



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



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

Mr. LEE Luk Shiu
 Ms. MA Yunyan
 Mr. WU Chi Keung
 Mr. Jonathan Jun YAN

AUDIT COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
 Ms. MA Yunyan
 Mr. WU Chi Keung
 Mr. Jonathan Jun YAN

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Ms. CHU Lam Yiu (*Chairlady*)
 Mr. LEE Luk Shiu
 Mr. WU Chi Keung

QUALIFIED ACCOUNTANT

Ms. CHOY Man Har *FCPA, FCCA*

COMPANY SECRETARY

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

AUDITOR

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*)
 林嘉宇先生

獨立非執行董事

李祿兆先生
 麻雲燕女士
 胡志強先生
 Jonathan Jun YAN先生

審核委員會

李祿兆先生 (*主席*)
 麻雲燕女士
 胡志強先生
 Jonathan Jun YAN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
 胡志強先生

合資格會計師

蔡文霞女士 *FCPA, FCCA*

公司秘書

潘昭國先生 *FCIS, FCS, 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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL SHARE REGISTRAR

MUFG Fund Services (Bermuda) Limited
4th floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
4th floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

BRANCH SHARE REGISTRAR

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

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54樓

STOCK CODE

The Stock Exchange of Hong Kong Limited: 00336

股份代號

香港聯合交易所有限公司：00336

COMPANY WEBSITE

www.huabao.com.hk

公司網址

www.huabao.com.hk

		Unaudited 未經審核		
		For the six months ended		
		30 June 2019	30 September 2018	Change in percentage
		截至2019年 6月30日 止六個月 RMB'000 人民幣千元	截至2018年 9月30日 止六個月 RMB'000 人民幣千元	百分比變動
Continuing operations	持續經營業務			
Revenue	營業額	2,069,317	1,651,556	+25.3%
Gross profit	毛利	1,310,461	1,080,003	+21.3%
Gross profit margin	毛利率	63.3%	65.4%	
Operating Profit	營運盈利	806,098	711,101	+13.4%
EBITDA margin*	EBITDA率 [≠]	45.4%	48.3%	
EBIT margin	EBIT率	39.0%	43.1%	
Profit before income tax	除稅前盈利	805,290	789,384	+2.0%
Profit from continuing operations for the period	持續經營業務之 本期間盈利	609,173	614,473	-0.9%
Profit from continuing and discontinued operations attributable to the equity holders of the Company	本公司權益持有人 應佔持續經營業務與 終止經營業務之盈利 of the Company	480,289	477,125	+0.7%
		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	15.45	16.26	
– Discontinued operation	– 終止經營業務	–	(0.91)	
		15.45	15.35	+0.7%
		HK cents 港幣仙	HK cents 港幣仙	
Interim dividend per share	每股中期股息	8.8	10.0	

* “EBITDA margin” equal to “Earnings before taxes, interest, depreciation, amortisation and share-based compensation expenses” divided by “Revenue”.

≠ 「EBITDA率」等於「除稅、利息、折舊、攤銷及以股份為基礎之酬金開支前的盈利」除以「營業額」。

INDUSTRY OVERVIEW

Overview of the tobacco industry

Due to the slowdown of the growth rate of Chinese economy, implementation of smoking control, and the people's increasing awareness towards living a healthy life, the tobacco industry continued its downward trend. According to industry data, the production volume of cigarettes started to decrease since 2015. In 2017, production volume of cigarettes declined to 2,345.07 billion sticks, representing a decrease of 1.6% year-over-year. As at the end of 2018, the production volume of cigarettes nationwide was 2,335.62 billion sticks, representing a slight decrease of 0.4% year-over-year. The development of the tobacco industry remains stable and is declining. (Source: Tobacco Online)

In the area of innovative cigarettes, short cigarettes, thin cigarettes, medium-length cigarettes and flavour capsule cigarettes maintained the development momentum. From 1 January 2019 to 20 June 2019, sales volume of thin cigarettes was 2.287 million cases, representing a year-on-year growth of 541,300 cases or a 31% increase; sales volume for medium-length cigarettes was 491,900 cases, representing a year-on-year growth of 231,900 cases or a 23% increase; sales volume of flavour capsule cigarettes was 579,200 cases, representing a year-on-year growth of 193,500 cases or a 50% increase. While the old-timer smokers do maintain a relatively higher brand loyalty towards the traditional cigarettes, the innovative cigarettes such as thin, short, medium-length and flavour capsule cigarettes have an advantage in attracting new smokers and play an important role in optimising the product mix of cigarettes. (Source: Tobacco Online)

In addition, due to the increased public awareness towards health and the desire for change in smoking experience, some smokers have started to take on innovative cigarette products. While the development of innovative tobacco products is relatively more mature in Europe and America, it is still at an early stage of experiment due to unclear regulatory policies, intense competition and lack of proprietary brands in China.

