



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

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 00336

2018-2019

Interim Report
中期報告





Contents 目錄

Corporate Information 公司資料	2
Financial Highlights 財務摘要	4
Management Discussion and Analysis 管理層討論及分析	5
Other Information 其他資料	19
Review Report 審閱報告	25
Condensed Consolidated Statement of Financial Position 簡明綜合財務狀況表	27
Condensed Consolidated Income Statement 簡明綜合收益表	29
Condensed Consolidated Statement of Comprehensive Income 簡明綜合全面收益表	30
Condensed Consolidated Statement of Changes in Equity 簡明綜合權益變動表	31
Condensed Consolidated Cash Flow Statement 簡明綜合現金流量表	32
Notes to the Condensed Consolidated Interim Financial Information 簡明綜合中期財務資料附註	33
Glossary 詞彙	83

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. CHU Lam Yiu (*Chairwoman & CEO*)
 Mr. XIA Liqun (*Vice Chairman*)
 Mr. POON Chiu Kwok (*Company Secretary*)
 Mr. XIONG Qing (*CFO*)
 Mr. LAM Ka Yu

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCCA, FCCA*

COMPANY SECRETARY

Mr. POON Chiu Kwok *FCIS, FCS, FCPA (Aust.)*

AUDITORS

PricewaterhouseCoopers

LEGAL ADVISOR

Herbert Smith Freehills

PRINCIPAL BANKERS

China Citic Bank Corporation Limited
 China Merchants Bank Co., Ltd.
 China Minsheng Banking Corp., Ltd.
 Hang Seng Bank Limited

公司資料

董事會

執行董事

朱林瑤女士 (*主席兼首席執行官*)
 夏利群先生 (*副主席*)
 潘昭國先生 (*公司秘書*)
 熊卿先生 (*首席財務官*)
 林嘉宇先生

獨立非執行董事

李祿兆先生
 麻雲燕女士
 丁寧寧博士
 胡志強先生

審核委員會

李祿兆先生 (*主席*)
 麻雲燕女士
 丁寧寧博士
 胡志強先生

薪酬委員會

李祿兆先生 (*主席*)
 麻雲燕女士
 胡志強先生
 夏利群先生

提名委員會

朱林瑤女士 (*主席*)
 李祿兆先生
 丁寧寧博士

合資格會計師

蔡文霞女士 *FCCA, FCCA*

公司秘書

潘昭國先生 *FCIS, FCS, FCPA (Aust.)*

核數師

羅兵咸永道會計師事務所

法律顧問

史密夫斐爾律師事務所

主要往來銀行

中信銀行股份有限公司
 招商銀行股份有限公司
 中國民生銀行股份有限公司
 恒生銀行有限公司

Corporate Information (cont'd)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 3008
30th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

BRANCH SHARE REGISTRAR

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 00336

COMPANY WEBSITE

www.huabao.com.hk

公司資料 (續)

總部及香港主要營業地點

香港
灣仔
港灣道18號
中環廣場30樓
3008室

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

股份代號

香港聯合交易所有限公司 : 00336

公司網址

www.huabao.com.hk

Table of Financial Highlights

財務摘要表

		Unaudited 未經審核 For the six months ended 30 September 截至九月三十日止六個月		
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 (經重列)	Change in percentage 百分比變動
Continuing operations	持續經營業務			
Sales	營業額	1,651,556	1,514,248	+9.1%
Gross profit	毛利	1,080,003	995,256	+8.5%
<i>Gross profit margin</i>	<i>毛利率</i>	65.4%	65.7%	
Operating Profit	營運盈利	711,101	630,515	+12.8%
<i>EBITDA margin</i> [≠]	<i>EBITDA率</i> [≠]	48.3%	47.1%	
<i>EBIT margin</i>	<i>EBIT率</i>	43.1%	41.6%	
Profit before income tax	除稅前盈利	789,384	685,893	+15.1%
Profit from continuing operations for the Period	持續經營業務之 本期間盈利	614,473	539,143	+14.0%
Profit from continuing and discontinued operations attributable to the equity holders of the Company	本公司權益持有人應佔 持續經營與終止 經營業務之盈利	477,125	456,894	+4.4%
		RMB cents 人民幣分	RMB cents 人民幣分	
Earnings/(loss) per share (basic and diluted)	每股盈利/(虧損) (基本及攤薄)			
– Continuing operations	– 持續經營業務	16.26	15.40	+5.6%
– Discontinued operation	– 終止經營業務	(0.91)	(0.70)	
		15.35	14.70	+4.4%
		HK cents 港幣仙	HK cents 港幣仙	
Interim dividend per share	每股中期股息	10.0	10.3	
Special dividend per share	每股特別股息	–	5.7	

[≠] "EBITDA margin" means "Earnings before taxes, interest, depreciation, and amortisation" divided by Sales"

[≠] 「EBITDA率」等於「除稅、利息、折舊及攤銷前的盈利」除以「營業額」。

Management Discussion and Analysis

RECENT ACQUISITIONS AND DISPOSALS

Acquisition of Jiahao Foodstuff Limited

On 4 September 2018, the Group successfully acquired 100% interest of Jiahao Foodstuff in a final consideration of approximately USD\$696 million. Driven by the development of the domestic economy, increasing urbanization, consumption upgrade, and change of consumption environment and patterns, China's foodservice market enjoys a rapid growth. As the foodservice industry further develops towards to chainstore and customized direction, restaurants' demand for condiments of high quality, high stability and high-customization grows significantly. Established in 1994, Jiahao has advantages in the niche market. Jiahao's two major products, chicken bouillon and wasabi paste, are widely known and recognized in China's foodservice industry and possessed a leading market share. At present, Jiahao has a nationwide distribution network aiming at foodservice clients. Jiahao would leverage innovative strategic sales platform to strengthen its sales power. Jiahao positions itself as "Professional brand for the professional chef", its "Close Connection" marketing strategies enables the company's salespersons to better understand the chefs and restaurants' demand, thereby developing products that could meet the market's demand and preference. In addition, Jiahao is located in the trade centre Zhongshan, a city that has easy access to all means of transportation with an advantage over production cost. The management of Jiahao have extensive operating and managing experience in the condiment industry. After the acquisition, the Group will gradually implement the synergies of the acquisition in terms of distribution channel, cost control and research and development. The acquisition of Jiahao is an implementation of the Group's strategy "Concentric Diversification based on Consumers' Demand in the Taste-based Fast-moving Products Industry". Jiahao offers an opportunity to the Group to break into the RMB100 billion condiment market. Jiahao will expand the Group's business operation scope, optimize business structures, and create more value for our shareholders.

Acquisition of Hunan Jishou

In September 2018, Smart Sino (Shanghai) Investment Management Co., Ltd., a subsidiary of the Group, acquired 85% equity interest in Hunan Jishou, a company incorporated in China. The consideration of the acquisition was RMB13,498,000 in cash. Hunan Jishou mainly engages in the production and sales of cigarette materials and cigarette filters. The Group will strengthen its layout in the cigarette materials industry and expand its scope of operation.

管理層討論及分析

最新收購及出售

收購嘉豪食品有限公司

於二零一八年九月四日，本集團成功完成收購嘉豪食品的100%股權，最終收購代價約為6.96億美元。受國民經濟發展、城鎮化率提高、消費升級提升以及消費場景變化的驅動，中國餐飲服務市場呈現穩步快速增長。隨著餐飲行業進一步向連鎖化、標準化方向發展，餐廳對於具備高質量、高穩定性及個性化的調味品需求進一步增長。成立於1994年的嘉豪在調味品細分市場佔據優勢，其雞汁和芥辣兩大核心產品在中國餐飲行業擁有很高的美譽度和認可度，市場份額領先。目前，嘉豪的經銷網絡覆蓋全國，面向餐飲客戶。嘉豪將通過創新的戰略銷售平台安排，強化銷售能力。嘉豪的定位為「為專業廚師服務的專業品牌」，其「近距離接觸」的營銷模式使公司銷售人員能夠了解廚師和餐廳需求，開發出符合市場需求的、好賣的產品。此外，嘉豪位於貿易樞紐中山，交通便利、成本優勢明顯，管理層也在調味品行業擁有豐富的營運和管理經驗。收購完成後，本集團將進一步從分銷渠道、成本控制及研發三方面入手，逐步實現收購後的協同效應。收購嘉豪符合本集團「在味覺系快消品領域，以消費者需求為引擎的同心多元化」戰略，同時也是本集團進入調味品這一達人民幣千億市場規模的優質選擇，嘉豪將擴大本集團的經營範圍、優化業務結構，為股東創造更多價值。

收購湖南吉首

於二零一八年九月，本集團之附屬公司華烽（上海）投資管理有限公司，以現金代價人民幣13,498,000元收購一家於中國成立的公司湖南吉首的85%權益。湖南吉首主要從事煙用材料及濾嘴棒的生產及銷售。通過收購，將強化本集團在煙用材料行業的佈局，拓寬本集團的經營範圍。

Management Discussion and Analysis (cont'd)

Disposal of the E-cigarette Business

On 2 October 2018 (Florida Time, United States), VMR Products, a non-wholly owned subsidiary of the Group, entered into and completed an agreement with JUUL Labs, Inc. and its subsidiary to dispose all of the issued and outstanding units of VMR Products. The Group has approximately 62.7% indirect interest of the issued and outstanding units of VMR Products. The consideration of the disposal was US\$31,352,380 and the cash have already been received by the Group. VMR Products is engaged in the design, engineering, production, assembly, integration, manufacture, marketing, sale, supply and distribution of electronic cigarettes. As the disposal of VMR Products occurred after 30 September 2018 (the end of the current reporting period), the results of VMR Products is categorized as the "Discontinued operation" in the condensed consolidated income statement and VMR Products' assets and liabilities are categorized as "Disposal group held for sale". In order to distinguish the results of "Discontinued operation" and "Continuing operations", the comparative figures in the condensed consolidated income statement have been restated. The successful disposal of VMR Products significantly minimized the policy and regulatory risks of the Group in the e-cigarette business and further enhanced the Group's financial position.

INDUSTRY OVERVIEW

Overview of the tobacco industry

In the first half of 2018, China continued to propel its economy restructuring. The dynamics, innovation and competitive power of the economy continued to strengthen and the economy is developing towards a high-quality direction. Thanks to the stable economy environment, the tobacco industry continued to be stable and improved. In the first half of 2018, cigarettes production volume was approximately 23.50 million cases, representing an increase of 4.52% year-on-year. Cigarettes sales volume was approximately 25.13 million cases, representing an increase of 1.54% year-on-year. The sales volume recorded 1.62 million more cases than production volume. Sales was approximately RMB826.7 billion, representing an increase of 6.99% year-on-year. Industrial and commercial inventories at the end of June reduced by approximately 167,400 cases as compared to that in June 2017. Industrial and commercial tax and profit were RMB646.9 billion, representing an increase of 9.11% year-on-year. All the figures above were the best for the same period over the past three years, the tobacco industry consistently move forwards. Due to the acceleration of trade friction between China and the U.S. and the slowdown of China's economy growth, the tobacco industry took the initiative to adjust production to respond to the changes in the market. Cigarette production volume for the third quarter slightly dropped by approximately 1.7% year-on-year, commercial sales volume slightly rose 1.3% year-on-year, commercial sales increased by 5.3% year-on-year. The inventory level and product structure were optimised and quality of products was improved.

管理層討論及分析 (續)

出售電子煙業務

於二零一八年十月二日(美國佛羅里達州時間)，本集團之非全資附屬公司VMR Products與JUUL Labs, Inc.及其附屬公司簽訂並完成協議，以出售VMR Products的全部已發行及未行使單位。本集團間接持有VMR Products已發行及尚未行使單位的62.7%的權益，出售代價為美元31,352,380且已收到現金對價。VMR Products主要從事設計、生產、組裝、整合、推廣、銷售、營銷及分銷電子煙。由於出售VMR Products在2018年9月30日(本報告期結束日)之後才發生，VMR Products的業績於簡明綜合收益表呈列為「終止經營業務」，而其資產及負債則分類為「持作出售的處置組別」。為將終止經營業務與持續經營業務分開列示，簡明綜合收益表之比較數字已經重列。VMR Products的成功出售大大降低了本集團在電子霧化煙領域所面臨的政策及監管風險，對集團的財務狀況也有進一步提升。

行業概況

煙草行業概況

二零一八年上半年，中國繼續推進經濟結構性改革，經濟活力、創新力、競爭力不斷增強，經濟進一步向高質量方向發展。受惠於穩健的經濟環境，煙草行業整體上維持穩中向好的發展態勢。二零一八年上半年，煙草行業完成捲煙產量2,350萬箱，同比增長4.52%；商業銷量2,513萬箱，同比增長1.54%；實現銷大於產約162萬箱。商業銷售額人民幣8,267億元，同比增長6.99%；6月末工商庫存比去年同期減少16.74萬箱；實現工商稅利人民幣6,469億元，同比增長9.11%，均創造了近三年來同期最好水平，行業經濟運行不斷向前邁步。受到三季度中美貿易摩擦加劇及宏觀經濟增速放緩影響，行業主動調整產量以應對未來市場變化，捲煙產量第三季度同比輕微下跌約1.7%，商業銷量同比小幅上升約1.3%，商業銷售額同比上升約5.3%，庫存水平及產品結構更加優化，產品質量進一步推升。

Management Discussion and Analysis (cont'd)

In terms of cigarette consumption, self-use consumption, rational consumption, and personalized consumption are increasingly popular in the cigarette industry. Consumers' demand for personalized products such as thin cigarette, short cigarette, medium-length cigarette and capsule cigarette consistently rose, tobacco enterprises would need to follow with the consumption trends, thereby developing high-quality products that could meet clients' particular demand. In the first half of 2018, thin cigarette sales volume amounted to approximately 1.84 million cases, representing an increase of 690,000 cases or 60.1% year-on-year. Short and capsule cigarette remained robust growth, short cigarettes sales volume amounted to 223,000 cases, representing an increase of 115,000 cases or 106.5% year-on-year. Medium-length cigarettes amounted to 276,000 cases. Capsule cigarette amounted to 383,000 cases, representing an increase of 248,000 cases or 183.7% year-on-year. The thin, medium-length, short, and capsule cigarettes continued to optimise the structure of the tobacco industry and positively propel the sales volume of cigarettes. (Source: China Cigarettes Website)

In terms of tobacco leaves, due to the bounce-back of cigarette sales, tobacco leaves inventory was reduced slightly but the overall inventory remained high. The tobacco industry persists to be demand-oriented and optimises in quality supply system with strengthened inventory management and improved efficiency in asset allocation, the management of the tobacco inventory will be further optimised (Source: Tobacco Market).

Overview of food and beverage industry and fragrances industry

In the first half of 2018, China's gross domestic product increased by 6.8% year-on-year, the overall economy was generally stable. Despite the challenges brought forth by the trade friction between China and the U.S., Chinese government determined to reform and restructure its economy, stimulate consumption, and seek high-quality development, which empowered the economy to go forward. As daily necessities, the food and beverage industry is expected to benefit from the reform and make further development.

With the further acceleration in consumption upgrade and the increasing health awareness, consumers' demand for natural, healthy and delicious products have been increasing. Food and beverage manufacturers should grasp the opportunity of "consumption upgrade", and consistently optimize their product mix and quality so as to produce products that meet customers' preference and demand.

管理層討論及分析 (續)

捲煙消費方面，自用消費、理性消費、個性消費逐步成為捲煙消費的新趨勢，消費者對細支煙、短支煙、中支煙、爆珠煙等個性化捲煙產品的需求繼續上升，煙草企業需要進一步研究和把控捲煙消費的趨勢，開發出滿足客戶獨特需求的高品質產品。二零一八年上半年，細支煙銷量達到約184萬箱，同比增加約69萬箱或60.1%；短支煙和爆珠煙維持快速發展，短支煙銷量達到約22.3萬箱，同比增加約11.5萬箱或106.5%；中支煙銷量達到約27.6萬箱；爆珠煙銷量達到約38.3萬箱，同比增加約24.8萬箱或183.7%。細支煙、中支煙、短支煙和爆珠煙繼續優化煙草行業結構，對提升捲煙銷量起到積極推動作用。(數據來源：中國香煙網)

煙葉方面，受捲煙銷售回暖影響，煙葉庫存水平有所減少。但煙葉庫存仍然處於較高水平。隨著煙草行業堅持需求導向、優化供給體系質量、加強庫存管理、提高資源配置效率，對煙葉庫存的管理工作將得到進一步優化。(資料來源：煙草市場)

食品飲料及日化行業概況

二零一八年上半年，中國的國內生產總值同比增長6.8%，經濟運行總體平穩。儘管中美貿易摩擦為中國經濟發展帶來挑戰，但中國政府銳意改革、轉變經濟結構、刺激消費、走高質量發展道路的決心依然為整體經濟的前行提供了充足動力，作為生活必需品的食品飲料行業有望受益，進一步發展。

隨著消費升級的進一步推動，以及消費者健康意識的提高，消費者對天然、健康、美味產品的需求不斷增強。食品飲料製造商需要把握消費升級的機遇，不斷優化產品結構，提升質量，生產能夠滿足消費者喜好和需求的產品。

Management Discussion and Analysis (cont'd)

In respect of fragrances industry, in the first half of 2018, the sales of China's daily necessities amounted to RMB253.9 billion, representing an increase of 12.6% year-on-year, and 3.2 percentage points higher than the total sales growth of the social consumer goods of the same period. Competition among daily necessities is fierce, consumers' requirements for daily chemical products are higher and higher. Consumers demand daily chemical products to be safe and eco-friendly, harmless to skin and clothes, and of high functionality. The structure of the fragrances industry will be gradually optimised. Green, safe, eco-friendly and healthy products will more likely to capture the hearts of consumers and gain more room for development.

RESULTS

For the six months ended 30 September 2018, the Group's sales revenue from continuing operations reached RMB1,652 million, representing an increase of approximately 9.1%; gross profit margin was approximately 65.4%, remaining almost at the same level in comparison to 65.7% of the same period last year. EBIT margin was approximately 43.1%, representing an increase of approximately 1.5 percentage points year-on-year. Profit from continuing operations and discontinued operation attributable to the equity holders of the Company was approximately RMB477 million, representing an increase of approximately 4.4% year-on-year. Basic earnings per share was RMB15.35 cents, representing an increase of approximately 4.4% year-on-year.

BUSINESS REVIEW

Review of flavours and fragrances business

For the six months ended 30 September 2018, sales revenue of the flavours and fragrances business of the Group amounted to approximately RMB966 million, remaining almost the same as compared to RMB986 million for the corresponding period last year and accounting for 58.5% of the Group's sales revenue. Operating profit of the segment amounted to approximately RMB521 million, remaining almost the same as compared to approximately RMB522 million of the same period last year. EBIT margin was approximately 53.9%, representing an increase of 1 percentage point as compared to approximately 52.9% for the corresponding period last year. The flavours and fragrances segment of the Group remained in stable development and won clients' favour with its high-quality products and reputation.

管理層討論及分析 (續)

日化行業方面，二零一八年上半年，我國日用品類零售額達人民幣2,539億元，同比增長12.6%，高於同期社會消費品零售總額增速3.2個百分點。日用品行業競爭激烈，消費者對日化產品的要求越來越高，既要安全環保、不傷皮膚和織物，又要使用效果好。日化行業未來的產品結構會逐步優化，綠色、安全、環保、健康的產品將更容易受到人們的青睞，獲得更大的發展空間。

業績

截至二零一八年九月三十日止六個月，本集團持續經營業務實現銷售收入約人民幣16.52億元，同比增加約9.1%；毛利率約為65.4%，與去年同期65.7%基本持平；EBIT率約43.1%，比上一年度同期上升約1.5個百分點。本公司權益持有人應佔持續經營和終止經營業務之盈利約人民幣4.77億元，比上年同期增加約4.4%。每股基本盈利人民幣15.35分，比上一年同期增加約4.4%。

業務回顧

香精業務回顧

截至二零一八年九月三十日止六個月，本集團香精業務銷售收入約人民幣9.66億元，與去年同期約人民幣9.86億元基本持平，佔整個集團收入約58.5%。板塊營運盈利達約人民幣5.21億元，與去年同期約人民幣5.22億元基本持平；EBIT率達約53.9%，去年同期約為52.9%，上升1個百分點。集團香精業務憑借優質的品質和口碑，獲得客戶青睞，維持穩定發展。

Management Discussion and Analysis (cont'd)

a) Flavours

In the first half of the year, the tobacco industry was on the rise and the Group's tobacco flavours gained mild recovery. As consumers' demand and recognition for new innovative cigarettes improved during the period, the Group strengthened its research and development in relevant products. In the first half of the year, the Group conducted research and product development in the non-combustible flavouring technology. At present, the Group has accomplished the development of hundreds of non-combustible products that mainly applied to capsules, these products have been widely used in the products for customers. In addition, the Group nurtured a number of flavour technology specialists to meet the demand for development in non-combustible flavour products, Meanwhile, in response to the changing trend of cigarette consumption, the Group established a marketing team to research cigarette consumption trend and conduct product planning strategies to help clients with cigarettes marketing.

In terms of food and beverage business, Huabao Flavours is implementing its projects with the funds raised from its IPO. Food flavours and food ingredients production plant of Jiangxi Huabao Kongque is under construction. It will expand Huabao Flavours' business scope in the food industry, enhance its product class and accelerate the upgrade of its products. Huabao Lhasa Pure Land healthy food project is still under construction. The project combines Huabao Flavours' existing products and local special food in Tibet, which could not only expand Huabao Flavours' business scope, but also meet the demand for high-quality, healthy and nutritious products in domestic and overseas markets.

b) Fragrances

The Group is one of the market leaders of fragrance for incense and household disinfection and insecticide products. The business covers those main fragrance markets such as Fujian, Guangdong, Zhejiang, Shandong, Hebei, Sichuan, etc. Due to the Chinese government's intensifying environmental policies and some safety incidents in the upper stream, the price of raw materials rose significantly, resulting in the rise in fragrance price and the demand by small and medium-sized clients' in the downstream decreased, which resulted in the decrease in the fragrances business.

