



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

2017

* 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.**

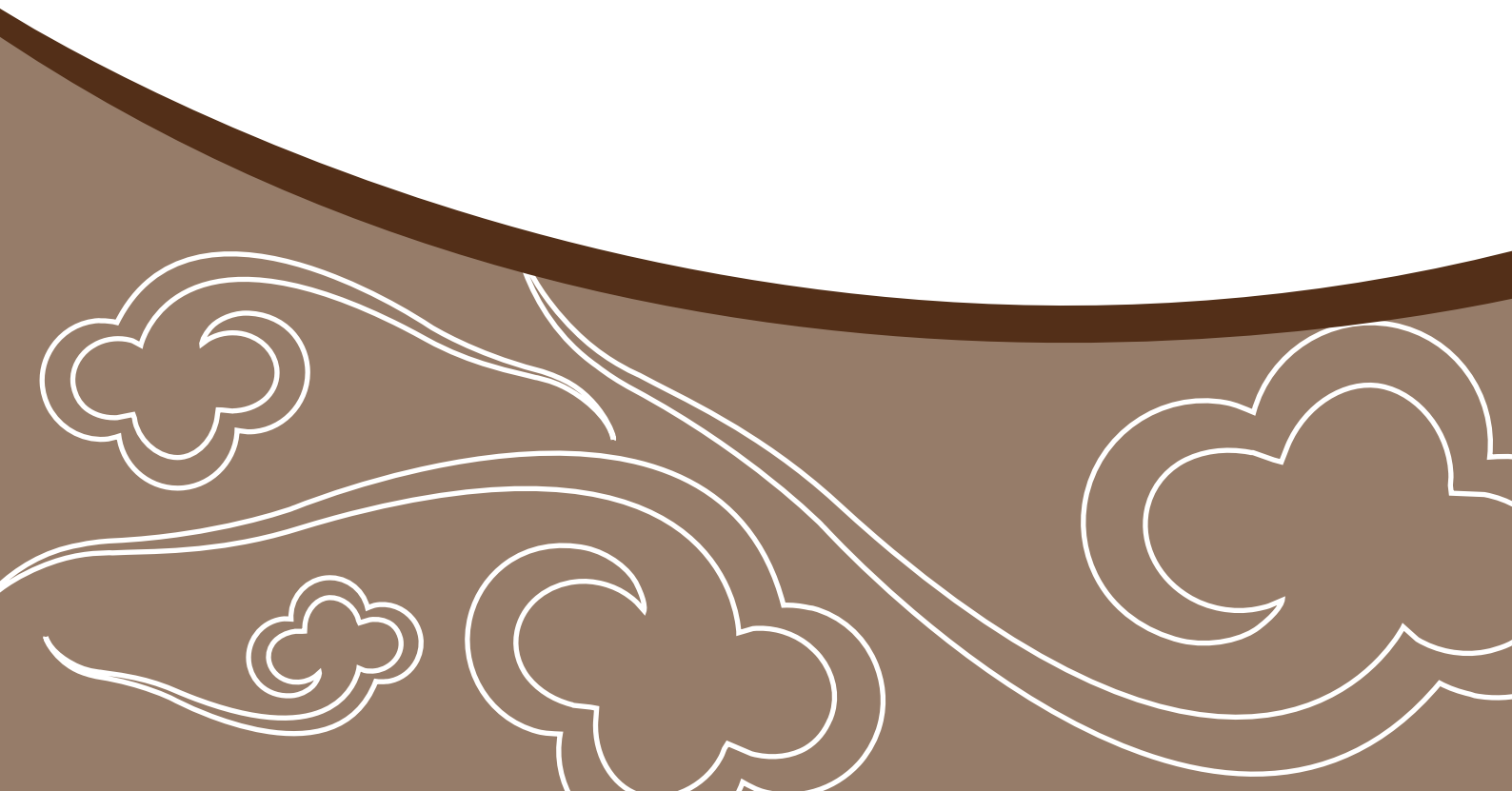
「老恒和」，源自傳承，品牌歷史超過130年
巴拿馬博覽會金獎產品



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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

Independent Non-executive Directors

Mr. Shen Zhenchang
Mr. Ng Wing Fai (Appointed on 29 June 2017)
Mr. Sun Jiong (Appointed on 29 June 2017)

* Mr. Ma Chaosong and Mr. Lei Jiasu resigned as independent non-executive Directors on 29 June 2017

COMPANY SECRETARY

Mr. Au Wai Keung

AUTHORISED REPRESENTATIVES

Mr. Chen Weizhong
Mr. Au Wai Keung

AUDIT COMMITTEE

Mr. Ng Wing Fai (*Chairman*)
(Appointed on 29 June 2017)
Mr. Sun Jiong (Appointed on 29 June 2017)
Mr. Shen Zhenchang
Mr. Sun Qingdong

REMUNERATION COMMITTEE

Mr. Shen Zhenchang (*Chairman*)
Mr. Ng Wing Fai (Appointed on 29 June 2017)
Mr. Sun Jiong (Appointed on 29 June 2017)

NOMINATION COMMITTEE

Mr. Sun Jiong (*Chairman*)
(Appointed on 29 June 2017)
Mr. Ng Wing Fai (Appointed on 29 June 2017)
Mr. Shen Zhenchang

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

獨立非執行董事

沈振昌先生
吳榮輝先生 (於二零一七年六月二十九日獲委任)
孫頌先生 (於二零一七年六月二十九日獲委任)

* 馬朝松先生及雷家驊先生於二零一七年六月二十九日辭任獨立非執行董事

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

吳榮輝先生 (*主席*)
(於二零一七年六月二十九日獲委任)
孫頌先生 (於二零一七年六月二十九日獲委任)
沈振昌先生
孫卿東先生

薪酬委員會

沈振昌先生 (*主席*)
吳榮輝先生 (於二零一七年六月二十九日獲委任)
孫頌先生 (於二零一七年六月二十九日獲委任)

提名委員會

孫頌先生 (*主席*)
(於二零一七年六月二十九日獲委任)
吳榮輝先生 (於二零一七年六月二十九日獲委任)
沈振昌先生

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

AUDITORS

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

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

註冊辦事處

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

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

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

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

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

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

中國銀行
湖州市分行
中國
浙江省湖州市
人民路208號

LEGAL ADVISER AS TO HONG KONG LAW

Li & Partners
22nd Floor, World-wide House
Central, Hong Kong

香港法律顧問

李偉斌律師行
香港中環
環球大廈22樓

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

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號舖

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

We are a condiment production enterprise recognised as China time-honoured brand. Our brand, “Lao Heng He”, is the leading brand of the Chinese cooking wine industry. We are devoted to becoming the most influential condiment production enterprise in China, and provide consumers with quality, healthy and natural condiment products, namely brewed cooking wine, yellow rice wine, naturally-brewed soy sauce, vinegar, fermented bean curd and soybean paste, inherited from the mastery of traditional brewing techniques as a time-honored brand over a century. This is also the core strategy of the Group in the long-term development.

In 2017, being one of the three excellent “potential enterprises” in the food industry, we once again named China Top 100 Most Promising Public Listed Company by the Forbes. Huzhou Laohenghe Brewery Co., Limited (湖州老恒和釀造有限公司), a wholly-owned subsidiary of the Group, was honored with “Three Famous” Development Pilot Enterprises of Zhejiang Province” (浙江省「三名」培育試點企業) and “Quality Award of Huzhou City Government” (湖州市政府質量獎) during the period.

業務回顧

我們是一家中華老字號的調味品生產企業，我們的「老恒和」品牌是中國料酒產業的領導品牌。我們致力於成為中國最具影響力的調味品生產企業，並以超過百年的歷史品牌的積澱傳承傳統釀造工藝的精髓，向消費者提供優質、健康、純天然的釀造料酒、黃酒、原釀醬油、醋、腐乳和黃豆醬等調味產品，作為本集團長期發展的核心戰略。

於二零一七年，作為食品行業的三家優秀「潛力企業」之一，我們再次成為福布斯「中國上市公司潛力企業榜」百強企業。本集團下屬全資子公司湖州老恒和釀造有限公司還於本期間獲得浙江省「三名」培育試點企業和湖州市政府質量獎等榮譽。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Transformation and Upgrading Step-by-Step

Diversified Sales Channels

In the first half of 2017, with the increase of household expenditure and expenditure on catering, the overall market of the condiment industry kept expanding, of which over 70% of the capacity and the growth came from the distribution channels¹ and catering channels. The supermarket industry, on the other hand, experienced a downturn with a continuous drop in its revenue. In response to the market trend and to reduce the risk arising from the declining performance in the supermarket industry, we will continue to enhance and transform our existing sales channels to diversify our development. We envisage that diversified development strategy will bring in attractive business opportunities to enhance the future growth of the Group. Therefore, most of our sales and marketing resources will continue to be invested in the establishment of the distribution channels, catering channels and e-commerce channels (the “**New Sales Channels**”). In order to support the diversified development strategy, we have adopted a sales end market penetration strategy and actively established a sales team to promote the establishment of the New Sales Channels and currently, we have a sales force of around 283 staffs. Our product distribution terminals were gradually penetrated into the rural market of the third and fourth-tier cities, counties, villages and towns in Yangtze River Delta region and will penetrate into the markets of the third and fourth-tier cities in other areas across the nation, which helps us to react promptly to the market and improves the speed of product distribution. In the meantime, we have put greater efforts into brand promotion through traditional television media, new media, self-media and ancillary promotional activities, so as to enhance the brand awareness of “Lao Heng He” in various aspects and consolidate our leading position and reputation in the cooking wine industry, which would in turn promote the sales of the products of the Group. Leveraging on the establishment and penetration of the New Sales Channels, sales from the distribution channels increased from RMB98.4 million in the first half of 2016 to RMB124.2 million for the corresponding period of 2017, representing an increase of 26.2%. Sales from the catering channels and the e-commerce channels increased from RMB2.2 million in the first half of 2016 to RMB7.6 million for the corresponding period of 2017, representing an increase of 245.5%. In the first half of 2017, the sales from our top 10 customers of New Sales Channels increased by 23.7% compared with that of the corresponding period of 2016. However, sales from the supermarket channel declined from RMB259.4 million in the first half of 2016 to RMB229.6 million for the corresponding period of 2017, representing a decrease of 11.5% due to the fact that less marketing resources were allocated to the supermarket channels since our sales resources were mainly invested in setting up the New Sales Channels.

¹ Distribution channels: retail channels of regional small retailers, including convenient stores, farmers’ markets in cities, rural markets and other condiment sales networks.