As for tobacco leaves, the volume of planting and procurement have been stable under the condition of steady sales of cigarettes. The State Tobacco Monopoly Administration will continue to strengthen the management of tobacco leaves inventory by improving the turnover rate of tobacco leaves inventory in order to achieve cost reduction and improve efficiency.

行業概況

煙草行業概況

由於中國經濟增速放緩，控煙措施的實施和人們健康生活意識的提高，煙草產業延續下降態勢。據行業數據統計，自2015年起我國捲煙產量開始下滑，2017年捲煙產量下降至23,450.7億支，同比下降1.6%。截止到2018年末，全國捲煙產量為23,356.2億支，比上年同期微降0.4%。捲煙行業的發展呈現穩中有降的態勢。(資料來源：煙草在線)

創新型捲煙產品方面，短支煙、細支煙、中支煙、爆珠煙(細短中爆)的發展動能不減。自2019年1月1日至2019年6月20日，細支煙銷量228.7萬箱，同比增加54.13萬箱，增幅31%；中支煙銷量49.19萬箱，同比增加23.19萬箱，增幅23%；爆珠煙銷量57.92萬箱，同比增加19.35萬箱，增幅50%。在老煙民對傳統捲煙維持較高品牌忠誠度的情況下，細短中爆等創新型捲煙在吸引新生煙民、優化捲煙結構方面發揮著重要作用。(資料來源：煙草在線)

此外，由於公眾健康意識的增強及對吸煙體驗追求的改變，部分煙民開始轉向新型煙草製品。新型煙草製品在歐美的發展相對成熟，在中國則因為監管政策尚未明晰、競爭激烈、自有品牌缺乏而處於摸索階段。

煙葉方面，在捲煙銷售穩健的情況下，煙葉的種植採購也維持穩健。國家煙草專賣局將繼續加強對煙葉庫存的管理工作，提升煙葉庫存的周轉率，實現降本增效。

Overview of the food and beverage industry and fragrances industry

In the first half of 2019, impacted by the slowdown of global economy and US-China trade war, Chinese gross domestic product increased by 6.3% year-over-year. In comparison to the same period last year, the GDP growth rate slowed, and consumer confidence declined by a certain degree. Chinese government introduced and implemented "cutting taxes and fees" policy to encourage consumption, which achieved decent results. According to the Ministry of Industry and Information Technology of the People's Republic of China, in the first half of 2019, the gross industrial output of enterprises of industrial scale remained stable growth, among which the agricultural product processing industry rose by 4.7% year-over-year, the food processing industry rose by 5.5% year-over-year, and the alcohol, beverage and refined tea processing industry jumped by 6.5% as compared to the same period last year. During the Reporting Period, the consumers continuously raised their concerns about raw materials, production processes, environmental responsibility and other issues in the food and beverage industry. More and more food and beverage companies are developing, producing and marketing products using "health" as a selling point. As the expectation for global and Chinese economy is lowering, the food and beverage industry will be impacted by consumer confidence in the coming days and face uncertainties.

In respect of the fragrances industry, the major economic indicators for soap, synthetic detergent, cosmetics and other segments, according to the figures of National Bureau of Statistics on enterprises above designated size, from January to May 2019 were as follows: the revenue of those with soap and detergent as main business was RMB50.4 billion, representing a drop of 2.84% as compared with the same period in the previous year; the revenue of those with cosmetics as main business was RMB54.4 billion, representing a drop of 7.26% as compared with the same period in previous year; the revenue of those with oral cleansing products as main business was RMB9.5 billion, representing an increase of 4.2% as compared with the same period in the previous year. Soap and detergent accounted for the largest market share in the fragrances industry. Despite the slip of revenue of the cosmetics segment from January to May, there is still a lot of room for market expansion, driven by new commercial models such as beauty makeup, new retail experience and social e-commerce.

管理層討論及分析(續)

食品飲料及日化行業概況

2019年上半年，受全球經濟放緩及中美貿易戰影響，中國國內生產總值同比增長6.3%，與去年同期相比，經濟增速有所放緩，消費者信心有一定下滑。政府出台並落實「減稅降費」政策，鼓勵居民消費，取得一定成效。根據中國工信部數據，2019年上半年，全國規模以上食品企業工業增加值保持穩定增長，其中農副食品加工業累計同比增長4.7%，食品製造業累計同比增長5.5%，酒、飲料和精製茶製造業累計同比增長6.5%。報告期內，消費者對食品飲料行業的產品原材料、製作流程、環保責任等議題的關注不斷提升，越來越多的食品飲料企業以「健康」為賣點進行產品的研發、生產及營銷。隨著對全球及中國經濟預期下調，食品飲料行業接下來也受到消費者信心波動的影響，面臨不確定性。