管理層討論及分析 (續)

a) 食用香精

上半年，煙草行業回暖，本集團的煙草用香精也維持溫和復甦。隨著消費者對新型捲煙產品的需求和認可度進一步提升，本集團加強了對相關香精產品的研發。上半年，本集團進行了非燃燒香精調香技術研究和產品開發，目前已經完成了以爆珠應用為主的數百款香型非燃燒產品開發，這些產品已在客戶產品中大量使用。此外，本集團還培養了一批專業非燃燒香精產品調香技術人員，可以很好地滿足公司非燃燒香精產品的開發需求。同時，針對捲煙消費趨勢的變化，公司組建了營銷策劃團隊，主要進行捲煙消費趨勢研究和產品策劃，並協助客戶進行捲煙產品營銷。

食品飲料方面，華寶股份募投項目目前穩步推進中。江西華寶孔雀食品用香精及食品配料生產基地目前在建設當中，該項目的建設將能夠進一步拓寬華寶股份在食品領域的業務範圍，提高公司產品檔次、加快公司產品的升級換代。華寶拉薩淨土健康食品項目尚在建設期。該項目將華寶股份現有產品與西藏當地特色食品相結合，不但可以進一步拓寬華寶股份的業務範圍，還可滿足國內、國際市場不斷增加的對高質量、健康、營養產品的需求。

b) 日用香精

本集團在熏香、家用衛生殺蟲用品的香精市場上處於行業領先地位，市場區域主要有福建省、廣東省、浙江省、山東省、河北省、四川省等，涵蓋了全國主要用香市場。受到國家環保政策趨緊及部分上游企業安全事故影響，原材料價格大幅上升，導致日用香精價格調升，下游中小客戶減少對日用香精需求，使集團日用香精業務有所下降。

Management Discussion and Analysis (cont'd)

Review of tobacco raw materials business

For the six months ended 30 September 2018, sales revenue of the tobacco raw materials segment of the Group amounted to approximately RMB430 million, representing an increase of approximately 54.9% from RMB278 million of the corresponding period last year, accounting for approximately 26.1% of the Group's sales revenue. Operating profit of the segment was about RMB186 million, representing an increase of 69.8% as compared to the corresponding period last year. EBIT margin of the segment was approximately 43.2%, representing an increase of 3.8 percentage points as compared to approximately 39.4% for the corresponding period last year. The increase in the segment's sales revenue of tobacco raw materials is primarily contributed by the high-speed growth of the Group's tobacco raw materials business.

a) *RTL*

Since the implementation of total scale control in 2013, the national procurement of tobacco leaves declined from 54.88 million dans at the peak in 2012 to 38.00 million dans in 2017. Meanwhile, affected by factors such as the decrease of the production, sales volume, and the decline in the consumption of single-case tobacco leaves, the inventory of tobacco leaves increased rather than declined, and the inventory of tobacco leaves still remains in a high level. (Source: East Tobacco)

Faced with the pressure of inventory, during the reporting period, Guangdong Jinye, a major subsidiary of the Group, on one hand, actively promoted the "Going Out" strategy of the RTL and strived to tap into the overseas market; on the other hand, Guangdong Jinye implemented the principles of raw material development and production in non-key producing areas of inventory, which developed both direct customers and channel customers.

b) *Tobacco new materials*

During the reporting period, represented by flavour capsule, the tobacco new materials business developed rapidly. Due to the significant increase in market demand, more competitors entered into the industry and the supply of flavour capsule increased, thus causing the price declined accordingly. With advanced manufacturing process, technologies and high-quality services, the Group is in the leading position in the flavour capsule market. In order to cope with the situation of short supply, the Group will continue to expand production capacity. At the same time, the Group adhered to customer-oriented principles, grasped the changing trend of product demand, conducted customer satisfaction surveys on a regular basis, strived to improve service quality, expanded sales network, and maintained a dominant position in the competition.

管理層討論及分析 (續)

煙用原料業務回顧

截至二零一八年九月三十日止六個月，本集團煙用原料分部的銷售收入約人民幣4.30億元，較去年同期的人民幣2.78億元上升約54.9%，佔整個集團的收入約26.1%。板塊營運盈利達人民幣1.86億元，較去年同期增長約69.8%；EBIT率約為43.2%，比去年同期的39.4%，上升了3.8個百分點。板塊銷售收入的增長主要由於集團捲煙新材料業務的高速增長。

a) *煙草薄片*

自2013年實施總量規模調控以來，全國煙葉收購量由2012年最高峰時的5,488萬擔，調減至2017年的3,800萬擔左右，與此同時，受捲煙產銷量下降、單箱煙葉消耗量降低等因素影響，行業煙葉庫存不減反增，煙葉庫存水平處於高位運行狀態。(來源：東方煙草網)

面對薄片庫存壓力，報告期內，本集團的主要子公司廣東金葉切實推進煙草薄片業務「走出去」戰略，努力開拓境外市場；另一方面，廣東金葉落實庫存非重點產區原料開發生產原則，既開發直接用戶客戶，又開發渠道商客戶。

b) *捲煙新材料*

報告期內，以爆珠為代表的捲煙新材料業務繼續迅猛發展。由於市場需求劇烈增加，更多的競爭者進入到行業，爆珠產量供應增多，價格相應有所下滑。本集團憑借領先的生產技術、工藝以及優質的服務水平，在爆珠的市場佔有率領先。為應對供不應求的局面，本集團將繼續擴大產能。同時，本集團堅持一切以客戶為主的原則，掌握產品的需求變化趨勢，定期開展客戶滿意度調查工作，努力提高服務質量，擴大銷售網絡，在競爭中保持優勢地位。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Review of aroma raw materials business

香原料業務回顧

For the six months ended 30 September 2018, sales revenue of the aroma raw materials segment reached approximately RMB228 million, representing a decrease of approximately 8.5% from RMB250 million of the corresponding period last year, accounting for approximately 13.8% of the Group's revenue. Operating profit of the segment reached approximately RMB34.2 million, representing a decrease of approximately 30.7% from the corresponding period last year. The EBIT margin of the segment was approximately 15.0%, representing a decrease of 4.7 percentage points as compared to approximately 19.7% for the corresponding period last year. The decrease of sales revenue and operating profit was mainly due to the adjustment in production capacity, which was to respond to the State's administrative and economic policies.

截至二零一八年九月三十日止六個月，本集團香原料業務銷售收入約人民幣2.28億元，較去年同期的人民幣2.50億元減少約8.5%，佔整個集團的收入約13.8%。板塊營運盈利達人民幣3,420萬元，同比減少約30.7%；EBIT率達約15.0%，去年同期約為19.7%，下降了4.7個百分點。銷售收入及營運盈利減少主要由於香原料事業部根據國家行政和經濟政策進行戰略調整，上半年對部分產能進行下調。

During the reporting period, the main plants of Jiangxi Xianghai production base have been formulated and are currently in trial production. Jiangxi Xianghai is expected to officially put into production in January 2019. By then, the production capacity will be gradually released and is expected to generate revenue for the Group on a large-scale. During the reporting period, the Group launched strategic collaboration with Givaudan on litsea cubeba in Yongzhou, which is the origin of litsea cubeba. Thanks to the collaboration, the production and sales volume of litsea cubeba oil and its derivative products increased. In addition, increase in market demand for citral contributed to the profit increase of Yongzhou Shanxiang. In terms of Yancheng Chunzhu, both the sales and profit increased due to the expansion of market needs. In terms of Guangdong Zhaoqing, sales revenue and operating profit declined slightly as compared to the corresponding period last year, which was mainly due to its internal adjustment. The operating situation will be improved after the completion of the adjustment.

報告期內，江西香海生產基地已初現雛形，目前進入試生產階段，預計2019年1月將正式投產，屆時將逐步釋放產能，並將開始規模性貢獻收入。得益於與奇華頓的山蒼子原產地戰略合作，報告期內，永州山香山蒼子油及其衍生品類產銷量增加。此外，檸檬醛產品市場需求的增大，也為永州山香帶來利潤提升。鹽城春竹方面，由於市場需求增大，產品銷量及利潤均有擴大。廣東肇慶方面，主要由於公司內部調整等原因，銷售額及營運盈利較去年同期稍有下滑，待公司完成調整，營運情況將逐步好轉。

The Group is committed to improving and optimizing the production process, and actively enriching the production lines, which not only improves production efficiency and reduces production costs, but also enables the products of the aroma raw materials to become the leader in the aroma raw materials industry in terms of quality and product mix. In addition to actively optimizing products, the Group also strives to consolidate existing overseas customers. On top of the original Southeast Asian market, the Group has also maintained a relatively good partnerships with customers in Europe and America such as Firmenich, IFF and Givaudan.

本集團致力於在工藝方面進行改進優化，並積極豐富生產線，不僅能夠提高生產效率、降低生產成本，而且令香原料板塊的產品，在品質以及品類豐富度上都能成為香原料行業的佼佼者。除了在產品方面積極優化，在市場方面，本集團也努力鞏固現有的海外客戶，在原有的東南亞市場基礎上，本集團與芬美意、IFF、奇華頓等歐美市場客戶也維持了較好的合作關係。

Management Discussion and Analysis (cont'd)

Review of the condiment business

On 4 September 2018, the Group completed the acquisition of Jiahao Foodstuff. From 4 September to 30 September 2018, Jiahao Foodstuff realised sales revenue of RMB26.78 million, operating loss of Jiahao amounted to approximately RMB7.99 million. If the amount of approximately RMB17.41 million relating to the one-off expenses of acquisition, currency exchange gain, and the amortisation expenses of intangible assets were excluded, the operating profit of Jiahao Foodstuff would be approximately RMB9.42 million. If the acquisition were completed on 1 April 2018, the segment's sales revenue and net profit after tax would have increased to approximately RMB292 million and RMB46.95 million, respectively.

Review of the innovative tobacco products business

For the six months ended 30 September 2018, the Group's sales revenue from the discontinued operation of the innovative tobacco products business was approximately RMB121 million, representing a decrease of approximately 2.5% as compared to the corresponding period last year. Operating loss of the segment reached approximately RMB26.95 million, increased by approximately RMB1.7 million from the corresponding period last year. During the reporting period, the innovative tobacco products business continued to suffer losses. In light of the regulatory and market development of e-cigarettes in domestic and foreign markets, the Group disposed of VMR Products in the early October to optimise the Group's business segments and resources allocation.

R&D and innovation capabilities

The Group has been convinced that R&D and innovation are the vitality of enterprises and an important measure to keep up with the industry's development. The Group will continue to strive to improve its R&D capabilities. For the six months ended 30 September 2018, the Group's R&D expenses amounted to approximately RMB126 million, remaining almost at the same level in comparison to approximately RMB125 million for the corresponding period last year. R&D expenses accounted for approximately 7.6% of the total sales revenue, representing a slight decline of 0.6 percentage point as compared to approximately 8.2% of the corresponding period last year.

In terms of tobacco flavours, during the reporting period, the Group co-operated with Yunnan Tobacco to conduct the R&D of "non-combustible flavouring technology research and application in Yunnan-made cigarettes", which realized breakthrough and innovation of non-combustible flavouring in theory and practice, and also established the non-combustible flavouring technical and theoretical system. At present, the Group has completed the development of a batch of non-combustible flavours and fragrances, covering a variety of aroma compensation channels, and initially formed the basic technical system, product system and product application system of Yunnan Tobacco non-combustible flavouring technology. Based on the research of non-combustible flavouring, the Group successfully developed a series of branded cigarettes' such as Yun tobacco (Life of hundreds of tastes), Yuxi tobacco (108), Honghe tobacco (A7).

管理層討論及分析 (續)

調味品業務回顧

本集團於二零一八年九月四日完成收購嘉豪食品，由該日至二零一八年九月三十日止，嘉豪食品實現銷售收入約人民幣2,678萬元，營運虧損約人民幣799萬元；若是撇除因收購而產生之一次性收購相關成本、匯兌收益和無形資產攤銷費用等約人民幣1,741萬元後，嘉豪食品的營運盈利約為人民幣942萬元。如該收購於二零一八年四月一日完成，本板塊之銷售收入及稅後盈利將分別增加至約人民幣2.92億元和人民幣4,695萬元。

新型煙草業務回顧

截至二零一八年九月三十日止六個月，本集團終止經營業務之新型煙草製品的銷售收入約為人民幣1.21億元，較去年同期下跌約2.5%。新型煙草製品業務營運虧損約人民幣2,695萬元，較去年同期擴大約人民幣170萬元。報告期內，新型煙草製品業務繼續虧損，鑒於電子煙在國內外市場經營受到監管及市場開拓等因素的影響，本集團於十月初將VMR Products出售，從而優化本集團業務板塊及資源配置。

研發和創新能力

本集團一直堅信，研發和創新是企業的生命力所在，也是把握行業脈搏、緊跟時代腳步的重要舉措，本集團一如既往地努力提升自身研發能力。截至二零一八年九月三十日止六個月，本集團研發費用約為人民幣1.26億元，與去年同期的人民幣1.25億元持平。研發費用佔銷售收入總額的比例約為7.6%，相比去年同期佔比約8.2%，輕微下降0.6個百分點。

煙用香精方面，報告期內，本集團與雲南中煙合作開展了「非燃燒調香技術研究及在雲產捲煙中的應用」技術研發，實現了非燃燒調香和綜合補香技術在理論和實踐上的較大突破和創新，形成了非燃燒調香的技術和理論體系。當前，已經完成了一批非燃燒香精香料的開發，涵蓋多種香氣補償途徑，初步形成了雲南中煙非燃燒調香技術的基本技術體系、產品體系和產品應用體系。以非燃燒調香技術研究為基礎，完成了雲煙（百味人生）、玉溪（108）、紅河（A7）等品牌捲煙的開發。

Management Discussion and Analysis (cont'd)

In terms of food flavours, during the reporting period, the Group's subsidiary obtained an authorised invention patent "a preparation method of water-soluble capsicum oleoresin". As the food industry is developing towards the direction of "Natural, healthy and delicious", the Group will follow the industry trend and develop products that are favoured by the market and continue to head for the vision of "leader to a better life".

In terms of RTL, during the reporting period, Guangdong Jinye obtained an authorised patent "a device of hot-water-soluble material detection". Under the pressure of clearing the inventory, on the basis of clearing the inventory, the Group strived to seek more developments, developing new overseas customers.

In terms of tobacco new materials, based on current business, the Group will introduce advanced equipment for pilot test, testing and analysis, and establish a research centre that is research and development oriented. Meanwhile, the Group will collaborate with research institutes to conduct quality standards research on major products to make them conform to industry standards and international standards.

In terms of aroma raw materials, the Group focused on product process optimisation, and guaranteed product quality steadfastly. On this basis, the Group conducted R&D investment in products and strives to be the leader of the industry. During the reporting period, Yancheng Chunzhu obtained an authorised patent "a preparation method of a phenylacetaldehyde".

FUTURE PROSPECTS

Although the current domestic and international economic and business environment is complex, the management is still optimistic about the Group's operating prospects. The Group will focus on the taste-based fast-moving consumer goods products and break into the foodservice market by leveraging the condiment business, aiming to provide Chinese consumers with comprehensive food solutions to create the new growth curve for the Group.

DIVIDEND POLICY

The Group is committed to sharing its development and achievements with shareholders through proactive, stable and sustainable dividend policy. The Group would strive to strike a balance between meeting shareholder's expectations and managing funds prudently. When considering the dividend policy, the Group will comprehensively observe the macro-economic operation, the competition pattern of the industry and the Group's own development strategy. Under the premise of ensuring that the Group has sufficient working capital to implement the development strategy, the Group will distribute surplus funds to shareholders and reward their support for the Group. If the company pays dividends, the dividend payout ratio will remain at 50% or above.

管理層討論及分析 (續)

食用香精方面，報告期內，集團下屬子公司新獲得授權發明專利《一種水溶辣椒油樹脂的制備方法》。天然、健康、美味是食品工業發展的方向，本集團會跟隨行業趨勢，研發受到市場喜愛的產品，向「美好生活引領者」的願景不停進發。

煙草薄片技術方面，報告期內，廣東金葉新獲得授權專利《一種熱水可溶物檢測用裝置》。在庫存壓力下，本集團在做好去庫存工作基礎上，努力尋求更多方面的發展，開拓新的海外客戶是目前工作創新的方向。

捲煙新材料方面，本集團將在現有基礎上，引進中試、檢測、分析等先進儀器，建成以產業發展需求為導向的研發中心。同時，本集團將與科研院校研究合作，對主導產品進行質量標準研究，使之符合行業標準、國際標準進行。

香原料方面，本集團著力於產品工藝優化，腳踏實地地把產品質量做好，在此基礎上進行產品的研發投入，爭做行業的排頭兵。報告期內，鹽城春竹新獲得授權專利《一種苯乙醛的製備方法》。

未來展望

雖然目前國內外經濟和經營環境複雜多變，管理層仍對本集團營運前景持樂觀的態度。本集團將聚焦味覺系快消品，從調味品切入大餐飲板塊，為中國消費者提供全面美食解決方案，打造新的增長曲線。

派息政策

本集團致力於透過積極穩健及可持續的派息政策，努力在符合股東期望與審慎管理資本之間達致平衡，與股東共同分享公司的發展和成就。在考慮派息政策時，本集團將綜合觀察宏觀經濟運行情況、行業競爭格局以及自身發展戰略，在確保公司具備充足營運資金以落實發展戰略的前提下，將盈餘的資金派發給股東，回報股東的支持。公司如派息，派息比率將維持在50%或以上。

Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW

Analysis of interim results for the six months ended 30 September 2018

Sales revenue

The Group's sales revenue from continuing operations amounted to RMB1,651,556,000 for the six months ended 30 September 2018, representing an increase of 9.1% as compared with RMB1,514,248,000 (restated) for the corresponding period last year. The increase in the sales revenue is mainly attributable to the increase of sales revenue of new material products under tobacco raw materials segment. For the six months ended 30 September 2018, sales revenue from flavours and fragrances decreased by 2.0% to RMB965,899,000; sales revenue from tobacco raw materials increased by 54.9% to RMB430,385,000; sales revenue from aroma raw materials decreased by 8.5% to RMB228,477,000; sales revenue of Jiahao Foodstuff acquired in current period was consolidated into the Group on 4 September 2018, bringing sales revenue of RMB26,785,000 to the condiment segment.

Cost of goods sold

The Group's cost of goods sold for continuing operations amounted to RMB571,553,000 for the six months ended 30 September 2018, representing an increase of 10.1% as compared with RMB518,992,000 (restated) for the corresponding period last year.

Gross profit and gross profit margin

The Group's gross profit from continuing operations increased from RMB995,256,000 (restated) for the six months ended 30 September 2017 to RMB1,080,003,000 for the six months ended 30 September 2018, representing an increase of 8.5%. The Group's gross profit margin for the first half of the year is about 65.4%, which was similar with 65.7% (restated) for the corresponding period of last year.

Other income and other gains – net

Other income and other gains (net) of the Group from continuing operations was RMB87,602,000 for the six months ended 30 September 2018, representing an increase of RMB23,832,000 as compared with RMB63,770,000 (restated) for the six months ended 30 September 2017. The increase in other income and other gains was mainly due to the increase in currency exchange gain and government grants for current period as compared with corresponding period last year.

管理層討論及分析 (續)

財務狀況回顧

截至二零一八年九月三十日止六個月的中期業績分析

營業額

截至二零一八年九月三十日止六個月，本集團來自持續經營業務的營業額達到人民幣1,651,556,000元，較上年同期的人民幣1,514,248,000元（經重列），增加9.1%。營業額的增加，主要是由於煙用原料事業部中之新材料產品的營業收入較去年同期上升。截至二零一八年九月三十日止六個月，香精的營業額減少了2.0%至人民幣965,899,000元；煙用原料的銷售額增加了54.9%至人民幣430,385,000元；香原料的營業額減少了8.5%至人民幣228,477,000元；本期收購的嘉豪食品的營業額於二零一八年九月四日併進本集團，為調味品事業部帶來人民幣26,785,000元的營業額。

銷售成本

截至二零一八年九月三十日止六個月，本集團持續經營業務的銷售成本為人民幣571,553,000元，較上年同期的人民幣518,992,000元（經重列）增加了10.1%。

毛利和毛利率

本集團來自持續經營業務的毛利由截至二零一七年九月三十日止六個月的人民幣995,256,000元（經重列）增加至截至二零一八年九月三十日止六個月的人民幣1,080,003,000元，增加8.5%。而本集團上半年的毛利率達65.4%，與上一財政年度同期的65.7%（經重列）相若。

其他收入及其他收益－淨額

截至二零一八年九月三十日止六個月，本集團來自持續經營業務的其他收入及其他收益（淨額）為人民幣87,602,000元，較截至二零一七年九月三十日止六個月的人民幣63,770,000元（經重列）增加了人民幣23,832,000元。其他收入及其他收益的增加主要是由於本期貨幣匯兌收益及政府津貼較去年同期增加。

Management Discussion and Analysis (cont'd)

Selling and marketing expenses

The selling and marketing expenses of the Group comprised mainly travelling expenses, transportation cost, advertising and promotion expenses, salaries and office expenses. The selling and marketing expenses of the Group from continuing operations for the six months ended 30 September 2018 was RMB118,729,000, representing an increase of 38.6% as compared with RMB85,644,000 (restated) for the corresponding period last year. Selling and marketing expenses to total sales revenue for the six months ended 30 September 2018 and 2017 amounted to approximately 7.2% and 5.7% (restated) respectively. The increase in such ratio was mainly attributable to the increase in expenses for developing its business and markets.

Administrative expenses

The Group's administrative expenses from continuing operations amounted to RMB339,746,000 for the six months ended 30 September 2018, which was similar to RMB342,326,000 (restated) for the corresponding period last year. The ratio of administrative expenses to total sales was approximately 20.6%, representing a decrease of 2.0 percentage points as compared with 22.6% (restated) for the corresponding period last year. The decrease in such ratio was mainly attributable to the streamlined structure of the Group to increase efficiency.

Operating profit

The Group's operating profit from continuing operations for the six months ended 30 September 2018 was RMB711,101,000, representing an increase of approximately 12.8% as compared with RMB630,515,000 (restated) for the corresponding period last year, while the operating profit margin increased by 1.5 percentage points to approximately 43.1% during the current period from approximately 41.6% (restated) for the corresponding period last year. The increase in operating profit was mainly attributable to the Group's business growth and effective control of administrative expenses.

Income tax expenses

The income tax expenses of the Group from continuing operations for the six months ended 30 September 2018 was RMB174,911,000, representing an increase of 19.2% as compared with RMB146,750,000 (restated) for the corresponding period last year. Income tax rate of the current period was approximately 22.2%, representing a slight increase of 0.8 percentage point as compared with approximately 21.4% (restated) of the corresponding period last year. It was mainly attributable to the increase in withholding income tax for current period.

Profit attributable to the equity holders of the Company

Profit attributable to the equity holders of the Company from continuing and discontinued operations was RMB477,125,000 for the six months ended 30 September 2018, representing an increase of 4.4% as compared with RMB456,894,000 for the corresponding period last year.