轉型升級 步步為營

渠道多元化

於二零一七年上半年，隨著家庭和餐飲消費升級，調味品行業的整體市場容量在不斷擴大，其中70%以上的市場容量和增量是來源於流通渠道¹和餐飲渠道。但另一方面，商超行業整體不景氣、銷售下滑趨勢仍無法遏制。為順應市場形勢並減少商超行業業績下滑所帶來的風險，我們將繼續對我們現有的銷售渠道進行轉型升級來實行多元化發展策略。我們預計多元化的發展策略能在未來為本集團帶來具有吸引力的商機以提升集團未來增長。因此，我們的大部分的銷售及市場推廣資源仍將繼續用於流通渠道、餐飲渠道及電商渠道（「**新銷售渠道**」）的銷售渠道建設。為了支持本集團多元化的渠道發展策略，我們採用了銷售終端滲透的戰略，積極建立銷售隊伍來推動新銷售渠道的建立，我們目前配置銷售隊伍約283人。我們的產品分銷終端在長三角已逐步滲透至三四線城市、縣、鄉鎮等農村市場，下一步將向全國其他區域三四線城市滲透，有力提升了我們迅速應對市場反應能力和產品鋪市的速度。同時，我們也增加了對品牌傳播的投入，借助傳統電視媒體、新媒體以及自媒體和配套的促銷活動，多維度提升「老恆和」品牌價值，穩固我們料酒的行業龍頭地位，提升我們產品美譽度，從而進一步拉動本集團產品的銷售。通過我們的新渠道建設和滲透，流通渠道的銷售額由二零一六年上半年的人民幣98.4百萬元上升至二零一七年同期的人民幣124.2百萬元，增長為26.2%。餐飲渠道和電商渠道的銷售額由二零一六年上半年的人民幣2.2百萬元上升至二零一七年同期的人民幣7.6百萬元，增長為245.5%。二零一七年上半年，我們的新渠道前十大客戶的同客戶銷售額較2016年同期增長23.7%。另一方面，由於我們的銷售資源主要集中於建設新渠道，因此導致我們在商超渠道所投放的營銷資源有所下降，我們在商超渠道上的銷售額由二零一六年上半年的人民幣259.4百萬元下降11.5%至二零一七年同期的人民幣229.6百萬元。

¹ 流通渠道：區域性的小型客戶零售渠道，包括便利店、城市中的農貿市場和農村市場等調味品銷售網點。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

The total number of our clients increased from 898 as at 31 December 2016 to 1,087 as at 30 June 2017, representing an increase of 21.0%. Among which, clients from the distribution channels increased from 856 as at 31 December 2016 to 975 as at 30 June 2017, representing an increase of 13.9%; and clients from the catering channels and the e-commerce channels increased from 19 as at 31 December 2016 to 87 as at 30 June 2017, representing an increase of 357.9%.

Diversified Products

In the first half of 2017, our key products, cooking wine, remained a major source of revenue, representing 72.5% of the total revenue. In view of the growing demand from the New Sales Channels and the anticipated sales growth of soy sauce products upon the further development of New Sales Channels, we consider that a rich and diversified condiment portfolio would be more beneficial to the business development of the Group in the coming years. Taking into consideration that the base wine stock of the Group would be sufficient to support the future sales needs, we will increase the production capacity of soy sauce products, so as to diversify the existing portfolio of condiment products of the Group. We believe that soy sauce products are complementary in terms of resource advantages with cooking wine products, such that we will be able to develop an in-depth industry chain for the Group's condiment products at multiple levels in line with the foregoing diversified sales channels. For the six months ended 30 June 2017, the Group extended natural drying yards for soy sauce by approximately 170 mu, and as at 30 June 2017, there were about 11,000 vats (i.e. about 6,600 tonnes) of naturally-brewed soy sauce.

Two-pronged Approach to Production and Research and Development

In the first half of 2017, we expanded our production facilities at our plants in Huzhou city, Zhejiang Province, by enhancing the production capacity of soy sauce products and acquiring new production equipment for the production of fermented bean curd, aromatic vinegar and mature vinegar. Besides, we carried out technical upgrades for all production lines so as to respond to the increasing market demand for green and healthy condiment products with premium quality. On another front, in order to minimize the risks associated with increasing capital expenditures, we made more prepayment for non-current assets to lock up the related cost of major materials.

我們的客戶總數量從截至二零一六年十二月三十一日的898家增加至於二零一七年六月三十日的1,087家，增長幅度為21.0%。其中，流通渠道客戶從截至二零一六年十二月三十一日的856家增加至於二零一七年六月三十日的975家，增長幅度為13.9%；餐飲渠道和電商渠道客戶從截至二零一六年十二月三十一日的19家增加至於二零一七年六月三十日的87家，增長幅度為357.9%。

產品多元化

二零一七年上半年，我們的主要產品料酒仍然繼續成為我們的主要收入來源，佔總收入的72.5%。基於對現有不斷增長的新銷售渠道的客戶需求和對銷售渠道進一步發展而帶來的醬油產品的銷售增長預期，我們認為豐富而又多元化的調味品結構將更有利於本集團未來幾年的業務發展。考慮到本集團儲備的基酒已足以滿足未來銷售的需求，因此我們將提升醬油產品的產能來對本集團現有的調味品產品組合進行擴充。我們認為醬油產品可以和料酒產品資源優勢互補，多層次地深度開發本集團的調味品產業鏈並配合上述的渠道多元化。於二零一七年六月三十日止的六個月，本集團新增醬油天然曬場約170畝，至二零一七年六月三十日已放置約11,000缸，即約6,600噸純天然釀造醬油。

生產研發 齊頭並進

於二零一七年上半年，我們擴展位於浙江省湖州市廠房內的生產設施，擴展醬油產能及購置新的腐乳、香醋、陳醋等生產設備，並對各類產品的生產線進行多項技術改進，以應對對於綠色、健康及口味優質的調味品不斷增長的市場需求。另一方面，為了減少資本支出規模增大帶來的風險，我們增加了非流動資產之預付款項，鎖定資本支出相關的主要材料的成本。

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		
		截至六月三十日止六個月		
		2017	2016	Period-to-
		二零一七年	二零一六年	period change
		RMB'000	RMB'000	按期變動
		人民幣千元	人民幣千元	(%)
Income statement items	收益表項目			
Sales	銷售額	361,355	360,064	0.4%
Gross profit	毛利	203,930	197,132	3.4%
Profit attributable to owners of the parent	母公司擁有人應佔利潤	82,792	101,654	(18.6%)
EBITDA	除利息、稅項、折舊及攤銷前利潤	143,412	159,654	(10.2%)
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	14.3	19.5	(26.7%)
Selected financial ratios	節選財務比率			
Gross profit margin (%)	毛利率(%)	56.4%	54.7%	3.1%
Net profit margin attributable to owners of the parent (%)	母公司擁有人應佔淨利潤率(%)	22.9%	28.2%	(18.8%)
EBITDA margin (%)	除利息、稅項、折舊及攤銷前利潤率(%)	39.7%	44.3%	(10.4%)
		30 June	31 December	
		2017	2016	
		二零一七年	二零一六年	
		六月三十日	十二月三十一日	
		RMB'000	RMB'000	Period-to-
		人民幣千元	人民幣千元	period change
				按期變動
				(%)
Gearing Ratio (Note b)	資產負債比率(附註b)	35.2%	32.5%	8.3%

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 2017. 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.

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) 於二零一七年六月三十日，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。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Revenue

The revenue of the Group increased by 0.4% from RMB360.1 million for the six months ended 30 June 2016 to RMB361.4 million for the corresponding period of 2017, primarily reflecting the combined effect of an increase in sales of cooking wine products and a decrease in sales of other products.

Revenue from cooking wine products increased by 1.0% from RMB259.2 million for the six months ended 30 June 2016 to RMB261.7 million for the corresponding period of 2017. The increase is mainly attributable to the continued advertising and promotion of the “Lao Heng He” brand and the extensive penetration of distribution channels.

Revenues from the Group’s soy sauce products and vinegar products for the six months ended 30 June 2017 are basically in line with those for the corresponding period of 2016, primarily reflecting the combined effect of a decrease in sales of high-end products (such as Premium Flavored Soy Sauce (鮮上鮮醬油) and Crab Vinegar (蟹醋)) attributable to a decrease in the sales and marketing resources devoted by the Group in the supermarket channel, as well as of an increase in sales of distribution and catering channels attributable to launching of new products focused on the distribution and catering channels (such as Premium Soy Sauce (一品鮮醬油), Aromatic Vinegar (香醋) and Mature Vinegar (老陳醋)).

Revenue from the Group’s other products decreased by 6.1% from RMB19.5 million for the six months ended 30 June 2016 to RMB18.3 million for the corresponding period of 2017, primarily reflecting a decrease in sales of chilli sauce products of the Group attributable to a decrease in the sales and marketing resources allocated by the Group in the supermarket channels. Despite the deepened penetration of the Group’s distribution channels, the Group’s maintained its on-going growth trend for sales of fermented bean curd and soybean paste products.

We believe the slowdown in the Group’s sales during the six months ended 30 June 2017 is, to a large extent, due to the fact that 1) the New Sales Channels would bring significant growth to the Group’s sales only if certain amount of time, sales and marketing resources has been devoted by the Group for construction and penetration of channels during the channel restructuring period; and 2) a decrease in sales resulted from a decrease in sales activities for the supermarket channels as the Group allocated most of its sales and marketing resources to construct New Sales Channels.

Cost of Sales

The Group’s cost of sales, including raw materials, manufacturing overhead and salaries and benefits, decreased by 3.4% from RMB162.9 million in the six months ended 30 June 2016 to RMB157.4 million for the corresponding period of 2017.

