



Honworld Group Limited

老恒和釀造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 2226

老
恒
和

Interim Report 中期報告

2016

* For identification purposes only 僅供識別

**“LAO HENG HE”, A BRAND WITH A HISTORY OF MORE THAN 130 YEARS
PANAMA — PACIFIC INTERNATIONAL EXPOSITION GOLD AWARD FOR
CONDIMENT PRODUCTS**



「老恒和」，源自傳承，品牌歷史超過 130 年
巴拿馬博覽會金獎產品



目錄

CONTENTS

公司資料	02	Corporate Information
管理層討論與分析	06	Management Discussion and Analysis
補充資料	16	Supplementary Information
中期簡明綜合損益表	26	Interim Condensed Consolidated Statement of Profit or Loss
中期簡明綜合全面收益表	27	Interim Condensed Consolidated Statement of Comprehensive Income
中期簡明綜合財務狀況表	28	Interim Condensed Consolidated Statement of Financial Position
中期簡明綜合權益變動表	30	Interim Condensed Consolidated Statement of Changes in Equity
中期簡明綜合現金流量表	32	Interim Condensed Consolidated Statement of Cash Flows
中期簡明綜合財務報表附註	34	Notes to the Interim Condensed Consolidated Financial Statements



CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Weizhong (*Chairman and CEO*)
Mr. Sheng Mingjian
Mr. Wang Chao

Non-executive Director

Mr. Sun Qingdong (Appointed on 23 June 2016)

* Mr. Zhang Bihong resigned as a non-executive Director on 23 June 2016

Independent Non-executive Directors

Mr. Shen Zhenchang
Mr. Lei Jiasu
Mr. Ma Chaosong

COMPANY SECRETARY

Mr. Au Wai Keung

AUTHORISED REPRESENTATIVES

Mr. Chen Weizhong
Mr. Au Wai Keung

AUDIT COMMITTEE

Mr. Ma Chaosong (*Chairman*)
Mr. Lei Jiasu
Mr. Shen Zhenchang
Mr. Sun Qingdong (Appointed on 23 June 2016)

REMUNERATION COMMITTEE

Mr. Shen Zhenchang (*Chairman*)
Mr. Lei Jiasu
Mr. Ma Chaosong

董事會

執行董事

陳衛忠先生 (主席及首席執行官)
盛明健先生
王超先生

非執行董事

孫卿東先生 (於二零一六年六月二十三日獲委任)

* 張弼弘先生已於二零一六年六月二十三日辭任
非執行董事

獨立非執行董事

沈振昌先生
雷家驩先生
馬朝松先生

公司秘書

區偉強先生

授權代表

陳衛忠先生
區偉強先生

審核委員會

馬朝松先生 (主席)
雷家驩先生
沈振昌先生
孫卿東先生 (於二零一六年六月二十三日獲委任)

薪酬委員會

沈振昌先生 (主席)
雷家驩先生
馬朝松先生

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

NOMINATION COMMITTEE

Mr. Lei Jiasu (*Chairman*)
Mr. Ma Chaosong
Mr. Shen Zhenchang

提名委員會

雷家驩先生(主席)
馬朝松先生
沈振昌先生

AUDITORS

Ernst & Young
Certified Public Accountants
22nd Floor
1 Tim Mei Avenue
Central
Hong Kong

核數師

安永會計師事務所
執業會計師
香港
中環
添美道1號
22樓

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

註冊辦事處

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA (THE "PRC")

Balidian Town
Food and Industrial Park
Wuxing District, Huzhou City
Zhejiang 313000, PRC

中華人民共和國(「中國」) 總部及主要營業地點

中國浙江省
湖州市吳興區
八里店鎮食品工業園
郵編：313000

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 606-607, 6th Floor
China Merchants Building
152-155 Connaught Road Central
Sheung Wan
Hong Kong

香港主要營業地點

香港
上環
干諾道中152-155號
招商局大廈6樓
606-607室

CORPORATE INFORMATION (CONTINUED)

公司資料 (續)

PRINCIPAL BANKERS

Agricultural Bank of China
Huzhou Branch
No.88, Renmin Road
Wuxing District
Huzhou City, Zhejiang Province
PRC

Industrial and Commercial Bank of China Limited
Zhili Branch
No. 583, 587, 589 Zhenbei Road
Zhili Town
Huzhou City, Zhejiang Province
PRC

Bank of China
Huzhou Branch
No. 208, Renmin Road
Huzhou City, Zhejiang Province
PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

主要往來銀行

中國農業銀行
湖州市分行
中國
浙江省湖州市
吳興區
人民路88號

中國工商銀行股份有限公司
織里支行
中國
浙江省湖州市
織里鎮
珍貝路583、587、589號

中國銀行
湖州市分行
中國
浙江省湖州市
人民路208號

主要股份過戶登記處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

CORPORATE INFORMATION (CONTINUED)

公司資料 (續)

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

香港證券登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心
17樓1712-1716室

STOCK CODE

Stock code: 2226
Board lot: 500

股份代號

股份代號 : 2226
買賣單位 : 500

WEBSITE

<http://www.hzlaohenghe.com>

網址

<http://www.hzlaohenghe.com>

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

The growth of GDP of the People's Republic of China (the "PRC") continues to slow down, with a year-on-year growth rate of 6.7% recorded in the first half of 2016. The growth momentum of the condiments industry has also slowed down. However, quality, innovative and premium products are still favoured by consumers, and increasingly more attention is being paid to safe and healthy products. This trend has created an attractive opportunity for industry leaders who are able to quickly adapt themselves to the changing market conditions and consumer preferences.

In the first half of 2016, the Company has adopted a new distribution strategy, shifting its focus from major supermarket channels to further focusing on traditional channels and catering channels, and vertical penetration of our distribution network to third tier and fourth tier cities. The traditional and catering channels account for majority of the industry sales, the Company believes that expanding our presence in these channels represents an attractive growth opportunity. In addition, a more balanced channel mix is favourable for the sustainable development of the Company.

Along with distribution channel diversification, we have continued to broaden our customer base into more geographic locations and roll our products into nationwide distribution foot print. We have added around 218 new distributors, namely around 84 in Eastern China, 30 in Northern China, 12 in North East China, 42 in Central China and North West China and around 50 in Southern China. Our customers are mainly based in Eastern China, Southern China and Northern China, and rest of the third and fourth tier cities in China. As of 30 June 2016, we have a total of around 600 distributors.

In order to support the aforementioned channel diversification, the Company has expanded its sales and marketing team and optimized its marketing and promotion strategy. As at 30 June 2016, the Company employed 225 sales and marketing employees, a meaningful increase from approximately 61 as at 31 December 2015. The increase in sales force is intended to better serve and monitor the traditional channel, whose points of sales are more dispersed. A larger sales force will also allow the Company to deploy a professional sell-through management process, enabling the Company to implement its sales policies and promotion effort more effectively, solicit market feedback more efficiently, and react to market changes more expeditiously. We have also implemented incentive structures that reward our sales team based on sales target performance. We are near completion in deploying our sales team across our distribution regions.

業務回顧

中華人民共和國（「中國」）的國內生產總值增長持續放緩，二零一六年上半年的年計增長率為6.7%。調味品行業增長亦有回落。然而，消費者仍對質優、創新的特級產品青睞有加，並日益重視安全、健康的產品。此趨勢為能夠快速適應日新月異的市況及消費者喜好的行業領導者帶來具吸引力之商機。

於二零一六年上半年，本公司已採納新經銷策略，將注意力由主要商超渠道轉移至傳統渠道、餐飲渠道及經銷網絡進一步向三四線城市垂直滲透。傳統及餐飲渠道乃行業銷售的主要組成部分，本公司認為擴大我們於該等渠道的業務能帶來具吸引力的增長商機。此外，更加均衡的渠道組合有利於本公司的可持續發展。

隨着經銷渠道的多樣化，我們持續向其他地理區域拓寬客戶基礎，並將我們的產品經銷至全國各地。我們新增約218名經銷商（約84名設於華東、30名設於華北、12名設於東北、42名設於華中及西北以及約50名設於華南）。我們的客戶主要位於華東、華南及華北，其餘則位於中國的三四線城市。截至二零一六年六月三十日，我們總共有約600名經銷商。

為支持上述渠道多樣化，本公司已擴充其銷售及市場推廣團隊並優化市場推廣及促銷策略。於二零一六年六月三十日，本公司聘用225名銷售及市場推廣員工，較二零一五年十二月三十一日的約61名實現實質性增長。銷售團隊的壯大旨在更好地服務及監控銷售點較為分散的傳統渠道。更為強大的銷售團隊亦將令本公司專業化其代理商銷售流程，使本公司更為有效地實施銷售政策及促銷活動、更為高效地征集市場反饋以及更為迅速地回應市場變化。我們亦已實施根據銷售目標表現獎勵銷售團隊的激勵機制。我們在各分銷區域的銷售團隊佈局逐步到位。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析 (續)

The Company has decided to divert more resources to the traditional local regional distribution channels. We have rolled out new products to better fit the regional distribution channels' profile, focusing on medium ranged products. In addition, we have reduced our promotional and marketing activities in the major supermarkets, which led to lower sales in the supermarket channel, which was offset by the increase in sales in the traditional distribution channel.

We have rolled out new products to better fit the profile of the traditional distribution channel, with an initial focus on medium ranged products. In the first half of 2016, we introduced 4 new products in the medium range, including 1L Rose Vinegar, 350ml and 500ml Sticky Ricewine and 1.9L Handmade Ricewine.

As a result of the aforementioned changes in industry dynamics and distribution strategy, for the six months ended 30 June 2016, revenue of the Group amounted to RMB360.1 million (six months ended 30 June 2015: RMB356.7 million), representing an increase of 1.0% as compared to the corresponding period of 2015. The restructuring also led to slightly lower gross margin and higher selling expenses, which resulted in lower net profit of the Group for the six months ended 30 June 2016 compared to the corresponding period of 2015.

本公司已決定向傳統地方區域的經銷渠道投放更多資源。我們已推出新產品以更好地應對區域的經銷渠道狀況，同時專注於中端產品。此外，我們已減少主要商超的促銷及市場推廣活動，導致商超渠道的銷售額下降，惟由傳統經銷渠道的銷售額增長所抵銷。

我們已推出新產品以更好地應對傳統分銷渠道的狀況，初步的專注點為中端產品。於二零一六年上半年，我們推出四款中端新產品，包括1升玫瑰米醋、350毫升及500毫升糯米酒及1.9升手工料酒。

由於行業動態及經銷策略的上述變動，截至二零一六年六月三十日止六個月，本集團的收入為人民幣360.1百萬元（截至二零一五年六月三十日止六個月：人民幣356.7百萬元），較二零一五年同期增長1.0%。渠道轉型亦令毛利率小幅下降及銷售開支上漲，導致本集團截至二零一六年六月三十日止六個月的淨利率較二零一五年同期為低。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析 (續)

FINANCIAL REVIEW

Overview

The key financial indicators of the Group are as follows:

財務回顧

概覽

本集團主要財務指標如下：

		Six months ended 30 June		Period- to-period change 按期變動 (%)
		截至六月三十日止六個月		
		2016	2015	
		二零一六年	二零一五年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
Income statement items	收益表項目			
Sales	銷售額	360,064	356,676	1.0
Gross profit	毛利	197,132	202,245	(2.5)
Profit attributable to owners of the parent	母公司擁有人應佔利潤	101,654	109,977	(7.6)
EBITDA	除利息、稅項、折舊及 攤銷前利潤	159,654	159,299	0.2
Earnings per share (RMB cents) (Note a)	每股盈利 (人民幣分) (附註a)			
– basic and diluted	– 基本及攤薄	19.5	21.2	(8.0)
Selected financial ratios	節選財務比率			
Gross profit margin (%)	毛利率(%)	54.7%	56.7%	(3.5)
Net profit margin attributable to owners of the parent (%)	母公司擁有人應佔 淨利潤率(%)	28.2%	30.8%	(8.4)
EBITDA margin (%)	除利息、稅項、折舊及 攤銷前利潤率(%)	44.3%	44.7%	(0.9)
		30 June	31 December	
		2016	2015	
		二零一六年	二零一五年	
		六月三十日	十二月 三十一日	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
Gearing ratio (Note b)	資產負債比率 (附註b)	25.0%	30.9%	(19.1)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析 (續)

Notes:

- (a) Please refer to Note 8 to the financial statements for the calculation of earnings per share.
- (b) The gearing ratio is based on net debt divided by total equity and net debt as at 30 June 2016. Net debt includes total debt net of cash and cash equivalents. Total debt include trade payables, other payables and accruals, interest-bearing bank and other borrowings and other long term liabilities.