管理層討論及分析 (續)

銷售及市場推廣開支

本集團銷售及市場推廣開支主要包括差旅費、運輸成本、廣告及宣傳費、薪金及辦公費用等。本集團截至二零一八年九月三十日止六個月持續經營業務的銷售及市場推廣開支為人民幣118,729,000元，較去年同期的人民幣85,644,000元（經重列）增加了38.6%。於截至二零一八年及二零一七年九月三十日止六個月的銷售及市場推廣開支所佔銷售總額的比例分別為約7.2%及5.7%（經重列），該比例的增加主要是由於本集團為開拓業務及市場，增加了相關之投入所致。

行政開支

本集團持續經營業務的行政開支在截至二零一八年九月三十日止六個月為人民幣339,746,000元，與上年度同期的人民幣342,326,000元（經重列）相若。而本期間的行政開支所佔銷售總額的比例為約20.6%，較去年同期的22.6%（經重列）下降了2.0個百分點，該比例下降的主要原因是本集團精簡架構提升效率所致。

營運盈利

本集團來自持續經營業務的營運盈利在截至二零一八年九月三十日止六個月為人民幣711,101,000元，較上年同期的人民幣630,515,000元（經重列），增加了約12.8%。而本集團的營運盈利率則由去年同期的約41.6%（經重列）增加1.5個百分點至本期的約43.1%。營運盈利的增加主要是由於本集團業務有所增長以及行政費用控制得宜所致。

稅務開支

本集團持續經營業務的稅務開支在截至二零一八年九月三十日止六個月為人民幣174,911,000元，較去年同期的人民幣146,750,000元（經重列），增加了約19.2%。本期所得稅稅率約為22.2%，較去年同期的約21.4%（經重列）稍為增加了0.8個百分點，主要由於本期預提所得稅有所增加所致。

本公司權益持有人應佔盈利

本公司權益持有人應佔持續經營和終止經營業務之盈利在截至二零一八年九月三十日止六個月為人民幣477,125,000元，較去年同期的人民幣456,894,000元增加了4.4%。

Management Discussion and Analysis (cont'd)

Net current asset value and financial resources

As at 30 September 2018, the net current asset value of the Group was RMB7,375,169,000 (31 March 2018: RMB8,961,234,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 30 September 2018, the Group's cash and bank balances amounted to RMB6,108,744,000 (31 March 2018: RMB7,712,606,000). The Group held structured investment products of RMB540,110,000 (31 March 2018: RMB102,000,000), which were reclassified as financial assets at fair value through profit or loss in the current period.

Bank borrowings and gearing ratio

As at 30 September 2018, the Group had bank borrowings of RMB3,605,964,000 (31 March 2018: RMB210,000,000), of which secured loan amounted to RMB2,888,093,000 (31 March 2018: nil) was due within five years, and the unsecured loans amounted to RMB717,871,000 (31 March 2018: RMB210,000,000) were due within one to two years. For the six months ended 30 September 2018, the average annual interest rate of the secured loan was 5.70%, and the average annual interest rate of the unsecured loans were 3.83% (2017: 3.98%). As at 30 September 2018, the Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests) was 31.5%, which was increased from 1.9% as of 31 March 2018. It was mainly attributable to the new secured merger and acquisition loan of approximately RMB2.888 billion used to finance the acquisition of Jiahao during current period.

Trade receivables turnover period

Trade receivables turnover period is calculated on the basis of the average amount of trade receivables as at the beginning and at the end of a relevant financial period divided by the total sales revenue for the corresponding period and multiplied by 180 days. The Group generally offers its customers a credit period of approximately 0-180 days, depending on the business volume of, and the length of business relationship with the customers. For the six months ended 30 September 2018, the Group's average trade receivables turnover period of the continuing operations was 121 days, representing an increase of 17 days as compared with 104 days (adjusted by excluding figures of discontinued operation) for the last financial year ended 31 March 2018, and it was basically consistent with the 116 days (adjusted by excluding figures of discontinued operation) for the corresponding period last year.

管理層討論及分析 (續)

流動資產淨值和財務資源

於二零一八年九月三十日，本集團的流動資產淨值為人民幣7,375,169,000元（二零一八年三月三十一日：人民幣8,961,234,000元）。本集團主要透過經營業務提供營運資金，維持穩健財務狀況。於二零一八年九月三十日，本集團的銀行及庫存現金為人民幣6,108,744,000元（二零一八年三月三十一日：人民幣7,712,606,000元）。本集團持有之結構性理財產品金額為人民幣540,110,000元（二零一八年三月三十一日：人民幣102,000,000元），此項在本期間已被重分類為以公允價值計量且其變動計入損益之金融資產列示。

銀行貸款及負債比率

於二零一八年九月三十日，本集團的銀行借貸總額為人民幣3,605,964,000元（二零一八年三月三十一日：人民幣210,000,000元），當中有抵押貸款為人民幣2,888,093,000元（二零一八年三月三十一日：無），並於五年內到期償還；而無抵押貸款為人民幣717,871,000元（二零一八年三月三十一日：人民幣210,000,000元），並於一至兩年內到期償還。截至二零一八年九月三十日止六個月，有抵押貸款之平均年息率為5.70厘；而無抵押貸款的平均年息率為3.83厘（二零一七年：3.98厘）。於二零一八年九月三十日，本集團之負債比率（總債務（包括流動及非流動貸款）除以總權益，不含非控制性權益）為31.5%，較二零一八年三月三十一日的1.9%有所上升，主要由於本期新增用於收購嘉豪的有抵押併購貸款約人民幣28.88億元。

應收賬周轉期

應收賬周轉期乃通過將有關財政年度期初及期末經扣除撥備的應收貿易賬款平均金額除以相應期間的營業總額再乘以180天計算。本集團一般給予客戶約0至180日的信貸期，根據客戶業務量的大小和業務關係時間長短而定。截至二零一八年九月三十日止六個月，本集團持續經營業務的平均應收賬周轉期為121日，比較截至二零一八年三月三十一日止上一財政年度的104日（經調整終止經營業務後之數據）上升了17日，而與去年同期的應收賬周轉期的116日（經調整終止經營業務後之數據）相若，指標基本保持穩定。

Management Discussion and Analysis (cont'd)

Trade payables turnover period

Trade payables turnover period is calculated on the basis of the average amount of trade payables as at the beginning and at the end of a relevant financial period divided by the cost of goods sold for the corresponding period and multiplied by 180 days. Credit periods granted by suppliers to the Group ranged from 0-180 days. The Group's average trade payables turnover period of the continuing operations was 86 days, remained basically stable as compared with 89 days (adjusted by excluding figures of discontinued operation) for the last financial year ended 31 March 2018.

Inventory and inventory turnover period

As at 30 September 2018, the Group's inventory balance amounted to RMB809,352,000 (31 March 2018: RMB735,930,000 (adjusted by excluding figures of discontinued operation)). For the six months ended 30 September 2018, the Group's inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning and at the end of a relevant financial period divided by the total cost of goods sold for the corresponding period and multiplied by 180 days) of the continuing operations was 243 days, representing an increase of 27 days as compared with 216 days (adjusted by excluding figures of discontinued operation) for the last financial year ended 31 March 2018 and an increase of 7 days as compared with 236 days (adjusted by excluding figures of discontinued operation) for the corresponding period last year. The increase in inventory was mainly for the Group's business development.

Foreign exchange and exchange rate risk

The principal businesses of the Group are located in Mainland China and the majority of the sales revenue is denominated in RMB, with the exception of only a certain amount of imported raw materials and equipment which are denominated in foreign currency such as USD or EUR. The Group's bank deposits are mainly denominated in RMB, USD and HKD. Management concurs the views of the People's Bank of China on the RMB exchange rate, that is, the RMB exchange rate has the capability to continuously remain basically stable within reasonable range of equilibrium.

Pledge of assets

As at 30 September 2018, the Group's equity interest in Jiahao Foodstuff Limited and Guangdong Jiahao Foodstuff Co., Ltd, and its land and buildings in Zhongshan China were used as collateral for a bank loan of approximately RMB2.888 billion.

管理層討論及分析 (續)

應付賬周轉期

應付賬周轉期乃通過將有關財政年度期初及期末的應付貿易賬款平均金額除以相應期間的銷售成本再乘以180天計算。供應商給予本集團的信貸期介乎0至180日。截至二零一八年九月三十日止六個月，本集團持續經營業務的平均應付賬周轉期為86日，與截至二零一八年三月三十一日止上一財政年度的89日（經調整終止經營業務後之數據）基本持平。

存貨和存貨周轉期

本集團的存貨結餘於二零一八年九月三十日為人民幣809,352,000元（二零一八年三月三十一日：人民幣735,930,000元（經調整終止經營業務後之數據））。在截至二零一八年九月三十日止六個月，本集團持續經營業務的存貨周轉期（將有關財政年度期初及期末的存貨平均結餘除以相應期間的銷售成本總額再乘以180天計算）為243日，比較截至二零一八年三月三十一日止上一個財政年度的216日（經調整終止經營業務後之數據）上升了27日，但較去年同期的236天（經調整終止經營業務後之數據）上升了7日。存貨的增加，主要是集團業務發展而適量增加存貨所致。

外匯及匯率風險

本集團的主要業務均在中國，收入絕大部份業務都以人民幣結算，僅部份進口原料及設備以美元或歐元等外幣結算。本集團持有的銀行存款主要為人民幣、美元及港幣，管理層認同中國人民銀行對人民幣匯率的看法，即人民幣匯率有條件繼續在合理均衡水平上保持基本穩定。

資產抵押

於二零一八年九月三十日，本集團以嘉豪食品有限公司及廣東嘉豪食品有限公司之股權及其位於中國中山的土地及樓宇作為約人民幣28.88億元銀行貸款之抵押。

Management Discussion and Analysis (cont'd)

Capital Commitments

As at 30 September 2018, the Group had capital commitments in respect of the purchase of property, plant, equipment, financial assets at fair value through other comprehensive income and investments in associates, contracted for but not provided in the financial statements amounted to approximately RMB273,802,000 (31 March 2018: RMB259,877,000), which was mainly investments in domestic and overseas funds amounted to RMB136,740,000.

Contingent liabilities

According to the information available to the Board, the Group had no contingent liabilities as at 30 September 2018.

HUMAN RESOURCES

As at 30 September 2018, the Group employed over 3,200 employees in the PRC, Hong Kong, Germany, U.S., Botswana and Korea. During the reporting period, the Group recruited talents based on its value, actively accelerated the upgrade of the organization and furthered the partnership models in multiple ways.

The Group adhered to the value of "People Matter Most" and deepened employees' understanding and recognition of the Group's value through cross-department interaction. The Group also collaborated with external consulting firms and universities to provide employees with training to strengthen their professional skills while leverage the opportunity to let those social organisations to better know the Group's brand. The Group will continue to adhere to the spirit of "Innovative, pragmatic, loyal and cooperative" and implement a number of diverse cultural and ongoing public service activities to facilitate progress in education and the environment so that it could win the trust of the society and make sustainable development.

管理層討論及分析 (續)

資本承擔

於二零一八年九月三十日，本集團就已訂約購買的物業、廠房、設備、以公允價值計量且其變動計入其他綜合收益之金融資產及於聯營公司之投資但並未於財務報表撥備的資本承擔約人民幣273,802,000元（二零一八年三月三十一日：人民幣259,877,000元），主要為國內及海外基金的投資約人民幣136,740,000元。

或然負債

根據可供董事會查閱的資料，本集團於二零一八年九月三十日並無任何重大的或然負債。

人力資源

於二零一八年九月三十日，本集團在中國內地、香港、德國、美國、博茨瓦納及韓國等共聘用員工超過3,200人。報告期內，集團人力資源以公司價值觀為指引，積極引進人才，推動組織升級，深化多維度合夥人模式。

集團堅持以人為本，通過讓員工進行跨部門交流，深化員工對本集團文化價值觀的了解，統一文化認知。集團與外界諮詢公司及高校合作，對員工進行培訓，強化員工專業能力，同時向這些社會機構傳播集團品牌。集團將繼續堅持「創新、務實、忠誠和協作」的企業精神，通過豐富多樣的文化活動、持續性的公益項目推動教育和環境的不斷進步，贏取社會信任，實現可持續發展。

Other Information

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2018, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Long position in ordinary shares of the Company

Name of Directors	Capacity	Number of issued Shares held 持有已發行股份數目	Percentage of the issued share capital 佔已發行股本百分比
董事姓名	身份		
CHU Lam Yiu 朱林瑤	Held through controlled corporations ^(Note 1) 透過受控制公司持有 ^(附註1)	2,293,408,900	73.79%
XIONG Qing 熊卿	Beneficial owner 實益擁有人	3,720,000	0.12%

Note: 2,293,408,900 ordinary shares of the Company were held by Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited, Raise Sino Investments Limited and Real Elite Investments Limited, respectively. Ms. CHU Lam Yiu is the sole beneficial owner of the aforesaid six companies.

Save as disclosed above, as at 30 September 2018, none of the Directors nor their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its subsidiaries or associated companies as defined in the SFO.

其他資料

董事於股份、相關股份及債券之權益

於二零一八年九月三十日，董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有本公司根據證券及期貨條例第352條規定所存置之登記冊所記錄之權益及淡倉；或擁有根據標準守則規定而須知會本公司及香港聯交所之權益及淡倉如下：

本公司之普通股好倉

Name of Directors	Capacity	Number of issued Shares held 持有已發行股份數目	Percentage of the issued share capital 佔已發行股本百分比
董事姓名	身份		
CHU Lam Yiu 朱林瑤	Held through controlled corporations ^(Note 1) 透過受控制公司持有 ^(附註1)	2,293,408,900	73.79%
XIONG Qing 熊卿	Beneficial owner 實益擁有人	3,720,000	0.12%

附註：本公司之2,293,408,900股普通股乃分別由Mogul Enterprises Limited, Resourceful Link International Limited, Power Nation International Limited, Jumbo Elite Limited, Raise Sino Investments Limited和Real Elite Investments Limited持有。朱林瑤女士為上述六間公司的唯一實益擁有人。

除上文所披露者外，於二零一八年九月三十日，概無任何董事或彼等之緊密聯繫人於本公司或其任何附屬公司或相聯法團（定義見證券及期貨條例）之任何股份、相關股份或債券中擁有任何權益或淡倉。

Other Information (cont'd)

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the Company's annual general meeting held on 9 August 2016, the Company terminated the share option scheme adopted on 22 September 2006 ("2006 Share Option Scheme") and adopted a new share option scheme ("New Share Option Scheme") on 9 August 2016 ("Adoption Date"). The New Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date (can be terminated before expiration), the terms of the New Share Option Scheme are substantially the same as those of the 2006 Share Option Scheme. As at 30 September 2018, no share options had been granted under the New Share Option Scheme and all outstanding options granted under the 2006 Share Option Scheme had lapsed in October 2017.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in Note 14 to the condensed consolidated interim financial information, at no time during the reporting period was the Company, its ultimate holding companies or any of its subsidiaries a party to any arrangements would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 September 2018, other than the interests disclosed in the section headed "Directors' interests in shares, underlying shares and debentures", no substantial shareholders held interests or short positions in 5% or more of the issued share capital of the Company under Section 336 of the SFO.

LOAN FACILITY WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

On 17 August 2018, the Company entered into a facility agreement with a PRC bank (the "Lender") for a loan of approximately RMB2,888 million for a term of 5 years ("Loan Facility").

Pursuant to Rule 13.21 of the Listing Rules, so long as the facility agreement is still in full force, the obligation to disclose exists. As one of the precedent conditions of the facility agreement, Ms. CHU Lam Yiu, the ultimate beneficial controlling shareholder of the Company, shall, directly or indirectly, maintain her controlling stake in the Company throughout the term of the Loan Facility. Breach of such undertaking will constitute an event of default which entitles the Lender to, among other things, demand immediate payment and/or repayment of all amount outstanding under the Loan Facility from the Company.

其他資料 (續)

購股權計劃

根據本公司於二零一六年八月九日舉行的股東週年大會上通過之普通決議案，本公司已終止於二零零六年九月二十二日採納之購股權計劃（「二零零六年購股權計劃」），並於二零一六年八月九日（採納日期）採納一項新購股權計劃（「新購股權計劃」）。新購股權計劃自採納日期起十年內有效（可提前終止），其條款與二零零六年購股權計劃大致相若。於二零一八年九月三十日，本公司並無根據新購股權計劃授出購股權及根據二零零六年購股權計劃所有授出而未被行使的購股權已於二零一七年十月失效。

董事認購股份或債券之權利

除於簡明綜合中期財務資料附註14所披露者外，本公司、其最終控股公司或其任何附屬公司於報告期內任何時間均無參與任何安排，致使本公司之董事可藉收購本公司或任何其他法團之股份或債券而獲益。

主要股東之權益

於二零一八年九月三十日，除於「董事於股份、相關股份及債券之權益」一節所披露之權益外，本公司概無根據證券及期貨條例第336條持有本公司已發行股本5%或以上之主要股東。

貸款協議載有關於控股股東須履行特定責任的條件

於二零一八年八月十七日，本公司與一家中國的銀行（「貸款人」）執行一項為期5年的融資協議，金額約人民幣28.88億元（「貸款融資」）。

根據上市規則第13.21條，由於有關融資協議仍然完全有效，有關融資須予披露。融資協議其中一項先決條件為，本公司的最終實益控股股東朱林瑤女士須承諾於貸款融資整個期限內須直接或間接維持彼於本公司的控股權。違反此承諾將構成違約事項，使貸款人有權，其中包括，要求本公司立即支付及／或償還貸款融資下之所有未償還餘額。

Other Information

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

The Board recognises the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for enhancing the level of transparency and accountability.

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

Throughout the reporting period, the Company had complied with the code provisions in the CG Code and, where appropriate, adopted the recommended best practice as set out in the code provisions, except for code provisions A.2.1 and A.4.1:

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

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

其他資料

企業管治

遵守《企業管治守則》

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

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

於報告期內，本公司已遵守企業管治守則之守則條文，並在適當的情況下採納守則條文所載之建議最佳常規，惟守則條文第A.2.1條及第A.4.1條除外：

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

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

Other Information (cont'd)

Environmental, Social and Governance Reporting

The Environmental, Social and Governance (“ESG”) Report which contains our ESG information for 2017-2018 and the requirements under the ESG Reporting Guidelines of the Listing Rules had been published by the Company on websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and of the Company (www.huabao.com.hk).

Changes to Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 20 June 2018 (being the date of approval of the Company’s 2017/18 Annual Report) and 22 November 2018 (being the date of approval of this Interim Report) of the Company are set out below:

1. Mr. WU Chi Keung ceased to act as Independent Non-Executive Director of YuanShengTai Dairy Farm Limited from 28 September 2018;
2. Ms. MA Yun Yan had been a member of the Fourth, Eighth and Ninth Listing Committee of Shenzhen Stock Exchange. Her last tenure has completed on 21 August 2018;
3. Dr. DING Ningning ceased to act as independent supervisor of PICC Property and Casualty Company Limited from 26 July 2018.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code as the code of conduct regarding dealing in the securities of the Company by the Directors. Having made specific enquiries of all Directors, the Company has received their written confirmations that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 September 2018.

其他資料 (續)

環境、社會及管治報告

本公司之環境、社會及管治(「環境、社會及管治」)報告已於香港聯交所網站(www.hkexnews.hk)及公司網站(www.huabao.com.hk)刊登，當中載列我們於二零一七／二零一八年度在環境、社會及管治方面的資料，並已遵照上市規則有關環境、社會及管治指引的要求。

董事資料更新

根據上市規則第13.51B(1)條，按照第13.51(2)條(a)至(e)和(g)段要求，於二零一八年六月二十日(為通過本公司二零一七／二零一八年度之年度報告當日)至二零一八年十一月二十二日(為通過本中期報告當日)期間，本公司的董事資料變動載列如下：

1. 胡志強先生不再擔任原生態牧業有限公司之獨立非執行董事，自二零一八年九月二十八日生效；
2. 麻雲燕女士曾歷任深圳證券交易所第四屆、第八屆以及第九屆上市委員會委員，最後一任已於二零一八年八月二十一日屆滿；
3. 丁寧寧博士不再擔任中國人民財產保險股份有限公司之獨立監事，自二零一八年七月二十六日生效。

上市發行人董事進行證券交易的標準守則

本公司已採納標準守則，作為本公司董事進行本公司證券交易的操守準則。經向全體董事作出特定查詢後，本公司已收到全體董事之書面確認彼等於截至二零一八年九月三十日止六個月內已遵守標準守則所規定之標準。

Other Information (cont'd)

DIVIDEND

The Company's final dividend of HK15 cents per Share (2017: HK22 cents) in cash, amounting to approximately HKD466 million (equivalent to approximately RMB405 million) in aggregate, for the year ended 31 March 2018 were paid to shareholders on 28 September 2018.

The Board has resolved to declare an interim dividend of HK10 cents per share (2017: interim and special dividend of HK16 cents) in cash for the six months ended 30 September 2018, which are expected to be paid on or about 11 January 2019 to Shareholders whose names appear on the register of members of the Company on 17 December 2018.

CLOSE OF REGISTER OF MEMBERS

In order to determine shareholders who qualify for the interim dividend, the register of members of the Company will be closed from 12 December 2018 to 17 December 2018, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 11 December 2018.

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

During the six months ended 30 September 2018, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

Based on the information that was publicly available and to the best belief and knowledge of the Directors, the Company had maintained the prescribed public float throughout the six months ended 30 September 2018 and up to the date of this report as required under the Listing Rules.