日化行業方面，根據國家統計局對規模以上企業的統計，2019年1-5月份肥皂、合成洗滌劑、化妝品等行業主要經濟指標如下：肥皂及洗滌劑主營業務收入人民幣504億元，比上年同期下跌2.84%；化妝品主營業務收入人民幣544億元，比上年同期下跌7.26%；口腔清潔用品主營業務收入人民幣95億元，比上年同期增長4.2%；肥皂及洗滌劑在日化行業佔據最大的市場份額，化妝品行業1-5月份主營業務收入雖然出現下滑，但是在美妝、新零售、社交電商等新型商業模式推動下仍然有強大的開拓空間。

Overview of the condiment industry

According to the data of National Bureau of Statistics, the total revenue of the catering industry reached RMB2,127.9 billion with a year-on-year growth of 9.4% in the first half of 2019. However, the growth rate of the catering industry decreased as compared to the 9.9% of the same period last year. In the Chinese food market, hot pot, Sichuan cuisine and Chinese fast food accounted for the largest market segment. Meanwhile, a characteristic of having a large quantity of newly opened stores and a large quantity of ceased business within a short period of time emerged in the catering industry, indicating that there was a swift change of palate preference of the consumers which resulted in intense competition in the industry.

Faced with the same challenge as the catering industry, condiment enterprises have been paying more attention to the judgement of market trend and the study of end-consumers' habits, while at the same time focusing on the expansion and deepening of sales channels. Condiment enterprises are no longer satisfied to be the suppliers of their customers. They also take the initiative to provide their customers with innovative solutions in catering as well as assistance to launch hot-selling products, so as to boost the sales of their customers. Enterprises with research and development capabilities of customers' palate preferences, expansion capabilities of sales channels and capabilities of optimising product mix will take the lead in the fierce competition. Market concentration in the condiment industry will continue to strengthen.

RESULTS

During the Reporting Period, the Group achieved a sales revenue of approximately RMB2,069 million, representing an increase of approximately 25.3% as compared with 2018-2019 Interim Report; a gross profit margin of approximately 63.3%, representing a slight decline of 2.1 percentage points as compared with the 2018-2019 Interim Report; an EBIT margin of approximately 39.0%, representing a decrease of 4.1 percentage points as compared with the 2018-2019 Interim Report. Profit attributable to the equity holders of the Company was approximately RMB480 million, while the basic earnings per share was approximately RMB15.45 cents, representing an increase of approximately 0.7% as compared with the 2018-2019 Interim Report.

調味品行業概況

根據國家統計局數據，2019年上半年全國餐飲業收入達到人民幣21,279億元，同比增長9.4%，但餐飲業收入增速與去年同期的9.9%相比有所下滑。中餐市場中，火鍋、四川菜及中式快餐是佔比最大的細分市場。與此同時，餐飲行業呈現出開店和關店數量快的特點，這一特點意味著終端消費者口味變化迅速、餐飲行業競爭激烈。

面對餐飲行業的挑戰，調味品企業在專注渠道拓展及下沉的同時，也更加注重對市場趨勢的判斷及終端消費者消費習慣的研究。調味品企業不再只滿足於做客戶的產品供應商，同時還主動向客戶提供創新型的餐飲解決方案，協助客戶推出「爆品」，為客戶的銷售額添磚加瓦。具備口味研發實力、銷售渠道擴展能力及產品結構優化能力的企業將在激烈的競爭中佔據領先位置，調味品行業的市場集中度將繼續提升。

業績

報告期內，本集團實現銷售收入約人民幣20.69億元，與去年中期報告相比增加約25.3%；毛利率約63.3%，與去年中期報告相比輕微下降約2.1個百分點；EBIT率約39.0%，與去年中期報告相比下降約4.1個百分點；本公司權益持有人應佔盈利約人民幣4.80億元。每股基本盈利約人民幣15.45分，與去年中期報告相比增加約0.7%。

In comparison to the sales revenue from the continuing operations of approximately RMB1,738 million (unreviewed management accounts) for the Corresponding Period Last Year, sales revenue for the Reporting Period up 19.1%. Profit before tax in the Reporting Period reached approximately RMB805 million, down 11.9% in comparison to RMB914 million (unreviewed management accounts) of the Corresponding Period Last Year.

BUSINESS REVIEW

Review of the flavours and fragrances business

During the Reporting Period, sales revenue of the flavours and fragrances business of the Group amounted to approximately RMB967 million, representing a slight increase of approximately 0.2% as compared with the 2018-2019 Interim Report and accounting for approximately 46.8% of the Group's revenue. Operating profit of the segment amounted to approximately RMB581 million, representing an increase of approximately 11.6% as compared with the 2018-2019 Interim Report. EBIT margin was approximately 60.1%. The flavours and fragrances segment has maintained stable revenue, which was in line with expectation. The increase in operating profit was mainly attributable to the effective control of expenses, the improvement of management efficiency and the increase in government subsidies.