收入

本集團的收入由截至二零一六年六月三十日止六個月的人民幣360.1百萬元增加0.4%至二零一七年同期的人民幣361.4百萬元，主要反映我們料酒產品的銷售額增加和其他產品的銷售額下降的綜合影響。

料酒產品的收入由截至二零一六年六月三十日止六個月的人民幣259.2百萬元增加1.0%至二零一七年同期的人民幣261.7百萬元，該增長主要由我們持續通過廣告推廣「老恒和」品牌的知名度和加強分銷渠道的滲透所致。

本集團截至二零一七年六月三十日止六個月的醬油產品和醋產品的收入分別與二零一六年同期保持基本一致，主要反映本集團對商超渠道投放的營銷資源下降導致高端產品(如鮮上鮮醬油、蟹醋)銷量減少和推出針對流通及餐飲渠道的新產品(如一品鮮醬油、香醋、老陳醋)導致流通及餐飲渠道銷量上升的綜合影響。

本集團其他產品的收入由截至二零一六年六月三十日止六個月的人民幣19.5百萬元減少6.1%至二零一七年同期的人民幣18.3百萬元，主要反映本集團的辣醬產品由於本集團對商超渠道投放的營銷資源下降導致的銷量有所減少。本集團的腐乳產品、黃豆醬產品的銷量在本集團對分銷渠道的滲透下依舊保持着增長趨勢。

我們認為截至二零一七年六月三十日止六個月的銷售增速放緩，主要由於1)在渠道轉型期，本集團花費一定的時間和營銷資源進行渠道建設和滲透後，新的銷售渠道才能為本集團的銷售帶來可觀的增長；以及2)本集團將營銷資源主要配置在新渠道的建設，商超等渠道由於促銷活動減少導致銷售有所下滑。

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)由截至二零一六年六月三十日止六個月的人民幣162.9百萬元減少3.4%至二零一七年同期的人民幣157.4百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 3.4% from RMB197.1 million in the six months ended 30 June 2016 to RMB203.9 million for the corresponding period of 2017, and the gross profit margin increased from 54.7% in the six months ended 30 June 2016 to 56.4% for the corresponding period of 2017. The increase in gross profit margin is due to the combined effect of an increase of price of certain products of the Group by 10% in February 2017 and an increase of cost of raw materials (mainly for packaging).

Other Income and Gains

Other income and gains decreased by 37.2% from RMB10.0 million for the six months ended 30 June 2016 to RMB6.3 million for the corresponding period of 2017. Other income and gains primarily include subsidies received, gains from sales of materials and interest income. The decrease in other income and gains was primarily due to the decrease in government subsidies received.

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 by 107.9% from RMB23.9 million during the six months ended 30 June 2016 to RMB49.7 million for the corresponding period of 2017. The Group's selling and distribution expenses as a percentage of the Group's revenue increased from 6.6% for the six months ended 30 June 2016 to 13.7% for the corresponding period of 2017, primarily as a result of an increase in the Group's expenses relating to TV advertisement, name sponsorship on TV shows and brand ambassador during the channel restructuring period for facilitating the penetration of the Group's products into the New Sales Channels.

Administrative Expenses

The administrative expenses decreased by 15.9% from RMB44.3 million during the six months ended 30 June 2016 to RMB37.2 million for the corresponding period of 2017, mainly due to a decrease in research and development investment resulting from these two factors: the Group is still active in exploring consumption demand of the New Sales Channels for this period; and the research and development of improving the technological contents of the manufacturing craftsmanship and quality of the cooking wine products of the Group have achieved stage result. The Group's future directions of research and development will focus on the development of new products and new craftsmanship for the Group's New Sales Channels. Based on the existing budget of research and development, the Group is expected to increase its investment in research and development activities in the second half of the year.

毛利及毛利率

本集團的毛利由截至二零一六年六月三十日止六個月的人民幣197.1百萬元增加3.4%至二零一七年同期的人民幣203.9百萬元，而毛利率由截至二零一六年六月三十日止六個月的54.7%增長至二零一七年同期的56.4%。毛利率增長乃由於本集團在二零一七年二月將部分產品漲價10%及原材料成本(主要是包裝物)上漲的綜合影響。

其他收入及收益

其他收入及收益由截至二零一六年六月三十日止六個月的人民幣10.0百萬元減少37.2%至二零一七年同期的人民幣6.3百萬元。其他收入及收益主要包括收到的政府補貼、物料銷售收益及利息收入。其他收入及收益減少主要由於收到的政府補貼減少所致。

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二零一六年六月三十日止六個月的人民幣23.9百萬元增加107.9%至二零一七年同期的人民幣49.7百萬元。本集團的銷售及經銷開支佔本集團收入的百分比由截至二零一六年六月三十日止六個月的6.6%增加至二零一七年同期的13.7%，主要由於本集團在渠道轉型期增加了電視廣告、電視節目冠名及形象代言人費用來讓本集團的產品可以更快地滲透入新渠道所致。

行政開支

行政開支由截至二零一六年六月三十日止六個月的人民幣44.3百萬元減少15.9%至二零一七年同期的人民幣37.2百萬元，主要由於本集團於本期仍在積極地探索新渠道的消費者需求和提高本集團料酒產品的生產工藝和品質的技術含量的研發活動已取得階段性成果兩個因素導致研發投入的減少所致。本集團未來的研發方向將主要於針對本集團的新銷售渠道開發新產品和新工藝，基於現有的研發預算，本集團預計將在下半年增加對研發活動的投入。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Finance Costs

Finance costs increased by 23.6% from RMB19.0 million during the six months ended 30 June 2016 to RMB23.4 million for the corresponding period of 2017. The increase in finance costs primarily reflected an increase in average balance of bank loans to fulfill the increased working capital needs for our business expansion, and an increase of financing interest rate arising from monetary policy of the PRC.

Profit before Tax

As a result of the foregoing, the profit before tax decreased by 16.7% from RMB119.9 million during the six months ended 30 June 2016 to RMB99.8 million for the corresponding period of 2017.

Income Tax Expense

The corporate income tax of the Group in respect of its operations in Mainland China has been provided at the rate of 25% (2016: 25%) on the taxable profits, based on the existing legislation, interpretations and practices in respect thereof. Pursuant to the approval from the National Office of Leading Group for Administration of Hi-tech Enterprise Recognition, Huzhou Laohenghe Brewery Co., Limited (湖州老恒和釀造有限公司) and Huzhou Laohenghe Wine Co., Limited (湖州老恒和酒業有限公司), both being wholly-owned subsidiaries of the Company, were granted the “New and Advanced Technology Enterprise” status and were entitled to the preferential tax rate of 15% for the three consecutive years commencing from 2016.

Income tax expenses decreased by 6.6% from RMB18.3 million during the six months ended 30 June 2016 to RMB17.1 million for the corresponding period of 2017, which was mainly due to a decrease in profit before tax. The effective income tax rate increased from 15.2% for the six months ended 30 June 2016 to 17.1% for the corresponding period of 2017, mainly due to the decrease of tax incentive on eligible expenditures resulting from the decrease in research and development investment as a result of the aforesaid reasons.

Earnings per Share Attributable to Ordinary Equity Holders of the Parent

Basic earnings per share decreased from RMB19.5 cents for the six months ended 30 June 2016 to RMB14.3 cents for the corresponding period of 2017. The decrease in earnings per share was attributable to the decrease in profit attributable to ordinary equity holders of the parent and the increase in weighted-average number of issued shares.

融資成本

融資成本由截至二零一六年六月三十日止六個月的人民幣19.0百萬元增加23.6%至二零一七年同期的人民幣23.4百萬元。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我們業務拓展的營運資金需求，及中國的貨幣政策導致的融資利率有所提高所致。

除稅前利潤

由於上述原因，除稅前利潤由截至二零一六年六月三十日止六個月的人民幣119.9百萬元減少16.7%至二零一七年同期的人民幣99.8百萬元。

所得稅開支

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、詮釋及慣例按稅率25%（二零一六年：25%）對應課稅利潤作出撥備。根據全國高新技術企業認定管理工作領導小組辦公室之批准，湖州老恒和釀造有限公司及湖州老恒和酒業有限公司（均為本公司全資附屬公司）獲授「高新技術企業」資格，可自二零一六年起連續三年享有優惠稅率15%。

所得稅開支由截至二零一六年六月三十日止六個月的人民幣18.3百萬元減少6.6%至二零一七年同期的人民幣17.1百萬元，主要由於除稅前利潤減少所致。實際所得稅稅率從截至二零一六年六月三十日止六個月的15.2%上升至二零一七年同期的17.1%，主要是由於上述原因導致的研發投入減少引起合資格開支之稅務優惠減少。

母公司普通權益持有人應佔每股盈利

每股基本盈利由截至二零一六年六月三十日止六個月的人民幣19.5分減少至二零一七年同期的人民幣14.3分。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減少和已發行股份加權平均數上升所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Net Profit Margin

Net profit margin decreased by 18.8% from 28.2% for the six months ended 30 June 2016 to 22.9% for the corresponding period of 2017. The decrease in net profit margin was mainly attributable to the combined effect of an increase in gross profit margin and an increase in selling and distribution expenses and finance costs as a result of the aforesaid reasons.

FINANCIAL AND LIQUIDITY POSITION

Prepayments for Non-current Assets

Prepayments for non-current assets of the Group primarily include the following two aspects: (1) prepayments to equipment manufacturers in respect of customizing wine storage equipment and production equipment for the Group; and (2) prepayments to major contractors of the projects before entering into formal construction contracts. Prepayments for non-current assets were primarily used for locking up the costs of major materials related to capital expenditure so as to reduce the risk to the Group due to the increasing capital expenditure scale.

Prepayments for non-current assets increased by 11.5% from RMB335.4 million as at 31 December 2016 to RMB373.9 million as at 30 June 2017. The increase in prepayments for non-current assets was mainly attributable to our plan to diversify our product structure and expand production capability of soy sauce products in the future, as well as an increase in prepayment to relevant facility providers and construction units.

Trade Receivables

Trade receivables primarily represented the receivables for goods sold to the distributors. Trade receivables turnover days increased from 67 days for the year ended 31 December 2016 to 90 days for the six months ended 30 June 2017, mainly because the Group was in the channel transforming period. As such, with the aim to solidify our customer base, the Group temporarily extended the credit terms of certain customers with intention to maintain long-term cooperation based on the sales expectation of such customers.

淨利潤率

淨利潤率由截至二零一六年六月三十日止六個月的28.2%減少18.8%至二零一七年同期的22.9%。淨利潤率下跌主要由於上述原因導致毛利率上升和銷售及經銷開支和融資成本上升的綜合作用所致。

財務及流動資金狀況

非流動資產之預付款項

本集團的非流動資產之預付款項主要包括如下兩個方面：(1)為本集團定制儲酒設備和生產設備而向設備製造商預付的款項；以及(2)在正式的施工合同簽署前，向工程主要的承建單位支付的預付款項。該非流動資產之預付款項的主要目的是為了鎖定資本支出相關的主要材料成本，以減少資本支出規模增大對集團帶來的風險。

非流動資產之預付款項由二零一六年十二月三十一日的人民幣335.4百萬元增加11.5%至二零一七年六月三十日的人民幣373.9百萬元。非流動資產之預付款項的增加乃由於我們計劃於未來多元化產品結構擴大醬油產品產能，向相關的設備供應商和工程施工單位的預付款項增加所致。

貿易應收款項

貿易應收款項主要指向經銷商售出貨品的應收款項。貿易應收款項的週轉天數由截至二零一六年十二月三十一日止年度的67天增至截至二零一七年六月三十日止六個月的90天，此乃主要由於本集團處於渠道轉型期，為鞏固我們的客戶基礎，本集團根據對該類客戶的銷售預期，暫時性地放寬了部分有長期合作意向的客戶的信用期所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Inventories

Inventories increased from RMB1,088.4 million as at 31 December 2016 to RMB1,229.4 million as at 30 June 2017, primarily due to an increase in work in progress. A substantial part of our inventories were work in progress, which mainly represented base wine, base soy sauce, semi-finished soybean paste and base vinegar in the brewing period.

