



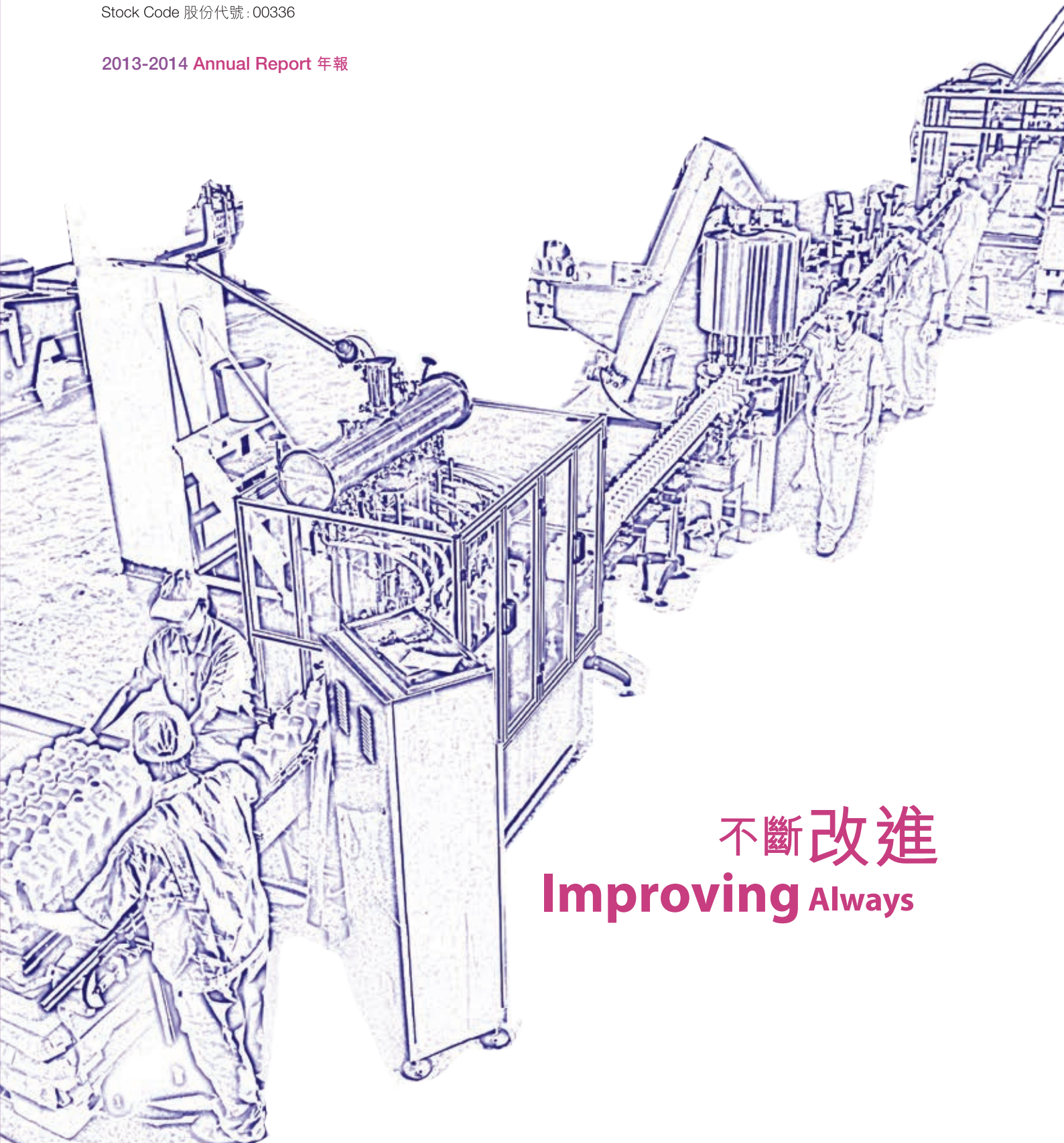
Huabao International Holdings Limited
華寶國際控股有限公司

(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 Annual Report 年報



不斷改進
Improving Always

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Director

Mr. LAM Ka Yu

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 *FCPA, FCCA*

COMPANY SECRETARY

Mr. POON Chiu Kwok *FCIS, FCS*

AUDITORS

PricewaterhouseCoopers

LEGAL ADVISOR

Herbert Smith Freehills

董事會

執行董事

朱林瑤女士 (*主席兼總裁*)
夏利群先生 (*財務總監*)
潘昭國先生 (*公司秘書*)
王光雨先生

非執行董事

林嘉宇先生

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 *FCPA, FCCA*

公司秘書

潘昭國先生 *FCIS, FCS*

核數師

羅兵咸永道會計師事務所

法律顧問

史密夫•斐爾律師事務所

PRINCIPAL BANKERS

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3008
30th Floor, 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
Level 22, Hopewell Centre
183 Queen's Road East
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>

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
中國民生銀行股份有限公司

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 HM 11
Bermuda

股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

股份代號

香港聯合交易所有限公司：00336

公司網址

www.huabao.com.hk

投資者關係網站

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

Financial Highlights

財務摘要

FINANCIAL HIGHLIGHTS

Compared with last financial year:

- Sales increased by approximately 16.2% to HKD4,237,425,000
- Operating profit increased by approximately 17.4% to HKD2,377,244,000
- Profit attributable to the equity holders of the Company increased by approximately 15.2% to HKD1,977,325,000
- Basic EPS increased by approximately 16.9% to HK63.76 cents
- Cash and bank balances* increased by approximately 36.9% to HKD3,181,745,000 and net cash* reached HKD2,651,614,000
- Proposed a final dividend of HK10.49 cents per share and a special dividend of HK7.00 cents per share, which together with the interim and special dividends paid will represent a total dividend distribution of HK29.05 cents per share for the whole year, representing a significant increase of approximately 31%; total dividend payout ratio reached approximately 46% for the year, representing an increase of approximately 5 percentage points

RESULTS HIGHLIGHTS

- RTL segment sales broke through HKD1 billion, which is in line with management's expectation
- Gross profit margin for the year reached 70.8%, representing an elevation of 1.7 percentage points over last financial year
- Operating profit margin for the year reached 56.1%, representing an elevation of 0.6 percentage point over last financial year
- Profitability of all three business segments have shown improvement; EBIT margins of flavours, fragrances and RTL segments have elevated 0.8, 3.7, and 7.9 percentage points respectively over last financial year
- Financial position remained sound with net cash exceeding HKD2.65 billion, representing an increase of 42.7%

財務摘要

對比上一財政年度：

- 營業額增加約16.2%至港幣4,237,425,000元
- 營運盈利增加約17.4%至港幣2,377,244,000元
- 本公司權益持有人應佔盈利增加約15.2%至港幣1,977,325,000元
- 每股基本盈利增加約16.9%至港幣63.76仙
- 銀行及庫存現金增加約36.9%至港幣3,181,745,000元，淨現金*達港幣2,651,614,000元
- 建議期末股息為每股港幣10.49仙，另加派特別股息每股港幣7.00仙，連同已付的中期及特別股息，整個年度之股息分派總額為每股港幣29.05仙，大幅增加約31%；全年合共派息率約46%，上升約5個百分點

業績亮點

- 煙草薄片板塊銷售收入突破港幣10億元，符合管理層預期
- 全年毛利率達70.8%，較上一財政年度提升1.7個百分點
- 全年營運盈利率達56.1%，較上一財政年度提升0.6個百分點
- 三個業務板塊盈利能力均有所提升；食用香精香料、日用香精香料及煙草薄片板塊的EBIT率較上一財政年度分別提升0.8、3.7及7.9個百分點
- 財務狀況維持穩健，淨現金超過港幣26.5億元，增加了約42.7%

TABLE OF FINANCIAL HIGHLIGHTS

財務摘要表

		2014 二零一四年 HKD'000 港幣千元	2013 二零一三年 HKD'000 港幣千元	Change in percentage 百分比變動 %
Sales	營業額	4,237,425	3,645,940	+16.2%
Gross profit	毛利	2,998,119	2,518,909	+19.0%
Gross profit margin	毛利率	70.8%	69.1%	
Operating profit	營運盈利	2,377,244	2,024,668	+17.4%
EBIT margin	EBIT率	56.1%	55.5%	
Selling and marketing expenses to sales	銷售及市場推廣開支佔 銷售比率	4.0%	3.8%	
Administrative expenses to sales	行政開支佔銷售比率	15.5%	14.6%	
Profit before income tax	除稅前盈利	2,417,245	2,047,404	+18.1%
Profit attributable to the equity holders of the Company	本公司權益持有人應佔盈利	1,977,325	1,716,375	+15.2%
Earnings per share (HK cents)	每股盈利 (港仙)			
– Basic	– 基本	63.76	54.53	+16.9%
– Diluted	– 攤薄	63.72	54.49	+16.9%
Net cash generated from operating activities	營運活動產生之現金淨額	1,824,923	1,615,626	+13.0%
Net cash*	淨現金*	2,651,614	1,858,349	+42.7%
Total equity	總權益	9,000,229	7,625,676	
Interim and final dividends per share for the year (HK cents)	全年每股中期及期末 股息 (港仙)	19.17	16.88	+13.6%
Aggregated special dividends per share for the year (HK cents)	每股全年累計特別股息 (港仙)	9.88	5.28	+87.1%
Dividend payout ratio	全年股息分派率	46%	41%	
Debt ratio#	負債比率#	6.1%	6.4%	
Current ratio (times)	流動比率 (倍)	4.1	3.4	
Liquidity ratio (times)	速動比率 (倍)	3.4	2.8	
Inventory turnover (days)	存貨週轉率 (日)	226	219	
Trade receivables turnover (days)	應收賬款週轉率 (日)	76	72	
Trade payables turnover (days)	應付賬款週轉率 (日)	120	118	

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

* "Net cash" means "Short-term time deposits" plus "Cash and cash equivalents" minus "Borrowings".

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

+ 「銀行及庫存現金」乃指「短期定期存款」加「現金及現金等價物」。

* 「淨現金」乃指「短期定期存款」加「現金及現金等價物」減「貸款」。

「負債比率」乃指「總貸款 (已包括流動及非流動貸款)」除以「總權益 (不含非控制性權益)」。

Company Profile, Corporate Culture and Key Events for the Year

集團簡介、企業文化及全年大事記



Company profile

Huabao Group is primarily engaged in the R&D, production and sales of flavours, fragrances and RTL. Using consumers' taste preferences and trends as direction, driven by technology innovation, utilizing its systemic technology integration, to provide China's tobacco industry and fast-moving consumer goods enterprises with solutions on products' taste profiles and comprehensive technological services.

The Group is a market leader in China's flavours and fragrances industry. The Group has been the leading producer in terms of sales revenue among competitors, maintaining a significant position within the flavours and fragrances industry in China. The Group possesses an integrated core value chain, established upstream raw material extraction bases in Botswana, southern Africa, Guangdong, Jiangsu, and Hunan, production bases in Shanghai, Guangdong, Jiangsu, Yunnan, Jiangxi, Fujian, and Hong Kong, etc., a R&D centre in Holzminden of Germany, a R&D centre focusing on innovative tobacco products in North Carolina of the United States, a State-recognized technical centre in Shanghai and R&D departments in Guangdong, Yunnan and Fujian. The Group takes on leadership roles in a number of industry associations, including the Deputy Director of China Association of Fragrance Flavour and Cosmetic Industry, Deputy Director of China Food Additives & Ingredients Association and Chairman of Shanghai Food Additive Industry Association.

集團簡介

華寶集團主要從事香精香料及煙草薄片的研發、生產和銷售，以消費者口味流行趨勢為導向，以技術創新為動力，並採用技術系統集成，為中國煙草行業及快速消費品企業提供產品風味系統解決方案和綜合技術服務。

本集團為中國香精香料行業的領導者，其銷售額在同行業一直名列前茅，在中國香精香料市場佔有重要地位。本集團擁有核心一體化的產業鏈，在非洲博茨瓦納、廣東、江蘇及湖南等地擁有上游原材料提取中心，在上海、廣東、江蘇、雲南、江西、福建及香港等地設有生產基地，在德國霍爾茨明登設有研發中心，在美國北卡羅來納州設有新型煙草製品研發中心，並於上海擁有一所國家級企業技術中心，另在廣東、雲南及福建設有研發部門。本集團在中國香精香料行業組織擔任多個領導職位，包括中國香料香精化妝品工業協會副理事長、中國食品添加劑工業協會副理事長和上海市食品添加劑行業協會會長等。

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

The Group is also one of the market leaders in China's RTL industry, where its production capacity and sales account for significant market shares and its production workmanship and product quality have reached leading domestic and advanced international levels. Guangdong Jinye, a subsidiary of the Group, is one of the RTL R&D bases authorized by the STMA. In November 2012, Guangdong Jinye's second phase RTL production line was completed and commenced production. In March 2014, the said production line became the first one that has been certified by the STMA and achieved landmark-status in paper-making RTL production. Its production workmanship has been recognized by the STMA to have reached the highest technology level within domestic paper-making RTL production, while its major technical indicators also have reached advanced international levels.

The Group also maintained its leading position in the fields of new cigarette materials and new workmanships. Three platforms, namely the cigarette smoke transmission technological platform, the specialized RTL technological platform and the innovative tobacco stem technological platform, have been established along with trial production bases, where innovative products are being progressively received by customers. Meanwhile, the Group started to develop the business of innovative tobacco products, and particularly the e-cigarette business. A designated R&D centre focusing on innovative tobacco products has been established in North Carolina of the United States. Adhered to the development strategy of "Multi-pronged, Focused Growth", the Group will continue to steadily develop the flavours business and continue to make RTL and new cigarette materials businesses, new workmanships and innovative cigarette products our key growth drivers, in order to maintain our sustainable business progression in the long run.

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

本集團也是中國煙草薄片行業的領導者之一，其生產能力及銷售額同樣在行內佔有重要市場份額，而且其生產工藝及產品質量均達到國內領先和國際先進水平。本集團的下屬公司廣東金葉是國煙局煙草薄片研發基地之一。二零一二年十一月，廣東金葉二期煙草薄片生產線竣工投產；二零一四年三月，該生產線通過國煙局驗收，為國內首條獲得認證的造紙法煙草薄片標誌性生產線，其生產工藝獲國煙局評定為國產造紙法煙草薄片技術最高水平，主要技術指標亦已達國際先進水平。

本集團在捲煙新材料及新工藝領域亦具有領先優勢，目前已成立捲煙煙氣傳質技術、特種煙草薄片技術及新型煙梗處理技術三個平台，並建成具有試驗性的生產基地，其創新性產品正在逐步被客戶接受。同時，本集團也已著手在新型煙草製品，特別是電子霧化煙產品方面開展相關業務，並已於美國北卡羅來納州籌建了專門的新型煙草製品研發中心。未來，本集團將繼續堅持一直以來所秉承的「同心多元化」戰略，穩定發展香精香料業務，將煙草薄片、捲煙新材料及新工藝和新型煙草製品打造成為集團重要增長引擎，為本集團長期及可持續發展提供前進動力。

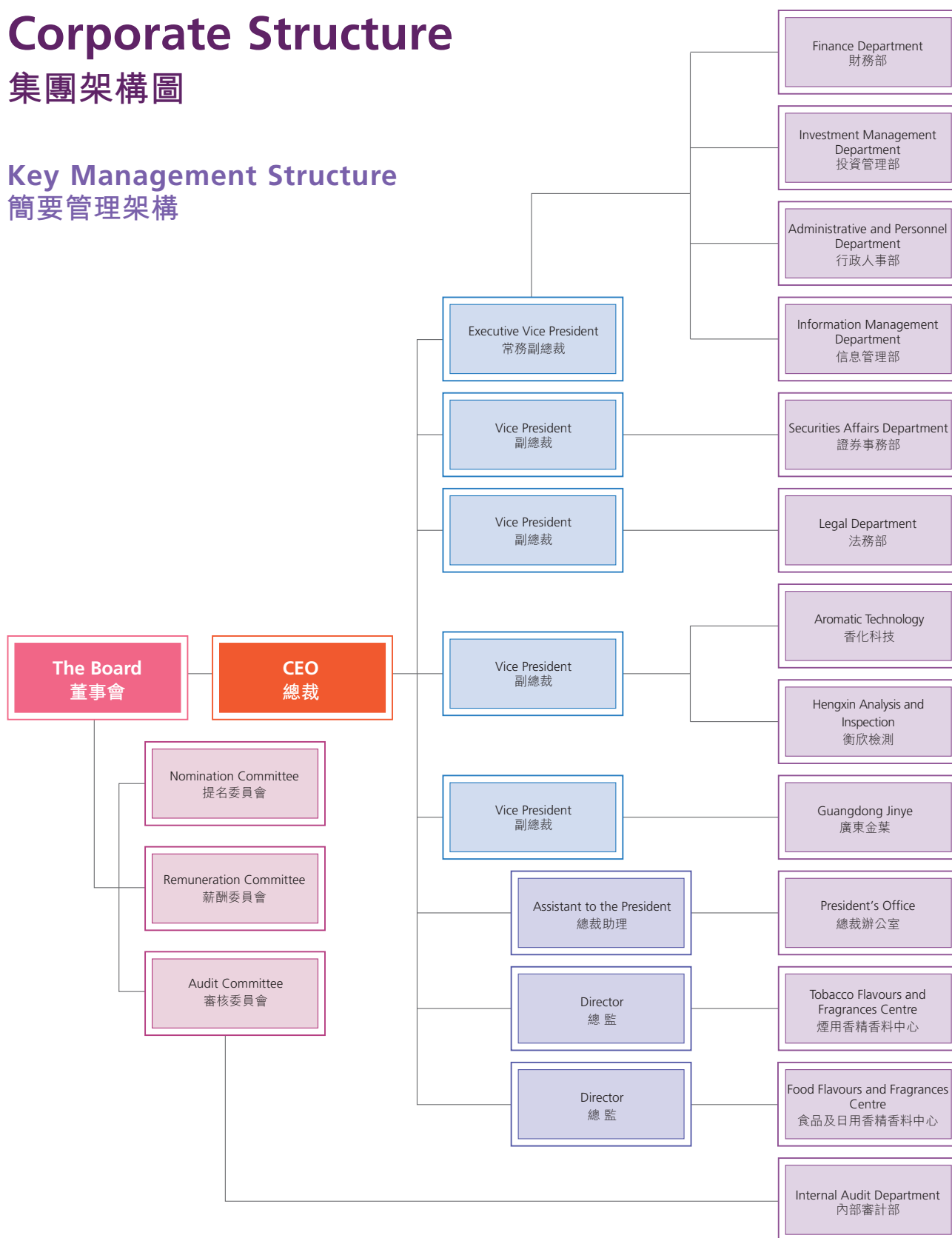
本集團將繼續憑借優秀的管理模式、高素質的人才隊伍、創新的經營理念以及穩健的發展，不斷為社會創造價值，為股東帶來更理想的回報！

Corporate Structure

集團架構圖

Key Management Structure

簡要管理架構



Corporate Culture 企業文化

Vision 願景

Striving to be No. 1
爭做第一

Spirit 精神

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

Core Value 核心價值觀

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

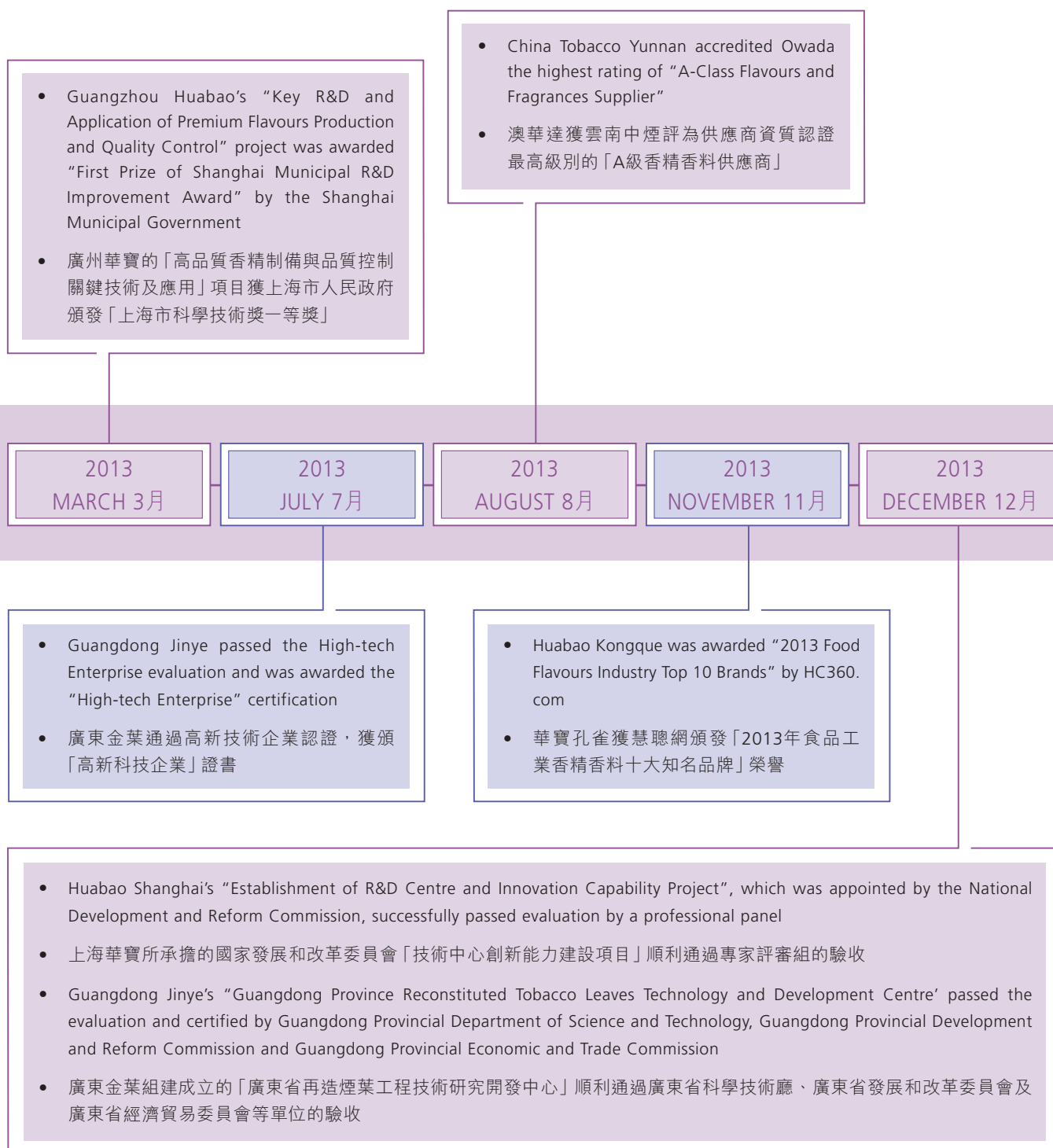
以市場為龍頭，堅持客戶至上的原則，實現集團和員工共同成長

Strategy 戰略

- Persistent in the development strategy of "Multi-pronged, Focused Growth", driven by technology innovation
- Steadily develop the flavours business, accelerate the development of RTL, new cigarette materials and new workmanship businesses
- Proactive in the development of innovative tobacco matters such as e-cigarette
- Expand through organic growth and M&A
- To develop into a China-focused, globally positioned leading player in tasty life
- 堅持「同心多元化」發展戰略，以技術創新為動力
- 穩步發展香精香料業務，加快發展煙草薄片、捲煙新材料及新工藝業務
- 積極發展包括電子霧化煙等新型煙草製品
- 採用自身發展與併購相結合的方式
- 發展成為專注中國市場、面向全球的美味生活領跑者

Key Events for the Year

全年大事記



- Guangdong Jinye was awarded the highest credit rating of “AAA-Class Enterprise Credit Rating Certificate” by the Ministry of Commerce of the PRC
- 廣東金葉獲中國商務部頒發最高信用等級的「AAA級企業信用等級證書」

- Hengxin Analysis and Inspection was awarded the certification in metrology by the Shanghai Municipal Bureau of Quality and Technical Supervision, which certified its qualification and capability in conducting analysis and inspection as a third party in the field of tobacco
- 衡欣檢測取得了上海質量技術監督局簽發的計量認證證書，具備了在煙草領域作為第三方檢測機構對外進行分析檢測的資格和能力

- The opening ceremony between the Group and China Yunnan Tobacco’s “Tobacco Innovation and Technology Joint Laboratory” took place, which seeks to ensure further cooperation in the fields of new cigarette materials, new workmanships and innovation tobacco products
- 本集團與雲南中煙舉行「煙草創新技術聯合重點實驗室」的掛牌儀式，雙方將在捲煙新材料及新工藝和新型煙草製品等方面進行廣泛的合作

2014
JANUARY 1月

2014
FEBRUARY 2月

2014
MARCH 3月

2014
MAY 5月

- Second phase of Guangdong Jinye production line passed the assessment of the STMA, and became the first production line that being certified and achieved landmark-status in paper-making RTL production. Its production workmanship has been recognized by the STMA to have reached the highest technology level within domestic paper-making RTL production, while its major technical indicators also have reached advanced international levels
- 廣東金葉二期生產線通過國煙局驗收，為國內首條獲得認證的造紙法煙草薄片標誌性生產線，其生產工藝獲國煙局評定為國產造紙法煙草薄片技術最高水平，主要技術指標亦已達國際先進水平
- The Group formed a working committee focusing on innovative tobacco products, which is directly headed by Chairman Ms. Chu Lam Yiu, with an aim to develop globally in the field of innovation tobacco products
- 本集團成立新型煙草製品工作小組，由主席朱林瑤女士直接領導，旨在於全球範圍內發展新型煙草製品產業
- Members of the Group’s food and beverage business segment, Huabao Kongque, Guangzhou Huabao, Guangdong Zhaoqing and Yongzhou Shanxiang, teamed up to appear in the “2014 Food Ingredients China” exhibition
- 本集團食品飲料業務板塊聯合參加「第十八屆中國國際食品添加劑和配料展覽會」，華寶孔雀、廣州華寶、廣東肇慶和永州山香集體亮相此次展會



*Dear Shareholders, on behalf of the Board of Directors,
I am pleased to present to all Shareholders that,
各位股東，我謹代表董事會欣然向全體股東宣布，*

for the year ended 31 March 2014, the Group's sales revenue reached approximately HKD4,237 million, representing an increase of approximately 16.2% over last financial year; profit attributable to equity holders of the Company was approximately HKD1,977 million, representing an increase of approximately 15.2% over last financial year. In view of the solid financial position and abundant cash flow of the Group that had been maintained, the Board proposed to declare a final dividend of HK10.49 cents per Share, together with a special final dividend of HK7.00 cents per Share, bringing the total dividends for this financial year to HK29.05 cents per Share and representing a significant increase of approximately 31% over last financial year. Dividend payout ratio for the year reached approximately 46%, representing an increase of approximately 5 percentage points as compared with 41% for last financial year. Since listing of the flavours and fragrances business, the Group's diluted EPS grew at a CAGR of 19.2%; meanwhile, the Group has declared dividends of more than HKD4.2 billion, which has achieved its development target of "high growth, high payout".

Operating environment review

In 2013, global industrial output and global trade remained weak, while global economic growth continued to show a small decline. In January 2014, the International Monetary Fund estimated the global economic growth for 2013 to be 3.0%, which was 0.1 percentage point lower than it was in 2012, and being the lowest level since the post-financial crisis era. Of which, developed economies enjoyed faster economic growth than emerging economies, with U.S. gained solid pace of recovery, Eurozone economy has shown signs of bottomed-out and the financial market eventually stabilized, while Japan's economic stimulus package had proved effective to a certain degree and successfully boost confidence. On the other

截至二零一四年三月三十一日止年度，本集團的銷售收入達到了約港幣42.37億元，較上一財政年度增長約16.2%；本集團權益持有人應佔盈利達約港幣19.77億元，較上一財政年度增長約15.2%。考慮到本集團維持着一貫的穩健財務狀況及充裕的現金流，董事會建議宣派每股港幣10.49仙的期末股息，連同期末特別股息每股港幣7.00仙，本財政年度累計股息為每股港幣29.05仙，比上一財政年度大幅增長約31%；全年股息分派率約為46%，比上一財政年度的41%上升約5個百分點。自香精香料業務上市以來，本集團每股攤薄盈利的年均複合增長率高達19.2%；而於同一時段內，本集團已累計向股東宣派了超過港幣42億元的股息，實現了「既高增長、又高派息」的公司發展目標。

經營環境回顧

二零一三年，全球工業生產和貿易仍然疲弱，世界經濟增速繼續小幅回落。國際貨幣基金組織在二零一四年一月推測，二零一三年全球經濟增長僅約3.0%，較二零一二年的增速下降0.1個百分點，為金融危機後的最低水平。其中發達經濟體的增長要強於新興經濟體—美國經濟復蘇勢頭較為穩固；歐元區經濟觸底回升，逐步走出衰退，金融市場趨於穩定；日本刺激政策收到一定成效，增長信心有所提振。而新興經濟體在經歷了自金融危機以來的一輪高增長後，經濟增速明顯放緩，發展中國家整體經濟有逐步轉弱趨勢。中國在二零一三年國內生產

hand, emerging economies experienced a notable slowdown in growth following a rapid growth after the global financial crisis, overall economic performance of developing countries showed a slowdown trend. The overall business environment was made more difficult as China's Gross Domestic Product growth fell to 7.7% in 2013, after falling to a level below 8% in 2012. As to the industry, China's tobacco industry maintained a stable yet slower growth, with cigarette sales grew by approximately 1.2% for the whole year, which had further slowed down from 2012. In general, the global economy was still undergoing an in-depth adjustment and general growth remained slow. Given the weak fundamentals, the lack of momentum for growth and uneven pace of development, the road to recovery remained uncertain. The management and I are pleased with the all-around speedy growth that the Group had managed despite the increasingly complex and challenging business environment.

Review of operating results

For the year ended 31 March 2014, sales revenue of the Group increased by approximately 16.2% year-on-year to approximately HKD4,237 million. Gross profit margin reached approximately 70.8%, representing an increase of 1.7 percentage points over last financial year. EBIT margin reached approximately 56.1%, representing an increase of 0.6 percentage point over last financial year. Profit attributable to equity holders of the Company was approximately HKD1,977 million, representing an increase of approximately 15.2% over last financial year. Basic EPS was HK63.76 cents, representing an increase of approximately 16.9% over last financial year.

In terms of flavours business, sales revenue of the segment reached approximately HKD3,083 million, representing an increase of approximately 2.8% from last financial year. Operating profit of the segment reached approximately HKD1,967 million, representing an increase of approximately 4.2% from last financial year. The growth of the PRC tobacco industry continued to maintain a slow pace of growth in the past year. In particular, the first half of 2013 had shown a negative growth in terms of production output in the industry. In view of a slowed sales growth and increased cost control pressure in the whole tobacco industry, the Group achieved relatively optimistic growth through persistent adhering to the "Big Customers, Big Brands" development strategy and the development of comprehensive solutions for customers. Evidently, operating profit margin of the segment further increased from 63.0% of last financial year to 63.8%.

總值增長為7.7%，在二零一二年低於8%後繼續下行，彰顯更為複雜的整體經營環境。在行業方面，中國煙草行業保持了平穩的低速增長，全年捲煙銷量增長約1.2%，較二零一二年增速持續放緩。整體來說，世界經濟仍處於金融危機後的深度調整期，整體增長緩慢，面臨着復蘇基礎不穩、增長動力不足、發展速度不均等問題，復蘇前景仍然存在諸多不明朗因素，我和管理層對本集團能夠在經營大勢日趨複雜、挑戰日趨增多的環境下仍然取得業務的全面快速增長而感到欣慰。

經營業績回顧

截至二零一四年三月三十一日止年度，本集團實現銷售收入約港幣42.37億元，同比增長約16.2%；毛利率達約70.8%，比上一財政年度提升了1.7個百分點；EBIT率達約56.1%，比上一財政年度提升了0.6個百分點。本集團權益持有人應佔盈利為約港幣19.77億元，比上一財政年度增長約15.2%。每股基本盈利港幣63.76仙，比上一財政年度增長約16.9%。

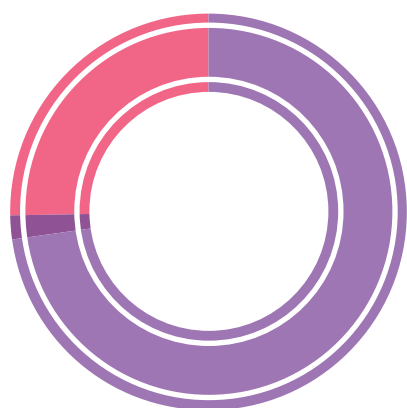
在食用香精香料方面，板塊銷售收入達約港幣30.83億元，較上一財政年度增長約2.8%。板塊營運盈利達約港幣19.67億元，較上一財政年度增長約4.2%。在過去一年，中國煙草行業繼續維持了緩慢的增長勢頭；尤其在二零一三年的上半年，行業產量更出現負增長的情況。而本集團依靠一直以來持續堅持的「大客戶，大品牌」的發展策略，同時不斷致力於為客戶提供全面的解決方案，因而即使在行業發展增速趨緩、成本控制力度加大的大環境下，業務還是取得了相對樂觀的增長，而且板塊營運盈利率更由上一財政年度的63.0%進一步提升至63.8%。

Chairman's Statement

主席報告

In terms of RTL business, benefiting from continuous enhancement of utilization rate of the second phase of Guangdong Jinye production line and gradual elevation of average selling price of the products, sales revenue of the RTL segment continued to maintain a rapid growth momentum. Sales revenue of the RTL segment broke through HKD1,000 million for the current financial year, which is more than a double of HKD483 million of last financial year. Profitability further improved, with operating profit significantly increased by approximately 177.1% over last financial year to approximately HKD423 million. Segment operating profit margin also significantly elevated by 7.9 percentage points to approximately 39.5%. The Group currently has a total production capacity of RTL of 30,000-ton per annum, representing a considerable market share in the domestic industry. In March 2014, the production line became the first one that being certified by the STMA and achieved landmark-status in paper-making RTL production. Its production workmanship has been recognized by the STMA to have reached the highest technology level within domestic paper-making RTL production, while its major technical indicators also reached advanced international levels. After only three years that the Group had ventured into the RTL industry, the Group was able to secure an industry-leading position in terms of technology level resulting from continuous input in R&D and technology innovations. With the Group's position further solidified, so is its optimistic growth momentum.

在煙草薄片方面，受惠於廣東金葉二期生產線產能使用率逐步提高，以及本集團產品的平均售價持續提升，板塊銷售收入得以維持着高速增長。本財政年度銷售收入突破港幣10億元，較上一財政年度的約港幣4.83億元增長超過一倍。盈利能力進一步提高，本財政年度營運盈利達約港幣4.23億元，較上一財政年度大幅增長約177.1%，板塊營運盈利率亦明顯提高7.9個百分點至約39.5%。目前，本集團煙草薄片的產能達30,000噸，在國內市場佔有重要份額。於二零一四年三月，該生產線通過國煙局驗收，為國內首條獲得認證的造紙法煙草薄片標誌性生產線，其生產工藝獲國煙局評定為國產造紙法煙草薄片技術最高水平，主要技術指標亦已達國際先進水平。本集團進入煙草薄片領域短短三年，經過持續的研發投入及不斷的技術創新，目前技術水平在行內領先，業內地位進一步鞏固，發展勢頭喜人。



● Flavours 食用香精香料	72.8%
● Fragrances 日用香精香料	2.0%
● RTL 煙草薄片	25.2%

Financial Review

For the year ended 31 March 2014, the Group's net cash generated from operating activities amounted to approximately HKD1,825 million, representing an increase of approximately 13.0% as compared with last financial year. Net cash amounted to approximately HKD2,652 million, representing a significant increase of approximately 42.7% as compared with last financial year. The Group has proactively allocated its internal resources in recent years to optimize its financial position and create higher investment value for its shareholders. Among which, share repurchases of over 58 million shares of the Company's with more than HKD200 million since August 2012 and proactive repayment of its short-term bank loan had further lowered the gearing ratio to approximately 6.1% for this financial year. Meanwhile, the Group had declared special dividends in addition to basic dividends to its shareholders according to its cash flow and future development needs. The total dividend declared for this financial year reached approximately HKD901 million, which marked the largest amount of dividend since 2006. Since listing of the flavours and fragrances business, the Group has declared dividends of over HKD4.2 billion to its Shareholders. The aforementioned has demonstrated the Group's determination in continuously and proactively safeguarding the Company's and Shareholders' value.

Updates on new business development

By adhering to the development strategy of "Multi-pronged, Focused Growth", the Group has been steadily developing the flavours business while expanding the RTL business into one that accounted for over 25% of the total revenue after three years of investment and operation. The Group will then further emphasize developments in the fields of new cigarette materials and new workmanships and innovative tobacco products:

1. Updates on new cigarette materials and new workmanships

In recent years, China's tobacco industry has been continuously promoting for cigarette's "tar and harmful content reduction" scheme, where the Group had strived to capture the opportunities and increased its R&D input. As R&D continues to bear fruitful results, the Group had thereby successfully applied these results to applications and stepped up the pace of production, so as to seize related opportunities.

財務狀況回顧

截至二零一四年三月三十一日止年度，本集團由營運活動產生之現金淨額達約港幣18.25億元，比上一財政年度增加了約13.0%。淨現金達約港幣26.52億元，比上一財政年度大幅增加了約42.7%。本集團近年積極動用內部資源，以持續優化財務狀況及提高股東的投資價值。其中包括，自二零一二年八月份以來，至今已動用了逾港幣2億元回購了逾5,800萬股本公司的股票；積極償還短期銀行貸款，負債比率進一步下降至本財政年度的約6.1%；同時，亦按現金流情況及未來發展計劃的需要，多次向股東在基本股息的基礎上派發特別股息。本財政年度股息總額達約港幣9.01億元，為二零零六年以來的最高總額；自香精香料業務上市以來，本集團已向股東宣派了逾港幣42億元的股息。以上都顯示了本集團對維護公司及股東價值的決心是持續的、積極的。

新業務發展情況

本集團秉承「同心多元化」的發展策略，在穩定發展香精香料業務的同時，經過三年的努力，如今已將煙草薄片業務發展至佔本集團總銷售收入比重25%以上的規模。下一步，本集團將進一步着重發展捲煙新材料及新工藝和新型煙草製品等業務：

1. 捲煙新材料及新工藝業務最新發展

最近幾年，中國煙草行業不斷地推進有關捲煙「降焦減害」的工作，而本集團亦把握時機，增加投入；在研發不斷取得突破的同時，亦成功將其成果轉換至應用領域，加快投產速度，力求緊抓相關商機。

According to the STMA, domestic sales volume of low tar cigarette (8 mg or below per stick) in 2013 increased by approximately 7.1% over the corresponding period of last year, which was significantly higher than that of the industry average. Meanwhile, growth of domestic sales volume of low tar cigarettes with 6 mg or below per stick was approximately 180% over the corresponding period last year. Despite the sluggish sales growth of cigarette in the domestic market, low tar cigarettes stand out from the others with a remarkable growth rate leading the industry. In terms of an increase in the number of new products, the cigarette industry developed 82 new products in 2012. Among them, 44 being low tar cigarettes, 15 were cigarettes with 6 mg of tar or below per stick. It is obvious that low tar cigarette products have been strongly promoted by cigarette manufacturers. On the other hand, the current production output and sales volume of cigarettes with 6 mg of tar or below per stick of 0.7 million cases in absolute terms remains low and is far from meeting the target ("the output of cigarettes with 5 mg of tar or below per stick shall exceed 2 million cases by 2015") under the plan of "Cigarette Industry Improvement" proposed by the STMA and needs to be significantly enhanced. In addition, the tar content in each cigarette in China must not exceed 10 mg from 1 January 2015 as clearly required by the STMA. To this end, the STMA issued internal notices in April 2014 in relation to speeding up promotion and application of results in "tar and harmful content reduction" among cigarette manufacturers and continued to consider the results of tar reduction as a key factor in the assessment of manufacturers, with an aim to significantly bring down the tar content and hazard index of cigarettes in 2014 from that of 2013.

The Group completed the acquisition of Guangdong Jinye in late 2010 in anticipation of the shift towards reduction in tar content several years ahead. Only three years following the completion of the acquisition, the Group had developed the RTL business from scratch and now has become a business segment with revenue of more than HKD1,000 million for the year, which well exemplified the vision and implementation ability of the management. In the past year, the Group set up three platforms in relation to new cigarette materials, which include the cigarette smoke transmission technology platform, the specialized RTL technology platform and the new tobacco stem processing technology platform. Trial production lines had been established and through preliminary promotion, favourable responses had been received from major customers. The Group will then continue to adhere to improving production technology as a base and fully boost cooperation with major customers in the abovementioned fields to realize commercial production in the near future.

根據國煙局數據顯示，二零一三年全國低焦油捲煙（每支焦油量在8毫克及以下）銷量同比增長約7.1%，遠遠高於行業整體增長水平；而每支焦油量在6毫克及以下捲煙銷量同比增長更達到約180%。在全國捲煙銷量增長乏力的大環境下，低焦油捲煙一枝獨秀，實現了遠高於行業的突出增速。從新產品數量的增長來看，二零一二年捲煙行業共開發了82個新品，其中44個為低焦油捲煙規格，每支焦油量在6毫克及以下的捲煙規格15個，不難看出捲煙生產企業對於低焦油捲煙推廣的重視程度。但另一方面，目前每支焦油量在6毫克及以下捲煙的產銷規模絕對量仍相對較小，僅有70萬箱，距離國煙局《煙草行業「捲煙上水平」總體規劃》中的要求（「到二零一五年，焦油量5毫克／支以下的捲煙產量超過200萬箱」）仍然相去甚遠，產量還有大幅的提升空間。並且按照國煙局的明確要求，從二零一五年開始，全國捲煙盒標焦油限量必須降至10毫克／支或以下。為此，國煙局於二零一四年四月專門印發內部通知，督促下屬捲煙生產企業加快捲煙「降焦減害」技術成果的推廣和應用，繼續把降焦成效作為考核的重要內容，確保二零一四年捲煙焦油量和危害性指數在二零一三年基礎上明顯下降。

本集團在若干年前便預測到行業內關於降焦的趨勢，並於二零一零年底完成了對於廣東金葉的收購。在該交易完成後的短短三年時間中，本集團從零開始，將煙草薄片打造成為今年銷售收入超過港幣10億元的規模，管理層之視野及執行能力獲得肯定。過去一年，本集團又成立了三個與捲煙新材料相關的平台，分別為捲煙煙氣傳質技術平台、特種煙草薄片技術平台及新型煙梗處理技術平台，目前已建立了中試生產線，經過初步推廣，相關的中試產品亦收到了主要客戶的良好評價。下一步，本集團將在繼續完善生產工藝的基礎上，全力推進與主要客戶在上述相關技術領域的合作，並盡快實現商業化生產。

2. Updates on innovative tobacco products including e-cigarette

Innovative tobacco products experienced rapid growth in recent years, especially those represented by e-cigarette, which has become a new booming business. In the past three years, global sales volume of e-cigarette grew at a CAGR of 40%. Furthermore, research institutions estimate that the global sales revenue of e-cigarette may reach USD4.7 billion by 2015 and even USD25 billion by 2023. Therefore, the management believes that such industry has a huge potential for growth.