(1) Food flavours

During the Reporting Period, the Group continued to provide customers with customised and stable tobacco flavour products according to their demands, assisting them to come up with customised cigarette flavours. In accordance with the overall strategic deployment of the Group for food flavours and ingredients, as well as the construction requirements of the investment project of the "Huabao Yingtan Flavours and Ingredients production base project", the Company established Jiangxi Kongque in Yingtan, Jiangxi as the entity for implementing investment project. Following the continuous progress of the investment project, Huabao Kongque will migrate its complete production operation to Jiangxi Kongque and commence production. Huabao Kongque is mainly engaged in the production of sweet flavours. Jiangxi Kongque will become more standardised, regulated and environmentally friendly in terms of its procurement, inventory management and production processes, which will improve the Group's competitive edge in the area of food flavours. With the completion of the investment project in the future, there will be better integration of resources and synergy effect for the Group's food flavours business.

與去年同期的來自持續經營業務的營業額約人民幣17.38億元(未經審閱管理賬)相比,報告期營業額上升了19.1%。報告期的除稅前盈利達約人民幣8.05億元,與去年同期除稅前盈利約人民幣9.14億元(未經審閱管理賬)相比下跌了11.9%。

業務回顧

香精業務回顧

報告期內,本集團香精業務銷售收入約人民幣9.67億元,與去年中期報告相比輕微增加約0.2%,佔整個集團的收入約46.8%。板塊營運盈利達約人民幣5.81億元,與去年中期報告相比增加約11.6%;EBIT率達約60.1%。香精板塊收入維持穩健,符合預期。營運盈利的提升主要由於對費用的控制、管理效率的提升以及政府補貼增加。

(1) 食用香精

報告期內,集團根據客戶的需求,繼續為客戶提供定制化、穩定的煙用香精產品,協助客戶做好香煙的風味。食品用香精方面,根據集團食品用香精及配料的整體戰略布局以及募投項目「華寶鷹潭食品用香精及食品配料生產基地項目」建設的需要,公司在江西鷹潭設立江西孔雀作為本募投項目的實施主體。隨著募投項目的持續推進,華寶孔雀將生產運營整體遷移至江西孔雀並實現生產。華寶孔雀以生產甜味香精為主,江西孔雀從採購、庫存管理、生產流程方面都更為標準化、規範化以及環境友好,增強了集團在食品用香精領域的競爭力。未來隨著募投項目的建成將更好的實現集團食品用香精資源的整合和協同。

(2) Fragrances

The revenue and profit of the fragrances business recorded relatively substantial growth as compared with those from the 2018-2019 Interim Report. The performance improvement was mainly attributable to the Group's successful development of a certain number of new customers, the lower production costs of daily use chemical fragrances due to the lower costs of fragrance raw materials, as well as the implementation of the "Cutting taxes and fees" policy by the PRC Government. While the use of insect-repelling incenses and household disinfection and insecticide products have decreased somewhat in the PRC, there are still relatively large overseas markets in Southeast Asia. During the Reporting Period, the Group continued to strengthen its research and development in the field of insect repelling and insecticide incenses, and sell the products to overseas developing countries. In addition, with further strengthening of the demands for customisation and individualisation of personal care products, the Group is developing small and medium-sized personal care corporate customers locally, with an aim to enhance its development strength in this field and to diversify its income sources.

As of 30 June 2019, the cumulative amount of the funds raised from the initial public offering of Huabao Flavours in 2018 ("IPO Proceeds") and dedicated for the "Huabao Yingtan Flavours and Ingredients production base project" was approximately RMB94.7585 million, representing an investment progress of approximately 9.16%; the cumulative amount of IPO Proceeds and dedicated for the "Lhasa Pure Land Healthy Food project" was approximately RMB11.4580 million, representing an investment progress of approximately 2.4%; the cumulative amount of IPO Proceeds and dedicated for the "Huabao H&K Food Flavours and Food Technology Development project" was approximately RMB169,700, representing an investment progress of approximately 0.11%. As of 30 June 2019, the balance of IPO Proceeds (including accumulated interest income received) amounted to approximately RMB1,622 million.

(2) 日用香精

日用香精業務的收入及利潤與去年中期報告相比均錄得較大幅度增長。業績的增長主要由於集團成功開發一定數量的新客戶、日化用香原料的價格下降導致日化用香精生產成本降低、以及國家減稅降費政策的實施。熏香消殺類產品雖然在國內的使用率有所減少，但是在東南亞等海外市場依然有著比較大的市場，集團於報告期內繼續強化在熏香消殺領域的研發，將產品銷售至海外發展中國家。此外，隨著個人護理類產品定制化及個性化需求的進一步加強，集團開發本土中小型個人護理類企業客戶，提升在這一領域的發展實力，多元化收入來源。

截至2019年6月30日止，「華寶鷹潭食品用香精及食品配料生產基地項目」使用華寶股份於2018年首次公開募股資金（「募集資金」）累計約人民幣9,475.85萬元，投資進度約9.16%；「華寶拉薩淨土健康食品項目」使用募集資金累積約人民幣1,145.80萬元，投資進度約2.4%；「華寶孔雀食品用香精及食品技術研發項目」使用募集資金累計約人民幣16.97萬元，投資進度約0.11%。截至2019年6月30日止，尚未使用的募集資金餘額（包括累計收到利息收入）約人民幣16.22億元。