Due to the long production cycle and short sales cycle of cooking wine products, we need to keep an abundant stock of well-aged base wine to cope with the rapid sales growth in the future. As the Group has attained the goal for base wine stock as disclosed in the Interim Report of 2015, the base wine stock is basically able to satisfy the demand of the Group's business in the future.

On the other hand, given the growing demand from the customer of the New Sales Channels, we have invested more resources in the production of base soy sauce and base vinegar accordingly during the period.

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 2017, the Group's total borrowings amounted to RMB853.4 million (31 December 2016: RMB849.0 million), including finance lease payables with a carrying amount of RMB20.3 million (31 December 2016: RMB34.4 million).

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

存貨

存貨由截至二零一六年十二月三十一日的人民幣1,088.4百萬元增至截至二零一七年六月三十日的人民幣1,229.4百萬元，主要由於在製品增加。我們存貨的絕大部分為在製品，主要指處於釀造期的基酒、基醬油、黃豆醬半成品及基醋。

由於料酒類產品較長的生產週期及較短的銷售週期，我們需保持大量經過長年陳釀的基酒存貨，以應對未來的銷售增長。由於本集團已經達成二零一五年中期報告披露的基酒儲備目標，基酒儲備量基本能滿足未來集團業務的需求。

另一方面，基於現有不斷增長的新渠道客戶需求，我們相應地於本期增加了對基醬油和基醋的生產資源投入。

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。

借款

於二零一七年六月三十日，本集團借款總額為人民幣853.4百萬元(二零一六年十二月三十一日：人民幣849.0百萬元)，包括賬面值為人民幣20.3百萬元(二零一六年十二月三十一日：人民幣34.4百萬元)的融資租賃應付款項。

本集團流動資金的主要來源包括業務經營產生的現金和銀行及其他借款。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。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

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 2017, the Group had cash and cash equivalents of RMB134.1 million (31 December 2016: RMB291.8 million). As at 30 June 2017, the Group had interest-bearing bank and other borrowings of an aggregate amount of RMB853.4 million (31 December 2016: RMB849.0 million), which were denominated in RMB, repayable within two years and bearing interests at 3.92% to 5.99% per annum. The Gearing Ratio as at 30 June 2017, amounted to 35.2% (31 December 2016: 32.5%).

Capital Commitment

Capital commitment as at 30 June 2017 amounted to approximately RMB52.6 million (31 December 2016: RMB56.1 million), which was mainly related to construction contracts in progress relating to expansion of the condiment production plant.

Contingent Liabilities

As at 30 June 2017, the Group did not have any material contingent liability.

Pledge of Assets

Please refer to Note 18(a) to the financial statements for details of pledge of assets of 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.

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

於二零一七年六月三十日，本集團現金及現金等價物為人民幣134.1百萬元(二零一六年十二月三十一日：人民幣291.8百萬元)。於二零一七年六月三十日，本集團計息銀行及其他借款合共為人民幣853.4百萬元(二零一六年十二月三十一日：人民幣849.0百萬元)，均以人民幣計值，於兩年內償還，年息介乎3.92%至5.99%。於二零一七年六月三十日，資本負債比率為35.2%(二零一六年十二月三十一日：32.5%)。

資本承擔

於二零一七年六月三十日，資本承擔約為人民幣52.6百萬元(二零一六年十二月三十一日：人民幣56.1百萬元)，主要與調味品廠房擴建的在建工程合約有關。

或有負債

於二零一七年六月三十日，本集團並無任何重大或有負債。

資產質押

有關本集團資產質押情況，請參閱財務報表附註18(a)。

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。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FUTURE PROSPECTS

After years of development, the market-entry standards and system of the condiment industry are optimized, and an orderly market is gradually built up. Given more widespread application of industrialized and modernized production, couple with overall rising utilization rate of advanced technology, adjustments to the structure of products are expedited with higher concentration rate and accelerated upgrading process of the industry. In general, as the level of individual's income continue to increase and the concept of healthy consumption is gradually developed, the condiment industry is heading towards a healthier orderly market.

In addition to maintaining the leading position of our cooking wine products, we have maintained a decent growth of client base in catering channel since the establishment of our sales team for such channel in December 2016, with an aggregate of 68 clients secured as at 30 June 2017.

On the other hand, in order to raise the profit margin of soy sauce products by realisation of the economies of scale along with the increase in sales volume, we will further increase the production capacity of soy sauce products from 10,000 tonnes to 50,000 tonnes.

Looking into the second half of 2017, we firmly believe that the continuous upgrade of our product mix, product quality enhancement and the established presence of our brand will bring along steady growth to the Group. Given the challenges brought by the strategy of channel transformation to the development of our business, we will strive to a steady growth for our business and continuously generate returns for our shareholders. Our sales strategy is still consumer-centered, and endeavours to enhance customer loyalty. We focus on providing better, safer and healthier naturally-brewed condiment products with premium quality to consumers. In order to better accommodate our strategy to diversify our sales channels and deepen the penetration of our distribution network to the New Sales Channels, in the second half of 2017, we will on one hand continue to ensure allocation of appropriate resources in marketing and advertising expenditure, to raise customers' awareness to the products of our "Lao Heng He" brand, and also to focus on promoting the excellent quality and healthiness of our products to our consumers. On the other hand, we will put greater efforts into the establishment of the marketing team to cope with the need of expanding the New Sales Channels and continuously strengthen the market presence of our products. Besides, in respect of the expansion of distributors, we will continue to cooperate with capable distributors to actively the market share of our "Lao Heng He" brand in the PRC market. "Lao Heng He" aims to become the top choice for middle to high-end customers.

未來前景

經過多年發展，調味品行業標準和市場准入制度不斷完善，市場運行逐步規範。工業化、現代化的生產方式得到較為廣泛的應用，整體科技含量不斷提升，產品結構調整加速，集中度逐步提高，產業的升級速度也在進一步加快。整體上看，隨著我國居民收入水平不斷提高，健康消費觀念逐步養成，調味品行業正朝著更加健康、規範的方向邁進。

除了繼續保持料酒產品的龍頭地位外，自二零一六年十二月建立餐飲渠道營銷團隊以來，我們的客戶增長趨勢良好，至二零一七年六月三十日累計開發客戶68家。

另一方面，為了在銷售增長的同時通過規模經濟效益提升醬油產品的利潤率，我們將醬油產品的產能從10,000噸進一步提升至50,000噸。

展望二零一七年下半年，雖然渠道轉型的策略給本集團業務發展帶來一定挑戰，但我們堅信本集團不斷升級的產品組合、不斷提升的產品品質和穩固的品牌基礎，將保持本集團的穩定增長，繼續為股東帶來回報。我們的銷售策略仍以消費者為中心，致力實現較高的客戶忠誠度。我們專注於向消費者提供更優質、更安全和更健康的天然釀造的調味品。為了更好地配套我們的多元化拓展渠道的策略並將經銷網絡更深入地滲透至新銷售渠道，二零一七年下半年，我們一方面仍將保證配置適當的營銷資源及廣告支出，以提升客戶對我們「老恒和」品牌產品的認知，並專注於向消費者介紹我們產品的優質健康特性，另一方面，我們將更進一步增加對營銷團隊建設的投入來應對新銷售渠道拓展的需求，不斷提高本集團產品的鋪市率。同時，在經銷商拓展方面，我們將不斷地與有實力的經銷商合作而來積極地提升「老恒和」品牌在中國市場的市場佔有率。「老恒和」矢志成為中高端消費者的首選。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

At last, we also plan to increase research and development investment, and focus on developing and transforming traditional craftsmanship. With the modernised traditional craftsmanship, optimized quality control system, and strengthened capability in research and development, we are able to ensure the consistent excellent quality of the products under “Lao Heng He” brand and respond to the demand of customers from the New Sales Channels.

最後，我們亦預計將會增加研發投入，旨在通過對傳統生產技術的研發和創新，改良現代化的傳統工藝、優化質量管控體系和提升研發能力來保證「老恒和」品牌的一貫的優良品質和應對新銷售渠道的客戶需求。

SUPPLEMENTARY INFORMATION

補充資料

SUPPLEMENTARY INFORMATION

Employees & Remuneration Policies

As at 30 June 2017, the Group had a total of approximately 618 employees (31 December 2016: 561). The employees' cost (excluding directors' and chief executive's remuneration) of the Group was RMB19.1 million during the six months ended 30 June 2017 (six months ended 30 June 2016: RMB13.0 million). The remuneration policies, bonus and training programs for employees of our Group were implemented continuously according to the policies disclosed in the Group's annual report for the year ended 31 December 2016 (the "2016 Annual Report") and no change has been made during the six months ended 30 June 2017.

Significant Investments Held

There were no significant investments held by the Group as at 30 June 2017 (31 December 2016: nil).

Material Acquisitions and Disposals

There was no material acquisition and disposal during the six months ended 30 June 2017.

Purchase, Redemption or Sale of Listed Securities of the Company

During the six months ended 30 June 2017, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

Use of Proceeds

On 23 June 2016, the Company completed a placing of 60,000,000 ordinary shares at a placing price of HK\$6 per share to Natural Seasoning (Hong Kong) Limited (the "Subscriber") in accordance with the subscription agreement dated 2 June 2016 (the "Subscription"). The Subscriber is a company incorporated in Hong Kong with limited liability and its principal activity is owning and operating companies or businesses focused in the condiments market in the PRC. The Subscriber and its ultimate beneficial owner are independent third parties. The net proceeds after deduction of relevant expenses (including but not limited to legal expenses and disbursements) from the Subscription were approximately HK\$356,100,000 (RMB304,507,000), representing a net price of approximately HK\$5.935 (RMB5.08) per share.