Although regulations for e-cigarette in all parts of the world remain unclear, the rapid growth of the industry in recent years has clearly demonstrated a huge potential market in the future. With clear competitiveness in tobacco flavours and fragrances, tobacco chemistry and analysis, etc., the management believes that the Group will achieve cost-effective results in the development of e-cigarette business. In fact, the Group's preparatory work in such field has long been underway. In February 2013, the Group has started to establish a R&D centre in North Carolina of the U.S. in order to acquire the latest technology, human resources and current trend that enable it to comply with international standards. In March 2014, the Group established a working committee focusing on innovative tobacco products which I am directly involved. The Group is expected to face the world with China as its stronghold to further develop related products and launch its own e-cigarette brands on the basis of increasing R&D input in e-cigarette. Meanwhile, the Group also intends to provide e-cigarette manufacturers with tobacco oil products for e-cigarette production. The Group's e-cigarette related products and other innovative cigarette products are expected to be launched in the second half of 2014.

Future development plans

The National Bureau of Statistics and the Ministry of Commerce at the beginning of 2014 anticipated that the developed economies and the emerging economies will continue to grow at different paces, while the growth momentum of developing countries outside Asia and Europe are still far from satisfactory. Although the global economy is expected to grow slightly, risks remain. Among all, the U.S.'s decision to taper its Quantitative Easing is one of the biggest uncertainties for the global economy. As the global economy may be volatile, China will face a complicated external economic environment in the coming year.

2. 新型煙草製品包括電子霧化煙等業務最新發展

新型煙草製品的發展在過去幾年經歷了高速的增長，尤其是以電子霧化煙為代表的產品，已成為當下炙手可熱的焦點話題。在過去的三年，全球電子霧化煙產業的銷售額年均複合增長率高達40%。更有研究機構預測，二零一五年全球電子霧化煙行業的銷售額將達到47億美元；到二零二三年，全球行業規模甚至可能增長到250億美元的水平，市場潛力巨大。

儘管各地關於電子霧化煙的監管條例未見明朗，但過去幾年該行業的高速發展，依然證明其未來所具有的巨大潛力。基於本集團在煙用香精香料、煙草化學及分析等方面已積累了明顯優勢，管理層相信本集團在電子霧化煙行業的發展將會取得事半功倍的效益。本集團在相關領域的預備工作早已開動，於二零一三年二月，本集團在美國北卡羅來納州開始籌建研發中心，旨在於全球最大的電子霧化煙市場取得最先進的相關技術、人才資源以及流行趨勢，並與國際標準相接軌。於二零一四年三月，本集團成立了新型煙草製品專門工作小組，由本人直接參與。預計未來本集團將立足中國、面向全球，在加大電子霧化煙煙油研究的基礎上，進一步發展相關產品，推出自有的電子霧化煙品牌；同時本集團也計劃向電子霧化煙生產廠商供應電子霧化煙煙油產品。本集團電子霧化煙等新型煙草製品的相關產品預計可以在二零一四年下半年面世。

未來發展計劃

國家統計局和商務部於二零一四年初時預計發達經濟體和新興經濟體內部經濟會繼續分化，歐洲和亞洲以外的發展中國家增長動力仍顯不足。儘管世界經濟整體增速有望略有提高，但風險因素猶存，尤其是美國量化寬鬆政策的退出，乃世界經濟近期最大的不確定因素之一，不排除經濟形勢可能出現反覆的情況。故此，中國所面臨的外部經濟環境依然錯綜複雜。

In respect of the PRC tobacco industry, it is expected that the growth in sales volume of cigarettes in China will slow down further as China has been tightening on smoking control. However, the increasingly obvious changes in the industry during the past years have also presented the Group with opportunities and further room for development. Firstly, the increasing pressure of "tar and harmful content reduction, quality enhancement" being faced by the PRC tobacco industry will help boost the demand for new cigarette materials from the manufacturers. Meanwhile, the Group's leading position in R&D and application in terms of new cigarette materials and new workmanships will be instrumental in enhancing the technology and product cooperation between the Group and its customers. Moreover, the STMA also heightened its concern over the shrinking market of traditional cigarette and suggested that cigarette manufacturers should closely follow the development trend in the international tobacco markets, in particular the shift towards R&D of e-cigarette, snus and non-burning cigarette and other innovative cigarette products. These innovative cigarette products, and in particular the e-cigarette, could be the key factor of the long-term sustainable growth for the industry. The Group is well positioned in this respect and is ready to proactively participate in the rapid growth of the market and face up to ensuing challenges and opportunities. In addition, the STMA has clearly stated the target to achieve overseas sales of cigarette of more than 8 million cases by 2020, catching up with the top three global tobacco companies in the world. It is believed that the PRC tobacco industry will keep exploring and looking into the possibility of expanding into overseas markets. Meanwhile, the Group will contribute its leading technology and internationalized management experiences forged over the years in support of the internationalization of the PRC tobacco industry. Apart from the above businesses, the Group will continue to adhere to the development strategy of "Multi-pronged, Focused Growth" and proactively explore business opportunities arise from in association with its principal businesses such as finance leasing.

Based on the above, although the PRC tobacco industry has temporarily halted from its rapid growth era, the Group is of the view that these aforementioned development directions will continue to be the windows for sustainable growth for the enterprises in the industry. The Group will continue in adhering to its core development strategy of "Multi-pronged, Focused Growth", persistent in using consumers' taste preferences and trends as direction, along with driven by technology innovation, in order to create the right products for the customers and to provide them with comprehensive solutions. Looking forward, the Group will continue to pursue steady development of its flavours business while vigorously promoting the development of new cigarette materials, new workmanships and innovative cigarette products. The Group will remain persistent

就中國煙草行業來說，隨着中國禁煙環境趨緊，預計未來一段時間內全國捲煙銷量的增長將進一步放緩。但行業內的一些越發明顯的變化趨勢，也為本集團的進一步發展、壯大帶來了可貴的機遇。首先，中國煙草企業所面臨的日益嚴峻的「降焦減害、提高品質」方面的壓力，將促使其提高對於新型捲煙材料產品的需求。而本集團在捲煙新材料及新工藝領域領先的研發和應用水平，有助於本集團與客戶之間建立更加廣泛的技術和產品合作關係。其次，國煙局對於傳統捲煙市場有限的增長空間亦表示了高度的關注，並提出了密切跟蹤國際煙草市場的發展趨勢，特別是電子霧化煙、口含煙及加熱不燃燒捲煙等新型煙草製品的研發。這些新型煙草製品，尤其是電子霧化煙產品，很可能會成為影響行業未來長期可持續性發展的重要因素。本集團在這方面已有所準備，將會積極參與市場的高速發展，面對隨之而來的挑戰和商機。此外，國煙局還明確提出了下一步中國煙草國際化的目標——力爭在二零二零年海外銷量超過800萬箱、完成追趕前三名跨國國際煙草公司的目標。相信中國煙草行業在未來的幾年中應當會積極地進行海外擴張的探索和嘗試。本集團將利用長期以來所積累的領先技術和國際化管理經驗配合中國煙草行業實現其國際化目標。同時，在上述業務之外，本集團圍繞「同心多元化」的發展策略，積極探索與主營業務相關的融資租賃方面的業務機會。

綜上所述，儘管中國煙草行業已暫時告別較快速增長的階段，但本集團認為，這些明確的發展方向仍然為行業內的企業打開了持續發展的窗口。本集團一直以來將「同心多元化」作為根本的發展策略，始終堅持以消費者口味流行趨勢為導向，配以技術創新為動力，圍繞為客戶開發適銷對路的產品，並致力於為客戶打造全方位的解決方案。未來本集團將會繼續穩定發展香精香料業務，同時大力發展捲煙新材料及新工藝、新型煙草製品等業務，堅持有機發展和收購兼併相結合的道路，探索建立多渠道融資平台，立足中國市場，同時結合中國煙草行業國際化的步伐，推進本集團自身國際業務的發展。本集團相信，由於本集團在相關研發技術領域取得了

in combining the ways of organic development and merger and acquisitions, and to probe for multi-channels of financing. The Group will continue operating its business in China, while boosting the development of global business in the process of internationalization of the PRC tobacco industry. The Group is of the view that, as the Group has gained a leading position in terms of R&D capabilities, together with its long-term and stable cooperation relationship with customers, it will help to capture opportunities that arise alongside with the adjustments to and changes in both the PRC and the global tobacco industries in future, so as to maintain a consistent development momentum.

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

CHU Lam Yiu
Chairman

Hong Kong, 18 June 2014

明顯領先優勢，再加上與客戶所建立的長期穩固的合作關係，在未來一段時間內中國煙草行業乃至全球煙草行業經歷調整、轉變的過程中，繼續保持穩健發展的步伐。

本人亦藉此機會，謹向我們忠誠的股東、客戶、供應商及主要往來銀行等致謝，感謝他們長期的關心和支持。本人並向各位董事、管理層及全體員工，就大家在過去一年對本集團的勤勉工作致以真誠感激。本人將與全體管理層及員工一道，秉承創新、務實、忠誠、協作的華寶精神，為華寶的事業竭盡全力，為廣大股東帶來更理想的回報！

朱林瑤
主席

香港，二零一四年六月十八日

Management Discussion and Analysis

管理層討論及分析

Production capacity of flavours and fragrances of major subsidiaries as at 31 March 2014

於二零一四年三月三十一日主要下屬公司香精香料的產能

		(tons 噸)
Shanghai		
	上海	
Huabao Shanghai	華寶上海	3,000
Huabao Kongque	華寶孔雀	4,500
Huashun Shanghai	華順上海	1,300
Shanghai Yinghua	上海英華	1,500
Jiangsu		
	江蘇	
Taicang Wenhua	太倉文華	800
Wuxi Fuhua	無錫福華	1,500
Wuxi Jiahua	無錫嘉華	1,200
Wuxi Huaxin	無錫華馨	600
Wuxi Huahai	無錫華海	500
Guangdong		
	廣東	
Feijia Chuangye	飛嘉創業	500
Guangdong Zhaoqing	廣東肇慶	2,000
Guangzhou Huabao	廣州華寶	4,000
Guangzhou Huafang/Owada	廣州華芳 / 澳華達	2,000
Others		
	其他	
F&G	F&G	150
Huabao Hong Kong	華寶香港	300
Qingdao Huabao	青島華寶	1,000
Qingdao Qingda	青島青大	650
Xiamen Amber	廈門琥珀	800
Yingtai Huabao	鷹潭華寶	7,000
Yongzhou Shanxiang	永州山香	1,100
Yunnan Tianhong	雲南天宏	2,500
Total production capacity		Approximately 約 36,900
		總產能

Production capacity of RTL and new cigarette materials supplements of major subsidiaries as at 31 March 2014

於二零一四年三月三十一日主要下屬公司煙草薄片及捲煙新材料配套的產能

		(tons 噸)
Guizhou Huashuo (RTL coating base)	貴州華樂 (煙草薄片塗布液里料)	
– 100% ownership	– 持有100%	1,500
Guangdong Jinke (RTL)	廣東金科 (煙草薄片)	
– 55.375% ownership	– 持有55.375%	10,000
Guangdong Jinye (RTL)	廣東金葉 (煙草薄片)	
– 100% ownership	– 持有100%	20,000
Total production capacity		Approximately 約 31,500
		總產能

INDUSTRY PROFILES

Tobacco industry

Over the past few years, sales growth in the PRC tobacco market has been gradually slowing down. According to the data released, the growth of the PRC tobacco industry in terms of production volume in 2013 was approximately 1.8%, representing a decrease of approximately 1 percentage point as compared with 2012. Due to the increase of consumers' health consciousness and under the influence of the Chinese government's strengthened smoking control measures and policies to strictly limit government spending on business accounts, the growth of the PRC tobacco industry in terms of sales volume in 2013 was approximately 1.2%, representing a decrease of more than 1 percentage point as compared with 2012. However, growth in the sales revenue of cigarette remained obvious as the STMA has been proactively promoting the plan of "Cigarette Industry Improvement" in recent years with an aim to proactively regulate the production and consumption structure of tobacco and boost the consumption of middle to high-end cigarette. In 2013, sales revenue from wholesaling of cigarette in PRC was approximately RMB1.25 trillion, representing an increase of approximately 8.5% as compared with corresponding period last year. The tobacco industry contributed industrial and commercial profit tax of approximately RMB956 billion for the whole year, representing an increase of approximately 10.5% compared with last year.

The following trends and changes were noted in the industry:

- Except for Zhejiang and Shanxi provinces, all of the 31 provincial markets in China have recorded sales volume growth as compared with 2013;
- Sales volume of cigarette in urban areas for 2013 was approximately 30.10 million cases, representing an increase of approximately 1.0% compared with last year. Sales volume of cigarette in rural areas was approximately 19.90 million cases, representing an increase of approximately 1.9%. Sales growth contribution has shifted from urban areas to rural areas;
- In 2013, average sales revenue per case from wholesaling of cigarette in China (tax inclusive) was approximately RMB25,000, representing an increase of approximately 7.3% compared with last year, while the growth rate slowed down as compared with the last two years. In terms of contribution to growth in sales revenue from wholesaling in the entire industry, sales revenue per case from wholesaling accounts for approximately 86% of growth in sales revenue, while sales volume growth accounts for the remaining 14% of sales revenue;

行業概況

煙草行業概況

在過去的數年中，中國捲煙銷量的增速逐步放緩。根據數據顯示，二零一三年全國捲煙產量增長約1.8%，增速較二零一二年減慢了約1個百分點；而隨着消費者健康意識普遍逐步上升，加上一系列的政策如加強控煙力度及嚴厲限制「三公消費」等的影響，二零一三年中國的捲煙銷量增長達約1.2%，增速同樣較二零一二年減慢了超過1個百分點。雖然如此，隨着國煙局近年大力推行「捲煙上水平」方針，積極調控生產及消費結構，聚焦拉動中高檔捲煙消費，在捲煙銷售收入方面還是取得了較明顯的增長。二零一三年，中國的捲煙批發銷售收入達約人民幣1.25萬億元，同比增長約8.5%；全年煙草行業實現工商利稅約人民幣9,560億元，同比增長約10.5%。

從行業整體來看，有以下數個變化趨勢：

- 全國除浙江和山西兩省外，其餘31個省級市場在二零一三年的銷量均較同期有所增長；
- 二零一三年城市捲煙銷量約3,010萬箱，同比增長約1.0%。而農村捲煙銷量1,990萬箱，同比增長達約1.9%，銷量增長的重心由城市轉向農村；
- 二零一三年，全國捲煙平均單箱批發銷售收入（含稅）為約人民幣2.5萬元，同比增長約7.3%，但增長速度較前兩年有所放緩。從對行業整體批發銷售收入增長的貢獻度來看，單箱批發銷售收入提高的貢獻度為約86%，其餘的14%來源於銷量的增長；

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- Product structures throughout the country improved in 2013. All of the 33 provincial markets have recorded growth in average sales revenue per case from wholesaling of cigarette as compared with last year, while Guizhou, Guangxi and Chongqing provinces have recorded a growth of over 10%; and
- Higher inventory level was recorded in 2013 as compared with 1 million cases for last year. The amount of inventory was approximately 1.2 million cases at the end of 2013.
- 全國各地的產品結構在二零一三年均得到了提升，全部33個省級市場的平均單箱批發銷售收入同比都有增長，其中貴州、廣西和重慶三個省級市場的增幅超過10%；及
- 社會庫存在二零一三年處於較高的水平，始終高於上年同期100萬箱以上，在二零一三年年末約為120萬箱的水平。

Based on the development of the industry throughout 2013, the STMA formulated a plan for the next phase of business development of the industry at the National Tobacco Conference held in January 2014. The gist of such plan is as follows:

- Continuous adjustments to the structure: the STMA expects that growth in total sales revenue of China's tobacco industry to be basically in line with growth in total national retail sales of consumer goods, and growth in average price of cigarette per case be basically in line with growth in urban and rural residents' income;
- Global business development: according to the relevant data, total sales volume of cigarettes of the global markets (excluding China) exceeded 70 million cases in 2013. Among which, approximately 47 million cases were sold by the four tobacco giants, namely Philip Morris International, British American Tobacco, Japan Tobacco and Imperial Tobacco. The remaining some 20 million cases were sold by other tobacco companies. In terms of China tobacco's overseas sales, sales volume in 2013 was approximately 1.4 million cases, which accounts for less than 3% of total sales volume. The STMA considers that the overseas market has huge potential. Accordingly, it sets the specific targets of achieving sales volume of over 8 million cases by 2020 and catching up with top three global tobacco companies;
- Monitor the development of innovative cigarette products: to follow the latest trend in global tobacco industry, and in particular R&D of innovative cigarette products such as e-cigarette, snus and non-burning cigarette. These innovative cigarette products could be the key factor for sustainable development of the industry in the long run;
- Industrial and commercial profit tax to exceed RMB1 trillion: in 2013, industrial and commercial profit tax amounted to approximately RMB956 billion, representing a growth of approximately 10.5% from last year; in 2014, industrial and
- 持續進行結構調整：國煙局希望中國煙草行業能夠保持捲煙銷售總額增長與社會消費品零售總額增長基本同步，並保持捲煙單箱均價增長與城鄉居民收入水平增長基本同步；
- 發展國際市場業務：根據有關數據顯示，二零一三年全球（除中國外）的捲煙總銷量超過7,000萬箱，其中菲利普莫里斯國際、英美煙草、日本煙草和帝國煙草四家巨頭的總銷量約為4,700萬箱，而剩下的2,000萬餘箱的銷量則來自於其他的煙草公司；至於中國煙草海外銷量方面，二零一三年的外銷量約為140萬箱，佔不到總銷量的3%。國煙局認為國際市場存在巨大的潛力，並在會議中提出二零二零年海外銷量超過800萬箱、並追趕前三名跨國煙草公司等具體工作目標；
- 關注新型煙草製品：跟蹤國際煙草市場的發展趨勢，特別是電子霧化煙、口含煙及加熱不燃燒捲煙等新型煙草製品的研發，這些可能會成為影響行業未來長期可持續性發展的重要因素；
- 行業工商利稅突破人民幣萬億元：二零一三年，行業實現工商利稅約人民幣9,560億元，同比增長約10.5%；在二零一四年，力爭工商利稅總額達到人民幣10,330億元，確保與上

綜合二零一三年全年的行業發展情況，國煙局在二零一四年一月舉行的全國煙草工作會議上為行業下一階段的發展做出了明確的規劃，其中比較主要的方面包括：

commercial profit tax will strive to reach RMB1.033 trillion, to ensure a growth rate of 8%, with an upside of as high as 10%; and

- Continue to boost industry consolidation: to support the consolidation of Hongta Tobacco Group and Hongyunhonghe Tobacco Group, which are both sub-groups of China Tobacco Yunnan.

In addition, tender process for raw materials procurement remained effective for the year and will be introduced further in the future. As the pressure on cost control increases, so will the competitive landscape in the industry.

(Source: the National Statistics Bureau, China Tobacco and East Tobacco Newspaper)

Food and beverage industry

In 2013, continuous scale expansion of the food industry had boosted effectiveness but at the same time general food price level also rose considerably. On the other hand, growth of the entire industry in terms of scale and effectiveness had declined, especially most sub-industries such as beverage and catering, confectionary items, meat product and candy industries. According to statistics, revenue from principal business of food enterprise above designated size in 2013 was approximately RMB10.1 trillion, representing an increase of 13.9% compared with last year, while the growth rate represented a decrease of 5.1 percentage points compared with last year. Total profit of food enterprises was RMB753.1 billion, representing an increase of 13.6%, while the growth rate represented a decrease of 11.6 percentage points compared with last year. Traditional food is far from meeting the demands for higher in “quality, nutritional and functional” values as investment in technology by the industry in 2013 remained low. However, the whole industry became more consolidated and pressure on small and medium enterprises increased.

In terms of food safety, the operating environment remained challenging in 2013. Along with the introduction of related regulations, the China Food and Drug Administration was established in March 2013. All of the above suggests a more stringent regulation on food safety. Therefore, the prospect of the external market does not look optimistic for the food and flavours industries. Meanwhile, the spread of the avian influenza at the beginning of the year gave a severe blow to the beverage and catering industry and in which flavours and food additives industries suffered the most. In addition, the Chinese government's policies to promote frugality and reject extravagance also brought material and continuous impacts to the beverage and catering industry, particularly high-end hotel and catering businesses.

年相比增速達到8%、力爭增速達到10%的水平；及

- 持續推動行業整合：明確支持雲南中煙下屬的紅塔煙草集團和紅雲紅河煙草集團的整合工作。

此外，行業原料採購招標於本年度內繼續推行，而且招標範圍在未來將繼續擴大，行業控制成本的力度將進一步加大，市場競爭將更趨激烈。

(以上資料來源：國家統計局、《中國煙草》及《東方煙草報》等)

食品飲料行業概況

二零一三年，食品工業規模繼續擴大，效益有所提高，食品價格漲幅較大。但另一方面，行業整體的規模和效益的增速都有所回落，尤其是餐飲、休閒食品、肉製品、糖果等大部份主要子行業增速放緩。統計顯示，二零一三年全國規模以上食品工業企業實現主營業務收入約人民幣10.1萬億元，同比增長13.9%，增幅比上年度低5.1個百分點。食品工業實現利潤總額約人民幣7,531億元，同比增長13.6%，比上年度降低11.6個百分點。行業科技投入在二零一三年仍然較少，傳統食品離「三化」優質化、營養化、功能化的要求還有很大差距。但行業集中度進一步提高，中小企業面臨更大的生存壓力。

在食品安全方面，二零一三年更是充滿挑戰的一年，國家出台了相關法規，並在二零一三年三月成立了國家食品藥品監督管理總局，預示着未來將更加嚴格地對食品安全問題進行監管，食品香精行業所面臨的外部市場環境不容樂觀。同時，年初的禽流感蔓延，亦給餐飲行業帶來了嚴重打擊，對調味料、食品添加劑市場波及較大。此外，政府厲行節儉、反對浪費政策的出台，更給餐飲業，尤其是高檔酒店餐飲業帶來了較大、持續的影響。

Fragrances industry

According to the data released by China National Information Center of Light Industry, the growth rate of total profit of daily chemical industry in China in 2013 was approximately 10.1%, representing a decrease of 7.4 percentage points compared with that of in 2012 and lower than the average growth rate of 14.6% of the entire light industry. The daily chemical industry was faced with enormous pressure as a whole. In terms of growth in realized profit of each sub-industry, growth rate of oral hygiene and flavours and fragrances manufacturing industries recorded decreases of different magnitudes. Realized profit of soap and synthetic detergent manufacturing industry decreased by 1.3% compared with 2012, while the aromatic industry in China did not record growth at all. Looking forward to the year ahead, liquid washing detergent, infants and cosmetics markets are expected to continue to record a significant growth. In 2013, the production output of liquid washing detergent increased by 34% compared with last year. As liquid washing detergent products under various brand names flocked into China, the washing detergent market has gradually entered a “liquid” era. In terms of raw materials, the general price level of imported materials fell while prices of certain types of domestic raw materials surged as a result of excess demand.

New cigarette materials and new workmanships

According to the STMA, domestic sales volume of low tar cigarette (8 mg or below per stick) in 2013 increased by approximately 7.1% over the corresponding period of last year, which was significantly higher than that of the industry average. Meanwhile, growth of domestic sales volume of low tar cigarettes with 6 mg or below per stick was approximately 180% over the corresponding period last year. Despite the sluggish sales volume growth of cigarette in the domestic market, low tar cigarettes stand out from the others with a remarkable growth rate leading the industry. In terms of an increase in the number of new products, the cigarette industry developed 82 new products in 2012. Among them, 44 being low tar cigarettes, 15 were cigarettes with 6 mg of tar or below per stick. It is obvious that low tar cigarette products have been strongly promoted by cigarette manufacturers. On the other hand, the current production output and sales volume of cigarettes with 6 mg of tar or below per stick of 0.7 million cases in absolute terms remains low and is far from meeting the target (“the output of cigarettes with 5 mg of tar or below per stick shall exceed 2 million cases by 2015”) under the plan of “Cigarette Industry Improvement” proposed by the STMA and needs to be significantly enhanced. In addition, the tar content in each cigarette in China must not exceed 10 mg from 1 January 2015 as clearly required by the STMA. To this end, the STMA issued internal notices in April 2014 in relation to speeding up promotion and application of the results in “tar and harmful content reduction” among cigarette manufacturers and continued to consider the results

日化行業概況

據中國輕工業信息中心數據顯示，二零一三年中國日化行業利潤總額增長達約10.1%，較二零一二年下降了7.4個百分點，而該增速亦低於輕工全行業的14.6%平均增長水平，日化行業普遍面臨巨大壓力。從各子行業完成利潤增長情況來看，口腔清潔、香精香料製造行業均有不同程度下降，肥皂及合成洗滌劑製造行業完成利潤較二零一二年下降1.3%，而熏香行業在國內增長更是基本停滯。預計未來一年洗衣液市場、嬰童市場、化妝品市場仍呈現較大增長趨勢。二零一三年全國洗衣液產品同比增長34%，各品牌洗衣液蜂擁而至，洗滌市場正逐步走向「液」時代。原材料方面，進口原料價格整體有所下降；國產原料部份原料供不應求，價格上漲。

捲煙新材料、新工藝行業概況

根據國煙局數據顯示，二零一三年全國低焦油捲煙（每支焦油量在8毫克及以下）銷量同比增長約7.1%，遠遠高於行業整體增長水平；而每支焦油量在6毫克及以下捲煙銷量同比增長更達到約180%。在全國捲煙銷量增長乏力的大環境下，低焦油捲煙一枝獨秀，實現了遠高於行業的突出增速。從新產品數量的增長來看，二零一二年捲煙行業共開發了82個新品，其中44個為低焦油捲煙規格，每支焦油量在6毫克及以下的捲煙規格15個，不難看出捲煙生產企業對於低焦油捲煙推廣的重視程度。但另一方面，目前每支焦油量在6毫克及以下捲煙的產銷規模絕對量仍相對較小，僅有70萬箱，距離國煙局《煙草行業「捲煙上水平」總體規劃》中的要求（「到二零一五年，焦油量5毫克／支以下的捲煙產量超過200萬箱」）仍然相去甚遠，產量還有大幅的提升空間。並且按照國煙局的明確要求，從二零一五年開始，全國捲煙盒標焦油限量必須降至10毫克／支或以下。為此，國煙局於二零一四年四月專門印發內部通知，督促下屬捲煙生產企業加快捲煙「降焦減害」技術成果的推廣和應用，繼續把降焦成效作為考核

of tar reduction as a key factor in the assessment of manufacturers, with an aim to significantly bring down the tar content and hazard index of cigarettes in 2014 from that of 2013.

Innovative tobacco products

Innovative tobacco products experienced rapid growth in recent years, especially those represented by e-cigarette, which has become a new booming business. In the past three years, global sales revenue of e-cigarette grew at a CAGR of 40.1%. Growth of sales revenue from 2010 to 2013 is set out below:

		2010	2011	2012	2013
Total global sales revenue (USD million)	全球銷售總額 (百萬美元)	910	1,280	1,800	2,500
Growth rate	增長率	-	40.7%	40.6%	38.9%

Source: *East Tobacco Newspaper*

In general, the market is optimistic about the prospect of the industry. Research institutions estimate that the global sales revenue of e-cigarette may reach USD4.7 billion by 2015; by 2023, the scale of global e-cigarette sales revenue may reach as high as USD25 billion.

Rapid development in the past few years and enormous potential for growth have drawn close attention of all parties to the development of e-cigarette. On one hand, traditional cigarette manufacturers rushed to launch related e-cigarette products with an aim to capture market share; on the other, merger and acquisitions were frequently conducted among the e-cigarette companies to further expand their market share. A number of investment institutions and investors within the capital markets also proactively participated in the industry with an aim to get a share in the rapid development of the industry.

In terms of e-cigarette brands, certain brands in the industry have gained sound reputation. However, absolute scale of all brands remains small. This is especially true when compared with the enormous tobacco market. Currently, this sector is highly fragmented and has not yet experienced the situation where the market is being dominated by a few giant players just as that in the traditional cigarette market. Therefore, the industry provides a dynamic and evolving backdrop with excellent development opportunities for industry players.

的重要內容，確保二零一四年捲煙焦油量和危害性指數在二零一三年基礎上明顯下降。

新型煙草製品行業概況

新型煙草製品的發展在過去幾年經歷了高速的增長，尤其是以電子霧化煙為代表的產品，已成為當下炙手可熱的話題。在過去的三年，全球電子霧化煙產業的銷售額年均複合增長率高達40.1%，下表顯示了由二零一零年至二零一三年間的銷售額增長情況：

		2010	2011	2012	2013
Total global sales revenue (USD million)	全球銷售總額 (百萬美元)	910	1,280	1,800	2,500
Growth rate	增長率	-	40.7%	40.6%	38.9%

資料來源：《東方煙草報》

關於行業未來的發展前景，市場整體持樂觀的態度。有研究機構預測，二零一五年全球電子霧化煙行業的銷售額將達到47億美元；到二零二三年，全球電子霧化煙行業規模甚至可能增長到250億美元的水平。

過去數年的快速發展以及未來巨大的增長空間，吸引了多方對於電子霧化煙行業的高度關注。一方面，傳統國際煙草紛紛出手，陸續在市場推出相關的電子霧化煙產品，力爭能夠盡快佔有一席之地；另一方面，電子霧化煙業內公司頻頻發起收購交易，試圖擴大市場份額，鞏固地位；此外，甚至還包括不少資本市場的投資機構、投資者亦積極參與行業內的投資機會，欲在行業高速的發展過程中分一杯羹。

從電子霧化煙行業的品牌來看，儘管一些品牌已積累了一定的知名度，但整體來說各品牌的絕對規模仍然較小，尤其是與龐大的煙草市場相比。現階段行業的分散程度較高，並未出現像傳統捲煙市場股份額高度集中在幾家國際煙草巨頭手中的情況。整個行業充滿活力，變化日新月異，為業內的企業提供了良好的發展機會。

Management Discussion and Analysis

管理層討論及分析

In terms of policies and regulations on e-cigarette, standards vary in different parts of the world and many countries or territories even have yet to formulate any relevant laws and regulations. Among them is China, the largest global cigarette market. In the U.S., the Food and Drug Administration proposed to extend its tobacco authority to regulate “additional tobacco products” including e-cigarettes in April 2013. Such proposal remains in a public consultation period.

BUSINESS REVIEW

Review of Flavours Business

For the year ended 31 March 2014, sales revenue of the flavours business of the Group amounted to HKD3,082,919,000, representing an increase of approximately 2.8% from last financial year. The EBIT margin of the flavours segment reached approximately 63.8%, representing an increase of approximately 0.8 percentage point as compared with approximately 63.0% for the last financial year. The EBITDA margin reached approximately 66.7%, representing an increase of 1.1 percentage points as compared with approximately 65.6% for the last financial year. The flavours business maintained a slow growth rate, which was mainly due to the Group's flavours business (mainly tobacco flavours) being closely related to the development of China's tobacco industry, whose overall growth rate is gradually slowing down. However, benefitting from the Group's “Big Customers, Big Brands” development strategy, as well as the technological advantages accumulated from the long-term fulfillment of customer's increasing demands for quality and provision of comprehensive solutions to customers, the flavours business segment was still able to achieve results which surpassed the overall growth rate of China's tobacco industry. On the other hand, the Group continued to strengthen management, control costs, expand production scale and gradually enhance the concentration of production capacity, which led to the further increase of the profit margins of the flavours business.

在政策法規方面，目前全球各地標準不一，甚至很多國家／地區尚無任何明確的相關法律法規，這其中包括全球最大的捲煙市場－中國。而美國方面，食品及藥物管理局於二零一三年四月出台了一份提案，希望將一些包括電子霧化煙在內的「其他煙草製品」列入受其規管的煙草製品範圍之內。目前該提案仍處於公眾諮詢期。

業務回顧

食用香精香料業務回顧

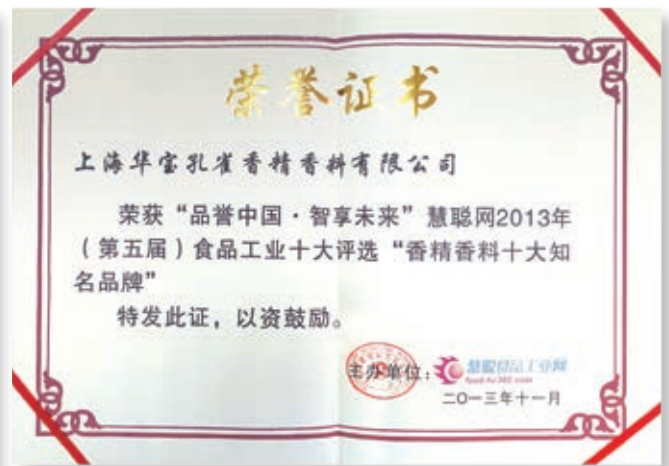
截至二零一四年三月三十一日止年度，本集團食用香精香料的銷售收入達到了港幣3,082,919,000元，較去年同期增長了約2.8%。食用香精香料板塊的EBIT率達約63.8%，較上一財政年度的約63.0%提高了0.8個百分點；EBITDA率達約66.7%，較上一財政年度的約65.6%提高了1.1個百分點。食用香精香料的銷售收入維持了緩慢的增長速度，主要是由於本集團的食用香精香料（主要是煙用香精香料）業務與中國煙草行業的發展息息相關，而中國煙草行業過去數年間整體增長逐步放緩。儘管如此，得益於本集團一直所奉行的「大客戶，大品牌」的發展策略，以及長期以來致力於滿足客戶對於產品品質要求的不斷提升、為客戶提供全方位解決方案所積累的領先技術優勢，因此該業務板塊仍然取得了高於中國煙草行業整體增速的成績。另一方面，由於本集團持續加強管理，控制成本，擴大規模化生產，產能集中度逐步提高，食用香精香料業務的利潤率亦得到了進一步的提升。

During the year, multiple sessions of the “State Tobacco Monopoly Administration’s Training Course for Senior Cigarette Flavorists” were held smoothly at Guangzhou Huafang with participation from 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, but also promoted their interaction and cooperation with the Group in terms of technology and business. In August 2013, Yunnan Tobacco Materials (Group) Co., Ltd. accredited Owada the highest rating of “A-Class Flavours and Fragrances Supplier”. Such award reflected Owada’s overall strength and industry standing, and also laid the foundation for future cooperation. In December 2013, Owada received certification from ISO 14001 Environmental Management Systems and OHSAS 18001 Occupational Health and Safety Management Systems, which was combined with the original ISO 9001 Quality Management certificate into a three-in-one certificate. In January 2014, Shanghai Huabao received the “2013 Jiading Industrial Area Advanced Manufacturing Overall Capability Gold Award” and the “2013 Jiading Industrial Area Advanced Manufacturing Outstanding Operator Award”, once again receiving recognition within the industry. In March 2014, Yingtan Huabao was awarded the “2013 Major Tax Paying Companies Special Contribution Award”.

於年內，廣州華芳順利舉辦多期「國家煙草專賣局捲煙高級調香師班」，來自全國各省市的捲煙企業技術骨幹參加了培訓。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。二零一三年八月，澳華達獲雲南中煙物資（集團）有限責任公司評為供應商資質認證最高級別的「A級香精香料供應商」。該殊榮反映了澳華達的綜合實力及行業地位，同時亦為雙方後續的合作打下堅穩的基礎。二零一三年十二月，澳華達分別獲ISO 14001環境管理體系及OHSAS 18001職業健康安全管理体系認證證書，同時與原認證的ISO 9001質量管理體系證書合併為三標一體證書。二零一四年一月，上海華寶分別獲得「2013年度嘉定工業區先進製造業綜合實力獎金獎」及「2013年度嘉定工業區先進製造業優秀經營者」等榮譽，業內地位再次受到表揚。二零一四年三月，鷹潭華寶獲頒「2013年度企業納稅大戶特別貢獻獎」。



“A-Class Flavours and Fragrances Supplier” certificate
「A級香精香料供應商」證書



“2013 Food Flavours Industry Top 10 Brands” certificate
「2013年食品工業香精香料十大知名品牌」證書

Management Discussion and Analysis

管理層討論及分析

In terms of food and beverage business, although in 2013 the spread of avian influenza and price wars with competitors presented adverse conditions in the operating environment of the Group, the Group was still able to achieve stable growth in the food and beverage business through the gradual expansion of business and enhanced production efficiency. In the meantime, the Group continued to focus primarily on food safety and maintain the quality of the products, which in return bringing it a sound market reputation.

The major customers of the Group's food and beverage business continued to be small and medium enterprises, which underwent greater fluctuations during periods of unfavorable business development. Therefore, the Group continued to optimize its customer base and relied on the "Big Customers, Big Brands" development strategy and was able to achieve results in the development of big customers over the past year. For example, Huabao Kongque expanded its business into reputable customers such as Black Cow and Glico, where sales to Kraft also grew substantially. After expanding production capacity in 2013, Guangdong Zhaoqing gradually expanded its sales to customers such as Wahaha Group. In addition, Yongzhou Shanxiang successfully expanded its business into international flavours and fragrances customers such as Givaudan.

During the financial year, the subsidiaries in the food and beverages business made some notable achievements. In July 2013, the Litsea Cubeba Industry Association, which was established under the guidance of Yongzhou Shanxiang, organized the "2013 Litsea Cubeba Oil Working Conference". It was aimed to organize and promote the long-term development of the Litsea Cubeba oil industry. In October 2013, the "China Ice Cream and Frozen Foods Equipment and Raw Materials Exhibition" organized by the China Association of Bakery & Confectionary Industry was held in Shanghai. Huabao Kongque participated in the exhibition with its healthy concept of "Originating from Nature, Exemplifying Nature", alongside with its pure taste and popular fragrances. It displayed over 10 flavours of unique ice cream, such as the coconut pineapple popsicle. Of which, new products such as chocolate popsicle, durian-flavoured ice cream and rose milkshake generated a great deal of interest among customers. In March 2014, the Group's members in the food and beverages business, namely Huabao Kongque, Guangzhou Huabao, Guangdong Zhaoqing and Yongzhou Shanxiang, jointly participated in the "2014 Food Ingredients China" exhibition held in Shanghai. This exhibition attracted over 1,200 participating companies both domestically and abroad and tens of

在食品及飲料業務方面，雖然二零一三年禽流感的蔓延以及競爭對手的價格戰使得本集團面臨不利的行業整體經營環境，但隨着業務規模逐步擴大，生產效益有所提高，本集團在食品及飲料領域繼續取得了穩定的增長。同時，本集團繼續將食品安全放在首位，保持產品質量的穩定，從而贏得了良好的市場聲譽。

本集團食品及飲料業務方面的主要客戶仍為中小型企業，在行業發展不利的時期受到的動蕩較大，因此本集團一如以往地努力優化客戶群體，依托「大客戶，大品牌」的發展策略，過去一年在大客戶業務拓展方面取得了一定成績。例如，華寶孔雀去年成功打入了如黑牛及格力高等知名客戶，在卡夫的銷售額上亦有明顯提升；廣東肇慶自二零一三年擴產後，在如娃哈哈集團等客戶的銷售進一步提升；永州山香方面，去年則成功打入了一些如奇華頓等的國際性香精香料客戶。

本財政年度內，食品及飲料業務各下屬企業取得了各種成績。二零一三年七月，由永州山香牽頭成立的山蒼子產業協會舉辦了「2013山蒼子油經營工作會議」，旨在梳理並促進山蒼子油產業的長遠發展。二零一三年十月，由中國焙烤食品糖製品工業協會主辦的「中國冰淇淋冷凍食品設備與原輔料展覽會」在上海開幕。華寶孔雀以其「源自天然，彰顯自然」的健康理念參展，輔以純正美味及流行馨香等風格，展出了椰漿菠蘿冰棍等10多款口味獨特的冰淇淋，其中巧克力棒、榴蓮味冰淇淋以及玫瑰奶昔等創新型產品引起了客戶極大的興趣。二零一四年三月，本集團食品及飲料業務板塊的代表，華寶孔雀、廣州華寶、廣東肇慶及永州山香聯合參展了在上海舉辦的「第十八屆中國國際食品添加劑和配料展覽會」。本次展會吸引了超過1,200家海內外企業參展和全球數以萬計的專業人士參加。為了備戰該次展會，各下屬企業做好充足的準備，其中，華寶孔雀於當天上午召開天然香精新品發佈會，邀請了內部資深專家及德國專家等與客戶進行零距離溝通，為客戶呈現市場最新產品趨勢及本集團在食用香精香料先進的研發理念。該類香精主要為天然提

thousands of professionals from around the world. In preparation for the exhibition, the subsidiaries made thorough preparations. Of which, Huabao Kongque organized a natural flavours new product press conference in the morning of the exhibition and invited its own senior experts and German experts to communicate face-to-face with customers, presenting to customers the trends of latest products on the market and the advanced R&D principles implemented by the Group in its flavours business. Such flavours mainly consist of natural extracts and artificial flavours and are mainly applied to various beverages, which possess an advantage in fragrance and texture and can better satisfy customer demands on the product's price-to-value ratio, compatibility and stability. Guangzhou Huabao presented its major product, savory food ingredients, at the exhibition. Its confectionary snacks, baked foods, meat products, convenient foods and condiments all received positive feedback.

取物和人工香料單體，主要應用於各類飲料產品，在香氣和口感上具有一定優勢，可以更好地滿足客戶對於產品性價比、協調性和穩定性的要求；廣州華寶則攜帶了其主打的咸味食品配料產品亮相此次展會，其休閒食品、烘焙食品、肉製品、方便食品及調味品等口味都得到良好回饋。

Major financial indicators of flavours

HKD thousand	港幣千元	2014	2013
Sales revenue	銷售收入	3,082,919	2,997,495
EBIT	EBIT	1,967,077	1,887,719
EBIT margin	EBIT率	63.8%	63.0%
EBITDA	EBITDA	2,056,402	1,965,212
EBITDA margin	EBITDA率	66.7%	65.6%

食用香精香料之主要財務指標

Review of Fragrances Business

For the year ended 31 March 2014, sales revenue of the fragrances business of the Group reached HKD84,675,000, representing a decrease of approximately 48.8% from the last financial year. Operating profit of the segment amounted to HKD7,760,000. EBIT margin was approximately 9.2%, representing a significant improvement from 5.5% of last financial year. The substantial decrease in sales revenue of the fragrances business was mainly attributable to the Group's disposal of all the equity interest in Yunnan Huaxiangyuan during the financial year.

日用香精香料業務回顧

截至二零一四年三月三十一日止年度，本集團日用香精香料的銷售收入達到了港幣84,675,000元，較上一個財政年度減少約48.8%。板塊營運盈利約為港幣7,760,000元；EBIT率約為9.2%，比上一個財政年度的5.5%有明顯改善。日用香精香料板塊的銷售收入大幅減少，主要是由於本集團於本財政年度內悉數出讓了雲南華香源的股權所致。

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Although the fragrances industry in China faced tremendous pressure in 2013, Xiamen Amber was able to take advantage of its position in the washing and sanitary fragrance business, in particular stepping up its efforts in the promotion of the detergent business, which led to relatively stable growth overall. At the same time, the disposal of Yunnan Huaxiangyuan, which was lower in profitability, had led to the gradual recovery of the segment's profitability.

Major financial indicators of fragrances

HKD thousand	港幣千元	2014	2013
Sales revenue	銷售收入	84,675	165,272
EBIT	EBIT	7,760	9,074
EBIT margin	EBIT率	9.2%	5.5%
EBITDA	EBITDA	10,937	12,350
EBITDA margin	EBITDA率	12.9%	7.5%

Review of RTL Business

For the year ended 31 March 2014, sales revenue of the RTL business of the Group reached HKD1,069,831,000, representing a significant increase of approximately 121.4% from the last financial year, which successfully completed management's target. The segment grew rapidly to account for 25.2% of the Group's total sales revenue from 13.3% of the last financial year. Operating profit reached approximately HKD422,683,000, representing a rapid increase of approximately 177.1% as compared with the last financial year. EBIT margin reached approximately 39.5%, representing a remarkable increase of 7.9 percentage points as compared with approximately 31.6% of the last financial year. The substantial increase in sales revenue and profitability of the RTL segment was mainly due to the gradual increase in the utilization of the second phase of Guangdong Jinye's production line; furthermore, average selling price increased further due to constant enhancement of product quality and this had led to continuous optimization of customer structure, resulting in penetration into numerous major brands in China. Management is pleased with the good results achieved so far since entering the RTL business in 2010.