Revenue

During the six months ended 30 June 2016, the revenue of the Group increased by 1.0% from RMB356.7 million for the six months ended 30 June 2015 to RMB360.1 million for the corresponding period of 2016, primarily reflecting combined effect of the decrease in the sale of our soy sauce products and vinegar products and the increase in the sale of our cooking wine and other products due to our channel restructuring initiatives.

Revenue from cooking wine products increased by 0.2% from RMB258.6 million for the six months ended 30 June 2015 to RMB259.2 million for the corresponding period of 2016, reflecting the combined effect of the decrease of sales volume for premium and high-end cooking wine and the increase of sales for medium-range and mass-market cooking wine due to our channel restructuring initiatives.

Revenue from the Group's soy sauce products decreased by 11.4% from RMB55.4 million for the six months ended 30 June 2015 to RMB49.1 million for the corresponding period of 2016, reflecting a decrease in sales volume for the Group's soy sauce products like Premium Flavored Soy Sauce (鮮上鮮醬油).

Revenue from the Group's vinegar products decreased by 7.2% from RMB34.8 million for the six months ended 30 June 2015 to RMB32.3 million for the corresponding period of 2016, reflecting a decrease in sales volume for Crab Vinegar (蟹醋) and Premium Zhejiang Vinegar (上品浙醋).

Revenue from the Group's other products increased by 146.8% from RMB7.9 million for the six months ended 30 June 2015 to RMB19.5 million for the corresponding period of 2016, reflecting an increase in sales volume for the Group's sauce products such as soybean paste (黃豆醬) and fermented bean curd products.

附註：

- (a) 有關每股盈利的計算方法，請參閱財務報表附註8。
- (b) 於二零一六年六月三十日，資本負債比率按淨債務除以總權益及淨債務計算。淨債務包括總債務減現金及現金等價物。總債務包括應付貿易款、其他應付款及應付項目、計息銀行及其他借款及其他長期負債。

收入

截至二零一六年六月三十日止六個月，本集團的收入由截至二零一五年六月三十日止六個月的人民幣356.7百萬元增加1.0%至二零一六年同期的人民幣360.1百萬元，主要反映因我們經銷渠道轉型策略而導致醬油產品及醋製品的銷售額減少及我們料酒和其他產品銷售額增加的綜合影響。

料酒產品的收入由截至二零一五年六月三十日止六個月的人民幣258.6百萬元增加0.2%至二零一六年同期的人民幣259.2百萬元，反映因我們經銷渠道轉型策略而導致特級及高端料酒的銷量減少及中端與平價料酒的銷售額增加的綜合影響。

本集團醬油產品的收入由截至二零一五年六月三十日止六個月的人民幣55.4百萬元減少11.4%至二零一六年同期的人民幣49.1百萬元，反映本集團醬油產品（如鮮上鮮醬油）銷量的減少。

本集團醋製品的收入由截至二零一五年六月三十日止六個月的人民幣34.8百萬元減少7.2%至二零一六年同期的人民幣32.3百萬元，反映蟹醋、上品浙醋銷量的減少。

本集團其他產品的收入由截至二零一五年六月三十日止六個月的人民幣7.9百萬元增加146.8%至二零一六年同期的人民幣19.5百萬元，反映本集團的醬料產品（如黃豆醬）及腐乳產品的銷量增加。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析 (續)

The Group believes the slowdown in the Group's sales during the six months ended 30 June 2016 was largely a result of the decrease in the frequency of the promotions in the major supermarket channels, especially for the premium and high-end product, lead to lower sales from the major supermarket channels.

Cost of Sales

The Group's cost of sales, including raw materials, manufacturing overhead and salaries and benefits, increased by 5.5% from RMB154.4 million in the six months ended 30 June 2015 to RMB162.9 million for the corresponding period of 2016.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 2.5% from RMB202.2 million in the six months ended 30 June 2015 to RMB197.1 million for the corresponding period of 2016, and the gross profit margin decreased from 56.7% in the six months ended 30 June 2015 to 54.7% for the corresponding period of 2016. The decrease in gross profit margin was due to the decrease in revenue contribution from the Group's premium and high-end products.

Selling and Distribution Expenses

Selling and distribution expenses primarily consisted of advertising expenses, marketing expenses, travelling expenses, and remuneration for our sales employees. The Group's selling and distribution expenses increased from RMB18.9 million during the six months ended 30 June 2015 to RMB23.9 million for the corresponding period of 2016, which was mainly due to the RMB4.6 million spending in advertising expenses on TV advertisement and name sponsorship on TV shows. The Group's selling and distribution expenses as a percentage of the Group's revenue increased from 5.3% for the six months ended 30 June 2015 to 6.6% for the corresponding period of 2016, primarily as a result of the increasing marketing expenses and sales employee cost due to the expanded sales team as discussed in the Business Review section.

Administrative Expenses

The administrative expenses increased by 11.3% from RMB39.8 million during the six months ended 30 June 2015 to RMB44.3 million for the corresponding period of 2016, mainly due to the increase in research and development expenses for new production methods based on traditional production techniques to develop new taste and enhancing nutritional values.

本集團認為截至二零一六年六月三十日止六個月的銷售增速放緩，主要由於主要商超渠道的促銷活動減少，尤其是特級及高端產品的促銷，從而導致來自主要商超渠道的銷售額下跌。

銷售成本

本集團的銷售成本(包括原材料、製造費用及薪金福利)由截至二零一五年六月三十日止六個月的人民幣154.4百萬元增加5.5%至二零一六年同期的人民幣162.9百萬元。

毛利及毛利率

本集團的毛利由截至二零一五年六月三十日止六個月的人民幣202.2百萬元減少2.5%至二零一六年同期的人民幣197.1百萬元，而毛利率由截至二零一五年六月三十日止六個月的56.7%下降至二零一六年同期的54.7%。毛利率減少乃由於來自本集團特級及高端產品的收入貢獻減少所致。

銷售及經銷開支

銷售及經銷開支主要包括廣告開支、營銷開支、差旅開支及我們銷售員工的酬金。本集團的銷售及經銷開支由截至二零一五年六月三十日止六個月的人民幣18.9百萬元增加至二零一六年同期的人民幣23.9百萬元，該等增加主要由於電視廣告的廣告開支及電視節目冠名花費人民幣4.6百萬元所致。本集團的銷售及經銷開支佔本集團收入的百分比由截至二零一五年六月三十日止六個月的5.3%增加至二零一六年同期的6.6%，主要由於業務回顧一節所述的擴大銷售團隊而令市場推廣開支及銷售員工成本增加。

行政開支

行政開支由截至二零一五年六月三十日止六個月的人民幣39.8百萬元增加11.3%至二零一六年同期的人民幣44.3百萬元，主要由於為開發新口味及提高營養價值而在傳統工藝的基礎上創新新工藝的研發開支增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析 (續)

Finance Costs

Finance costs increased by 24.2% from RMB15.3 million during the six months ended 30 June 2015 to RMB19.0 million for the corresponding period of 2016. The increase in finance costs primarily reflected an increase in average balance of bank loans to fulfill the increased working capital needs for the expanded production capacity during the first half year of 2016.

Profit before Tax

As a result of the foregoing, the profit before tax decreased by 7.7% from RMB129.9 million during the six months ended 30 June 2015 to RMB119.9 million for the corresponding period of 2016.

Income Tax Expense

The subsidiaries of the Company in China, Huzhou Laohenghe Brewery Co. Limited (“**Huzhou Lao Heng He**”) and Huzhou Laohenghe Wine Co., Limited, having received the “Certificate of New and Advanced Technology Enterprise”, were entitled to the beneficial tax rate of 15% for three years ended 31 December 2015. The Directors confirm that the Group have completed the relevant filing procedures for the “New and Advanced Technology Enterprise” status as at 30 June 2016 and expect the Group to continue to enjoy the beneficial tax rate of 15%. In the event if the Group do not continue to be qualified as “New and Advanced Technology Enterprise”, then the applicable corporate income tax of the Group from 1 January 2016 onwards shall be at the tax rate of 25%.

As such, the corporate income tax of the Group for the six months ended 30 June 2016 in respect of its operations in the PRC was provided at the rate of 15% (six months ended 30 June 2015: 15%) on the taxable profits. Income tax expenses decreased by 8.5% from RMB19.9 million during the six months ended 30 June 2015 to RMB18.3 million for the corresponding period of 2016, which was mainly due to the decrease in profit before tax. The effective income tax rate was 15.2% and 15.4% for the first half year of 2016 and the corresponding period of 2015, respectively.

融資成本

融資成本由截至二零一五年六月三十日止六個月的人民幣15.3百萬元增加24.2%至二零一六年同期的人民幣19.0百萬元。融資成本的增加主要反映了銀行貸款平均結餘的增加，以滿足二零一六年上半年因擴大產能而有所增加的營運資金需求。

除稅前利潤

由於上述原因，除稅前利潤由截至二零一五年六月三十日止六個月的人民幣129.9百萬元減少7.7%至二零一六年同期的人民幣119.9百萬元。

所得稅開支

本公司中國附屬公司湖州老恒和釀造有限公司（「湖州老恒和」）及湖州老恒和酒業有限公司已獲頒發「高新技術企業證書」，並有權於截至二零一五年十二月三十一日止三個年度享受15%的優惠稅率。董事確認，截至二零一六年六月三十日，本集團已就「高新技術企業」資格完成相關備案程序及預期本集團將繼續享受15%的優惠稅率。倘本集團不再繼續合資格為「高新技術企業」，則本集團自二零一六年一月一日起適用的企業所得稅稅率應為25%。

因此，截至二零一六年六月三十日止六個月，本集團就其中國業務應課稅利潤繳納企業所得稅的稅率為15%（截至二零一五年六月三十日止六個月：15%）。所得稅開支由截至二零一五年六月三十日止六個月的人民幣19.9百萬元減少8.5%至二零一六年同期的人民幣18.3百萬元，主要由於除稅前利潤減少。於二零一六年上半年及二零一五年同期，實際所得稅稅率分別為15.2%及15.4%。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析 (續)

Profit for the period attributable to owners of the parent

Profit attributable to owners of the parent decreased by about 7.6% from RMB110.0 million for the six months ended 30 June 2015 to RMB101.7 million for the corresponding period of 2016. Basic earnings per share decreased from RMB21.2 cents for the six months ended 30 June 2015 to RMB19.5 cents for the six months ended 30 June 2016 and net profit margin decreased from 30.8% for the six months ended 30 June 2015 to 28.2% for the corresponding period of 2016. Decrease in earnings per share was attributable to the decrease of the net profit margin attributable to ordinary equity holders of the parent and the increase in the weighted average number of ordinary share in issue. The decrease in net profit margin was primary a result of the decrease in gross profit margin.

FINANCIAL AND LIQUIDITY POSITION

Working Capital Management

A substantial part of the inventories of the Group was contributed by work-in-progress, which mainly represented the base wine, work-in-progress soy sauce and base vinegar in the brewing period. The inventory turnover days increased from 931 days during the year of 2015 to 1,090 days during the first half year of 2016, which was primarily a result of increase in work-in-progress by RMB75.5 million, or 8.2%. In order to cope with future growth, the Group keeps adjusting its production scale to ensure the Group has sufficient work-in-progress stock not only for satisfying short term demand, but also for the expansion in the next few years.

Trade receivables primarily represented the receivables for goods sold to the distributors. Trade receivables turnover days increased slightly from 75 days for the year ended 31 December 2015 to 78 days for the six months ended 30 June 2016, which was mainly due to the fact that the Company slightly extended the credit terms with its long standing distributors to longer periods.

Trade payables represented payables to suppliers for raw materials, such as rice, wheat, bean and others. Trade payables turnover days decreased from 116 days for the year ended 31 December 2015 to 92 days for the six months ended 30 June 2016, primarily due to the increase in the prepayments for raw materials.