其他資料 (續)

股息

本公司截至二零一八年三月三十一日止年度之現金期末股息每股港幣15仙(二零一七年:港幣22仙),共約港幣4.66億元(折合約人民幣4.05億元),已於二零一八年九月二十八日向股東派付。

董事會決議向於二零一八年十二月十七日名列本公司股東名冊之股東宣派截至二零一八年九月三十日止六個月之現金中期股息每股港幣10仙(二零一七年:中期及特別股息港幣16仙),預期中期股息約於二零一九年一月十一日或前後派發。

暫停辦理股份過戶登記手續

為確保股東有資格獲派中期股息,本公司將由二零一八年十二月十二日至二零一八年十二月十七日止(首尾兩日包括在內)暫停辦理股份過戶登記手續。所有填妥的過戶表格連同有關股票最遲須於二零一八年十二月十一日下午四時三十分前送達本公司之香港股份過戶登記分處卓佳登捷時有限公司,地址為香港皇后大道東183號合和中心22樓。

購買、出售或贖回本公司之上市證券

於截至二零一八年九月三十日止六個月期間內,本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

公眾持股量

根據可供公眾查閱之資料以及據董事所知和所信,於截至二零一八年九月三十日止六個月內及截至本報告日,本公司已維持上市規則所規定之公眾持股量。

Other Information (cont'd)

AUDIT COMMITTEE

The Board has formed an Audit Committee in accordance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company. The Audit Committee members currently comprise all of the INEDs of the Company, namely Mr. LEE Luk Shiu (the Chairman of Audit Committee), Ms. MA Yun Yan, Dr. DING Ningning and Mr. WU Chi Keung. The Group's unaudited condensed consolidated interim financial information for the six months ended 30 September 2018 has been reviewed and approved by the Company's Audit Committee and the Board, and it has also been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

By Order of the Board
CHU Lam Yiu
Chairwoman and CEO

Hong Kong, 22 November 2018

其他資料 (續)

審核委員會

董事會已根據上市規則成立了審核委員會，以履行檢討及監察本公司財務匯報程序及內部監控之職責。審核委員會委員由本公司所有獨立非執行董事，李祿兆先生（為審核委員會主席）、麻雲燕女士、丁寧寧博士和胡志強先生組成。審核委員會連同董事會已審閱並批准本集團截至二零一八年九月三十日止六個月之未經審核簡明綜合中期財務資料，並經本公司之核數師羅兵咸永道會計師事務所按照香港會計師公會頒佈之審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。

承董事會命
朱林瑤
主席兼首席執行官

香港，二零一八年十一月二十二日

Review Report

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF HUABAO INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 27 to 82 which comprises the condensed consolidated statement of financial position of Huabao International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 September 2018 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

審閱報告

中期財務資料的審閱報告 致華寶國際控股有限公司董事會

(於百慕達註冊成立的有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第27至82頁的中期財務資料,此中期財務資料包括華寶國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)於二零一八年九月三十日的簡明綜合財務狀況表與截至該日止六個月期間的簡明綜合收益表、簡明綜合全面收益表、簡明綜合權益變動表和簡明綜合現金流量表,以及主要會計政策概要和其他附註解釋。香港聯合交易所有限公司證券上市規則規定,就中期財務資料擬備的報告必須符合以上規則的有關條文以及香港會計師公會頒布的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」擬備及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論,並僅按照我們協定的業務約定條款向閣下(作為整體)報告我們的結論,除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

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

Review Report (cont'd)

CONCLUSION

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 22 November 2018

審閱報告 (續)

結論

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

羅兵咸永道會計師事務所

執業會計師

香港，二零一八年十一月二十二日

Condensed Consolidated Statement of Financial Position

(All amounts in RMB thousands unless otherwise stated)

簡明綜合財務狀況表

(除另有指明者外，所有金額均以人民幣千元列示)

			As at 30 September 2018 二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 二零一八年 三月三十一日 Audited 經審核
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	8	1,188,855	1,006,425
Land use rights	土地使用權	8	194,411	171,856
Intangible assets	無形資產	8	6,920,293	2,531,828
Investments in associates	於聯營公司之投資	9	392,066	371,444
Investment in a jointly controlled entity	於共同控制實體之投資		4,105	5,100
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益之金融資產	4, 6	129,754	-
Available-for-sale financial assets	可供出售金融資產	4, 6	-	80,672
Deferred income tax assets	遞延所得稅資產	10	99,385	80,346
Other non-current assets	其他非流動資產		16,061	16,144
			8,944,930	4,263,815
Current assets	流動資產			
Inventories	存貨		809,352	766,005
Trade and other receivables	貿易及其他應收款項	11	1,609,081	1,456,484
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產	4, 6	540,110	-
Available-for-sale financial assets	可供出售金融資產	4, 6	-	102,000
Short-term time deposits	短期定期存款		2,109,722	1,076,955
Cash and cash equivalents	現金及現金等價物		3,999,022	6,635,651
Assets classified as held for sale	持作出售資產	12	225,216	-
			9,292,503	10,037,095
Total assets	總資產		18,237,433	14,300,910

Condensed Consolidated Statement of Financial Position (cont'd)

(All amounts in RMB thousands unless otherwise stated)

簡明綜合財務狀況表 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

		Note 附註	As at 30 September 2018 二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 二零一八年 三月三十一日 Audited 經審核
Equity	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	13	318,647	318,647
Reserves	儲備	15	2,442,195	2,343,573
Retained earnings	保留盈利		8,671,271	8,601,342
			11,432,113	11,263,562
Non-controlling interests	非控制性權益		1,915,097	1,854,775
Total equity	總權益		13,347,210	13,118,337
Liabilities	負債			
Non-current liabilities	非流動負債			
Borrowings	貸款	16	2,757,188	–
Deferred income tax liabilities	遞延所得稅負債	10	215,701	81,386
Trade and other payables	貿易及其他應付款項	17	–	25,326
			2,972,889	106,712
Current liabilities	流動負債			
Borrowings	貸款	16	848,776	210,000
Trade and other payables	貿易及其他應付款項	17	539,101	657,949
Current income tax liabilities	當期所得稅負債		193,052	207,912
Contract liabilities	合同負債	4	120,280	–
Liabilities directly associated with assets held for sale	與持作出售資產直接相關之債項	12	216,125	–
			1,917,334	1,075,861
Total liabilities	總負債		4,890,223	1,182,573
Total equity and liabilities	總權益及負債		18,237,433	14,300,910

The notes on pages 33 to 82 are an integral part of this condensed consolidated interim financial information.

第33頁至82頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Income Statement

(All amounts in RMB thousands unless otherwise stated)

簡明綜合收益表

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
	Note 附註	2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Continuing operations:	持續經營業務：		
Sales	7	1,651,556	1,514,248
Cost of goods sold		(571,553)	(518,992)
Gross profit	毛利	1,080,003	995,256
Other income and other gains – net	18	87,602	63,770
Selling and marketing expenses		(118,729)	(85,644)
Administrative expenses		(339,746)	(342,326)
Net reversal gains/(impairment losses) on financial assets		1,971	(541)
Operating profit	營運盈利	711,101	630,515
Finance income		103,521	54,725
Finance costs		(27,415)	(986)
Finance income – net		76,106	53,739
Share of profit of associates and a jointly controlled entity		2,177	1,639
Profit before income tax	除稅前盈利	789,384	685,893
Income tax expense	20	(174,911)	(146,750)
Profit from continuing operations for the period	持續經營業務之本期間盈利	614,473	539,143
Loss from discontinued operation for the period	12	(46,034)	(35,164)
Profit for the period	本期間盈利	568,439	503,979
Attributable to:	應佔：		
Equity holders of the Company	本公司權益持有人	477,125	456,894
Non-controlling interests	非控制性權益	91,314	47,085
		568,439	503,979
Earnings/(loss) per share for profit from continuing operations and discontinued operation attributable to the Company's equity holders for the period	本期間本公司權益持有人應佔持續經營及終止經營業務之每股盈利/(虧損)	RMB (cents) 人民幣分	RMB (cents) 人民幣分
Basic and diluted:	基本及攤薄：		
Continuing operations	持續經營業務	21	15.40
Discontinued operation	終止經營業務	21	(0.70)
		15.35	14.70

The notes on pages 33 to 82 are an integral part of this condensed consolidated interim financial information.

第33頁至82頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

簡明綜合全面收益表

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
		2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Profit for the period	本期間盈利	568,439	503,979
Other comprehensive income: <i>Items that may be reclassified to profit or loss</i>	其他全面收益： 可重新分類至損益的項目		
Currency translation difference on foreign operations	海外業務之貨幣換算差額	102,132	(89,559)
Other comprehensive income/(loss) for the period, net of tax	本期間除稅後其他全面收益／(虧損)	102,132	(89,559)
Total comprehensive income for the period, net of tax	本期間除稅後全面收益總額	670,571	414,420
Total comprehensive income attributable to:	應佔全面收益總額：		
Equity holders of the Company	本公司權益持有人	573,904	369,863
Non-controlling interests	非控制性權益	96,667	44,557
		670,571	414,420
Total comprehensive income attributable to equity holders of the Company arises from:	本公司權益持有人應佔全面收益總額來自：		
Continuing operations	持續經營業務	602,308	391,175
Discontinued operation	終止經營業務	(28,404)	(21,312)
		573,904	369,863

The notes on pages 33 to 82 are an integral part of this condensed consolidated interim financial information.

第33頁至82頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核					
		Attributable to equity holders of the Company 本公司權益持有人應佔					
		Share capital 股本	Reserves 儲備	Retained earnings 保留盈利	Total 總計	Non-Controlling interests 非控制性權益	Total equity 總權益
Balance at 1 April 2017	於二零一七年四月一日	318,647	979,764	8,528,166	9,826,577	780,335	10,606,912
Total comprehensive income for the six months ended 30 September 2017	截至二零一七年九月三十日止六個月的全面收益總額	-	(87,031)	456,894	369,863	44,557	414,420
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
Dividends paid to non-controlling interests	向非控制性權益已付的股息	-	-	-	-	(16,543)	(16,543)
Final dividends for the year ended 31 March 2017 paid to shareholders	已派付截至二零一七年三月三十一日止年度之期末股息	-	-	(576,800)	(576,800)	-	(576,800)
Acquisition of equity interest in Jiangxi Xianghai Biological Technology Co., Ltd ("Jiangxi Xianghai")	收購江西香海生物科技有限公司「江西香海」之權益	-	-	-	-	499	499
Additional investment in non-wholly owned subsidiaries	額外注資於非全資附屬公司	-	230	-	230	(980)	(750)
Disposal of a subsidiary	出售附屬公司	-	(454)	-	(454)	-	(454)
Total transactions with owners	與擁有人交易總額	-	(224)	(576,800)	(577,024)	(17,024)	(594,048)
Balance at 30 September 2017	於二零一七年九月三十日	318,647	892,509	8,408,260	9,619,416	807,868	10,427,284
Balance at 1 April 2018	於二零一八年四月一日	318,647	2,343,573	8,601,342	11,263,562	1,854,775	13,118,337
Total comprehensive income for the six months ended 30 September 2018	截至二零一八年九月三十日止六個月的全面收益總額	-	96,779	477,125	573,904	96,667	670,571
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
Dividends paid to non-controlling interests	向非控制性權益已付的股息	-	-	-	-	(39,623)	(39,623)
Final dividends for the year ended 31 March 2018 paid to shareholders	已派付截至二零一八年三月三十一日止年度之期末股息	-	-	(405,353)	(405,353)	-	(405,353)
Appropriations from net profit	自純利撥付	-	1,843	(1,843)	-	-	-
Acquisition of equity interest in Hunan Jishou Mingzu Materials Co., Ltd ("Hunan Jishou")	收購湖南吉首市民族煙材有限公司「湖南吉首」之權益	-	-	-	-	2,378	2,378
Capital injection from non-controlling interests	非控制性權益注資於附屬公司	-	-	-	-	900	900
Total transactions with owners	與擁有人交易總額	-	1,843	(407,196)	(405,353)	(36,345)	(441,698)
Balance at 30 September 2018	於二零一八年九月三十日	318,647	2,442,195	8,671,271	11,432,113	1,915,097	13,347,210

The notes on pages 33 to 82 are an integral part of this condensed consolidated interim financial information.

第33頁至82頁的附註為本簡明綜合中期財務資料的整體部份。

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核	
		For the six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年	2017 二零一七年
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	營運產生之現金	570,803	856,939
Income tax paid	已付所得稅	(200,222)	(135,290)
Net cash generated from operating activities	營運活動產生之現金淨額	370,581	721,649
Cash flows from investing activities	投資活動之現金流量		
Acquisition of subsidiaries	收購附屬公司	(4,591,054)	(17,646)
Acquisitions of an associate	收購聯營公司	(17,450)	-
Purchases of financial assets at fair value through other comprehensive income	購入以公允價值計量且其變動計入其他綜合收益之金融資產	(38,819)	-
Purchases of financial assets at fair value through profit or loss	購入以公允價值計量且其變動計入損益之金融資產	(500,000)	-
Purchases of available-for-sale financial assets	購入可供出售金融資產	-	(108,000)
Proceeds from disposals of financial assets at fair value through profit or loss	出售以公允價值計量且其變動計入損益之金融資產所得款項	244,841	-
Proceeds from disposals of available-for-sale financial assets	出售可供出售金融資產所得款項	-	110,920
Purchases of property, plant and equipment, land use right and intangible assets	購入物業、機器及設備、土地使用權及無形資產	(151,608)	(32,714)
Proceeds from disposal of property, plant and equipment and intangible assets	出售物業、機器及設備及無形資產所得款項	967	290
Short-term time deposits placed	存入短期定期存款	(1,032,767)	(79,680)
Dividend received	已收股息	10,161	7,756
Interest received	已收利息	92,615	48,851
Net cash used in investing activities	投資活動所用之現金淨額	(5,983,114)	(70,223)
Cash flows from financing activities	融資活動之現金流量		
Dividends paid to shareholders	向股東支付股息	(405,353)	(576,800)
Dividends paid to non-controlling interests	向非控制性權益支付股息	(39,623)	(18,793)
Capital injection from non-controlling interest	非控制性權益持有人注資之所得款	900	-
Acquisition of additional interests in a subsidiary from non-controlling interests	向非控制性權益持有人收購附屬公司額外權益	-	(750)
New bank borrowings	新增銀行借款	3,442,964	47,000
Repayment of short-term bank borrowings	償還短期銀行借款	(47,000)	(75,500)
Interest paid	已付利息	(46,501)	(10,895)
Net cash generated from/(used in) financing activities	融資活動產生/(所用)之現金淨額	2,905,387	(635,738)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(2,707,146)	15,688
Cash and cash equivalents at 1 April	於四月一日之現金及現金等價物	6,635,651	4,177,807
Cash and cash equivalents reclassified as assets held for sales	現金及現金等價物重新分類為持作出售資產	(23,806)	-
Effects of currency translation on cash and cash equivalents	貨幣換算對現金及現金等價物的影響	94,323	(70,103)
Cash and cash equivalents at 30 September	於九月三十日之現金及現金等價物	3,999,022	4,123,392

The notes on pages 33 to 82 are an integral part of this condensed consolidated interim financial information.

第33頁至82頁的附註為本簡明綜合中期財務資料的整體部份。

Notes To The Condensed Consolidated Interim Financial Information

(All amounts in RMB thousands unless otherwise stated)

1. GENERAL INFORMATION

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

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company. The Company and its subsidiaries (the “Group”) are mainly engaged in the research and development, production, distribution and sale of flavours and fragrances, tobacco raw materials, aroma raw materials and condiment products in the People’s Republic of China (the “PRC”). Ms. Chu Lam Yiu, who is the Chairwoman of the Board of Directors, holds approximately 74% beneficial equity interest in the Company as at 30 September 2018.

This condensed consolidated interim financial information is presented in thousands of units of RMB (“RMB’000”) unless otherwise stated and it has been approved for issue by the Board of Directors on 22 November 2018.

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

簡明綜合中期財務資料附註

(除另有指明者外，所有金額均以人民幣千元列示)

1. 一般資料

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

本公司的股份主要於香港聯合交易所有限公司上市。

本公司為投資控股公司。本公司及其附屬公司(「本集團»)之業務主要在中華人民共和國(「中國»)研究及發展、生產、分銷及銷售香精、煙用原料、香原料及調味品產品。朱林瑤女士(「朱女士»)乃本公司之董事局主席，於二零一八年九月三十日，朱女士持有本公司約74%之權益。

本簡明綜合中期財務資料除另有指明者外，均以人民幣千元(「人民幣千元»)列示。本簡明綜合中期財務資料已於二零一八年十一月二十二日獲董事會批准刊發。

本簡明綜合中期財務資料已經審閱，並未經審核。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

1. GENERAL INFORMATION (continued)

KEY EVENTS

On 4 September 2018, the Group completed the acquisition of 100% equity interest in Jiahao Foodstuff Limited and its subsidiaries ("Jiahao Foodstuff"), for a consideration of approximately USD695,985,000 (equivalent to approximately RMB4,745,437,000). Jiahao Foodstuff were principally engaged in the production, sales, marketing and distribution of condiment products predominantly to restaurants in China. Further details are set out in Note 23 to the condensed consolidated interim financial information.

On 2 October 2018 (Florida time), VMR Products LLC ("VMR Products"), a non-wholly owned subsidiary of the Group, entered into a disposal agreement with, among others, JUUL Labs, Inc and its subsidiary to effect the disposal of all of the issued and outstanding units of VMR Products. The Group has approximately 62.7% indirect interest of the issued and outstanding units of VMR Products. The consideration of the disposal was approximately USD31,352,000. VMR Products was engaged in the design, engineering, production, assembly, integration, marketing, sale and distribution of electronic cigarettes, independent from other segments of the Group. As the disposal of VMR Products occurred after the date of this statement of financial position, the associated assets and liabilities of VMR Products were consequently classified as held for sale at 30 September 2018 and its interim results were presented in the condensed consolidated income statement as a discontinued operation. The condensed consolidated income statement distinguish discontinued operation from continuing operations and the respective comparative figures have been restated. Further details are set out in Note 12 to the condensed consolidated interim financial information.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 September 2018 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. This condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

1. 一般資料 (續)

重要事項

於二零一八年九月四日，本集團完成收購嘉豪食品有限公司及其附屬公司（「嘉豪食品」）之100%股權，收價代價約為美元695,985,000（相等於約人民幣4,745,437,000元）。嘉豪食品主要從事生產、銷售、營銷及分銷調味品產品，主要面向中國的餐館。詳情載於簡明綜合中期財務資料附註23。

於二零一八年十月二日（佛羅里達時間），本集團之非全資附屬公司VMR Products LLC（「VMR Products」）與JUUL Labs, Inc.及其子公司等簽訂協議，以出售VMR Products之全部已發行及未行使單位。本集團間接持有VMR Products已發行及尚未行使單位之62.7%權益，出售代價約為美元31,352,000。VMR主要從事設計、生產、組裝、整合、推廣、銷售、營銷及分銷電子煙，其業務獨立於本集團其他業務分部。由於出售VMR Products在本財務狀況表日之後才發生，VMR Products的資產及負債已於二零一八年九月三十日分類為持作出售組別，而其中期業績亦於簡明綜合收益表呈列為終止經營業務。為將終止經營業務與持續經營業務分開列示，簡明綜合收益表之比較數字已經重列。詳情載於簡明綜合中期財務資料附註12。

2. 編製基準

本公司截至二零一八年九月三十日止六個月的簡明綜合中期財務資料已根據香港會計師公會頒佈的香港會計準則（「香港會計準則」）第34號「中期財務報告」而編製。本簡明綜合中期財務資料應與本集團根據香港財務報告準則（「香港財務報告準則」）而編製的截至二零一八年三月三十一日止年度的綜合財務報表一併閱讀。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2018, as described in those financial statements, except for the adoption of new and amendments to HKFRSs effective for the financial year beginning 1 April 2018.

- (a) New and revised standards and amendments to existing standards that are effective for the first time for this interim period do not have a material impact on or are not relevant to the Group, except for HKFRS 9 "Financial Instruments" ("HKFRS 9") and HKFRS 15 "Revenue from Contracts with Customers" ("HKFRS 15").

The Group had to change its accounting policies and make modified retrospective adjustments as a result of adopting HKFRS 9 and HKFRS 15. The impact of the adoption of these two standards are disclosed in Note 4 and the new accounting policies adopted are set out in Note 3(c) and Note 3(d) below.

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

	Effective for annual periods beginning on or after 於下列日期或之後開始的年度期間生效
HKFRS 16 "Leases" 香港財務報告準則第16號「租賃」	1 January 2019 二零一九年一月一日
HK (IFRIC) 23 "Uncertainty over Income Tax Treatments" 香港(國際財務報告解釋公告)第23號「所得稅處理的不確定性」	1 January 2019 二零一九年一月一日
Amendments to HKFRS 10 and HKAS 28 "Sale or contribution of assets between an investor and its associate or joint venture" 香港財務報告準則第10號及香港會計準則第28號 (修改)「投資者及其聯營公司或合營企業之間資產的出售或注資」	To be announced 待定

The management is in the process of making an assessment of the impact of the above new standards and amendments to standards, and the result is consistent with assessment the management made and disclosed in the annual financial statements for the year ended 31 March 2018.

簡明綜合中期財務資料附註(續)

(除另有指明者外,所有金額均以人民幣千元列示)

3. 會計政策

除了採納自二零一八年四月一日財政年度開始生效的香港財務報告新準則及修訂準則外,編製本中期財務資料所採用之會計政策與截至二零一八年三月三十一日止年度的年度財務報告所採用的會計政策一致,並已詳列於該財務報表內。

- (a) 除了香港財務報告準則第9號「金融工具」(「香港財務報告準則第9號」)以及香港財務報告準則第15號「與客戶之間合同產生的收入」(「香港財務報告準則第15號」)外,在本中期報告期間首次生效的新準則及對現有準則的修訂對本集團沒有重大影響或無關係。

由於採納香港財務報告準則第9號及香港財務報告準則第15號,本集團須更改其會計政策及作出經修訂的追溯調整。採納該兩項準則的影響於附註4披露,而採納的新會計政策載於下文附註3(c)及附註3(d)。

- (b) 本集團並無提早採納以下已公佈但仍未生效的新準則和對現有準則的修改:

Effective for annual periods beginning on or after
於下列日期或之後開始的年度期間生效

HKFRS 16 "Leases" 香港財務報告準則第16號「租賃」	1 January 2019 二零一九年一月一日
HK (IFRIC) 23 "Uncertainty over Income Tax Treatments" 香港(國際財務報告解釋公告)第23號「所得稅處理的不確定性」	1 January 2019 二零一九年一月一日
Amendments to HKFRS 10 and HKAS 28 "Sale or contribution of assets between an investor and its associate or joint venture" 香港財務報告準則第10號及香港會計準則第28號 (修改)「投資者及其聯營公司或合營企業之間資產的出售或注資」	To be announced 待定

管理層正在評估上述新準則及準則修訂的影響,結果與管理層於截至二零一八年三月三十一日止年度的年度財務報表中所作之評估一致。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES

(c) HKFRS 9 "Financial Instruments" – Accounting policies applied from 1 April 2018

Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策

(c) 香港財務報告準則第9號「金融工具」— 二零一八年四月一日起實施的會計政策

金融資產

(i) 分類

本集團將其金融資產歸類為以下計量類別：

- 在初始確認後以公允價值（通過其他綜合收益或通過損益）計量，及
- 以攤銷成本計量

分類取決於本集團管理金融資產的商業模式以及現金流在合同中的條款約定。

對於以公允價值計量的資產，其變動將記錄在損益或其他綜合收益中。權益工具的投資，其變動計入何處取決於本集團在進行初始確認時是否作出了以公允價值計量且其變動計入其他綜合收益的不可撤銷之選擇。

本集團僅在管理資產的業務模式發生變化時對債務工具進行重分類。

(ii) 計量

在初始確認時，本集團以其公允價值衡量金融資產，當某項金融資產的公允價值變動不計入損益時，還應加上以直接歸屬於購買該金融資產的交易費用。以公允價值計量且其變動計入損益的金融資產的交易費用，作為費用確認在當期損益中。

在確定具有嵌入衍生工具的金融資產的現金流是否僅支付本金和利息時，需從金融資產的整體進行考慮。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

(c) HKFRS 9 "Financial Instruments" – Accounting policies applied from 1 April 2018 (continued)

Financial assets (continued)

(ii) *Measurement (continued)*

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in "other income" using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other income and other gains – net", together with foreign exchange gains and losses.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "other income and other gains – net". Interest income from these financial assets is included in "other income" using the effective interest rate method. Foreign exchange gains and losses are presented in "other income and other gains – net".