補充資料

僱員及薪酬政策

於二零一七年六月三十日，本集團共聘有約618名僱員(二零一六年十二月三十一日：561名)。本集團截至二零一七年六月三十日止六個月的僱員成本(不包括董事及最高行政人員薪酬)為人民幣19.1百萬元(截至二零一六年六月三十日止六個月：人民幣13.0百萬元)。本集團僱員的薪酬政策、花紅及培訓計劃繼續按照本集團截至二零一六年十二月三十一日止年度的年度報告(「二零一六年年度報告」)披露的政策執行且於截至二零一七年六月三十日止六個月並無變動。

所持重大投資

於二零一七年六月三十日，本集團概無持有任何重大投資(二零一六年十二月三十一日：無)。

重大收購及出售事項

截至二零一七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

截至二零一七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。

所得款項用途

於二零一六年六月二十三日，本公司根據日期為二零一六年六月二日之認購協議完成向Natural Seasoning (Hong Kong) Limited(「認購方」)配售60,000,000股普通股，配售價為每股6港元(「認購事項」)。認購方為一家於香港註冊成立之有限公司，其主要業務為持有及運營中國調味品市場相關的企業或業務。認購方及其最終實益擁有人均為獨立第三方。扣除認購事項相關開支(包括但不限於法律開支及墊支)後，所得款項淨額約為356,100,000港元(人民幣304,507,000元)，代表認購價淨額約為每股股份5.935港元(人民幣5.08元)。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

As at the report date, the breakdown of the use of net proceeds from the Subscription are as follows:

於報告日期，認購事項所得款項淨額用途詳情如下：

		Intended use		Amount utilised		The remaining balance	
		擬定用途		已動用金額		餘款	
		(Approximately HK\$ million) (約百萬港元)	(Approximately RMB million) (約百萬人民幣)	(Approximately HK\$ million) (約百萬港元)	(Approximately RMB million) (約百萬人民幣)	(Approximately HK\$ million) (約百萬港元)	(Approximately RMB million) (約百萬人民幣)
Expansion of sales network	擴大銷售網絡	142.4	121.8	67.5	56.7	74.9	65.1
Expansion of production facilities	擴大生產設施	178.1	152.3	84.5	71.0	93.6	81.3
General working capital	一般營運資金	35.6	30.5	35.6	30.5	-	-
Total	總計	356.1	304.6	187.6	158.2	168.5	146.4

The Board considered that the net proceeds were applied in accordance with the intended uses.

董事會認為，所得款項淨額已按擬定用途動用。

Events After Reporting Period

There are no material subsequent events undertaken by the Company or the Group after 30 June 2017.

報告期後事項

於二零一七年六月三十日之後，本公司或本集團並無進行任何重大期後事項。

Plans for Material Investments or Capital Assets

There is no future plan for material investments or capital assets as at 30 June 2017.

重大投資或資本資產計劃

於二零一七年六月三十日，概無就重大投資及資本資產的未來計劃。

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2017.

中期股息

董事會已議決不就截至二零一七年六月三十日止六個月宣派任何中期股息。

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.

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。

The Company has adopted the code provisions set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) since the Listing Date 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.

自上市日期起，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。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

Save for the deviations explained below, the Company has complied with the Code for the six months ended 30 June 2017.

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.

During the six months ended 30 June 2017, 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 maintain and implement 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 2017. In addition, the Company is not aware of any noncompliance of the Model Code by the senior management of the Group during the six months ended 30 June 2017.

除下述偏離外，截至二零一七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。主席及首席執行官之間的責任劃分應明確規定並以書面載列。

截至二零一七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二零一七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二零一七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 29 June 2017, (i) Mr. Ma Chaosong and Mr. Lei Jiasu have resigned as independent non-executive Directors; and (ii) Mr. Ng Wing Fai and Mr. Sun Jiong have been appointed as the independent non-executive Directors.

Change in Corporate Positions

With effect from 29 June 2017, (i) Mr. Ma Chaosong and Mr. Lei Jiasu have resigned as independent non-executive Directors; and (ii) Mr. Ng Wing Fai and Mr. Sun Jiong have been appointed as the independent non-executive Directors.

Following the aforesaid changes of independent non-executive Directors, with effect from 29 June 2017, the composition of the Board committees has been changed as follows:

Audit Committee

- (1) Mr. Ng Wing Fai has been appointed as the chairman and a member of the Audit Committee and Mr. Sun Jiong has been appointed as a member of the Audit Committee.
- (2) Mr. Ma Chaosong resigned as the chairman and a member of the Audit Committee and Mr. Lei Jiasu resigned as a member of the Audit Committee.

Remuneration Committee

- (1) Mr. Ng Wing Fai and Mr. Sun Jiong have been appointed as members of the Remuneration Committee.
- (2) Mr. Ma Chaosong and Mr. Lei Jiasu resigned as members of the Remuneration Committee.

Nomination Committee

- (1) Mr. Sun Jiong has been appointed as the chairman and a member of the Nomination Committee and Mr. Ng Wing Fai has been appointed as a member of the Nomination Committee.
- (2) Mr. Lei Jiasu resigned as the chairman and a member of the Nomination Committee and Mr. Ma Chaosong resigned as a member of the Nomination Committee.

董事職位變更

自二零一七年六月二十九日起，(i)馬朝松先生及雷家驩先生辭任獨立非執行董事；及(ii)吳榮輝先生及孫頌先生獲委任為獨立非執行董事。

公司職位變更

自二零一七年六月二十九日起，(i)馬朝松先生及雷家驩先生已辭任獨立非執行董事；及(ii)吳榮輝先生及孫頌先生已獲委任為獨立非執行董事。

上述獨立非執行董事變動後，自二零一七年六月二十九日起，董事委員會組成已更改如下：

審核委員會

- (1) 吳榮輝先生獲委任為審核委員會主席兼成員，孫頌先生則獲委任為審核委員會成員。
- (2) 馬朝松先生辭任審核委員會主席兼成員，雷家驩先生則辭任審核委員會成員。

薪酬委員會

- (1) 吳榮輝先生及孫頌先生已獲委任為薪酬委員會成員。
- (2) 馬朝松先生及雷家驩先生辭任薪酬委員會成員。

提名委員會

- (1) 孫頌先生獲委任為提名委員會主席兼成員，吳榮輝先生則獲委任為提名委員會成員。
- (2) 雷家驩先生辭任提名委員會主席兼成員，馬朝松先生則辭任提名委員會成員。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

As at 30 June 2017, 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:

Interests in Shares and underlying Shares of the Company as at 30 June 2017

董事及最高行政人員於證券的權益

於二零一七年六月三十日，董事、本公司最高行政人員（「最高行政人員」）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有關該等條文彼等被視為或被當作擁有的權益及淡倉）；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的權益或淡倉如下：

於二零一七年六月三十日於本公司股份及相關股份的權益

Name of Director	Long/Short Position	Type of interest	Number of shares or underlying shares held	Approximate percentage of the Company's issued share capital
董事姓名	好倉／淡倉	權益類型	持有的股份或相關股份數目	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%
		Beneficial interest 實益權益	337,500	0.06%

Note 1: Key Shine Global Holdings Limited (“**Key Shine**”) charged a total of 235,424,000 shares to China Construction Bank Corporation, as security for its subscription of notes issued by Key Shine.

附註1：Key Shine Global Holdings Limited（「**Key Shine**」）將合共235,424,000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所發行票據的抵押。

Note 2: These 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，陳衛忠先生被視為於Key Shine所持有該等股份中擁有權益。

Save as disclosed above, as at 30 June 2017, 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，於二零一七年六月三十日，概無董事、最高行政人員及彼等的聯繫人於本公司或其任何相聯法團的股份、相關股份或債券中擁有根據證券及期貨條例第352條須予以記錄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 2017, the following corporations/persons (other than the Directors or chief executive of the Company) had interests 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 2017

主要股東於證券的權益

據任何董事或本公司最高行政人員所知，於二零一七年六月三十日，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條須備存的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：

於二零一七年六月三十日於本公司股份及相關股份的好倉

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⁾
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	278,507,250	48.12%
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 擁有股份質押權益的人士	235,424,000	40.68%
Central Huijin Investment Ltd. ⁽⁴⁾	中央匯金投資責任公司 ⁽⁴⁾	Person having a security interest in shares 擁有股份質押權益的人士	235,424,000	40.68%
Hwobao 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(有限合伙) ⁽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⁾
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%
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 ⁽⁵⁾	解直錕先生 ⁽⁵⁾	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 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 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 2017.
- (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 Global Holdings Limited charged 235,424,000 Shares to China Construction Bank Corporation as security for its subscription of notes issued by Key Shine Global Holdings Limited. China Construction Bank Corporation is owned by Central Huijin Investment Ltd. as to approximately 57.11% and therefore Central Huijin Investment Ltd. is deemed to be interested in the 235,424,000 Shares which China Construction Bank Corporation is interested in.
- (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) (“**Hwabao Trust**”), 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)) (“**Chongqing Zhongxin (LLP)**”), which is managed by Chongqing Zhongxin Rongchuang Investment Limited (重慶中新融創投資有限公司) (“**Chongqing Zhongxin**”). Chongqing Zhongxin is controlled by China Innovative Capital Management Limited (中新融創資本管理有限公司) (“**China Innovative Capital**”), as to 95.00%. China Innovative Capital is controlled by Beijing Zhonghai Jiacheng Capital Management Limited (北京中海嘉誠資本管理有限公司) (“**Beijing Zhonghai Jiacheng**”), as to 99.98%. Beijing Zhonghai Jiacheng is controlled by Mr. Xie Zhikun as to 99.00%. By virtue of the SFO, each of Mr. Xie Zhikun, Beijing Zhonghai Jiacheng, China Innovative Capital, Chongqing Zhongxin, Chongqing Zhongxin (LLP) is deemed to be interested in the shares held by Hwabao Trust.
- (6) These shares are held by Natural Seasoning International (HK) Limited. 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 majorly 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). By virtue of the SFO, each of LCM-IV General Partner Ltd., Lunar Capital Partners IV GP, LP, Lunar Capital Partners IV LP and Natural Seasoning International Limited is deemed to be interested in the shares held by Natural Seasoning International (HK) Limited.