母公司擁有人應佔期內利潤

母公司擁有人應佔利潤由截至二零一五年六月三十日止六個月的人民幣110.0百萬元減少約7.6%至二零一六年同期的人民幣101.7百萬元。每股基本盈利由截至二零一五年六月三十日止六個月的人民幣21.2分減少至截至二零一六年六月三十日止六個月的人民幣19.5分，而淨利潤率由截至二零一五年六月三十日止六個月的30.8%減少至二零一六年同期的28.2%。每股盈利的減少乃由於母公司普通股權益持有人應佔淨利潤率減少和已發行普通股加權平均數上升所致。淨利潤率減少乃主要由於毛利率減少所致。

財務及流動資金狀況

營運資金管理

本集團存貨的絕大部分為在製品，主要指處於釀造期的基酒、醬油在製品及基醋。存貨週轉天數由二零一五年的931天增加至二零一六年上半年的1,090天，主要由於在製品的增加所致（增加人民幣75.5百萬元或8.2%）。為應對未來增長，本集團持續調整其生產規模，從而確保本集團擁有充足在製品儲備，不僅為滿足短期需求，亦為未來數年擴張作準備。

貿易應收款項主要指向經銷商出售貨品的應收款項。貿易應收款項的週轉天數由截至二零一五年十二月三十一日止年度的75天略微增至截至二零一六年六月三十日止六個月的78天，此乃主要由於本公司輕微延長與長期合作的經銷商達成的信貸期。

貿易應付款項指就原材料（如大米、小麥、豆類及其他材料）應付供應商款項。貿易應付款項的週轉天數由截至二零一五年十二月三十一日止年度的116天減少至截至二零一六年六月三十日止六個月的92天，主要由於原材料預付款項增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析 (續)

Capital Commitment

Capital commitment as at 30 June 2016 amounted to approximately RMB76.1 million (31 December 2015: RMB30.2 million), which was mainly related to construction in progress for expansion of the production plant.

Contingent Liabilities

As at 30 June 2016, the Group did not have any material contingent liability.

Pledge of Assets

As at 30 June 2016, the Group's inventories with a carrying amount of RMB443.5 million (31 December 2015: RMB366.1 million), property, plant and equipment with a carrying amount of RMB79.5 million (31 December 2015: RMB74.6 million) and leasehold land with a carrying amount of RMB11.2 million (31 December 2015: RMB11.2 million) were pledged to secure bank loans granted to the Group.

Except as disclosed in this report, the Group has not entered into any off-balance sheet guarantees or other commitments to guarantee the payment obligations of any third party. It does not have any interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to it or engages in leasing or hedging or research and development or other services with it.

Inventories

Inventories increased from RMB945.5 million as of 31 December 2015 to RMB1,023.2 million as of 30 June 2016 primarily due to the increase in work-in-progress, which in turn reflected increased production of base wine, work-in-progress soy sauce and base vinegar.

資本承擔

於二零一六年六月三十日，資本承擔約為人民幣76.1百萬元（二零一五年十二月三十一日：人民幣30.2百萬元），主要與調味品廠房擴建的在建工程合約有關。

或有負債

於二零一六年六月三十日，本集團並無任何重大或有負債。

資產質押

於二零一六年六月三十日，本集團抵押賬面值為人民幣443.5百萬元的存貨（二零一五年十二月三十一日：人民幣366.1百萬元）、賬面值為人民幣79.5百萬元的物業、廠房及設備（二零一五年十二月三十一日：人民幣74.6百萬元）以及賬面值為人民幣11.2百萬元的租賃土地（二零一五年十二月三十一日：人民幣11.2百萬元），以擔保本集團獲授的銀行貸款。

除本報告所披露者外，本集團並無訂立任何資產負債表外擔保或其他承擔，以擔保任何第三方的付款責任。本集團並不擁有向其提供融資、流動資金、市場風險或信貸支持，或為其從事租賃或對沖或研發或其他服務的任何未納入合併範圍的實體的任何權益。

存貨

存貨由截至二零一五年十二月三十一日的人民幣945.5百萬元增至截至二零一六年六月三十日的人民幣1,023.2百萬元，主要由於在製品增加，進而反映基酒、醬油在製品及基醋之產量增加。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析 (續)

The Group monitors the level of inventory maintained by its distributors on a regular basis. The Group's sales representatives maintain frequent telephone or email communications with each of its Categories A, B, C and D distributors, review their monthly inventory reports and visit their warehouses on a regular basis. The Group's sales representatives visit its Category A and B distributors' warehouses at least every three months to ensure that they keep optimal stock level and the Group's products are sold to end customers within the shelf life. The Group generally expects its distributors to maintain stock sufficient for 5 to 20 days of supply. In the event a distributor maintains stocks of more than 20 days of supply, the relevant sales representatives will assist such distributor in marketing and promotional activities and suggest smaller sized orders to be placed for the succeeding periods to minimize excess inventory.

Borrowings

As at 30 June 2016, the Group's total bank borrowings amounted to RMB607.9 million (31 December 2015: RMB644.8 million).

The Group's principal sources of liquidity include cash generated from business operations, bank and other borrowings. The cash from these sources are primarily used for the Group's working capital and the expansion of production capacity.

Exchange Risk

The Group conducted its business primarily in China with the majority of its revenue and expenditures denominated in Renminbi. The Group does not have a foreign currency hedging policy. However, the management will monitor the situation and will consider hedging any significant foreign currency exposure should the need arise.

Liquidity and Financial Resources

As at 30 June 2016, the Group had cash and cash equivalents of RMB362.6 million (31 December 2015: RMB186.0 million). As at 30 June 2016, the Group had interest-bearing bank borrowings of an aggregate amount of RMB607.9 million (31 December 2015: RMB644.8 million), which were denominated in RMB, repayable within three years and bearing interests at 4.57% to 6.42% per annum. The gearing ratio, calculated as net debt divided by total equity and net debt as at 30 June 2016, amounted to 25.0% (31 December 2015: 30.9%).

本集團定期監控其經銷商維持的存貨水平。本集團的銷售代表與其各個A類、B類、C類及D類經銷商保持緊密的電話或電郵聯繫、審閱其月度存貨報告並定期拜訪其倉庫。本集團的銷售代表至少每三個月拜訪一次其A類及B類經銷商的倉庫，以確保彼等維持最佳的存貨水平，並確保本集團的產品在保質期內出售予終端消費者。本集團通常期望其經銷商維持足以供應5至20天的存貨。倘若某經銷商所維持存貨的供應天數超過20天，相關銷售代表將協助該經銷商進行市場推廣及促銷活動，並建議在隨後期間下訂額度較小的訂單，盡量降低過高的存貨。

借貸

於二零一六年六月三十日，本集團銀行借款總額為人民幣607.9百萬元（二零一五年十二月三十一日：人民幣644.8百萬元）。

本集團流動資金的主要來源包括業務經營產生的現金、銀行及其他借款。來自該等來源的現金主要用於本集團的營運資金及擴大產能。

外匯風險

本集團主要於中國展開其業務，其大部分收入及開支以人民幣計值。本集團並無外幣對沖政策。然而，管理層將監控有關情況，於必要時考慮對沖任何重大外幣風險。

流動資金及財務資源

於二零一六年六月三十日，本集團現金及現金等價物為人民幣362.6百萬元（二零一五年十二月三十一日：人民幣186.0百萬元）。於二零一六年六月三十日，本集團計息銀行借款合共為人民幣607.9百萬元（二零一五年十二月三十一日：人民幣644.8百萬元），均以人民幣計值，於三年內償還，年息介乎4.57%至6.42%。於二零一六年六月三十日，按淨債務除以總權益及淨債務計算的資本負債比率為25.0%（二零一五年十二月三十一日：30.9%）。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析 (續)

FUTURE PROSPECTS

We expect the uncertainty in the Chinese economy will prevail into the second half of 2016 due to the complicated internal and external environments. However, with the “slower growth and structural improvement” (放緩速度、優化結構) policy guidance on the Chinese economy being gradually implemented, together with the increasingly prominent role of consumption, will both further unveil the potentials hidden in the consumer market. Therefore, we feel optimistic on the outlook of the Chinese economy and the condiments industry.

With our expanded production facilities, the production capacity of our high-end soy sauce, and soybean sauce will be further increased. Our Premium Flavored Soy Sauce (鮮上鮮醬油) and original soybean sauce will be able to be distributed to more distribution channels and market regions.

While we focusing on launching new products gradually, the Company will make more efforts in building up distribution channels in Eastern China, Southern China, Northern China, Northeastern China and other non first tier cities in the second half of 2016, accelerating the expansion of sales channels and designing products that fit with the end customer base. We intend to significantly increase our market shares in the regional distribution channels and have designed our sales strategies and distribution network based on closely defined market segments such as towns, counties and cities.

The Company will take full advantage of brand endorsement of Chef Nic (十二道鋒味), standardise our product images and prices and further execute our online marketing and e-commerce plans.

The Group's financial performance has met with headwinds in the first half of 2016, the challenge is expected to continue under current economic environment in China. But we believe through our prudent and diligent business management and our focused business strategy planning, we will be able to weather the uncertain economic environment ahead. The Group's stable customer base, the Company's focus on cost effectiveness, the expansion of the distribution channels, the constant development of new products and our focus on product quality and safety will contribute to the long term growth of our Company.

The Group believes that its financial performance in the first half of 2016 was a result of its channel diversification initiative, coupled with a slowdown of the Chinese economy. However, we believe that this channel diversification initiative and our prudently executed advertising campaign will allow the Group to embark on a greater and more sustainable growth path. With our dedication to product quality, safety, and the naturally-brewed concept, we strive to reinforce our leadership position in the Chinese cooking wine industry and are confident in our ability to weather the ups and downs of the industry.

未來前景

展望二零一六年下半年，由於複雜的內外部環境，中國經濟將充滿不確定性。然而，隨著中國經濟「放緩速度、優化結構」的政策導向逐漸實施，以及居民消費對於中國經濟的支撐作用愈發顯著，消費市場潛力將得到進一步激發。因此，我們對中國經濟與調味品行業的發展前景持樂觀態度。

隨著生產設施的擴張，我們高端醬油及黃豆醬的品質將得以進一步提升。我們的鮮上鮮醬油及原味黃豆醬將會在更多的市場區域及透過更多渠道進行銷售。

於二零一六年下半年，在陸續重點推出新產品的同時，本公司將加強華東、華南、華北、東北地區及一線城市以外其他城市的經銷網絡建設，加快銷售渠道的拓寬，並設計出適合終端客戶的產品。我們計劃大幅提高在區域經銷渠道的市場份額，並根據細分的市場，如以鎮、縣和地級市為單位，設計我們的銷售策略及經銷網絡。

本公司將充分利用十二道鋒味的品牌影響力，規範我們產品的形象及價格，並進一步實施我們的線上市場推廣及電子商務計劃。

於二零一六年上半年，本集團的財務業績遭遇困難。在中國當前的經濟環境下，預期挑戰仍將不斷。然而，我們相信，藉由審慎勤勉的業務管理及我們專注的業務策略規劃，我們將能夠降低未來經濟環境的不確定性。本集團的客戶基礎穩固，加上本公司致力成本效益、擴充經銷渠道、不斷開發新產品及專注於產品質量及安全，這將有助於本公司的長期增長。

本集團認為其於二零一六年上半年的財務表現乃其渠道多樣化策略及中國經濟放緩綜合所致。然而，我們相信該渠道多樣化策略及我們審慎執行的廣告活動將令本集團開啟更為強大及可持續的增長之路。憑藉我們在產品質量、安全方面的努力及純天然釀造的理念，我們力求加強我們在中國料酒行業的領導地位，且自信可經受行業起伏的考驗。

SUPPLEMENTARY INFORMATION

補充資料

SUPPLEMENTARY INFORMATION

Deemed Disposal of the Equity Interest in Huzhou Lao Heng He

On 6 May 2016 (after trading hours), China Development Fund Co. Ltd. (“**CD Fund**”), Huzhou Lao Heng He and Huzhou Chen Shi Tian Niang Management Consulting Co. Ltd. (“**Huzhou Chen Shi**”), entered into an investment agreement (“**Investment Agreement**”) in relation to the capital investment of RMB133 million by CD Fund to Huzhou Lao Heng He (“**Capital Investment**”). The Capital Investment was completed on 27 June 2016, and CD Fund became a shareholder of Huzhou Lao Heng He, and owns approximately 3.46% of Huzhou Lao Heng He at completion.