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策 (續)

(c) 香港財務報告準則第9號「金融工具」— 二零一八年四月一日起實施的會計政策 (續)

金融資產 (續)

(ii) *計量 (續)*

債務工具

債務工具的後續計量取決於本集團管理該項資產時商業模式和該項資產的現金流量特點。本集團按照以下三種計量方式對債務工具進行分類：

- **以攤銷成本計量：**為收取合同現金流而持有，且其現金流僅支付本金和利息的資產被分類成以攤銷成本計量的金融資產。該金融資產的利息收入採用實際利率法，並在「其他收入」中確認。由於終止確認產生的任何收益或損失，均直接在當期損益中確認，與外匯損益相同，於「其他收入及其他收益—淨額」中顯示。
- **以公允價值計量且其變動計入其他綜合收益：**以收取合同現金流及出售該金融資產為目的而持有，且其現金流僅支付本金和利息的資產，被分類為以公允價值計量且其變動計入其他綜合收益的金融資產。除確認減值損失、利息收入及匯兌損益計入損益外，賬面價值變動計入其他綜合收益。當金融資產終止確認時，以前在計入其他綜合收益的累計利得或損失從權益重分類至損益中，並在「其他收入及其他收益—淨額」中確認。該等金融資產的利息收入用實際利率法計算，計入「其他收入」。匯兌利得和損失在「其他收入及其他收益—淨額」中列示。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

(c) HKFRS 9 "Financial Instruments" – Accounting policies applied from 1 April 2018 (continued)

Financial assets (continued)

(ii) *Measurement (continued)*

Debt instruments (continued)

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within "other income and other gains – net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as "other income and other gains – net" when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other income and other gains – net" as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策 (續)

(c) 香港財務報告準則第9號「金融工具」— 二零一八年四月一日起實施的會計政策 (續)

金融資產 (續)

(ii) *計量 (續)*

債務工具 (續)

- 公允價值計量且其變動計入當期損益：不符合以攤餘成本計量或以公允價值計量且其變動計入其他綜合收益的資產，被分類為以公允價值計量且其變動計入當期損益的金融資產。後續以公允價值計量且其變動計入損益，且由債務投資產生的收益或損失，需在損益中確認，且在產生期間以淨額列示於「其他收入及其他收益—淨額」。

權益工具

本集團所有權益工具後續以公允價值計量。如果本集團管理層選擇將權益工具的公允價值變動損益計入其他綜合收益，則終止投資之後不可再將公允價值變動損益重分類至損益。當本集團取得權益工具的收益權時，該類投資的股息將繼續在損益中作為「其他收入及其他收益—淨額」予以確認。

以公允價值計量且其變動計入損益的金融資產的公允價值變動所產生的利得或損失，於其產生的期間呈列在「其他收入及其他收益—淨額」內。以公允價值計量且其變動計入其他綜合收益的權益投資的減值損失（及轉回）與其他公允價值變動未分開列示。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

(c) HKFRS 9 "Financial Instruments" – Accounting policies applied from 1 April 2018 (continued)

Financial assets (continued)

(iii) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For contract assets and trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(d) HKFRS 15 "Revenue from Contracts with Customers" – Accounting policies applied from 1 April 2018

Revenue from Contracts with Customers

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策 (續)

(c) 香港財務報告準則第9號「金融工具」— 二零一八年四月一日起實施的會計政策 (續)

金融資產 (續)

(iii) 減值

對於以攤銷成本計量和以公允價值計量且其變動計入其他綜合收益的債務工具投資，本集團就預期信貸損失做出前瞻性評估。減值方法取決於信貸風險是否顯著增加。

對於合同資產及貿易應收款，本公司根據香港財務報告準則第9號的規定，應用簡化的方式計提預期貸款撥備，該準則允許所有貿易應收款和合同資產均採用整個貸款週期預期撥備。

(d) 香港財務報告準則第15號「與客戶之間的合同產生的收入」— 自二零一八年四月一日起應用的會計政策

與客戶之間的合同產生的收入

收入以在本集團一般經營過程中，銷售貨物或提供服務所收到或應收款項的公允價值計量。報表中的收入不包括折扣以及內部公司交易。本集團在收入能可靠地計量、未來的經濟利益可能流向實體、以及如下條件均符合時確認收入。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

(d) HKFRS 15 "Revenue from Contracts with Customers" – Accounting policies applied from 1 April 2018 (continued)

Revenue from Contracts with Customers (continued)

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策 (續)

(d) 香港財務報告準則第15號「與客戶之間的合同產生的收入」—自二零一八年四月一日起應用的會計政策 (續)

與客戶之間的合同產生的收入 (續)

收入於資產的控制權轉移給客戶時確認。資產的控制權是在一段時間內還是某一時點轉移，取決於合同的條款約定與適用於合同的法律規定。如果本集團滿足下列條件時，資產的控制權在一段時間內發生轉移：

- 本集團履約過程中，客戶同時收到且消耗由本集團履約所帶來的經濟利益；
- 創建和增強由客戶控制的資產；或
- 本集團的履約過程中所產出的商品具有不可替代用途，且本集團在整個合同期間內有權就累計至今已完成的履約部分收取款項

如果資產的控制權在一段時間內轉移，本集團按在整個合同期間已完成履約義務的進度進行收入確認。否則，收入將於客戶獲得資產控制權的該時點確認。

已完成履約義務的進度的計量基於按本集團為完成履約義務而發生的支出或投入，同時參考本期合同造價佔總預估造價的佔比。

在確定交易價格時，如果差異明顯，集團將調整約定金額來反映融資部分所帶來的影響。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

(e) New accounting policy adopted by the Group during the six months end 30 September 2018

Non-current assets (or disposal group) held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策 (續)

(e) 本集團於二零一八年九月三十日止六個月採納的新會計政策

持有待售的非流動資產 (或處置組)

非流動資產 (或處置組) 如果其賬面金額主要通過銷售交易而非持續使用收回且被視為極有可能出售，則歸類為持有待售。它們按其賬面金額和公允價值減去出售成本的較低者計量，但遞延所得稅資產、僱員福利產生的資產、金融資產和投資性房地產等資產以公允價值計量和保險合同下的合同權利除外，特別豁免此要求。

對於資產 (或處置組) 的初始或後續減值，公允價值減去出售成本確認為減值損失。對於公允價值減去資產 (或處置組) 出售成本的任何後續公允價值的增加，確認收益，但不超過先前確認的任何累計減值損失。先前於出售非流動資產 (或出售集團) 日期確認的收益或虧損於終止確認日確認。

非流動資產 (包括屬於出售集團的資產) 在分類為持作出售時不會折舊或攤銷。分類為持作出售的出售組別的負債所產生的利息及其他開支繼續確認。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

4. CHANGES IN ACCOUNTING POLICIES

The Group adopted HKFRS 9 and HKFRS 15 from 1 April 2018, which result in changes in accounting policies (new policies are described in Note 3) and adjustments to the amounts recognised in the consolidated financial statements.

In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated. As a consequence, any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period, with the difference recognised in opening retained earnings. Provisions for impairment have not been restated in the comparative period, as well.

The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

4.1 Impact on the financial statements

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail as below.

Condensed consolidated statement of financial position (extract)	簡明綜合財務狀況表(摘錄)	31 March 2018			1 April 2018 Restated
		As originally presented	HKFRS 9	HKFRS 15	
		於二零一八年三月三十一日重列前	香港財務報告準則第9號	香港財務報告準則第15號	於二零一八年四月一日經重列
Available-for-sale financial assets ("AFS")	可供出售金融資產	182,672	(182,672)	-	-
FVOCI	以公允價值計量且其變動計入其他綜合收益的金融資產	-	80,672	-	80,672
FVPL	以公允價值計量且其變動計入損益的金融資產	-	102,000	-	102,000
Contract liabilities	合同負債	-	-	25,590	25,590
Trade and other payables	貿易及其他應付款	683,275	-	(25,590)	657,685

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

4. 會計政策變動

本集團自二零一八年四月一日採納了香港財務報告準則第9號和第15號，導致了會計政策(新的會計政策已在附註3列示)的改變和綜合財務報表確認金額的調整。

依據香港財務報告準則第9號的過渡性條款，本集團未重列比較期間數據。因此，任何對金融資產或負債賬面價值的差額均在本年調整年初保留盈利餘額。相應的，將賬面價值調整的差異確認至期初保留盈利，減值準備在比較期間未被重列。

本集團選擇使用修正過的追溯方法向香港財務報告準則第15號過渡，即根據首次執行該收入準則時的累計影響數，在本年調整年初保留盈利餘額。本集團選擇了適用於已完成合同的簡化處理辦法，沒有對在二零一八年四月一日前已完成的合同進行重列。因此，集團未重列比較期間數據。

4.1 對財務報表的影響

下表為每個科目的調整，不包括未受影響的科目。下文將提供對這些調整之詳細解釋。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

4. CHANGES IN ACCOUNTING POLICIES (continued)

4.2 HKFRS 9 “Financial Instruments” – Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 Financial Instruments (“HKAS 39”) that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. HKFRS 9 also significantly amends other standards dealing with financial instruments such as HKFRS 7 Financial Instruments – Disclosures.

The total impact on the Group’s retained earnings and reserves due to classification and measurement of financial instruments as at 1 April 2018 is as follows:

	Notes	AFS Reserve	FVOCI Reserve 以公允價值計量且其變動計入其他綜合收益的金融資產儲備	Retained earnings
	附註	可供出售金融資產儲備	資產儲備	保留盈利
Opening balance – HKAS 39	期初結餘－香港財務報告準則第39號	50,136	-	-
Reclassify unlisted equity securities from AFS to FVOCI	非上市權益證券從可供出售金融資產重分類至以公允價值計量且其變動計入其他綜合收益的金融資產 (a)(ii)	(50,136)	50,136	-
Total adjustments from adoption	採用新準則導致的總調整	(50,136)	50,136	-
Opening balance – HKFRS 9	期初結餘－香港財務報告準則第9號	-	50,136	-

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

4. 會計政策變動 (續)

4.2 香港財務報告準則第9號「金融工具」－採用新準則的影響

會計政策選擇採用香港財務報告準則第9號，其取代了香港會計準則第39號金融工具（「香港會計準則第39號」）中涉及金融資產和金融負債的確認、分類和計量；金融工具的終止確認；金融資產的減值和對沖會計的條款。香港財務報告準則第9號對其他與金融工具相關的準則（例如：香港財務報告準則第7號：金融工具－披露）也進行了重大的修正。

於二零一八年四月一日，本集團的保留盈利和儲備由於金融工具的分類和計量受到的影響如下：

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

4. CHANGES IN ACCOUNTING POLICIES (continued)

4.2 HKFRS 9 "Financial Instruments" – Impact of adoption (continued)

(a) Classification and measurement

The Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The main effects resulting from this reclassification are as follows:

Financial assets – 1 April 2018	金融資產 – 二零一八年四月一日	Notes	AFS	FVOCI	FVPL
		附註	可供出售 金融資產	以公允價值 計量且其變 動計入其他 綜合收益的 金融資產	以公允價值 計量且其變 動計入損益的 金融資產
Closing balance 31 March 2018 – HKAS 39	於二零一八年三月三十一日 期末結餘 – 香港財務報告 準則第39號		182,672	–	–
Reclassify bank financial products from AFS to FVPL	銀行理財產品從可供出售 金融資產重分類至以公允 價值計量且其變動計入損益的 金融資產	(i)	(102,000)	–	102,000
Reclassify unlisted equity securities from AFS to FVOCI	非上市權益證券從可供出售 金融資產重分類至以公允 價值計量且其變動計入其他 綜合收益的金融資產	(ii)	(80,672)	80,672	–
Opening balance 1 April 2018 – HKFRS 9	於二零一八年四月一日期初 結餘 – 香港財務報告準則 第9號		–	80,672	102,000

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

4. 會計政策變動 (續)

4.2 香港財務報告準則第9號「金融工具」— 採用新準則的影響 (續)

(a) 分類和計量

管理層對集團於香港財務報告準則第9號對所持有金融資產進行評估，並且將金融工具分類為香港財務報告準則第9號規定中的相應類型。重分類的主要影響如下：

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

4. CHANGES IN ACCOUNTING POLICIES (continued)

4.2 HKFRS 9 "Financial Instruments" – Impact of adoption (continued)

(a) Classification and measurement (continued)

- (i) *Reclassification from AFS to FVPL for bank financial products*

Certain investments in bank financial products were reclassified from AFS to FVPL. They do not meet the HKFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest. There was no material fair value change since 1 April 2018.

- (ii) *Reclassification from AFS to FVOCI for unlisted equity securities*

The Group elected to present in other comprehensive income changes in the fair value of all its equity investments in unlisted securities previously classified as AFS, because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term. As a result, equity interest in unlisted companies with fair value of RMB80,672,000 was reclassified from AFS to FVOCI on 1 April 2018. There was no material fair value change since 1 April 2018.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

4. 會計政策變動 (續)

4.2 香港財務報告準則第9號「金融工具」— 採用新準則的影響 (續)

(a) 分類和計量 (續)

- (i) 從可供出售金融資產重分類到以公允價值計量且其變動計入損益的金融資產之銀行理財產品

對銀行金融資產的投資從可供出售的金融資產被重新歸類為以公允價值計量且其變動計入損益的金融資產，由於該現金流不僅代表本金和利息。自二零一八年四月一日起，該部分沒有重大的公允價值變動。

- (ii) 非上市權益證券從可供出售金融資產重分類至以公允價值計量且其變動計入其他綜合收益的金融資產

非上市權益證券從可供出售的金融資產被重新歸類為以公允價值變動歸為其他綜合收益的金融資產，因為該投資為長期戰略投資，所以本集團預計不會在中短期出售。因此，在二零一八年四月一日，公允價值為人民幣80,672,000元的非上市權益證券從可供出售的金融資產被重分類到以公允價值計量且其變動計入其他綜合收益的金融資產。自二零一八年四月一日起，沒有重大公允價值變動。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

4. CHANGES IN ACCOUNTING POLICIES (continued)

4.2 HKFRS 9 "Financial Instruments" – Impact of adoption (continued)

(a) Classification and measurement (continued)

(iii) Financial liabilities

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

(b) Impairment of financial assets

The Group has two types of financial assets at amortised cost subject to HKFRS 9's new expected credit loss model:

- trade receivables
- other receivables

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

(i) Trade receivables

For trade receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. The adoption of the simplified expected loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade receivables as at 1 April 2018. Note 6.3 reconciles the loss allowance as at 1 April 2018 to that at the end of the reporting period.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

4. 會計政策變動 (續)

4.2 香港財務報告準則第9號「金融工具」— 採用新準則的影響 (續)

(a) 分類和計量 (續)

(iii) 金融負債

該集團的財務負債沒有受到新準則的影響，因為新的要求只影響到分類為以公允價值計量且其變動計入損益之金融資產的財務負債，而集團沒有此類負債。終止確認規則和香港財務報告準則39號金融工具中的條款相同，所以資產確認和計量沒有被改變。

(b) 金融資產的減值

根據香港財務報告準則第9號中新的預計信用損失模型，集團有兩種使用攤銷成本計量的金融資產：

- 貿易應收款
- 其他應收款

在香港財務報告準則第9號準則下，集團需要修訂下文兩種類型的資產減值方法。

(i) 貿易應收款

對於貿易應收款，本集團應用香港財務報告準則第9號規定的預期信貸損失簡化版模型，其計算過程要求所有貿易應收款均使用存續期間預計的損失撥備率。採納香港財務報告準則第9號中新的預計信用損失模型對於二零一八年四月一日之貿易應收款並無產生額外減值損失。附註6.3披露了損失撥備自二零一八年四月一日至本期末的變動情況。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

4. CHANGES IN ACCOUNTING POLICIES (continued)

4.2 HKFRS 9 “Financial Instruments” – Impact of adoption (continued)

(b) Impairment of “financial assets” (continued)

(ii) Other receivables

For other receivables already in place at 1 April 2018, the Group has determined that reliably assessing the probability of default at the initial recognition of each financial asset would result in undue cost and effort. As permitted by HKFRS 9, the credit provision will be determined based on whether credit risk is low only at each reporting date, until the receivables are derecognised. The adoption of the expected loss approach under HKFRS 9 has not resulted in any additional impairment loss for other receivables as at 1 April 2018. Note 6.3 reconciles the loss allowance as at 1 April 2018 to that at the end of the reporting period.

Impairment losses of financial assets are presented separately in the income statement. As a result, the Group reclassified impairment losses amounting to RMB541,000 recognised under HKAS 39, from “administrative expenses” to “net impairment losses on financial assets” in the income statement for the six months ended 30 September 2017.

4.3 HKFRS 15 “Revenue from Contracts with Customers” – Impact of adoption

The Group has adopted HKFRS 15 “Revenue from Contracts with Customers” from 1 April 2018 which resulted in changes in accounting policies. The Group adopted HKFRS 15 using the modified retrospective approach which means that the cumulative impact of the adoption (if any) will be recognised in retained earnings as of 1 April 2018 and that comparative figures will not be restated.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

4. 會計政策變動 (續)

4.2 香港財務報告準則第9號「金融工具」— 採用新準則的影響 (續)

(b) 金融資產的減值 (續)

(ii) 其他應收款

對二零一八年四月一日已經存在的其他應收款，本集團認為在每項金融資產的初始確認時有效地評估壞賬的可能性會產生不必要的成本。香港財務報告準則第9號准許貸款撥備僅由每個報告日的信貸風險高低決定直至該應收款終止確認。採納香港財務報告準則第9號中新的預計信用損失模型對於二零一八年四月一日之其他應收款並無產生額外減值損失。附註6.3披露了損失撥備自二零一八年四月一日至本期期末的變動情況。

金融資產的減值損失將單獨列示於收益表。因此本集團將截至二零一七年九月三十日止六個月期間根據香港財務報告準則第39號規定計提的減值損失人民幣541,000元從「行政開支」中重分類至「金融資產減值損失淨額」。

4.3 香港財務報告準則第15號「與客戶之間合同產生的收入」— 採用新準則的影響

自二零一八年四月一日起，本集團已採納香港財務報告準則第15號「與客戶之間合同產生的收入」，以致會計政策變動。本集團採用修訂後的追溯法採納香港財務報告準則第15號，這意味著採納的累計影響（如有）將於2018年4月1日的保留盈利中確認，而比較期間數字將不會重列。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

4. CHANGES IN ACCOUNTING POLICIES (continued)

4.3 HKFRS 15 "Revenue from Contracts with Customers" – Impact of adoption (continued)

Presentation of contract liabilities

Reclassifications were made as at 1 April 2018 to be consistent with the terminology used under HKFRS 15:

Contract liabilities previously presented as advances from customers in "trade and other payables" were reclassified as at 1 April 2018 to align with the terminology used under HKFRS 15.

The Group did not introduce any refunds or customer loyalty programme which is likely to be affected by the HKFRS 15.

The Group does not expect to have any contracts with material consideration where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

No additional cost occurs to fulfil the contract was identified.

Other than reclassification of contract liabilities, the adoption of HKFRS 15 did not result in any impact to the retained earnings as at 1 April 2018 as the timing of revenue recognition on sales of products is not changed.

The impacts of the adoption of HKFRS 15 on the condensed consolidated statement of financial position at 1 April 2018 are as follows:

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

4. 會計政策變動 (續)

4.3 香港財務報告準則第15號「與客戶之間合同產生的收入」－採用新準則的影響 (續)

合同負債的列示

重分類於二零一八年四月一日進行，以符合香港財務報告準則第15號要求：

合同負債在以往年度列示為「貿易及其他應付款」中之客戶預付款項，為符合香港財務報告準則第15號的術語已於二零一八年四月一日被重分類。

本集團並無引入任何可能受香港財務報告準則第15號影響的退款或客戶忠誠計劃。

在承諾貨物轉移至客戶與客戶付款之間的時間超過一年的情況下，本集團不預期有任何重大對約。因此，本集團並未就貨幣時間價值調整任何交易價格。

概無識別因履行合約所產生的額外費用。

除了合同負債之重分類外，由於銷售收入確認時點並無改變，採納香港財務報告準則第15號對集團於二零一八年四月一日的保留盈利並無影響。

於二零一八年四月一日，採納香港財務報告準則第15號對簡明綜合財務狀況表的影響如下：

		HKAS 18 carrying amount 31 Mar 2018 香港財務報告 準則第18號之 賬面值 於二零一八年 三月三十一日	Reclassification 重分類	HKFRS 15 carrying amount 1 April 2018 香港財務報告 準則第15號之 賬面值 於二零一八年 四月一日
Contract liabilities	合同負債	-	25,590	25,590
Trade and other payables	貿易及其他應付款	683,275	(25,590)	657,685

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

5. ESTIMATES

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

In preparing this condensed consolidated interim financial information, except for the estimates below, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2018.

Impairment of financial assets

The Group made allowances on financial assets (including trade receivables and other receivables) based on assumptions about risk of default and expected credit loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of these financial assets and impairment charge in the periods in which such estimate has been changed. For details of the key assumptions and inputs used in the impairment assessment, see Note 6.3 below.

6. FINANCIAL RISK MANAGEMENT

6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2018.