儘管二零一三年全國日化行業普遍面臨巨大壓力，但廈門琥珀仍一如既往地突顯其在洗滌類及衛生香類業務的優勢，尤其是加強了於洗衣液業務方面的推廣力度，整體上還是取得了相對穩定的增長。同時，由於出讓了盈利能力較低的雲南華香源的業務，板塊的盈利能力得以逐步回升。

日用香精香料之主要財務指標

煙草薄片業務回顧

截至二零一四年三月三十一日止年度，本集團煙草薄片銷售收入達到了港幣1,069,831,000元，較上一個財政年度大幅增長了約121.4%，圓滿的完成了管理層的目標。板塊佔本集團總銷售收入的比重亦從上一個財政年度的13.3%快速上升至本財政年度的25.2%。板塊營運盈利達約港幣422,683,000元，較上一個財政年度高速增長了約177.1%；EBIT率達約39.5%，較上一個財政年度的約31.6%明顯提升了7.9個百分點。煙草薄片板塊的銷售收入及盈利能力大幅提升，主要是由於廣東金葉二期生產線產能使用率逐步提高；另外，產品品質的不斷提升致使客戶結構不斷優化，目前已打入多家全國重點品牌，平均售價進一步得到提高。管理層對自二零一零年進入煙草薄片領域後至今取得的優良成績感到欣慰。

During the financial year, Guangdong Jinye achieved outstanding results. In July 2013, Guangdong Jinye leveraged on its professional technical capabilities and constant ability to innovate, passed the stringent assessment of Guangdong Provincial Department of Science and Technology and Guangdong Provincial Department of Finance and was awarded the “High-tech Enterprise” certificate. In December 2013, the “Guangdong Province Reconstituted Tobacco Leaves Technology and Development Centre” under Guangdong Jinye passed the certification of Guangdong Provincial Department of Science and Technology, Guangdong Provincial Development and Reform Commission and Guangdong Provincial Economic and Trade Commission, which symbolized that the Group’s R&D capabilities in the RTL area has reached a new level. The success of such R&D platform will effectively enhance the technical standards of R&D personnel and promote the development of technological talent, which will bring significant impact to the enhancement and long-term development of the Group’s technological innovative capabilities and economies of scale. In January 2014, Guangdong Jinye was awarded the highest credit rating of “AAA-Class Enterprise Credit Rating Certificate” by the Ministry of Commerce of PRC. In March 2014, the “Guangdong Shantou Paper-making Reconstituted Tobacco Leaves Enhancement Project” achieved an important breakthrough. The second phase of Guangdong Jinye production line passed the assessment of the STMA, and became the first one that being certified and achieved its landmark-status in paper-making RTL production line. Such production line was assessed to have encompassed advanced paper-making RTL techniques from domestic and international sources. The major technical indicators such as production workmanship, technological equipment and RTL products have reached international advanced levels, also representing the technology has reached top-notch status domestically.

本財政年度內，廣東金葉取得了優越的成績。二零一三年七月，廣東金葉憑藉其專業的技術實力及持續的創新能力，通過了廣東省科學技術廳及廣東省財政廳等單位的嚴格審核指標，獲授「高新技術企業」證書；二零一三年十二月，廣東金葉旗下的「廣東省再造煙葉工程技術研究開發中心」通過了廣東省科學技術廳、廣東省發展和改革委員會及廣東省經濟貿易委員會等政府部門的驗證，標志着本集團在煙草薄片領域的研發實力再上台階。該研發平台的成功，往後將有效提高科研人員的技術水平及促進科技人才建設工作，為本集團技術創新能力及經濟效益的提升和長遠的發展帶來重要的作用；二零一四年一月，獲中國商務部頒發最高信用等級的「AAA級企業信用等級證書」證牌；二零一四年三月，由廣東金葉牽頭承擔的「廣東汕頭造紙法再造煙葉技術升級項目」取得了重大突破。廣東金葉二期生產線通過國煙局驗收，為國內首條獲得認證的造紙法煙草薄片標誌性生產線。該生產線被評為融合了國內外造紙法煙草薄片先進技術，在生產工藝、技術裝備及薄片產品等主要技術指標已達到國際先進水平，亦代表了已達國產最高技術水平。



“High-tech Enterprise” certificate
「高新技術企業」證書



“AAA-Class Enterprise Credit Rating Certificate”
「AAA級企業信用等級證書」

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管理層討論及分析

In 2011, the STMA launched the “Major Technology Upgrading Project of Paper-making Reconstituted Tobacco Leaves” in order to promote the development and application of domestically produced paper-making RTL. Afterwards, the STMA listed the “Guangdong Shantou Paper-making Reconstituted Tobacco Leaves Enhancement Project” as one of the annual major technological projects, which aimed to establish a high speed, high efficiency, clean, low consumption paper-making RTL production line that is up to international standards. After more than two years’ efforts, Guangdong Jinye production line currently operates at a speed of over 180 meters per minute, with a production yield of over 87% and lower water consumption of production of 24.23 tons for each ton of product and lower energy consumption of production of 0.844 tons of standard coal for each ton of product, all of which are of internationally leading standards.

In terms of operating production, Guizhou Huashuo officially commenced operations during the financial year. The main product made by Guizhou Huashuo is coating base, one of the core raw materials applied to RTL coating. The completion of Guizhou Huashuo is of great significance to Guangdong Jinye’s promotion of upstream and downstream integration. On the one hand, Guangdong Jinye can autonomously monitor coating base production, allowing more flexible control over the supply quality of the coating base and the confidentiality of the formula; on the other hand, it is instrumental in cost control to a certain extent. In respect of Huangguoshu Jinye, the Group has completed capital injection according to its 40% equity interest during the financial year. Management has learnt that the main production equipment is now in a procurement stage.

Major financial indicators of RTL

HKD thousand	港幣千元	2014	2013
Sales revenue	銷售收入	1,069,831	483,173
EBIT	EBIT	422,683	152,523
EBIT margin	EBIT率	39.5%	31.6%
EBITDA	EBITDA	523,037	211,316
EBITDA margin	EBITDA率	48.9%	43.7%

二零一一年，國煙局啟動「造紙法再造煙葉技術升級重大專項」，目的是全力推動國產造紙法煙草薄片的發展及應用。隨後，國煙局將「廣東汕頭造紙法再造煙葉技術升級項目」列入重大專項年度科技項目計劃之一，目標是打造高速、高效、清潔、低耗具有國際水準的造紙法煙草薄片生產線。經過兩年多的努力，廣東金葉生產線目前的運行速度達到每分鐘180米以上，生產得率達到87%以上，生產水耗降至24.23噸／噸產品，生產綜合能耗降至0.844噸標煤／噸產品，均為國際領先技術水平。

在運營生產方面，貴州華燦於本財政年度內正式投入運營。貴州華燦生產的主要產品為塗布液里料，為應用於煙草薄片塗布液內的核心原材料之一。貴州華燦的落成對廣東金葉推行上下游一體化有重大意義。一方面廣東金葉能夠自主監管塗布液里料的生產，進一步靈活把握塗布液的供應質量及配方的保密性；另一方面對成本控制亦有一定的幫助。在黃果樹金葉方面，本集團於本財政年度內已按40%的持股比例完成注資。據管理層了解，主要部件設備已進入採購程序。

煙草薄片之主要財務指標

Review of R&D

The Group pays foremost attention to constantly enhancing the capacity of R&D. During the financial year, the Group's R&D cost amounted to HKD243,517,000, representing an increase of HKD30,026,000 as compared with the last financial year. R&D cost represented approximately 5.7% of its sales revenue, such ratio remained stable as compared with approximately 5.9% of last financial year. After continuous investment, the Group has set up a R&D team which is in a leading position in China and is of international standards. The State-recognized technology center in Shanghai, the overseas R&D centers in Germany and the U.S. and the professional R&D departments in Yunnan, Guangdong and Fujian, etc., together form a vertically integrated platform for R&D in areas ranging from fundamental researches to product applications. The R&D strategy of the Group is market-driven and focused on technology innovation, so as to closely follow the latest global industry trends and to accelerate the mastering of technologies in key raw materials. With such strengths, the Group is able to develop products and technologies that meet market demands, to gradually form a R&D team with a global perspective and deliver a system integration platform of technology, and thereby comprehensively elevate its overall competitiveness in relation to R&D. In the past year, the Group achieved fruitful results in respect of R&D, among which a total of 35 previously applied patents were granted; further stepped up technology collaborations within the industry, participated in multiple joint research projects with major customers such as China Tobacco Yunnan, China Tobacco Guangdong Industrial Co., Ltd., China Tobacco Hunan Industrial Co., Ltd. and China Tobacco Zhejiang Industrial Co., Ltd., which strengthened research capabilities and reinforced the cooperative relationship with customers.

In the field of RTL, Guangdong Jinye led the "Major Technology Upgrading Project of Paper-making Reconstituted Tobacco Leaves" as appointed by the STMA. After two years of experimentation and hard work, it was able to integrate and innovate on domestic and foreign paper-making RTL techniques, which resulted in the full upgrade of paper-making RTL production technology. It passed the assessment of the STMA and set the technical benchmark for the establishment of new RTL production lines and upgrades to current production lines. During the project period, Guangdong Jinye established a team of paper-making RTL experts with high standards and quality on par with international standards. It achieved technical results with important guiding effects, of which the high-speed high-efficiency stable extraction technology, paper-making waste water recycling

研發情況回顧

本集團非常注重不斷地提升自身的研發能力。於本財政年度內，本集團共投入研發費用港幣243,517,000元，比上一財政年度增加了港幣30,026,000元；而研發費用佔銷售收入的比例為約5.7%，與上一財政年度的約5.9%基本持平。經過不斷投入，本集團已經建立了一支國內領先、具有國際水平的研發團隊；憑藉上海國家級企業技術中心、德國及美國等海外研發中心以及雲南、廣東及福建等地的專業化研發部門，本集團建立了一個從基礎研究到產品應用的垂直一體化研發平台。本集團的研發策略為始終以市場為原動力，注重技術創新，密切跟蹤國際行業的最新動向，加快對關鍵原料技術掌握，並開發出適合市場需求的產品和技術；逐步建立一支具有國際視野的團隊，打造一個技術系統集成平台，全面提升綜合研發實力。在過去一年，本集團獲得了一批技術成果，其中已申請並獲得授權的技術專利共35項；進一步深化與行業的技術合作，與雲南中煙、廣東中煙工業有限責任公司、湖南中煙工業有限責任公司及浙江中煙工業有限責任公司等主要客戶開展多個項目的聯合研究工作，在增強研發能力的同時，亦鞏固了與客戶之間的合作關係。

煙草薄片方面，廣東金葉牽頭承擔國煙局要求的「造紙法再造煙葉技術升級重大專項」，經過兩年多的摸索和努力，將國內外造紙法煙草薄片先進技術融合、創新，最終成功實現了造紙法煙草薄片生產線技術的全面升級，順利通過國煙局驗收，為行業煙草薄片生產線新線建設和現有生產線技術改造提供了技術標桿。在項目實施期間，廣東金葉打造了一支高層次、高素質與國際接軌的造紙法煙草薄片專家團隊，獲取了一批具有重要牽引作用的技術成果，其中高速高效連續穩定提取技術、白水回用綜合處理技術、高塗布率高精度煙草薄片塗布技術達到國際領先和國際先進水平，帶動了國產造紙法煙草薄片生產製造能力、清潔生產能力、理化調控能

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comprehensive processing technology and RTL high precision coating technology have reached leading and advanced international standards. This led to advancements in domestically produced paper-making RTL, namely in the six fields such as production capacity, clean production capability, regulation capability, quality stability, product functionality and formula suitability, etc.

In the fields of new cigarette materials and new workmanships, during the financial year, the Group established three R&D platforms focusing on cigarette smoke transmission technology, specialized RTL technology and innovation tobacco stem technology:

- Cigarette smoke transmission technological platform: innovations were mainly carried out in materials, structure, experience and aesthetic design. Currently, R&D for new filters such as natural plant fiber filters, capsule filters, functional cord filters and compound particle filters have been completed. Over 10 sets of professional equipment have been set up in Korea which can satisfy the design and trial production of various kinds of filters;
- Specialized RTL technological platform: research is mainly focused on air-flow specialized RTL processing technology. It is environmentally safer than traditional paper-making RTL technologies and can better implement benchmark regulation and control of products. Under the same conditions, cigarette smoke indicators such as tar, carbon monoxide, and seven harmful ingredients displayed certain advantages. Currently, the Group has established a professional technical team and has established and realized the continuous operation of trial production; and
- Innovation tobacco stem technological platform: research is mainly focused on steam-microwave stem expansion workmanship technology. Through high intensity processing methods such as microwave overheating steam expansion, maintaining and storing anaerobic heat, the flavours emission of stems became more mild, smooth and consistent, creating a product with higher filing value. These products have advantages such as low tar level and being more suitable to cigarette formula. Currently, the Group has established and realized the continuous operation of trial production and possesses the capabilities to design large-scale production lines.

力、質量穩定性、產品功能性和配方適用性等六個方面的提升。

捲煙新材料及新工藝方面，本集團於本財政年度內成立了捲煙煙氣傳質技術、特種煙草薄片技術及新型煙梗處理技術三個研發平台：

- 捲煙煙氣傳質技術平台：主要從材料、結構、體驗和外觀設計等方面進行創新，目前已完成了天然植物纖維濾棒、膠囊濾棒、功能芯線濾棒及複合顆粒濾棒等多種新型濾棒的研發，並在韓國建成十多套專業裝備，可滿足各類型的濾棒設計和中試生產；
- 特種煙草薄片技術平台：主要研究氣流法特種煙草薄片加工技術，與傳統造紙法煙草薄片技術相比，其環保安全性更高，可更好實現產品理化指標的可調可控。在同等條件下，焦油、一氧化碳等煙氣指標，以及七項有害成分方面亦表現出一定的優勢。目前本集團已建立了專業技術團隊，建成並實現中試生產線的連續運行；及
- 新型煙梗處理技術平台：主要研究蒸汽—微波協同煙梗膨脹工藝技術，通過微波過熱蒸汽膨脹、缺氧熱保持、貯存等高強度的處理手段，使煙梗的釋味水平趨於中和、平淡、均質，進而獲得較高填充值的產品。該類產品具有焦油含量低、捲煙配方適用性好等特點。目前本集團已建成並實現了中試生產線的連續穩定運行，具備了設計大規模生產線的能力。

In December 2013, Shanghai Huabao undertook the “Establishment of R&D Centre and Innovation Capability Project” of the National Development and Reform Commission and successfully passed the professional assessment of Shanghai Municipal Development and Reform Commission and Shanghai Municipal Commission of Economy and Informatization, further enhancing the Group’s overall competitiveness in R&D. Such project is a joint investment of the Group and the municipal government, which introduced a total of 35 sets of high-precision analysis and inspection equipment such as the Ultra High-performance Liquid Chromatography Triple Quadrupole Mass Spectrometer, Pyrolyzer and Gas Chromatography-Mass Spectrometer, etc. Most of which were imported and being

二零一三年十二月，上海華寶所承擔的國家發展改革委員會「技術中心創新能力建設項目」順利通過由上海市發展改革委員會及上海市經濟和信息化委員會等組織的專家評審組的驗收，集團綜合研發實力又進一步。該項目由本集團及市政府撥款聯合投資，先後引進超高效液相三重四級桿液相質譜儀、熱裂解儀、氣相色譜質譜聯用儀等精密分析檢測儀器設備總計35台，絕大部份為國外進口，為當今精細化學領域最先進之設備。在項目建設和測試期間，共引進和培養了27名專業分析檢測技術人員，其中包括博士4名，碩士15名。通過完成該國家專項研究，本集團不僅建立了完善的香精香料分析檢測



Imported high-precision analysis and inspection equipment
進口精密分析檢測儀器

the most advanced equipment in the field of nanochemistry. During the establishing and testing stage of the project, a total of 27 professional analytical and testing technicians were introduced and trained, of which 4 held PhD degrees and 15 held masters degrees. After completing such national research project, not only did the Group establish a complete flavours analysis testing database, it also developed testing methods for tobacco component analysis,

數據庫，通過資助開發或與外方合作聯合開發等方式，開發出了包括煙草成分分析、煙氣成分分析、塑化劑、蘇丹紅、羅丹明等物質的檢測方法；同時也取得了大量科研項目研究成果，在幾年的項目建設過程中，形成了70多項發明專利，其中25項已獲得授權，並為行業內10餘家企業單位提供2,000多批次檢測服務。另外，項目建設期間還多次與中煙公

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smoke fume component analysis, and substances such as plasticizing agent, Sudan Red G and Rhodamine, etc, by way of R&D through subsidies or joint research with external parties. It also achieved a great amount of results in various scientific research projects. In several years of project development, over 70 invention patents were filed for application, of which 25 have been thus far granted. It also provided over 2,000 batches of testing for over 10 companies within the industry. Also, during project development, joint experiments were carried out with tobacco companies, tobacco research facilities and other tertiary institutions where testing methods were jointly developed. This was then promoted to food, pharmaceutical and nanochemistry industries, contributing to independent intellectual property rights, technical thesis and testing methods for various substances. The implementation of the project has allowed the Group to possess the most advanced flavours analysis and testing platform within China, enhancing the innovative capabilities of the technology center and providing support for the development of new products.

In terms of scientific research, the Group's subsidiaries received a number of honours during the financial year. In February 2014, Hengxin Analysis and Inspection was awarded the certification in metrology by the Shanghai Municipal Bureau of Quality and Technical Supervision, which certified its qualification and capability in conducting analysis and inspection as a third party in the field of tobacco. In March 2014, Guangdong Zhaoqing successfully passed the MUIS Halal certification, further laying solid foundations for overseas expansion. In April 2014, the moisture retaining fragrance, vetiver essential oil fragrance and magnolia figo fragrance of Yingtan Huabao were respectively awarded the "Jiangxi Province Major New Product Certification" by the Jiangxi Provincial Department of Science and Technology.

司、煙草研究院及其他高校，聯合開展共同實驗，共同開發檢測方法，並將檢測方法向食品、醫藥、精細化工等行業進行了推廣，在自主知識產權發明專利、技術論文及各種物質檢測方面都做出了一定貢獻。該項目的實施，使得本集團具有了國內先進水平的香精香料分析檢測技術平台，提升了技術中心的創新能力，為新產品開發提供了支撐。



Certification in metrology
計量認證證書

在科研技術方面，本集團下屬公司在財政年度內獲得若干榮譽。二零一四年二月，衡欣檢測取得了上海質量技術監督局簽發的計量認證證書，具備了在煙草領域作為第三方檢測機構對外進行分析檢測的資格和能力。二零一四年三月，廣東肇慶順利通過MUIS Halal認證，為進一步拓展海外市場奠定了良好基礎。二零一四年四月，鷹潭華寶的保潤香精、香根油香精及含笑花香精獲江西省科技廳頒發「江西省重點新產品證書」。



"Jiangxi Province Major New Product Certification"
「江西省重點新產品證書」

Furthermore, during the financial year, the R&D team filed applications for 35 new patents, where another 35 patents that were previously applied granted. Some of the major patents granted include:

- A bamboo carbon fiber and its production method and application in cigarette filters
- The production method of a membranous dip tobacco
- A method to reduce sugar and related matters using functional liquid
- A method to reduce total sugar content in tobacco leaves and its applications
- A method for extracting tobacco oil from tobacco seeds
- A fragrance which could improve the texture and fragrance of cigarettes
- A perfume fragrance and its production method
- An extraction method for ethyl maltol
- Production method of Tieguanyin polysaccharide extract and its application in RTL
- The method and equipment to form lightweight fluff pulp which could eliminate static electricity flocculation

Internationalized R&D team

Tobacco flavours technicians
Food flavours technicians
Fragrances technicians
Biological technology technicians
Fragrances developing technicians
Analysis, inspection and quality control personnel
New cigarette materials, new workmanships and other R&D technicians
Total

Among all, 18 are foreign experts, and 41 are senior experts with over 20 years of experience

Human Resources and Corporate Culture Construction

As at 31 March 2014, the Group employed a total of 2,510 employees in the PRC, Hong Kong, Germany, U.S., Botswana and Korea, as compared with 2,507 employees last year. The labour costs for the year (including pension and mandatory provident fund, etc.) amounted to HKD390,781,000, representing an increase of HKD90,488,000 from HKD300,293,000 of the last financial year. The increase in the labour costs was primarily attributable to the hike of product prices and living standards in China and the Group's investment in human resources. Regarding employee salary and incentive system, the Group has implemented a remuneration system referenced to the market to attract stable and exceptional talents, so as to meet with the Group's long term development needs.

另外，研發團隊於財政年度內新申請專利項目35項，已申請並獲授權專利項目35項，其中主要獲授權專利項目包括：

- 一種竹炭纖維及其製備方法以及它在捲煙濾嘴中的應用
- 一種膜狀口含煙的製備方法
- 一種利用功能液降低煙葉中糖類物質含量的方法
- 一種降低煙葉總糖含量的方法及其用途
- 一種從煙草種子中提取煙油的方法
- 一種可改善捲煙口感和香氣的煙用香精
- 一種香水香精及其製備方法
- 乙基麥芽酚的提純方法
- 鐵觀音茶多糖浸膏的製備及其在煙草薄片中的應用
- 可消除電絮聚的低定量絨毛漿干法成型技術及裝置

國際化的研發團隊

煙用香精技術人員	80
食用香精技術人員	30
日用香精技術人員	10
生化科技技術人員	41
香料研發技術人員	57
分析檢測和品控人員	144
捲煙新材料、新工藝及其他技術研發人員	98
總數	460

其中，18位為外籍專家，及41位為資歷超過20年的資深專家

人力資源及企業文化建設

於二零一四年三月三十一日，本集團在中國大陸、香港、德國、美國、博茨瓦納及韓國共聘用員工2,510人，去年為2,507人。本年度共發生員工成本（包括退休保險及強積金等）為港幣390,781,000元，比上財政年度的港幣300,293,000元增加了港幣90,488,000元。本年度員工成本的增加，主要是由於中國物價及生活水平的提高以及集團加大對人才的投入所致。在員工薪酬及激勵機制方面，本集團根據市場化的原則擬定了一套薪酬制度，以吸引和穩定優秀人才，適應本集團的長遠發展需要。薪酬制度一般包括固定底薪和績效薪酬，而高級管理層亦享有酌情花紅及購股權等激勵待遇。而該等激

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Generally, remuneration system includes fixed and performance-based salaries, while senior management would also be entitled to incentives such as discretionary bonus and share options, which are subject to adjustment with reference to price level in the market and their respective performance. As to Directors' remunerations, remunerations are subject to adjustment made by the Board with reference to their respective duties and responsibilities, the prevailing benchmark in the market and the Group's performance. For details, please refer to Note 25 to the consolidated financial statements headed under "Employment Benefit Expenses".

The Group has placed substantial emphasis on talent building. Through external recruitment and internal nomination, the Group has established a comprehensive recruitment system. For reserve talent training, the reserve talent pool is constantly reinforced through internal recruitment and training courses, ensuring healthy and systematic growth of the reserve talent team and providing new talent for the Group at a suitable time. In May 2013, the "2013 Huabao Reserve Talent Training Class" was officially launched. This training is based on the Group's "Reserve Talent Training Management Regulations" and "2013 Training Plan Outline", which spans over two years and conducted in four sessions. In October 2013, the Group commenced internal recruitment to search for outstanding flavourists internally within the Group for the first time. According to the plan, the Group will fund the selection training of flavourists at the Shanghai Institute of Technology. The course duration is one year and has officially commenced in March 2014. The commencement and implementation of the above have allowed the Group to further optimize its reserve talent training and structure.

勵待遇亦將不時參照市場物價水平及其工作表現等指標作調整考慮。在董事薪酬方面，董事會亦將不時參照其職務及職責、市場基準和本集團的表現等指標作調整考慮。有關詳情載於綜合財務報表附註25標題為「僱員福利開支」。

本集團高度重視人才建設。本集團通過外部招聘或內部推薦，建立了一套完善的招聘機制。在後備人才庫的建設方面，通過定期的內部招聘及培訓課程，持續強大後備人才庫，保證後備人才隊伍健康及有序成長，適時為本集團注入新力量。二零一三年五月，「華寶2013年第二屆後備人才培訓班」正式開班。此次培訓計劃是根據本集團《後備人才培養管理規定》及《2013年培訓計劃大綱》所擬定，學制兩年，分四次進行培訓。二零一三年十月，本集團展開調香員內部招聘工作，為本集團首次通過內部招聘方式在本集團範圍內公開搜尋優秀調香人才。按照計劃，本集團將出資在上海應用技術學院對篩選的調香員進行集中培訓，培訓課程為期一年。該培訓課程已於二零一四年三月正式開班。以上的幾項工作的開展實施使得本集團進一步完善了後備人才的培養機制。



The Group has remained committed to corporate culture construction and established a clear vision, as well as a common goal for all employees, of combining corporate development and individual growth to achieve common development of the Company and its employees. Adhering to its core value of “client first” for years to maximize client values, the Group also formulated a code of conduct for each employee on the basis of this concept. Corporate culture and information is spread through the Company's monthly internal magazine, and employees are also encouraged to submit articles for cultural enrichment. On the other hand, the Group enriched employees' leisure time through various recreational and sports activities including sports contests and outward bound trainings to reinforce cohesion of Huabao people and their sense of identity.

FINANCIAL REVIEW

Analysis of annual results for the year ended 31 March 2014

Sales revenue

The Group's sales revenue reached HKD4,237,425,000 for the year ended 31 March 2014, representing an increase of approximately 16.2% as compared with HKD3,645,940,000 for the last financial year. The continuous growth in sales revenue was mainly attributable to the stable growth momentum maintained by flavours and rapid growth in the sales of RTL. For the year ended 31 March 2014, sales revenue from flavours reached HKD3,082,919,000, contributing approximately 72.8% of total sales revenue; sales revenue from fragrances reached HKD84,675,000, contributing approximately 2.0% of total sales revenue; while sales revenue from RTL reached HKD1,069,831,000, contributing approximately 25.2% of total sales revenue.

Cost of goods sold

The Group's cost of goods sold amounted to HKD1,239,306,000 for the year ended 31 March 2014, representing an increase of approximately 10.0% as compared with HKD1,127,031,000 for the last financial year.

本集團亦一直重視企業文化建設。本集團有明確的願景並將其作為全體員工的奮鬥目標，倡導將企業發展與個人成長結合，實現企業與員工共同發展的理念。本集團多年來堅持客戶至上的核心價值觀，以為客戶創造最大價值為己任，並把它作為每個員工的行為準則。本集團通過內部月刊，不僅傳遞企業文化及信息，同時鼓勵員工寫作投稿，推動文化修養。另一方面，通過持續地舉辦體育比賽、拓展訓練等文體活動，豐富華寶人的工余生活，增強華寶人的凝聚力和對企業文化的認同感。

財務狀況回顧

截至二零一四年三月三十一日止年度的業績分析

銷售額

截至二零一四年三月三十一日止年度，本集團的銷售額達港幣4,237,425,000元，較上一財政年度的港幣3,645,940,000元增長了約16.2%。銷售額的持續增長，主要是由於本集團食用香精香料保持穩步增長勢頭以及煙草薄片的銷售額高速增長所致。截至二零一四年三月三十一日止年度，食用香精香料的銷售額達港幣3,082,919,000元，佔總收入約72.8%；日用香精香料的銷售額達港幣84,675,000元，佔總收入約2.0%；煙草薄片的銷售額達港幣1,069,831,000元，佔總收入約25.2%。

銷售成本

截至二零一四年三月三十一日止年度，本集團的銷售成本為港幣1,239,306,000元，較上一財政年度的港幣1,127,031,000元增加了約10.0%。

Management Discussion and Analysis

管理層討論及分析

Gross profit and gross profit margin

Gross profit of the Group increased from HKD2,518,909,000 for the year ended 31 March 2013 to HKD2,998,119,000 for the year ended 31 March 2014, representing an increase of approximately 19.0%; gross profit margin was 70.8%, representing an increase of 1.7 percentage points from 69.1% of the last financial year. The increase in gross profit margin was mainly attributable to the Group's sound management of cost of goods sold.

Other income

Other income of the Group was HKD204,571,000 for the year ended 31 March 2014, representing an increase of HKD27,879,000 as compared with HKD176,692,000 for the last financial year. The increase in other income is mainly attributable to the increase of government grants.

Selling and marketing expenses

The selling and marketing expenses of the Group mainly comprised travelling expenses, transportation costs, salaries and office expenses. The selling and marketing expenses of the Group for the year ended 31 March 2014 were HKD169,936,000, representing an increase of approximately 21.8% as compared with HKD139,464,000 for the last financial year. Selling and marketing expenses to total sales revenue for the year ended 31 March 2014 and 2013 amounted to approximately 4.0% and 3.8% respectively. Such ratio remains stable.

Administrative expenses

The Group's administrative expenses amounted to HKD655,510,000 for the year ended 31 March 2014, representing an increase of approximately 23.3% as compared with HKD531,469,000 for the last financial year. Administrative expenses to total sales revenue during the current financial year amounted to approximately 15.5%, representing an increase of approximately 0.9 percentage point as compared with 14.6% for the last financial year. The increase in the ratio of administrative expenses to total sales revenue was mainly attributable to the increase in R&D expenses, employee salary and staff benefit expenses and depreciation expenses, etc.

Operating profit

Operating profit of the Group for the year ended 31 March 2014 was HKD2,377,244,000, representing an increase of approximately 17.4% as compared with HKD2,024,668,000 for the last financial year, while the operating profit margin improved to approximately 56.1% of the current financial year from approximately 55.5% of the last financial year. The increase in operating profit and improvement in operating profit margin were mainly attributable to the increase in sales revenue and elevation in gross profit margin.

毛利和毛利率

本集團的毛利由截至二零一三年三月三十一日止年度的港幣2,518,909,000元增加至截至二零一四年三月三十一日止年度的港幣2,998,119,000元，增長了約19.0%；毛利率為70.8%，較上一財政年度的69.1%上升了1.7個百分點。毛利率的上升主要是由於本集團成本控制得宜所致。

其他收益

截至二零一四年三月三十一日止年度，本集團的其他收益為港幣204,571,000元，較上一財政年度的港幣176,692,000元增加了港幣27,879,000元。其他收益的增加主要是由於政府津貼的增加所致。

銷售及市場推廣開支

本集團的銷售及市場推廣開支主要包括差旅費、運輸成本、薪金及辦公費用等。本集團截至二零一四年三月三十一日止年度的銷售及市場推廣開支為港幣169,936,000元，較上年度的港幣139,464,000元增加約21.8%。於截至二零一四年及二零一三年三月三十一日止年度銷售及市場推廣開支所佔銷售總額的比例分別為約4.0%及3.8%。該比例基本平穩。

行政開支

本集團截至二零一四年三月三十一日止年度的行政開支為港幣655,510,000元，較上一財政年度的港幣531,469,000元，增加了約23.3%。而行政開支所佔本財政年度的銷售總額的比例為約15.5%，較上一財政年度的14.6%增加了0.9個百分點。行政開支金額及佔銷售比例增加的原因是集團研發費用、員工薪酬及福利開支增加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二零一四年三月三十一日止年度為港幣2,377,244,000元，較上一財政年度的港幣2,024,668,000元，增加了約17.4%。而本集團的營運盈利率由上年度的約55.5%改善至本年度的約56.1%。營運盈利的增加及營運盈利率的提升主要是由於銷售收入的增加及毛利率的提升所致。

Income tax expenses

Income tax expenses of the Group for the year ended 31 March 2014 was HKD420,381,000, representing an increase of 33.5% as compared with HKD314,804,000 for the last financial year. Income tax rate of the current year was approximately 17.4%, which was increased by 2.0 percentage points as compared with approximately 15.4% for the last financial year. The increase in income tax rate was mainly attributable to the expiration of preferential tax periods.

Profit attributable to the equity holders of the Company

Profit attributable to the equity holders of the Company was HKD1,977,325,000 for the year ended 31 March 2014, representing a increase of 15.2% as compared with HKD1,716,375,000 for the last financial year.

Net current asset value and financial resources

As at 31 March 2014, the net current asset value of the Group was HKD4,068,533,000 (2013: HKD2,896,047,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 31 March 2014, the Group's cash and bank balances amounted to HKD3,181,745,000 (2013: HKD2,323,349,000), over 95% of which was held in RMB. The Group neither held any forex hedging products nor structured investment products or financial derivatives.

Bank borrowings and gearing ratio

As at 31 March 2014, the Group had bank borrowings of HKD530,131,000 (2013: HKD465,000,000), all of which were due within one year. Among which, HKD515,000,000 are unsecured loan with interest calculated based on HK dollars inter-banks borrowings rate. For the year ended 31 March 2014, the average annual interest rate of such unsecured loan was 2.39% (2013: 2.47%); the average annual interest rate of the remaining secured loan was 6.30% (2013: nil). As at 31 March 2014, the Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests)) was 6.1% (2013: 6.4%).

Investing activities

The Group's investing activities were for the purchase of property, plant and equipment and the strategically development strategies for M&As. For the year ended 31 March 2014, the net cash used in investing activities amounted to HKD595,898,000, mainly for capital injection in associate, procurement of properties, plant and equipment, and placing of short-term bank fixed deposit. For the year ended 31 March 2013, the net cash used in investing activities amounted to HKD735,750,000.

稅務開支

本集團的稅務開支在截至二零一四年三月三十一日止年度為港幣420,381,000元，較上一財政年度的港幣314,804,000元，增加了約33.5%。本年度所得稅稅率約為17.4%，較上一財政年度的約15.4%上升了2.0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。

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二零一四年三月三十一日止年度為港幣1,977,325,000元，較上一財政年度的港幣1,716,375,000元增加了約15.2%。

流動資產淨值和財務資源

於二零一四年三月三十一日，本集團的流動資產淨值港幣4,068,533,000元（二零一三年：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。於二零一四年三月三十一日，本集團的銀行及庫存現金為港幣3,181,745,000元（二零一三年：港幣2,323,349,000元），其中超過95%是以人民幣持有。本集團無持有任何外匯對沖產品、結構性投資產品及財務衍生工具。

銀行貸款及負債比率

於二零一四年三月三十一日，本集團的銀行借貸總額為港幣530,131,000元（二零一三年：港幣465,000,000元），全部於一年內到期償還。其中港幣515,000,000元為信用貸款，按港元銀行同業拆借息率作基礎。截至二零一四年三月三十一日止年度，該無抵押貸款的平均年息率為2.39厘（二零一三年：2.47厘）；而餘下的抵押貸款的平均年息率為6.30厘（二零一三年：無）。於二零一四年三月三十一日，本集團之負債比率（總債務（包括流動及非流動貸款）除以總權益，不含非控制性權益）為6.1%（二零一三年：6.4%）。

投資活動

本集團的投資活動主要與購買物業、機器及設備和作為收購兼併活動的戰略性發展策略有關。截至二零一四年三月三十一日止年度，投資活動所用現金淨額為港幣595,898,000元，主要是用於注資於聯營公司、購入物業、機器及設備，以及存入短期銀行定期存款等。而截至二零一三年三月三十一日止年度，投資活動所用的現金淨額為港幣735,750,000元。

Management Discussion and Analysis

管理層討論及分析

Financing activities

For the year ended 31 March 2014, the net cash used in financing activities amounted to HKD770,576,000, mainly used for dividend distribution to shareholders. For the year ended 31 March 2013, the net cash used in financing activities amounted to HKD1,285,984,000.

Debtors' turnover period

Debtors' turnover period is calculated on the basis of the average amount of trade receivables net of provisions as at the beginning and end of a relevant financial year divided by the total sales revenue for the corresponding period and multiplied by 360 days. The Group generally offers its customers a credit period of approximately 0-180 days, depending on the business volume of, and the length of business relationship with, the customers. For the year ended 31 March 2014, the Group's average debtors' turnover period was 76 days, representing an increase of 4 days as compared with 72 days for the last financial year ended 31 March 2013. Debtors' turnover period is generally stable.

Creditors' turnover period

Creditors' turnover period is calculated on the basis of the average amount of trade payables as at the beginning and the end of a relevant financial year divided by the cost of goods sold for the corresponding period and multiplied by 360 days. Credit periods granted by suppliers to the Group ranged from 0-180 days. For the year ended 31 March 2014, the Group's average creditors' turnover period was 120 days, representing an increase of 2 days as compared with 118 days for the last financial year ended 31 March 2013. Creditors' turnover period remains stable.

Inventory and inventory turnover period

As at 31 March 2014, the Group's inventory balance amounted to HKD855,694,000 (2013: HKD702,316,000). For the year ended 31 March 2014, the inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning and end of a relevant financial year divided by the total cost of goods sold for the corresponding period and multiplied by 360 days) was 226 days, representing an increase of 7 days as compared with 219 days for the last financial year. The increase in inventory and longer inventory turnover period for the year was due to the increase in RTL's inventory reserves as the production and sales volume of RTL significantly increased.

融資活動

截至二零一四年三月三十一日止年度，本集團融資活動所用現金淨額為港幣770,576,000元，主要用於向股東派發股息。而截至二零一三年三月三十一日止年度，融資活動所用的現金淨額為港幣1,285,984,000元。

應收賬週轉期

應收賬週轉期乃通過將有關財政年度年初及年末經扣除撥備的應收貿易賬款平均金額除以相應期間的營業總額再乘以360天計算。本集團一般給予客戶約0-180日的信貸期，根據客戶業務量的大小和業務關係時間長短而定。截至二零一四年三月三十一日止年度，本集團的平均應收賬週轉期為76日，比較截至二零一三年三月三十一日止財政年度的72日上升了4日，基本穩定。

應付賬週轉期

應付賬週轉期乃通過將有關財政年度年初及年末的應付貿易賬款平均金額除以相應期間的銷售成本再乘以360天計算。供應商給予本集團的信貸期介乎零日至180日。截至二零一四年三月三十一日止年度，本集團的平均應付賬週轉期為120日，與截至二零一三年三月三十一日止財政年度的118日上升了2日，保持穩定。

存貨和存貨週轉期

本集團的存貨結餘於二零一四年三月三十一日為港幣855,694,000元（二零一三年：港幣702,316,000元）。在截至二零一四年三月三十一日止年度，存貨週轉期（將有關財政年度年初及年末的存貨平均結餘除以相應期間的銷售成本總額再乘以360天計算）為226日，較上一財政年度的219日增加了7日。存貨和存貨週轉期較上年度有所增加主要是由於煙草薄片的產量及銷量大幅增長，導致煙草薄片存貨儲備有所上升。

Foreign exchange and exchange rate risk

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

Pledge of assets

As at 31 March 2014, the secured bank loan of the Group amounted to RMB12,000,000 (2013: nil).

Capital Commitments

As at 31 March 2014, the Group had capital commitments in respect of the purchase of property, plant and equipment, contracted for but not provided in the financial statements amounting to approximately HKD44,709,000 (2013: HKD186,532,000), the significant decrease in capital commitments was mainly attributable to the capital injection in Huangguoshu Jinye was completed during this financial year.

Contingent liabilities

Based on the information currently available to the Board, the Group had no contingent liabilities as at 31 March 2014.

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

於二零一四年三月三十一日，本集團的抵押貸款為人民幣12,000,000元（二零一三年：無）。

資本承擔

於二零一四年三月三十一日，本集團就已訂約購買的物業、廠房及設備之投資但並未於財務報表撥備的資本承擔約港幣44,709,000元（二零一三年：港幣186,532,000元），資本承擔的大幅下降主要是由於對黃果樹金葉的注資已於本財政年度內完成所致。

或然負債

根據目前可供董事會查閱的資料，本集團於二零一四年三月三十一日並無任何重大的或然負債。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)

EXECUTIVE DIRECTORS 執行董事



Ms. CHU Lam Yiu, aged 44, the Chairman of the Board, CEO, Executive Director and the chairman of Nomination Committee of the Company. Ms. Chu served as a member of the Board since March 2004. Ms. Chu is the mother of Mr. LAM Ka Yu (Non-executive Director of the Company). Ms. Chu is also a director of the Company's principal subsidiaries marked with "C1" and the legal representative of those companies marked with "C2" as set out in Note 34 to the consolidated financial statements. Ms. Chu is experienced in formulating strategies and making executive decisions on business operation, investments and market development. She is currently a member of the Fifth Chinese People's Political Consultative Conference Committee (Shenzhen, Guangdong province). Ms. Chu, through the corporations controlled by her, is the beneficial owner of shares of the Company as set out in page 84 headed under Directors' Interests in Shares, Underlying Shares and Debentures.

朱林瑤女士，44歲，本公司董事會主席、總裁、執行董事及提名委員會主席，自二零零四年三月起出任董事會成員。朱女士為林嘉宇先生（本公司非執行董事）之母。朱女士亦是載於綜合財務報表附註34分別有「C1」和「C2」符號之本公司主要附屬公司的董事及法定代表人。朱女士擁有企業營運、投資及市場拓展之策略制定及決策方面之豐富經驗。彼現任中國人民政治協商會議廣東省深圳市第五屆委員會委員。朱女士，透過受其控制的公司，實益擁有本公司股份，詳情已載於第84頁標題為「董事於股份、相關股份及債券之權益」。



Mr. XIA Li Qun, aged 47, an Executive Director, Executive Vice President, Chief Financial Officer and a member of the Remuneration Committee of the Company. Mr. Xia served as a member of the Board since September 2006. Mr. Xia is also a director of the Company's principal subsidiaries marked with "X1" and the legal representative of those companies marked with "X2" as set out in Note 34 to the consolidated financial statements. Mr. Xia holds a Bachelor's degree in economics and is a certified accountant, certified tax specialist and certified appraiser in China. Mr. Xia has over 20 years of financial and corporate management experience. He previously worked in domestic accounting firms in China and was a senior management member of a foreign invested enterprise in China. Mr. Xia is currently the honorary chairman of the Shanghai Food Additive Trade Association.

夏利群先生，47歲，本公司執行董事、常務副總裁、財務總監及薪酬委員會委員，自二零零六年九月起出任董事會成員。夏先生亦是載於綜合財務報表附註34分別有「X1」及「X2」符號之本公司主要附屬公司的董事及法定代表人。夏先生持有經濟學學士學位及中國註冊會計師、註冊稅務師及註冊評估師資格。夏先生擁有逾二十年財務及企業管理方面經驗。彼曾任職於中國內地會計師事務所和擔任中國之外商投資企業高層管理職位。夏先生現擔任上海市食品添加劑行業協會名譽會長。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Mr. POON Chiu Kwok, aged 51, an Executive Director, Vice President and the Company Secretary of the Company. Mr. Poon served as a member of the Board since March 2004. Mr. Poon was awarded the postgraduate diploma in laws by the University of London. He holds a Bachelor's degree in laws and a Bachelor's degree in business studies and a Master's degree in international accounting. He is a member of the Hong Kong Securities and Investment Institute, a fellow member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and a member of its Technical Consultation Panel. Mr. Poon worked in the Listing Division of the Stock Exchange on regulatory matters. He then served as an executive director and managing director of several investment banks. Mr. Poon has over 24 years of experience in regulatory affairs, investment banking, and listed companies management.