Based on the terms of the Investment Agreement, Huzhou Lao Heng He agreed to repurchase the equity interest of Huzhou Lao Heng He owned by CD Fund within 8 years from the date of completion of the Capital Investment. Huzhou Lao Heng He shall pay CD Fund returns at an annual rate of equal to 1.2% of the Capital Investment. Based on the terms of the Investment Agreement, Huzhou Chen Shi, which is the shareholder of Huzhou Lao Heng He, has contractual obligation to pay CD Fund in the event that Huzhou Lao Heng He defaults in the payment of such return or repayment of the Capital Investment. As Huzhou Chen Shi does not have the unconditional right to avoid delivering cash, the Capital Investment of RMB133 million made by CD Fund was recorded as financial liability in the Company’s financial statements. Please refer to Note 19 of the financial statements for further details.

Please refer to the announcements of the Company dated 9 May 2016 and 29 June 2016 for further details.

Subscription of New Shares under General Mandate

On 1 June 2016 (after trading hours), the Company entered into a subscription agreement with Natural Seasoning International (HK) Limited (the “**Subscriber**”), an investment vehicle managed by Lunar Capital. Pursuant to which the Company has agreed to allot and issue and the Subscriber has agreed to subscribe for 60,000,000 subscription shares (the “**Subscription Shares**”) at a subscription price of HK \$360 million (the “**Subscription**”), which is based on the subscription price of HK\$6.00 per Subscription Share.

補充資料

視作出售湖州老恒和之股本權益

於二零一六年五月六日（於交易時段後），國開發展基金有限公司（「**國開發展基金**」）、湖州老恒和與湖州陳氏天釀管理諮詢有限公司（「**湖州陳氏**」）就國開發展基金向湖州老恒和作出人民幣133百萬元的資本投入（「**資本投入**」）訂立注資協議（「**注資協議**」）。資本投入於二零一六年六月二十七日完成，及國開發展基金成為湖州老恒和的股東，並於完成時擁有湖州老恒和約3.46%的權益。

根據注資協議的條款，湖州老恒和同意自注資投入完成日期起計八年內購回國開發展基金所擁有湖州老恒和的股本權益。湖州老恒和須每年按相當於資本投入的1.2%的回報率向國開發展基金支付回報。根據注資協議的條款，倘湖州老恒和違約支付注資投入的回報或還款，湖州陳氏（湖州老恒和的股東）須承擔合約責任向國開發展基金付款。由於湖州陳氏無避免支付現金的無條件權利，因此國開發展基金作出的人民幣133百萬元的資本投入將在公司的財務報表內被記賬為金融負債。進一步詳情，請參閱財務報表附註19。

詳情請參閱本公司日期為二零一六年五月九日及二零一六年六月二十九日的公佈。

根據一般授權認購新股份

於二零一六年六月一日（於交易時段後），本公司與Natural Seasoning International (HK) Limited（「**認購方**」，Lunar Capital管理的一家投資公司）訂立一份認購協議。據此，本公司已同意配發及發行而認購方已同意以認購價360百萬港元認購60,000,000股認購股份（「**認購股份**」），基準為每股認購股份6.00港元（「**認購事項**」）。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料 (續)

The Subscription Shares are issued under the general mandate granted to the Directors by an ordinary resolution of the Shareholders passed on 31 May 2016, whereby the Directors have been duly authorised to allot and issue new shares not exceeding 20% of the total issued share capital of the Company in issue as at 31 May 2016. As such, the allotment and issue of the Subscription Shares are not subject to additional shareholders' approval.

The Subscription has been completed on 23 June 2016. Please refer to the announcements of the Company dated 2 June 2016 and 23 June 2016 for further details.

Employees & Remuneration Policies

As at 30 June 2016, the Group had a total of approximately 522 employees (31 December 2015: 303). The employees' cost including remuneration was RMB13.0 million during the six months ended 30 June 2016 (six months ended 30 June 2015: RMB8.2 million). The remuneration policies, bonus and training programs for employees of our Group were implemented continuously according to policies disclosed in the Company's annual report for the year ended 31 December 2015 and no change has been made during the six months period ended 30 June 2016.

Significant Investments Held

There were no significant investments held by the Group as at 30 June 2016 (31 December 2015: nil).

Material Acquisition and Disposal

There was no material acquisition and disposal during the six months ended 30 June 2016.

Purchase, Redemption or Sale of Listed Securities of the Company

During the six months ended 30 June 2016, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

認購股份根據股東於二零一六年五月三十一日通過的普通決議案授予董事的一般授權發行，而董事已獲正式授權以配發及發行不超過本公司於二零一六年五月三十一日已發行股本總額20%的新股份。因此，配發及發行認購股份無需另行取得股東批准。

認購事項已於二零一六年六月二十三日完成。進一步詳情，請參閱本公司日期為二零一六年六月二日及二零一六年六月二十三日之公佈。

僱員及薪酬政策

於二零一六年六月三十日，本集團共聘有約522名僱員（二零一五年十二月三十一日：303名）。僱員成本包括截至二零一六年六月三十日止六個月的薪酬人民幣13.0百萬元（截至二零一五年六月三十日止六個月：人民幣8.2百萬元）。本集團僱員的薪酬政策、花紅及培訓計劃繼續按照本公司截至二零一五年十二月三十一日止年度的年度報告披露的政策執行且於截至二零一六年六月三十日止六個月並無變動。

所持重大投資

於二零一六年六月三十日，本集團概無持有任何重大投資（二零一五年十二月三十一日：無）。

重大收購及出售事項

截至二零一六年六月三十日止六個月，概無進行任何重大收購及出售事項。

購買、贖回或出售本公司上市證券

截至二零一六年六月三十日止六個月，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料 (續)

Events After Reporting Period

There are no material subsequent events undertaken by the Company or the Group after 30 June 2016.

Plans for Material Investments or Capital Assets

There is no future plans for material investments or capital assets as at 30 June 2016.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2016.

Corporate Governance

The Company recognizes the importance of good corporate governance for enhancing the management structures and internal control procedures of the Company as well as preserving the interests of the shareholders as a whole.

The Company has adopted the code provisions set out in the Corporate Governance Code (the “**Code**”) contained in Appendix 14 of the Rules (the “**Listing Rules**”) Governing the Listing Of Securities on the Stock Exchange since its date of listing as its own code to govern its corporate governance practices. The Board also reviews and monitors the practices of the Company from time to time to maintain and improve the high standard of corporate governance practices.

Save for the deviations explained below, the Company has complied with the Code for the six months ended 30 June 2016.

Provision A.2.1 of the Code provides that the roles of the Chairman and the chief executive officer (the “**CEO**”) should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the CEO should be clearly established and set out in writing.

報告期後事項

本公司或本集團於二零一六年六月三十日後概無進行任何重大期後事項。

重大投資或資本資產計劃

於二零一六年六月三十日，概無就重大投資及資本資產之未來計劃。

中期股息

董事會已議決不就截至二零一六年六月三十日止六個月宣派任何中期股息。

企業管治

本公司認同良好企業管治的重要性，其可加強本公司之管理架構及內部監控程序，同時保障整體股東利益。

自其上市日期起，本公司已採納聯交所證券上市規則（「**上市規則**」）附錄十四所載企業管治守則（「**守則**」）所載的守則條文，以作為其本身管治其企業管治常規的守則。董事會亦會不時檢討並監察本公司之守則，以期維持並改善高水平的企業管治常規。

除下述偏離外，截至二零一六年六月三十日止六個月，本公司已遵守守則。

守則第A.2.1條規定，主席及首席執行官（「**首席執行官**」）的角色應有區分，並不應由一人同時兼任。應明確規定並以書面載列主席及首席執行官之間的責任劃分。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

During the six months ended 30 June 2016, the positions of the Chairman and the CEO of the Company are held by Mr. Chen Weizhong. Although this deviates from the practice in provision A.2.1 of the Code, where the two positions should be held by two different individuals, Mr. Chen has considerable and extensive experience in the cooking wine industry and management in general. The Board believes that it is in the best interest of the Company to have an executive chairman so the Board can benefit from his knowledge of the business and his capability in leading the Board in discussing the strategy and long-term development of the Group.

From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the Chairman should not be able to monopolize the voting result. The Board considers that the balance of power between the Board and the senior management can still be maintained under the current structure. The remuneration committee and nomination committee of the Board also regularly review the structure and composition of the Board and will make appropriate recommendations to the Board regarding any proposed changes.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining and implementing a high standard of corporate governance practices.

Model Code for Securities Transactions

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuer” (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group’s senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company’s securities.

Upon specific enquiry, all the Directors confirm that they have complied with the Model Code during the six months ended 30 June 2016. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group during the six months ended 30 June 2016.

截至二零一六年六月三十日止六個月，本公司的主席及首席執行官職務乃由陳衛忠先生擔任。儘管該情況偏離守則第A.2.1條，即該兩個職務應由兩名不同人士擔任，但由於陳先生總體上在料酒行業及管理方面擁有相當豐富及廣博的經驗，董事會認為首席執行官擔任主席符合本公司的最佳利益，董事會因此可從彼對業務的了解及領導董事會討論本集團的策略及長遠發展的能力中獲益。

從企業管治的層面來看，董事會以投票方式集體作出決策，因此主席不能主導投票結果。董事會認為，目前的架構仍能保持董事會與高級管理層之間的權力平衡。董事會的薪酬委員會及提名委員會亦會定期檢討董事會架構及組成，並將就任何潛在變動向董事會作出適當建議。

董事會將繼續檢討及監控本公司的常規，旨在維持及實行高水平的企業管治常規。

證券交易標準守則

本公司已採納載列於上市規則附錄十之「上市發行人董事進行證券交易之標準守則」(「**標準守則**」)，作為董事及本集團高級管理層(因為其職位或僱傭關係，乃有可能持有有關本集團或本公司證券之內幕消息)關於本公司證券交易的行為守則。

經過特定諮詢後，全體董事已確認彼等於截至二零一六年六月三十日止六個月已遵守標準守則。此外，本公司並無獲悉於截至二零一六年六月三十日止六個月本集團高級管理層有任何違反標準守則的行為。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料 (續)

Changes in Director Positions

With effect from 23 June 2016, (i) Mr. Zhang Bihong has resigned as the non-executive Director of the Company; and (ii) Mr. Sun Qingdong has been appointed as a non-executive Director of the Company and a member of the audit committee.

INTEREST OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As at 30 June 2016, the interests or short positions of the Directors, the chief executives of the Company (the “**Chief Executives**”) and their associates in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”) (the “**Associated Corporations**”), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

董事職位變更

下列事項由二零一六年六月二十三日起生效，(i) 張弼弘先生辭任本公司非執行董事；及(ii)孫卿東先生獲委任為本公司非執行董事及審核委員會成員。

董事及最高行政人員於證券之權益

於二零一六年六月三十日，本公司董事及最高行政人員（「**最高行政人員**」）以及彼等的聯繫人於本公司或其相聯法團（「**相聯法團**」）（定義見證券及期貨條例（「**證券及期貨條例**」）第XV部）的股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所（包括根據證券及期貨條例之該等條文彼等被視為或被當作擁有之權益及淡倉）；或(b)根據證券及期貨條例第352條須記錄於該條所述登記冊內；或(c)根據標準守則須知會本公司及聯交所之權益或淡倉如下：

SUPPLEMENTARY INFORMATION (CONTINUED) 補充資料 (續)

Interests in Shares and underlying Shares of the Company as at 30 June 2016

於二零一六年六月三十日於本公司股份及相關股份之權益

Name of Director 董事姓名	Long/Short Position 好倉 / 淡倉	Type of interest 權益類型	Number of Shares or underlying Shares held 持有的股份或相關股份數目	Approximate percentage of the Company's issued share capital 佔本公司已發行股本的概約百分比
Chen Weizhong (Note 1) 陳衛忠 (附註1)	Long Position 好倉	Interest of a controlled corporation (Note 2) 受控法團權益 (附註2)	278,169,750	48.06%

Note 1: Key Shine Global Holdings Limited ("Key Shine") charged 100,300,000 Shares to China Construction Bank Corporation on 16 November 2015, as security for its subscription of a note issued by Key Shine.

附註1: 於二零一五年十一月十六日, Key Shine Global Holdings Limited (「Key Shine」) 將 100,300,000 股股份質押予中國建設銀行股份有限公司, 作為其認購Key Shine發行的票據之抵押。

Note 2: The 278,169,750 Shares are owned by Key Shine, a company wholly-owned by Mr. Chen Weizhong. Mr. Chen Weizhong is deemed to be interested in such Shares held by Key Shine under the SFO.