There have been no changes in the risk management policies since 31 March 2018.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

5. 估計

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

在編製此等中期財務資訊時，除了下述估計，管理層應用本集團會計政策時作出的重大判斷和估計不確定性的關鍵來源，與截至二零一八年三月三十一日止年度之綜合財務報表所應用的相同。

金融資產減值

該集團根據關於違約風險和預期損失率的假設，對金融資產（包括對貿易應收款及其他應收款）計提備抵壞帳。集團根據過往經營、現有的市場條件以及報告所述期間結束時的前瞻性估計數來做出假設和選擇減值測試的參數。

如果預期與原始估計數不同，則此種差異將影響已修改相應估計之當期的金融資產賬面金額和壞賬金額。有關所使用的關鍵假設和參數的詳細資訊，請參閱下文附註6.3。

6. 財務風險管理

6.1 財務風險因素

本集團的活動面對多項財務風險：市場風險（包括外匯風險、現金流量之利率風險及價格風險）、信貸風險及流動性風險。

簡明綜合中期財務資料並未包括年度財務資料規定的所有財務風險管理信息和披露，此中期財務報表應與本集團截至二零一八年三月三十一日止年度的年度財務報表一併閱讀。

自二零一八年三月三十一日以來，風險管理政策並無任何變動。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT (continued)

6.2 Liquidity risk

As at 30 September 2018, the Group's net debt is zero (31 March 2018: zero), which is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents.

6.3 Credit risk

The Group is exposed to credit risk if counterparties fail to make payments as they fall due in respect of:

- payment of trade receivables as invoices fall due under credit terms after being raised.
- payment of other receivables fall due under credit terms.

For financial assets originated from 1 April 2018, the following credit risk modelling applies:

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 財務風險管理 (續)

6.2 流動性風險

於二零一八年九月三十日，本集團之債務淨額為零(二零一八年三月三十一日：零)。債務淨額為總借貸(包括流動及非流動貸款)減去現金及現金等價物。

6.3 信貸風險

本集團承受因對方可能無法按期償付借款產生的信貸風險，情況包括：

- 貿易應收款在發生之後按照信用政策規定下的發票到期
- 其他應收款於信用期後付款

對二零一八年四月一日已經存在的金融資產，需應用以下信貸風險模型：

本集團在資產的初始確認時考慮壞賬的可能性，也評估在每個資產存續的報告期間是否會有信貸風險的顯著增加。在評估信貸風險是否顯著增加時本集團將報告日時點資產發生壞賬的可能性與初始確認時點發生壞賬的可能性進行比較，同時也考慮公開且合理的前瞻資訊。以下指標需要重點考慮：

- 內部信用評級
- 外部信用評級
- 實際發生的或者預期的營業狀況、財務狀況和經濟環境中的重大不利變化預期導致借款人按期按期償還到期債務的能力產生重大變化
- 借款人的經營業績實際發生或者預期發生重大變化
- 借款人的其他金融資產信貸風險顯著增加

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT (continued)

6.3 Credit risk (continued)

- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

(i) Trade receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the expected credit losses of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 1 April 2018 and 30 September 2018 is determined as follows, the expected credit losses below also incorporate forward looking information.

1 April 2018

Trade receivables due		0 – 90 days	91 days – 180 days	181 days – 360 days	Over 360 days	Total
貿易應收款		0–90日	91–180日	181–360日	超過360日	合計
Effective expected loss rate	預計有效撥備率	0%	0%	3.73%	41.39%	
Gross carrying amount	賬面價值	908,682	110,860	12,872	30,068	1,062,482
Loss allowance provision	撥備金額	–	–	480	12,445	12,925

30 September 2018

Trade receivables due		0 – 90 days	91 days – 180 days	181 days – 360 days	Over 360 days	Total
貿易應收款		0–90日	91–180日	181–360日	超過360日	合計
Effective expected loss rate	預計有效撥備率	0%	0.01%	1.08%	47.88%	
Gross carrying amount	賬面價值	1,024,500	83,076	27,520	23,852	1,158,948
Loss allowance provision	撥備金額	–	8	297	11,421	11,726

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 財務風險管理 (續)

6.3 信貸風險

- 借款人預期表現或者行為發生重大變化，包括集團內借款人付款情況的變化和經營成果的變化。

(i) 貿易應收款

本公司根據香港財務報告準則第9號的規定應用簡化的方式提供預期信貸虧損，該準則允許所有貿易應收款均採用整個信用損失週期預期撥備。

為計量貿易應收款項的預期信貸虧損，貿易應收款根據共有的信貸風險特徵及逾期日期進行分組。在二零一八年四月一日與二零一八年九月三十日，貸款撥備率如下列示，以下預期信用損失同時考慮了前瞻資訊的因素：

二零一八年四月一日

Trade receivables due		0 – 90 days	91 days – 180 days	181 days – 360 days	Over 360 days	Total
貿易應收款		0–90日	91–180日	181–360日	超過360日	合計
Effective expected loss rate	預計有效撥備率	0%	0%	3.73%	41.39%	
Gross carrying amount	賬面價值	908,682	110,860	12,872	30,068	1,062,482
Loss allowance provision	撥備金額	–	–	480	12,445	12,925

二零一八年九月三十日

Trade receivables due		0 – 90 days	91 days – 180 days	181 days – 360 days	Over 360 days	Total
貿易應收款		0–90日	91–180日	181–360日	超過360日	合計
Effective expected loss rate	預計有效撥備率	0%	0.01%	1.08%	47.88%	
Gross carrying amount	賬面價值	1,024,500	83,076	27,520	23,852	1,158,948
Loss allowance provision	撥備金額	–	8	297	11,421	11,726

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT (continued)

6.3 Credit risk (continued)

(i) Trade receivables (continued)

The loss allowance provision for trade receivables reconciles to the opening loss allowance for that provision as follows:

		Trade receivables 貿易應收款
At 31 March 2018 (calculated under HKAS 39)	於二零一八年三月三十一日 (基於香港會計準則第39號計算)	12,925
Amounts restated through opening retained earnings	通過期初保留盈利 重列金額	-
At 1 April 2018 (calculated under HKFRS 9)	於二零一八年四月一日 (基於香港財務報表準則第9號計算)	12,925
Reversal for impairment on trade receivables for continuing operations	沖回持續經營業務應收賬款減值	(218)
Reversal for impairment on trade receivables for a discontinued operation	沖回終止經營業務應收賬款減值	(640)
Increase arising from acquisition of Jiahao Foodstuff	收購嘉豪食品所產生的增加	6
Assets included in a disposal group classified as held for sale	處置組別的資產歸類為持作出售	(347)
At 30 September 2018 (calculated under HKFRS 9)	於二零一八年九月三十日 (基於香港財務報表準則第9號計算)	11,726

As at 30 September 2018, the gross carrying amount of trade receivables were RMB1,158,948,000, and thus the maximum exposure to loss of trade receivables were RMB1,147,222,000.

於二零一八年九月三十日，貿易應收款的賬面價值為人民幣1,158,948,000元，因此承擔損失風險的最大餘額為人民幣1,147,222,000元。

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 財務風險管理 (續)

6.3 信貸風險 (續)

(i) 貿易應收款 (續)

貿易應收款的減值撥備與期初撥備的調節如下：

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT (continued)

6.3 Credit risk (continued)

(ii) Other receivables

Other financial assets at amortised cost include other receivables. Other receivables mainly includes notes receivable, prepayments, deposits, pre-paid charges, deductible input tax of Value-Added Tax, advances to staff, retention money and others.

The loss allowance provision for other receivables reconciles to the opening loss allowance for that provision as follows:

	Other receivables 其他應收款
At 31 March 2018 (calculated under HKAS 39)	21,111
Amounts restated through opening retained earnings	-
At 1 April 2018 (calculated under HKFRS 9)	21,111
Reversal for impairment loss on other receivables	(1,753)
Increase arising from acquisition of Jiahao Foodstuff	642
Written off as uncollectible	(918)
At 30 September 2018 (calculated under HKFRS 9)	19,082

As at 30 September 2018, the gross carrying amount of other receivables was RMB424,912,000, and thus the maximum exposure to loss of other receivables was RMB405,830,000.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 財務風險管理 (續)

6.3 信貸風險 (續)

(ii) 其他應收款

其他以攤銷成本計量的金融資產包括其他應收款。其他應收款主要包括應收票據、預付款項、按金、增值稅可抵扣進項稅、預付員工款、質保金及其他。

其他應收款的減值撥備與年初撥備的調節如下：

	Other receivables 其他應收款
At 31 March 2018 (calculated under HKAS 39)	21,111
Amounts restated through opening retained earnings	-
At 1 April 2018 (calculated under HKFRS 9)	21,111
Reversal for impairment loss on other receivables	(1,753)
Increase arising from acquisition of Jiahao Foodstuff	642
Written off as uncollectible	(918)
At 30 September 2018 (calculated under HKFRS 9)	19,082

於二零一八年九月三十日，其他應收款的賬面價值為人民幣424,912,000元，因此承擔損失風險的最大餘額為人民幣405,830,000元。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT (continued)

6.4 Fair value estimation

The following categorises financial instruments carried at fair value based on the level of inputs to valuation techniques within a fair value hierarchy. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The financial assets of level 3 within the fair value hierarchy as at 30 September 2018 were FVOCI and FVPL. The financial assets of level 3 within the fair value hierarchy as at 31 March 2018 were the AFS. There were no transfers into or out of level 3.

There are no other financial instruments that were measured at fair value as at 30 September 2018 and 31 March 2018.

Market approach is adopted in valuation of the financial assets of level 3. There were no changes in valuation techniques during the period.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 財務風險管理 (續)

6.4 公允價值估計

以下對以公允價值計量的金融工具進行分類，乃根據在公允價值層級中輸入估值技巧的級別厘定。不同層級的定義如下：

- 相同資產或負債在活躍市場的報價（未經調整）（第一層）。
- 除了第一層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接（即例如價格）或間接（即源自價格）（第二層）。
- 資產和負債並非依據可觀察市場數據的輸入（即非可觀察輸入）（第三層）。

於二零一八年九月三十日，第三類公允價值架構內之金融資產包括以公允價值計量且其變動計入其他綜合收益之金融資產及以公允價值計量且其變動計入損益之金融資產。於二零一八年三月三十一日，第三類公允價值架構內之金融資產為可供出售金融資產。概無任何金融資產於第三層架構類別轉入或轉出。

於二零一八年九月三十日及二零一八年三月三十一日，並無其他金融工具乃按公允價值計量。

第三類公允價值架構內之金融資產的估值乃採用市場法。本期之估值方法並無改變。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

6. FINANCIAL RISK MANAGEMENT (continued)

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

		FVOCI and FVPL 以公允價值計量 且其變動計入其 他綜合收益之金 融資產及以公允 價值計量且其 變動計入損益之 金融資產
At 1 April 2018	於二零一八年四月一日	182,672
Increase arising from acquisition of Jiahao Foodstuff (note 23(a))	收購嘉豪食品(附註23(a))	180,811
Other additions	其他新增	538,819
Disposals	出售	(242,806)
Fair value change	公允價值變動	105
Currency translation differences	貨幣換算差額	10,263
At 30 September 2018	於二零一八年九月三十日	669,864

There were no changes in valuation techniques during the period.

期內，估值技巧並無變動。

6.6 Group's valuation processes

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

6.6 本集團的估值過程

本集團財務部設有一個小組，負責就財務報告事宜執行對金融資產的評估，包括有關第三層公允價值。此小組直接向財務總監匯報。財務總監及評估小組乃按本集團之報告日期即每半年舉行一次討論估值流程與其結果。

6.7 Fair value of financial assets and liabilities measured at amortised cost

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

6.7 按攤銷成本計量的金融資產及負債之公允價值

按攤銷成本計量的金融資產和負債的公允價值乃與其賬面值相若。

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 財務風險管理(續)

6.5 使用重大不可觀察輸入的公允價值計量(第三層)

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

7. TURNOVER AND SEGMENT INFORMATION

The Group has organised its operations into four main operating segments:

- (1) Flavours and fragrances;
- (2) Tobacco raw materials;
- (3) Aroma raw materials; and
- (4) Condiment.

The chief operating decision-makers have been identified as the executive directors (the "Executive Directors"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Directors consider the business from the operation's perspective and assess the performance of flavours and fragrances, tobacco raw materials, aroma raw materials and condiment segments.

- 1) Flavours and fragrances segment includes research and development, production and sale of flavours and fragrances products.
- 2) Tobacco raw materials segment includes research and development, production and sale of paper-making reconstituted tobacco leaves and new materials products that are innovative, functional and applicable to tobacco industry.
- 3) Aroma raw materials segment includes research and development, manufacture and sale of aroma raw materials products that are extracted from natural materials or generated from chemical process.
- 4) Condiment segment includes production, sales, marketing and distribution of condiments. This segment was established following the acquisition of Jiahao Foodstuff in September 2018.

The Innovative tobacco products segment presented as an independent segment in the preceding period is classified as a discontinued operation.

The Executive Directors assess the performance of the operating segments based on a measure of operating profit.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

7. 營業額及分部資料

本集團的經營分為四項主要營運分部：

- (1) 香精；
- (2) 煙用原料；
- (3) 香原料；及
- (4) 調味品。

主要經營決策者明確為執行董事（「執行董事」），執行董事審閱本集團的內部報告以評估表現及分配資源。管理層按照此報告以決定營運分部。

執行董事從經營活動角度考慮業務及評估香精、煙用原料、香原料及調味品之分部業務表現。

- 1) 香精業務包括研發、生產及銷售香精產品。
- 2) 煙用原料業務包括研發、生產及銷售造紙法煙草薄片產品及創新、具功能性等適用於煙草行業的新材料產品。
- 3) 香原料業務包括研發、生產及銷售香原料產品，香原料乃通過化學反應合成或天然提取的「帶香物質」。
- 4) 調味品業務包括生產、銷售、營銷及分銷調味品產品。此分部於二零一八年九月收購嘉豪食品後成立。

於去年報告中列為獨立分部的新型煙草製品分部現已分類為終止經營業務。

執行董事根據營運盈利的計量評估營運分部的表現。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

7. TURNOVER AND SEGMENT INFORMATION (continued)

7. 營業額及分部資料(續)

The segment information for the six months ended 30 September 2018 is presented below:

截至二零一八年九月三十日止六個月的分部資料呈列如下：

		Unaudited 未經審核 For the six months ended 30 September 2018 截至二零一八年九月三十日止六個月							
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Continuing operations (total) 持續經營業務總計	Innovative tobacco products (Discontinued operation) 新型煙草製品(終止經營) (Note 12) (附註12)	Total 總計
Total turnover	總營業額	974,056	430,385	231,018	26,785	10	1,662,254	120,586	1,782,840
Inter-segment sales	分部間銷售	(8,157)	-	(2,541)	-	-	(10,698)	-	(10,698)
Segment turnover – net	分部營業額 – 淨額	965,899	430,385	228,477	26,785	10	1,651,556	120,586	1,772,142
Segment result	分部業績	520,591	186,108	34,203	(7,991)	(21,810)	711,101	(26,952)	684,149
Finance income	財務收入						103,521	4	103,525
Finance costs	融資成本						(27,415)	(19,086)	(46,501)
Finance income/(cost) – net	財務收入/(融資成本) – 淨額						76,106	(19,082)	57,024
Share of profit of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之盈利						2,177	-	2,177
Profit/(loss) before income tax	除稅前盈利/(虧損)						789,384	(46,034)	743,350
Income tax expense	所得稅						(174,911)	-	(174,911)
Profit/(loss) for the period	本期間盈利/(虧損)						614,473	(46,034)	568,439
Depreciation	折舊	14,937	41,971	7,591	702	793	65,994	1,786	67,780
Amortisation	攤銷	1,296	4,401	8,085	6,134	203	20,119	15,106	35,225

		Unaudited 未經審核 As at 30 September 2018 於二零一八年九月三十日							
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Continuing operations (total) 持續經營業務總計	Innovative tobacco products (Discontinued operation) 新型煙草製品(終止經營) (Note 12) (附註12)	Total 總計
Segment assets	分部資產	9,088,067	2,943,708	787,642	5,052,367	140,433	18,012,217	225,216	18,237,433

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

7. TURNOVER AND SEGMENT INFORMATION (continued)

The segment information for the six months ended 30 September 2017 is presented below:

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

7. 營業額及分部資料 (續)

截至二零一七年九月三十日止六個月的分部資料呈列如下：

		Unaudited 未經審核 For the six months ended 30 September 2017 (Restated) 截至二零一七年九月三十日止六個月 (經重列)						
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Others 其他	Continuing operations (total) 持續經營業務總計	Innovative tobacco products (Discontinued operation) 新型煙草製品 (終止經營) (Note 12) (附註12)	Total 總計
Total turnover	總營業額	993,870	279,558	252,499	663	1,526,590	123,629	1,650,219
Inter-segment sales	分部間銷售	(7,938)	(1,698)	(2,706)	-	(12,342)	-	(12,342)
Segment turnover – net	分部營業額－淨額	985,932	277,860	249,793	663	1,514,248	123,629	1,637,877
Segment result	分部業績	522,004	109,575	49,328	(50,392)	630,515	(25,256)	605,259
Finance income	財務收入					54,725	1	54,726
Finance costs	融資成本					(986)	(9,909)	(10,895)
Finance income/(cost) – net	財務收入／(融資成本)－淨額					53,739	(9,908)	43,831
Share of profit of associates	應佔聯營公司之盈利					1,639	-	1,639
Profit/(loss) before income tax	除稅前盈利／(虧損)					685,893	(35,164)	650,729
Income tax expense	所得稅					(146,750)	-	(146,750)
Profit/(loss) for the period	本期間盈利／(虧損)					539,143	(35,164)	503,979
Depreciation	折舊	16,975	39,435	6,012	561	62,983	1,602	64,585
Amortisation	攤銷	6,743	3,831	7,090	1,715	19,379	15,653	35,032

The segment assets as at 31 March 2018 are presented below:

於二零一八年三月三十一日的分部資產呈列如下：

		Audited 經審核 As at 31 March 2018 於二零一八年三月三十一日					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Innovative tobacco products 新型煙草製品	Others 其他	Total 總計
Segment assets	分部資產	8,695,901	3,320,044	741,625	224,443	1,318,897	14,300,910

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

7. TURNOVER AND SEGMENT INFORMATION (continued)

Segment result represents the profit earned by each segment without inclusion of unallocated expenses, finance costs, finance income and share of results of associates and a jointly controlled entity. This is the measure reported to chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Non-current assets other than financial instruments and deferred tax assets of the Group as at 30 September 2018 and 31 March 2018 are mainly located in the PRC.

Revenues from external customers are derived from the sales of flavours and fragrances, tobacco raw materials, aroma raw materials and condiments to customers mainly located in the PRC.

Revenue derived from sales made to one single largest external customer for the six months ended 30 September 2018 amounted to 14% (30 September 2017: 11% (restated)) of the Group's total revenue. These revenues are attributable to flavours and fragrances segment.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

7. 營業額及分部資料 (續)

分部業績是代表各分部之盈利，當中並沒有包括未分類支出、融資成本、財務收入和應佔聯營公司及共同控制實體之業績。此分部業績主要是為分配資源和評估各分部之表現而向主要營運決策者呈列的方式。

除金融工具和遞延所得稅資產以外，於二零一八年九月三十日及二零一八年三月三十一日本集團的非流動資產總額主要位於國內。

來自外部客戶的收入主要來自銷售香精、煙用原料、香原料以及調味品予國內客戶。

於截至二零一八年九月三十日止六個月期間，來源於最大外部單一客戶的收入佔集團總收入的14% (二零一七年九月三十日：11% (經重列))。這些收入是由香精分部產生的。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

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

8. 物業、機器及設備、土地使用權及無形資產

		Unaudited 未經審核						
	Note	Property, plant and equipment (excluding construction in progress) 物業、機器及設備(不含在建工程)	Construction in progress 在建工程	Total property, plant and equipment 物業、機器及設備總計	Land use rights 土地使用權	Goodwill 商譽	Other intangible assets 其他無形資產	Total intangible assets 無形資產總計
	附註							
For the six months ended 30 September 2017		截至二零一七年九月三十日止六個月						
At 1 April 2017		978,231	17,391	995,622	150,713	2,276,413	381,243	2,657,656
Other additions		16,607	35,074	51,681	-	-	815	815
Acquisition of equity interest in Jiangxi Xianghai		158	4,566	4,724	-	15,729	-	15,729
Transfers		4,359	(4,359)	-	-	-	-	-
Disposals		(1,553)	-	(1,553)	-	-	-	-
Depreciation and amortisation	19	(64,585)	-	(64,585)	(2,900)	-	(32,132)	(32,132)
Currency translation differences		(3,432)	(5)	(3,437)	(750)	(2,845)	(11,699)	(14,544)
At 30 September 2017		929,785	52,667	982,452	147,063	2,289,297	338,227	2,627,524
For the six months ended 30 September 2018		截至二零一八年九月三十日止六個月						
At 1 April 2018		905,798	100,627	1,006,425	171,856	2,228,371	303,457	2,531,828
Other additions		37,200	106,563	143,763	6,000	-	1,845	1,845
Acquisition of equity interest in Jiahao Foodstuff	23(a)	107,063	-	107,063	16,620	3,635,550	906,009	4,541,559
Acquisition of equity interest in Hunan Jishou	23(b)	7,369	411	7,780	2,847	4,813	-	4,813
Transfers		42,933	(42,933)	-	-	-	-	-
Assets included in a disposal group classified as held for sale	12	(9,063)	-	(9,063)	-	-	(139,627)	(139,627)
Disposals		(967)	-	(967)	-	-	-	-
Depreciation and amortisation	19	(67,780)	-	(67,780)	(2,904)	-	(32,321)	(32,321)
Currency translation differences		1,634	-	1,634	(8)	-	12,196	12,196
At 30 September 2018		1,024,187	164,668	1,188,855	194,411	5,868,734	1,051,559	6,920,293

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

9. INVESTMENTS IN ASSOCIATES

The Group has interests in six individually immaterial associates as at 30 September 2018. The following table analyses, in aggregate, the movements of the carrying amount of the Group's investments in these associates, and its share of results of these associates.