潘昭國先生，51歲，本公司執行董事、副總裁及公司秘書，自二零零四年三月起出任董事會成員。潘先生獲英國倫敦大學授予法學深造文憑；擁有法學學士學位、商業學學士學位和國際會計學碩士學位，為香港證券及投資學會會員、英國特許秘書及行政人員公會及香港特許秘書公會資深會士及其技術諮詢小組成員。潘先生曾任職聯交所上市科，處理規管事宜，彼其後於數家投資銀行擔任執行董事兼董事總經理。潘先生於規管事宜、投資銀行及上市公司管理方面擁有逾24年經驗。



Mr. WANG Guang Yu, aged 50, an Executive Director and Vice President of the Company. Mr. Wang served as a member of the Board since August 2004. Mr. Wang is also a director of the Company's principal subsidiaries marked with "W1" and the legal representative of those companies marked with "W2" as set out in Note 34 to the consolidated financial statements. Mr. Wang holds a Master's degree in chemical analysis and has a qualification of senior engineer. Mr Wang was an expert with special allowance provided by the State Council of the PRC government in recognition of his outstanding contribution to the engineering technology sector of China. Mr. Wang previously worked in management position of large-scale chemical company in China. He has over 20 years of R&D and management experiences in the chemical industry.

王光雨先生，50歲，本公司執行董事及副總裁，自二零零四年八月起出任董事會成員。王先生亦是載於綜合財務報表附註34分別有「W1」及「W2」符號之本公司主要附屬公司的董事及法定代表人。王先生持有分析化學碩士學位、高級工程師資格，為國務院特殊津貼專家以表彰其對中國工程技術事業所作出的突出貢獻。王先生曾任職於中國內地大型化工企業管理職位，於化工行業擁有超過二十年研發及管理方面經驗。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Mr. LAM Ka Yu, aged 21, a Non-executive Director of the Company. Mr. Lam served as a member of the Board since November 2013. Mr. Lam is the son of Ms. CHU Lam Yiu (the Chairman of the Board, CEO and Executive Director of the Company). Mr. Lam received education in the United Kingdom and the United States of America. For corporate management experiences, Mr. Lam is currently the director and general manager of an unlisted company, which is principally engaged in advertising media business in China. He is also a director of a non-profit foundation in China. Mr. LAM served as assistant to general manager of a company engaged in energy technology business in China.

林嘉宇先生，21歲，本公司非執行董事，自二零一三年十一月起出任董事會成員。林先生是朱林瑤女士（本公司董事會主席、總裁、執行董事）的兒子。林先生於英國及美國接受教育，就企業管理經驗方面，林先生目前於一家主要在中國經營廣告傳媒業務的非上市公司擔任董事及總經理職務，彼同時亦為國內一家非謀利基金會的理事，林先生曾擔任一家在中國從事能源技術業務的公司之總經理助理。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Dr. DING Ningning, aged 66, an Independent Non-executive Director and a member of each of the Audit Committee and Nomination Committee of the Company. Dr. Ding served as a member of the Board since August 2013. Dr. Ding graduated from Tsinghua University with a Bachelor's degree in electrical engineering, and graduated from the Party School of the Central Committee of the Communist Party of China in its first doctorate course in economics. Dr. Ding is currently a researcher of the Social Development Research Department of the Development Research Center ("DRC") of the State Council of the PRC, a director of the China Development Research Foundation, an executive director of the China Energy Research Society and an executive director of the China International Association for Urban and Rural Development. He has been conducting research at the DRC for over 30 years since 1982, and he was a director of the Enterprise Economic Research Department of the DRC from 1993 to 1998 and a director of the Social Development Research Department of the DRC from 1998 to 2008. Dr. Ding was a member of the Listed Company Supervisory Committee of China Securities Regulatory Commission.

丁寧寧博士，66歲，本公司獨立非執行董事、審核委員會和提名委員會委員，自二零一三年八月起出任董事會成員。丁博士畢業於清華大學電機工程系，獲工學學士學位，並取得中共中央黨校首屆經濟學博士學位。丁博士現任中國國務院發展研究中心（「該中心」）社會發展研究部研究員、中國發展研究基金會理事、中國能源研究會常務理事和中國城鄉發展國際交流協會常務理事。彼自一九八二年參加該中心的研究工作，至今已逾三十年，一九九三年至一九九八年擔任該中心企業經濟研究部部長，一九九八年至二零零八年擔任該中心社會發展研究部部長。丁博士曾擔任中國證券監督管理委員會的上市審查委員。



Mr. LEE Luk Shiu, aged 56, an Independent Non-executive Director, the chairman of each of the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Lee served as a member of the Board since May 2006. Mr. Lee is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Lee has about 30 years of experience in commercial accounting and corporate finance. Mr. Lee has principally engaged in corporate finance and regulatory aspects in the Stock Exchange. He was an assistant vice president of the Listing Division of the Stock Exchange, and his duties included regulating and monitoring the Hong Kong listed companies in relation to their compliance with the Listing Rules and processing new listing applications. Mr. Lee also served as a senior consultant of an investment bank for more than 5 years.

李祿兆先生，56歲，本公司獨立非執行董事、審核委員會主席、薪酬委員會主席和提名委員會委員，自二零零六年五月起出任董事會成員。李先生為英國特許公認會計師公會資深會員及香港會計師公會會員。李先生在商業會計及企業融資方面擁有約三十年經驗，曾主要從事聯交所之企業融資及監管事宜。李先生曾任職聯交所上市科副總監，其職責包括規管及監督香港上市公司有關遵守上市規則及處理新上市申請之程序。李先生亦曾擔任一間投資銀行的高級顧問逾五年時間。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Ms. MA Yun Yan, aged 53, an Independent Non-executive Director and a member of each of the Audit Committee and Remuneration Committee of the Company. Ms. Ma served as a member of the Board since September 2004. Ms. Ma graduated from the Law School of Peking University in 1984 and has been qualified as a lawyer in China in 1986. She is now the Partner of Shu Jin Law Firm. Ms. Ma has been dedicated to teaching and doing research in the Law School in relation to international commerce and investment aspects for 10 years. She has extensive experience in the legal field in relation to the capital markets, including investments, acquisition and mergers, issuance of securities, etc., and has lead-managed the issuance of shares and convertible bonds and major restructuring of numerous companies listed in PRC and Hong Kong. Ms. Ma was one of the members of the Fourth Listing Committee of Shenzhen Stock Exchange. From August 2009 to August 2011, Ms. Ma was a member of the Growth Enterprise Board Public Offering Review Committee of China Securities Regulatory Committee.

麻雲燕女士，53歲，本公司獨立非執行董事、審核委員會和薪酬委員會委員，自二零零四年九月起出任董事會成員。麻女士於一九八四年畢業於北京大學法律系，一九八六年於中國內地取得律師資格，現在為廣東信達律師事務所合夥人。麻女士曾經從事國際商務與投資領域的法學教學、研究工作共十年時間。彼多年從事投資、收購兼併、證券發行等資本市場的法律業務，曾主辦了多家於中國及香港上市之公司的股票、可換股債券發行以及重大重組。麻女士曾經擔任深圳證券交易所第四屆上市委員會委員；由二零零九年八月至二零一一年八月止，受聘擔任中國證券監督管理委員會創業版發行審核委員會委員。



Mr. WU Chi Keung, aged 57, an Independent Non-executive Director and a Member of each of the Audit Committee and Remuneration Committee of the Company. Mr. Wu served as a member of the Board since August 2013. Mr. Wu is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Wu has over 30 years of experience in financial audit, corporate restructuring and merger and acquisitions. He was a partner of Deloitte Touche Tohmatsu until he retired in 2008.

胡志強先生，57歲，本公司獨立非執行董事、審核委員會和薪酬委員會委員，自二零一三年八月起出任董事會成員。胡先生為英國特許公認會計師公會資深會員及香港會計師公會會員。胡先生於財務審計、企業重組及收購合併方面擁有超過30年經驗，彼曾為德勤•關黃陳方會計師行合夥人，直至二零零八年退休。

Note: Information contained in this section was up to 31 March 2014

附註：此部份所載資料乃截至二零一四年三月三十一日止



SENIOR MANAGEMENT 高級管理層

Mr. XIONG Qing, aged 37, a Vice President of the Company (ceased to act as Executive Director with effect from 1 January 2014), joined the Group since May 2007. Mr. Xiong is also a director of the Company's principal subsidiaries marked with "XQ1" and the legal representative of those companies marked with "XQ2" as set out in Note 34 to the consolidated financial statements. Mr. Xiong majored in international accounting from Tsinghua University School of Economics and Management, and graduated with a Bachelor's degree in economics and he is also an EMBA degree holder of INSEAD in France. Prior to joining the Group, Mr. Xiong worked in several international investment banks for years. He has extensive experiences with Chinese enterprises and international capital market.

熊卿先生，37歲，本公司副總裁（於二零一四年一月一日起不再擔任執行董事），自二零零七年五月起加入本集團。熊先生亦是載於綜合財務報表附註34分別有「XQ1」和「XQ2」符號之本公司主要附屬公司的董事及法定代表人。熊先生畢業於清華大學經濟管理學院國際會計專業，獲經濟學學士學位。熊先生亦持有法國INSEAD商學院EMBA學位。熊先生在加入本集團之前曾在多家國際投資銀行任職多年，並對中國大陸之企業以及國際資本市場方面擁有豐富經驗。



Mr. YANG Tao, aged 37, a Vice President of the Company and general manager of Guangdong Jinye, joined the Group since June 2011. Mr. Yang is also a director of the Company's principal subsidiaries marked with "YT1" and the legal representative of those companies marked with "YT2" as set out in Note 34 to the consolidated financial statements. Mr. Yang graduated from Yunnan University majored in biology and holds a Bachelor's degree in science, later he studied at the Kunming Institute of Botany, Chinese Academy of Sciences and obtained a Doctorate's degree in science. Before joining the Group, Mr. Yang worked for relevant enterprises and has extensive R&D experience in new cigarette materials and relevant fields.

楊濤先生，37歲，本公司副總裁及廣東金葉總經理，自二零一一年六月起加入本集團。楊先生亦是載於綜合財務報表附註34分別有「YT1」和「YT2」符號之本公司主要附屬公司的董事及法定代表人。楊先生畢業於雲南大學生物學專業，獲理學學士學位，後就讀於中國科學院昆明植物研究所，獲理學博士學位。楊先生在加入本集團前，曾在相關企業任職，在捲煙新材料及相關領域有豐富的研發經驗。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Mr. CHEN Hu, aged 40, a director of Food Flavours and Fragrances Centre of the Group, joined the Group since August 2006. Mr. Chen is also a director of the Company's principal subsidiaries marked with "CH1" and the legal representative of those companies marked with "CH2" as set out in Note 34 to the consolidated financial statements. Mr. Chen is a graduate of Central South University with a Bachelor's degree in economics. Mr. Chen is currently studying for an EMBA degree from Nanyang Technological University. Before joining the Group, Mr. Chen worked for several companies and has extensive experience in merger and acquisition, marketing and corporate management. Mr. Chen is currently the deputy director of China Association of Bakery & Confectionery Industry.

陳虎先生，40歲，集團食品及日用香精香料中心總監，自二零零六年八月起加入本集團。陳先生亦是載於綜合財務報表附註34分別有「CH1」和「CH2」符號之本公司主要附屬公司的董事及法定代表人。陳先生畢業於中南工業大學，獲經濟學學士學位，目前正攻讀南洋理工大學EMBA學位。陳先生在加入本集團前，曾在多家企業任職，對投資併購、市場營銷和企業管理方面擁有豐富經驗。陳先生現擔任中國焙烤食品糖製品工業協會副理事長。



Mr. CHOY Man Fai, aged 50, a director of Tobacco Flavours and Fragrances Center of the Group, joined the Group since August 2006, responsible for marketing and sales of tobacco flavours. Mr. Choy is also a director of the Company's principal subsidiaries marked with "FC1" as set out in Note 34 to the consolidated financial statements. He holds a diploma of applied chemical technology of Hong Kong Polytechnic University. Mr. Choy served as a marketing manager in a number of world renowned flavours and fragrances companies. Mr. Choy has over 20 years of experience in flavours and fragrances marketing and management.

蔡文輝先生，50歲，集團煙用香精香料中心總監，自二零零六年八月起加入本集團，負責煙用香精市場與銷售工作。蔡先生亦是載於綜合財務報表附註34有「FC1」符號之本公司主要附屬公司的董事。彼持有香港理工大學應用化學技術工藝專業文憑。蔡先生曾任職於多家國際知名香精香料公司市場銷售管理職位。蔡先生擁有超過二十年香精香料市場行銷及管理方面經驗。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Mr. Alan DAVIES, aged 66, the chief technical officer of tobacco flavours and general manager of Aromascope R&D Centre in Germany, joined the Group since February 2007. Mr. Davies is also a director of the Company's principal subsidiaries marked with "AD1" as set out in Note 34 to the consolidated financial statements. Mr. Davies holds a Higher National Diploma in food science of Grimsby College of Technology, UK. Mr. Davies served as a senior flavourist in charge of creation and applications in a number of world renowned flavours and fragrances companies and tobacco factory, including BBA, Carreras Rothmans, Dragoco and Symrise. Mr. Davies has over 35 years of experience in tobacco flavours.

Alan DAVIES先生，66歲，煙用香精香料技術總監，德國Aromascope研發中心總經理，自二零零七年二月起加入本集團。Davies先生亦是載於綜合財務報表附註34有「AD1」符號之本公司主要附屬公司的董事。Davies先生持有英國Grimsby College of Technology的食品科學高級國家文憑，並曾任職於多家國際知名的香精香料公司和煙廠，包括BBA，Carreras Rothmans，Dragoco 及 Symrise，擔任高級調香師及主管開發和應用，Mr. Davies擁有超過三十五年的煙用香精香料經驗。



Mr. SONG Jun He, aged 45, an assistant to the president of the Group, joined the Group since August 2006. Mr. Song is also a director of the Company's principal subsidiaries marked with "SJ1" as set out in Note 34 to the consolidated financial statements. Mr. Song graduated from Anhui University and holds a Bachelor's degree in analytical chemistry, later he studied at Zhejiang University and obtained a Master's degree in management. Before joining the Group, Mr. Song was a board member of a large domestic chemical enterprise. He has comprehensive management experience in R&D and production in the field of chemical industry.

宋俊和先生，45歲，集團總裁助理，自二零零六年八月起加入本集團。宋先生亦是載於綜合財務報表附註34有「SJ1」符號之本公司主要附屬公司的董事。宋先生畢業於安徽大學，獲分析化學專業學士學位，後就讀於浙江大學，獲管理學碩士學位。宋先生在加入本集團前，曾在一家國內大型化工企業擔任董事會成員，具有豐富的化工行業技術研發及生產等綜合管理經驗。

Biographical Details of Directors and Senior Management (Note)

董事及高級管理層履歷 (註)



Ms. YUAN Xiao Qin, aged 46, an assistant to the president of the Group and vice general manager of Guangdong Jinye, joined the Group since August 2006. Ms. Yuan is also a director of the Company's principal subsidiaries marked with "YX1" and the legal representative of those companies marked with "YX2" as set out in Note 34 to the consolidated financial statements. Ms. Yuan holds an MBA degree and is a qualified engineer. Before joining the Group, Ms. Yuan served as executive in a Hong Kong listed state-owned enterprise. She has around 20 years of experience in senior management position. Ms. Yuan is currently the representative of the People's Congress in Shantou City, Guangdong Province, a member of the National Committee of the Chinese People's Political Consultative Conference in Chaoyang District, Shantou City and the vice president of the Federation of Industry and Commerce in Chaoyang District, Shantou City.

袁肖琴女士，46歲，集團總裁助理和廣東金葉副總經理，自二零零六年八月起加入本集團。袁女士亦是載於綜合財務報表附註34分別有「YX1」和「YX2」符號之本公司主要附屬公司的董事及法定代表人。袁女士持有工商管理碩士學位及工程師資格。袁女士在加入本集團前，在一家香港上市的中國國有企業擔任管理職務，擁有近二十年的高層行政經驗。袁女士現擔任廣東省汕頭市人民代表大會代表、汕頭市潮陽區政協委員及汕頭市潮陽區工商業聯合會副主席。

Note: Information contained in this section was up to 31 March 2014

附註：此部份所載資料乃截至二零一四年三月三十一日止

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

CORPORATE GOVERNANCE

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

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

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

企業管治

於年內，本公司已遵守企業管治守則之守則條文，並在適當的情況下採納守則條文所載之建議最佳常規，惟守則條文第A.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遲於本公司隨後舉行之第三屆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。

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

Changes to Information in Respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) subsequent to the date of the Interim Report as of 30 September 2013 of the Company are set out below:

1. Mr. LAM Ka Yu was appointed as the Non-executive Director of the Company on 27 November 2013.
2. Mr. XIONG Qing ceased to act as an Executive Director of the Company on 1 January 2014. He will continue to serve as the Vice President of the Company.
3. Mr. POON Chiu Kwok retired as an independent non-executive director of Guangzhou Shipyard International Company Limited (listed on both the Stock Exchange and the Shanghai Stock Exchange) and Ningbo Port Company Limited (listed on the Shanghai Stock Exchange) upon expiry of term in May 2014 respectively.

THE BOARD

Board Composition

The Company has a well-balanced Board. The Board comprises four Executive Directors, one Non-executive Director and four INEDs. The members of the Board are as follows:

Executive Directors

Ms. CHU Lam Yiu	(Chairman and CEO)
Mr. XIA Li Qun	(CFO)
Mr. LAU Chi Tak	(ceased to act on 8 April 2013)
Mr. POON Chiu Kwok	(Company Secretary)
Mr. WANG Guang Yu	
Mr. XIONG Qing	(ceased to act on 1 January 2014)

Non-executive Director

Mr. LAM Ka Yu	(appointed on 27 November 2013)
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Independent Non-executive Directors

Dr. DING Ningning	(appointed on 8 August 2013)
Dr. JIN Lizuo	(retired on 8 August 2013)
Mr. LEE Luk Shiu	
Ms. MA Yun Yan	
Mr. WU Chi Keung	(appointed on 8 August 2013)

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九月三十日止之中期報告日期之後的董事資料變動載列如下：

1. 林嘉宇先生於二零一三年十一月二十七日獲委任為本公司之非執行董事。
2. 熊卿先生於二零一四年一月一日起不再擔任本公司執行董事，彼會繼續出任本公司之副總裁。
3. 潘昭國先生於二零一四年五月分別屆滿卸任廣州廣船國際股份有限公司（於聯交所及上海證券交易所上市）及寧波港股份有限公司（於上海證券交易所上市）之獨立非執行董事。

董事會

董事會成員

本公司有一個全面化的董事會。董事會由四名執行董事、一名非執行董事和四名獨立非執行董事組成。董事會成員如下：

執行董事

朱林瑤女士	(主席兼總裁)
夏利群先生	(財務總監)
劉志德先生	(於二零一三年四月八日離任)
潘昭國先生	(公司秘書)
王光雨先生	
熊卿先生	(於二零一四年一月一日離任)

非執行董事

林嘉宇先生	(於二零一三年十一月二十七日獲委任)
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獨立非執行董事

丁寧寧博士	(於二零一三年八月八日獲委任)
金立佐博士	(於二零一三年八月八日退任)
李祿兆先生	
麻雲燕女士	
胡志強先生	(於二零一三年八月八日獲委任)

There is no relationship (including financial, business, family or other material relationship) between any members of the Board, except for Ms. CHU Lam Yiu is the mother of Mr. LAM Ka Yu, the Non-executive Director of the Company. Biographies of the Directors are set out on pages 44 to 48 of this annual report. The present Board has experience, expertise, and qualifications in aspects of production, management, accounting and finance, legal and regulatory both in Hong Kong and China. Two out of four INEDs possess recognized professional qualification in accounting. The INEDs bring independent judgment, professional knowledge and experience appropriate for the Board's deliberations. All Directors have relevant qualifications in relevant field of expertise and have exhibited personal and professional ethics and integrity. The diversity of experiences and backgrounds enables the Board to enhance better corporate governance and performance standard and to bring in valuable contributions and objective advices for the development of the Group's businesses.

During the year ended 31 March 2014, the Board met the requirements of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the board, with at least one independent non-executive director possessing appropriate qualification, or accounting or related financial management expertise (in compliance with Rule 3.10 of the Listing Rules). The Company has received, from each of the INEDs, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the INEDs are considered to be independent pursuant to the Listing Rules.

Chairman and Chief Executive Officer

Ms. CHU Lam Yiu is the Chairman of the Board and Executive Director of the Company. She took up the position of CEO since 9 April 2013. Ms. Chu has extensive experience in business operation and strategic planning and is responsible for managing the Board and the Company's business. The Board believes that Ms. Chu by taking up the roles of the Chairman and CEO concurrently, is beneficial to the business development and management of the Group.

There are guidelines setting out the authority and duties of the Chairman and the CEO, details of which were set out in the Corporate Governance Report of the Company's annual report from year 2007/2008 to 2012/2013. With the support of the CFO, the Company Secretary and the Qualified Accountant, the Chairman shall ensure that all Directors are properly briefed on issues arising at board meetings and receive adequate, complete, reliable and timely information for making decisions. Apart from the above, the Chairman is also responsible for the duties as specified in code provisions A.2.4 to A.2.9 of the CG Code.

董事會成員之間並無任何關係(包括財務、業務、家庭或其他重大關係),除了朱林瑤女士及林嘉宇先生(本公司非執行董事)為母子關係。董事履歷載於本年報第44頁至第48頁。現時之董事會於生產、管理、會計及金融、法律以及香港和中國規管方面具有經驗、專長及資格。四名獨立非執行董事當中兩名擁有認可的會計專業資格。獨立非執行董事為董事會議事提供適當專業的知識、經驗及獨立判斷。所有董事在其專業範圍內擁有相關資歷,並顯示了個人專業操守和誠信。董事會的多元化經驗及背景可提升良好企業管治表現及標準,並為本集團業務發展帶來寶貴貢獻及客觀建議。

於截至二零一四年三月三十一日止年度內,董事會符合上市規則有關委任佔董事會成員人數至少三分之一的獨立非執行董事,並且其中至少一名獨立非執行董事須具備適當的專業資格,或具備相關適當的會計或相關的財務管理專長之規定(遵守上市規則第3.10條的規定)。根據上市規則第3.13條,本公司已獲得各獨立非執行董事之年度獨立性確認書。董事會已評估彼等之獨立性,並認為全體獨立非執行董事根據上市規則均被視為獨立。

主席與總裁

朱林瑤女士為本公司董事會主席兼執行董事,彼自二零一三年四月九日起兼任總裁職務。朱女士於企業營運和策略規劃方面具有豐富經驗,負責管理董事會及公司業務。董事會相信朱女士同時出任主席及總裁之職,有利於本集團的業務發展及管理。

主席與總裁之權力及職責已訂有指引並以書面列載,詳情已刊載於本公司二零零七/二零零八年至二零一二/二零一三年年報的企業管治報告內。主席於財務總監、公司秘書及合資格會計師的支持下,須確保所有董事就於董事會會議提出的事項得到適當說明,並獲得充足完整、可靠和及時的資料以作出決策。除上述外,主席亦負責企業管治守則條文第A.2.4至A.2.9條指定之職務。

Roles and Responsibilities of Directors

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

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

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

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

The Company has arranged appropriate insurance cover for the Directors and senior management of the Company in respect of legal action against them in the course of execution of their duties in good faith.

Board Meetings

The Board conducts scheduled board meetings on a quarterly basis to discuss strategies and business issues, including financial performance of the Group. Details of attendance of the Directors at the physical meetings are set out on page 71 of this annual report.

Notices of board meeting are given to each member of the Board at least fourteen days prior to the meeting, whereby the Director can put forward his/her proposed items into the agenda. The agenda and the relevant board papers are then circulated to the Directors at least three days before a board meeting is convened to enable them to make informed decisions at the meeting.

董事的角色和責任

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

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

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

本公司之公司細則載有關於董事會責任及議事程序的條文。重大業務政策均須經董事會討論和審批。為確保董事履行職責，公司設有適當的組織架構和清晰的責任和權限。

本公司已就董事及本公司之高級管理層，在真誠善意地執行職責時可能招致任何法律訴訟，為彼等安排適當保險保障。

董事會會議

董事會每季舉行預定的董事會會議，討論政策和業務事宜，包括本集團業務表現。董事出席會議的紀錄載於本年報第71頁。

本公司會在會議舉行前最少十四日向各董事會成員派發董事會會議通告，而董事可將其建議項目加入會議議程。會議議程及有關會議文件會在董事會會議舉行前最少三日供董事傳閱，以便彼等在會上作出知情決定。

Drafts of the board minutes and board committee meeting minutes are circulated to all Directors and the relevant board committee members respectively for their review and comments before finalization. The final version of these minutes will be kept by the Company Secretary and are open for inspection by the Directors and committee members. If a Director has an interest in a matter to be considered at a board meeting, the Board will ensure that an adequate number of independent directors are involved in the consideration of the relevant resolutions, and the relevant director(s) having an interest in the matter will abstain from voting.

Every Director is entitled to have access to Board papers and relevant materials and have unrestricted access to advice and services of the Company Secretary/Legal Department of the Company with a view to ensuring that board procedures and all applicable rules and regulations are followed. Directors are able to seek independent professional advice as and when required at the Company's expense. INEDs are encouraged to take an active role in board meetings and serve on the sub-board committees.

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

Directors' Appointment and Re-election

Although all the Directors were not appointed for a specific term, every Director shall, in accordance with bye-law 87 of the Company, retire from office by rotation no later than the third AGM of the Company since their last appointment or re-election and are eligible for re-election.

Directors' Interests and Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding dealing in the securities of the Company by the Directors. Having made specific enquiry to all Directors, they have confirmed in writing that they have complied with the required standard as set out in the Model Code throughout the year. Full details of the Directors' interests in the shares are set out on page 84 of this annual report.

Delegation of Directors

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

董事會及董事委員會會議記錄初稿於定稿前分別會提交董事及有關董事委員會成員審閱和表達意見，會議記錄最後版本由公司秘書保管，可供所有董事及委員會成員查閱。如個別董事在董事會會議擬考慮的事項中存有利益，該（等）董事需放棄投票，董事會確保有足夠的獨立董事參與會議並作出決策。

各董事均有權查閱董事會文件及有關資料，以及不受限制地取得公司秘書／本公司法務部的意見及服務，確保董事會程序及所有適用規則及規例均獲得遵守。董事亦可在有需要時徵求獨立專業意見，有關費用由本公司支付。本公司鼓勵獨立非執行董事積極參與董事會會議，並擔任董事會轄下委員會委員。

於年內，主席已與獨立非執行董事舉行一次沒有執行董事出席的會議。

董事之委任和重選

雖然所有董事的委任均沒有指定任期，根據本公司之公司細則第87條，所有董事須於其上次獲委任或重選後不超過第三屆本公司股東週年大會上輪值告退，若符合資格，膺選連任。

董事權益和進行證券交易

本公司已採納上市規則附錄十所載之標準守則，作為董事進行本公司證券交易的標準守則。經向全體董事作出具體查詢後，全體董事已書面確認在整個年度內已遵守標準守則所規定之標準。董事權益詳情載列於本年報第84頁。

董事的委託

董事會亦可不時將其所有或任何權力授予其認為適當的本公司董事或高級管理層成員。董事會在新酬委員會、審核委員會及提名委員會三個委員會支持下就有關授權制定清晰明確的規則及政策，使本公司更有效地營運。

BOARD COMMITTEES

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

Remuneration Committee

The Remuneration Committee consists of three INEDs, namely: Mr. LEE Luk Shiu (the chairman of Remuneration Committee), Ms. MA Yun Yan, Mr. WU Chi Keung, and an Executive Director, Mr. XIA Li Qun.

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

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

Directors will abstain from voting in determining their own remuneration packages. The Remuneration Committee met three times regarding the emolument packages of the Directors and senior management for reviewing, among others, remuneration packages of newly appointed INEDs, Dr. DING Ningning and Mr. WU Chi Keung and Non-executive Director, Mr. LAM Ka Yu during the year ended 31 March 2014. The individual attendance of Remuneration Committee members at meetings is set out on page 71 of this annual report. Details of the emolument of the Directors are set out in Note 25 to the consolidated financial statements while details of the Share Options Scheme and the share options granted to the Directors and senior management are set out on pages 79 to 82 of this annual report.

董事委員會

本公司設有薪酬委員會、審核委員會和提名委員會。各委員會已訂明書面職權範圍，清晰確定其責任和授權。委員會主席在每次會議後向董事會匯報和作出建議。

薪酬委員會

薪酬委員會由三名獨立非執行董事，即李祿兆先生（為薪酬委員會主席）、麻雲燕女士和胡志強先生，連同一名執行董事夏利群先生組成。

薪酬委員會之主要職責包括就有關執行董事及高級管理層的薪金事宜向董事會作出推薦意見，以備董事會通過。薪酬委員會的職權範圍已刊登於本公司網站www.huabao.com.hk和聯交所網站www.hkexnews.hk。為履行其職責，薪酬委員會已進行下列工作：

- 檢閱本公司之執行董事及高級管理層之薪酬政策及架構並作出推薦意見；
- 參考市場水平、本集團業務表現及董事會不時訂立之個別及企業目標及目的，評估執行董事之薪酬組合，並就獨立非執行董事之薪酬作出推薦意見以備董事會通過；及
- 審閱及評估本公司之購股權計劃。

董事須就釐定彼等薪酬組合時放棄投票。於截至二零一四年三月三十一日止年度內，薪酬委員會就審閱董事和高級管理層的薪酬組合召開三次會議，其中包括審閱新委任的獨立非執行董事丁寧寧博士及胡志強先生，以及非執行董事林嘉宇先生之薪酬待遇。各薪酬委員會委員出席會議的紀錄載於本年報第71頁。董事之薪金詳情載於綜合財務報表附註25而購股權計劃詳情及授予董事和高級管理層之購股權亦載於本年報第79至第82頁。

Audit Committee

The Audit Committee comprises four INEDs, namely, Mr. LEE Luk Shiu (the chairman of Audit Committee), Dr. DING Ningning, Ms. MA Yun Yan and Mr. WU Chi Keung.

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

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

The Audit Committee meets regularly with the Company's external auditors to discuss various accounting issues, and reviews the effectiveness of internal controls. The terms of reference of Audit Committee was published on the Company's website at www.huabao.com.hk and on the Stock Exchange's website at www.hkexnews.hk.

審核委員會

審核委員會由四名獨立非執行董事，即李祿兆先生（為審核委員會主席）、丁寧寧博士、麻雲燕女士和胡志強先生組成。

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

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

審核委員會定期與外聘核數師開會，討論各種會計問題，並審閱內部監控制度的成效。審核委員會的職權範圍已刊登於本公司網站www.huabao.com.hk和聯交所網站www.hkexnews.hk。

During the year ended 31 March 2014, the Audit Committee met twice for reviewing the financial reports for 2012 annual results and 2013 interim results (including the Company's compliance with the CG Code and the contents disclosed in the Corporate Governance Report) and the effectiveness of the Group's internal controls system. The individual attendance of Audit Committee members at meetings is set out on page 71 of this annual report. Members of the Audit Committee were satisfied with the Company's internal control systems and the financial reporting disclosures.

Nomination Committee

The Nomination Committee comprises an Executive Director, Ms. CHU Lam Yiu (the chairman of Nomination Committee) and two INEDs, namely, Dr. DING Ningning and Mr. LEE Luk Shiu.

The principal responsibilities of the Nomination Committee include formulating nomination policy for the Board's consideration and implementing the Board's approved nomination policy, considering the development targets and strategies of the Company and the skills mix needed in respect of the Board, and making recommendations to the Board on the appointment of directors and succession planning for directors. Following the adoption of the board diversity policy on 26 September 2013, the terms of reference of the Nomination Committee were revised in line with the new CG Code requirements which took effect from 1 September 2013. The revised terms of reference of the Nomination Committee was published on the Company's website at www.huabao.com.hk and on the Stock Exchange's website at www.hkexnews.hk. In discharging its responsibilities, the Nomination Committee has performed the following work:

- reviewing the structure, size and composition of the Board and diversity of Board members, and making any proposed changes to the Board according to the Company's corporate strategy;
- considering the development targets and strategies of the Company and the skills mix needed in respect of the Board, and making recommendations to the Board;
- assessing the independence of INEDs and reviewing the INEDs' annual confirmations on their independence; and making disclosure of its review results in the Corporate Governance Report;
- reviewing the time required from a Director to perform his/her responsibilities; and
- making recommendations to the Board on the appointment or re-appointment of directors.

於截至二零一四年三月三十一日止年度內，審核委員會舉行兩次會議，審閱二零一二年年度業績及二零一三年中期業績（包括本公司遵守企業管治守則情況和於企業管治報告中披露的內容）以及檢討本集團之內部監控系統之有效性。各審核委員會委員出席會議的紀錄載於本年報第71頁。審核委員會委員對本公司之內部監控系統和財務報告的披露表示滿意。

提名委員會

提名委員會由一名執行董事，朱林瑤女士（為提名委員會主席）和兩名獨立非執行董事，即丁寧寧博士和李祿兆先生組成。

提名委員會之主要職責為制定提名政策供董事會考慮，並執行經董事會批准的提名政策，考慮公司發展目標策略和董事會所需的技能組合，以及就董事委任和董事的繼任計劃向董事會提出建議。繼於二零一三年九月二十六日採納董事會成員多元化政策後，提名委員會的職權範圍同時作出修訂以符合由二零一三年九月一日起生效的新企業管治守則的規定。提名委員會的經修訂職權範圍已刊登於本公司網站www.huabao.com.hk和聯交所網站www.hkexnews.hk。履行其職責時，提名委員會已進行下列工作：

- 檢討董事會的架構、人數、組成及成員的多元化，並按公司的企業策略向董事會提出任何改動建議；
- 考慮公司發展目標策略及董事會所需的技能組合，然後向董事會提出建議；
- 評核獨立非執行董事的獨立性及審視獨立非執行董事就其獨立性而作出的年度確認；並在《企業管治報告》內披露檢討結果；
- 檢討董事履行其責任所需付出的時間；及
- 就董事的委任或重新委任向董事會提出建議。

Board Diversity Policy

Starting from September 2013, the nomination committee undertakes an additional function delegated from the Board, i.e. to review the board diversity policy adopted in September 2013 (the "Policy"), and to make recommendations on any required changes to the board. The policy sets out the approach to achieve diversity on the board by considering a number of factors and measurable objectives, including without limitation, gender, age, cultural and educational background, professional skills, knowledge, experience and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and background of the Board. Appointments of Board members shall be based on merit, and candidates will be assessed based on an objective criteria. The Company will also take into account factors based on its own business model and specific needs from time to time. The Nomination Committee will monitor the implementation of the Policy; review the Policy from time to time, as appropriate; report to the Board on their decisions or propose recommendations on any amendments for the Board's review and approval, to ensure the effectiveness of the Policy.

During the year ended 31 March 2014, the Nomination Committee met three times for reviewing the board structure, the diversity of Board members and the commitment of Directors (including considering the appointment of INEDs, Dr. DING Ningning and Mr. WU Chi Keung and Non-executive Director, Mr. LAM Ka Yu and made recommendations to the Board). The Nomination Committee considered that the composition of the Board is well balanced and diversified in terms of gender, age, educational background, professional skills and experience. It meets with the needs of the business operations and development of the Group. The board is of the view that every Director has dedicated sufficient time and attention to the affairs of the Company. Each Director had disclosed to the Company at the time of his appointment the directorships held in other listed companies or nature of offices held in public organizations and other significant commitment. The Company has also requested Directors to provide in a timely manner any change in such information. The individual attendance of Nomination Committee members at meetings is set out on page 71 of this annual report.

董事會成員多元化政策

自二零一三年九月起，提名委員會承擔由董事會委派的額外職能，即檢討於二零一三年九月採納的董事會成員多元化政策（本「政策」），並向董事會提出任何所需變更的建議。本政策載列董事會為達致成員多元化而採取的方針，將考慮多項因素及可計量目標，包括但不限於性別、年齡、文化及教育背景、專業技能、知識、經驗及服務任期方面，以確保董事會的才能、技能、經驗及背景有恰當的比重及權衡。董事會成員的委任均以用人唯才為原則，在考慮人選時以客觀條件進行評估，本公司亦將根據本身的業務模式及與時並進的特定需要去考慮各種因素。提名委員會將監察本政策的執行，在適當時候作出檢討，向董事會匯報其討論決定或提出任何修訂建議，並交由董事會審批，以確保本政策持續有效。

於截至二零一四年三月三十一日止年度內，提名委員會就檢討董事會的架構、成員的多元化和董事履行職務的情況召開三次會議，包括就委任丁寧寧博士及胡志強先生為獨立非執行董事，以及委任林嘉宇先生為非執行董事之事宜作出考慮，並向董事會提出建議。提名委員會認為董事會的組成結構平衡得宜，不論在性別、年齡、教育背景、專業技能及經驗上均呈現多元化，亦配合集團的業務運作及發展需求。董事會確認每名董事均已投入足夠時間及精神處理公司之事務。每名董事於接受委任時均會向公司披露於其他上市公司之董事職務或於公眾組織所擔任之職位以及其他重大承擔。公司亦已要求董事適時向公司提供該等資料之任何變動。各提名委員會委員出席會議的紀錄載於本年報第71頁。

INTERNAL CONTROL

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

- effectiveness and efficiency of operations;
- capability in responding quickly to evolving risks to the business arising from factors within the company and to change in the business environment; and include procedures for reporting immediately to appropriate levels of management any significant control weakness that are identified together with details of corrective action being undertaken;
- reliability of financial reporting; and
- compliance with applicable laws and regulations.

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

Organizational Structure

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

Authority and Control

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

Budgetary Control and Financial Reporting

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

內部監控

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

- 營運的效益及效率；
- 能對由本公司內在因素所產生的業務風險及對營商環境的改變迅速作出反應，並包括向合適的管理層即時匯報經確認的任何重大監控弱點，及應採取的糾正行動的程序；
- 財務報告的可靠性；及
- 遵守適用的法律和法規。

董事會為有效的內部監控已設立的主要程序，如下：

組織結構

設有適當的組織結構和明確的營運政策和程序以及責任和授權。

授權和監控

授予執行董事和管理層適當的權力執行企業政策及策略和董事會制定的相關事項。

預算控制和財務匯報

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

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

Risk Management

The Group has Legal Department which is led by professional legal staff, together with other business functions (including Internal Audit Department) to monitor and assess risk regularly, boost related management standards and evaluate investment projects.

Internal Audit

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

Internal Control Review

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

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

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

風險管理

本集團設法務部，其中以專業法務人員為首，連同其他業務部門（包括內部審計部門），定期監測和評估風險、提升相關管理水平和評估投資項目。

內部審計

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

內部監控評估

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

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

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

Internal Control System and Corporate Governance enhancement

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

The Directors has strengthened corporate governance practices, including formalization of the reporting practice throughout the Group in monitoring the operation and business developments of the Company so as to capture potentially price-sensitive information on an on-going basis, monitoring the continuing disclosure obligation. The Board has further strengthened corporate governance practices by establishing lending policy to monitor its credit level. In addition, Herbert Smith Freehills, the retained legal counsel of the Company, has provided the Directors (existing and new board members) and the relevant senior executives with training on Listing Rules, regulatory requirements and cases of enforcement at least twice a year.

於年內，內部審計組直接向審核委員會提交其評估報告和建議，審核委員會已與管理層討論，並在董事會會議上向董事會提交其工作計劃進展和相關發現，尤其是關於本集團新成員。整體而言，董事會認為本集團之內部監控系統（包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠）屬有效。

內部監控制度及企業管治提升

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

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

Directors' Training

All Directors participated in appropriate continuous professional development and provided the Company with their records of training they received for the period from 1 April 2013 to 31 March 2014. Directors participated in the training which included reading regulatory updates, attending seminars or conducting training sessions and exchanging views.

董事培訓

於二零一三年四月一日至二零一四年三月三十一日止之期間內，所有董事均已參與合適之持續專業發展，並已向公司提供所接受培訓之紀錄。董事參與的培訓，包括閱讀最新監管資料，以及出席專題研討會或作培訓交流。

		Attend seminars/ conduct training sessions and exchange views 出席專題研討會/ 作培訓交流
Executive Directors		
Ms. CHU Lam Yiu	朱林瑤女士	Yes 有
Mr. LAU Chi Tak ^(Note 1)	劉志德先生 ^(附註1)	Yes 有
Mr. POON Chiu Kwok	潘昭國先生	Yes 有
Mr. WANG Guang Yu	王光雨先生	Yes 有
Mr. XIA Li Qun	夏利群先生	Yes 有
Mr. XIONG Qing ^(Note 2)	熊卿先生 ^(附註2)	Yes 有
Non-executive Director		
Mr. LAM Ka Yu ^(Note 3)	林嘉宇先生 ^(附註3)	Yes 有
Independent Non-executive Directors		
Dr. DING Ningning ^(Note 4)	丁寧寧博士 ^(附註4)	Yes 有
Dr. JIN Lizuo ^(Note 5)	金立佐博士 ^(附註5)	Yes 有
Mr. LEE Luk Shiu	李祿兆先生	Yes 有
Ms. MA Yun Yan	麻雲燕女士	Yes 有
Mr. WU Chi Keung ^(Note 6)	胡志強先生 ^(附註6)	Yes 有

Note 1: ceased to act on 8 April 2013

Note 2: ceased to act on 1 January 2014

Note 3: appointed on 27 November 2013

Note 4: appointed on 8 August 2013

Note 5: retired on 8 August 2013

Note 6: appointed on 8 August 2013

附註1：於二零一三年四月八日離任

附註2：於二零一四年一月一日離任

附註3：於二零一三年十一月二十七日獲委任

附註4：於二零一三年八月八日獲委任

附註5：於二零一三年八月八日退任

附註6：於二零一三年八月八日獲委任

Company Secretary's Training

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

During the year ended 31 March 2014, the Company Secretary has obtained over 15 hours of relevant professional training.

ACCOUNTABILITY AND AUDIT

Directors' Responsibility in Preparing Financial Reporting

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

Auditors' Statement and Remuneration

The external auditors have a primary responsibility for auditing and reporting on the financial statements and the Auditors' Report to the Shareholders is set out on pages 90 to 91 of this annual report.

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

Nature of Services	服務性質	Amount 金額 (HK\$'000) (港幣千元)
Audit services	核數服務	
– for the audit of the Group	– 集團審計	6,514
– for the statutory audits of the major PRC subsidiaries	– 主要國內子公司法定審計	1,674

Please also refer to Note 24 to consolidated financial statement set out on page 165 of this annual report for details of Auditors' Remuneration.