The construction progress of the “Huabao Yingtan Flavours and Ingredients production base project” was not as expected because of the excessive rainfalls during the initial stage of the project. Meanwhile, Huabao Flavours adopted an optimised approach of gradual investment with an aim to adapt to changes in market demands and control project investment risks. During the Reporting Period, the construction work for Food Flavours Phase I was basically completed. Huabao Flavours is currently implementing specific optimisation designs for the subsequent construction work. As the initial construction progress of the “Huabao Yingtan Flavours and Ingredients production base project” was not satisfactory, Huabao Kongque was only able to complete the corresponding production transition in February 2019, resulting in the delay of the commencement of the “Huabao H&K Food Flavours and Food Technology Development project”. During the Reporting Period, Huabao Flavours further optimised the design of the specific implementation plan of the project by integrating market demands with change of development trend, in order to prepare for the commencement of the project’s construction work. The progress of the initial stage of the “Lhasa Pure Land Healthy Food project” was slow because of the high-altitude climate in Tibet and that the time available for construction work was short. At the same time, there were factors such as market and raw materials, as well as Huabao Flavours’s controlled investments, resulting in slowdown of project constructions.

Huabao Flavours will continue to implement investment projects using the raised funds, and make appropriate adjustments in accordance with the project implementation status.

Review of the tobacco raw materials business

During the Reporting Period, sales revenue of Group’s tobacco raw materials business was approximately RMB366 million, representing a decrease of 14.9% as compared with the 2018-2019 Interim Report, accounting for approximately 17.7% of the Group’s revenue. The operating profit of the segment amounted to approximately RMB132 million, representing a decrease of 29.0% as compared with the 2018-2019 Interim Report. EBIT margin was approximately 36.1%, representing a decrease of 7.1 percentage points as compared with the 2018-2019 Interim Report. The decrease in the sales revenue of this segment and the decrease in EBIT margin were mainly attributable to the decrease in the sales volume of RTL and the downward pressure on the price of flavour capsules.

「華寶鷹潭食品用香精及食品配料生產基地項目」前期由於江西鷹潭雨水較多，施工進展不及預期。同時，為適應市場需求變化、控制項目投入風險，華寶股份採取逐步投入的優化方式。報告期內，食品用香精一期建設工程已基本完成，華寶股份正在對後續建設項目的具體落實進行進一步優化設計。「華寶孔雀食品用香精及食品技術研發項目」前期由於華寶鷹潭項目施工進度不及預期，華寶孔雀於2019年2月才完成相應的生產過渡，導致項目開工滯後。報告期內，為做好項目開工準備，華寶股份結合市場需求及發展變化趨勢，對項目的具體實施方案做進一步優化設計。「華寶拉薩淨土健康食品項目」前期由於拉薩地區高原氣候、施工時間短，導致項目進度較慢。同時受市場、原材料等多種因素影響，華寶股份控制投入，項目建設有所放緩。

華寶股份將繼續推進募集資金投資項目的實施，並根據項目實施情況適時進行調整。

煙用原料業務回顧

報告期內，本集團煙用原料業務銷售收入約人民幣3.66億元，與去年中期報告相比下降約14.9%，佔整個集團的收入約17.7%。板塊營運盈利達約人民幣1.32億元，與去年中期報告相比下降約29.0%，EBIT率約36.1%，與去年中期報告相比下降了約7.1個百分點。板塊銷售收入及EBIT率下降主要由於薄片銷量下滑及爆珠價格承壓。

(1) RTL

With the stable and declining production volume of cigarettes, the optimised cigarette product mix, and the overcapacity in the RTL industry, the sales volume of the Group's RTL declined, resulting in a decline in the performance of the segment as compared with the 2018-2019 Interim Report. In response to the challenges to the RTL industry, the Group is selling RTL to Southeast Asia and part of Europe through direct sales and distribution. Compared with the 2018-2019 Interim Report, overseas sales of RTL recorded growth in both sales volume and sales amount, as compared with the 2018-2019 Interim Report.

The market has a lot of anticipation for the HNB tobacco products. During the Reporting Period, the Group's research and development as well as its marketing team have performed a comprehensive analysis on the competitive landscape, opportunities and risks of HNB tobacco products, in order to develop the necessary capabilities to capture new opportunities and enhance performance when the regulatory authorities permit the use of such products.

(2) Tobacco new materials

During the Reporting Period, the competition in the flavour capsule market continued to be intense and the growth in flavour capsule capacity exceeded the demand in growth for flavour capsule, causing the price of flavour capsule subject to downward pressure. The government also took actions to regulate and control the promotion of flavour capsules, which played a part in slightly cooling down the heated market of flavour capsules. The revenue from flavour capsules declined as compared with the 2018-2019 Interim Report. Nevertheless, the Group has maintained a steady profit margin in flavour capsules by leveraging on its advantages in industry chain, scale of operation, technology, sales channels and its brand name.