An analysis of the movements of equity investments in associates is as follows:

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

9. 於聯營公司之投資

於二零一八年九月三十日，本集團於六個並非個別重大的聯營公司擁有權益。下表為本集團於該等聯營公司的投資及其於該等聯營公司應佔業績的合計賬面值變動的分析。

於聯營公司的權益投資變動分析如下：

	Note	Unaudited 未經審核 For the six months ended 30 September 2018 截至二零一八年 九月三十日 止六個月
	附註	
At 1 April	於四月一日	371,444
Acquisition of Shenzhen Delion Food Service Limited ("Delion")	收購深圳市德立安食品有限公司(「德立安」)	17,450
Share of profit of associates	應佔聯營公司盈利	3,172
At 30 September	於九月三十日	392,066

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

9. INVESTMENTS IN ASSOCIATES (continued)

- (a) As at 30 September 2018, the Group had interests in the following associates:

Name	Country of incorporation	% of ownership	Principal activities
名稱	註冊成立國家	所持權益百分比	主要業務
Guizhou Huangguoshu Golden Leaf Technology Co., Ltd. ("Huangguoshu Golden Leaf") 貴州黃果樹金葉科技有限公司 ([黃果樹金葉])	PRC 中國	40%	Produce and sell reconstituted tobacco leaves 生產和銷售再造煙葉
Yunnan Hongta Blue Eagle Paper Co., Ltd. 雲南紅塔藍鷹紙業有限公司	PRC 中國	25.1%	Manufacture and sales of cigarette paper and auxiliary products 生產和銷售捲煙用紙及輔助品
Beijing Yunji WuyuTechnology Co., LTD 北京雲基物宇科技股份有限公司	PRC 中國	20%	Provide software development service and sale of self-developed software and electronic products 提供軟件開發服務及銷售自行開發之軟件及電子產品
Hunan Golden Leaf Reconstituted Tobacco Leaves Co., Ltd ("Hunan Golden Leaf")(i) 湖南金葉煙草薄片有限公司 ([湖南金葉])(i)	PRC 中國	10%	Produce and sell reconstituted tobacco leaves 生產和銷售再造煙葉
Yunnan Ruisheng Tobacco Technology Group Co., Ltd. ("Yunnan Ruisheng")(i) 雲南瑞升煙草技術(集團)有限公司 ([雲南瑞升])(i)	PRC 中國	6.72%	Research, develop, produce and sell flavours and additives 研發、生產和銷售香精香料及添加劑
Delion (b) 德立安(b)	PRC 中國	15%	Sales of food products and provide professional food service solutions 銷售食材及提供專業食材解決方案

- (i) The Group has significant influence over Hunan Golden Leaf, and Yunnan Ruisheng by representations on the board of directors of these two companies.

- (b) The Group acquired 15% of equity interests of Delion in July 2018 at a consideration of RMB17,450,000 and has significant influence over it by representations on the board of directors.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

9. 於聯營公司之投資(續)

- (a) 於二零一八年九月三十日，本集團於以下聯營公司擁有權益：

Name	Country of incorporation	% of ownership	Principal activities
名稱	註冊成立國家	所持權益百分比	主要業務
Guizhou Huangguoshu Golden Leaf Technology Co., Ltd. ("Huangguoshu Golden Leaf") 貴州黃果樹金葉科技有限公司 ([黃果樹金葉])	PRC 中國	40%	Produce and sell reconstituted tobacco leaves 生產和銷售再造煙葉
Yunnan Hongta Blue Eagle Paper Co., Ltd. 雲南紅塔藍鷹紙業有限公司	PRC 中國	25.1%	Manufacture and sales of cigarette paper and auxiliary products 生產和銷售捲煙用紙及輔助品
Beijing Yunji WuyuTechnology Co., LTD 北京雲基物宇科技股份有限公司	PRC 中國	20%	Provide software development service and sale of self-developed software and electronic products 提供軟件開發服務及銷售自行開發之軟件及電子產品
Hunan Golden Leaf Reconstituted Tobacco Leaves Co., Ltd ("Hunan Golden Leaf")(i) 湖南金葉煙草薄片有限公司 ([湖南金葉])(i)	PRC 中國	10%	Produce and sell reconstituted tobacco leaves 生產和銷售再造煙葉
Yunnan Ruisheng Tobacco Technology Group Co., Ltd. ("Yunnan Ruisheng")(i) 雲南瑞升煙草技術(集團)有限公司 ([雲南瑞升])(i)	PRC 中國	6.72%	Research, develop, produce and sell flavours and additives 研發、生產和銷售香精香料及添加劑
Delion (b) 德立安(b)	PRC 中國	15%	Sales of food products and provide professional food service solutions 銷售食材及提供專業食材解決方案

- (i) 本集團通過在湖南金葉和雲南瑞升的董事會中委任董事，對這兩間公司有重大影響力。

- (b) 集團於二零一八年七月以人民幣17,450,000元收購德立安15%之股權，並於董事會中委任董事，對此公司有重大影響力。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

10. DEFERRED INCOME TAX ASSETS/LIABILITIES

The movements in the deferred income tax are as follows:

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

10. 遞延所得稅資產／負債

遞延所得稅變動如下：

		Unaudited 未經審核						
		Deferred income tax assets 遞延所得稅資產				Deferred income tax liabilities 遞延所得稅負債		
	Note	Unrealised profits arising from intra-group sales	Recoverable tax loss	Others	Total	Valuation surplus of assets and recognition of intangible assets	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC	Total
	附註	集團內公司間銷售所產生的集團內未變現盈利	可彌補虧損	其他	總計	資產評估盈餘及無形資產的確認	於中國國內的公司預期匯出的股息所產生之預提所得稅	總計
At 1 April 2017	於二零一七年四月一日	54,154	7,142	5,448	66,744	38,260	18,047	56,307
Recognised in the income statement	於損益表確認	232	-	860	1,092	(3,049)	21,206	18,157
Currency translation differences	貨幣換算差額	-	-	-	-	(1,115)	-	(1,115)
At 30 September 2017	於二零一七年九月三十日	54,386	7,142	6,308	67,836	34,096	39,253	73,349
At 1 April 2018	於二零一八年四月一日	60,966	12,069	7,311	80,346	31,680	49,706	81,386
Recognised in the income statement	於損益表確認	5,313	-	(92)	5,221	(3,193)	(2,035)	(5,228)
Acquisition of equity interest in Jiahao Foodstuff	收購嘉豪食品之股權	-	-	13,818	13,818	139,663	-	139,663
Currency translation differences	貨幣換算差額	-	-	-	-	(120)	-	(120)
At 30 September 2018	於二零一八年九月三十日	66,279	12,069	21,037	99,385	168,030	47,671	215,701

Deferred income tax assets are recognised for temporary differences mainly arising from unrealised profits from intra-group sales, and calculated under the liability method using the tax rate which are enacted or substantively enacted by the balance sheet date.

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

集團內公司間銷售所產生的未變現盈利確認為遞延所得稅資產，其金額以負債法按結算日已生效或已實質生效的稅率計算暫時性差額確定。

遞延所得稅負債乃由於本公司收購附屬公司所導致之物業、機器及設備、土地使用權、無形資產和以公允價值計量且其變動計入其他綜合收益之金融資產的評估盈餘、因收購附屬公司而確認的無形資產而產生，及集團內於中國註冊成立的公司預期匯出境外的股息所產生之預提所得稅。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

10. DEFERRED INCOME TAX ASSETS/LIABILITIES (continued)

Pursuant to the Corporate Income Tax Laws of the PRC approved by the National People's Congress on 16 March 2007, a 10% withholding tax is levied on dividends remitted from the PRC entities to overseas investors with effect from 1 January 2008. A lower withholding tax rate of 5% is applied to Hong Kong investors as there is a tax treaty between the PRC and Hong Kong. However, the 5% treaty rate is not automatically granted. The taxpayer needs to apply to the relevant tax bureau for an approval for the treaty rate. The Directors estimated that a portion of profits generated by the PRC subsidiaries would be distributed to their Hong Kong immediate parent companies and the approval for the treaty rate will be obtained. Therefore, deferred income tax liabilities had been provided based on 5% or 10% of the estimated profits to be remitted to Hong Kong. The Directors of the Company will review the funding requirements of the Group and revise the dividend distribution policy of its subsidiaries as appropriate.

As at 30 September 2018, deferred income tax liabilities of RMB262,268,000 (31 March 2018: RMB266,036,000) have not been recognised for the withholding tax that would otherwise be payable on the undistributed profits of certain PRC subsidiaries.

11. TRADE AND OTHER RECEIVABLES

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

10. 遞延所得稅資產／負債 (續)

根據全國人民代表大會於二零零七年三月十六日通過的中國企業所得稅法，由二零零八年一月一日起，中國企業向海外投資者分派股息，需按10%之稅率徵收所得稅。基於中國及香港有特別稅務協定，故中國企業向香港投資者分派股息，可享有較優惠的稅率5%徵收。但該5%協定稅率並非自動獲得，納稅人需要向有關主管稅務局申請批准享有稅務協定。本公司董事預計會將某些中國大陸附屬公司之盈利派發股息予其於香港之直接母公司。因此，遞延所得稅負債乃按預期匯出香港之盈利以5%或10%的稅率計算。本公司董事將不時檢討本集團之資金需求並適時調整附屬公司之股息政策。

於二零一八年九月三十日，本集團並未就若干中國大陸附屬公司之未分派盈利可能產生的預提所得稅確認遞延所得稅負債人民幣262,268,000元(二零一八年三月三十一日：人民幣266,036,000元)。

11. 貿易及其他應收款項

			As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
Trade receivables	貿易應收款項	(a)	1,158,948	1,062,482
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備	6.3	(11,726)	(12,925)
Trade receivables – net	貿易應收款項－淨額		1,147,222	1,049,557
Notes receivable	應收票據		163,914	151,428
Prepayments and other receivables	預付款項及其他應收款項		281,576	240,919
Advances to staff	員工墊款		6,265	7,254
Others	其他		29,186	28,437
Less: provision for impairment of other receivables	減：其他應收款項減值撥備	6.3	(19,082)	(21,111)
			1,609,081	1,456,484

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

11. TRADE AND OTHER RECEIVABLES (continued)

Except for prepayments of RMB56,029,000 (31 March 2018: RMB41,623,000), trade and other receivables balances are financial assets categorised as those to be measured at amortised cost. All trade and other receivables are either repayable within one year or on demand. Accordingly, the fair values of the trade and other receivables approximate their carrying amounts.

- (a) The credit period granted to customers generally ranges from 0 to 180 days. At 30 September 2018 and 31 March 2018, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on the invoice date was as follows:

		As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
0 – 90 days	0至90日	1,024,500	908,682
91 – 180 days	91至180日	83,076	110,860
181 – 360 days	181至360日	27,520	12,872
Over 360 days	360日以上	23,852	30,068
		1,158,948	1,062,482

As at 30 September 2018, unbilled trade receivables of RMB462,661,000 (31 March 2018: RMB483,626,000) was categorised in the aging of 0-90 days.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

11. 貿易及其他應收款項 (續)

除預付賬款人民幣56,029,000元(二零一八年三月三十一日:人民幣41,623,000元)外，貿易及其他應收款項被分類為「以攤銷成本計量的金融資產」。所有貿易及其他應收款項乃於一年內或於通知時清還。故貿易及其他應收款項賬面值與公允值相若。

- (a) 授予客戶的信貸期一般為0至180日。於二零一八年九月三十日及二零一八年三月三十一日，貿易應收款項(包括關聯人士的貿易應收款項)根據發票日期的賬齡分析如下：

於二零一八年九月三十日，未開發票之貿易應收款項為人民幣462,661,000元(二零一八年三月三十一日:人民幣483,626,000元)已包括在0-90日賬齡內。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

12. ASSETS HELD FOR SALE AND DISCONTINUED OPERATION

On 2 October 2018 (Florida time), VMR Products LLC, a non-wholly owned subsidiary of the Group entered into a disposal agreement with, among others, JUUL Labs, Inc. and its subsidiary to effect the disposal of all of the issued and outstanding VMR Products units. The Group has approximately 62.7% indirect interest of the issued and outstanding VMR Products units. The consideration of the disposal was approximately USD31,352,000.

The Group negotiated the disposal of VMR Products before 30 September 2018 and completed the transaction on 2 October 2018. The associated assets and liabilities of VMR were consequently classified as held for sale at 30 September 2018 and its interim results were presented in the condensed consolidated income statement as a discontinued operation.

(a) Assets and liabilities of disposal group classified as held for sale

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

12. 持作出售資產及終止經營業務

於二零一八年十月二日(佛羅里達時間)，本集團之非全資附屬公司VMR Products，與JUUL Labs, Inc及其子公司簽訂協議，以出售全部已發行及未行使VMR Products單位。本集團間接持有VMR Products已發行及尚未行使VMR Products單位約62.7%的權益。出售代價約為美元31,352,000。

由於在二零一八年九月三十日前本集團已進行出售VMR Products之談判，並於二零一八年十月二日完成出售。因此，VMR Products的相關資產及負債已於簡明綜合財務狀況表分類為持作出售組別，而其中期業績亦於簡明綜合收益表呈列為終止經營業務。

(a) 處置組別的資產及負債分類為持作出售

		As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核
Assets classified as held for sale:	分類為持作出售資產：	
Property, plant and equipment	物業、機器及設備	9,063
Intangible assets	無形資產	139,627
Inventories	存貨	34,653
Trade and other receivables	貿易及其他應收款	18,067
Cash and cash equivalents	現金及現金等價物	23,806
Total assets of disposal group held for sale	持作出售的處置組別資產總額	225,216
Liabilities directly associated with assets classified as held for sale:	與持作出售資產直接相關之債項：	
Borrowings	借款	89,566
Trade and other payables	貿易及其他應付賬款	126,559
Total liabilities of disposal group held for sale	持作出售的處置組別負債總額	216,125

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

12. ASSETS HELD FOR SALE AND DISCONTINUED OPERATION (continued)

(b) Results and cash flow information of discontinued operation

The results and cash flow information presented reflects the discontinued operation of innovative tobacco products business for the six months ended 30 September 2018 and the respective comparative figures have been restated.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

12. 持作出售資產及終止經營業務 (續)

(b) 終止經營業務的業績及現金流資料

以下呈列截至二零一八年九月三十日止六個月終止經營業務的新型煙草製品業務之業績及現金流量資料，比較數字已根據下列數字重列。

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	營業額	120,586	123,629
Cost of goods sold	銷售成本	(63,436)	(51,594)
Other income and other gains/(losses) – net	其他收入及其他收益／ (虧損) – 淨額	2,302	(34)
Administrative expenses	行政費用	(74,656)	(79,390)
Selling and marketing expenses	銷售費用	(11,748)	(17,867)
Finance cost	融資成本	(19,082)	(9,908)
Loss before income tax	除稅前虧損	(46,034)	(35,164)
Income tax expense	所得稅	–	–
Loss from discontinued operation	終止經營業務之虧損	(46,034)	(35,164)
Exchange differences on translation of discontinued operation	終止經營業務之貨幣換算差異	(83)	609
Other comprehensive (loss)/income from discontinued operation	終止經營業務之其他全面 (虧損)／收益	(83)	609
Net cash inflow from operating activities	營運活動產生之現金淨額	38,084	48
Net cash outflow from investing activities	投資活動所用之現金淨額	(1,282)	(3,017)
Net cash outflow from financing activities	融資活動所用之現金淨額	(19,727)	(11,114)
Net increase/(decrease) in cash and cash equivalents generated from discontinued operation	終止經營業務之現金及現金等 價物增加／(減少)	17,075	(14,083)

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

13. SHARE CAPITAL

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

13. 股本

		Unaudited 未經審核	
		Number of shares 股份數目	RMB'000 人民幣千元
Ordinary shares, issued and fully paid:	已發行及繳足：		
At 31 March 2017, 30 September 2017, 1 April 2018 and 30 September 2018	於二零一七年三月三十一日， 二零一七年九月三十日， 二零一八年四月一日及 二零一八年九月三十日		
		3,107,962,876	318,647

14. SHARE-BASED PAYMENT

Share option scheme

On 17 October 2007, the Group granted 13,900,000 and 3,600,000 share options with an exercise price of HKD6.65 per share and vesting periods of 0.5 to 3 years to employees and a director respectively. The options have a contractual option term of 10 years. The Group has no legal or contractual obligation to repurchase or settle the options in cash. The fair value of the share options at the grant date was determined using the Black-Scholes valuation model.

14. 股份為基礎的支付

購股權

於二零零七年十月十七日，本集團分別授出13,900,000及3,600,000股購股權，行使價為每股港幣6.65元及歸屬期為半年至3年，予現有僱員及一名董事。合同規定購股權的期限為十年。本集團無法律義務或合同回購及以現金支付購股權。購股權的公允價值於授出日由Black-Scholes評估模型確認。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

14. SHARE-BASED PAYMENT (continued)

Share option scheme (continued)

Movements in the number of shares options outstanding during the period and their related weighted average exercise prices are set out below:

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

14. 股份為基礎的支付 (續)

購股權 (續)

於期內，未行使的購股權數目之變動及其相關之加權平均行使價列示如下：

		Unaudited 未經審核			
		For the six months ended 30 September 截至九月三十日止六個月			
		2018 二零一八年		2017 二零一七年	
		Weighted average exercise prices in HKD per share 加權平均 行使價港元 (每股計)	Number of share options (‘000) 購股權數目 (股數以 千計)	Weighted average exercise prices in HKD per share 加權平均 行使價港元 (每股計)	Number of share options (‘000) 購股權數目 (股數以 千計)
At 1 April and 30 September	於四月一日及 九月三十日	-	-	6.65	2,600

2,600,000 share options outstanding as at 30 September 2017 lapsed in October 2017. There is no outstanding share options as at 30 September 2018.

於二零一七年九月三十日，尚未行使之2,600,000股購股權已於二零一七年十月失效。於二零一八年九月三十日，沒有仍然有效但尚未行使之購股權。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

15. RESERVES

		Unaudited 未經審核								
		Contributed surplus	Merger reserve	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Currency translation reserve	Other reserves	Total
		實繳盈餘	合併儲備	股份溢價	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	貨幣換算儲備	其他儲備	總計
At 1 April 2017	於二零一七年四月一日	296,853	(628,438)	429,861	2,411	4,749	39,120	35,622	799,586	979,764
Additional investment in non-wholly owned subsidiaries	額外注資於非全資附屬公司	-	-	-	-	-	-	-	230	230
Disposal of a subsidiary	出售附屬公司	-	-	-	-	-	-	-	(454)	(454)
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	(87,031)	-	(87,031)
At 30 September 2017	於二零一七年九月三十日	296,853	(628,438)	429,861	2,411	4,749	39,120	(51,409)	799,362	892,509
At 1 April 2018	於二零一八年四月一日	296,853	(628,438)	429,861	2,411	4,749	-	(99,737)	2,337,874	2,343,573
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	1,843	1,843
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	96,779	-	96,779
At 30 September 2018	於二零一八年九月三十日	296,853	(628,438)	429,861	2,411	4,749	-	(2,958)	2,339,717	2,442,195

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

15. 儲備

16. BORROWINGS

16. 貸款

		Note	As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
Non-current	非流動			
- Secured bank borrowings	- 有抵押銀行貸款	(a)	2,743,688	-
- Unsecured bank borrowings	- 無抵押銀行貸款	(b)	13,500	-
			2,757,188	-
Current	流動			
- Secured bank borrowings	- 有抵押銀行貸款	(a)	144,405	-
- Unsecured bank borrowings	- 無抵押銀行貸款	(b)	704,371	210,000
			848,776	210,000
Total borrowings	總貸款		3,605,964	210,000

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

16. BORROWINGS (continued)

- (a) The Group entered into a bank loan agreement in August 2018 for a loan amount of approximately RMB2,888,000,000 for the payment of the consideration for the acquisition of Jiahao Foodstuff and related expenses. The loan is repayable within five years and is secured by the equity interest in Jiahao Foodstuff Limited and Guangdong Jiahao Foodstuff Co., Ltd, and its land and buildings in Zhongshan. During the period, the average interest rate of the loan was 5.70% per annum.
- (b) The unsecured bank borrowings are repayable within one to two year. During the period, the average interest rate was 3.83% (30 September 2017: 3.98%) per annum.

Borrowings are financial liabilities categorised under “financial liabilities measured at amortised cost”. The fair values of the Group’s borrowings approximate their carrying amounts.

Interest expense on bank borrowings for the six months ended 30 September 2018 amounted to RMB27,415,000 (30 September 2017: RMB986,000).

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

16. 貸款 (續)

- (a) 本集團於二零一八年八月簽訂銀行貸款協議，貸款金額約為人民幣28.88億元，用於支付收購嘉豪食品的代價款及有關之費用。貸款年期為五年並以嘉豪食品有限公司和廣東嘉豪食品有限公司之股權以及其位於中山的土地及樓宇作為抵押。於期內，該貸款平均利息為每年5.70厘。
- (b) 無抵押銀行貸款需於一至兩年內到期償還。於期內，該等貸款平均利息為每年3.83厘（二零一七年九月三十日：3.98厘）。

貸款乃金融負債被分類為「按攤銷成本計量的金融負債」。貸款的賬面值與公允值相近。

截至二零一八年九月三十日止六個月的銀行貸款利息開支約為人民幣27,415,000元（二零一七年九月三十日：人民幣986,000元）。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

17. TRADE AND OTHER PAYABLES

			As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
Trade payables	貿易應付款項	(a)	238,445	348,522
Wages payable	應付工資		53,842	46,797
Other taxes payable	其他應付稅項		116,422	90,452
Accruals for expenses	應計開支		10,185	23,435
Advances from customers	客戶預付款		–	25,590
Payable for license fee	應付專利權費		–	27,744
Other payables	其他應付款項		120,207	120,735
			539,101	683,275

Except for other taxes payable of RMB116,422,000 (31 March 2018: RMB90,452,000) and wages payable of RMB53,842,000 (31 March 2018: RMB46,797,000), trade and other payables balances are financial liabilities categorised under “financial liabilities measured at amortised cost”. The fair values of trade and other payables approximate their carrying amounts.

