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以港幣千元列示)

20. 承擔(續)

(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：

21. 關聯人士交易

(a) 關聯人士名稱與關係

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註(續)

(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)

21. RELATED PARTY TRANSACTIONS (continued)

21. 關聯人士交易(續)

(b) Transactions with related parties

(b) 與關聯人士的交易

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
		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	–	1,663

(c) Balances with related parties

(c) 關聯人士結餘

		As at 30 September 2013 於二零一三年 九月三十日 Unaudited 未經審核	As at 31 March 2013 於二零一三年 三月三十一日 Audited 經審核
		Note 附註	
<i>Balances due from related parties:</i>	<i>應收關聯人士結餘：</i>		
Included in trade and other receivables	計入貿易及其他應收款項		
– Henan Jinrui	– 河南金瑞		
– trade receivables	– 貿易應收款項	3,596	3,530
– others (dividend receivable)	– 其他(應收股息)	2,524	2,478
		6,120	6,008
<i>Balances due to related parties:</i>	<i>應付關聯人士結餘：</i>		
Included in trade and other payables	計入貿易及其他應付款項		
– Owada International	– 澳華達國際	–	13,622
Included in non-trade payables	計入應付非貿易款項		
– Ms. Chu	– 朱女士	14	123,985
		123,985	123,985

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

所有關聯人士結餘均為無抵押、免息及須於通知時清還。

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

21. RELATED PARTY TRANSACTIONS (continued)

(d) Key management compensation

Key management includes directors (executive and independent non-executive) and senior management. The amounts of compensation paid and payable to key management for employee services during the six months ended 30 September 2013 and 2012 are shown below:

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

21. 關聯人士交易 (續)

(d) 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。於截至二零一三年及二零一二年九月三十日止六個月內，向主要管理人員支付作為僱員服務的已付及應付酬金如下：

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
		2013	2012
		二零一三年	二零一二年
Fees, salaries and bonus	工資、薪酬及花紅	15,421	15,014
Employer's contribution to retirement benefit scheme	僱主就退休計劃供款	426	361
		15,847	15,375

Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in HK dollar thousands unless otherwise stated)

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以港幣千元列示)

22. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL

(a) Acquisition of additional interest in Yongzhou Shanxiang

During the period, Shanghai H&K Flavours & Fragrances Co Ltd, a wholly owned subsidiary of the Company, acquired an additional 12% equity interest from the non-controlling interest in Yongzhou Shanxiang for a cash consideration of approximately HKD5,242,000. After completion of the acquisition, the Group's shareholding in Yongzhou Shanxiang increased from 67.14% to 79.14%. The effect of change in the ownership interest in Yongzhou Shanxiang on the equity attributable to owners of the Company during the period is summarized as follows:

	Amount
	金額
Carrying amount of non-controlling interest acquired	4,294
Consideration paid to non-controlling interest	(5,242)
Excess of consideration paid over non-controlling interest acquired recognized in equity	(948)

The Group recognized a decrease in non-controlling interest of HKD4,294,000 and a decrease in equity attributable to owners of the Company of HKD948,000.

(b) Additional investment in Huabao Korea Co., Ltd. ("Huabao Korea")

On 15 April 2013, Huabao Group Limited, a wholly owned subsidiary of the Company, made additional investment in Huabao Korea for a cash consideration of approximately HKD32,968,000 and the non-controlling interest increased its investment in the company for a cash consideration of approximately HKD3,221,000. After the additional capital injection, the Group's shareholdings in Huabao Korea increased from 60% to 70%.

22. 附屬公司所有者權益的變動 (不改變控制權)

(a) 收購永州山香額外權益

於本期間，本公司之全資附屬公司，上海華寶孔雀香精香料有限公司以現金約港幣5,242,000元向非控制性權益收購永州山香額外的12%權益。該收購完成後，本集團於永州山香的股權由67.14%增至79.14%。期內就永州山香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 interest acquired	4,294
Consideration paid to non-controlling interest	(5,242)
Excess of consideration paid over non-controlling interest acquired recognized in equity	(948)

本集團確認非控制性權益減少港幣4,294,000元和本公司權益持有人應佔權益減少港幣948,000元。

(b) 額外注資於華寶韓國株式會社 (「華寶韓國」)

在二零一三年四月十五日，本公司之全資附屬公司，Huabao Group Limited以現金代價約港幣32,968,000元額外注資於華寶韓國，而非控制性權益則以現金代價約港幣3,221,000元增加其於華寶韓國的投資。於額外注資後，本集團於華寶韓國的股權由60%增至70%。

Glossary

詞彙

Board	Board of directors of the Company	董事會	本公司的董事會
CEO	Chief Executive Officer	CEO	總裁
CFO	Chief Financial Officer	CFO	財務總監
CG Code	Corporate Governance Code as set out in Appendix 14 to 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所列的企業管治守則
China or Mainland	Mainland of the PRC	中國或內地	中華人民共和國境內
China Tobacco Anhui Company or Huabao	China Tobacco Anhui Reconstituted Tobacco Leaves Technology Limited Huabao International Holdings Limited	安徽中煙 本公司或華寶	安徽中煙再造煙葉科技有限公司 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
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
FCCA	Fellow member of Hong Kong Institute of Certified Public Accountants	FCCA	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
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.	廣東金葉	廣東省金葉科技開發有限公司
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 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股份有限公司
HKD	Hong Kong dollars	HKD	港幣
HKICPA	Hong Kong Institute of Certified Public Accountants	HKICPA	香港會計師公會

Glossary (cont'd)

詞彙 (續)

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
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
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
INED(s)	Independent Non-executive Director(s) of the Company	獨立非執行董事	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
PRC	The People's Republic of China	中國	中華人民共和國
R&D	Research and development	研發	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
SFO	Securities and Futures Ordinance, Chapter 571 of the Laws of HKSAR	證券及期貨條例	香港法例第571章證券及期貨條例
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
USD	US dollars	美元	美元
Xiamen Amber	Xiamen Amber Fragrances Co., Ltd	廈門琥珀	廈門琥珀香料有限公司
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