附註2: 278,169,750 股股份由陳衛忠先生全資擁有的 Key Shine 持有。根據證券及期貨條例, 陳衛忠先生被視為擁有該等股份的權益。

Save as disclosed above, as at 30 June 2016, none of the Directors, the Chief Executives nor their associates had registered an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its Associated Corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外, 於二零一六年六月三十日, 概無董事及最高行政人員以及彼等的聯繫人於本公司或其任何相聯法團之股份、相關股份或債券中擁有根據證券及期貨條例第352條需予以記載或根據標準守則須知會本公司及聯交所的權益或淡倉。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料 (續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

So far as is known to any Director or chief executive of the Company, as at 30 June 2016, the following corporations/persons (other than the Directors or chief executive of the Company) had an interest or short positions in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

Long positions in the Shares and underlying Shares of the Company as at 30 June 2016

主要股東於證券之權益

據本公司任何董事或首席執行官所知，於二零一六年六月三十日，下列法團／人士（不包括董事或本公司最高行政人員）於本公司根據證券及期貨條例第336條須備存之登記冊中登記的本公司股份及相關股份中擁有權益或淡倉，直接或間接擁有或被視為擁有本公司已發行股本5%或以上權益：

於二零一六年六月三十日於本公司股份及相關股份之好倉

Name	姓名	Nature of interests	Number of Shares or underlying Shares held	Approximate percentage of the Company's issued Share capital ⁽¹⁾
		權益性質	持有股份或相關股份數目	佔本公司已發行股本概約百分比 ⁽¹⁾
Key Shine ⁽²⁾	Key Shine ⁽²⁾	Beneficial owner 實益擁有人	278,169,750	48.06%
Ms. Xing Liyu ⁽³⁾	邢利玉女士 ⁽³⁾	Interest of spouse 配偶權益	278,169,750	48.06%
China Construction Bank Corporation ⁽⁴⁾	中國建設銀行股份有限公司 ⁽⁴⁾	Person having a security interest in shares 擁有股份質押權益之人士	100,300,000	17.33%
Hwabao Overseas Markets Investment No. 2 QDII Single Unit Trust Plan 32-8 ⁽⁵⁾	華寶•境外市場投資2號系列32-8期QDII單一資金信託計劃 ⁽⁵⁾	Beneficial owner 實益擁有人	72,625,000	12.55%
Chongqing Zhongxin Rongbang Investment Center (Limited Partnership) ⁽⁵⁾	重慶中新融邦投資中心(有限合夥) ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	72,625,000	12.55%
Chongqing Zhongxin Rongchuang Investment Limited ⁽⁵⁾	重慶中新融創投資有限公司 ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	72,625,000	12.55%

SUPPLEMENTARY INFORMATION (CONTINUED) 補充資料 (續)

Name	姓名	Nature of interests 權益性質	Number of Shares or underlying Shares held 持有股份或 相關股份數目	Approximate percentage of the Company's issued Share capital ⁽¹⁾ 佔本公司 已發行股本 概約百分比 ⁽¹⁾
China Innovative Capital Management Limited ⁽⁵⁾	中新融創資本 管理有限公司 ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	72,625,000	12.55%
Beijing Zhonghai Jiacheng Capital Management Limited ⁽⁵⁾	北京中海嘉誠資本 管理有限公司 ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	72,625,000	12.55%
Mr. Xie Zhikun	解直錕先生	Interest of a controlled corporation 受控法團權益	72,625,000	12.55%
Natural Seasoning International (HK) Limited (formerly known as China Seasoning International (HK) Limited) ⁽⁶⁾	Natural Seasoning International (HK) Limited (前稱為China Seasoning International (HK) Limited) ⁽⁶⁾	Beneficial owner 實益擁有人	60,000,000	10.37%
Natural Seasoning International Limited (formerly known as China Seasoning International Limited) ⁽⁶⁾	Natural Seasoning International Limited (前稱為China Seasoning International Limited) ⁽⁶⁾	Interest of a controlled corporation 受控法團權益	60,000,000	10.37%
Lunar Capital Partners IV LP ⁽⁶⁾	Lunar Capital Partners IV LP ⁽⁶⁾	Interest of a controlled corporation 受控法團權益	60,000,000	10.37%
Lunar Capital Partners IV GP, LP ⁽⁶⁾	Lunar Capital Partners IV GP, LP ⁽⁶⁾	Interest of a controlled corporation 受控法團權益	60,000,000	10.37%
LCM-IV General Partner Ltd. ⁽⁶⁾	LCM-IV General Partner Ltd. ⁽⁶⁾	Interest of a controlled corporation 受控法團權益	60,000,000	10.37%

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料 (續)

Notes:

- (1) The percentage of shareholding is calculated on the basis of 578,750,000 issued shares of the Company as at 30 June 2016.
- (2) The entire issued share capital of Key Shine is legally and beneficially owned by Mr. Chen Weizhong.
- (3) Ms. Xing Liyu is the spouse of Mr. Chen Weizhong. Under the SFO, Ms. Xing Liyu is deemed to be interested in the same number of Shares in which Mr. Chen is interested.
- (4) Key Shine charged 100,300,000 Shares to China Construction Bank Corporation on 16 November 2015, as security for its subscription of a note issued by Key Shine.
- (5) These Shares are held by Hwabao Overseas Markets Investment No. 2 QDII Single Unit Trust Plan 32-8 (華寶•境外市場投資2號系列32-8期QDII單一資金信託計劃), which is entrusted by Chongqing Zhongxin Rongbang Investment Center (Limited Partnership) (重慶中新融邦投資中心(有限合夥)), which is managed by Chongqing Zhongxin Rongchuang Investment Limited (重慶中新融創投資有限公司). Chongqing Zhongxin Rongchuang Investment Limited (重慶中新融創投資有限公司) is controlled by China Innovative Capital Management Limited (中新融創資本管理有限公司) as to 95.00%. China Innovative Capital Management Limited (中新融創資本管理有限公司) is controlled by Beijing Zhonghai Jiacheng Capital Management Limited (北京中海嘉誠資本管理有限公司) as to 99.98%. Beijing Zhonghai Jiacheng Capital Management Limited (北京中海嘉誠資本管理有限公司) is controlled by Mr. Xie Zhikun as to 99.00%.
- (6) Natural Seasoning International (HK) Limited is a direct wholly-owned subsidiary of Natural Seasoning International Limited, which is a limited liability company incorporated in the British Virgin Islands and is majority-owned by Lunar Capital Partners IV LP. Lunar Capital Partners IV LP, a Cayman exempted limited partnership managed by Lunar Capital Partners IV GP, LP (as sole general partner), which is managed by LCM-IV General Partner Ltd. (as sole general partner).

Save as disclosed above, as at 30 June 2016, there was no other corporations/persons (other than the Directors or chief executive of the Company) who had an interest or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

附註：

- (1) 股權百分比乃基於本公司於二零一六年六月三十日之578,750,000股已發行股份計算。
- (2) Key Shine的全部已發行股本由陳衛忠先生合法實益擁有。
- (3) 邢利玉女士為陳衛忠先生的配偶。根據證券及期貨條例，邢利玉女士被視為於陳先生所擁有股份中擁有相同股份數目的權益。
- (4) 於二零一五年十一月十六日，Key Shine將100,300,000股股份質押予中國建設銀行股份有限公司，作為其認購Key Shine發行的票據之抵押。
- (5) 該等股份由華寶•境外市場投資2號系列32-8期QDII單一資金信託計劃持有，該計劃由重慶中新融邦投資中心(有限合夥)委託，而重慶中新融邦投資中心(有限合夥)由重慶中新融創投資有限公司管理。重慶中新融創投資有限公司由中新融創資本管理有限公司控制95.00%的權益。中新融創資本管理有限公司由北京中海嘉誠資本管理有限公司控制99.98%的權益。北京中海嘉誠資本管理有限公司由解直銀先生控制99.00%的權益。
- (6) Natural Seasoning International (HK) Limited 為Natural Seasoning International Limited的一家直接全資附屬公司，而Natural Seasoning International Limited為一家於英屬處女群島註冊成立的有限公司，並由Lunar Capital Partners IV LP擁有大部分權益。Lunar Capital Partners IV LP(一家開曼群島豁免之有限合夥企業)乃由Lunar Capital Partners IV GP, LP(作為唯一普通合夥人)管理，而Lunar Capital Partners IV GP, LP則由LCM-IV General Partner Ltd.(作為唯一普通合夥人)管理。

除上文所披露者外，於二零一六年六月三十日，概無其他法團／人士(不包括董事或本公司最高行政人員)於本公司根據證券及期貨條例第336條須備存之登記冊中登記的本公司股份或相關股份中擁有權益或淡倉。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

Arrangements to purchase shares or debentures

At no time during the six months ended 30 June 2016 was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of the Company or any other body corporate.

AUDIT COMMITTEE

The Audit Committee of the Company comprised of three independent non-executive directors and one non-executive director, namely Mr. Ma Chaosong (chairman), Mr. Lei Jiasu, Mr. Shen Zhenchang and Mr. Sun Qingdong (appointed on 23 June 2016).

The primary duties of the audit committee are to assist the Board by providing an independent view of the effectiveness of the financial information, financial reporting system, internal control and risk management system of the Group, to oversee the audit process, to develop and review the Group's policies and to perform other duties and responsibilities as assigned by the Board. The audit committee has reviewed the accounting principles and policies adopted by the Group together with the management and discussed auditing, internal controls and financial reporting matters including the review of the Group's unaudited interim results for the six months ended 30 June 2016.

REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee had been established with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises Mr. Shen Zhenchang (chairman), Mr. Lei Jiasu and Mr. Ma Chaosong. All members of the remuneration committee are independent non-executive directors.

NOMINATION COMMITTEE

To comply with the Code, a nomination committee had been established with specific written terms of reference which deal clearly with its authority and duties. The members of nomination committee comprises Mr. Lei Jiasu (chairman), Mr. Ma Chaosong and Mr. Shen Zhenchang. All members of the nomination committee are independent non-executive directors.

SUFFICIENCY OF PUBLIC FLOAT

According to the information publicly available to the Company and within the knowledge of the Board, as at the date of this interim report, the Company has maintained the public float as required by the Listing Rules.

購買股份或債券之安排

於截至二零一六年六月三十日止六個月內任何時間，本公司、其控股公司或其任何附屬公司概無參與任何安排，致令董事可藉購入本公司或任何其他法人團體之股份或債務證券(包括債券)而獲益。

審核委員會

本公司之審核委員會由三位獨立非執行董事及一位非執行董事，即馬朝松先生(主席)、雷家驩先生、沈振昌先生及孫卿東先生(於二零一六年六月二十三日獲委任)組成。

審核委員會的主要職責為協助董事會就本集團的財務資料、財務申報系統、內部監控及風險管理系統的有效性提供獨立審閱，以監督審核程序、制定及審閱本集團的政策，並履行董事會賦予的其他職責及責任。審核委員會已連同管理層審閱本集團所採納的會計準則及政策並已就審計、內部監控及財務申報等事宜進行討論，其中包括審閱本集團截至二零一六年六月三十日止六個月的未經審核中期業績。

薪酬委員會

為符合守則，本公司已成立薪酬委員會，並以書面清楚說明委員會的權限及職責。薪酬委員會成員包括沈振昌先生(主席)、雷家驩先生及馬朝松先生。薪酬委員會的全部成員均為獨立非執行董事。

提名委員會

為符合守則，本公司已成立提名委員會，並以書面清楚說明委員會的權限及職責。提名委員會成員包括雷家驩先生(主席)、馬朝松先生及沈振昌先生。提名委員會的所有成員均為獨立非執行董事。

足夠公眾持股量

根據本公司可獲得的公開資料及就董事會所知，於本中報日期，本公司已維持上市規則規定的公眾持股量。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