公司秘書培訓

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

截至二零一四年三月三十一日止之年度內，公司秘書已獲得超過15小時之相關專業培訓。

問責和審核

董事編製財務報表的責任

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

核數師聲明和酬金

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

於年內，就本公司核數師（包括附屬公司法定的核數師）向本集團提供之核數及非核數服務，已付／應付核數師之費用如下：

核數師酬金詳情請參考載於本年報第165頁綜合財務報表附註24。

SHAREHOLDERS' RIGHTS

Shares with voting rights in the Company are ordinary shares. The number of issued ordinary shares as at 31 March 2014 was 3,101,317,961. Details of share capital of the Company are set out in note 17 of Notes to the Consolidated Financial Statements on page 157 of this annual report. Shareholders holding issued ordinary shares of the Company were set out below:

Category/Name	類別／名稱	Full details can be found on the following page of this report 詳細資料載於本年報	Total number of issued Shares held 合共持有已發行股份數目	Percentage of the issued share capital 佔已發行股本百分比
Ms. CHU Lam Chiu ^(Note 1)	朱林瑤女士 ^(附註1)	page 84 第84頁	1,219,813,415	39.33%
Directors of the Company	本公司董事	page 84 第84頁	5,250,000	0.17%
Substantial Shareholders ^(Note 2)	主要股東 ^(附註2)	page 85 第85頁	891,239,781	28.74%
			2,116,303,196	68.24%
Public	公眾人士		985,014,765	31.76%
			3,101,317,961	100.00%

Notes:

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

Procedures for shareholders to convene a special general meeting

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

股東權利

賦有投票權的股份均為本公司普通股股份。於二零一四年三月三十一日，已發行普通股股份數目為3,101,317,961股。本公司股本詳情載於本年報第157頁綜合財務報告附註17內。持有本公司已發行普通股之股東如下：

Category/Name	類別／名稱	Full details can be found on the following page of this report 詳細資料載於本年報	Total number of issued Shares held 合共持有已發行股份數目	Percentage of the issued share capital 佔已發行股本百分比
Ms. CHU Lam Chiu ^(Note 1)	朱林瑤女士 ^(附註1)	page 84 第84頁	1,219,813,415	39.33%
Directors of the Company	本公司董事	page 84 第84頁	5,250,000	0.17%
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			2,116,303,196	68.24%
Public	公眾人士		985,014,765	31.76%
			3,101,317,961	100.00%

附註：

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

股東召開股東特別大會的程序

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

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

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

Shareholders' right to propose resolutions at general meeting

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

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

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

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

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

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

股東於股東大會上提呈議案的權利

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

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

股東建議人士參選董事的權利

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

Making enquires

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

ACCESSIBLE AND TRANSPARENT COMMUNICATION WITH SHAREHOLDERS

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

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

Open Communications

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

Shareholders' communication policy

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

Shareholders' Meetings held during the reporting period

The general meeting provides a forum for the Board to communicate with the Shareholders. To facilitate enforcement of the Shareholders' rights, significant issues were dealt with under separate resolutions at the general meeting, including the election and re-election of individual Director. Details of general meeting(s) held during reporting period are summarized as follows:

股東查詢

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

與股東緊密及具透明之溝通

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

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

開明的溝通

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

股東通訊政策

本公司之股東通訊政策可於公司網站 www.huabao.com.hk 上查閱。

於報告期內舉行的股東大會

股東大會為董事會與股東提供一個溝通論壇。為方便股東在股東大會上行使權利，重要事宜乃根據個別決議案於股東大會上處理，包括選舉及重選個別董事。於報告期內舉行之股東大會總括如下：

Corporate Governance Report

企業管治報告

Meeting 會議	Date 日期	Venue 地點	Resolutions 決議案
1. AGM 股東週年大會	8 August 2013 二零一三年 八月八日	Falcon Room, Gloucester Luk Kwok, 72 Gloucester Road, Wanchai, Hong Kong 香港灣仔告士打道72號 六國酒店富萊廳	<ol style="list-style-type: none">1. To receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 March 2013; 省覽截至二零一三年三月三十一日止年度經審核財務報表、董事會報告及核數師報告；2. To declare a final and special dividends for the year ended 31 March 2013; 宣派截至二零一三年三月三十一日止年度的期末及特別股息；3. To re-elect and appoint Directors and to authorize the Board to fix their remuneration; 重選及委任董事，並授權董事會釐定彼等之酬金；4. To re-appoint the auditors and to authorize the Board to fix their remuneration; 重新委任核數師，並授權董事會釐定其酬金；5. To grant general mandates to repurchase shares, to issue shares and to exercise the repurchase mandate; and 授予一般授權以購回股份、發行股份及行使購回授權；及6. To approve the amendments to the Bye-laws and adoption of a new set of Bye-laws. 批准修訂公司細則及採納一套新的公司細則。
2. SGM 股東特別大會	13 September 2013 二零一三年 九月十三日	Suite 3008, 30th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong 香港灣仔港灣道18號 中環廣場30樓3008室	<ol style="list-style-type: none">1. To consider and approve the revision to the existing annual caps of the continuing connected transaction for the two financial years ending 31 March 2015 contemplated under the Hongta Framework Agreement; 考慮及批准修訂紅塔框架協議項下擬進行的持續關連交易於截至二零一五年三月三十一日止兩個財政年度的現有年度上限；2. To consider and approve the revision to the existing annual caps of the Continuing Connected Transaction for the two financial years ending 31 March 2015 contemplated under the GD Framework Agreement; and 考慮及批准修訂廣東框架協議項下擬進行的持續關連交易於截至二零一五年三月三十一日止兩個財政年度的現有年度上限；及3. To approve the amendments to the Bye-laws and adoption of a new set of Bye-laws. 批准修訂公司細則及採納一套新的公司細則。

MERGERS & ACQUISITIONS

Details of the mergers and acquisitions of the Company carried out during the reporting period can be found on page 77 of this annual report.

CONTINUING CONNECTED TRANSACTIONS

Details of the continuing connected transactions of the Company can be found on page 86 to 88 of this annual report.

ATTENDANCE RECORD

Details of attendance of the Directors (either in person or through telephonic/videoconferencing) at board regular meetings, board committees meeting and general meetings during the reporting period are set out below:

		Board Regular Meetings 董事會 定期會議	Audit Committee Meetings 審核 委員會會議	Remuneration Committee Meetings 薪酬 委員會會議	Nomination Committee Meetings 提名 委員會會議	Annual General Meeting 股東 週年大會	Special General Meeting 股東 特別大會
No. of meeting held	會議次數	5	2	3	3	1	1
Executive Directors	執行董事						
Ms. CHU Lam Yiu (Chairman and CEO)	朱林瑤女士 (主席兼總裁)	5/5	N/A不適用	N/A不適用	3/3	1/1	1/1
Mr. XIA Li Qun (CFO)	夏利群先生 (財務總監)	5/5	N/A不適用	3/3	N/A不適用	1/1	1/1
Mr. LAU Chi Tak ^(Note 1)	劉志德先生 (附註1)	-	N/A不適用	N/A不適用	N/A不適用	-	-
Mr. POON Chiu Kwok (Company Secretary)	潘昭國先生 (公司秘書)	5/5	N/A不適用	N/A不適用	N/A不適用	1/1	1/1
Mr. WANG Guang Yu	王光雨先生	5/5	N/A不適用	N/A不適用	N/A不適用	1/1	1/1
Mr. XIONG Qing ^(Note 2)	熊卿先生 (附註2)	4/4	N/A不適用	N/A不適用	N/A不適用	1/1	1/1
Non-executive Director	非執行董事						
Mr. LAM Ka Yu ^(Note 3)	林嘉宇先生 (附註3)	1/1	N/A不適用	N/A不適用	N/A不適用	-	-
Independent Non-executive Directors	獨立非執行董事						
Dr. DING Ningning ^(Note 4)	丁寧寧博士 (附註4)	4/4	1/1	N/A不適用	2/2	-	1/1
Dr. JIN Lizuo ^(Note 5)	金立佐博士 (附註5)	1/1	1/1	N/A不適用	1/1	1/1	-
Mr. LEE Luk Shiu	李祿兆先生	5/5	2/2	3/3	3/3	1/1	1/1
Ms. MA Yun Yan	麻雲燕女士	5/5	2/2	3/3	N/A不適用	1/1	1/1
Mr. WU Chi Keung ^(Note 6)	胡志強先生 (附註6)	4/4	1/1	2/2	N/A不適用	-	1/1

For details of the above Note 1 to Note 6, please refer to the Notes on page 65 of the annual report

MAJOR CHANGES TO THE BYE-LAWS

During the year, special resolutions were passed to amend the Bye-laws at the AGM held on 8 August 2013 and SGM held on 13 September 2013 of the Company respectively. A restated Bye-laws was adopted. The amendments to the Bye-laws sought to reflect certain amendments to the Listing Rules and Companies Act, other housekeeping amendments and to streamline internal administrative provisions of the Company. Details of amendments were set out in the announcement together with circular published by the Company on 28 June 2013 and 29 August 2013 respectively. An updated version of the Bye-laws was published on the Company's website at www.huabao.com.hk and on the Stock Exchange's website at www.hkexnews.hk.

收購合併

於報告期內，本公司收購合併詳情載於本年報第77頁。

持續關連交易

本公司之持續關連交易詳情載於本年報第86頁至88頁。

出席記錄

各董事於報告期內親自出席或透過電話／視像會議方式出席董事會會議、董事委員會會議及股東大會的出席率詳情載列如下：

附註1至附註6之詳情請參閱本年報第65頁之附註。

公司細則重大變更

於年內，本公司分別於二零一三年八月八日舉行的股東週年大會，以及於二零一三年九月十三日舉行的股東特別大會上，通過修改公司細則之特別決議案，並採納重新編列的公司細則。公司細則的修訂反映了上市規則及公司法的若干修訂和其他輕微修訂，以及梳理了公司內部行政條文。修訂詳情載於本公司日期分別為二零一三年六月二十八日及二零一三年八月二十九日之通告及通函內。本公司之組織章程大綱及公司細則的更新版本已刊登於本公司網站www.huabao.com.hk和聯交所網站www.hkexnews.hk。

Investor Relations Report

投資者關係報告

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

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

INVESTOR RELATIONS REVIEW

During the reporting period, the Company has continued to progress with its share repurchase program which repurchased over 4,200,000 shares of the Company's for approximately HKD13,891,000 (excluding relevant expenses). Since August 2012, the Company has used approximately HKD212,694,000 in aggregate (excluding relevant expenses) for repurchasing 58,533,000 shares of the Company's.

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

Details of the activities

活動詳情

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

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

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

投資者關係工作回顧

在本報告期內，本公司在股票回購計劃上繼續取得進展，動用了約港幣13,891,000元（未包括相關費用）回購了逾4,200,000股本公司股票。自於二零一二年八月起，本公司累計動用了約港幣212,694,000元（未包括相關費用）回購了58,533,000股本公司股票。

另一方面，本公司為持續發展及維持投資者關係溝通，以確保最新訊息能準確公平地傳遞至投資者，本公司主動且積極地透過不同渠道進行各項活動，務求在合理的情況下發揮事半功倍的良好溝通。本報告期內的活動詳情如下：

Number of participations (approximately)

參與次數（約）

7 (including China, Hong Kong, New York, Montreal and Toronto, etc.) (包括中國、香港、紐約、蒙特利爾及多倫多等地)
7
72
17
7

- **Annual General Meetings**

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

- **Interim Results Presentation**

Interim results presentation was held after the interim results announcement in November 2013, at which the management availed themselves to answer questions such as the Company's operational and financial performances.

- **International Roadshows and Investment Conferences**

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

- **Ongoing Communication with the Investment Community**

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

- **股東週年大會**

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

- **中期業績發佈會**

中期業績發佈會於二零一三年十一月之中期業績公告後舉行，當中，管理層回答有關本公司營運及財務表現等提問。

- **國際路演及投資者會議**

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

- **持續與投資社群溝通**

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

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

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

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

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

- **Other Communication Channels**

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

- **Media Communications**

During the announcement of its interim and annual results, the Company held results presentations to facilitate the access of the most updated information of the Company by investors and the public in a fair, open and timely manner. In addition, to strengthen the interactions between the Group and the media it also proactively issued press releases on a timely basis.

- **公司實地參觀及反向路演**

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

- **透過公司網站及專業投資者關係網站進行電子溝通**

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

- **其他溝通渠道**

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

- **媒體溝通**

本公司於中期及全年業績公佈時舉辦業績發佈會以加強投資者及公眾於公平、公開以及及時的情況下獲得公司的最新消息。此外，本公司亦定時主動向媒體發出新聞稿以加強相互交流。

Analysts Coverage

Subject to the compliance with relevant regulatory requirements, the Company is committed to continuous communications with research institutes in a proactive manner for sake of transparency. Currently, the Company is covered by the below established and reputable research institutes:

- Citigroup Investment Research
- Credit Suisse (Hong Kong) Limited
- DBS Vickers (Hong Kong) Limited
- Deutsche Bank AG
- Essence International Securities (Hong Kong) Limited
- First Shanghai Securities Limited
- Guoyuan Securities (HK) Co., Ltd.
- Macquarie Securities (Australia) Limited

(listed in alphabetical order)

INVESTOR RELATIONS CONTACTS

For inquiries, please contact:

Investor Relations Department
Huabao International Holdings Limited
Suite 3008
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Telephone: (852) 2185 1233

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E-mail: jason.wong@huabao.com.hk

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

分析員

為使增加透明度，本公司一直致力在遵守有關監管規定情況下，積極與研究機構保持溝通。目前，本公司獲以下知名研究機構撰寫研究報告：

- 花旗銀行投資研究
- 瑞士信貸（香港）有限公司
- 星展唯高達香港有限公司
- 德意志銀行
- 安信國際證券（香港）有限公司
- 第一上海證券有限公司
- 國元證券（香港）有限公司
- 麥格理證券（澳大利亞）股份有限公司

(按首英文字母順序編排)

投資者關係聯絡

如有查詢，請聯繫：

香港
灣仔
港灣道18號
中環廣場
3008室
華寶國際控股有限公司
投資者關係部

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傳真：(852) 2511 8229

電郵：jason.wong@huabao.com.hk

投資者關係網站：<http://huabao.todayir.com/html/ir.php>

Investor Relations Report

投資者關係報告

Information for investors (as at 31 March 2014)

Board Lot Size	1,000 shares
Number of shares issued	3,101,317,961 shares
Market capitalization (based on the closing price of HKD3.56 on 31 March 2014)	HKD11.041 billion

Stock Code

The Stock Exchange of Hong Kong Limited stock code	00336
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Reuters ticker	336.HK
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Bloomberg ticker	336HK
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Financial Calendar

Announcement of 2013-14 Interim Results	26 November 2013 (Tuesday)
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Announcement of 2013-14 Annual Results	18 June 2013 (Wednesday)
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Closing date for transfer of shares for Annual General Meeting	From 5 August 2014 (Tuesday) to 8 August 2014 (Friday) (both days inclusive)
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Closing date for transfer of shares for payment of final dividend	From 14 August 2014 (Thursday) to 18 August 2014 (Monday) (both days inclusive)
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Annual General Meeting	8 August 2014 (Friday)
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Date of payment of 2013-14 proposed final dividend	on or about 17 October 2014 (Friday)
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Financial Year end date	31 March
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投資者資料 (截止二零一四年三月三十一日)

每手買賣單位股數	1,000股
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已發行股份數目	3,101,317,961股
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市值 (以二零一四年三月三十一日收市價港幣3.56元計算)	約港幣110.41億元
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股份代號

香港聯合交易所有限公司股份代號	00336
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路透社股份代號	336.HK
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彭博股份代號	336HK
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財務日誌

二零一三至一四年中期業績公佈	二零一三年十一月二十六日 (星期二)
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二零一三至一四年全年業績公佈	二零一四年六月十八日 (星期三)
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股份截止過戶日期 – 股東週年大會	二零一四年八月五日 (星期二) 至 二零一四年八月八日 (星期五) (包括首尾兩日)
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股份截止過戶日期 – 派發末期股息	二零一四年八月十四日 (星期四) 至 二零一四年八月十八日 (星期一) (包括首尾兩日)
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股東週年大會	二零一四年八月八日 (星期五)
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派發建議宣派二零一三至一四年度末期股息日期	二零一四年十月十七日 (星期五) 或前後
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財政年度結算日	三月三十一日
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The Board presents its report together with the audited financial statements for the year ended 31 March 2014.

MERGERS & ACQUISITIONS

In April 2013, the Group's wholly owned subsidiary together with the non-controlling shareholder of Huabao Korea made additional capital contribution of approximately HKD32,968,000 and HKD3,221,000 respectively in Huabao Korea. After completion of the additional capital injection, the Group's shareholding in Huabao Korea increased from 60% to 70%.

In July 2013, the Group's wholly owned subsidiary disposed of 60% equity interests in Yunnan Huaxiangyuan to its non-controlling shareholders for a cash consideration of approximately HKD16,071,000. After completion of the disposal, the Group did not hold any equity interest in Yunnan Huaxiangyuan, which then ceased to be a subsidiary of the Company.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the Company's principal subsidiaries are set out in Note 34 to the consolidated financial statements.

SEGMENT INFORMATION

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

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2014 are set out in the consolidated income statement on page 94 of the annual report.

The Board declared an interim dividend of HK8.68 cents per Share (2013: HK7.48 cents per Share) and a special dividend of HK2.88 cents per Share (2013: HK2.48 cents per Share) both in cash, amounting to a total of about HKD358,512,000 which were paid to Shareholders on 28 February 2014.

董事會謹此提呈其報告及截至二零一四年三月三十一日止年度之經審核財務報表。

收購合併

於二零一三年四月，本集團之全資附屬公司與華寶韓國之非控股股東，分別向華寶韓國額外注資約港幣32,968,000元及約港幣3,221,000元。該額外注資完成後，本集團於華寶韓國的股權由60%增至70%。

於二零一三年七月，本集團之全資附屬公司，以現金代價約港幣16,071,000元出售雲南華香源60%股權予其非控股股東。該出售完成後，本集團並無持有雲南華香源任何股權，其亦不再為本公司之附屬公司。

主要業務

本公司之主要業務為投資控股，其主要附屬公司之業務載於綜合財務報表附註34。

分部資料

本年度本集團按業務分部劃分之表現分析載於綜合財務報表附註5。

業績及股息

本集團截至二零一四年三月三十一日止年度之業績載於年報第94頁之綜合收益表。

董事會已於二零一四年二月二十八日向股東派付現金中期股息每股港幣8.68仙（二零一三年：每股港幣7.48仙）及特別股息每股港幣2.88仙（二零一三年：每股港幣2.48仙），共約港幣358,512,000元。

The Board proposes to declare a final dividend of HK10.49 cents per Share (2013: HK9.40 cents per Share) and a special dividend of HK7.00 cents per Share (2013: HK2.80 cents per Share) both in cash (amounting to HKD542 million in aggregate) for the year ended 31 March 2014, which are expected to be paid on or about 17 October 2014 to Shareholders whose names appear on the register of members of the Company as at 18 August 2014. The payment of the final and special dividends is subject to Shareholders' approval at the AGM which is scheduled to be held on 8 August 2014. The proposed final and special dividends together with the interim and special dividends paid will represent a total dividend distribution for the financial year ended 31 March 2014 of HK29.05 cents per Share (2013: HK22.16 cents per Share).

CLOSE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

In order to determine the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from 5 August 2014 to 8 August 2014, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 4 August 2014. Shareholders whose names are recorded in the register of members of the Company on 8 August 2014 are entitled to attend and vote at the AGM.

CLOSE OF REGISTER OF MEMBERS FOR PAYMENT OF FINAL AND SPECIAL DIVIDENDS

In order to determine Shareholders who qualify for the proposed final and special dividends, the register of members of the Company will be closed from 14 August 2014 to 18 August 2014, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 13 August 2014. Shareholders whose names are recorded in the register of members of the Company on 18 August 2014 are entitled to receive the final and special dividends, both in cash for the year ended 31 March 2014.

董事會建議向於二零一四年八月十八日名列本公司股東名冊之股東宣派截至二零一四年三月三十一日止年度之現金期末股息每股港幣10.49仙(二零一三年：每股港幣9.40仙)及特別股息每股港幣7.00仙(二零一三年：每股港幣2.80仙)，共約港幣5.42億元，並預期於二零一四年十月十七日或前後派發，但有待訂於二零一四年八月八日舉行的股東週年大會上獲股東批准派發該期末及特別股息。擬派發的期末及特別股息連同已付的中期及特別股息，於截至二零一四年三月三十一日止年度之股息分派總額為每股港幣29.05仙(二零一三年：每股港幣22.16仙)。

暫停辦理股份過戶登記手續－股東週年大會

為確定股東有權出席股東週年大會並在會上投票，本公司將由二零一四年八月五日至二零一四年八月八日止(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八月四日下午四時三十分前送達本公司之香港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183號合和中心22樓。於二零一四年八月八日記錄於本公司股東名冊的股東均有權出席股東週年大會及於會上投票。

暫停辦理股份過戶登記手續－派發期末及特別股息

為確保股東有資格獲派建議之期末及特別股息，本公司將由二零一四年八月十四日至二零一四年八月十八日止(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八月十三日下午四時三十分前送達本公司之香港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183號合和中心22樓。於二零一四年八月十八日記錄於本公司股東名冊的股東均有權收取截至二零一四年三月三十一日止年度之現金期末及特別股息。

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 96 and in Note 19 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 March 2014, the distributable reserves of the Company amounted to HKD1,712,527,000 (2013: HKD1,784,836,000).

DONATIONS

The Group did not make any charitable and other donations during the year.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 17 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 189.

SHARE OPTIONS

As per a resolution passed at the SGM held on 22 September 2006, the Company adopted a share option scheme ("Share Option Scheme"). As at 31 March 2014, the number of share options granted by the Company pursuant to the Share Option Scheme which are valid and outstanding amounted to 23,990,000, representing approximately 0.77% of the issued share capital of the Company upon full exercise of the aforesaid share options. The following is a summary of the Share Option Scheme:

儲備

本集團及本公司於年內之儲備變動載於年報第96頁之綜合權益變動表及綜合財務報表附註19。

可供分派之儲備

於二零一四年三月三十一日，本公司之可供分派儲備為港幣1,712,527,000元（二零一三年：港幣1,784,836,000元）。

捐款

本集團在本年度內沒有作出慈善及其它捐款。

物業、機器及設備

本集團物業、機器及設備之變動詳情載於綜合財務報表附註6。

股本

本公司之股本變動詳情載於綜合財務報表附註17。

優先購買權

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

五年財務摘要

本集團過去五個財政年度之業績及資產與負債概要載於年報第189頁。

購股權

根據本公司於二零零六年九月二十二日舉行的股東特別大會上通過的決議案，本公司採納了購股權計劃（「購股權計劃」）。於二零一四年三月三十一日，本公司根據購股權計劃所授出而仍然有效及尚未行使的購股權數目合共23,990,000股，上述購股權尚獲悉數行使將佔本公司已發行股本約0.77%。購股權計劃的摘要載列如下：

(a) Purpose of the Scheme

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

(b) Participants of the Scheme

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

(c) Maximum number of shares issuable under the Scheme

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

(d) Maximum entitlement of each participant under the Scheme

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

(a) 計劃之目的

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

(b) 計劃的參與人士

董事會擁有絕對酌情權，可向任何參與者授出購股權。

(c) 計劃中可予發行股份總數最高上限

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

(d) 計劃中各參與人士可獲授權益上限

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

(e) Time for exercise of options

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

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

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

(g) Acceptance of option offer and payment

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

(h) Basis for determining the exercise price

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

(i) The life of the Scheme

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

(e) 行使購股權之期限

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

(f) 購股權可予行使前須持有之最短期間

除非董事另行決定並於向承授人授出之購股權要約中表明，否則購股權計劃並無條文規定購股權可予行使前須持有之最短期間。

(g) 接納購股權要約的期限及付款

承授人可於本公司發出的要約函件當日起計21日內接納購股權要約，而接納批授購股權要約時，須支付港幣1元的代價。

(h) 釐定行使價的基準

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

(i) 計劃的尚餘有效期

購股權計劃於二零零六年九月二十二日起計十年內有效。

Directors' Report

董事會報告

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

於年內，根據購股權計劃批授、行使、註銷及失效的購股權詳情如下：

Grantee 承授人	Grant Date 授出日期	Exercise Price 行使價	Exercisable Period 可行使日期	Number of Share Options 購股權數目			Reclassified/ cancelled/ lapsed during the year 年內 重新分類/ 註銷/失效	Balance as at 31 March 2014 於二零一四年 三月三十一日 結餘
				Balance as at 1 April 2013 於二零一三年 四月一日結餘	Granted during the year 年內批授	Exercised during the year 年內行使		
Executive Directors 執行董事								
Mr. LAU Chi Tak ^(Note 1) 劉志德先生 (附註1)	14 April 2008 二零零八年四月十四日	6.39	14/4/2008-13/4/2018	7,000,000	-	-	(7,000,000)	-
Mr. POON Chiu Kwok 潘昭國先生	25 October 2006 二零零六年十月二十五日	3.09	25/10/2006-24/10/2016	3,000,000	-	-	-	3,000,000
Mr. XIONG Qing ^(Note 2) 熊卿先生 (附註2)	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	-	-	2,600,000	8,990,000
	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
Total 合計				30,990,000	-	-	(7,000,000)	23,990,000

Note 1: Mr. LAU Chi Tak ceased to act on 8 April 2013.

附註1：劉志德先生於二零一三年四月八日離任。

Note 2: Mr. XIONG Qing ceased to act as Executive Director on 1 January 2014. He will continue to serve as the Vice President of the Company.

附註2：熊卿先生於二零一四年一月一日起不再擔任執行董事，會繼續出任本公司之副總裁。

DIRECTORS

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

Executive Directors:

Ms. CHU Lam Yiu (*Chairman and CEO*)
Mr. XIA Li Qun (*CFO*)
Mr. LAU Chi Tak (*ceased to act on 8 April 2013*)
Mr. POON Chiu Kwok (*Company Secretary*)
Mr. WANG Guang Yu
Mr. XIONG Qing (*ceased to act on 1 January 2014*)

Non-executive Director:

Mr. LAM Ka Yu (*appointed on 27 November 2013*)

Independent Non-executive Directors:

Dr. DING Ningning (*appointed on 8 August 2013*)
Dr. JIN Lizuo (*retired on 8 August 2013*)
Mr. LEE Luk Shiu
Ms. MA Yun Yan
Mr. WU Chi Keung (*appointed on 8 August 2013*)

In accordance with Bye-law 86(2) of the Company's bye-laws, Mr. LAM Ka Yu will retire at the forthcoming AGM and, being eligible, offer himself for re-election. In accordance with Bye-law 87(1) and (2) of the Company's bye-laws, Ms. MA Yun Yan, Messrs. POON Chiu Kwok and XIA Li Qun shall retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than disclosed in Note 33 to the consolidated financial statements, no contracts of significance in relation to the Group's business to which the Company, its ultimate holding company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

董事

於本財政年度內及截至本報告日期本公司之董事如下：

執行董事：

朱林瑤女士 (*主席兼總裁*)
夏利群先生 (*財務總監*)
劉志德先生 (*於二零一三年四月八日離任*)
潘昭國先生 (*公司秘書*)
王光雨先生
熊卿先生 (*於二零一四年一月一日離任*)

非執行董事：

林嘉宇先生 (*於二零一三年十一月二十七日獲委任*)

獨立非執行董事：

丁寧寧博士 (*於二零一三年八月八日獲委任*)
金立佐博士 (*於二零一三年八月八日退任*)
李祿兆先生
麻雲燕女士
胡志強先生 (*於二零一三年八月八日獲委任*)

根據本公司之公司細則第86(2)條，林嘉宇先生將於應屆股東週年大會上退任，惟彼符合資格，並願膺選連任。根據本公司之公司細則第87(1)及(2)條，麻雲燕女士、潘昭國先生和夏利群先生將於應屆股東週年大會上輪值告退，惟彼等符合資格，並願膺選連任。

董事服務合約

擬於應屆股東週年大會上膺選連任之董事，概無與本公司訂立任何本公司不可於一年內毋須賠償（法定賠償除外）而予以終止之服務合約。

董事於重大合約之權益

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

董事於競爭業務之權益

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of directors and senior management as at 31 March 2014 are set out on pages 44 to 52 of the annual report.

REMUNERATION OF DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Particulars of the remuneration of the directors and the five highest paid individuals during the financial year are set out in Note 25 to the consolidated financial statements.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 March 2014, the interests of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

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

Name of Director 董事姓名	Capacity 身份	Number of issued Shares held 持有已發行 普通股數目	Percentage of the issued Share capital 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%

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.

董事及高級管理層履歷

於二零一四年三月三十一日，董事及高級管理層的履歷載於年報第44頁至52頁。

董事及五名最高薪酬人士之酬金

於本財政年度內，董事及五名最高薪酬人士之酬金詳情刊載於綜合財務報表附註25。

董事於股份、相關股份及債券之權益

於二零一四年三月三十一日，董事及彼等之聯繫人士於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有本公司根據證券及期貨條例第352條規定所存置之登記冊所記錄之權益；或擁有根據上市規則附錄十所載的標準守則規定而須知會本公司及聯交所之權益如下：

(a) 本公司每股面值港幣0.10元之普通股好倉

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

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

(b) Interests in share options of the Company

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

Save as disclosed above, as at 31 March 2014, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its subsidiaries or associated companies as defined in the SFO.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in Note 18 to the consolidated financial statements, at no time during the year was the Company, its ultimate holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

MANAGEMENT CONTRACTS

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

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 March 2014, other than the interests disclosed in the section headed "Directors' interests in shares, underlying shares and debentures", the register of substantial shareholders maintained by the Company under Section 336 of the SFO showed that the following person(s)/corporation(s) held interests or short positions in 5% or more of the issued share capital of the Company.

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

Name of Substantial Shareholders 主要股東名稱	Capacity 身份	Number of issued Shares held 持有已發行 普通股數目	Percentage of the issued share capital 佔已發行 股本百分比
Lazard Asset Management LLC	Investment manager 投資經理	434,102,281	14.00%
Lazard Emerging Markets Equity Portfolio	Investment manager 投資經理	219,747,000	7.09%
Prudential plc	Held through controlled corporations 透過受控制公司持有	237,390,500	7.65%

(b) 本公司購股權之權益

董事之購股權權益已詳列於以上「購股權」一節內。

除上文所披露者外，於二零一四年三月三十一日，董事及彼等之聯繫人士概無於本公司或其任何附屬公司或相聯法團（定義見證券及期貨條例）之任何股份、相關股份或債券中擁有任何權益或淡倉。

董事認購股份或債券之權利

除於綜合財務報表附註18所披露者外，本公司、其最終控股公司或其任何附屬公司於期內任何時間均無參與任何安排，致使本公司之董事可藉收購本公司或任何其他法團之股份或債券而獲益。

管理合約

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

主要股東之權益

於二零一四年三月三十一日，除於「董事於股份、相關股份及債券之權益」一節所披露之權益外，本公司根據證券及期貨條例第336條存置之主要股東登記冊顯示，下列人士／法團持有本公司已發行股本5%或以上權益或淡倉。

本公司每股面值港幣0.10元之普通股好倉

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 March 2014, the percentage of turnover attributable to the Group's five largest customers accounted for approximately 51.76% and the largest customer contributed approximately 20.09% to the turnover of the Group (Yunnan Tobacco Materials (Group) Company Limited being the largest customer), and the percentage of purchases attributable to the Group's five largest suppliers accounted for approximately 20.36% and the largest supplier contributed approximately 7.31% to the purchases of the Group.

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

CONTINUING CONNECTED TRANSACTIONS

Continuing connected transactions with Hongta Tobacco Group

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

The annual caps of the continuing connected transactions for each of the two financial years ending 31 March 2015 contemplated under the Hongta Framework Agreement (as revised and approved by the independent shareholders at the SGM held on 13 September 2013) are RMB280,000,000 and RMB330,000,000 respectively.

主要客戶及供貨商

截至二零一四年三月三十一日止年度內，本集團五位最大客戶佔本集團營業額之百分比約為51.76%，而最大客戶則約為20.09%（雲南中煙物資（集團）有限責任公司為最大客戶）；本集團五位最大供應商佔本集團採購額之百分比約為20.36%，而最大供應商則約為7.31%。

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

持續關連交易

與紅塔煙草集團的持續關連交易

於二零一二年八月二十八日，本集團透過附屬公司與紅塔煙草訂立有關本集團持續向紅塔煙草集團自二零一二年四月一日至二零一五年三月三十一日止提供煙用香精香料、煙草薄片、梗粒、煙用輔料及相關服務之框架協議（「紅塔框架協議」）。雲南天宏為本公司間接擁有60%權益的附屬公司，雲南天宏餘下40%股權由雲南紅塔持有，雲南紅塔由紅塔煙草全資擁有，憑藉在雲南天宏的40%權益，紅塔煙草集團根據上市規則被視為本公司的關連人士。根據上市規則，紅塔框架協議所涉及的本集團與紅塔煙草集團之間進行的交易構成本集團之持續關連交易，須遵守上市規則的適用申報、年度審核、公告及獨立股東批准的規定。根據紅塔框架協議，貨品價格乃按當時的市場價格釐定，且該價格不低於本集團在日常及一般商業交易情況下向獨立第三方提供該類產品及相關服務所收取的價格，而應付予本集團的貨款根據互相協定的時間以現金支付。

紅塔框架協議項下進行的持續關連交易於截至二零一五年三月三十一日止兩個財政年度的年度上限分別為人民幣280,000,000元和人民幣330,000,000元（經修訂並於二零一三年九月十三日舉行之股東特別大會上獲得獨立股東批准）。

Continuing connected transactions with Guangdong Tobacco Company

The Group through its subsidiary entered into a framework agreement with Guangdong Tobacco on 17 December 2012, pursuant to which the Group shall continually provide tobacco flavours and fragrances products, RTL and related products and services to Guangdong Tobacco Company for a period from 1 January 2013 to 31 March 2015 ("GD Framework Agreement"). Guangdong Jinke is a non-wholly owned subsidiary of Guangdong Jinye, which in turn is an indirect wholly owned subsidiary of the Company. Guangdong Tobacco holds more than 10% equity interest in Guangdong Jinke. Guangdong Tobacco Company are regarded as connected persons to the Company under the Listing Rules. Pursuant to the Listing Rules, all the transactions conducted between the Group and Guangdong Tobacco Company under the GD Framework Agreement constituted continuing connected transactions of the Group and are subject to applicable reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules. Pursuant to the GD Framework Agreement, prices of the products will be by reference to the prevailing market price. Such price shall be no more favourable than those offered by the Group to independent third party for similar products and services in its ordinary and usual course of business. Payments to the Group will be in cash according to the time frame as mutually agreed.

The annual caps of the continuing connected transactions for each of the two financial years ending 31 March 2015 contemplated under the GD Framework Agreement (as revised and approved by the independent shareholders at the SGM held on 13 September 2013) are RMB342,000,000 and RMB370,000,000 respectively.

Annual review of continuing connected transactions

For the year ended 31 March 2014, the transactions between the Group and Hongta Tobacco Group under the Hongta Framework Agreement and the transactions between the Group and Guangdong Tobacco Company under the GD Framework Agreement amounted to approximately RMB277,236,831 and RMB262,886,907 respectively.

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

- (i) in the ordinary and usual course of business of the Company;
- (ii) either on normal commercial terms or on terms no less favourable to the Company than terms available to independent third parties; and

與廣東中煙公司的持續關連交易

於二零一二年十二月十七日，本集團透過附屬公司與廣東中煙訂立有關本集團持續向廣東中煙公司自二零一三年一月一日至二零一五年三月三十一日止期間提供煙用香精香料、煙草薄片及有關產品及服務之框架協議（「廣東框架協議」）。廣東金科為廣東金葉的非全資附屬公司，廣東金葉為本公司間接擁有的全資附屬公司，廣東中煙持有廣東金科逾10%股權，廣東中煙公司根據上市規則被視為本公司的關連人士。根據上市規則，廣東框架協議所涉及的本集團與廣東中煙公司之間進行的交易構成本集團之持續關連交易，須遵守上市規則的適用申報、年度審核、公告及獨立股東批准的規定。根據廣東框架協議，貨品價格乃按當時的市場價格釐定，且該價格不低於本集團在日常及一般商業交易情況下向獨立第三方提供該類產品及相關服務所收取的價格，而應付予本集團的貨款根據互相協定的時間以現金支付。

廣東框架協議項下進行的持續關連交易於截至二零一五年三月三十一日止兩個財政年度的年度上限分別為人民幣342,000,000元和人民幣370,000,000元（經修訂並於二零一三年九月十三日舉行之股東特別大會上獲得獨立股東批准）。

持續關連交易的年度審核

截至二零一四年三月三十一日止年度，本集團與紅塔煙草集團按紅塔框架協議進行的交易及與廣東中煙公司按廣東框架協議進行的交易的金額分別約為人民幣277,236,831元及人民幣262,886,907元。

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

- (i) 屬本公司的一般及日常業務；
- (ii) 是按照一般商業條款進行，或其條款不遜於本公司從獨立第三方可獲取的條款；及

(iii) in accordance with the terms of the relevant agreement, and are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

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

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions entered into by the Group during the year ended 31 March 2014 are set out in Note 33 to the consolidated financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules, except for the transactions described in this paragraph headed "Continuing Connected Transactions", in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2014, 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 year are set out as follows:

Month/year 年份 / 月份	No. of Shares repurchased 購回的 普通股數目	Highest price paid per share 所支付的 最高每股價格	Lowest price paid per share 所支付的 最低每股價格	Aggregate price paid 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

(iii) 是根據有關的協議條款進行，而交易條款公平合理，並且符合本公司股東的整體利益。

根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明740號「香港上市規則規定的持續關連交易的核數師函件」，本公司之獨立核數師羅兵咸永道會計師事務所已受聘對本集團上述之持續關連交易作出報告，並已根據上市規則第14A.38條規定發出無保留意見函件，當中載有其發現和結論。本公司已將核數師函件副本提交予聯交所。

關聯人士交易

本集團於截至二零一四年三月三十一日止年度訂立之重大關聯人士交易詳情載於綜合財務報表附註33。除於「持續關連交易」一節所述的交易（而此等交易已遵守上市規則第14A章的披露規定）外，該等關聯人士交易概無構成須予披露的關連交易（定義見上市規則）。

購買、出售或贖回本公司之上市證券

於截至二零一四年三月三十一日止年度內，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。於年內購回股份的詳情如下：

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

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2014.

LEGAL PROCEEDINGS

As at 31 March 2014, none of the members of the Group was involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against any member of the Group.

PUBLIC FLOAT

Based on the information that was publicly available to the Company and to the best belief and knowledge of the Directors, the Company had maintained the prescribed public float during the reporting period and up to the date of this report as required under the Listing Rules.

AUDITORS

The financial statements for the year ended 31 March 2014 have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM of the Company.