Save as disclosed above, as at 30 June 2017, there were no other corporations/persons (other than the Directors or Chief Executives of the Company) who had an interest or short position 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二零一七年六月三十日的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) Key Shine Global Holdings Limited將235,424,000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 Global Holdings Limited所發行票據的抵押。中國建設銀行股份有限公司由中央匯金投資有限責任公司擁有約57.11%權益，因此，中央匯金投資有限責任公司被視為於中國建設銀行股份有限公司所擁有235,424,000股股份中擁有權益。
- (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(「華寶信託」)持有，該計劃由重慶中新融邦投資中心(有限合夥)(「重慶中新(有限合夥)」)委託，而重慶中新(有限合夥)由重慶中新融創投資有限公司(「重慶中新」)管理。重慶中新由中新融創資本管理有限公司(「中新融創資本」)控制95.00%的權益。中新融創資本由北京中海嘉誠資本管理有限公司(「北京中海嘉誠」)控制99.98%的權益。北京中海嘉誠由解直錕先生控制99.00%的權益。根據證券及期貨條例，解直錕先生、北京中海嘉誠、中新融創資本、重慶中新及重慶中新(有限合夥)均被視為於華寶信託所持有股份中擁有權益。
- (6) 該等股份由Natural Seasoning International (HK) Limited持有。Natural Seasoning International (HK) Limited為Natural Seasoning International Limited的直接全資附屬公司，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(一家開曼群島豁免的有限合夥企業)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。根據證券及期貨條例，LCM-IV General Partner Ltd.、Lunar Capital Partners IV GP, LP、Lunar Capital Partners IV LP及Natural Seasoning International Limited均被視為於Natural Seasoning International (HK) Limited所持有股份中擁有權益。

除上文所披露者外，於二零一七年六月三十日，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條須備存的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 2017 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 is comprised of three independent non-executive Directors and one non-executive Director, namely Mr. Ng Wing Fai (chairman) (appointed on 29 June 2017), Mr. Shen Zhenchang, Mr. Sun Jiong (appointed on 29 June 2017) and Mr. Sun Qingdong.

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 and pass of the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2017.

REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee has 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. Ng Wing Fai (Appointed on 29 June 2017) and Mr. Sun Jiong (Appointed on 29 June 2017). All members of the remuneration committee are independent non-executive directors.

NOMINATION COMMITTEE

To comply with the Code, a nomination committee has been established with specific written terms of reference which deal clearly with its authority and duties. The members of nomination committee comprises Mr. Sun Jiong (Appointed on 29 June 2017) (chairman), Mr. Ng Wing Fai (Appointed on 29 June 2017) 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.

購買股份或債券的安排

於截至二零一七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的股份或債務證券(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，即吳榮輝先生(主席)(於二零一七年六月二十九日獲委任)、沈振昌先生、孫頴先生(於二零一七年六月二十九日獲委任)及孫卿東先生組成。

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，其中包括審閱及通過本集團截至二零一七年六月三十日止六個月之未經審核中期簡明綜合財務報表。

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)、吳榮輝先生(於二零一七年六月二十九日獲委任)及孫頴先生(於二零一七年六月二十九日獲委任)。薪酬委員會的全體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孫頴先生(於二零一七年六月二十九日獲委任)(主席)、吳榮輝先生(於二零一七年六月二十九日獲委任)及沈振昌先生。提名委員會的全體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 2017 截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
	Notes 附註			
REVENUE	收入	4	361,355	360,064
Cost of sales	銷售成本		(157,425)	(162,932)
Gross profit	毛利		203,930	197,132
Other income and gains	其他收入及收益	4	6,256	9,958
Selling and distribution expenses	銷售及經銷開支		(49,653)	(23,908)
Administrative expenses	行政開支		(37,242)	(44,308)
Other expenses	其他開支		(23)	-
Finance costs	融資成本	6	(23,425)	(18,959)
PROFIT BEFORE TAX	除稅前利潤	5	99,843	119,915
Income tax expense	所得稅開支	7	(17,051)	(18,261)
PROFIT FOR THE PERIOD	期內利潤		82,792	101,654
Attributable to: Owners of the parent	下列人士應佔： 母公司擁有人		82,792	101,654
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE 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	RMB14.3 cents 人民幣 14.3 分	RMB19.5 cents 人民幣 19.5 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 2017 截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
PROFIT FOR THE PERIOD	期內利潤	82,792	101,654
Other comprehensive income/(loss) 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全面收益/(虧損)：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	(6,785)	4,590
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收益總額	76,007	106,244
Attributable to: Owners of the parent	下列人士應佔： 母公司擁有人	76,007	106,244

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明綜合財務狀況表

30 June 2017 二零一七年六月三十日

			30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	10	物業、廠房及設備	840,331	810,088
Prepaid land lease payments	11	預付土地租賃款項	53,924	51,035
Other intangible assets		其他無形資產	414	414
Prepayments for items of property, plant and equipment		物業、廠房及設備項目的 預付款項	373,886	335,408
Time deposits	15	定期存款	152	26
Deferred tax assets		遞延稅項資產	2,868	2,666
Total non-current assets		非流動資產總值	1,271,575	1,199,637
CURRENT ASSETS		流動資產		
Inventories	12	存貨	1,229,421	1,088,440
Trade receivables	13	應收貿易款項	198,799	162,471
Prepayments, deposits and other receivables	14	預付款項、按金及其他應收款項	192,109	193,386
Time deposits	15	定期存款	-	69,370
Pledged deposits	15	已抵押存款	144,590	159,014
Cash and cash equivalents	15	現金及現金等價物	134,099	291,815
Total current assets		流動資產總值	1,899,018	1,964,496
CURRENT LIABILITIES		流動負債		
Trade payables	16	應付貿易款項	107,328	143,819
Other payables and accruals	17	其他應付款項及應計項目	86,799	78,510
Interest-bearing bank and other borrowings	18	計息銀行及其他借款	845,697	777,264
Tax payable		應繳稅項	28,934	34,701
Total current liabilities		流動負債總額	1,068,758	1,034,294
NET CURRENT ASSETS		流動資產淨值	830,260	930,202
TOTAL ASSETS LESS CURRENT LIABILITIES		資產總值減流動負債	2,101,835	2,129,839

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

中期簡明綜合財務狀況表(續)

30 June 2017 二零一七年六月三十日

			30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借款	18	7,708	71,723
Other long term liabilities	其他長期負債	20	137,259	137,333
Deferred tax liabilities	遞延稅項負債		20,522	18,774
Total non-current liabilities	非流動負債總額		165,489	227,830
Net assets	資產淨值		1,936,346	1,902,009
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	21	1,767	1,767
Reserves	儲備		1,934,579	1,900,242
Total equity	權益總額		1,936,346	1,902,009

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 2017 截至二零一七年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔							
		Issued capital	Share premium	Merger reserve	capital reserve	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Total equity
		已發行股本	股份溢價	合併儲備	資本儲備	法定盈餘儲備	匯兌波動儲備	保留利潤	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017 (Audited)	於二零一七年一月一日(經審核)	1,767	976,358	(1,000)	7,003	19,961	23,887	874,033	1,902,009
Profit for the period	期內利潤	-	-	-	-	-	-	82,792	82,792
Other comprehensive income for the period:	期內其他全面收益:								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	(6,785)	-	(6,785)
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	(6,785)	82,792	76,007
Final 2016 dividend declared	已宣派二零一六年末期股息	-	(41,670)	-	-	-	-	-	(41,670)
At 30 June 2017 (Unaudited)	於二零一七年六月三十日(未經審核)	1,767	934,688*	(1,000)*	7,003*	19,961*	17,102*	956,825*	1,936,346

* These reserve accounts comprise the consolidated reserves of RMB1,934,579,000 (31 December 2016: RMB1,900,242,000) in the consolidated statement of financial position as at 30 June 2017.

* 於二零一七年六月三十日，該等儲備賬戶包括綜合財務狀況表內的綜合儲備人民幣1,934,579,000元(二零一六年十二月三十一日：人民幣1,900,242,000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 2017 截至二零一七年六月三十日止六個月

		Attributable to owners of the parent 母公司擁有人應佔							
		Issued capital	Share premium	Merger reserve	capital reserve	Statutory surplus reserve 法定 盈餘儲備	Exchange fluctuation reserve 匯兌 波動儲備	Retained profits	Total equity
		已發行股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	合併儲備 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	盈餘儲備 RMB'000 人民幣千元	波動儲備 RMB'000 人民幣千元	保留利潤 RMB'000 人民幣千元	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:	期內其他全面收益:								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	4,590	-	4,590
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	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)
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

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 2017 截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月		
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量	Notes 附註		
Profit before tax	除稅前利潤		99,843	119,915
Adjustments for:	就下列各項調整：			
Finance costs	融資成本	6	23,425	18,959
Interest income	利息收入	4	(1,785)	(874)
Depreciation	折舊	10	19,536	20,257
Amortisation of prepaid land lease payments	攤銷預付土地租賃款項	11	608	523
			141,627	158,780
Increase in inventories	存貨增加		(140,981)	(77,692)
Increase in trade receivables	應收貿易款項增加		(36,328)	(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		1,362	(100,626)
Increase/(decrease) in trade payables	應付貿易款項增加/(減少)		(36,491)	66,637
Decrease in other payables and accruals	其他應付款項及應計項目減少		(25,081)	(8,829)
Decrease in other long term liabilities	其他長期負債減少		(74)	(83)
Cash generated from/(used in) operations	產生自/(用於)經營的現金		(95,966)	15,436
Interest received	已收利息		1,785	874
Interest element of finance lease rental payments	融資租賃租金付款的利息部分		(1,064)	-
PRC tax paid	已付中國稅項		(21,272)	(7,118)
Net cash flows from/(used in) operating activities	來自/(用於)經營活動的淨現金流量		(116,517)	9,192

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 2017 截至二零一七年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
Net cash flows from/(used in) operating activities	來自/(用於)經營活動的淨現金流量		(116,517) 9,192
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Prepayment for property, plant and equipment	預付物業、廠房及設備項目的款項		(38,478) -
Purchases of items of property, plant and equipment	收購物業、廠房及設備項目		(57,658) (157,159)
Addition in prepaid land lease payment	預付土地租賃款項增加		(3,582) (19,046)
Decrease in time deposits	定期存款減少		83,668 2,874
Net cash flows used in investing activities	用於投資活動的淨現金流量		(16,050) (173,331)
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		438,610 317,760
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款		(420,110) (354,586)
Increase in other long term liabilities	其他長期負債增加	19	- 133,000
Capital element of finance lease rental payments	融資租賃租金付款的本金部分		(14,082) -
Dividends paid	已付股息		- (45,650)
Interest paid	已付利息	6	(22,782) (18,959)
Net cash flows from/(used in) financing activities	來自/(用於)融資活動的淨現金流量		(18,364) 336,142
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額		(150,931) 172,003
Cash and cash equivalents at beginning of period	期初現金及現金等價物		291,815 186,048
Effect of foreign exchange rate changes, net	匯率變動的影響淨額		(6,785) 4,590
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	15	134,099 362,641

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 June 2017 二零一七年六月三十日

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 2017, 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.