(1) 煙草薄片

捲烟產量穩中有降、捲烟結構優化以及行業薄片產能過剩使集團薄片銷量下降，導致該板塊業績與去年中期報告相比下滑。為了應對薄片行業的挑戰，集團透過直銷和分銷兩種銷售方式，將薄片銷售至東南亞及部分歐洲市場。與去年中期報告相比，銷售至海外的薄片銷量及銷售額均錄得增長。

市場對加熱不燃燒煙充滿期待，報告期內，集團的研發及市場團隊對加熱不燃燒煙市場的競爭格局、機遇、風險進行全面分析，以便在監管允許時，有足夠的能力抓住新的增長機會、提升業績。

(2) 捲煙新材料

報告期內，爆珠行業延續激烈的競爭，爆珠行業產能的增長大於對爆珠需求的增長，使得爆珠價格承受下滑壓力。政府也採取行動，對爆珠烟的宣傳進行監測和管控，讓爆珠烟的市場熱度略有降溫。與去年中期報告相比，爆珠的收入有所下降。不過，集團憑藉在產業鏈、規模、技術、銷售渠道、品牌方面的優勢，使爆珠的利潤率維持穩定。

Review of aroma raw materials business

During the Reporting Period, the Group's aroma raw materials business recorded a sales revenue of RMB359 million, representing an increase of 57.3% as compared with the 2018-2019 Interim Report, accounting for approximately 17.4% of the Group's total revenue. The operating profit for the segment reached approximately RMB63.57 million, representing an increase of approximately 85.9% as compared with the 2018-2019 Interim Report. EBIT margin was approximately 17.7%, representing an increase of 2.7 percentage points as compared with the 2018-2019 Interim Report. The increase in sales revenue was attributable to the launch of new products and business expansion, while the increase in operating profit was attributable to the enhancement of management efficiency.

During the Reporting Period, the Jiangxi Xianghai Phase I Project was completed smoothly. Furanone and sulfurol are the core products of the Phase I project, and furanone has already been put into production, contributing a decent revenue to the Group. Pilot production for sulfurol, an intermediate for food flavours, has also been completed successfully and mass production is expected to commence in the second half of the year. Part of the Jiangxi Xianghai Phase II Project has been completed and it is expected to produce a lot more varieties of aroma raw materials products. The construction for the Phase III Project has also commenced. With the completion of the Jiangxi Xianghai projects, the Group's aroma raw materials business will achieve centralised and large-scale production.

Leveraging on the strategic partnership established with internationally renowned flavours and fragrances companies, Yongzhou Shanxiang production and sales of citral products have been stable. During the Reporting Period, Yongzhou Shanxiang invested in the construction of new facilities to meet the high demands of customers for product quality. In addition, Yongzhou Shanxiang also optimised its production lines for the production of products such as benzaldehyde, further increasing its source of revenue and improving its profit margins.

The price of maltol declined in the first half of the year as some well-known chemical companies resumed their production while other chemical companies joined the competition in maltol products. Guangdong Zhaoqing has maintained its revenue and profit at a reasonable level due to its exquisite craftsmanship, formula and brand name.

In addition, affected by the chemical incidents, chemical enterprises will face more and more pressure in terms of environmental protection and safety inspection. The US-China trade war also caused uncertainties to the business development of chemical enterprises.

管理層討論及分析(續)

香原料業務回顧

報告期內，本集團香原料業務銷售收入約人民幣3.59億元，與去年中期報告相比增長約57.3%，佔整個集團收入約17.4%。板塊營運盈利達約人民幣6,357萬元，與去年中期報告相比增加約85.9%。EBIT率達約17.7%，與去年中期報告相比增加約2.7個百分點。銷售收入的增長主要由於新產品的推出及業務拓展所致，營運盈利的增長主要由於管理效率的提升。

報告期內，江西香海一期項目順利完成建設。一期項目的核心產品為呋喃酮及硫嚙唑，呋喃酮已經實現量產，並為集團貢獻了可觀收入。作為食品用香精中間體的硫嚙唑也已經成功進行試生產，並預計將在下半年量產。江西香海二期項目已經完成一部分，將生產更多種類的香原料產品。三期項目也已經開始動工。隨著江西香海的建設，集團香原料業務將實現集中化、規模化生產。

依托與國際知名香精香料公司建立的戰略合作關係，永州山香的檸檬醛產品產量及銷量穩定。永州山香在報告期內投資建造新設備，以滿足客戶對產品品質的高要求。此外，永州山香優化生產線，推進苯甲醛等產品的生產，多元化收入來源，提升利潤率。

由於部分知名化工企業恢復生產，以及其他化工企業相繼加入到麥芽酚產品的競爭中來，麥芽酚的價格在上半年承壓下滑。廣東肇慶以精湛的工藝、配方以及品牌知名度，將收入及利潤維持在合理水平。