By Order of the Board
CHU Lam Yiu
Chairman and CEO
Hong Kong, 18 June 2014

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二零一四年三月三十一日止年度內概無購買、出售或贖回本公司任何上市證券。

法律訴訟

截至二零一四年三月三十一日，本集團成員公司概無涉及任何重大訴訟或仲裁事項，亦無面臨任何待決的重大訴訟或索償。

公眾持股量

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

核數師

截至二零一四年三月三十一日止年度之財務報表已經由羅兵咸永道會計師事務所審核，該核數師將任滿告退，惟彼符合資格並願於本公司應屆股東週年大會上應聘連任。

承董事會命
朱林瑤
主席兼總裁
香港，二零一四年六月十八日



羅兵咸永道

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

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Huabao International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 92 to 188, which comprise the consolidated and company statements of financial position as at 31 March 2014, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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獨立核數師報告

致華寶國際控股有限公司股東
(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第92至188頁華寶國際控股有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一四年三月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其它附註解釋資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》的披露規定編製綜合財務報表,以令綜合財務報表作出真實而公平的反映,及落實其認為編製綜合財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對該等綜合財務報表作出意見,並按照百慕達《一九八一年公司法》第90條僅向整體股東報告,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 June 2014

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

審計涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製綜合財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司及貴集團於二零一四年三月三十一日的事務狀況，及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港，二零一四年六月十八日

Consolidated Statement of Financial Position

綜合財務狀況表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		As at 31 March 於三月三十一日		
		Note 附註	2014 二零一四年	2013 二零一三年
ASSETS				
Non-current assets				
Property, plant and equipment	物業、機器及設備	6	1,425,497	1,443,810
Land use rights	土地使用權	7	200,247	204,045
Intangible assets	無形資產	8	2,931,430	2,925,745
Investments in associates	於聯營公司之投資	10	239,044	102,299
Investments in a jointly controlled entity	於共同控制實體之投資	11	7,442	-
Available-for-sale financial assets	可供出售金融資產	12	154,504	67,648
Deferred income tax assets	遞延所得稅資產	13	66,208	48,710
			5,024,372	4,792,257
Current assets				
Inventories	存貨	14	855,694	702,316
Trade and other receivables	貿易及其他應收款項	15	1,341,399	1,059,769
Assets held for sale	持作出售資產		5,196	5,102
Short-term time deposits	短期定期存款	16	806,400	437,166
Cash and cash equivalents	現金及現金等價物	16	2,375,345	1,886,183
			5,384,034	4,090,536
Total assets	總資產		10,408,406	8,882,793
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	股本及儲備	17	310,132	311,013
Reserves	股本儲備	19	1,110,334	914,597
Retained earnings	保留盈利			
- Proposed final dividend	- 擬派期末股息	29	325,329	291,524
- Proposed special dividend	- 擬派特別股息	29	217,092	86,837
- Others	- 其他	20	6,722,684	5,675,440
			8,685,571	7,279,411
Non-controlling interests	非控制性權益		314,658	346,265
Total equity	總權益		9,000,229	7,625,676
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	遞延所得稅負債	13	92,676	62,628
Current liabilities				
Borrowings	貸款	21	530,131	465,000
Trade and other payables	貿易及其他應付款項	22	652,094	585,683
Current income tax liabilities	當期所得稅負債		133,276	143,806
			1,315,501	1,194,489
Total liabilities	總負債		1,408,177	1,257,117
Total equity and liabilities	總權益及負債		10,408,406	8,882,793
Net current assets	流動資產淨值		4,068,533	2,896,047
Total assets less current liabilities	總資產減流動負債		9,092,905	7,688,304

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

第98至188頁的附註為本綜合財務報表的整體部份。

On behalf of the Board

代表董事會

Ms. CHU Lam Yiu
朱林瑤女士
Chairman
主席

Mr. XIA Li Qun
夏利群先生
Director
董事

Statement of Financial Position

財務狀況表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		As at 31 March 於三月三十一日		
		Note 附註	2014 二零一四年	2013 二零一三年
ASSETS	資產			
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司之投資	9(a)	1,245,085	1,245,085
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項	15	498	503
Amounts due from subsidiaries	應收附屬公司款項	9(b)	1,996,586	1,932,358
Cash and cash equivalents	現金及現金等價物	16	30,460	114,365
			2,027,544	2,047,226
Total assets	總資產		3,272,629	3,292,311
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	17	310,132	311,013
Reserves	儲備	19	783,515	782,634
Retained earnings	保留盈利			
– Proposed final dividend	– 擬派期末股息	29	325,329	291,524
– Proposed special dividend	– 擬派特別股息	29	217,092	86,837
– Others	– 其他	20	881,915	1,118,284
Total equity	總權益		2,517,983	2,590,292
LIABILITIES	負債			
Current liabilities	流動負債			
Borrowings	貸款	21	515,000	465,000
Amounts due to subsidiaries	應付附屬公司款項	9(b)	237,344	231,913
Trade and other payables	貿易及其他應付款項	22	2,302	5,106
			754,646	702,019
Total liabilities	總負債		754,646	702,019
Total equity and liabilities	總權益及負債		3,272,629	3,292,311

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

第98至188頁的附註為本財務報表的整體部份。

On behalf of the Board

代表董事會

Ms. CHU Lam Yiu
朱林瑤女士
Chairman
主席

Mr. XIA Li Qun
夏利群先生
Director
董事

Consolidated Income Statement

綜合收益表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2014 二零一四年	2013 二零一三年
Sales	營業額	5	4,237,425	3,645,940
Cost of goods sold	銷售成本	24	(1,239,306)	(1,127,031)
Gross profit	毛利		2,998,119	2,518,909
Other income	其他收益	23	204,571	176,692
Selling and marketing expenses	銷售及市場推廣開支	24	(169,936)	(139,464)
Administrative expenses	行政費用	24	(655,510)	(531,469)
Operating profit	營運盈利		2,377,244	2,024,668
Finance income	財務收入		54,352	41,277
Finance costs	融資成本		(11,997)	(19,079)
Finance income – net	財務收入 – 淨額	26	42,355	22,198
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	10,11	(2,354)	538
Profit before income tax	除稅前盈利		2,417,245	2,047,404
Income tax expense	所得稅	27	(420,381)	(314,804)
Profit for the year	本年度盈利		1,996,864	1,732,600
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		1,977,325	1,716,375
Non-controlling interests	非控制性權益		19,539	16,225
			1,996,864	1,732,600
Earnings per share for profit attributable to the Company's equity holders for the year	年內本公司權益持有人應佔的每股盈利			
– Basic (HK cents)	基本(港仙)	28(a)	63.76	54.53
– Diluted (HK cents)	攤薄(港仙)	28(b)	63.72	54.49
Interim and final dividends	中期及期末股息	29	594,523	526,515
Special dividend	特別股息	29	306,410	164,748
			900,933	691,263

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

第98至188頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Comprehensive Income

綜合全面收益表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Profit for the year	本年度盈利	1,996,864	1,732,600
Other comprehensive income:	其他全面收益：		
<i>Items that may be reclassified to profit or loss</i>	<i>可重新分類至損益的項目</i>		
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	62,398	(3,155)
Currency translation differences on foreign operations	海外業務之貨幣換算差額	126,031	39,555
Other comprehensive income for the year, net of tax	本年度除稅後其他全面收益	188,429	36,400
Total comprehensive income for the year, net of tax	本年度除稅後全面收益總額	2,185,293	1,769,000
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	2,157,918	1,750,950
Non-controlling interests	非控制性權益	27,375	18,050
		2,185,293	1,769,000

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

第98至188頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

	Note 附註	Attributable to equity holders of the Company 本公司權益持有人應佔				Non- controlling interests 非控制性權益	Total equity 總權益
		Share capital 股本	Reserves 儲備	Retained earnings 保留盈利	Total 總計		
Balance at 1 April 2012		315,985	867,402	5,134,920	6,318,307	331,942	6,650,249
Fair value changes on available-for-sale financial assets, net of tax		-	(3,155)	-	(3,155)	-	(3,155)
Currency translation differences		-	37,730	-	37,730	1,825	39,555
Profit for the year		-	-	1,716,375	1,716,375	16,225	1,732,600
Total comprehensive income for the year ended 31 March 2013		-	34,575	1,716,375	1,750,950	18,050	1,769,000
Transactions with owners in their capacity as owners:							
Appropriations from net profit	19,20	-	4,336	(4,336)	-	-	-
Dividends paid to non-controlling interests		-	-	-	-	(22,729)	(22,729)
Acquisition of additional equity interest in Qingdao Qingda Product Co., Inc. ("Qingdao Qingda") from non-controlling interest		-	3,312	-	3,312	(16,139)	(12,827)
Incorporation of non-wholly owned subsidiaries		-	-	-	-	35,141	35,141
Repurchase and cancellation of shares		(4,972)	4,972	(199,661)	(199,661)	-	(199,661)
Final dividend for the year ended 31 March 2012	20	-	-	(280,595)	(280,595)	-	(280,595)
Interim and special dividend for the 6 months ended 30 September 2012	20	-	-	(312,902)	(312,902)	-	(312,902)
Total transactions with owners		(4,972)	12,620	(797,494)	(789,846)	(3,727)	(793,573)
Balance at 31 March 2013		311,013	914,597	6,053,801	7,279,411	346,265	7,625,676
Balance at 1 April 2013		311,013	914,597	6,053,801	7,279,411	346,265	7,625,676
Effects on change of accounting policy	2.2(d)	-	(264)	264	-	-	-
Fair value changes on available-for-sale financial assets, net of tax		-	62,398	-	62,398	-	62,398
Currency translation differences		-	118,195	-	118,195	7,836	126,031
Profit for the year		-	-	1,977,325	1,977,325	19,539	1,996,864
Total comprehensive income for the year ended 31 March 2014		-	180,593	1,977,325	2,157,918	27,375	2,185,293
Transactions with owners in their capacity as owners:							
Appropriations from net profit	19, 20	-	15,475	(15,475)	-	-	-
Dividends payable to non-controlling interests		-	-	-	-	(3,707)	(3,707)
Dividends paid to non-controlling interests		-	-	-	-	(39,846)	(39,846)
Acquisition of additional interest in Yongzhou Shanxiang Flavour Co., Ltd. ("Yongzhou Shanxiang") from non-controlling interest	30(a)	-	(948)	-	(948)	(4,294)	(5,242)
Disposal of a subsidiary		-	-	-	-	(14,356)	(14,356)
Additional investment in a non-wholly owned subsidiary	30(b)	-	-	-	-	3,221	3,221
Repurchase and cancellation of shares		(881)	881	(13,937)	(13,937)	-	(13,937)
Final and special dividend for the year ended 31 March 2013	20	-	-	(378,361)	(378,361)	-	(378,361)
Interim and special dividend for the 6 months ended 30 September 2013	20	-	-	(358,512)	(358,512)	-	(358,512)
Total transactions with owners		(881)	15,408	(766,285)	(751,758)	(58,982)	(810,740)
Balance at 31 March 2014		310,132	1,110,334	7,265,105	8,685,571	314,658	9,000,229

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

第98至188頁的附註為本綜合財務報表的整體部份。

Consolidated Statement of Cash Flows

綜合現金流量表

(All amounts in HK dollar thousands unless otherwise stated)

(除另有指明者外，所有金額均以港幣千元列示)

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
	Note 附註		
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	31	2,245,508	1,907,337
Income tax paid		(420,585)	(291,711)
Net cash generated from operating activities	營運活動產生之現金淨額	1,824,923	1,615,626
Cash flows from investing activities	投資活動之現金流量		
Acquisition of subsidiaries		-	(4,889)
Proceeds from disposal of a subsidiary		15,993	-
Capital injection into an associate	10	(138,136)	-
Capital injection into available-for-sale financial assets	12	-	(1,230)
Purchases of property, plant and equipment, land use right and intangible asset		(161,946)	(335,257)
Proceeds from disposal of property, plant and equipment		233	1,515
Short-term time deposits placed		(361,229)	(437,166)
Dividend received		843	-
Interest received		48,344	41,277
Net cash used in investing activities	投資活動所用之現金淨額	(595,898)	(735,750)
Cash flows from financing activities	融資活動之現金流量		
Dividends paid to shareholders		(776,719)	(628,118)
Acquisition of additional interests in a subsidiary from non-controlling interests		(5,242)	(9,808)
Capital contributions from non-controlling interests		3,221	35,141
Repurchase of shares		(13,937)	(199,661)
New short-term bank borrowings	21	65,131	77,500
Repayment of borrowings	21	-	(540,000)
Repayment to a shareholder		(30,000)	-
Interest paid		(13,030)	(21,038)
Net cash used in financing activities	融資活動所用之現金淨額	(770,576)	(1,285,984)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	458,449	(406,108)
Cash and cash equivalents at 1 April		1,886,183	2,286,577
Effects of currency translation on cash and cash equivalents		30,713	5,714
Cash and cash equivalents at 31 March	於三月三十一日之現金及現金等價物	2,375,345	1,886,183

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

第98至188頁的附註為本綜合財務報表的整體部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

1. GENERAL INFORMATION

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

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

The Company is an investment holding company. The Company and its subsidiaries (the 'Group') are mainly engaged in the research and development, production, distribution and sale of flavours and fragrances and reconstituted tobacco leaves in the People's Republic of China (the 'PRC'). Ms. Chu Lam Yiu ('Ms. Chu'), who is the Chairman of the Board of Directors, holds approximately 39% equity interest in the Company as at 31 March 2014, through six limited companies incorporated in the British Virgin Islands and solely beneficially owned by her, namely Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Raise Sino Investments Limited, Jumbo Elite Limited and Real Elite Investments Limited, and is the single largest shareholder of the Company.

These consolidated financial statements are presented in thousands of units of HK dollars ('HKD'000') unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 18 June 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ('HKFRS') issued by the Hong Kong Institute of Certified Public Accountants (the 'HKICPA'). The consolidated financial statements have been prepared under the historical cost convention, as modified by remeasurement of available-for-sale financial assets.

1. 一般資料

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

本公司的股份主要於香港聯合交易所有限公司（「聯交所」）上市。

本公司為投資控股公司。本公司及其附屬公司（「本集團」）之業務主要在中華人民共和國（「中國」）研究及發展、生產、分銷及銷售香精香料和煙草薄片。朱林瑤女士（「朱女士」）乃本公司之董事局主席，於二零一四年三月三十一日，透過六家於英屬處女群島註冊成立的並由朱女士唯一實益擁有的有限公司Mogul Enterprises Limited、Resourceful Link International Limited、Power Nation International Limited、Raise Sino Investments Limited、Jumbo Elite Limited及Real Elite Investments Limited，持有本公司約39%之權益，為本公司的單一大股東。

本綜合財務報表除另有說明者外，均以港幣千元（「港幣千元」）列示。本綜合財務報表已於二零一四年六月十八日獲董事會批准刊發。

2. 主要會計政策摘要

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

2.1 編製基準

本公司綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則（「香港財務報告準則」），並按歷史成本法編製，且就重新計量之可供出售金融資產而作出修訂。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

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

(a) *The following new/revised/amendments to standards are mandatory for the first time for the financial year beginning 1 April 2013, but are not currently relevant or do not have a significant impact on the Group's operations (although they may affect the accounting for future transactions and events):*

- HKAS 1 (Amendment) "Financial Statements Presentation" regarding other comprehensive income is effective for annual periods beginning on or after 1 July 2012.
- HKFRS 1 (Amendment) "First-time Adoption" on government loans is effective for annual periods beginning on or after 1 January 2013.
- HKFRS 7 (Amendment) "Financial Instruments: Disclosures" offsetting financial assets and financial liability is effective for annual periods beginning on or after 1 January 2013.
- HKFRS 10, 11 and 12 (Amendment) on transition guidance is effective for annual periods beginning on or after 1 January 2013.
- HKFRS 10 "Consolidated Financial Statements" is effective for annual periods beginning on or after 1 January 2013.

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

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

(a) *下列的新／修訂／修改準則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（雖然其可能會影響未來的交易和事項的會計記賬）：*

- 香港會計準則第1號（修改）「財務報表的呈列」有關其他全面收益（由二零一二年七月一日或之後開始的年度期間起生效）。
- 香港財務報告準則第1號（修改）「首次採納」有關政府借款（由二零一三年一月一日或之後開始的年度期間起生效）。
- 香港財務報告準則第7號（修改）「金融工具：披露—抵銷金融資產及金融負債」（由二零一三年一月一日或之後開始的年度期間起生效）。
- 香港財務報告準則第10、11和12號（修改）有關過渡指引（由二零一三年一月一日或之後開始的年度期間起生效）。
- 香港財務報告準則第10號「綜合財務報表」（由二零一三年一月一日或之後開始的年度期間起生效）。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) *The following new/revised/amendments to standards are mandatory for the first time for the financial year beginning 1 April 2013, but are not currently relevant or do not have a significant impact on the Group's operations (although they may affect the accounting for future transactions and events): (continued)*

- HKFRS 11 "Joint Arrangements" is effective for annual periods beginning on or after 1 January 2013.
- HKFRS 12 "Disclosure of Interests in Other Entities" is effective for annual periods beginning on or after 1 January 2013.
- HKFRS 13 "Fair Value Measurement" is effective for annual periods beginning on or after 1 January 2013.
- HKAS 19 (Amendment) "Employee Benefits" is effective for annual periods beginning on or after 1 January 2013.
- HKAS 27 (Revised 2011) "Separate Financial Statements" is effective for annual periods beginning on or after 1 January 2013.
- HKAS 28 (Revised 2011) "Investments in Associates and Joint Ventures" is effective for annual periods beginning on or after 1 January 2013.
- HK(IFRIC) Int 20 "Stripping Costs in the Production Phase of a Surface Mine" is effective for annual periods beginning on or after 1 January 2013.

2. 主要會計政策摘要 (續)

2.1 編製基準 (續)

(a) *下列的新／修訂／修改準則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（雖然其可能會影響未來的交易和事項的會計記賬）：(續)*

- 香港財務報告準則第11號「合營安排」(由二零一三年一月一日或之後開始的年度期間起生效)。
- 香港財務報告準則第12號「在其他主體權益的披露」(由二零一三年一月一日或之後開始的年度期間起生效)。
- 香港財務報告準則第13號「公允價值計量」(由二零一三年一月一日或之後開始的年度期間起生效)。
- 香港會計準則第19號(修改)「員工福利」(由二零一三年一月一日或之後開始的年度期間起生效)。
- 香港會計準則第27號(2011年修訂)「獨立財務報表」(由二零一三年一月一日或之後開始的年度期間起生效)。
- 香港會計準則第28號(2011年修訂)「聯營公司及合營企業之投資」(由二零一三年一月一日或之後開始的年度期間起生效)。
- 香港(國際財務報告詮釋委員會)－詮釋20「露天礦生產階段的剝離成本」(由二零一三年一月一日或之後開始的年度期間起生效)。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2. 主要會計政策摘要 (續)****2.1 Basis of preparation (continued)**

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

2.1 編製基準 (續)

(b) *下列仍未生效而本集團亦無提早採納的準則、修改及對現有準則的詮釋：*

		Effective for annual periods beginning on or after 之後開始的年度期間起生效
HKAS 32 (Amendment) "Financial instruments: Presentation" on asset and liability offsetting	香港會計準則第32號 (修改) 「金融工具：呈列」有關資產及負債的抵銷	1 January 2014 二零一四年一月一日
HKFRS 10,12 and HKAS 27 (Amendment) "Consolidation for investment entities"	香港財務報告準則第10、12號及香港會計準則第27號 (修改) 「投資主體的合併」	1 January 2014 二零一四年一月一日
HKAS 36 (Amendment) "Impairment of assets" on recoverable amount disclosures	香港會計準則第36號 (修改) 「資產減值」有關可收回金額的披露	1 January 2014 二零一四年一月一日
HKAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" – Novation of derivatives	香港會計準則第39號 (修改) 「金融工具：確認及計量」 — 衍生工具的替代	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) — 詮釋21「徵費」	1 January 2014 二零一四年一月一日
HKAS 19 (Amendment) regarding defined benefit plans	香港會計準則第19號 (修改) 有關設定福利計劃	1 July 2014 二零一四年七月一日
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

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

管理層預期該等準則的應用不會對本集團的綜合財務報表有重大影響。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

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

(a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(i) Business combinations

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

Acquisition-related costs are expensed as incurred.

2. 主要會計政策摘要 (續)

2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至三月三十一日止之財務報表。

(a) 附屬公司

附屬公司指本集團對其有控制權的所有實體(包括結構性實體)。當本集團乃由於參與該實體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該實體的權力影響此等回報時，本集團即控制該實體。附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

(i) 業務合併

除對共同控制下的實體合併採用合併會計法的情況外，會計法收購法乃用作本集團收購附屬公司的入賬方法。收購附屬公司的轉讓代價為本集團所轉讓資產、所產生負債及所發行的股權的公允價值。所轉讓代價包括或有代價安排所產生的任何資產或負債的公允價值。於業務合併時所收購可識別的資產以及所承擔的負債及或然負債，初步按收購日的公允價值計量。就逐項收購基準，本集團可按公允價值或按非控制性權益應佔被收購方淨資產的比例，計量被收購方的非控制性權益。

收購的相關成本在產生時支銷。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

(i) Business combinations (continued)

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

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

(i) 業務合併 (續)

如業務合併分階段進行，收購方之前在被收購方持有的權益按收購日期的公允價值重新計量，重新計量產生的任何盈虧在損益中確認。

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

所轉讓對價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日的公允價值，超過所購入可辨識淨資產的數額記錄為商譽。如在廉價購買的情況下，所轉讓對價、確認的非控制性權益及之前持有的權益計量，低於購入附屬公司淨資產的公允價值，則將該數額直接在收益中確認。

集團內公司之間的交易、交易的結餘及未實現盈利予以對銷。集團內公司間的未實現虧損亦予以對銷。附屬公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

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

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

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

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(a) 附屬公司 (續)

(ii) 不導致失去控制權的附屬公司權益變動

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

(iii) 出售附屬公司

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(b) Application of merger accounting

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

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

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

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

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

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

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(b) 同一控制下合併的合併會計法

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

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

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

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

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

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要(續)

2.2 Consolidation (continued)

2.2 綜合賬目(續)

(c) Associates

(c) 聯營公司

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。於聯營公司之投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營公司之投資包括收購時已識辨之商譽。

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

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

The Group's share of post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in consolidated other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

本集團應佔收購後聯營公司的盈利或虧損於綜合收益表內確認，而應佔收購後的其他全面收益表變動則於其他綜合收益表內確認，並相應調整投資的賬面值。如本集團應佔一家聯營公司之虧損等於或超過其在該聯營公司之權益，包括任何其他無抵押應收款，本集團不會進一步確認虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

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

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.2 Consolidation (continued)

2.2 綜合賬目 (續)

(c) Associates (continued)

(c) 聯營公司 (續)

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

本集團與其聯營公司之間的上游及下游交易的盈虧，在本集團的財務報表中確認，但僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

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

在聯營公司的攤薄盈虧於綜合收益表內確認。

(d) Jointly controlled entity

(d) 共同控制實體

The Group has applied HKFRS 11 "Joint arrangements" to its jointly controlled entity as of 1 April 2013. 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.

本集團已於二零一三年四月一日對其共同控制實體應用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。

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

根據權益法，合營企業權益初始以成本確認，其後經調整以確認本集團應佔收購後的盈利或虧損及在其他全面收益變動。當本集團享有某一合營企業的虧損超過或相等於在該合營企業的權益（包括任何實質上構成本集團在該合營淨投資的長期權益），則本集團不會進一步確認虧損，除非本集團已產生義務或已代合營企業付款。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(d) Jointly controlled entity (continued)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied from 1 April 2013.

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 joint venture 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 of the Company (the "Directors") have decided not to restate the consolidated financial statements for the year ended 31 March 2013. All the financial effects are reflected in the consolidated financial statements for the year ended 31 March 2014.

2. 主要會計政策摘要 (續)

2.2 綜合賬目 (續)

(d) 共同控制實體 (續)

本集團與其合營企業之間的未變現交易盈利乃按本集團在該等合營企業的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策已作出改變，以確保與本集團所採納的政策符合一致。會計政策的改變已自二零一三年四月一日起應用。

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，雲南清甜被評為合營企業且應採用權益法入賬，並追溯調整以前年度。

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，因此本公司董事（「董事」）決定不對截至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二零一四年三月三十一日止年度的綜合財務報表內。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Separate financial statements

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

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

2.4 Segment reporting

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

2.5 Foreign currency translation

(a) Functional and presentation currency

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

2. 主要會計政策摘要 (續)

2.3 獨立財務報表

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

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

2.4 分部報告

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

2.5 外幣換算

(a) 功能和列賬貨幣

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.5 Foreign currency translation (continued)

2.5 外幣換算 (續)

(b) Transactions and balances

(b) 交易及結餘

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

外幣交易均按當日的匯率交易或項目重新計量時按估值換算為功能貨幣。除了現金流對沖或淨投資對沖造成的匯兌盈虧，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣資產和負債以年終匯率換算產生的匯兌盈虧在綜合收益表內確認。

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

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

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

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

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

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Foreign currency translation (continued)***(c) Group companies*

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

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that reporting;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

(d) Disposal of foreign operation and partial disposal

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

2. 主要會計政策摘要 (續)**2.5 外幣換算 (續)***(c) 集團公司*

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

- (i) 每份呈報的財務狀況表所呈列之資產及負債乃按其結算日之收市匯率換算；
- (ii) 每份收益表內的收入和費用乃按平均匯率換算(除非該平均匯率並不代表交易當日匯率的累計影響的合理約數；在此情況下，收支則按交易當日的匯率換算)；及
- (iii) 所有因此而產生的匯兌差額在其他全面收益中確認。

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

(d) 處置和部份處置海外業務

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency translation (continued)

(d) Disposal of foreign operation and partial disposal (continued)

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

2.6 Property, plant and equipment

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

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

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

2. 主要會計政策摘要 (續)

2.5 外幣換算 (續)

(d) 處置和部份處置海外業務 (續)

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

2.6 物業、機器及設備

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

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

僅在與項目相關之日後經濟效益有可能流入本集團，而有關項目的成本能夠可靠地計量時，其後成本才包括在資產的賬面值或確認為一項獨立資產（如適用）。被替換部份資產賬面值終止確認。所有其他維修保養費用於其產生的財政期間於收益表中支銷。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Property, plant and equipment (continued)**

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

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

2.7 Land use rights

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

2. 主要會計政策摘要 (續)**2.6 物業、機器及設備 (續)**

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

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

於每個結算日均會檢討資產剩餘價值及可使用年期，並在適當情況下作出調整。倘資產賬面值高於其估計可收回金額，該資產的賬面值即時被撇減至其可收回金額（附註2.9）。

出售盈虧乃比較所得款項與賬面值而釐定，在綜合收益表內的其他收益中確認。

2.7 土地使用權

土地使用權是為在使用土地時獲取長期利益而預先支付的款項。土地使用權所預付租賃款在租賃期內按照直線法扣除任何減值虧損在綜合收益表中支銷。

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(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2. 主要會計政策摘要 (續)****2.8 Intangible assets****2.8 無形資產***(a) Goodwill*

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

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

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

(b) Customer relationships and non-competition agreement

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

(a) 商譽

商譽產生自收購附屬公司並相當於所轉讓對價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨識淨資產公允價值之數額。

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

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

(b) 客戶關係及非同業競爭協議

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Intangible assets (continued)

(c) Trademarks and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of 10 to 20 years.

(d) Computer software

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

(e) Patent

Patent includes purchased technology and skills acquired from third parties. They have a finite useful life and carried at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of the technology and skills over their estimated useful life of 3 to 10 years.

2. 主要會計政策摘要 (續)

2.8 無形資產 (續)

(c) 商標及許可證

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

(d) 電腦軟件

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

(e) 專利

專利乃購自第三方的技術和技能並具有有限可使用期，按成本減累計攤銷及及累計減值虧損列賬。攤銷以直線法將技術和技能的按估計可使用年期3至10年計算。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Impairment of non-financial assets

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

2.10 Assets held-for-sale

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

2.11 Financial assets

2.11.1 Classification

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

2. 主要會計政策摘要 (續)

2.9 非金融資產的減值

不確定使用年期之資產(如商譽或尚未可供使用的無形資產)無需攤銷，但至少每年就減值進行測試。各項資產，當有事件出現或情況改變顯示賬面值可能無法收回時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允價值扣除銷售成本或使用價值兩者之較高者為準。於評估減值時，資產按可分開識別現金流量(現金產出單位)的最低層次組合。除商譽外，已蒙受減值的非金融資產在每個報告日期均就減值是否可以撥回進行檢討。

2.10 持作出售資產

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

2.11 金融資產

2.11.1 分類

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

(All amounts in HK dollar thousands unless otherwise stated)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.11 Financial assets (continued)

2.11 金融資產 (續)

2.11.1 Classification (continued)

2.11.1 分類 (續)

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group and Company's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents', 'amount due from subsidiary' and 'short-term time deposits' in the statements of financial position.

(a) 貸款及應收款項

貸款及應收款項為固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等款項包括在流動資產內，但若由結算日起計超過12個月到期者，則分類為非流動資產。貸款及應收款項列示於本集團及本公司的財務狀況表中「貿易及其他應收款項」、「現金及現金等價物」、「應收附屬公司款項」及「短期定期存款」內。

(b) Available-for-sale financial assets

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

(b) 可供出售金融資產

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

2.11.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.11.2 確認和計量

常規購入及出售的金融資產在交易日確認—交易日指本集團承諾購入或出售該資產之日。對於並非按公允價值透過損益記賬的所有金融資產，其投資初步按公允價值加交易成本確認。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的所有風險和回報實際轉讓時，金融資產即終止確認。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets (continued)

2.11.2 Recognition and measurement (continued)

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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

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

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

2.12 Offsetting financial instruments

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

2.13 Impairment of financial assets

(a) Assets carried at amortized cost

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

2. 主要會計政策摘要 (續)

2.11 金融資產 (續)

2.11.2 確認和計量 (續)

可供出售金融資產其後按公允價值列賬。貸款及應收款其後利用實際利息法按攤銷成本列賬。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他全面收益表中確認。

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

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

2.12 抵銷金融工具

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

2.13 金融資產減值

(a) 以攤銷成本列賬的資產

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.13 Impairment of financial assets (continued)

2.13 金融資產減值 (續)

(a) *Assets carried at amortized cost (continued)*

(a) *以攤銷成本列賬的資產 (續)*

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

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

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

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

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

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of financial assets (continued)

(b) Assets classified as available-for-sale

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

2.14 Inventories

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

2.15 Trade and other receivables

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

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2. 主要會計政策摘要 (續)

2.13 金融資產減值 (續)

(b) 可供出售資產

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

2.14 存貨

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

2.15 貿易及其他應收款項

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

貿易及其他應收款項最初以公允價值確認，其後以實際利息法按攤銷成本扣除減值撥備計量。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Cash and cash equivalents

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

2.17 Share capital

Ordinary shares are classified as equity.

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

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

2.18 Borrowings

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

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

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

2. 主要會計政策摘要 (續)

2.16 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款及其他短期高流動性投資。

2.17 股本

普通股列為權益。

直接歸屬於發行新股或購股權的新增成本在權益中列為所得款的減少(扣除稅項)。

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

2.18 貸款

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

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

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Borrowing costs

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

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

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

2.20 Trade payables

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

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

2.21 Current and deferred income tax

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

2. 主要會計政策摘要 (續)

2.19 貸款成本

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

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

所有其他的貸款成本都在發生時計入發生年度的綜合收益表。

2.20 貿易應付款

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

貿易應付款初步以公允價值確認，其後利用實際利息法按攤銷成本計量。

2.21 當期及遞延所得稅

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.21 Current and deferred income tax (continued)

2.21 當期及遞延所得稅 (續)

(a) Current income tax

(a) 當期所得稅

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

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

(b) Deferred income tax

(b) 遞延所得稅

Inside basis difference

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

內在差異

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

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

遞延所得稅資產於有可能出現未來應課稅盈利抵銷暫時差額時方會確認。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Current and deferred income tax (continued)

(b) *Deferred income tax (continued)*

Outside basis differences

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

(c) *Offsetting*

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

2. 主要會計政策摘要 (續)

2.21 當期及遞延所得稅 (續)

(b) *遞延所得稅 (續)*

外在差異

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

(c) *抵銷*

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2. 主要會計政策摘要 (續)****2.22 Employee benefits****2.22 僱員福利***(a) Pension obligations**(a) 退休金責任*

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

本集團於香港設有強制性公積金計劃(「強積金計劃」)，該計劃一般透過根據定額供款向保險公司付款而注資。本集團向管理退休保險計劃作出強制、合約或自願性質供款。此外，所有身為本集團於中華人民共和國註冊成立實體之僱員，均已參與由地方政府組織及管理之僱員社會保障計劃，涵蓋退休金、醫療、房屋及其他社會福利。本集團根據德國相關法律和法規為設立於德國的附屬公司之合資格僱員根據定額供款退休計劃向有關保險公司作出供款。本集團一經繳付供款後再無進一步付款責任。供款於應付時確認為僱員福利開支，並可由歸屬前離開計劃的僱員所放棄的全數供款撇減。預付供款按照現金退款或未來款項減少而確認為資產。根據博茨瓦納的法律及法規，並無退休金責任的要求。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2. 主要會計政策摘要 (續)****2.22 Employee benefits (continued)****2.22 僱員福利 (續)***(b) Share-based compensation**(b) 以股份支付之酬金*

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

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

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

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

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

(All amounts in HK dollar thousands unless otherwise stated)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 主要會計政策摘要 (續)

2.22 Employee benefits (continued)

(b) Share-based compensation (continued)

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

2.22 僱員福利 (續)

(b) 以股份支付之酬金 (續)

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

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value-added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.23 收入確認

收入按已收或應收對價的公允價值計量，並相當於供應貨品的應收款項，扣除折扣、退貨和增值稅後列賬。當收入的金額能夠可靠計量、未來經濟利益很有可能流入有關實體，及當本集團每項活動均符合具體條件時（如下文所述），本集團便會將收入確認。本集團會根據其往績並考慮客戶類別、交易種類和每項安排的特點作出估計。

(a) Sales of goods

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

(a) 貨品銷售

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

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

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2. 主要會計政策摘要 (續)****2.23 Revenue recognition (continued)***(b) Interest income*

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

(c) Dividend income

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

2.24 Research and development costs

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

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (b) the management intends to complete the intangible asset and use or sell it;
- (c) there is an ability to use or sell the intangible asset;
- (d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (f) the expenditure attributable to the intangible asset during its development can be reliably measured.

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

2.23 收入確認 (續)*(b) 利息收入*

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

(c) 股息收入

股息收入在收取款項的權利確定時確認。

2.24 研發成本

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

- (a) 產品技術上可行並可完成該無形資產並能出售或使用；
- (b) 管理層有意完成該無形資產並出售或使用；
- (c) 有能力使用或出售該無形資產；
- (d) 可證明該無形資產如何為將來產生經濟效益；
- (e) 足夠的技術、財務及其他資源可完成開發及使用或出售該無形資產；及
- (f) 於開發該無形資產時的成本能可靠計量。

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Research and development costs (continued)

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

Development assets are tested for impairment annually. No development costs had been capitalized for the year ended 31 March 2014 (2013: Nil).

2.25 Operating lease

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

2.26 Government grants

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

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

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

2.27 Dividend distribution

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

2. 主要會計政策摘要 (續)

2.24 研發成本 (續)

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

研發資產每年進行減值測試。在截至二零一四年三月三十一日止年度內並無任何發展成本已資本化(二零一三年：無)。

2.25 經營租賃

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

2.26 政府補貼

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

與成本有關之政府補貼遞延入賬，按擬補償成本之相應期間在綜合收益表確認。

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

2.27 股息分派

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

(a) *Market risk*

(i) **Foreign exchange risk**

The Group mainly operates in Hong Kong and Mainland China and is exposed to foreign exchange risk primarily through financial instruments that are denominated in a currency other than the functional currency in which they are measured. The functional currency of the PRC subsidiaries is RMB, and the functional currency of the HK subsidiaries is HKD. The foreign exchange risk of the Group primarily arises from the receivables held by the HK subsidiaries which are denominated in RMB. The exchange rate of HKD against RMB and cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have other significant exposure to foreign exchange risk as the majority of the subsidiaries of the Group are operated in the PRC and most of their transactions are denominated in RMB and the value of RMB has been appreciating against HKD in recent years.

3. 財務風險管理

3.1 財務風險因素

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

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

(a) *市場風險*

(i) **外匯風險**

本集團主要於香港及中國內地經營，主要外匯風險乃源自以除功能貨幣以外的其他貨幣計量的金融工具。於中國境內之附屬公司的功能貨幣為人民幣，而於香港的附屬公司之功能貨幣則為港幣。本集團的外匯風險主要來自香港附屬公司持有的以人民幣為單位的應收款項。人民幣兌港幣之匯率以及從中國內地匯出之款項須遵守中國政府頒佈之外匯管制條例及規例。由於本集團之主要附屬公司乃於國內經營及其大部份的交易以人民幣計算，且人民幣對港幣於近年來一直在升值，故本集團並無重大外匯風險。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)**3.1 Financial risk factors (continued)***(a) Market risk (continued)***(i) Foreign exchange risk (continued)**

If RMB had strengthened/weakened by 5% against HKD during the year ended 31 March 2014, with all other factors remaining unchanged, the profit after income tax for the year would have been affected as follows:

Group	本集團
– Strengthened by 5%	— 升值5%
– Weakened by 5%	— 貶值5%
Company	本公司
– Strengthened by 5%	— 升值5%
– Weakened by 5%	— 貶值5%

(ii) Cash flow and fair value interest rate risk

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

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

At 31 March 2014, if interest rates on borrowings had been 2 percentage points higher/lower, with all other variables held constant, there would be no material impact to the profit for the year.

3. 財務風險管理 (續)**3.1 財務風險因素 (續)***(a) 市場風險 (續)***(i) 外匯風險 (續)**

截至二零一四年三月三十一日止年度內，假若人民幣兌港幣升值／貶值5%，而所有其他因素維持不變，則對本年度除稅後盈利的影響如下：

**Change of profit after
income tax for the year
increase/(decrease)**

對本年度除稅後盈利的
變動增加／(減少)

2014	2013
二零一四年	二零一三年
35,500	45,068
(35,500)	(45,068)
–	–
–	–

(ii) 現金流量及公允值之利率風險

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

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

於二零一四年三月三十一日，在其他因素不變的情況下，若借款利率上升／下降兩個百分點，對本年盈利並無重大影響。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

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

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

The Group currently sells substantially all its flavours, fragrances and reconstituted tobacco leaves products in the PRC domestic market. Credit is granted for a period up to 6 months to the major customers. The credit period is determined according to an assessment made on the financial conditions and past payment history of these customers with the approval obtained from senior management. As at 31 March 2014, the 5 largest debtors accounted for 45% (2013: 31%) of total trade receivables balance of the Group.

The Directors are of the view that most customers with outstanding balances as at 31 March 2014 are either existing customers with a long business relationship with the Group and/or reputable companies in the industry. The risk of credit default is considered to be low and accordingly, the provision for doubtful debts as at 31 March 2014 amounting to approximately HKD7,787,000 (2013: HKD7,356,000) is considered adequate to cover any significant potential credit risk.

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

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

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

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

本集團現時主要於中國本地市場銷售其食用香精香料，日用香精香料及煙草薄片產品。授予主要客戶的信貸期為6個月。信貸期的確定乃根據該客戶的財務條件及過往付款紀錄評估得出並獲得高級管理層的核准。於二零一四年三月三十一日，五大客戶佔本集團總貿易應收款項結餘約45% (二零一三年：31%)。

董事認為於二零一四年三月三十一日大多數的存在未償還結餘的客戶多數為與本集團具有長期業務關係的現有客戶及／或於其行業具有良好信譽的公司，故信貸風險相對較低，於二零一四年三月三十一日約港幣7,787,000元 (二零一三年：港幣7,356,000元) 的減值撥備足夠覆蓋任何重大潛在的信貸風險。

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)**3.1 Financial risk factors (continued)***(c) Liquidity risk*

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

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

3. 財務風險管理 (續)**3.1 財務風險因素 (續)***(c) 流動性風險*

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

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

		The Group 本集團	The Company 本公司
		Less than 1 year	Less than 1 year
	Note 附註	一年以下	一年以下
At 31 March 2014			
Borrowings (including accrued interest)	於二零一四年三月三十一日 貸款 (包括應計利息)	541,264	525,843
Trade and other payables excluding statutory liabilities and advance	貿易及其他應付款項 (不包括法定債項及預付款)	595,416	2,302
At 31 March 2013			
Borrowings (including accrued interest)	於二零一三年三月三十一日 貸款 (包括應計利息)	474,915	474,915
Trade and other payables excluding statutory liabilities and advance	貿易及其他應付款項 (不包括法定債項及預付款)	547,015	5,106

As at 31 March 2014, the Group's net current assets is HKD4,068,533,000 (2013: HKD2,896,047,000).

於二零一四年三月三十一日，本集團之流動資產淨值為港幣4,068,533,000元（二零一三年：港幣2,896,047,000元）。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management

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

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

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

The Group monitors its capital risk based on the debt-to-equity ratio. This ratio is calculated by dividing the net debt by the total owners' equity. As at 31 March 2014, the Group's net debt is zero (2013: zero), which is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Therefore the Group's debt-to-equity ratio is zero as at 31 March 2014 and 2013.

3.3 Fair value estimation

The following analyzes financial instruments carried at fair value, by the level of inputs to valuation techniques within a fair value hierarchy. The different levels have been defined as follows:

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

3. 財務風險管理 (續)

3.2 資本風險管理

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

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

本集團經營活動產生的現金流可足夠用於投資活動包括收購新業務。

本集團以資本負債比率監察其資本風險。此比率乃按照債務淨額除以總資本計算。於二零一四年三月三十一日，本集團之債務淨額為零（二零一三年：零）。債務淨額為總借貸（包括流動及非流動貸款）減去現金及現金等價物。因此，本集團於二零一四年及二零一三年三月三十一日的資本負債比率為零。

3.3 公允價值估計

以下分析以公允價值計量的金融工具，乃通過在公允價值層級中輸入估值技巧的級別釐定。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）。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The financial assets of level 3 within the fair value hierarchy as at 31 March 2014 and 2013 were the available-for-sale financial assets, of which the changes for the year ended 31 March 2014 and 2013 are presented in Note 12. There were no transfers into or out of level 3.

Other than available-for-sale financial assets, there are no financial instruments that were measured at fair value as at 31 March 2014 and 2013.

Market approach is adopted in valuation of available-for-sale financial assets. There were no changes in valuation techniques during the year.

3.4 Group's valuation processes

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes with the assistance of an independent valuer when necessary, 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 six months, in line with the Group's reporting dates.

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

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

3. 財務風險管理 (續)

3.3 公允價值估計 (續)

於二零一四年及二零一三年三月三十一日，第三類公允價值架構內之金融資產為可供出售金融資產，其中在二零一四年及二零一三年三月三十一日止年度的變動於附註12內呈列。概無任何金融資產於第三層架構類別轉入或轉出。

除可供出售金融資產，於二零一四年及二零一三年三月三十一日，並無金融工具乃按公允價值計量。

可供出售金融資產的估值乃採用市場法。年內，估值技巧並無變動。

3.4 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，並在需要時由一位獨立評估師的協助下對金融資產的估值，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至少每6個月舉行一次討論估值流程與其結果。

3.5 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。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Critical accounting estimates and assumptions

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

(a) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.9. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 8).

If the budgeted gross margin or estimated pre-tax discount rate used in the value-in-use calculation for the CGUs of flavours had been 27 percentage points lower or 6 percentage points higher than management's estimates at 31 March 2014 respectively, with all other assumptions remaining unchanged, the Group would not have recognized impairment of goodwill.

If the budgeted gross margin or estimated pre-tax discount rate used in the value-in-use calculation for the CGUs of reconstituted tobacco leaves had been 11 percentage points lower or 9 percentage points higher than management's estimates at 31 March 2014 respectively, with all other assumptions remaining unchanged, the Group would not have recognized impairment of goodwill.

4. 關鍵會計估計及判斷

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

4.1 關鍵會計估計及假設

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

(a) 商譽減值

根據附註2.9所述的會計政策，本集團每年測試商譽是否出現減值。現金產出單元的可收回金額按照使用價值計算而釐定。此等計算均需利用估算（附註8）。

如果食用香精香料的現金產出單元的使用價值計算中所使用的預計毛利率及估計稅前貼現率較管理層在二零一四年三月三十一日估計的分別下降27個百分點或增加6個百分點，其他假設保持不變，本集團無需對商譽確認減值。

如果煙草薄片的現金產出單元的使用價值計算中所使用的預計毛利率及估計稅前貼現率較管理層在二零一四年三月三十一日估計的分別下降11個百分點或增加9個百分點，其他假設保持不變，本集團無需對商譽確認減值。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4. 關鍵會計估計及判斷 (續)

4.1 Critical accounting estimates and assumptions (continued)

4.1 關鍵會計估計及假設 (續)

(a) Impairment of goodwill (continued)

If the budgeted gross margin or estimated pre-tax discount rate used in the value-in-use calculation for the CGUs of fragrances leaves had been 7 percentage points lower or 5 percentage points higher than management's estimates at 31 March 2014 respectively, with all other assumptions remaining unchanged, the Group would not have recognized impairment of goodwill.

(a) 商譽減值 (續)

如果日用香精香料的現金產出單元的使用價值計算中所使用的預計毛利率及估計稅前貼現率較管理層在二零一四年三月三十一日估計的分別下降7個百分點或增加5個百分點，其他假設保持不變，本集團無需對商譽確認減值。

(b) Dividends policy of subsidiaries

According to the relevant regulations of the Corporate Income Tax Laws, when a foreign investment enterprise distributes dividends out of the profits earned from 1 January 2008 onwards to its overseas investors, it will be subject to withholding income tax. The applicable withholding income tax rate varies with the origin of the overseas investors.

(b) 附屬公司之股息政策

根據企業所得稅法的有關規定，當外商投資企業向境外投資者分派自二零零八年一月一日起產生的盈利作為股息，需要徵收所得稅，並根據境外投資者所處之不同地區適用不同的所得稅率。

The Directors estimated that a portion of profits generated by the PRC subsidiaries would be distributed to their Hong Kong immediate parent companies and the approval on the treaty rate will be obtained. Therefore, deferred income tax liabilities had been provided based on 5% of the estimated profits to be remitted to Hong Kong.

本公司董事預計會將某些中國大陸附屬公司之盈利派發股息予其於香港之直接母公司並會獲得批准享有稅務協定。因此，遞延所得稅負債乃按預計匯出香港之盈利以5%的稅率計算。

As at 31 March 2014, deferred income tax liabilities of HKD304,462,000 (31 March 2013: HKD231,879,000) have not been recognized for the withholding tax that would be payable on the undistributed profits of certain PRC subsidiaries. The Directors have determined not to distribute these earnings.

於二零一四年三月三十一日，本集團並未就若干中國大陸附屬公司之未分派盈利可能產生的預提所得稅確認遞延所得稅負債港幣304,462,000元(二零一三年：港幣231,879,000元)。本公司董事決定暫不分配此部份盈利。

The Directors will regularly review the funding requirements of the Group and thus revise the dividend distribution policy of its subsidiaries as appropriate.

董事將不時檢討本集團之資金需求並適時調整附屬公司之股息分派政策。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

5. SEGMENT INFORMATION

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

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

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

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

5. 分部資料

本集團的經營分為三項主要營運分部：

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

主要經營決策者明確為執行董事（「執行董事」），執行董事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。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

5. SEGMENT INFORMATION (continued)

The segment information for the year ended 31 March 2014 is presented below:

5. 分部資料 (續)

截至二零一四年三月三十一日止年度之分部資料呈列如下：

		Year ended 31 March 2014 截至二零一四年三月三十一日止年度					
		Reconstituted			Total		
		Flavours	Fragrances	tobacco	segments	Corporate	Total
		食用香精香料	日用香精香料	煙草薄片	分部總計	總部	總計
Total turnover	總營業額	3,164,888	84,688	1,070,170	4,319,746	-	4,319,746
Inter-segment sales	分部間銷售	(81,969)	(13)	(339)	(82,321)	-	(82,321)
Segment turnover – net	分部營業額 – 淨額	3,082,919	84,675	1,069,831	4,237,425	-	4,237,425
Segment result	分部業績	1,967,077	7,760	422,683	2,397,520	(20,276)	2,377,244
Finance income	財務收入						54,352
Finance costs	融資成本						(11,997)
Finance income – net	財務收入 – 淨額						42,355
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						(2,354)
Profit before income tax	除稅前盈利						2,417,245
Income tax expense	所得稅						(420,381)
Profit for the year	本年度盈利						1,996,864

		As at 31 March 2014 於二零一四年三月三十一日					
		Reconstituted			Total		
		Flavours	Fragrances	tobacco	segments	Corporate	Total
		食用香精香料	日用香精香料	煙草薄片	分部總計	總部	總計
Segment assets	分部資產	6,832,773	167,256	3,377,290	10,377,319	31,087	10,408,406

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5. SEGMENT INFORMATION (continued)

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

5. 分部資料 (續)

截至二零一三年三月三十一日止年度之分部資料呈列如下：

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

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

5. SEGMENT INFORMATION (continued)

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

The total of non-current assets, other than financial instruments and deferred tax assets, of the Group as at 31 March 2014 and 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 amounted to 20% (2013: 25%) of the Group's total revenue. These revenues are attributable to flavours segment.