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 2017 (“**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 for the year ended 31 December 2016.

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.

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。截至二零一七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。

2. 編製基準及會計政策

編製基準

本集團截至二零一七年六月三十日止六個月(「**本期間**」)的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**」)附錄十六的適用披露規定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規定的全部資料及披露，且應與本集團截至二零一六年十二月三十一日止年度的年度財務報表一併閱覽。

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，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。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

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 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

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 International Accounting Standards and interpretations) that are relevant to the Group's operation for the preparation of the Group's interim condensed consolidated financial statements:

Amendments to IAS 7	<i>Disclosure Initiative</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to IFRS 12 included in Annual Improvements 2014–2016 Cycle	<i>Disclosure of Interests in Other Entities</i>

The adoption of the above new and amended IFRSs has 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.

2. 編製基準及會計政策(續)

重大會計政策

除採納二零一七年一月一日生效的新訂準則及詮釋外，編製中期簡明綜合財務報表所採納會計政策與編製本集團截至二零一六年十二月三十一日止年度經審核綜合財務報表所遵從者一致。

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的國際財務報告準則(「國際財務報告準則」，亦包括國際會計準則及詮釋)修訂：

國際會計準則第7號 (修訂本)	披露動議
國際會計準則第12號 (修訂本)	就未變現虧損確認 遞延稅項資產
二零一四年至二零一六年 週期的年度改進所載 國際財務報告準則 第12號(修訂本)	披露於其他實體 的權益

採納上述新訂及經修訂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。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacturing and sales 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.

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 2017 is set out in the following table:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Customer X	客戶X	53,122	59,094
Customer Y	客戶Y	47,026	51,393
Customer Z	客戶Z	36,881	38,209
		137,029	148,696

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，故毋須根據國際財務報告準則第8號經營分部呈列地域資料。

有關主要客戶之資料

下表載列截至二零一七年六月三十日止六個月，佔本集團收入10%或以上的個別客戶所產生的收入：

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

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	
		2017	2016
		二零一七年	二零一六年
		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	361,355	360,064
Other income and gains	其他收入及收益		
Subsidy received	已收補貼	2,729	5,940
Interest income	利息收入	1,785	874
Exchange gain	匯兌收益	1,541	-
Gain from sale of materials	材料銷售收益	112	3,050
Rental income	租賃收入	86	92
Others	其他	3	2
		6,256	9,958

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

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	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 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		157,425
Depreciation	折舊	10	19,536
Amortisation of prepaid land lease payments	攤銷預付土地租賃款項	11	608
Minimum lease payments under operating leases	經營租賃項下的最低租賃款項		1,405
Employee benefit expenses (excluding directors' remuneration):	僱員福利開支(不包括董事酬金):		
Wages and salaries	工資及薪金		16,762
Pension scheme contributions	退休金計劃供款		2,381
			19,143
Foreign exchange loss/(gain), net	匯兌虧損/(收益)淨額		(1,541)
Research and development costs	研究與開發成本		19,838
			3
			29,414

6. FINANCE COSTS

6. 融資成本

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on bank loans	銀行貸款利息	22,361	17,945
Interest on finance leases	融資租賃利息	1,064	1,014
		23,425	18,959

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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	
		2017	2016
		二零一七年	二零一六年
		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	22,361	17,945
Charge for the period	期內支出	15,506	19,412
Deferred	遞延	1,545	(1,151)
Tax charge for the period	期內稅務支出	17,051	18,261

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.

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.

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, both being wholly-owned subsidiaries of the Company, were granted the "New and Advanced Technology Enterprise" status and were entitled to the preferential tax rate of 15% for the three consecutive years commencing from 2016.

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 2016 and 2017.

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。

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。

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，本公司全資附屬公司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，並可自二零一六年起連續三個年度享有15%的優惠稅率。

由於本集團於截至二零一六年及二零一七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。

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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 parent, and the weighted average number of ordinary shares of 578,750,000 (six months ended 30 June 2016: 521,387,000) in issue during the six months ended 30 June 2017.

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母公司普通權益持有人應佔期內利潤及截至二零一七年六月三十日止六個月已發行普通股加權平均數578,750,000股(截至二零一六年六月三十日止六個月: 521,387,000股)。

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年	2016 二零一六年
Profit attributable to ordinary equity holders of the parent (RMB'000)	母公司普通權益持有人應佔利潤(人民幣千元)	82,792	101,654
Weighted average number of ordinary shares in issue (in thousands)	已發行普通股加權平均數(千股)	578,750	521,387
Earnings per share attributable to ordinary equity holders of the parent — Basic and diluted (RMB cents)	母公司普通權益持有人應佔每股盈利 — 基本及攤薄(人民幣分)	14.3	19.5

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 June 2017 and 2016 in respect of a dilution as the group has no potential dilutive ordinary shares in issue.

由於本集團期內並無已發行的具潛在攤薄作用的普通股，故並無就攤薄而對截至二零一七年及二零一六年六月三十日止期間呈列的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 2017.

The proposed 2016 final dividend of RMB7.2 cents per share, totalling RMB41,670,000, was approved by the Company's shareholders at the annual general meeting on 31 May 2017. It was recorded in "other payables and accruals" in the interim condensed consolidated statement of financial position and was subsequently distributed in July 2017.

9. 股息

本公司並無就截至二零一七年六月三十日止六個月擬派發中期股息。

二零一六年建議末期股息每股人民幣7.2分(合共人民幣41,670,000元)已獲本公司股東於二零一七年五月三十一日在股東週年大會上批准。有關股息記入中期簡明綜合財務狀況表的「其他應付款項及應計項目」，並隨後於二零一七年七月派發。

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中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

10. PROPERTY, PLANT AND EQUIPMENT 10. 物業、廠房及設備

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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	810,088	629,556
Additions	添置	49,779	212,549
Depreciation	折舊	(19,536)	(32,017)
Closing balance	期末結餘	840,331	810,088

11. PREPAID LAND LEASE PAYMENTS 11. 預付土地租賃款項

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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	52,222	27,333
Additions during the period	於期內添置	3,581	25,969
Amortised during the period	於期內攤銷	(608)	(1,080)
Carrying amount at period end	期末賬面值	55,195	52,222
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	(1,271)	(1,187)
Non-current portion	非流動部分	53,924	51,035

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)

30 June 2017 二零一七年六月三十日

12. INVENTORIES

		30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Raw materials	原材料	8,339	11,894
Work in progress	在製品	1,197,442	1,049,493
Finished goods	成品	23,640	27,053
Total inventories	存貨總額	1,229,421	1,088,440

12. 存貨

13. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to three months, extending to longer periods for those long standing customers.

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.

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

13. 應收貿易款項

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，而長期客戶的信貸期可獲延長。

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

本集團應收貿易款項按信貸期的賬齡分析如下：

		30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 1 month	1個月以內	91,629	119,143
1 to 3 months	1至3個月	65,218	41,957
3 to 6 months	3至6個月	23,680	498
6 months to 1 year	6個月至1年	17,954	459
Over 1 year	1年以上	318	414
Total	總計	198,799	162,471

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

董事認為毋須就應收貿易款項作出減值撥備。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

14. 預付款項、按金及其他應收款項

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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)
Prepayments	預付款項	72,854	76,684
Deposits and other receivables	按金及其他應收款項	119,255	116,702
		192,109	193,386

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。

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中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

15. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

15. 現金及現金等價物以及定期存款

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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)
Cash and bank balances	現金及銀行結餘	134,099	291,815
Time deposits	定期存款	144,742	228,410
		278,841	520,225
Less:	減：		
Pledged for bank loans	抵押以獲取銀行貸款	(144,590)	(159,014)
Non-pledged time deposits with original maturity of over three months when acquired	於獲得時原於三個月後到期的無抵押定期存款	(152)	(69,396)
Cash and cash equivalents	現金及現金等價物	134,099	291,815
Cash and cash equivalents are dominated in:	現金及現金等價物以下列方式計值：		
RMB	人民幣	90,844	290,396
Hong Kong Dollar ("HK\$")	港元(「港元」)	43,087	1,212
USD	美元	168	207
Cash and cash equivalents	現金及現金等價物	134,099	291,815

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

16. TRADE PAYABLES

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

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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 3 months	3個月以內	55,215	95,330
3 to 6 months	3至6個月	20,589	25,599
Over 6 months	6個月以上	31,524	22,890
		107,328	143,819

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

本集團應付貿易款項按發票日期的賬齡分析如下：

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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 3 months	3個月以內	55,215	95,330
3 to 6 months	3至6個月	20,589	25,599
Over 6 months	6個月以上	31,524	22,890
		107,328	143,819

本集團應付貿易款項為不計息且通常須於一至三個月內結清。應付貿易款項的賬面值與其公平值相若。

17. OTHER PAYABLES AND ACCRUALS

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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)
Other payables	其他應付款項	68,930	48,610
Accruals	應計項目	13,419	15,727
Advances from customers	客戶墊款	4,450	14,173
		86,799	78,510

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

17. 其他應付款項及應計項目

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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)
Other payables	其他應付款項	68,930	48,610
Accruals	應計項目	13,419	15,727
Advances from customers	客戶墊款	4,450	14,173
		86,799	78,510

上述結餘為無抵押及不計息，而其他應付款項的平均期限為三個月。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

18. 計息銀行及其他借款

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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)
Current	即期		
Bank loans — secured	銀行貸款 — 有抵押	833,060	754,560
Finance lease payables (note 19)	應付融資租賃款項(附註19)	12,637	22,704
		845,697	777,264
Non-current	非即期		
Bank loans — secured	銀行貸款 — 有抵押	—	60,000
Finance lease payables (note 19)	應付融資租賃款項(附註19)	7,708	11,723
		7,708	71,723
Total	總計	853,405	848,987

The interest-bearing bank and other borrowings as at 30 June 2017 were all denominated in RMB, repayable within two years and bearing interests at 3.92%–5.99% per annum.

於二零一七年六月三十日的計息銀行及其他借款全部均以人民幣計值，須於兩年內償還及按照年利率3.92%至5.99%計息。

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30 June 2017 二零一七年六月三十日

18. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

- (a) The following assets were pledged as securities for interest-bearing bank and other borrowings:

		Carrying values 賬面值	
		30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Property, plant, and equipment	物業、廠房及設備	164,895	97,201
Leasehold land	租賃土地	47,958	40,350
Inventories	存貨	533,777	525,343
Trade receivables	應收貿易款項	24,000	23,100
Pledged deposits	已抵押存款	144,590	159,014
		915,220	845,008

The carrying amounts of the Group's bank and other borrowings approximate to their fair values.