中期簡明綜合損益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

		Six months ended 30 June		
		截至六月三十日止六個月		
		2016	2015	
		二零一六年	二零一五年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
REVENUE	收入	4	360,064	356,676
Cost of sales	銷售成本	5	(162,932)	(154,431)
Gross profit	毛利		197,132	202,245
Other income and gains	其他收入及收益	4	9,958	1,644
Selling and distribution expenses	銷售及經銷開支		(23,908)	(18,905)
Administrative expenses	行政開支		(44,308)	(39,770)
Finance costs	融資成本	6	(18,959)	(15,288)
PROFIT BEFORE TAX	除稅前利潤	5	119,915	129,926
Income tax expense	所得稅開支	7	(18,261)	(19,949)
PROFIT FOR THE PERIOD	期內利潤		101,654	109,977
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔利潤		101,654	109,977
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF PARENT	母公司普通權益持有人應佔每股盈利			
Basic and diluted	基本及攤薄	8	RMB19.5 cents 人民幣19.5分	RMB21.2 cents 人民幣21.2分

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

中期簡明綜合全面收益表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
PROFIT FOR THE PERIOD	期內利潤	101,654	109,977
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	於其後期間重新分類至損益的其他綜合收入：		
Exchange differences on translation of financial statements of operations outside Mainland China	換算中國內地以外業務財務報表的匯兌差額	4,590	55
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內綜合收入總額	106,244	110,032
Attributable to:	下列人士應佔：		
Owners of the parent	母公司擁有人	106,244	110,032

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明綜合財務狀況表

As at 30 June 2016 於二零一六年六月三十日

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

			30 June 2016	31 December 2015
			二零一六年 六月三十日	二零一五年 十二月三十一日
	Notes 附註		RMB'000	RMB'000
			人民幣千元	人民幣千元
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	701,581	629,556
Prepaid land lease payments	預付土地租賃款項	11	45,603	26,683
Other intangible assets	其他無形資產		414	414
Prepayments for items of property, plant and equipment	物業、廠房及設備項目之 預付款項		161,366	113,493
Deferred tax assets	遞延稅項資產		4,042	2,891
Total non-current assets	非流動資產總值		913,006	773,037
CURRENT ASSETS	流動資產			
Inventories	存貨	12	1,023,161	945,469
Trade receivables	應收貿易款項	13	164,710	141,959
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	14	349,905	249,279
Time deposits	定期存款		-	2,874
Cash and cash equivalents	現金及現金等價物	15	362,641	186,048
Total current assets	流動資產總值		1,900,417	1,525,629
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易款項	16	185,096	118,459
Other payables and accruals	其他應付款項及應計項目	17	30,411	55,847
Interest-bearing bank borrowings	計息銀行借款	18	533,760	570,345
Tax payable	應繳稅項		49,297	37,003
Total current liabilities	流動負債總額		798,564	781,654
NET CURRENT ASSETS	流動資產淨值		1,101,853	743,975
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		2,014,859	1,517,012

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED) 中期簡明綜合財務狀況表 (續)

As at 30 June 2016 於二零一六年六月三十日
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

		Notes	30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowings	計息銀行借款	18	74,174	74,415
Other long term liabilities	其他長期負債	19	137,422	4,505
Deferred tax liabilities	遞延稅項負債		14,761	14,761
Total non-current liabilities	非流動負債總額		226,357	93,681
Net assets	資產淨值		1,788,502	1,423,331
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	20	1,767	1,584
Reserves	儲備		1,786,735	1,421,747
Total equity	權益總額		1,788,502	1,423,331

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

中期簡明綜合權益變動表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

		Attributable to ordinary equity holders of the parent 母公司普通股權益持有人應佔							
		Issued capital 已發行 股本 RMB'000 人民幣千元	Share premium 股份 溢價 RMB'000 人民幣千元	Merger reserve 合併 儲備 RMB'000 人民幣千元	Capital reserve 資本 儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定 盈餘儲備 RMB'000 人民幣千元	Exchange fluctuation reserve 匯兌 波動儲備 RMB'000 人民幣千元	Retained profits 保留 利潤 RMB'000 人民幣千元	Total equity 權益 總額 RMB'000 人民幣千元
At 1 January 2016 (Audited)	於二零一六年 一月一日 (經審核)	1,584	717,614	(1,000)	7,003	15,150	10,772	672,208	1,423,331
Profit for the period	期內利潤	-	-	-	-	-	-	101,654	101,654
Other comprehensive income for the period:	期內其他 綜合收入：								
Exchange differences on translation of financial statements of operations outside Mainland China	換算中國內地以外 業務財務報表的 匯兌差額	-	-	-	-	-	4,590	-	4,590
Total comprehensive income for the period	期內綜合收入總額	-	-	-	-	-	4,590	101,654	106,244
Final 2015 dividend declared	已宣派二零一五年 末期股息	-	(45,650)	-	-	-	-	-	(45,650)
Issue of shares	發行股份	183	304,507	-	-	-	-	-	304,690
Share issue expense	股份發行開支	-	(113)	-	-	-	-	-	(113)
Transfer to other income	轉撥至其他收入	-	-	-	-	-	-	-	-
At 30 June 2016 (Unaudited)	於二零一六年六月三十日 (未經審核)	1,767	976,358*	(1,000)*	7,003*	15,150*	15,362*	773,862*	1,788,502

* These reserve accounts comprise the consolidated reserves of RMB1,786,735,000 (31 December 2015: RMB1,421,747,000) in the consolidated statement of financial position as at 30 June 2016.

* 於二零一六年六月三十日，該等儲備賬戶包括綜合財務狀況表內的綜合儲備人民幣1,786,735,000元(二零一五年十二月三十一日：人民幣1,421,747,000元)。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

中期簡明綜合權益變動表 (續)

For the six months ended 30 June 2015 截至二零一五年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

		Attributable to ordinary equity holders of the parent 母公司普通權益持有人應佔								
		Issued capital 已發行 股本	Share premium 股份 溢價	Merger reserve 合併 儲備	Capital reserve 資本 儲備	Statutory surplus reserve 法定 盈餘儲備	Warrant reserve 認股 權證儲備	Exchange fluctuation reserve 匯兌 波動儲備	Retained profits 保留 利潤	Total equity 權益 總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015 (Audited)	於二零一五年一月一日 (經審核)	1,584	717,614	(1,000)	7,003	9,794	7,959	10,539	500,911	1,254,404
Profit for the period	期內利潤	-	-	-	-	-	-	-	109,977	109,977
Other comprehensive income for the period:	期內其他 綜合收入：									
Exchange differences on translation of financial statements of operations outside Mainland China	換算中國內地以外 業務財務報表的 匯兌差額	-	-	-	-	-	-	55	-	55
Total comprehensive income for the period	期內綜合 收入總額	-	-	-	-	-	-	55	109,977	110,032
At 30 June 2015 (Unaudited)	於二零一五年六月三十日 (未經審核)	1,584	717,614*	(1,000)*	7,003*	9,794*	7,959*	10,594*	610,888*	1,364,436

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

中期簡明綜合現金流量表

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量		
Profit before tax	除稅前利潤		119,915
Adjustments for:	就下列各項調整：		129,926
Finance costs	融資成本	6	18,959
Interest income	利息收入	4	(874)
Depreciation	折舊	10	20,257
Recognition of prepaid land lease payments	確認預付土地 租賃款項	11	523
			158,780
Increase in inventories	存貨增加		(77,692)
Increase/(decrease) in trade receivables	應收貿易款項增加/(減少)		(22,751)
Increase/(decrease) in prepayments, deposits and other receivables	預付款項、按金及其他 應收款項增加/(減少)		(100,626)
Increase in trade payables	應付貿易款項增加		66,637
Increase/(decrease) in other payables and accruals	其他應付款項及 應計項目增加/(減少)		(8,829)
Decrease in other long term liabilities	其他長期負債減少	19	(83)
Cash generated from/(used in) operations	產生自/(用於)經營的現金		15,436
Interest received	已收利息		874
PRC tax paid	已付中國稅項		(7,118)
Net cash flows from/(used in) operating activities	來自/(用於)經營活動的 淨現金流量		9,192
			107,879
			94
			(18,867)
			89,106

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) 中期簡明綜合現金流量表 (續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		(157,159) (132,537)
Additions to other intangible assets	其他無形資產增加		– (142)
Addition in for prepaid land lease payment (Increase)/decrease in time deposits	預付土地租賃款項增加 定期存款(增加)/減少		(19,046) – 2,874 (1,000)
Net cash flows used in investing activities	用於投資活動的淨現金流量		(173,331) (133,679)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的 現金流量		
Proceeds from issue of shares	發行股份所得款項		304,690 –
Share issue expenses	股份發行開支		(113) –
Addition in interest-bearing bank and other borrowings	新增計息銀行及 其他借款		317,760 202,900
Repayment of interest-bearing bank and other borrowings	償還計息銀行及 其他借款		(354,586) (92,000)
Increase in other long term liabilities	其他長期負債增加	19	133,000 –
Dividends paid	已付股息		(45,650) –
Interest paid	已付利息	6	(18,959) (15,288)
Net cash flows from financing activities	來自融資活動的淨現金流量		336,142 95,612
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 增加淨額		172,003 51,039
Cash and cash equivalents at beginning of year	年初現金及 現金等價物		186,048 218,466
Effect of foreign exchange rate changes, net	匯率變動之影響淨額		4,590 55
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終現金及現金等價物	15	362,641 269,560

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

1. CORPORATE INFORMATION

Honworld Group Limited (the “Company”) was incorporated in the Cayman Islands on 4 December 2012 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. In the opinion of the directors, the holding company and the ultimate holding company of the Company is Key Shine Global Holdings Limited, which was incorporated in the British Virgin Islands (“BVI”).

The Company is an investment holding company. During the six months ended 30 June 2016, the Company and its subsidiaries (collectively known as the “Group”) were principally engaged in the manufacture and sale of condiment products under the brand name of “Lao Heng He” in the People’s Republic of China (the “PRC”).

The Company’s shares have been listed on the Main Board of The Stock Exchange Limited of Hong Kong (the “SEHK”) since 28 January 2014.

1. 公司資料

老恒和釀造有限公司(「本公司」)於二零一二年十二月四日根據開曼群島法例第22章《公司法》(一九六一年第三號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。董事認為，本公司控股公司及最終控股公司乃於英屬處女群島(「英屬處女群島」)註冊成立的Key Shine Global Holdings Limited。

本公司為一間投資控股公司。截至二零一六年六月三十日止六個月，本公司及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事「老恒和」牌調味品的製造與銷售業務。

本公司股份於二零一四年一月二十八日在香港聯合交易所有限公司(「聯交所」)主板上市。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註（續）

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2016 (“the period”) have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (“the Listing Rules”) and International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Committee.

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2015.

The interim condensed consolidated financial statements have been prepared under the historical cost convention. The unaudited interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s audited consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

In the current interim period, the Group has applied, for the first time, the following amendments to International Financial Reporting Standards (“IFRSs”, which also include IASs and interpretations) that are relevant to the Group’s operation for the preparation of the Group’s Interim condensed consolidated financial statements:

2. 編製基準及會計政策

編製基準

本集團截至二零一六年六月三十日止六個月（「本期間」）之未經審核中期簡明綜合財務報表乃根據聯交所證券上市規則（「上市規則」）附錄十六之披露規定以及國際會計準則委員會頒佈的國際會計準則第34號「中期財務報告」編製。

該等未經審核中期簡明綜合財務報表不包括年度財務報表所載全部資料及披露要求，且須與本集團截至二零一五年十二月三十一日之年度財務報表一同閱覽。

該等中期簡明綜合財務報表乃根據歷史成本慣例編製而成。除另有說明的情況外，該等未經審核中期簡明綜合財務報表以人民幣（「人民幣」）列報，而當中所有金額均湊整至最接近的千位。

重大會計政策

除採用二零一六年一月一日生效之新訂準則及詮釋外，編製中期簡明綜合財務報表所用會計政策與編製本集團截至二零一五年十二月三十一日止年度經審核綜合財務報表所用者一致。

於本中期期間，本集團於編製本集團中期簡明綜合財務報表時首次應用以下與本集團經營有關之國際財務報告準則（「國際財務報告準則」，亦包括國際會計準則及詮釋）之修訂：

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註（續）

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Significant accounting policies (Continued)

Amendments to IFRS 11	Joint Arrangements: Accounting for Acquisitions of Interests
Amendments to IAS 16 And IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 16 And IAS 41	Agriculture: Bearer Plants
Amendments to IAS 27	Equity Method in Separate Financial Statements
Amendments to IAS 1	Disclosure Initiative
Amendments to IFRS 10, IFRS12 and IAS 28	Investment Entities: Applying the Consolidation Exception
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs

The adoption of the above new and amended IFRSs has had no significant financial effect on these interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these interim condensed consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and sale of condiment products. For management purposes, the Group operates in one business unit and has one reportable operating segment as follows:

- the food segment manufactures and sells condiment products

As all of the Group's revenue is derived from sales of its products to the customers in the PRC and all of the Group's identifiable non-current assets are located in the PRC, no geographical information as required by IFRS 8 Operating Segments is presented.