5. 分部資料 (續)

分部業績是代表各分部之盈利，當中並沒有包括未分類支出、融資成本、財務收入及應佔聯營公司及共同控制實體之業績。此分部業績主要是為分配資源和評估各分部之表現而向主要經營決策者呈列的方式。

除金融工具和遞延所得稅資產以外，於二零一四年三月三十一日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。

來源於最大單一外部客戶的收入佔本集團總收入的20% (二零一三年：25%)。這些收入是由食用香精香料分部產生的。

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6. PROPERTY, PLANT AND EQUIPMENT – GROUP

6. 物業、機器及設備 – 本集團

	Note	Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Leasehold improvements	Construction in progress	Total
	附註	樓宇	機器及設備	汽車	傢俬、裝置及設備	租賃裝修	在建工程	總計
At 1 April 2012	於二零一二年四月一日							
Cost	成本	484,281	332,064	67,109	127,215	16,704	495,292	1,522,665
Accumulated depreciation	累計折舊	(118,121)	(183,300)	(31,982)	(65,962)	(7,918)	–	(407,283)
Net book value	賬面淨值	366,160	148,764	35,127	61,253	8,786	495,292	1,115,382
Year ended 31 March 2013	截至二零一三年三月三十一日止年度							
Net book value at 1 April	於四月一日賬面淨值	366,160	148,764	35,127	61,253	8,786	495,292	1,115,382
Additions	添置	535	23,524	10,561	22,613	2,378	357,130	416,741
Transfers	轉移	267,000	421,291	–	31,796	971	(721,058)	–
Acquisition of a subsidiary	收購附屬公司	–	3,999	85	2	–	–	4,086
Disposals	出售	(1,253)	(2,782)	(199)	(1,041)	–	–	(5,275)
Depreciation	折舊	24	(26,695)	(8,317)	(14,153)	(2,037)	–	(89,752)
Currency translation differences	貨幣換算差額	1,126	(1,234)	89	(475)	1,246	1,876	2,628
Net book value at 31 March	於三月三十一日賬面淨值	606,873	555,012	37,346	99,995	11,344	133,240	1,443,810
At 31 March 2013	於二零一三年三月三十一日							
Cost	成本	752,213	727,649	77,237	175,854	21,875	133,240	1,888,068
Accumulated depreciation	累計折舊	(145,340)	(172,637)	(39,891)	(75,859)	(10,531)	–	(444,258)
Net book value	賬面淨值	606,873	555,012	37,346	99,995	11,344	133,240	1,443,810
Year ended 31 March 2014	截至二零一四年三月三十一日止年度							
Net book value at 1 April	於四月一日賬面淨值	606,873	555,012	37,346	99,995	11,344	133,240	1,443,810
Effects on change of accounting policy	會計政策變更的影響	2.2(d)	–	(267)	–	(138)	–	(405)
Additions	添置	1,896	34,691	9,495	10,504	2,962	54,657	114,205
Transfers	轉移	2,711	61,802	847	2,880	–	(68,240)	–
Disposal of a subsidiary	出售附屬公司	(3,349)	(3,379)	(206)	(81)	–	–	(7,015)
Disposals	出售	–	(827)	(10)	(176)	–	–	(1,013)
Depreciation	折舊	24	(36,908)	(74,398)	(9,992)	(19,790)	(2,467)	(143,555)
Currency translation differences	貨幣換算差額	10,790	8,246	645	1,286	207	(1,704)	19,470
Net book value at 31 March	於三月三十一日賬面淨值	582,013	580,880	38,125	94,480	12,046	117,953	1,425,497
At 31 March 2014	於二零一四年三月三十一日							
Cost	成本	766,269	825,529	87,170	186,960	25,006	117,953	2,008,887
Accumulated depreciation	累計折舊	(184,256)	(244,649)	(49,045)	(92,480)	(12,960)	–	(583,390)
Net book value	賬面淨值	582,013	580,880	38,125	94,480	12,046	117,953	1,425,497

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

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

Depreciation was recorded in the following categories:

折舊按以下分類支銷：

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
	Note 附註		
Manufacturing overheads	製造費用	69,094	46,212
Selling and marketing expenses	銷售及推廣開支	2,769	2,558
Administrative expenses	行政費用	71,692	40,982
Total depreciation	折舊總額	143,555	89,752

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

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

本集團於土地使用權的權益為預付經營租金，其賬面淨值分析如下：

		As at 31 March 於三月三十一日	
		2014 二零一四年	2013 二零一三年
Outside Hong Kong, held on: Leases between 10 to 50 years	在香港境外按以下年期持有： 10至50年的租約	200,247	204,045

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
	Note 附註		
At 1 April	於四月一日	204,045	209,233
Additions	添置	367	272
Disposal of a subsidiary	出售附屬公司	(1,168)	–
Amortization	攤銷	(6,346)	(6,101)
Currency translation differences	貨幣換算差額	3,349	641
At 31 March	於三月三十一日	200,247	204,045

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8. INTANGIBLE ASSETS – GROUP

8. 無形資產 – 本集團

		Goodwill 商譽	Trademarks and licences 商標及許可證	Customer relationships 客戶關係	Non- competition agreement 非競爭協議	Computer Software 電腦軟件	Patents 專利	Total 總計
	Note 附註	(a)	(b)					
At 1 April 2012	於二零一二年四月一日							
Cost	成本	2,652,049	133,255	272,390	4,888	2,402	20,022	3,085,006
Accumulated amortization	累計攤銷	-	(17,971)	(122,857)	(2,208)	(1,061)	(8,934)	(153,031)
Net book value	賬面淨值	2,652,049	115,284	149,533	2,680	1,341	11,088	2,931,975
Year ended 31 March 2013	截至二零一三年 三月三十一日止年度							
Net book value at 1 April	於四月一日賬面淨值	2,652,049	115,284	149,533	2,680	1,341	11,088	2,931,975
Additions	添置	-	-	-	-	288	113	401
Acquisition of a subsidiary	收購附屬公司	13,993	-	-	-	-	2,582	16,575
Amortization	攤銷	-	(7,693)	(28,635)	(494)	(423)	(6,679)	(43,924)
Currency translation differences	貨幣換算差額	20,330	387	(32)	5	3	25	20,718
Net book value at 31 March	於三月三十一日賬面淨值	2,686,372	107,978	120,866	2,191	1,209	7,129	2,925,745
At 31 March 2013	於二零一三年三月三十一日							
Cost	成本	2,686,372	133,760	273,018	4,893	2,663	22,817	3,123,523
Accumulated amortization	累計攤銷	-	(25,782)	(152,152)	(2,702)	(1,454)	(15,688)	(197,778)
Net book value	賬面淨值	2,686,372	107,978	120,866	2,191	1,209	7,129	2,925,745
Year ended 31 March 2014	截至二零一四年 三月三十一日止年度							
Net book value at 1 April	於四月一日賬面淨值	2,686,372	107,978	120,866	2,191	1,209	7,129	2,925,745
Additions	添置	-	-	-	-	532	43	575
Amortization	攤銷	-	(7,944)	(29,533)	(536)	(698)	(4,468)	(43,179)
Currency translation differences	貨幣換算差額	45,995	1,966	7	-	20	301	48,289
Net book value at 31 March	於三月三十一日賬面淨值	2,732,367	102,000	91,340	1,655	1,063	3,005	2,931,430
At 31 March 2014	於二零一四年三月三十一日							
Cost	成本	2,732,367	136,209	276,098	4,893	3,204	23,258	3,176,029
Accumulated amortization	累計攤銷	-	(34,209)	(184,758)	(3,238)	(2,141)	(20,253)	(244,599)
Net book value	賬面淨值	2,732,367	102,000	91,340	1,655	1,063	3,005	2,931,430

Amortization is included in administrative expenses in the consolidated income statement.

攤銷包括在綜合收益表的行政費用內。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

8. INTANGIBLE ASSETS – GROUP (continued)

- (a) Goodwill is mainly attributable to the anticipated profitability of operations, the anticipated future operating synergies and enlarged market share. Goodwill is allocated to the Group's CGUs identified mainly according to the operating segments.

The goodwill is allocated as follows:

		2014 二零一四年				2013 二零一三年			
		Reconstituted tobacco			Total 總計	Reconstituted tobacco			Total 總計
		Flavours 食用香精香料	Fragrances 日用香精香料	leaves 煙草薄片		Flavours 食用香精香料	Fragrances 日用香精香料	leaves 煙草薄片	
Goodwill	商譽	1,488,251	55,499	1,188,617	2,732,367	1,464,615	54,511	1,167,246	2,686,372

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a ten-year period (2013: ten-year period) as management believes that the cash flow of the Group is comparatively stable and a forecasted period longer than five years is feasible. Cash flows beyond the ten-year period are extrapolated using the estimated growth rates below. The growth rate does not exceed the long-term average growth rate for the businesses in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

		2014 二零一四年			2013 二零一三年		
		Flavours 食用香精香料	Fragrances 日用香精香料	Reconstituted tobacco leaves 煙草薄片	Flavours 食用香精香料	Fragrances 日用香精香料	Reconstituted tobacco leaves 煙草薄片
Gross margin	毛利率	76%	42%	56%-60%	74%	42%	56%-60%
Growth rate	增長率	5%	5%	3%	5%	5%	3%
Discount rate	貼現率	13.5%	13.5%	15%	13.5%	13.5%	15%

8. 無形資產 – 本集團 (續)

- (a) 商譽主要由經營活動的預期盈利狀況、預期的未來經營協同效應和擴大的市場份額決定。本集團之商譽主要根據其業務分部份配至多個現金產出單元。

商譽分配的摘要呈列如下：

每個現金產出單元的可收回金額乃以使用價值計算。由於管理層認為本集團的現金流相對穩定，可以預測較長時間（超過五年）的現金流，上述採用計算基於管理層已批准的10年期財務預算而預計之稅前貼現現金流量計算（二零一三年：10年期）。超逾十年期的現金流量使用的預計年增長率列示如下。該增長率不會超過現金產出單元之業務分部營運的長期平均增長率。

使用價值計算的主要假設如下：

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

8. INTANGIBLE ASSETS – GROUP (continued)

(a) (continued)

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

Management determined budgeted gross margin based on past performance and their expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

After assessing the cash flow projections of the various CGUs, the Directors considered that there is no impairment of the goodwill as at 31 March 2014 and 2013.

- (b) Trademarks represent the Peacock, Xinghu and Samshiang trademarks.

9. INVESTMENTS IN AND BALANCES WITH SUBSIDIARIES – COMPANY

(a) Investments in subsidiaries

Investments at cost – unlisted shares 投資按成本值—非上市股份

- (b) The balances with subsidiaries are unsecured, interest-free, denominated in HKD and repayable on demand. The fair value of the balances with subsidiaries approximate to their carrying value. None of the balances is either past due or impaired.

8. 無形資產 – 本集團 (續)

(a) (續)

此假設已沿用於營運分部中的每個現金產出單元的分析內。

管理層根據過往的業績及其對市場發展的預期確定預計毛利率。所用的貼現率為稅前並反映有關分部的特定風險。

在評價多個現金產出單元的現金流預測後，董事認為於二零一四年及二零一三年三月三十一日商譽並無減值。

- (b) 商標乃指孔雀、星湖及湘農山香牌商標。

9. 於附屬公司之投資及與其之結餘 – 本公司

(a) 附屬公司之投資

As at 31 March
於三月三十一日

	2014 二零一四年	2013 二零一三年
Investments at cost – unlisted shares	1,245,085	1,245,085

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

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

10. INVESTMENTS IN ASSOCIATES – GROUP

The Group has interests in two individually immaterial associates as at 31 March 2014 and 2013. The following table analyzes, in aggregate, the movement of carrying amount of the Group's investment in these associates, and its share of results of these associates.

An analysis of the movement of equity investments in associates is as follows:

		Year ended 31 March 截至三月三十一日止年度	
		Note 附註	2013 二零一三年
		2014 二零一四年	2013 二零一三年
At 1 April	於四月一日	102,299	101,545
Share of (loss)/profit of associates	應佔聯營公司(虧損)/盈利	(3,239)	538
Capital injection in Guizhou Huangguoshu Jinye Technology Co., Ltd. ("Huangguoshu Jinye")	注資貴州黃果樹金葉科技有限公司(「黃果樹金葉」)	138,136	-
Dividends declared	宣派股息	-	(461)
Currency translation differences	貨幣換算差額	1,848	677
At 31 March	於三月三十一日	239,044	102,299

(a) As at 31 March 2014, the Group had interests in the following associates :

(a) 於二零一四年三月三十一日，本集團於以下聯營公司擁有權益：

Name 名稱	Country of incorporation 註冊成立國家	% of ownership Interests 所持權益百分比	Principal activities 主要業務
Henan Jinrui Flavours Co., Ltd. ('Henan Jinrui') 河南金瑞香精香料有限公司 (「河南金瑞」)	PRC 中國	25%	Production and sale of tobacco flavours and fragrances and fine chemicals products 生產及銷售煙用香精香料及精細化工產品
Huangguoshu Jinye 黃果樹金葉	PRC 中國	40%	Pre-operating 籌備開業中

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

11. INVESTMENT IN A JOINTLY CONTROLLED ENTITY – GROUP

The Group has interests in one immaterial jointly controlled entity as at 31 March 2014. The following table analyzes the movement of the carrying amount of the Group's investments in this jointly controlled entity, and its share of results of this jointly controlled entity.

An analysis of the movement of equity investments in jointly controlled entity is as follows:

		Year ended 31 March	
		截至三月三十一日止年度	
		2014	2013
		二零一四年	二零一三年
		Note	
		附註	
At 1 April	於四月一日		–
Effect of change in accounting policy	會計政策變更的影響	2.2(d)	–
Share of profit of a jointly controlled entity	應佔共同控制實體之盈利	31	–
Dividend declared	宣派股息		–
Currency translation differences	貨幣換算差額		–
			7,192
			(768)
			133
At 31 March	於三月三十一日		7,442

11. 於共同控制實體之投資 – 本集團

於二零一四年三月三十一日，本集團於一個並非重大的共同控制實體擁有權益。下表為本集團於該共同控制實體的投資及其於該共同控制實體應佔業績的賬面值變動的分析。

於共同控制實體的權益投資變動分析如下：

(a) As at 31 March 2014, the Group had interests in the following jointly controlled entity :

(a) 於二零一四年三月三十一日，本集團於以下共同控制實體擁有權益：

Name	Country of incorporation	% of ownership	Principal activities
名稱	註冊成立國家	所持權益百分比	主要業務
Yunnan Qingtian 雲南清甜	PRC 中國	49%	Manufacture and sale of flavours and fragrances 生產及銷售香精香料產品

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

12. AVAILABLE FOR SALE FINANCIAL ASSETS – GROUP **12. 可供出售金融資產—本集團**

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
		Note 附註	
At 1 April	於四月一日		65,931
Additions for the year	本年度增加		1,230
Net fair value change recorded in equity	公允淨值變動記入權益	19	229
Currency translation differences	貨幣換算差額		258
At 31 March			67,648

Available-for-sale financial assets include:

可供出售金融資產包括：

		As at 31 March 於三月三十一日	
		2014 二零一四年	2013 二零一三年
Unlisted equity investments: at fair value	非上市權益投資：公允值		67,648
		154,504	

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

可供出售金融資產以人民幣計值。沒有金融資產已減值。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

13. DEFERRED INCOME TAX ASSETS/LIABILITIES – 13. 遞延所得稅資產／負債 – 本集團 GROUP

The movement in the deferred income tax is as follows:

遞延所得稅變動如下：

			Deferred income tax assets 遞延所得稅資產	Deferred income tax liabilities 遞延所得稅負債		
		Note 附註	Unrealized profits arising from intra-group sales 集團內 公司間銷售 所產生的 未變現盈利	Valuation surplus of assets and recognition of intangible assets 資產評估 盈餘及無形 資產的確認	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC 集團內 位於中國國內的 公司預期匯出的 股息所產生之 預提所得稅	Total 總計
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	19	-	3,384	-	3,384
Recognized in the income statement	於收益表確認	27	4,080	(8,539)	(5,560)	(14,099)
Currency translation differences	貨幣換算差額		194	(91)	-	(91)
At 31 March 2013	於二零一三年三月三十一日		48,710	61,404	1,224	62,628
Recognized in reserves	於儲備確認	19	-	18,982	-	18,982
Recognized in the income statement	於收益表確認	27	16,583	(8,931)	21,335	12,404
Currency translation differences	貨幣換算差額		915	(1,338)	-	(1,338)
At 31 March 2014	於二零一四年三月三十一日		66,208	70,117	22,559	92,676

Deferred income tax assets are recognized for temporary differences arising from the unrealized profits from intra-group sales, and calculated under the liability method using the tax rate which are enacted or substantively enacted by the balance sheet date.

集團內公司間銷售所產生的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。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

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

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 to relevant tax bureau for an approval for enjoying the tax treaty from the in-charge tax bureau. The Directors estimated that a portion of profits generated by the PRC subsidiaries would be distributed to their Hong Kong immediate parent companies and the approval on the treaty rate will be obtained. Therefore, deferred income tax liabilities had been provided based on 5% of the estimated profits to be remitted to Hong Kong. The Directors will review the funding requirements of the Group and revise the dividend distribution policy of its subsidiaries as appropriate.

As at 31 March 2014, deferred income tax liabilities of HKD304,462,000 (31 March 2013: HKD231,879,000) have not been recognized for the withholding tax that would otherwise be payable on the undistributed profits of certain PRC subsidiaries.

13. 遞延所得稅資產／負債－本集團（續）

遞延所得稅負債乃由於本公司收購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，中國企業向海外投資者分派股息，需按10%之稅率徵收所得稅。基於中國及香港有特別稅務協定，故中國企業向香港投資者分派股息，可享有較優惠的稅率5%徵收。但該5%協定稅率並非自動獲得，納稅人需向有關主管稅局申請批准享有稅務協定。董事預計會將某些中國大陸附屬公司之部份盈利派發股息予其於香港之直接母公司。因此，遞延所得稅負債乃按預期匯出香港之盈利以5%的稅率計算。董事將檢討本集團之資金需求並適時調整附屬公司之股息政策。

於二零一四年三月三十一日，本集團並未就若干中國大陸附屬公司之未分派盈利可能產生的預提所得稅確認遞延所得稅負債港幣304,462,000元（二零一三年：港幣231,879,000元）。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

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

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

13. 遞延所得稅資產／負債－本集團（續）

遞延所得稅資產及負債的分析如下：

		As at 31 March 於三月三十一日	
		2014 二零一四年	2013 二零一三年
Deferred income tax assets:	遞延所得稅資產		
– to be recovered within 12 months	—在十二個月內收回部份	66,208	48,710
Deferred income tax liabilities:	遞延所得稅負債		
– to become payable after more than 12 months	—在超過十二個月後轉為應付部份	61,371	59,531
– to become payable within 12 months	—在十二個月內轉為應付部份	31,305	3,097
		92,676	62,628

14. INVENTORIES – GROUP

14. 存貨－本集團

		As at 31 March 於三月三十一日	
		2014 二零一四年	2013 二零一三年
At cost:	按成本：		
Raw materials	原材料	695,400	624,564
Work in progress	在製品	10,404	9,722
Finished goods	製成品	149,890	68,030
		855,694	702,316

The cost of inventories recognized as expense and included in cost of goods sold and administrative expenses for the year ended 31 March 2014 amounted to approximately HKD1,050,588,000 (2013: HKD1,004,188,000).

截至二零一四年三月三十一日止年度之存貨成本確認為費用並計入銷售成本及行政費用的金額約為港幣1,050,588,000元（二零一三年：港幣1,004,188,000元）。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

15. TRADE AND OTHER RECEIVABLES

15. 貿易及其他應收款項

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
	Note 附註	2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
Trade receivables	貿易應收款項	970,628	822,863	-	-
Less: Provision for impairment of receivables	減：應收款項減值撥備	(7,787)	(7,356)	-	-
Trade receivables – net	貿易應收款項 – 淨額	962,841	815,507	-	-
Notes receivable	應收票據	241,334	118,196	-	-
Prepayments and other receivables	預付款項及其他應收 款項	89,706	90,317	498	503
Advances to staff	員工墊款	10,321	4,990	-	-
Others	其他	37,197	30,759	-	-
		1,341,399	1,059,769	498	503

Except for prepayment of HKD39,571,000 (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 amounts.

除預付賬款港幣39,571,000元(二零一三年：港幣15,220,000元)外，貿易及其他應收款項被分類為「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) The credit period generally granted to customers ranges from 0 to 180 days. At 31 March 2014 and 2013, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on invoice date was as follows:

(a) 授予客戶的信貸期一般為0至180日。於二零一四年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 31 March 於三月三十一日	
		Group 本集團	
		2014 二零一四年	2013 二零一三年
0 – 90 days	0至90日	840,994	737,855
91 – 180 days	91至180日	86,909	53,875
181 – 360 days	181至360日	20,583	15,439
Over 360 days	360日以上	22,142	15,694
		970,628	822,863

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

15. TRADE AND OTHER RECEIVABLES (continued)

(a) (continued)

As at 31 March 2014, trade receivables of HKD962,841,000 (2013: HKD815,507,000) were fully performing.

After considering the credit period, trade receivables are assessed for impairment. As at 31 March 2014, trade receivables of HKD48,537,000 (2013: HKD47,719,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

		As at 31 March	
		於三月三十一日	
		Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
Past due up to 90 days	逾期至90日	32,093	33,527
Past due over 90 days	逾期超過90日	16,444	14,192
		48,537	47,719

As at 31 March 2014, trade receivables of HKD7,787,000 (2013: HKD7,356,000) were impaired with full provided. The individually impaired receivables mainly relate to customers which had ceased cooperation with the Group and were not in a position to repay. These receivables are all aged over one year.

15. 貿易及其他應收款項 (續)

(a) (續)

於二零一四年三月三十一日，貿易應收款港幣962,841,000元（二零一三年：港幣815,507,000元）已全數獲得履行。

信用期滿後，已對貿易應收款項進行減值評估。於二零一四年三月三十一日，貿易應收款項港幣48,537,000元（二零一三年：港幣47,719,000元）經已逾期但並無減值。此等款項涉及多個最近沒有拖欠還款記錄的獨立客戶。此等貿易應收款的賬齡分析如下：

		As at 31 March	
		於三月三十一日	
		Group	
		本集團	
		2014	2013
		二零一四年	二零一三年
Past due up to 90 days	逾期至90日	32,093	33,527
Past due over 90 days	逾期超過90日	16,444	14,192
		48,537	47,719

於二零一四年三月三十一日，貿易應收款港幣7,787,000元（二零一三年：港幣7,356,000元）經已減值及全數撥備。個別減值的應收款項主要來自與本集團終止合作關係及無還款能力的客戶。上述應收款項賬齡均超過一年。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

15. TRADE AND OTHER RECEIVABLES (continued)

- (b) The carrying amounts of the Group's trade receivables (including amounts due from related parties which are trade in nature) are denominated in the following currencies:

		As at 31 March 於三月三十一日	
		Group 本集團	
		2014 二零一四年	2013 二零一三年
RMB	人民幣	955,336	813,105
United States Dollar ('USD')	美元	15,007	9,728
HKD	港幣	285	30
		970,628	822,863

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

貿易應收款減值撥備的變動如下：

		Year ended 31 March 截至三月三十一日止年度	
		Group 本集團	
		2014 二零一四年	2013 二零一三年
At 1 April	於四月一日	7,356	7,175
Provision for impairment on trade receivables	貿易應收款減值撥備	386	212
Trade receivables written off during the year as uncollectible	於年中撇銷未收的貿易應收款	(89)	(60)
Currency translation differences	貨幣換算差額	134	29
At 31 March	於三月三十一日	7,787	7,356

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in the consolidated income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

對已減值應收款撥備的設立和撥回已包括在綜合收益表中「行政費用」內。計入撥備賬戶中的數額一般會在預期無法收回額外現金時撇銷。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

15. TRADE AND OTHER RECEIVABLES (continued)

(b) (continued)

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group does not hold any collateral as security.

15. 貿易及其他應收款項 (續)

(b) (續)

貿易及其他應收款項內的其他類別沒有包含已減值資產。

在報告日期，信貸風險的最高風險承擔為上述每類應收款項的賬面值。本集團不持有任何作為抵押的抵押品。

16. CASH AND BANK BALANCES – GROUP AND COMPANY**16. 銀行及庫存現金 – 本集團及本公司**

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
	Note 附註				
Cash and cash equivalents	現金及現金等價物	2,375,345	1,886,183	30,460	114,365
Short-term time deposits	短期定期存款 (a)	806,400	437,166	-	-
		3,181,745	2,323,349	30,460	114,365

(a) The original maturity of time deposits was one year with deposit interest rate of 3.3% (2013: 3.3%). The fair values of the short-term time deposits approximate to their carrying amounts. None of the deposits is either past due or impaired.

(a) 短期定期存款的原到期日乃一年及其存款利息率為3.3厘(二零一三年: 3.3厘)。短期定期存款賬面值與公允值相若。概無存款逾期或減值。

Cash and bank balances are denominated in the following currencies:

銀行及庫存現金以下列外幣金額列示:

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
RMB	人民幣	3,037,107	2,115,713	329	-
HKD	港幣	106,265	172,818	30,131	114,365
USD	美元	7,506	15,632	-	-
Euro and others	歐元及其他	30,867	19,186	-	-
		3,181,745	2,323,349	30,460	114,365

As at 31 March 2014, the Group's and the Company's maximum exposure to credit risk of cash and bank balances is their carrying amount.

於二零一四年三月三十一日，本集團及本公司面對的來自銀行及庫存現金的最高信貸風險乃其賬面價值。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

17. SHARE CAPITAL – GROUP AND COMPANY

17. 股本 – 本集團及本公司

		Ordinary shares of HKD0.10 each 每股面值港幣0.10元之普通股	
		Number of shares 股份數目	HKD'000 港幣千元
		Note 附註	
Authorized:	法定：		
At 1 April 2012, 31 March 2013 and 31 March 2014	於二零一二年四月一日、 二零一三年三月三十一日及 二零一四年三月三十一日		5,000,000,000 500,000
Issued and fully paid:	已發行及繳足：		
At 1 April 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		(49,722,000) (4,972)
At 31 March 2013	於二零一三年三月三十一日		3,110,128,961 311,013
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 31 March 2014	二零一四年三月三十一日		3,101,317,961 310,132

(a) During the year ended 31 March 2014, 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 these 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 year. 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) 於截至二零一四年三月三十一日止年度，本公司透過聯交所以總代價約港幣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股於本年度註銷。回購股份所支付之代價在註銷股份時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。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

18. SHARE OPTION SCHEME

On 10 October 2006 and 25 October 2006, the Group granted 97,200,000 and 30,400,000 share options with an exercise price of HKD3.09 per share and vesting periods of 0 to 3 years to employees and directors respectively. On 17 October 2007, the Group granted 13,900,000 and 3,600,000 share options with an exercise price of HKD6.65 per share and vesting periods of 0.5 to 3 years to employees and a director respectively. On 14 April 2008, the Group granted 10,400,000 share options to two directors with an exercise price of HKD6.39 per share and vesting periods of 0 to 3 years. The options have a contractual option term of 10 years. The Group has no legal or contractual obligation to repurchase or settle the options in cash. The fair value of the share options was determined using the Black-Scholes valuation model.

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

18. 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。

於年內，未行使的購股數目之變動及其相關之加權平均行使價列示如下：

		Year ended 31 March 截至三月三十一日止年度			
		2014 二零一四年		2013 二零一三年	
	Note	Weighted average exercise price in HKD per share	Number of share options (‘000)	Weighted average exercise price in HKD per share	Number of share options (‘000)
	附註	加權平均 行使價港元 (每股計)	購股權數目 (股數 以千計)	加權平均 行使價港元 (每股計)	購股權數目 (股數 以千計)
1 April	於四月一日	5.23	30,990	5.23	30,990
Lapsed	已失效 (a)	6.39	(7,000)	-	-
31 March	於三月三十一日	4.89	23,990	5.23	30,990

(a) These represented share options lapsed due to resignation of a director.

(a) 購股權失效是由於董事離職。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

18. SHARE OPTION SCHEME (continued)

Share options outstanding as at 31 March 2014 are analyzed as follows:

18. 購股權計劃 (續)

於二零一四年三月三十一日未行使購股權之分析如下：

Grantee	被授予人	Exercise price in HKD per share 行使價港元 (每股計)	Number of share options ('000) 購股權數目 (股數以千計)	Expiry date 失效日期
Directors	董事	3.09	4,000	24 October 2016 2016年10月24日
Employees	僱員	3.09	7,600	9 October 2016 2016年10月9日
		6.65	8,990	16 October 2017 2017年10月16日
		6.39	3,400	13 April 2018 2018年4月13日
At 31 March 2014	於二零一四年三月三十一日		23,990	

All share options outstanding as at 31 March 2014 and 2013 are currently exercisable.

於二零一四年及二零一三年三月三十一日，所有未行使的購股權於現在可予行使。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

19. RESERVES

19. 儲備

		GROUP 本集團										
		Contributed surplus	Merger reserve	Share premium	Treasury shares	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Currency translation reserve	Other reserves	Total	
		Note						以股份為基礎				
		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	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 公允價值變動	12,13	-	-	-	-	-	-	-	-	(3,155)	(3,155)
Appropriations from net profit	自純利撥付		-	-	-	-	-	-	-	-	4,336	4,336
Acquisition of additional interests of Qingdao Qingda from non-controlling interests	向非控制性權益 收購青島青大 額外權益		-	-	-	-	-	-	-	-	3,312	3,312
Repurchase and cancellation of shares	回購及註銷股份	17	-	-	-	(460)	-	5,432	-	-	-	4,972
Currency translation differences	貨幣換算差額		-	-	-	-	-	-	-	37,730	-	37,730
At 31 March 2013	於二零一三年 三月三十一日		288,191	(617,160)	445,977	(460)	1,677	5,432	41,817	587,322	161,801	914,597
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	2.2(d)	-	-	-	-	-	-	-	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 公允價值變動	(a)	-	-	-	-	-	-	-	-	62,398	62,398
Appropriations from net profit	自純利撥付		-	-	-	-	-	-	-	-	15,475	15,475
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	30(a)	-	-	-	-	-	-	-	-	(948)	(948)
Repurchase and cancellation of shares	回購及註銷股份	17	-	-	-	460	-	421	-	-	-	881
Currency translation differences	貨幣換算差額		-	-	-	-	-	-	-	118,195	-	118,195
At 31 March 2014	於二零一四年 三月三十一日		288,191	(617,160)	445,977	-	1,677	5,853	41,817	705,528	238,451	1,110,334

(a) The amount before tax is HKD81,380,000 (Note 12), of which HKD18,982,000 was recognized in reserves as deferred tax (Note 13).

(a) 稅前金額為港幣81,380,000元(附註12)，其中港幣18,982,000元已於儲備中確認為遞延稅項(附註13)。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

19. RESERVES (continued)

19. 儲備 (續)

		COMPANY 本公司							
	Note	Contributed surplus	Share premium	Treasury shares	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Total	
	附註	實繳盈餘	股份溢價	庫存股份	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	總計	
At 1 April 2012	於二零一二年四月一日	288,191	445,977	-	1,677	-	41,817	777,662	
Repurchase and cancellation of shares	回購及註銷股份	17	-	(460)	-	5,432	-	4,972	
At 31 March 2013	於二零一三年三月三十一日	288,191	445,977	(460)	1,677	5,432	41,817	782,634	
At 1 April 2013	於二零一三年四月一日	288,191	445,977	(460)	1,677	5,432	41,817	782,634	
Repurchase and cancellation of shares	回購及註銷股份	17	-	460	-	421	-	881	
At 31 March 2014	於二零一四年三月三十一日	288,191	445,977	-	1,677	5,853	41,817	783,515	

20. RETAINED EARNINGS

20. 保留盈利

		Year ended 31 March 截至三月三十一日止年度			
		Group 本集團		Company 本公司	
	Note 附註	2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
At 1 April	於四月一日	6,053,801	5,134,920	1,496,645	1,763,166
Effects on change of accounting policy	會計政策變更的影響	264	-	-	-
Profit for the year	本年度盈利	1,977,325	1,716,375	678,501	526,637
Appropriations from net profit	自純利撥付	(15,475)	(4,336)	-	-
Repurchase and cancellation of shares	回購及註銷股份	(13,937)	(199,661)	(13,937)	(199,661)
Final dividend for the year ended 31 March 2012	截至二零一二年三月三十一日止年度之期末股息	-	(280,595)	-	(280,595)
Interim and special dividend for the six months ended 30 September 2012	截至二零一二年九月三十日止六個月之中期及特別股息	-	(312,902)	-	(312,902)
Final and special dividend for the year ended 31 March 2013	截至二零一三年三月三十一日止年度之期末及特別股息	(378,361)	-	(378,361)	-
Interim and special dividend for the six months ended 30 September 2013	截至二零一三年九月三十日止六個月之中期及特別股息	(358,512)	-	(358,512)	-
At 31 March	於三月三十一日	7,265,105	6,053,801	1,424,336	1,496,645

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HKD678,501,000 (2013: HKD526,637,000).

盈利歸屬於本公司權益持有人在於本公司財務報表中處理的數額為港幣678,501,000元(二零一三年：港幣526,637,000元)。

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

21. BORROWINGS

21. 貸款

		As at 31 March 於三月三十一日			
		Group 本集團		Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
Note 附註					
Current	流動				
	– Secured bank borrowing	– 有抵押銀行貸款	(a)	15,131	–
	– Unsecured bank borrowing	– 無抵押銀行貸款	(b)	515,000	465,000
Total borrowings	總貸款	530,131	465,000	515,000	465,000

Movement in borrowings is analyzed as follows:

貸款變動情況分析如下：

		Year ended 31 March 截至三月三十一日止年度			
		Group 本集團		Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
At 1 April	於四月一日	465,000	927,500	465,000	927,500
New short-term bank borrowing	新增短期銀行貸款	65,073	77,500	50,000	77,500
Repayment of bank borrowing	償還銀行貸款	–	(540,000)	–	(540,000)
Currency translation differences	貨幣換算差額	58	–	–	–
At 31 March	於三月三十一日	530,131	465,000	515,000	465,000

(a) The bank borrowing 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 year, 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。於年內，該貸款平均利息為每年6.30厘。

(b) The unsecured bank borrowing are denominated in HKD and are repayable within one year. During the year, the average interest rate is 2.39% (2013: 2.47%) per annum.

(b) 無抵押銀行貸款以港幣為單位，並需於一年內到期償還。於年內，該貸款平均利息為每年2.39厘（二零一三年：2.47厘）。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

21. BORROWINGS (continued)

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 year ended 31 March 2014 amounted to HKD11,932,000 (2013: HKD19,016,000). No interest expense (2013: nil) was capitalized during the year.

21. 貸款 (續)

貸款乃金融負債被分類為「按攤銷成本計量的金融負債」。貸款的的賬面值與公允價值相若。

截至二零一四年三月三十一日止年度的銀行貸款利息開支為港幣11,932,000元(二零一三年：港幣19,016,000元)，於年內並無(二零一三年：無)利息費用資本化。

22. TRADE AND OTHER PAYABLES**22. 貿易及其他應付款項**

As at 31 March
於三月三十一日

		Group 本集團		Company 本公司	
		2014 二零一四年	2013 二零一三年	2014 二零一四年	2013 二零一三年
Trade payables	貿易應付款項	446,029	378,162	-	-
Non-trade payables to related parties	非貿易應付關聯人士款項	93,985	123,985	-	-
Dividends payable	應付股息	3,707	2,652	-	-
Wages payable	應付工資	46,632	19,593	-	-
Other taxes payable	其他應付稅項	7,663	18,092	-	-
Accruals for expenses	應計開支	6,828	13,730	1,972	2,183
Advances from customers	客戶預付款	2,383	983	-	-
Other payables	其他應付款項	44,867	28,486	330	2,923
		652,094	585,683	2,302	5,106

Except for other taxes payable of HKD7,663,000 (2013: HKD18,092,000), wages payable of HKD46,632,000 (2013: HKD19,593,000) and advances from customers of HKD2,383,000 (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.

除其他應付稅款港幣7,663,000元(二零一三年：港幣18,092,000元)，應付工資港幣46,632,000元(二零一三年：港幣19,593,000元)及客戶預付款港幣2,383,000元(二零一三年：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。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

22. TRADE AND OTHER PAYABLES (continued)

- (a) As at 31 March 2014 and 2013, the ageing analysis of the trade payables (including amounts due to related parties which are trade in nature) based on invoice dates were as follows:

		As at 31 March 於三月三十一日	
		Group 本集團	
		2014 二零一四年	2013 二零一三年
0 – 90 days	0至90日	338,224	317,433
91 – 180 days	91至180日	59,860	33,532
181 – 360 days	181至360日	14,558	3,910
Over 360 days	360日以上	33,387	23,287
		446,029	378,162

- (b) The carrying amounts of the Group's trade payables (including amounts due to related parties which are trade in nature) are denominated in the following currencies:

		As at 31 March 於三月三十一日	
		Group 本集團	
		2014 二零一四年	2013 二零一三年
RMB	人民幣	433,850	368,847
USD	美元	7,271	4,417
HKD	港幣	2,454	1,386
EUR and other	歐元及其他	2,454	3,512
		446,029	378,162

22. 貿易及其他應付款項 (續)

- (a) 於二零一四年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：

		As at 31 March 於三月三十一日	
		Group 本集團	
		2014 二零一四年	2013 二零一三年
0 – 90 days	0至90日	338,224	317,433
91 – 180 days	91至180日	59,860	33,532
181 – 360 days	181至360日	14,558	3,910
Over 360 days	360日以上	33,387	23,287
		446,029	378,162

- (b) 本集團的貿易應付款（包括關聯人士的貿易應付款項）的賬面值以下列貨幣為單位：

		As at 31 March 於三月三十一日	
		Group 本集團	
		2014 二零一四年	2013 二零一三年
RMB	人民幣	433,850	368,847
USD	美元	7,271	4,417
HKD	港幣	2,454	1,386
EUR and other	歐元及其他	2,454	3,512
		446,029	378,162

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

23. OTHER INCOME

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Government grants	政府津貼	172,891	147,474
Exchange gain – net	匯兌收益 – 淨額	26,691	8,316
Others	其他	4,989	20,902
		204,571	176,692

23. 其他收益**24. 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:

24. 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：

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2014 二零一四年	2013 二零一三年
Depreciation	折舊	6	126,367	77,848
Amortization	攤銷	7,8	44,929	43,858
Changes in inventories of finished goods and work in progress	製成品及在製品 存貨變動		82,542	(18,418)
Raw materials and consumables used	已用原材料及消耗品		881,195	950,079
Provision for impairment on trade receivables	貿易應收款之 減值撥備	15	386	212
Lease rentals	租金		25,963	18,505
Auditor's remuneration	核數師酬金		8,188	7,940
Travelling expenses	差旅開支		33,954	28,218
Entertainment expenses	應酬開支		38,420	31,052
Employee benefit expenses	僱員及福利開支	25	290,397	217,443
Research and development expenses	研究及發展開支	(a)	243,517	213,491
Delivery expenses	運輸開支		51,875	38,783
Utilities expenses	公共設施開支		106,562	54,199
Motor vehicle expenses	汽車費用開支		19,764	18,268
Others	其他		110,693	116,486
Total of cost of goods sold, selling and marketing expenses and administrative expenses	總銷售成本、 銷售及市場推廣開支 和行政費用		2,064,752	1,797,964

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24. EXPENSES BY NATURE (continued)

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

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2014 二零一四年	2013 二零一三年
Depreciation	折舊	6	17,188	11,904
Amortization	攤銷	7,8	4,596	6,167
Employee benefit expenses	僱員及福利開支	25	100,384	82,850

25. EMPLOYMENT BENEFIT EXPENSES

- Wages, salaries and bonus 工資、薪酬及花紅
Pension costs – defined contribution plans 退休金一定額供款計劃
Others 其他

24. 按性質分類的開支(續)

- (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：

25. 僱員福利開支

		Year ended 31 March 截至三月三十一日止年度		
		Note 附註	2014 二零一四年	2013 二零一三年
Wages, salaries and bonus	工資、薪酬及花紅		327,265	249,193
Pension costs – defined contribution plans	退休金一定額供款計劃	(a)	40,140	29,533
Others	其他		23,376	21,567
			390,781	300,293

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

25. EMPLOYMENT BENEFIT EXPENSES (continued)

(a) Retirement scheme benefit

The Group operates a MPF Scheme for all the eligible employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group.

Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries up to a maximum of HKD1,250 per employee and they can choose to make additional contributions. The employer's monthly contributions are calculated at 5% of each employee's monthly salaries up to a maximum of HKD1,250 (the 'mandatory contributions'). The employees are entitled to 100% of the employer's mandatory contributions upon their retirement at the age of 65 years old, death or total incapacity.

The Group makes defined contribution to retirement schemes managed by the local governments in the Mainland China. It is the local governments' responsibility to pay the retirement benefits to those staff who retire.

Furthermore, the Group makes defined contribution at certain percentage of monthly salary to retirement schemes managed by the insurance company in accordance with German rules and regulations. It is the insurance company's responsibility to pay the retirement benefits to those staff who retire. No pension obligation is required under the Botswana laws and regulations.

25. 僱員福利開支 (續)

(a) 退休金計劃福利

本集團為香港所有合資格僱員設立強積金計劃。強積金計劃之資產與本集團所持者獨立分開。

根據強積金計劃，每名僱員須按月薪5%（最高供款額為港幣1,250元）作出供款，並可選擇作出額外供款。僱主亦須按每名僱員月薪5%（最高供款額為港幣1,250元）作出供款（「強制供款」）。僱員可於六十五歲退休、身故或完全喪失工作能力時收取僱主作出之全部強制供款。

本集團向中國地方政府所管理的退休金計劃作出定額供款。地方政府有責任向該等退休僱員支付退休金。

另本集團亦根據德國的相關法律和法規按月薪的若干百分比向有關保險公司作出供款。保險公司有責任向該等退休僱員支付退休金。博茨瓦納的相關法律和法規並無要求需支付退休金的責任。

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25. EMPLOYMENT BENEFIT EXPENSES (continued)

(b) Directors' and chief executive's emoluments

The remuneration of each director and chief executive's for the year ended 31 March 2014 and 2013 are set out below:

Name of director	Note	2014 二零一四年					2013 二零一三年				
		Fees	Salaries	Bonus	Employer's contribution to pension scheme 僱主就退休計劃供款	Total	Fees	Salaries	Bonus	Employer's contribution to pension scheme 僱主就退休計劃供款	Total
Executive director: 執行董事:											
Ms. Chu Lam Yiu	朱林瑤女士 (a)	9,923	-	-	-	9,923	9,800	-	-	-	9,800
Mr. Lau Chi Tak	劉志德先生 (b)	-	54	-	1	55	-	2,400	-	15	2,415
Mr. Poon Chiu Kwok	潘昭國先生	-	2,175	-	198	2,373	-	2,117	200	197	2,514
Mr. Wang Guang Yu	王光雨先生	1,272	569	-	78	1,919	1,258	554	314	71	2,197
Mr. Xia Li Qun	夏利群先生	1,025	1,539	-	38	2,602	1,766	647	440	39	2,892
Mr. Xiong Qing	熊卿先生 (c)	-	1,725	-	11	1,736	-	2,300	217	15	2,532
Non-executive directors: 非執行董事:											
Mr. Lam Ka Yu	林嘉宇先生 (d)	83	-	-	-	83	-	-	-	-	-
Independent non-executive directors: 獨立非執行董事:											
Dr. Ding Ningning	丁寧寧博士 (e)	155	-	-	-	155	-	-	-	-	-
Dr. Jin Lizuo	金立佐博士 (f)	85	-	-	-	85	240	-	-	-	240
Mr. Lee Luk Shiu	李祿兆先生	240	-	-	-	240	240	-	-	-	240
Ms. Ma Yun Yan	麻雲燕女士	240	-	-	-	240	240	-	-	-	240
Mr. Wu Chi Keung	胡志強先生 (e)	155	-	-	-	155	-	-	-	-	-
					19,566						23,070

(a) Ms. Chu Lam Yiu is also the chief executive of the Company.