除其他應付稅款人民幣116,422,000元(二零一八年三月三十一日:人民幣90,452,000元)及應付工資人民幣53,842,000元(二零一八年三月三十一日:人民幣46,797,000元)外,貿易及其他應付款乃金融負債被分類為「按攤銷成本計量的金融負債」。貿易及其他應付款項的公允價值與其賬面值相若。

簡明綜合中期財務資料附註(續)

(除另有指明者外,所有金額均以人民幣千元列示)

17. 貿易及其他應付款項

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

17. TRADE AND OTHER PAYABLES (continued)

- (a) As at 30 September 2018 and 31 March 2018, the ageing analysis of the trade payables (including amounts due to related parties which are trade in nature) based on the invoice dates was as follows:

		As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
0 – 90 days	0至90日	206,202	312,436
91 – 180 days	91至180日	18,028	23,887
181 – 360 days	181至360日	4,264	2,067
Over 360 days	360日以上	9,951	10,132
		238,445	348,522

18. OTHER INCOME AND OTHER GAINS – NET

Government grants	政府津貼	67,496	59,044
Currency exchange gain – net	貨幣匯兌收益－淨額	16,401	675
Gain on disposal of a subsidiary	出售附屬公司之收益	–	454
Gain on disposal of AFS	出售可供出售金融資產之收益	–	1,920
	出售以公允價值計量且其變動		
Gain on disposal of FVPL	計入損益之金融資產的收益	2,035	–
Others	其他	1,670	1,677

87,602 63,770

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

17. 貿易及其他應付款項 (續)

- (a) 於二零一八年九月三十日及二零一八年三月三十一日，貿易應付款項（包括關聯人士的貿易應付款項）根據發票日期的賬齡分析如下：

18. 其他收入及其他收益－淨額

	Unaudited 未經審核 For the six months ended 30 September 截至九月三十日止六個月 2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Government grants	67,496	59,044
Currency exchange gain – net	16,401	675
Gain on disposal of a subsidiary	–	454
Gain on disposal of AFS	–	1,920
Gain on disposal of FVPL	2,035	–
Others	1,670	1,677

87,602 63,770

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

19. EXPENSES BY NATURE

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

		Unaudited 未經審核		
		For the six months ended 30 September		
		截至九月三十日止六個月		
		Note 附註	2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Depreciation	折舊	8	55,856	51,706
Amortisation	攤銷	8	18,553	18,010
Provision for impairment on other non-current assets	其他非流動資產減值撥備		-	18,000
Employee benefit expenses	僱員福利開支		162,624	135,139
Research and development expenses	研究及發展開支	(a)	125,768	124,780
Lease rentals	租金		14,454	14,639
Travelling expenses	差旅開支		21,949	24,468
Utility expenses	公共設施開支		30,589	30,676
Delivery expenses	運輸開支		17,836	19,591

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

		Unaudited 未經審核		
		For the six months ended 30 September		
		截至九月三十日止六個月		
		Note 附註	2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Depreciation	折舊	8	10,138	11,277
Amortisation	攤銷	8	1,566	1,369
Employee benefit expenses	僱員福利開支		63,795	38,865

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

19. 按性質分類的開支

費用包括銷售成本、銷售及市場推廣開支及行政費用，並根據其性質（除附註(a)按照性質所單獨列示的「研究及發展開支」外，每項開支均已不包括有關研究及發展的金額）分析如下：

		Unaudited 未經審核		
		For the six months ended 30 September		
		截至九月三十日止六個月		
		Note 附註	2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Depreciation	折舊	8	55,856	51,706
Amortisation	攤銷	8	18,553	18,010
Provision for impairment on other non-current assets	其他非流動資產減值撥備		-	18,000
Employee benefit expenses	僱員福利開支		162,624	135,139
Research and development expenses	研究及發展開支	(a)	125,768	124,780
Lease rentals	租金		14,454	14,639
Travelling expenses	差旅開支		21,949	24,468
Utility expenses	公共設施開支		30,589	30,676
Delivery expenses	運輸開支		17,836	19,591

(a) 研究及發展開支中包括的折舊、攤銷及僱員福利開支列示如下：

		Unaudited 未經審核		
		For the six months ended 30 September		
		截至九月三十日止六個月		
		Note 附註	2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Depreciation	折舊	8	10,138	11,277
Amortisation	攤銷	8	1,566	1,369
Employee benefit expenses	僱員福利開支		63,795	38,865

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

20. INCOME TAX EXPENSE

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

20. 所得稅

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
	Note 附註	2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Current income tax:	即期稅項：		
– PRC corporate income tax	– 中國企業所得稅	(a) 179,030	124,204
– Hong Kong profits tax	– 香港所得稅	(b) 5,561	4,845
– Botswana company income tax	– 博茨瓦納企業所得稅	(c) 648	538
– Germany company income tax	– 德國企業所得稅	(d) 121	98
Deferred income tax	遞延所得稅	10 (10,449)	17,065
		174,911	146,750

- | | |
|--|---|
| (a) PRC corporate income tax has been calculated on the estimated assessable profit for the period at the tax rates applicable to respective companies of the Group. | (a) 中國企業所得稅撥備按本集團在中國大陸之企業於本期間估計應課稅盈利以其適用的稅率而定。 |
| (b) Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profit for the period. | (b) 香港所得稅按本期間估計應課稅盈利以稅率16.5% (二零一七年: 16.5%) 撥備。 |
| (c) Botswana company income tax has been provided at the rate of 15% (2017: 15%) on the estimated assessable profit for the period. | (c) 博茨瓦納企業所得稅按本期間估計應課稅盈利以稅率15% (二零一七年: 15%) 撥備。 |
| (d) Germany company income tax has been provided at the rate of 15% (2017: 15%) on the estimated assessable profit for the period. | (d) 德國企業所得稅按本期間估計應課稅盈利以稅率15% (二零一七年: 15%) 撥備。 |
| (e) No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions during the period. | (e) 本集團於有關期間在其他司法權區並無取得應課所得稅收入，故無為其他司法權區的所得稅作出撥備。 |

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

21. EARNINGS/(LOSS) PER SHARE

Basic and diluted

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

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

21. 每股盈利／(虧損)

基本及攤薄

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

		Unaudited 未經審核	
		For the six months ended 30 September 截至九月三十日止六個月	
		2018 二零一八年	2017 二零一七年 (Restated) (經重列)
Profit attributable to equity holders of the Company from continuing operations	本公司權益持有人應佔來自持續經營業務之盈利	505,478	478,579
Loss attributable to equity holders of the Company from discontinued operation	本公司權益持有人應佔來自終止經營業務之虧損	(28,353)	(21,685)
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	477,125	456,894
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數(千計)	3,107,963	3,107,963
Basic and diluted earnings/(loss) per share attributable to equity holders of the Company (RMB cents per share):	本公司權益持有人應佔每股基本及攤薄盈利／(虧損)(每股人民幣分):		
From continuing operations	來自持續經營業務	16.26	15.40
From discontinued operation	來自終止經營業務	(0.91)	(0.70)
		15.35	14.70

There was no outstanding share option during the period ended 30 September 2018. For the period ended 30 September 2017, the share options granted by the Company have no potential dilutive effect on the basic earnings/(loss) per share.

截至二零一八年九月三十日止期間，沒有仍然有效但尚未行使之購股權。截至二零一七年九月三十日止期間，尚未行使之購股權對每股基本盈利／(虧損)沒有攤薄效應。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

22. DIVIDENDS

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
		2018 二零一八年	2017 二零一七年
Proposed interim dividend of HK10.0 cents (2017: HK10.3 cents) per share	擬派中期股息每股港幣10.0仙 (二零一七年: 港幣10.3仙)	273,485	271,993
Proposed special dividend: nil (2017: HK5.7 cents) per share	擬派特別股息: 無 (二零一七年: 港幣5.7仙)	-	150,521
		273,485	422,514

Final dividend of HKD466,194,000 (equivalent to approximately RMB405,353,000) for the year ended 31 March 2018 was paid in September 2018.

As the interim dividend was declared after the balance sheet date, they have not been recognised as dividend payable as at 30 September 2018.

截至二零一八年三月三十一日之期末股息港幣466,194,000元(折合約人民幣405,353,000元)已於二零一八年九月支付。

由於中期股息乃於結算日後宣派，此應付股息並未確認於二零一八年九月三十日之應付股息內。

23. BUSINESS COMBINATIONS

(a) Acquisition of Jiahao Foodstuff

In September 2018, New Generation Global Limited, a wholly owned subsidiary of the Company, entered into an agreement with independent third parties to acquire 100% equity interest in Jiahao Foodstuff, for a cash consideration of approximately USD695,985,000 (equivalent to approximately RMB4,745,437,000). Jiahao Foodstuff is principally engaged in the production, sales, marketing and distribution of condiment products in the PRC.

On 4 September 2018, the Group completed acquisition of Jiahao Foodstuff and has effective control over it. After the acquisition, the Group will focus on the complementary products in the taste-based fast-moving consumer products, including products in the niche markets such as flavours and fragrances, additives, ingredients and packing materials, condiments, etc. It is expected to play a synergistic effect.

23. 業務合併

(a) 收購嘉豪食品

於二零一八年九月，本公司之全資附屬公司New Generation Global Limited與獨立第三方簽署協議，以現金代價約695,985,000美元(折合約人民幣4,745,437,000元)收購嘉豪食品的100%權益。嘉豪食品主要在中國從事生產、銷售、營銷及分銷調味品產品。

本集團已於二零一八年九月四日完成收購嘉豪食品並對其有效控制。在作出是項收購後，本集團將聚焦味覺系快消品之配套產品，包括香精產品、添加劑、配料及包裝材料、調味品等細分市場之產品，預期可發揮協同效應作用。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

23. BUSINESS COMBINATIONS (continued)

(a) Acquisition of Jiahao Foodstuff (continued)

The Group has yet to undertake a detailed assessment of the fair value of assets and liabilities arising from the acquisition as at the acquisition dates. As a result, the goodwill of RMB3,635,550,000 is calculated based on the provisional fair value of Jiahao Foodstuff's net assets. The goodwill arising from the acquisition is attributable to the synergy and economics of scale expected from combining the operations of the Group and Jiahao Foodstuff. None of the goodwill recognised is expected to be deductible for income tax purposes.

Details of net assets acquired and goodwill are as follows:

Consideration – cash paid	收購對價－現金支付	4,745,437
Less: fair value of identifiable net assets acquired – shown below	減：收購可辨認淨資產之公允價值－詳列下文	(1,109,887)
Goodwill (Note 8)	商譽(附註8)	3,635,550
The assets and liabilities recognised as a result of the acquisition are as follows:	因收購而確認之資產及負債的公允價值如下：	
Property, plant and equipment	物業、機器及設備	107,063
Land use rights	土地使用權	16,620
Intangible assets	無形資產	906,009
Inventories	存貨	22,694
Trade and other receivables	貿易及其他應收款項	13,845
FVPL	以公允價值計量且其變動計入損益之金融資產	180,811
Cash and cash equivalents	現金及現金等價物	163,760
Deferred income tax assets (Note 10)	遞延所得稅資產(附註10)	13,818
Trade and other payables	貿易及其他應付款項	(77,373)
Contract liabilities	合同負債	(97,697)
Deferred tax liabilities (Note 10)	遞延所得稅負債(附註10)	(139,663)
Fair value of identifiable net assets acquired	收購之資產的公允價值	1,109,887
Outflow of cash to acquire business (net of cash acquired)	收購業務之現金流出(扣除收購之淨現金)	
Consideration – cash paid	以現金支付收購代價	4,745,437
Cash and cash equivalents in a subsidiary acquired	收購附屬公司內的現金及現金等價物	(163,760)
Net cash outflow on acquisition	收購的淨現金流出	4,581,677

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

23. 業務合併(續)

(a) 收購嘉豪食品(續)

本集團將會對收購產生的資產和負債於收購日的公允值進行詳細評估，因此，是次收購產生的商譽為人民幣3,635,550,000元，乃基於嘉豪食品的資產淨值之臨時公允值計算。收購產生的商譽來自於整合本集團及嘉豪食品之經營後預期產生的協同效應和經營效益。確認產生的商譽預期不可扣除所得稅。

收購產生之初步淨資產及商譽詳情如下：

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

23. BUSINESS COMBINATIONS (continued)

(a) Acquisition of Jiahao Foodstuff (continued)

Acquisition-related costs of RMB16,650,000 have been charged to administrative expenses in the consolidated income statement for the period ended 30 September 2018.

The acquired business contributed revenue of RMB26,785,000 and operating profit of RMB9,422,000 to the Group for the period from date of acquisition to 30 September 2018, while the operating loss for the condiment segment amounted to RMB7,991,000 after deducting the one-off acquisition-related cost, currency exchange gain and amortisation expense of intangible assets arising from the acquisition of approximately RMB17,413,000. If the acquisition had occurred on 1 April 2018, consolidated revenue and consolidated net profit after tax would have been increased by approximately RMB291,967,000 and RMB46,949,000 respectively.

(b) Acquisition of Hunan Jishou

In September 2018, Smart Sino (Shanghai) Investment Management Co., LTD., a wholly owned subsidiary of the Company, entered into an agreement with independent third parties to acquire 85% equity interest in Hunan Jishou, a company incorporated in the PRC, for a cash consideration of RMB13,498,000.

Hunan Jishou is principally engaged in the production and sales of ingredients of cigarettes and filter rods. It is expected that the market position of the Group in this industry will be strengthened through the acquisition.

Hunan Jishou has become a non-wholly owned subsidiary of the Group in September 2018. The Group has yet to undertake a detailed assessment of the fair value of assets and liabilities arising from the acquisition as at the acquisition dates. As a result, the goodwill of RMB4,813,000 is calculated based on the provisional fair value of Hunan Jishou's net assets.

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

23. 業務合併 (續)

(a) 收購嘉豪食品 (續)

收購相關成本人民幣16,650,000元已於截至二零一八年九月三十日止期間的簡明綜合收益表內行政費用中扣除。

該業務自收購日至二零一八年九月三十日止，為本集團帶來的銷售收入和營運盈利，分別約人民幣26,785,000元及約人民幣9,422,000元，但在扣除因收購而產生之一次性收購相關成本、匯兌收益和無形資產攤銷費用等約人民幣17,413,000元後，調味品板塊的營運虧損為人民幣7,991,000元。如該收購於二零一八年四月一日發生，本集團之綜合銷售收入及綜合稅後盈利將分別增加約人民幣291,967,000元及約人民幣46,949,000元。

(b) 收購湖南吉首

於二零一八年九月，本公司之全資附屬公司華烽(上海)投資管理有限公司與獨立第三方簽署協議，以現金代價人民幣13,498,000元收購一家於中國成立的公司，湖南吉首的85%權益。

湖南吉首主要從事煙用材料及濾嘴棒的生產及銷售。通過收購，本集團預期可加強其在市場上之地位。

湖南吉首於二零一八年九月成為本集團之非全資附屬公司。本集團將會對收購產生的資產和負債於收購日的公允值進行詳細評估，因此，是次收購產生的商譽為人民幣4,813,000元，乃基於湖南吉首的資產淨值之臨時公允值計算。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

24. COMMITMENTS

(a) Capital commitments

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

		As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
Contracted but not provided for:	已簽約但未撥備：		
Property, plant and equipment	物業、機器及設備	93,642	83,358
Investment in an associate	於聯營公司之投資	43,420	43,420
AFS	可供出售金融資產	-	133,099
FVOCI	以公允價值計量且其變動計入其他綜合收益之金融資產	136,740	-
		273,802	259,877

(b) Operating lease commitments

Future aggregate minimum lease payments under non-cancellable operating leases at the closing date are as follows:

		As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
Land and buildings:	土地及樓宇：		
Not later than 1 year	不超過1年	87,447	31,556
Later than 1 year and not later than 5 years	超過1年但不超過5年	46,375	66,944
Later than 5 years	超過5年	23,416	30,385
		157,238	128,885

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

24. 承擔

(a) 資本承擔

於結算日已簽約但未發生的資本開支如下：

	As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
Contracted but not provided for:		
Property, plant and equipment	93,642	83,358
Investment in an associate	43,420	43,420
AFS	-	133,099
FVOCI	136,740	-
	273,802	259,877

(b) 營運租賃承擔

於結算日根據不可撤銷營運租賃，未來最低租賃付款總額如下：

	As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
Land and buildings:		
Not later than 1 year	87,447	31,556
Later than 1 year and not later than 5 years	46,375	66,944
Later than 5 years	23,416	30,385
	157,238	128,885

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

簡明綜合中期財務資料附註 (續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

25. RELATED PARTY TRANSACTIONS

25. 關聯人士交易

(a) Name and relationship with related parties

(a) 關聯人士名稱與關係

Name 名稱	Relationship 關係
Huangguoshu Golden Leaf 黃果樹金葉	An associate indirectly held by the Company 本公司間接持有的聯營公司
Dianhua Benxiang Technology Co., Ltd. 雲南滇華本香科技有限公司 (「滇華本香」)	A jointly controlled entity indirectly held by the Company 本公司間接持有的共同控制實體

(b) Balances with related parties

(b) 關聯人士結餘

		As at 30 September 2018 於二零一八年 九月三十日 Unaudited 未經審核	As at 31 March 2018 於二零一八年 三月三十一日 Audited 經審核
<i>Balance due from a related party:</i>	<i>應收關聯人士結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade and other receivables	– 貿易及其他應收款	12,618	4,504
<i>Balance due to related parties:</i>	<i>應收關聯人士結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade payables	– 貿易應付款	15	–
– Dianhua Benxiang	– 滇華本香		
– trade payables	– 貿易應付款	2,006	–
		2,021	–

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

所有關聯人士結餘均為無抵押、免息及須於通知時清還。

Notes To The Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

25. RELATED PARTY TRANSACTIONS (continued)

(c) Key management compensation

Key management includes directors (executive, non-executive and independent non-executive) and senior management. The amounts of compensation paid and payable to key management for employee services during the six months ended 30 September 2018 and 2017 are shown below:

簡明綜合中期財務資料附註 (續)

(除另有指明者外，所有金額均以人民幣千元列示)

25. 關聯人士交易 (續)

(c) 主要管理人員酬金

主要管理人員包括董事(執行董事、非執行董事與獨立非執行董事)和高級管理人員。於截至二零一八年及二零一七年九月三十日止六個月內，向主要管理人員支付作為僱員服務的已付及應付酬金如下：

		Unaudited 未經審核	
		For the six months ended 30 September	
		截至九月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
Fees, salaries and bonus	工資、薪酬及花紅	24,411	20,599
Employer's contributions to retirement benefit scheme	僱主就退休計劃供款	741	365
		25,152	20,964

Glossary

Board	The board of directors of the Company	董事會	本公司的董事會
Case	Each case contains 50,000 sticks of cigarette	箱	每箱含50,000支捲煙
CEO	Chief Executive Officer	首席執行官	首席執行官
CFO	Chief Financial Officer	首席財務官	首席財務官
CG Code	Corporate Governance Code as set out in Appendix 14 of the Listing Rules	企業管治守則	上市規則附錄十四所列的企業管治守則
China, Mainland or PRC Company or Huabao	The People's Republic of China Huabao International Holdings Limited	中國或國內本公司或華寶	中華人民共和國華寶國際控股有限公司
Director(s)	The director(s) of the Company	董事	本公司董事
electronic cigarettes	e-cigarette(s)	電子煙	電子煙
Executive Director(s)	Executive director(s) of the Company	執行董事	本公司之執行董事
FCCA	Fellow member of the Association of Chartered Certified Accountants	FCCA	英國特許公認會計師公會資深會員
FCIS	Fellow member of The Institute of Chartered Secretaries and Administrators	FCIS	英國特許秘書及行政人員公會資深會員
FCCA	Fellow member of the Hong Kong Institute of Certified Public Accountants	FCCA	資深會計師
FCCA (Aust.)	Fellow member of CPA Australia Ltd	FCCA (Aust.)	澳洲資深註冊會計師
FCS	Fellow member of The Hong Kong Institute of Chartered Secretaries	FCS	香港特許秘書公會資深會員
Group or Huabao Group	the Company and its subsidiaries	本集團或華寶集團	本公司及其附屬公司
Guangdong Jinye	Guangdong Golden Leaf Technology Development Co., Ltd.	廣東金葉	廣東省金葉科技開發有限公司
Guangdong Zhaoqing	Zhaoqing Perfumery Co., Ltd. (Guangdong)	廣東肇慶	廣東肇慶香料廠有限公司
HKD	Hong Kong dollars, the lawful currency of Hong Kong	港幣	港幣·香港法定貨幣
HKICPA	Hong Kong Institute of Certified Public Accountants	HKICPA	香港會計師公會
Hong Kong or HKSAR	Hong Kong Special Administrative Region of the People's Republic of China	香港	中華人民共和國香港特別行政區
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited	香港聯交所	香港聯合交易所有限公司
Huabao Flavours	Huabao Flavours & Fragrances Co., Ltd., a joint stock limited company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company	華寶股份	華寶香精股份有限公司·於中國成立的股份有限公司·為本公司間接擁有的非全資附屬公司
Hunan Jishou	Hunan Jishou Mingzu Materials Co. Ltd.	湖南吉首	湖南吉首市民族煙材有限公司
INED(s)	Independent Non-executive Director(s) of the Company	獨立非執行董事	本公司之獨立非執行董事
Jiahao	Guangdong Jiahao Foodstuff Co., Ltd	嘉豪	廣東嘉豪食品有限公司
Jiahao Foodstuff	Jiahao Foodstuff Limited and its subsidiaries	嘉豪食品	嘉豪食品有限公司及其附屬公司
Jiangxi Huabao Kongque	Jiangxi Province Huabao Kongque Food Technology Development Co., Ltd.	江西孔雀	江西省華寶孔雀食品科技發展有限公司

詞彙

Glossary (cont'd)

Jiangxi Xianghai	Jiangxi Xianghai Biological Technology Co., Ltd
Listing Rules	the Rules Governing the Listing of Securities on the Main Board of the Hong Kong Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
R&D	Research and development
RMB	Renminbi, the lawful currency of the PRC
RTL	Reconstituted Tobacco Leaves
SFO	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
Share(s) or ordinary share(s)	Ordinary share(s) of HKD 0.10 each in the capital of the Company
Shareholder(s)	Shareholder(s) of the Company
Shenzhen Stock Exchange	Shenzhen Stock Exchange in the PRC
U.S.	United States of America
USD	US dollars, the lawful currency of the United States of America
VMR Products	VMR Products, LLC
Yancheng Chunzhu	Yancheng City Chunzhu Aroma Co., Ltd.
Yongzhou Shanxiang	Yongzhou Shanxiang Flavour Co., Ltd.
Yunnan Tobacco	China Tobacco Yunnan Industrial Co., Ltd.

詞彙 (續)

江西香海	江西香海生物科技 有限公司
上市規則	香港聯交所主板證券上市 規則
標準守則	上市規則附錄十所列的上市 發行人董事進行證券交易 的標準守則
研發	研究及發展
人民幣	人民幣·中國法定貨幣
煙草薄片 證券及期貨條例	再造煙葉 香港法例第571章證券及期 貨條例
股份或普通股	本公司股本中每股面值港幣 0.10元的普通股
股東	本公司之股東
深圳證券交易所	中國深圳證券交易所
美國	美利堅合眾國
美元	美元·美國法定貨幣
VMR Products	VMR Products, LLC
鹽城春竹	鹽城市春竹香料有限公司
永州山香	永州山香香料有限公司
雲南中煙	雲南中煙工業有限公司

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