2. 編製基準及會計政策（續）

重大會計政策（續）

國際財務報告準則第11號（修訂本）	合營安排：收購權益會計法
國際會計準則第16號及國際會計準則第38號（修訂本）	澄清折舊及攤銷的可接受方法
國際會計準則第16號及國際會計準則第41號（修訂本）	農業：生產性植物
國際會計準則第27號（修訂本）	獨立財務報表的權益法
國際會計準則第1號（修訂本）	披露動議
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號（修訂本）	投資實體：應用綜合入賬的例外情況
二零一二年至二零一四年週期的年度改進	多項國際財務報告準則的修訂本

採納上述新訂及經修訂之國際財務報告準則並無對該等中期簡明綜合財務報表產生重大財務影響，且該等中期簡明綜合財務報表所應用的會計政策亦無重大變動。本集團並無提早採納任何已頒佈但尚未生效的其他準則、詮釋或修訂本。

3. 經營分部資料

本集團主要從事調味品的生產及銷售業務。就管理而言，本集團以單一業務單位運營，且有一個可呈報經營分部如下：

- 食品分部生產及銷售調味品

由於本集團全部收入均來自向於中國的客戶銷售其產品，且本集團全部可識別非流動資產均位於中國，故並無根據國際財務報告準則第8號經營分部呈列地域資料。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

3. OPERATING SEGMENT INFORMATION (Continued)

Information about major customers

Revenue amounting to 10 percent or more of the Group's revenue derived from sales to a single customer for the six months ended 30 June 2016 is set out in the following table:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Customer A	客戶A	59,094	72,266
Customer B	客戶B	51,393	55,138
Customer C	客戶C	38,209	46,374
Customer D	客戶D	—*	37,171
		148,696	210,949

* Revenue from the customer did not exceed 10 percent of the Group's revenue during the six month ended 30 June 2016.

3. 經營分部資料 (續)

有關主要客戶之資料

下表載列截至二零一六年六月三十日止六個月，佔本集團收益10%或以上的個別客戶所產生的收益：

* 於截至二零一六年六月三十日止六個月，該客戶的收入並無超過本集團收益的10%。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註（續）

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts. An analysis of the Group's revenue, other income and gains is as follows:

4. 收入、其他收入及收益

收入（亦即本集團的營業額）指扣除退貨撥備及貿易折扣後的售出貨品發票淨值。本集團收入、其他收入及收益分析如下：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Revenue	收入		
Sale of goods	銷售貨品	360,064	356,676
Other income and gains	其他收入及收益		
Subsidy received	已收補貼	5,940	521
Gain from sale of materials	材料銷售收益	3,050	726
Interest income	利息收入	874	94
Rental income	租賃收入	92	102
Others	其他	2	201
		9,958	1,644

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

5. 除稅前利潤

本集團除稅前利潤乃經扣除下列各項：

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
Cost of inventories sold	售出存貨成本		154,431
Depreciation	折舊	10	13,943
Recognition of prepaid land lease payments	確認預付土地租賃款項	11	323
Minimum lease payments under operation leases: Land and buildings	經營租賃項下的 最低租賃款項： 土地及樓宇		295
Employee benefit expense: (excluding directors' remuneration): Wages and salaries Pension scheme contributions	僱員福利開支 (不包括董事酬金)： 工資及薪金 退休金計劃供款		980
			8,174
			12,992

6. FINANCE COSTS

6. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on bank loans wholly repayable within five years	須於五年內悉數償還的 銀行貸款利息		15,288
		18,959	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註（續）

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

7. INCOME TAX EXPENSE

7. 所得稅開支

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current – PRC	即期 – 中國		
Charge for the year	年內支出	19,412	19,731
Deferred	遞延	(1,151)	218
Tax charge for the period	期內稅務支出	18,261	19,949

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated. Pursuant to the rules and regulations of the Cayman Islands, the Group was not subject to any income tax in the Cayman Islands.

本集團須就本集團成員公司所處及經營業務的司法權區所產生或賺取的利潤，按實體基準繳納所得稅。根據開曼群島的規則及法規，本集團毋須繳納開曼群島所得稅。

The income tax provision of the Group in respect of its operations in Mainland China has been provided on the taxable profits for the periods, based on the existing legislation, interpretations and practices in respect thereof.

有關本集團中國內地經營業務的企業所得稅，已經根據相關現行法律、詮釋及慣例對期內應課稅利潤作出撥備。

Pursuant to the approval from the National Office of Leading Group for Administration of Hi-tech Enterprise Recognition, Huzhou Laohenghe Brewery Co., Limited and Huzhou Laohenghe Wine Co., Limited were granted the “New and Advanced Technology Enterprise” status and were entitled to the beneficial tax rate of 15% for the three years ended 31 December 2015. The Directors confirm that the Group have completed the relevant filing procedures for the “New and Advanced Technology Enterprise” status as at 30 June 2016 and expect the Group to continue to enjoy the beneficial tax rate of 15%.

根據全國高新技術企業認定管理工作領導小組辦公室發出的批文，湖州老恒和釀造有限公司及湖州老恒和酒業有限公司獲得「高新技術企業」資格，並可於截至二零一五年十二月三十一日止三個年度享受15%的優惠稅率。董事確認，截至二零一六年六月三十日，本集團已就「高新技術企業」資格完成相關備案程序及預期本集團將繼續享受15%的優惠稅率。

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2015 and 2016.

由於本集團於截至二零一五年及二零一六年六月三十日止六個月並無任何於香港產生的應課稅利潤，故並無計提香港利得稅撥備。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 521,387,000 (six months ended 30 June 2015: 518,750,000) in issue during the six months ended 30 June 2016.

8. 母公司普通權益持有人應佔每股盈利

每股基本盈利金額的計算乃基於本公司普通權益持有人應佔期內利潤及截至二零一六年六月三十日止六個月已發行普通股加權平均數521,387,000股(截至二零一五年六月三十日止六個月: 518,750,000股)。

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 (Unaudited) (未經審核)	2015 二零一五年 (Unaudited) (未經審核)
Profit attributable to owner of the parent (RMB'000)	母公司擁有人應佔利潤 (人民幣千元)	101,654	109,977
Weighted average number of ordinary shares in issue (in thousands)	已發行普通股加權平均數 (千股)	521,387	518,750
Earnings per share (RMB cents per share)	每股盈利(每股人民幣分)	19.5	21.2

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 June 2016 and 2015 in respect of a dilution as the impact of the warrants outstanding had an anti-dilutive effect on the basic earnings per share amounts presented.

由於尚未行使的認股權證對所呈報的每股基本盈利金額具有反攤薄作用的影響，故本集團並無就攤薄而對截至二零一六年及二零一五年六月三十日止期間呈列之每股基本盈利金額作出調整。

9. DIVIDEND

No interim dividend was proposed for the six months ended 30 June 2016.

The 2015 proposed final dividends of RMB45,650,000 were approved by shareholders at the annual general meeting on 31 May 2016 and were subsequently distributed on 30 June 2016.

9. 股息

本公司並無就截至二零一六年六月三十日止六個月擬派發中期股息。

二零一五年建議末期股息人民幣45,650,000元已獲股東於二零一六年五月三十一日召開的股東週年大會上批准，並隨後於二零一六年六月三十日派發。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註（續）

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

10. PROPERTY, PLANT AND EQUIPMENT

10. 物業、廠房及設備

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Opening balance	期初結餘	629,556	501,493
Additions	添置	92,282	155,417
Depreciation	折舊	(20,257)	(27,354)
Closing balance	期末結餘	701,581	629,556

11. PREPAID LAND LEASE PAYMENTS

11. 預付土地租賃款項

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Carrying amount at 1 January	於一月一日的賬面值	27,333	27,843
Additions during the period	於期內添置	19,840	-
Recognised during the period	於期內確認	(523)	(510)
Carrying amount at period end	期末賬面值	46,650	27,333
Less: Current portion included in prepayments, deposits and other receivables	減：計入預付款項、按金及其他應收款項的流動部分	(1,047)	(650)
Non-current portion	非流動部分	45,603	26,683

The leasehold land is situated in Mainland China and is held under a long term lease.

租賃土地位於中國內地，並根據長期租約持有。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

12. INVENTORIES

12. 存貨

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Raw materials	原材料	2,582	8,069
Work in progress	在製品	996,690	921,174
Finished goods	成品	23,889	16,226
Total inventories	存貨總額	1,023,161	945,469

13. TRADE RECEIVABLES

13. 應收貿易款項

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to three months.

本集團與客戶間的貿易條款以信貸交易為主。信貸期通常為一至三個月。

The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

本集團致力於對尚未收回的應收賬款維持嚴格監管，而過期未付之賬款亦由高級管理層定期檢討。應收貿易款項為不計息。

An aging analysis of the trade receivables of the Group based on the credit term, is as follows:

本集團應收貿易款項按信貸期的賬齡分析如下：

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 1 month	1個月以內	78,037	82,014
1 to 3 months	1至3個月	81,993	57,482
3 to 6 months	3至6個月	3,652	1,087
6 months to 1 year	6個月至1年	791	1,007
Over 1 year	1年以上	237	369
Total	總計	164,710	141,959

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

13. TRADE RECEIVABLES (Continued)

The directors are of the opinion that no provision for impairment of trade receivables is necessary.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

13. 應收貿易款項(續)

董事認為毋須就應收貿易款項作出減值撥備。

14. 預付款項、按金及其他應收款項

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Prepayments	預付款項	186,073	55,106
Deposits and other receivables	按金及其他應收款項	163,832	194,173
		349,905	249,279

The above balances are unsecured, interest-free and have no fixed terms of repayment. The directors are of the opinion that no provision for impairment of prepayments, deposits and other receivables is necessary.

上述結餘為無抵押、不計息及無固定還款期。董事認為毋須就預付款項、按金及其他應收款項作出減值撥備。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

15. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

15. 現金及現金等價物及定期存款

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Cash and bank balances	現金及銀行結餘	362,641	186,048
Time deposits	定期存款	-	2,874
		362,641	188,922
Less: Non-pledged time deposits with original maturity of over three months when acquired	減：於獲得時原於三個月 後到期的無質押定期 存款	-	(2,874)
Cash and cash equivalents	現金及現金等價物	362,641	186,048

Cash and cash equivalents are dominated in:

現金及現金等價物以下列方式計值：

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
RMB	人民幣	134,152	184,698
Hong Kong Dollar ("HK\$")	港元 (「港元」)	228,489	1,350
Cash and cash equivalents	現金及現金等價物	362,641	186,048

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

16. TRADE PAYABLES

An aging analysis of the trade payables of the Group based on the invoice date, is as follows:

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 3 months	3個月以內	69,565	50,338
3 to 6 months	3至6個月	45,325	17,704
Over 6 months	6個月以上	70,206	50,417
		185,096	118,459

Trade payables of the Group are non-interest-bearing and are normally settled on terms of one to six months. The carrying amounts of the trade payables approximate to their fair values.

16. 應付貿易款項

本集團應付貿易款項按發票日期的賬齡分析如下：

	30 June 2016	31 December 2015
	二零一六年 六月三十日	二零一五年 十二月三十一日
	RMB'000	RMB'000
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Within 3 months	69,565	50,338
3 to 6 months	45,325	17,704
Over 6 months	70,206	50,417
	185,096	118,459

本集團應付貿易款項為不計息且通常須於一至六個月內結清。應付貿易款項的賬面值與其公平值相若。

17. OTHER PAYABLES AND ACCRUALS

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Other payables	其他應付款項	22,745	37,425
Accruals	應計項目	5,505	13,875
Advances from customers	客戶墊款	2,161	4,547
		30,411	55,847

The above balances are unsecured, interest-free and have an average term of three months.