(b) Ceased to act on 8 April 2013.

(c) Ceased to act on 1 January 2014.

(d) Appointed on 27 November 2013.

(e) Appointed on 8 August 2013.

(f) Retired on 8 August 2013.

25. 僱員福利開支 (續)

(b) 董事及總裁酬金

各董事及總裁於截至二零一四年及二零一三年三月三十一日止年度之酬金如下：

(a) 朱林瑤女士兼任本公司的總裁。

(b) 於二零一三年四月八日離任。

(c) 於二零一四年一月一日離任。

(d) 於二零一三年十一月二十七日獲委任。

(e) 於二零一三年八月八日獲委任。

(f) 於二零一三年八月八日退任。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

25. EMPLOYMENT BENEFIT EXPENSES (continued)**(b) Directors' and chief executive's emoluments (continued)**

No directors waived any emoluments during the years ended 31 March 2014 and 2013.

During the years ended 31 March 2014 and 2013, no emoluments had been paid by the Group to the directors as an inducement to join or upon joining the Group or as a compensation for loss of office.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 3 (2013: 4) directors whose emoluments are reflected in the analysis presented above. The emoluments paid and payable to the remaining 2 (2013: 1) individuals during the year are as follows:

25. 僱員福利開支 (續)**(b) 董事及總裁酬金 (續)**

截至二零一四年及二零一三年三月三十一日止年度，無董事放棄任何酬金。

截至二零一四年及二零一三年三月三十一日止年度，本集團亦無向董事支付酬金作為加入本集團的獎勵或作為離職補償。

(c) 五名最高薪酬人士

年內，在本集團之五名最高薪酬人士包括三位（二零一三年：四位）為董事，而彼等之酬金詳情已載於上文。本年度支付予其餘兩名人士（二零一三年：一名）之酬金如下：

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Basic salaries and allowances	基本薪金及津貼	7,590	4,644
Contributions to the retirement scheme	退休福利計劃供款	121	113
		7,711	4,757

The emoluments fell within the following bands:

彼等之酬金在以下範圍：

		Number of employees 僱員人數	
		2014 二零一四年	2013 二零一三年
Emolument bands	酬金範圍		
HKD2,500,001 – HKD3,000,000	港幣2,500,001至3,000,000元	1	–
HKD4,500,001 – HKD5,000,000	港幣4,500,001至5,000,000元	1	1

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(除另有說明者外，所有金額以港幣千元列示)

26. FINANCE INCOME AND FINANCE COSTS

26. 財務收入及融資成本

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Financial income:	財務收入		
– Interest income on bank deposits	利息收入 – 銀行存款	31	41,277
Financial cost:	融資成本		
– Interest expenses on bank borrowings and others	利息費用 – 銀行貸款及其他	31	(19,079)
Finance income – net	財務收入 – 淨額	42,355	22,198

27. INCOME TAX EXPENSE

27. 所得稅

The amount of taxation charged to the consolidated income statements represented:

計入綜合收益表之稅項金額列示如下：

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Current income tax	即期稅項		
– Hong Kong profits tax	– 香港所得稅	(a)	9,308
– PRC corporate income tax	– 中國企業所得稅	(b)	323,436
– Germany company income tax	– 德國企業所得稅	(d)	150
– Botswana company income tax	– 博茨瓦納企業所得稅	(e)	89
Deferred income tax	遞延所得稅	13	(18,179)
		420,381	314,804

(a) Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year.

(a) 香港所得稅按本年度估計應課稅盈利以稅率16.5% (二零一三年：16.5%)撥備。

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

(b) 中國企業所得稅撥備按本集團在中國大陸企業於本年度的盈利以其適用的稅率而定。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

27. INCOME TAX EXPENSE (continued)

- (c) The income tax rates enacted or substantively enacted to the major subsidiaries of the Group incorporated in the PRC were as follows:

27. 所得稅 (續)

- (c) 下列為本集團於中國大陸註冊之主要附屬公司的所得稅適用稅率明細：

			April to December 2012 二零一二年 四月至十二月	January to December 2013 二零一三年 一月至十二月	January to March 2014 二零一四年 一月至三月
	Note 附註				
Feijia Chuangye Additive (Shenzhen) Limited ("Feijia Chuangye")	飛嘉創業添加劑(深圳)有限公司 (「飛嘉創業」)	(i), (ii)	12.5%	25%	25%
Guangdong Jinke Reconstituted Tobacco Leaves Company Limited	廣東金科再造煙葉有限公司	(i)	25%	25%	25%
Guangdong Golden Leaf Technology Development Company Limited	廣東金葉科技開發有限公司	(i), (iv)	25%	15%	15%
Guangdong Zhaoqing Fragrances Limited	廣東省肇慶香料廠有限公司	(iv)	15%	15%	15%
Guangzhou Huabao Flavour & Fragrances Company Limited	廣州華寶香精香料有限公司	(i)	25%	25%	25%
Guizhou Province Huashuo Biological Technology Company Ltd	貴州省華樂生物科技有限公司	(iv)	15%	15%	15%
Hua Fang Tobacco Flavors Limited	華芳煙用香料有限公司	(iv)	15%	15%	15%
Huabao Food Flavours & Fragrances (Shanghai) Company Limited	華寶食用香精香料(上海)有限公司	(iv)	15%	15%	15%
Huashun Flavours (Shanghai) Company Limited	華順香料(上海)有限公司	(i)	25%	25%	25%
Owada Flavour Technology (Guangzhou) Limited	澳華達香料科技(廣州)有限公司	(i)	25%	25%	25%
Qingdao Qingda Product Co Ltd	青島青大物產股份有限公司	(i)	25%	25%	25%
Shanghai H&K Flavours & Fragrances Company Limited	上海華寶孔雀香精香料有限公司	(iv)	15%	15%	15%
Shanghai Yinghua Flavours & Fragrances Limited	上海英華香精香料有限公司	(i)	25%	25%	25%
Tai Cang Wenhua Enterprise Company Limited	太倉文華實業有限公司	(i)	25%	25%	25%
Wuxi Fuhua Flavour & Fragrance Company Limited	無錫福華香精香料有限公司	(i)	25%	25%	25%
Wuxi Hua Hai Flavour Company Limited	無錫華海香料有限公司	(iv)	15%	15%	15%
Wuxi Hua Xin Flavour & Fragrance Company Limited	無錫華馨香精香料有限公司	(i)	25%	25%	25%
Wuxi Jiahua Flavour & Fragrance Company Limited	無錫嘉華香精香料有限公司	(i)	25%	25%	25%
Xiamen Amber Fragrances Co Ltd	廈門琥珀香料有限公司	(iv)	15%	15%	15%
Yongzhou Shan Xiang Flavour Co Ltd	永州山香香料有限公司	(iv)	15%	15%	15%
Yunnan Tianhong Flavor & Fragrance Company Limited	雲南天宏香精香料有限公司	(iii)	15%	15%	15%
Yingtian Huabao Flavours & Fragrances Co., Ltd.	鷹潭華寶香精香料有限公司	(iv)	15%	15%	15%

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

27. INCOME TAX EXPENSE (continued)

- (c) The income tax rates enacted or substantively enacted to the major subsidiaries of the Group incorporated in the PRC were as follows: (continued)

The income tax rates are derived from various tax policies.

- (i) The Corporate Income Tax Law of the PRC stipulates the applicable income tax rate at 25% for domestic enterprises in the PRC.
- (ii) The 'two-year exemption and three-year half rate' preferential tax policy is applied. For enterprises that do not benefit from such preferential policies due to their loss making status, the time for which such policy to apply shall commence from 1 January 2008. The preferential tax policy for Feijia Chuangye expired at the end of 2012.
- (iii) Encouraged enterprises of western regions can continue to enjoy tax rate of 15% until 2022.
- (iv) The Corporate Income Tax Law also stipulated that the Corporate Income Tax shall be levied at the reduced rate of 15% for High/New Tech Enterprises that are specifically supported by the State.
- (d) Germany company income tax has been provided at the rate of 15% (2013: 15%) on the estimated assessable profit for the year.
- (e) Botswana company income tax has been provided at the rate of 15% (2013: 15%) on the estimated assessable profit for the year.
- (f) No provision for income tax in other jurisdictions has been made as the Group has no assessable profit in those jurisdictions during the year.

27. 所得稅 (續)

- (c) 下列為本集團於中國大陸註冊之主要附屬公司的所得稅適用稅率明細：(續)

不同的所得稅稅率來自不同的政策。

- (i) 企業所得稅法規定中國國內企業的適用所得稅稅率為25%。
- (ii) 該「兩免三減半」的優惠政策正在應用。企業因未有盈利而未能受益於此優惠政策的，將由二零零八年一月一日開始應用此政策。飛嘉創業的優惠政策已於二零一二年到期。
- (iii) 於西部區域受鼓勵的企業可繼續享有15%的稅率直至二零二二年。
- (iv) 企業所得稅法規定企業所得稅將對於受國家支持的高新技術企業適用15%的稅率。
- (d) 德國企業所得稅按本年度估計應課稅盈利以稅率15% (二零一三年：15%) 撥備。
- (e) 博茨瓦納企業所得稅按本年度估計應課稅盈利以稅率15% (二零一三年：15%) 撥備。
- (f) 本集團於有關年度在其他司法權區並無取得應課稅盈利，故無為其他司法權區的所得稅作出撥備。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

27. INCOME TAX EXPENSE (continued)

- (g) The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the standard tax rates before tax holiday applicable to the respective companies of the Group as follows:

27. 所得稅 (續)

- (g) 本集團就除所得稅前盈利的稅項，與本集團旗下相關公司所在地在免稅期前適用稅率釐定的理論稅額有所不同，載列如下：

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Profit before income tax	除稅前盈利	2,417,245	2,047,404
Add/(less): Share of loss/(profit) of associates and a jointly controlled entity	加/(減)：應佔聯營公司及共同控制實體虧損/(盈利)	2,354	(538)
		2,419,599	2,046,866
Tax calculated at statutory tax rate	按適用稅率計算的稅項	633,262	482,425
Effect of tax incentives	稅收優惠影響	(243,981)	(165,571)
Super deduction for research and development expenditure	研發費用加計扣除的影響	(6,362)	(8,608)
Utilisation of previously unrecognized tax losses	動用之前未確認的稅務虧損	(2,159)	-
Tax impact of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	6,935	3,263
Withholding tax on the earnings anticipated to be remitted by subsidiaries	附屬公司預期匯出的股息所產生之預提所得稅	21,335	(5,560)
Tax losses for which no deferred income tax assets were recognized	並無確認遞延所得稅資產的稅務虧損	11,351	8,855
Income tax expense	所得稅	420,381	314,804

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

27. INCOME TAX EXPENSE (continued)

(g) (continued)

Due to the fact that the Directors are not certain on whether future taxable profit would be available in certain subsidiaries, the Group did not recognize deferred income tax assets of HKD31,465,000 (2013: HKD27,850,000) in respect of tax losses of such dormant subsidiaries amounting to HKD145,793,000 (2013: HKD129,965,000). The tax loss will expire in the following years:

Expired on 31 March 2014	二零一四年三月三十一日到期
Expired on 31 March 2015	二零一五年三月三十一日到期
Expired on 31 March 2016	二零一六年三月三十一日到期
Expired on 31 March 2017	二零一七年三月三十一日到期
Expired on 31 March 2018	二零一八年三月三十一日到期
Expired on 31 March 2019	二零一九年三月三十一日到期
No expiring date	沒有到期日

27. 所得稅 (續)

(g) (續)

因為董事無法確定於未來是否有足夠應課稅盈利彌補稅損，本集團並沒有確認若干附屬公司之可抵扣未來虧損港幣145,793,000元(二零一三年：港幣129,965,000元)的遞延所得稅資產約港幣31,465,000元(二零一三年：港幣27,850,000元)。可抵扣虧損將於下列年度到期：

Year ended 31 March
於三月三十一日

	2014 二零一四年	2013 二零一三年
	–	12,715
	6,218	6,144
	4,217	15,423
	21,209	23,188
	29,253	34,602
	27,129	–
	57,767	37,893
	145,793	129,965

28. EARNINGS PER SHARE

(a) Basic

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

28. 每股盈利

(a) 基本

每股基本盈利乃根據本年度本公司權益持有人應佔盈利，除以年內已發行普通股的加權平均數目計算。

Year ended 31 March
截至三月三十一日止年度

	2014 二零一四年	2013 二零一三年
Profit attributable to equity holders of the Company	本公司股權持有人應佔盈利	1,716,375
	1,977,325	1,716,375
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數(千計)	3,147,638
	3,101,359	3,147,638
Basic earnings per share (HK cents per share)	每股基本盈利(每股港仙)	54.53
	63.76	54.53

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

28. EARNINGS PER SHARE (continued)**(b) Diluted**

Diluted earnings per share is calculated based on the weighted average number of ordinary shares outstanding, assuming that all dilutive potential ordinary shares have been converted. For the year ended 31 March 2014, the Company has one type of dilutive potential ordinary shares, i.e. share options.

For the 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 year) for the same total proceeds is added to the denominator. No adjustment is made to the net profit.

28. 每股盈利 (續)**(b) 攤薄**

每股攤薄盈利假設所有可攤薄的潛在普通股被轉換後，根據已發行普通股的加權平均股數計算。在截至二零一四年三月三十一日止年度，本公司有一類可攤薄的潛在普通股（購股權）。

至於購股權，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年內的平均市價）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。

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	1,977,325	1,716,375
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)	3,101,359	3,147,638
Adjustments for:	調整：		
– exercise of share options ('000)	– 行使購股權 (千計)	1,671	2,409
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)	3,103,030	3,150,047
Diluted earnings per share (HK cents per share)	每股攤薄盈利 (每股港仙)	63.72	54.49

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

29. DIVIDENDS

29. 股息

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Interim dividend paid of HK8.68 cents (2013: HK7.48 cents) per share	已付每股中期股息港幣8.68仙 (二零一三年：港幣7.48仙)	269,194	234,991
Proposed final dividend of HK10.49 cents (2013: HK9.40 cents) per share	擬派每股期末股息港幣10.49仙 (二零一三年：港幣9.40仙)	325,329	291,524
		594,523	526,515
Special dividend paid of HK2.88 cents (2013: HK2.48 cents) per share	已付每股特別股息港幣2.88仙 (二零一三年：港幣2.48仙)	89,318	77,911
Proposed special dividend of HK7.00 cents (2013: HK2.80 cents) per share	擬派每股特別股息港幣7.00仙 (二零一三年：港幣2.80仙)	217,092	86,837
		306,410	164,748
		900,933	691,263

A final dividend of HK10.49 cents (2013: HK9.40 cents) per share, HKD325,329,000 in aggregate (2013: HKD291,524,000), together with a special dividend of HK7.00 cents (2013: HK2.80 cents) per share, HKD217,092,000 in aggregate (2013: HKD86,837,000), are proposed at the meeting of the Board held on 18 June 2014 which is subject to the shareholders' approval at the forthcoming annual general meeting. These consolidated financial statements do not reflect these proposed dividends. The aggregate amounts of the dividends paid and proposed during 2014 and 2013 have been disclosed in the consolidated income statement in accordance with the Hong Kong Companies Ordinance.

擬派發的期末股息為每股港幣10.49仙(二零一三年：港幣9.40仙)，共約港幣325,329,000元(二零一三年：港幣291,524,000元)，及擬派發的特別股息為每股港幣7.00仙(二零一三年：港幣2.80仙)，共約港幣217,092,000元(二零一三年：港幣86,837,000元)，在二零一四年六月十八日舉行的董事局會議建議派發，但需於臨近舉行的股東週年大會上獲股東批准。此綜合財務報表並未反映此建議股息。根據香港《公司條例》，二零一四年及二零一三年已派發及擬派發的股息總額已在綜合收益表中披露。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

30. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES WITHOUT CHANGE OF CONTROL**30. 附屬公司所有者權益的變動（不改變控制權）****(a) Acquisition of additional interest in Yongzhou Shanxiang****(a) 收購永州山香額外權益**

During the year, Shanghai H&K Flavours & Fragrances Co Ltd, a wholly owned subsidiary of the Company, acquired an additional 12% equity interest from the non-controlling interests 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 year is summarised as follows:

年內，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%。年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	購入非控制性權益的賬面值	4,294
Consideration paid to non-controlling interest	支付予非控制性權益的對價	(5,242)
Excess of consideration paid over non-controlling interest acquired recognized in equity	支付對價超出非控制性權益之賬面值於權益中確認	(948)

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

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) Additional investment in Huabao Korea Co., Ltd. ("Huabao Korea")**(b) 額外注資於華寶韓國株式會社（「華寶韓國」）**

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%.

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%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

31. CASH GENERATED FROM OPERATIONS

31. 經營活動產生的現金

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Profit before income tax	除稅前盈利	2,417,245	2,047,404
Adjustments for:	調整：		
– Depreciation	– 折舊	6 143,555	89,752
– Amortization	– 攤銷	7,8 49,525	50,025
– Interest expense	– 利息費用	26 11,997	19,079
– Interest income	– 利息收入	26 (54,352)	(41,277)
– 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)	10,11 2,354	(538)
– Provision for impairment on trade receivables	– 貿易應收款項減值撥備	15 386	212
– Loss on disposal of property, plant and equipment	– 出售物業、機器及設備虧損	287	3,208
– Exchange gain-net	– 匯兌收益－淨額	23 (26,691)	(8,316)
Changes in working capital (excluding acquisition of subsidiary):	營運資金變動(不含收購附屬公司)：		
– Inventories	– 存貨	(145,119)	(25,746)
– Trade and other receivables	– 貿易及其他應收款項	(152,256)	(117,763)
– Trade and other payables	– 貿易及其他應付款項	(1,423)	(108,703)
Net cash generated from operations	經營業務所得現金淨額	2,245,508	1,907,337

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

於綜合現金流量表內，出售物業、機器及設備之所得款包括：

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Net book amount	賬面淨值	6 1,013	5,275
Loss on disposal of property, plant and equipment	出售物業、機器及設備虧損	(287)	(3,208)
Currency translation differences	貨幣換算差額	(493)	(552)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備的所得款	233	1,515

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

32. COMMITMENTS – GROUP**(a) Capital commitments**

Capital expenditure authorized but not contracted for, and contracted for but not yet incurred at the end of the year is as follows:

		As at 31 March 於三月三十一日	
		2014 二零一四年	2013 二零一三年
Authorized but not contracted for Property, plant and equipment	已批准但未簽約： 物業、機器及設備	11,833	2,398
Contracted but not provided for: Property, plant and equipment	已簽約但未撥備： 物業、機器及設備	44,709	50,816
Investment in an associate	於聯營公司之投資	-	135,716
		56,542	188,930

(b) Operating lease commitments

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

		As at 31 March 於三月三十一日	
		2014 二零一四年	2013 二零一三年
Land and buildings:	土地及樓宇：		
Not later than 1 year	不超過1年	26,567	11,122
Later than 1 year and not later than 5 years	超過1年但不超過5年	48,014	3,641
Later than 5 years	超過5年	6,050	163
		80,631	14,926

32. 承擔 – 本集團**(a) 資本承擔**

於結算日已批准但未簽約及已簽約但仍未發生的資本開支如下：

(b) 營運租賃承擔

於結算日根據不可撤銷營運租賃，未來最低租賃付款總額如下：

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

33. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name

名稱

Ms. Chu

朱女士

Owada International Flavours & Fragrances (Guangzhou) Limited ('Owada International')

澳華達國際香料(廣州)有限公司(「澳華達國際」)

Henan Jinrui

河南金瑞

(b) Transactions with related parties

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

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

The above transactions were conducted at terms as agreed with related parties.

33. 關聯人士交易

(a) 關聯人士名稱與關係

Relationship

關係

The single largest shareholder of the Company

本公司的單一大股東

A company controlled by Ms. Chu

受朱女士控制

An associate indirectly held by the Company

本公司間接持有的聯營公司

(b) 與關聯人士的交易

本集團與關聯人士進行下列重大交易：

Year ended 31 March

截至三月三十一日止年度

2014 二零一四年	2013 二零一三年
---------------	---------------

2014

二零一四年

2013

二零一三年

–

1,667

上述交易依據與關聯方所達成的條款進行。

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

33. RELATED PARTY TRANSACTIONS (continued)**(c) Key management compensation**

Key management includes directors (executive, non-executive and independent non-executive) and senior management. The amounts of compensation paid and payable to directors is disclosed in Note 25(b). The amounts of compensation paid and payable to key management for employee services is shown below:

		Year ended 31 March 截至三月三十一日止年度	
		2014 二零一四年	2013 二零一三年
Fees, salaries and bonus	工資、薪酬及花紅	12,918	11,093
Employer's contribution to retirement benefit scheme	僱主就退休計劃供款	457	418
		13,375	11,511

The compensation of senior management fell within the following bands:

高級管理人員之酬金在以下範圍：

		Number of employees 僱員人數	
		2014 二零一四年	2013 二零一三年
HKD500,001 – HKD1,000,000	港幣500,001至1,000,000元	2	1
HKD1,000,001 – HKD1,500,000	港幣1,000,001至1,500,000元	3	5
HKD1,500,001 – HKD2,000,000	港幣1,500,001至2,000,000元	2	–
HKD4,500,001 – HKD5,000,000	港幣4,500,001至5,000,000元	1	1

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES

34. 主要附屬公司之詳情

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定主體類別	Nominal value of issued/ registered capital 已發行/ 註冊資本之面值	Percentage of equity interest attributable to the Company 本公司應佔 股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益 應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Aromascope Development Centre GmbH ^{FC1, AD1}	Germany, Limited liability company 德國，有限責任公司	EUR25,000 歐元25,000	-	100	-	Research and development of flavours & fragrances in Germany 研發香精香料，德國
Chemactive Investments Limited ^{CT}	British Virgin Islands, Limited liability company 英屬處女島，有限責任 公司	USD2 美元2	100	-	-	Investment holding in Hong Kong 投資控股，香港
Feijia Chuangye Additive (Shenzhen) Limited ^{X1} 飛嘉創業添加劑(深圳)有限公司 ^{X1}	PRC*, Limited liability company 中國*，有限責任公司	HKD1,000,000 港幣1,000,000	-	100	-	Production, technical research & development, distribution, import & export of flavours & fragrances & related business in PRC 香精香料的生產、 技術開發、批發、進出口 及相關配套業務，中國
F&G Botswana (Pty) Limited ^{YT1, YX1}	Republic of Botswana, Limited liability company 博茨瓦納共和國， 有限責任公司	BWP100 普拉100元	-	100	-	Production and sales of natural extracts in Botswana 生產和銷售天然提取物， 博茨瓦納共和國
Guangdong Jinke Reconstituted Tobacco Leaves Co., Ltd. ^{YT1, SJ1} 廣東金科再造煙葉有限公司 ^{YT1, SJ1}	PRC*, Limited liability company 中國*，有限責任公司	RMB40,000,000 人民幣40,000,000元	-	55.375	44.625	Manufacture & sale of reconstituted tobacco leaves in PRC 生產及銷售煙草薄片，中國

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(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

34. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行/註冊資本之面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Guangdong Golden Leaf Technology Development Co., Ltd. ^{S11, YX1} 廣東省金葉科技開發有限公司 ^{S11, YX1}	PRC*, Limited liability company 中國*, 有限責任公司	RMB100,000,000 人民幣100,000,000元	-	100	-	Research & development, manufacture and sale of reconstituted tobacco leaves in PRC 研發、生產及銷售煙草薄片，中國
Guangdong Zhaoqing Fragrances Limited ^{CH1, CH2} 廣東省肇慶香料廠有限公司 ^{CH1, CH2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB11,000,000 人民幣11,000,000元	-	100	-	Manufacturing & sales of food flavours & fragrances in PRC 生產及銷售香精香料，中國
Guangzhou Huabao Flavour & Fragrances Company Limited ^{X1, CH1, CH2} 廣州華寶香精香料有限公司 ^{X1, CH1, CH2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB10,000,000 人民幣10,000,000元	-	100	-	Research, development, manufacturing & sales of flavours & fragrances in PRC 研發、生產及銷售香精香料，中國
Guizhou Province Huashuo Biological Technology Co., Ltd. ^{YT1, YX1, YX2} 貴州省華燦生物科技有限公司 ^{YT1, YX1, YX2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB10,000,000 人民幣10,000,000元	-	100	-	Manufacturing & sales of natural extracts in PRC 生產和銷售天然提取物、生物技術產品及香精香料，中國
Hua Fang Tobacco Flavors Limited ^{C1, W1, FC1} 華芳煙用香料有限公司 ^{C1, W1, FC1}	PRC*, Limited liability company 中國*, 有限責任公司	USD4,000,000 美元4,000,000	-	51	49	Manufacturing & sales of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(continued)

34. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定主體類別	Nominal value of issued/ registered capital 已發行/ 註冊資本之面值	Percentage of equity interest attributable to the Company 本公司應佔 股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益 應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Huabao Flavours & Fragrances (HK) Limited ^{C1, FC1} 華寶香精香料(香港)有限公司 ^{C1, FC1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD3,000,000 港幣3,000,000元	-	100	-	Research, development, manufacturing & sales of flavours & fragrances in Hong Kong 研發、生產及銷售 香精香料，香港
Huabao Food Flavours & Fragrances (Shanghai) Company Limited ^{W1, X1, X2} 華寶食用香精香料(上海) 有限公司 ^{W1, X1, X2}	PRC*, Limited liability company 中國*，有限責任公司	USD10,000,000 美元10,000,000	-	100	-	Manufacturing & sales of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料， 中國
Huabao Industrial & Trading Development (HK) Limited ^{C1, X1} 華寶工貿發展(香港)有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD10,000 港幣10,000元	-	100	-	Investment holding, trading of fine chemicals in Hong Kong 投資控股、精細化工產品 貿易，香港
Huabao Korea Company Limited ^{XQ1, YT1, YT2} 華寶韓國股份有限公司 ^{XQ1, YT1, YT2}	Korea, Limited liability company 韓國*，有限責任公司	WON16,320,000,000 韓圓16,320,000,000	-	70	30	Manufacture and sale of Filter materials in Korea 研發、生產及銷售香煙濾咀 產品，韓國
Huabao Qianqi Leasing (Shenzhen) Company Limited ^{X1, XQ1, XQ2} 華寶千祺租賃(深圳)有限公司 ^{X1, XQ1, XQ2}	PRC*, Limited liability company 中國*，有限責任公司	RMB300,000,000 人民幣300,000,000元	-	100	-	Equipment leasing, Office Stationery leasing, assets management, investment management, investment and leasing consulting 機器設備租賃、辦公用品 租賃、資產管理、 投資管理、投資諮詢和 租賃交易諮詢

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(除另有說明者外，所有金額以港幣千元列示)

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

34. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行／註冊資本之面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Huashun Flavour (Shanghai) Limited ^{W1, W2, X1} 華順香料(上海)有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*, 有限責任公司	USD1,000,000 美元1,000,000	-	100	-	Manufacture and sale of fine chemicals in PRC 精細化工產品研發、生產及銷售，中國
Owada Flavour Technology (Guangzhou) Limited ^{XQ1, XQ2} 澳華達香料科技(廣州)有限公司 ^{XQ1, XQ2}	PRC*, Limited liability company 中國*, 有限責任公司	HKD60,000,000 港幣60,000,000	-	100	-	Research, development, production and sale of tobacco flavours & fragrances in PRC 研發、生產、加工及銷售各類合成香料及香精產品，中國
Qingdao Huabao Flavors & Fragrances Co., Ltd. ^{C1, W1} 青島華寶香精香料有限公司 ^{C1, W1}	PRC*, Limited liability company 中國*, 有限責任公司	RMB3,673,500 人民幣3,673,500元	-	70	30	Manufacture and sale of flavors & fragrances in PRC 生產及銷售香精香料，中國
Qingdao Qingda Product Co., Inc. ^{CH1, CH2} 青島青大物產股份有限公司 ^{CH1, CH2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB41,640,000 人民幣41,640,000元	-	100	-	Manufacturing & sales of natural extracts in PRC 生產及銷售天然提取物，中國
Shanghai Danhua Xianghua Keji Co., Ltd. ^{YT1, SJ1} 上海丹華香化科技有限公司 ^{YT1, SJ1}	PRC*, Limited liability company 中國*, 有限責任公司	RMB10,000,000 人民幣10,000,000元	-	72	28	Research, development and sale of flavours & fragrances in PRC 研發、生產及銷售香精香料，中國
Shanghai H&K Flavours & Fragrances Company Limited ^{W1, X1, CH1, CH2} 上海華寶孔雀香精香料有限公司 ^{W1, X1, CH1, CH2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB100,000,000 人民幣100,000,000元	-	100	-	Manufacturing & sales of food flavours & fragrances in PRC 生產及銷售食品香精香料，中國

(All amounts in HK dollar thousands unless otherwise stated)

(除另有說明者外，所有金額以港幣千元列示)

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES
(continued)

34. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定主體類別	Nominal value of issued/ registered capital 已發行/ 註冊資本之面值	Percentage of equity interest attributable to the Company 本公司應佔 股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益 應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Shanghai Yinghua Flavours & Fragrances Limited ^{CH1} 上海英華香精香料有限公司 ^{CH1}	PRC*, Limited liability company 中國*, 有限責任公司	HKD1,000,000 港幣1,000,000元	-	100	-	Sales of tobacco flavours & fragrances in PRC 銷售煙用香精香料，中國
Smart Sino International Limited ^{C1, X1} 華烽國際有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD10,000 港幣10,000元	-	100	-	Investment holding, trading of fine chemicals in Hong Kong 投資控股，精細化工產品貿易，香港
Tai Cang Wen Hua Enterprise Company Limited ^{W1, X1, X2} 太倉文華實業有限公司 ^{W1, X1, X2}	PRC*, Limited liability company 中國*, 有限責任公司	USD1,200,000 美元1,200,000	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售香精香料，中國
Wisdom Bright International Investment Limited ^{C1, X1} 智輝國際投資有限公司 ^{C1, X1}	Hong Kong, Limited liability company 香港，有限責任公司	HKD1 港幣1元	-	100	-	Investment holding, trading of fine chemicals in Hong Kong 投資控股，精細化工產品貿易，香港
Wuxi Fuhua Flavour & Fragrance Company Limited ^{W1, W2, X1} 無錫福華香精香料有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*, 有限責任公司	USD7,000,000 美元7,000,000	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Wuxi Hua Hai Flavour Company Limited ^{W1, W2, X1} 無錫華海香料有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*, 有限責任公司	USD650,000 美元650,000	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售香精香料，中國
Wuxi Hua Xin Flavour & Fragrance Company Limited ^{W1, X1, X2} 無錫華馨香精香料有限公司 ^{W1, X1, X2}	PRC*, Limited liability company 中國*, 有限責任公司	USD1,000,000 美元1,000,000	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國

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(除另有說明者外，所有金額以港幣千元列示)

34. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

34. 主要附屬公司之詳情 (續)

Name 公司名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Nominal value of issued/registered capital 已發行/註冊資本之面值	Percentage of equity interest attributable to the Company 本公司應佔股本權益		Percentage of equity interest attributable to non-controlling interests 非控制性權益應佔股本權益	Principal activities and place of operation 主要業務及經營地點
			Direct 直接	Indirect 間接		
Wuxi Jiahua Flavour & Fragrance Company Limited ^{W1, W2, X1} 無錫嘉華香精香料有限公司 ^{W1, W2, X1}	PRC*, Limited liability company 中國*, 有限責任公司	RMB60,000,000 人民幣60,000,000元	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售煙用香精香料，中國
Xiamen Amber Fragrances Co., Ltd. ^{CH1, CH2} 廈門琥珀香料有限公司 ^{CH1, CH2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB20,000,000 人民幣20,000,000元	-	51	49	Research, development, distribution and retail of fragrances in PRC 研發、生產、批發及零售日用化工產品，中國
Ying Tan Huabao Flavours & Fragrances Co., Ltd. ^{W1, X1, X2} 鷹潭華寶香精香料有限公司 ^{W1, X1, X2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB64,000,000 人民幣64,000,000元	-	100	-	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售香精香料，中國
Yongzhou Shan Xiang ^{CH1, CH2} 永州山香 ^{CH1, CH2}	PRC*, Limited liability company 中國*, 有限責任公司	RMB35,000,000 人民幣35,000,000元	-	79.14	20.86	Investment holding in PRC 投資控股，中國
Yunnan Tianhong Flavor & Fragrance Company Limited ^{C1, C2} 雲南天宏香精香料有限公司 ^{C1, C2}	PRC*, Limited liability company 中國*, 有限責任公司	USD2,250,000 美元2,250,000	-	60	40	Production and sale of tobacco flavours & fragrances in PRC 生產及銷售香精香料，中國

* All entities incorporated in PRC are identified as 'limited liability company'.

* 所有於中國註冊成立的公司皆為有限責任公司。

RESULTS

業績

		Year ended 31 March 截至三月三十一日止年度				2014
		2010 二零一零年	2011 二零一一年	2012 二零一二年	2013 二零一三年	二零一四年
Turnover	營業額	2,366,403	2,852,173	3,311,304	3,645,940	4,237,425
Gross Profit	毛利	1,786,835	2,120,459	2,335,996	2,518,909	2,998,119
Profit before income tax	除稅前盈利	1,531,649	1,881,114	2,080,989	2,047,404	2,417,245
Income tax expenses	所得稅	(162,236)	(249,256)	(314,250)	(314,804)	(420,381)
Profit for the year	本年度盈利	1,369,413	1,631,858	1,766,739	1,732,600	1,996,864

ASSETS AND LIABILITIES

資產及負債

		As at 31 March 於三月三十一日				2014
		2010 二零一零年	2011 二零一一年	2012 二零一二年	2013 二零一三年	二零一四年
Total assets	總資產	4,833,858	6,927,840	8,351,919	8,882,793	10,408,406
Total liabilities	總負債	(915,651)	(1,631,977)	(1,701,670)	(1,257,117)	(1,408,177)
Shareholders' funds	淨資產	3,918,207	5,295,863	6,650,249	7,625,676	9,000,229

Other Financial Information

其他財務數據

		2010 二零一零年	2011 二零一一年	2012 二零一二年	2013 二零一三年	2014 二零一四年
Earnings per share, basic (HK cents)	每股盈利，基本（港仙）	43.15	51.01	55.48	54.53	63.76
Earnings per share, diluted (HK cents)	每股盈利，攤薄（港仙）	42.58	50.59	55.31	54.49	63.72
Aggregated dividend per share (HK cents)	每股全年累計股息（港仙）	12.78	15.18	16.68	16.88	19.17
Aggregated special dividend per share (HK cents)	每股全年累計特別股息 （港仙）	8.3	Nil	5.18	5.28	9.88
Fiscal year-end share prices (HKD)	財務年度終結日股價 （港元）	9.33	11.96	5.05	3.37	3.56
EBIT ratio	EBIT率	64.1%	65.6%	62.3%	55.5%	56.1%
EBITDA ratio	EBITDA率	67.1%	68.5%	65.7%	59.4%	60.7%
ROE	ROE	40.3%	36.3%	30.8%	25.2%	24.8%

AGM	Annual general meeting	股東週年大會	股東週年大會
Aromascape R&D Centre	Aromascape Development Centre GmbH	Aromascape 研發中心	Aromascape Development Centre GmbH
Board	Board of directors of the Company	董事會	本公司的董事會
Bye-laws	Bye-laws of the Company	公司細則	本公司之公司細則
CAGR	Compound annual growth rate	年均複合增長率	年均複合增長率
CEO	Chief Executive Officer	總裁	總裁
CFO	Chief Financial Officer	財務總監	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 Yunnan	China Tobacco Yunnan Industrial Co., Ltd.	雲南中煙	雲南中煙工業有限責任公司
Company or Huabao	Huabao International Holdings Limited	本公司或華寶	華寶國際控股有限公司
Director(s)	Director(s) of the Company	董事	本公司董事
EPS	Earnings per share	每股盈利	每股盈利
Executive Director(s)	Executive director(s) of the Company	執行董事	本公司之執行董事
F&G	F&G (Botswana) (Proprietary) Limited	F&G	F&G (Botswana) (Proprietary) Limited
FCCA	Fellow member of Association of Chartered Certified Accountants	FCCA	英國特許公認會計師公會資深會員
FCIS	Fellow member of The Institute of Chartered Secretaries and Administrators	FCIS	英國特許秘書及行政人員公會資深會員
FCPA	Fellow member of Hong Kong Institute of Certified Public Accountants	FCPA	資深會計師
FCS	Fellow member of The Hong Kong Institute of Chartered Secretaries	FCS	香港特許秘書公會資深會員
Fejia Chuangye	Fejia Chuangye Additive (Shenzhen) Limited	飛嘉創業	飛嘉創業添加劑(深圳)有限公司
Group or Huabao Group	the Company and its subsidiaries	本集團或華寶集團	本公司及其附屬公司
Guangdong Jinke	Guangdong Jinke Reconstituted Tobacco Leaves Company Limited	廣東金科	廣東金科再造煙葉有限公司
Guangdong Jinye	Guangdong Golden Leaf Technology Development Co., Ltd.	廣東金葉	廣東省金葉科技開發有限公司
Guangdong Tobacco	China Tobacco Guangdong Industrial Co., Ltd.	廣東中煙	廣東中煙工業有限責任公司
Guangdong Tobacco Company	Guangdong Tobacco and its subsidiaries and associates	廣東中煙公司	廣東中煙及其附屬公司及聯繫人

Guangdong Zhaoqing	Guangdong Zhaoqing Fragrances Limited	廣東肇慶	廣東省肇慶香料廠有限公司
Guangzhou Huabao	Guangzhou Huabao Flavours & Fragrances Co., Ltd.	廣州華寶	廣州華寶香精香料有限公司
Guangzhou Huafang	Hua Fang Tobacco Flavors Ltd.	廣州華芳	華芳煙用香料有限公司
Guizhou Huashuo	Guizhou Province Huashuo Biological Technology Co., Ltd.	貴州華燦	貴州省華燦生物科技有限公司
Hengxin Analysis and Inspection	Shanghai Hengxin Jiance Jishu Co., Ltd.	衡欣檢測	上海衡欣檢測技術有限公司
HKD	Hong Kong dollars	港幣	港幣
Hong Kong or HKSAR	Hong Kong Special Administrative Region of the People's Republic of China	香港	中華人民共和國香港特別行政區
Hongta Tobacco	Hongta Tobacco (Group) Co., Ltd.	紅塔煙草	紅塔煙草(集團)有限責任公司
Hongta Tobacco Group	Hongta Tobacco and its subsidiaries and associates	紅塔煙草集團	紅塔煙草及其附屬公司及聯繫人
Huabao Hong Kong	Huabao Flavours & Fragrances (HK) Ltd.	華寶香港	華寶香精香料(香港)有限公司
Huabao Kongque	Shanghai H&K Flavours & Fragrances Co., Ltd.	華寶孔雀	上海華寶孔雀香精香料有限公司
Huabao Korea	Huabao Korea Co., Ltd.	華寶韓國	華寶韓國株式會社
Huabao Shanghai	Huabao Food Flavours & Fragrances (Shanghai) Co., Ltd.	華寶上海	華寶食用香精香料(上海)有限公司
Huangguoshu Jinye	Guizhou Huangguoshu Jinye Technology Co., Ltd.	黃果樹金葉	貴州黃果樹金葉科技有限公司
Huashun Shanghai INED(s)	Huashun Flavour (Shanghai) Limited Independent Non-executive Director(s) of the Company	華順上海 獨立非執行董事	華順香料(上海)有限公司 本公司之獨立非執行董事
Listing Rules	the 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	毫克	毫克
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers	標準守則	上市發行人董事進行證券交易的標準守則
Owada	Owada Flavours Technology (Guangzhou) Limited	澳華達	澳華達香料科技(廣州)有限公司
PRC	The People's Republic of China	中國	中華人民共和國
Qingdao Huabao	Qingdao Huabao Flavours & Fragrances Co., Ltd.	青島華寶	青島華寶香精香料有限公司
Qingdao Qingda R&D	Qingdao Qingda Product Co., Inc. Research and development	青島青大 研發	青島青大物產股份有限公司 研究及發展
RMB	Renminbi	人民幣	人民幣, 中國法定貨幣
RTL	Reconstituted Tobacco Leaves	煙草薄片	再造煙葉

Scheme Mandate Limit	The maximum number of Shares in respect of which share options may be granted under the Share Option Scheme and any other share option scheme(s) of the Company	計劃授權限額	與根據購股權計劃及任何其他本公司購權股計劃授出之購股權有關之股份數目上限
SFO	the 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
SGM	Special general meeting	股東特別大會	股東特別大會
Shanghai Yinghua	Shanghai Yinghua Flavours & Fragrances Limited	上海英華	上海英華香精香料有限公司
Shareholder(s)	Shareholder(s) of the Company	股東	本公司之股東
Share(s)	Ordinary share(s) of HKD0.10 each of the Company	普通股	本公司股本中每股面值港幣0.10元的普通股
STMA	State Tobacco Monopoly Administration	國煙局	國家煙草專賣局
Stock Exchange	The Stock Exchange of Hong Kong Limited	聯交所	香港聯合交易所有限公司
Taicang Wenhua	Tai Cang Wen Hua Enterprises Co., Ltd.	太倉文華	太倉文華實業有限公司
USD	US dollars	美元	美元
Wuxi Fuhua	Wuxi Fuhua Flavour & Fragrance Co., Ltd.	無錫福華	無錫福華香精香料有限公司
Wuxi Huahai	Wuxi Hua Hai Flavour Co., Ltd.	無錫華海	無錫華海香精香料有限公司
Wuxi Huaxin	Wuxi Hua Xin Flavour & Fragrance Co., Ltd.	無錫華馨	無錫華馨香精香料有限公司
Wuxi Jiahua	Wuxi Jiahua Flavour & Fragrance Co., Ltd.	無錫嘉華	無錫嘉華香精香料有限公司
Xiamen Amber	Xiamen Amber Fragrances Co., Ltd.	廈門琥珀	廈門琥珀香料有限公司
Yingtian Huabao	Ying Tan Huabao Flavours & Fragrances Co., Ltd.	鷹潭華寶	鷹潭華寶香精香料有限公司
Yongzhou Shanxiang	Yongzhou Shan Xiang Flavour Co., Ltd.	永州山香	永州山香香料有限公司
Yunnan	Yunnan Hua Xiang Yuan Flavours Limited	雲南華香源	雲南華香源香料有限公司
Huaxiangyuan			
Yunnan Tianhong	Yunnan Tianhong Flavour & Fragrance Co., Ltd.	雲南天宏	雲南天宏香精香料有限公司