此外，受到環保事故的影響，化工企業將面臨更多來自環保及安全方面的壓力。中美貿易戰也為化工企業的業務發展增添了不確定性。

Review of condiment business

During the Reporting Period, the sales revenue of the Group's condiment business was approximately RMB376 million, representing an increase of approximately 1,304.3% as compared with the 2018-2019 Interim Report, accounting for approximately 18.2% of the Group's total revenue. Its operating profit reached approximately RMB104 million and EBIT margin was approximately 27.6%. The increase of sales revenue was mainly attributable to the fact that the 2018-2019 Interim Report included the revenue of Jiahao Foodstuff only for the period from 4 September 2018 (the date of completion of acquisition) to 30 September 2018 as well as other factors such as the expansion of sales channels and optimisation of marketing strategies.

In particular, the Group carried out the integration of Jiahao Foodstuff after its acquisition in three areas, namely adjustment of product mix, integration of brands and sales channels as well as human resources. In terms of product mix, the Group not only maintained the existing core products such as chicken bouillon and wasabi pastes, but also launched products including fragrant chicken bouillon, lightly salted chicken powder and chili liquid seasoning, based on its research on regional tastes preferences and market trends in China. These products have enriched the product portfolio of Jiahao Foodstuff and started to contribute to Jiahao Foodstuff's revenue. In terms of upstream sales channels, the Group optimised its sales team through the implementation of new incentive plans and strengthening the cooperation relationship with distributors. In terms of downstream sales channels, the Group repackaged the Jiahao brand name and repositioned it as the "Chinese tastes expert", which further strengthened the professional brand image of Jiahao Foodstuff. As for strategic collaboration, the Jiahao Foodstuff team has carried out intimate cooperation with Weizhijia since its entering into an entrusted management agreement with Weizhijia in November 2018. With experience and insights in the field of consumer goods, Weizhijia has provided the Jiahao Foodstuff sales team with channel network, talent introduction and sales system support, and expanded Jiahao Foodstuff's sales network from the original second- and third-tier cities to first-tier cities. The collaboration between Weizhijia and Jiahao Foodstuff has effectively improved the performance of the Jiahao Foodstuff sales team.

All in all, the development of the condiment business in the first half of 2019 was in line with the Group's expectation.

調味品業務回顧

報告期內，本集團調味品業務銷售收入約人民幣3.76億元，與去年中期報告相比增長約1,304.3%，佔整個集團收入約18.2%。營運盈利達約人民幣1.04億元，EBIT率達約27.6%。銷售收入的增長主要由於去年中期報告只包括嘉豪食品從2018年9月4日（收購完成日）至9月30日期間的收入，以及銷售渠道的擴張和營銷策略的優化。

具體而言，集團透過產品結構調整、品牌及銷售渠道整合及人力資源三方面對嘉豪食品進行收購後整合。產品結構方面，除既有的核心產品雞汁及芥辣之外，集團通過對中國區域口味差異及市場趨勢的研究，推出清香型雞汁、薄鹽雞粉及辣鮮露，這些產品豐富了嘉豪食品的產品結構，並開始為嘉豪食品貢獻收入。銷售渠道方面，上游端，集團優化銷售團隊，透過實施新的方案激勵銷售人員，強化與經銷商的合作關係。下游端，集團重新構建嘉豪食品品牌，將其定位為「中國味道專家」，這一定位進一步強化了嘉豪食品的專業品牌形象。戰略協同方面，自2018年11月與味之家簽署授權管理協議以來，味之家團隊與嘉豪食品團隊展開緊密協作。憑藉在消費品領域的經驗和洞察，味之家向嘉豪食品銷售團隊提供渠道網絡，人才引進及銷售系統支持，將嘉豪食品的銷售網絡由原本的二三線城市向一線城市拓展。味之家及嘉豪食品的協作有效的提升了嘉豪食品銷售團隊的績效。

整體而言，2019年上半年，調味品業務的發展符合本集團的預期。

Review of R&D

During the Reporting Period, the Group's investment in R&D was approximately RMB134 million, representing an increase of 6.5% as compared to the 2018-2019 Interim Report. R&D expense accounts for approximately 6.5% of sales revenue or a decrease of 1.1 percentage points as compared with that for the 2018-2019 Interim Report.

In terms of flavours and fragrances, the Group were granted 9 patents, among which 4 are tobacco flavour patents, 2 are food flavour patents, 3 are fragrances patents. Some of the patents include "A tobacco flavour preparation method and its application" "A crab flavour preparation and its application" and "A highly effective swinging preparation tank for aroma manufacturing".

In terms of aroma raw materials, Yancheng Chunzhu was granted the honour of "Three Star Enterprise" by the People's Government of Yancheng and "Jiangsu Province Quality Product" by trade association. Yancheng Chunzhu and Guangdong Zhaoqing were continued to be granted "High/New Tech Enterprise".