17. 其他應付款項及應計項目

	30 June 2016	31 December 2015
	二零一六年 六月三十日	二零一五年 十二月三十一日
	RMB'000	RMB'000
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Other payables	22,745	37,425
Accruals	5,505	13,875
Advances from customers	2,161	4,547
	30,411	55,847

上述結餘為無抵押、不計息及平均期限為三個月。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註（續）

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

18. INTEREST-BEARING BANK BORROWINGS

18. 計息銀行借款

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Bank loans – secured, within one year	銀行貸款 – 有抵押，於一年內	533,760	570,345
Bank loans – secured, non-current	銀行貸款 – 有抵押，非即期	74,174	74,415
		607,934	644,760

The interest-bearing bank borrowings as at 30 June 2016 were denominated in RMB, repayable within three years and bearing interests at 4.57% – 6.42% per annum.

As at 30 June 2016, the Group's inventories with a carrying amount of RMB443.5 million (31 December 2015: RMB366.1 million), property, plant and equipment with a carrying amount of RMB79.5 million (31 December 2015: RMB74.6 million) and leasehold land with a carrying amount of RMB11.2 million (31 December 2015: RMB11.2 million) were pledged to secure general banking facilities granted to the Group.

The carrying amounts of the Group's bank loans approximate to their fair values.

於二零一六年六月三十日的計息銀行借款以人民幣計值，須於三年內償還及按照年利率4.57%-6.42%計息。

於二零一六年六月三十日，本集團已抵押賬面值為人民幣443.5百萬元（二零一五年十二月三十一日：人民幣366.1百萬元）的存貨、賬面值為人民幣79.5百萬元（二零一五年十二月三十一日：人民幣74.6百萬元）的物業、廠房及設備以及賬面值為人民幣11.2百萬元（二零一五年十二月三十一日：人民幣11.2百萬元）的租賃土地，作為授予本集團一般銀行融資的擔保。

本集團銀行貸款的賬面值與其公平值相若。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

19. OTHER LONG TERM LIABILITIES

19. 其他長期負債

			30 June	31 December
			2016	2015
			二零一六年	二零一五年
			六月三十日	十二月三十一日
			RMB'000	RMB'000
			人民幣千元	人民幣千元
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
Other long term payables	其他長期應付款項	(a)	133,000	-
Special payables	應付專項款項	(b)	4,422	4,505
At the end of the period			137,422	4,505
於期末			137,422	4,505

(a) On 6 May 2016, two subsidiaries of the Company, Huzhou Laohenghe Brewery Co., Limited (“**Huzhou Lao Heng He**”) and Huzhou Chen Shi Tian Niang Management Consulting Co., Ltd (“**Huzhou Chen Shi**”) entered into an investment agreement with China Development Fund Co., Ltd (“**CD Fund**”) (國開發發展基金有限公司). Pursuant to the investment agreement, CD Fund invested RMB133 million in Huzhou Lao Heng He (the “**Capital Investment**”). Based on the terms of the investment agreement, CD Fund has the right to request Huzhou Chen Shi to purchase the equity interest of Huzhou Lao Heng He owned by CD Fund within 8 years. Huzhou Lao Heng He shall pay CD Fund annual return equal to 1.2% of the Capital Investment. Based on the terms of the investment agreement, Huzhou Chen Shi, which is the shareholder of Huzhou Lao Heng He, has contractual obligation to CD Fund in the event of uncertain future events such as liquidation, dissolution or termination of Huzhou Lao Heng He that are beyond the control of the Group. As Huzhou Chen Shi does not have the unconditional right to avoid delivering cash, the Capital Investment of RMB133 million made by CD Fund was recorded as financial liability.

(a) 於二零一六年五月六日，本公司兩間附屬公司湖州老恒和釀造有限公司(「湖州老恒和」)及湖州陳氏天釀管理諮詢有限公司(「湖州陳氏」)與國開發發展基金有限公司(「國開發發展基金」)訂立注資協議。根據注資協議，國開發發展基金向湖州老恒和注資人民幣133百萬元(「資本投入」)。根據注資協議的條款，國開發發展基金可要求湖州陳氏於八年內購買國開發發展基金所擁有湖州老恒和的股本權益。湖州老恒和須每年按相當於資本投入的1.2%的金額向國開發發展基金支付回報。根據注資協議的條款，倘出現本集團不可控制之不可預知的未來事項(如清盤、解散或終止湖州老恒和)，湖州陳氏(湖州老恒和的股東)對國開發發展基金承擔合約責任。由於湖州陳氏無避免支付現金的無條件權利，因此國開發發展基金人民幣133百萬元的資本投入將被記賬為金融負債。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註 (續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

19. OTHER LONG TERM LIABILITIES

(Continued)

- (b) As at 30 June 2016, the actuarial liabilities existing in relation to the retirement benefit obligations for employees who retired prior to the acquisition of Huzhou Lao Heng He by the controlling shareholders and the early retirement obligations for employees who early retired were RMB4,422,000 (31 December 2015: RMB4,505,000). The benefit obligations arising from the plans were unfunded.

The movements of the actuarial liabilities recognised in the statement of financial position are as follows:

19. 其他長期負債 (續)

- (b) 於二零一六年六月三十日，有關於控股股東收購湖州老恒和前退休的僱員的退休福利責任及提早退休僱員的提早退休責任而存在的精算負債為人民幣4,422,000元（二零一五年十二月三十一日：人民幣4,505,000元）。計劃產生的福利責任為未置存基金。

於財務狀況表內按精算方法計算確認的負債變動如下：

		30 June 2016 二零一六年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2015 二零一五年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Carrying amount at the beginning of the period	期初的賬面值	4,505	4,684
Benefits paid	已付福利	(83)	(179)
At the end of the period	於期末	4,422	4,505

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

20. SHARE CAPITAL

20. 股本

Shares

股本

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Authorised:	法定：		
1,000,000,000 ordinary shares of US\$0.0005 (RMB0.00305) each	1,000,000,000股每股面值0.0005美元 (人民幣0.00305元)之普通股	3,050	3,050
Issued and fully paid:	已發行及繳足：		
578,750,000 (31 December 2015: 518,750,000) ordinary shares of US\$0.0005 (RMB0.00305) each	578,750,000股(二零一五年十二月 三十一日：518,750,000股)每股 面值0.0005美元(人民幣0.00305元) 之普通股	1,767	1,584

The movements in share capital were as follows:

股本變動如下：

		Number of shares in issue	Issued capital	Share premium account	Total
		已發行 股份數目	已發行 股本 RMB'000 人民幣千元	股份 溢價賬 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	518,750,000	1,584	769,489	771,073
Final 2014 dividend declared	已宣派二零一四年末期股息	-	-	(51,875)	(51,875)
At 31 December 2015	於二零一五年十二月三十一日	518,750,000	1,584	717,614	719,198
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	518,750,000	1,584	717,614	719,198
Final 2015 dividend declared	已宣派二零一五年末期股息	-	-	(45,650)	(45,650)
Issue of shares (Note a)	發行股份(附註a)	60,000,000	183	304,394	304,577
At 30 June 2016	於二零一六年六月三十日	578,750,000	1,767	976,358	978,125

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月
(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

20. SHARE CAPITAL (Continued)

- (a) On 23 June 2016, 60,000,000 new shares have been issued and allotted by the Company to Natural Seasoning International (HK) Limited, at the subscription price of HK\$6.00 (RMB5.08) per share under the general mandate granted to the board of directors at the annual general meeting of the Company held on 31 May 2016. The proceeds of RMB183,000 representing the par value, were credit to the Company's share capital. The remaining proceeds of RMB304,507,000 after netting-off the share issue expense of RMB113,000 were credit to the share premium account.

20. 股本(續)

- (a) 於二零一六年六月二十三日，本公司已根據於二零一六年五月三十一日舉行之本公司股東週年大會上授予董事會的一般授權，按每股6.00港元(人民幣5.08元)之認購價向Natural Seasoning International (HK) Limited發行及配發60,000,000股新股份。所得款項人民幣183,000元(相當於面值)已計入本公司之股本。餘下所得款項人民幣304,507,000元(抵銷股份發行開支人民幣113,000元後)已計入股份溢價賬。

21. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its land and buildings under operating lease arrangements. Leases for land and buildings are negotiated for terms ranging between one to twelve years.

As at 30 June 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

21. 經營租賃安排

本集團根據經營租賃安排租用若干土地及樓宇。土地及樓宇的協定期期介乎一至十二年。

於二零一六年六月三十日，本集團根據到期之不可撤銷經營租賃支付之未來最低租賃款項總額如下：

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within one year	一年內	739	971
In the second to fifth years, inclusive	第二年至第五年內(包括首尾兩年)	1,548	1,752
After five years	五年後	1,404	1,572
		3,691	4,295

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

For the six months ended 30 June 2016 截至二零一六年六月三十日止六個月

(All amounts in RMB thousands unless otherwise stated) (除另有訂明外，所有金額均以人民幣千元計值)

22. COMMITMENTS

In addition to the operating lease commitments detailed in note 21 above, the Group had capital commitments as follows:

		30 June 2016	31 December 2015
		二零一六年 六月三十日	二零一五年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Contracted, but not provided for:	已訂約但未計提撥備：		
Plant and machinery	廠房及機器	76,121	30,156

22. 承擔

除上文附註21所詳述的經營租賃承擔外，本集團擁有下列資本承擔：

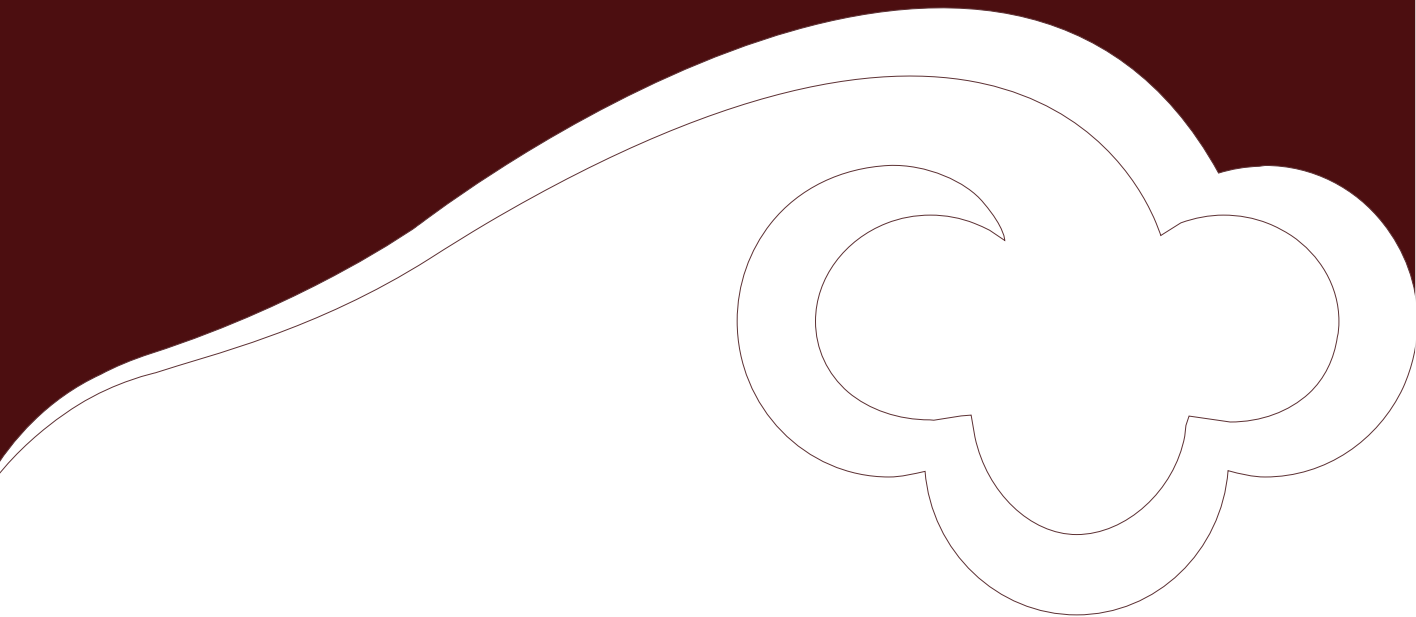
23. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	294	294
Pension scheme contributions	退休金計劃供款	28	23
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	322	317

23. 與關聯方交易

本集團主要管理人員的酬金



Honworld Group Limited
老恒和釀造有限公司*
Room 606-607, 6/F
China Merchants Building
152-155 Connaught Road Central
Sheung Wan
Hong Kong
香港上環干諾道中 152-155 號
招商局大廈 6 樓 606-607 室