- (a) 以下資產已抵押作為計息銀行及其他借款的擔保：

本集團銀行及其他借款的賬面值與其公平值相若。

19. FINANCE LEASE PAYABLES

The Group leased certain of its machinery and equipment in 2015 and these leases are classified as finance leases with remaining lease terms of 1.5 years as at 30 June 2017.

The balances represent loan borrowed by way of the following sales and leases back arrangements: with the principal amount of RMB55,000,000 and bearing effective interest at a fixed rate of 5.99% per annum. The Group provided a guarantee deposit of RMB5,500,000 and paid a service fee of RMB1,245,000 to the lessor. The loan will mature on 29 December 2018.

According to the sales and lease back agreements, if no default occurs during the lease term, the ownership of the plant and machinery shall be automatically transferred to the lessee at a price of RMB100.

As at 30 June 2017, the Group's machinery and equipment with a net carrying amount of RMB48,186,000 (31 December 2016: RMB50,487,000) were held under finance leases.

19. 融資租賃應付款項

本集團於二零一五年租賃若干機器及設備。於二零一七年六月三十日，此等租賃分類為融資租賃，剩餘租期為1.5年。

結餘指通過以下銷售租回安排方式舉借的貸款：以本金額人民幣55,000,000元按固定實際年利率5.99%計息。本集團已向出租人提供保證金人民幣5,500,000元及支付服務費人民幣1,245,000元。貸款將於二零一八年十二月二十九日到期。

根據銷售租回協議，倘租期內並無違約，則廠房及機器的所有權將按人民幣100元的價格自動轉至承租人。

於二零一七年六月三十日，本集團根據融資租賃持有的機器及設備的賬面淨值為人民幣48,186,000元(二零一六年十二月三十一日：人民幣50,487,000元)。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

19. FINANCE LEASE PAYABLES (Continued)

At 30 June 2017, the total future minimum lease payments under finance leases and their present values were as follows:

19. 融資租賃應付款項(續)

於二零一七年六月三十日，融資租賃項下的未來最低租賃款項總額及其現值如下：

		Minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Present value of minimum lease payments
		最低租賃款項	最低租賃款項	最低租賃款項 的現值	最低租賃款項 的現值
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 十二月三十一日	二零一七年 六月三十日	二零一六年 十二月三十一日
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Amounts payable:	應付款項：				
Within one year	一年以內	13,405	24,288	12,637	22,704
In the second year	第二年	7,966	12,229	7,708	11,723
Total minimum finance lease payments	最低融資租賃款項總額	21,371	36,517	20,345	34,427
Future finance charges	未來融資支出	(1,026)	(2,090)		
Total net finance lease payables	融資租賃應付款項淨額總計	20,345	34,427		
Portion classified as current liabilities (note 18)	分類為流動負債部分(附註18)	(12,637)	(22,704)		
Non-current portion (note 18)	非流動部分(附註18)	7,708	11,723		

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

20. OTHER LONG TERM LIABILITIES

20. 其他長期負債

			30 June 2017 二零一七年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		Notes 附註		
Other long term payables	其他長期應付款項	(a)	133,000	133,000
Special payables	應付專項款項	(b)	4,259	4,333
			137,259	137,333

- (a) On 6 May 2016, two wholly-owned subsidiaries of the Company, Huzhou Chen Shi Tian Niang Management Consulting Co., Ltd (the “**Huzhou Chenshi**”) and Huzhou Laohenghe Brewery Co., Limited (“**Huzhou Laohenghe**”, which is also the wholly-owned subsidiary of Huzhou Chenshi) entered into an investment agreement with China Development Fund Co., Ltd (“**CD Fund**”) (the “**Investment Agreement**”). Pursuant to the Investment Agreement, CD Fund agreed to subscribe for 3.5% of equity interest of Huzhou Laohenghe for a total cash consideration of RMB133 million (the “**Capital Investment**”) and Huzhou Laohenghe shall pay CD Fund fix annual return equal to 1.2% of the Capital Investment from the date of the agreement. In additions, Huzhou Chenshi has contractual obligation to repurchase all the equity interest of Huzhou Laohenghe held by CD Fund within 8 years according to the repayment schedule under the Investment Agreement. Further details of the Investment Agreement have been disclosed in the announcements of the Company dated 9 May 2016 and 29 June 2016, respectively.

As Huzhou Chenshi does not have the unconditional right to avoid delivering cash to CD Fund pursuant to the Investment Agreement, the Capital Investment of RMB133 million was recorded as a financial liability.

- (a) 於二零一六年五月六日，本公司兩間全資附屬公司湖州陳氏天釀管理諮詢有限公司(「湖州陳氏」)及湖州老恒和釀造有限公司(「湖州老恒和」，亦為湖州陳氏的全資附屬公司)與國開發展基金有限公司(「國開發展基金」)訂立注資協議(「注資協議」)。根據注資協議，國開發展基金同意以人民幣133百萬元的現金總代價認購湖州老恒和3.5%的股本權益(「資本投入」)，而湖州老恒和須自該協議日期起每年按相當於資本投入1.2%的固定金額向國開發展基金支付回報。此外，湖州陳氏承擔合約責任，須根據注資協議的還款時間表於八年內購回國開發展基金所擁有湖州老恒和的全部股本權益。有關注資協議的進一步詳情已分別披露於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。

由於湖州陳氏並無根據注資協議避免向國開發展基金支付現金的無條件權利，因此人民幣133百萬元的資本投入被記賬為金融負債。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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30 June 2017 二零一七年六月三十日

20. OTHER LONG TERM LIABILITIES

(Continued)

- (b) As at 30 June 2017, the actuarial liabilities existing in relation to the retirement benefit obligations for employees who retired prior to the acquisition of Huzhou Laohenghe by the controlling shareholders and the early retirement obligations for employees who early retired were RMB4,259,000 (31 December 2016: RMB4,333,000). 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:

20. 其他長期負債(續)

- (b) 於二零一七年六月三十日，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4,259,000元(二零一六年十二月三十一日：人民幣4,333,000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 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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 the beginning of the period	期初的賬面值	4,333	4,505
Benefits paid	已付福利	(74)	(172)
At the end of the period	於期末	4,259	4,333

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

21. SHARE CAPITAL

Shares

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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)
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)的普通股	3,050	3,050
Issued and fully paid:	已發行及繳足：		
578,750,000 (31 December 2016: 578,750,000) ordinary shares of US\$0.0005 (RMB0.00305) each	578,750,000 股(二零一六年 十二月三十一日：578,750,000 股) 每股面值 0.0005 美元 (人民幣 0.00305 元)的普通股	1,767	1,767

21. 股本

股份

22. 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 nineteen years.

At 30 June 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

22. 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限介乎一至十九年。

於二零一七年六月三十日，本集團根據到期的不可撤銷經營租賃支付的未來最低租賃款項總額如下：

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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 one year	一年內	1,544	1,502
In the second to fifth years, inclusive	第二年至第五年內(包括首尾兩年)	2,570	2,522
After five years	五年後	962	1,110
		5,076	5,134

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2017 二零一七年六月三十日

23. COMMITMENTS

In addition to the operating lease commitments detailed in note 22 above, the Group had capital commitments as follows:

		30 June 2017	31 December 2016
		二零一七年 六月三十日	二零一六年 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)
Contracted, but not provided for:	已訂約但未計提撥備：		
Plant and machinery	廠房及機器	52,599	56,116

23. 承擔

除上文附註22所詳述的經營租賃承擔外，本集團擁有下列資本承擔：

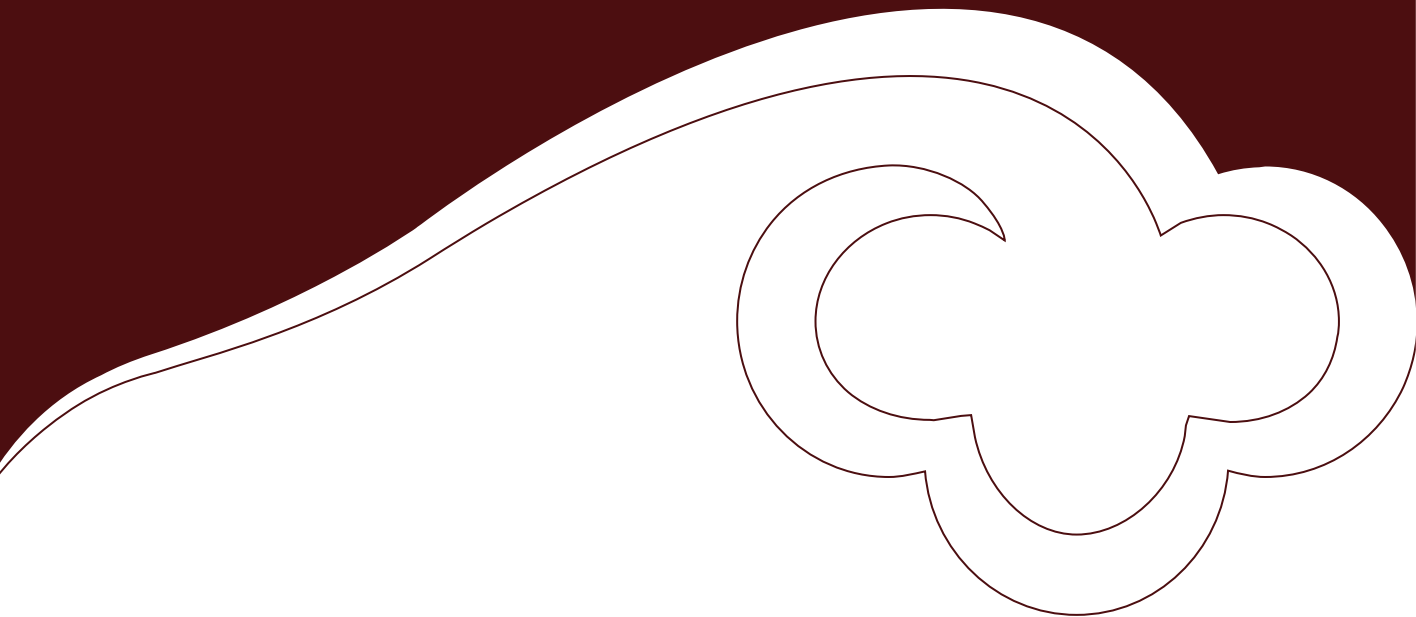
24. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	418	294
Pension scheme contributions	退休金計劃供款	24	28
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	442	322

24. 與關聯方交易

本集團主要管理人員的酬金



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