In terms of condiments, the Group published six Scientific Citation Index ("SCI") dissertations in collaboration with Jiangnan University. The dissertations include "A Comparative Study of Three Drying Methods on Drying Time and Physicochemical Properties of Chicken Powder" and "Size reduction of raw material powder: The key factor to affect the properties of wasabi (*Eutrema yunnanense*) paste". The publication of the dissertations demonstrated the Group's R&D capability on its core products.

Outlook

In the area of flavours and fragrances, the Group will put efforts to maintain the quality of the traditional tobacco flavour products, while at the same time expedite the construction of investment projects for early commencement of production. For tobacco raw materials, the Group will work with qualified sales organisations to further expand the export of RTL and at the same time stabilise the market share and profit margin of flavour capsules. The Group will also keep an eye on the raw materials of HNB tobacco products in order to capture the market opportunity if it arises. For aroma raw materials, under the increasingly competitive environment, the Group will not adopt price competition, but will align precisely with market demand, and apply a product differentiation strategy to gain market edge and improve profitability. As for condiments, the Group will optimise its supply chain, reduce its costs and improve its speed in business development by taking advantage of its brand name in the field of condiments. In addition, the Group will continue to communicate the brand positioning of Jiahao Foodstuff as the "Chinese tastes expert" to the sales team as well as the customers, with an aim to enhance the brand value of Jiahao Foodstuff in the hearts of the customers and generate brand premium through quality products and services in the future. To further improve the distribution system, the Group will deploy more sales personnel to assist the distributors in product sales, and also consolidate the secondary sales systems and the E-commerce system of Weizhijia to achieve development of the distributors as well as the Group.

管理層討論及分析(續)

研發情況回顧

報告期內，本集團投入研發費用約人民幣1.34億元，比去年中期報告上升了6.5%。研發費用佔據銷售收入的比例約為6.5%，與去年中期報告相比下降1.1個百分點。

香精方面，集團共獲得9項專利，其中煙用香精專利4項，食品用香精專利2項以及日化用香精專利3項。其中主要獲授權專利項目包括《一種煙用香料的制備方法及其應用》《一種蟹香精及其制備方法和應用》《一種香料生產用高效擺動調配罐》。

香原料方面，鹽城春竹獲得鹽城市人民政府所頒發的「三星企業」榮譽稱號，並被行業協會評定為「江蘇優質產品」稱號。鹽城春竹及廣東肇慶繼續被評定為「高新技術企業」。

調味品方面，集團上半年與江南大學合作聯合發表《科學引文索引》(「SCI」)論文6篇，包括對雞粉理化性質研究的論文「A Comparative Study of Three Drying Methods on Drying Time and Physicochemical Properties of Chicken Powder」以及對於芥辣性質研究的「Size reduction of raw material powder: The key factor to affect the properties of wasabi (*Eutrema yunnanense*) paste」。論文的發表體現出集團對核心產品的研發能力。

未來展望

香精方面，集團將做好傳統煙用香精產品，同時加快募投項目的建設，爭取早日投入生產。煙用原料方面，集團會與合資格銷售機構合作，將薄片進一步外銷，同時穩定爆珠市場份額及利率潤。集團會關注加熱不燃燒煙相關原材料，抓住市場先機。香原料方面，在競爭越來越激烈的大環境下，集團不採用價格戰，而是找準市場需求，以差異化的產品策略獲取競爭優勢，提升產品盈利能力。調味品方面，集團將優化供應鏈，借用華寶在味覺系領域的知名度，降低成本，提升業務發展速度。此外，集團會繼續把嘉豪食品「中國味道專家」的品牌定位傳遞至銷售團隊及客戶，提升嘉豪食品在客戶心中的品牌價值，希望在未來以優質的產品及服務產生品牌溢價。為更好的完善分銷體系，集團將配置更多的銷售人員協助經銷商賣好產品，並整合二級銷售系統和味之家電商系統，實現經銷商和集團的共同發展。

FINANCIAL REVIEW

Analysis of interim results for the six months ended 30 June 2019

Revenue

The Group's revenue amounted to RMB2,069,317,000 for the six months ended 30 June 2019, representing an increase of 25.3% as compared with RMB1,651,556,000 for the six months ended 30 September 2018 from continuing operations. The increase in the revenue is mainly attributable to the consolidation of the results of Jiahao Foodstuff (newly acquired in September 2018) to the Group and the increase in revenue of aroma raw materials, which was partly offset by the decrease in revenue of tobacco raw materials. Comparing the current reporting period with the six months ended 30 September 2018, revenue from flavours and fragrances remained stable, amounting to RMB967,408,000 for the current reporting period; revenue from tobacco raw materials decreased by 14.9% to RMB366,109,000; revenue from aroma raw materials increased by 57.3% to RMB359,453,000; revenue of condiment increased by RMB349,356,000 to RMB376,141,000 as compared with that for the period from 4 September 2018 (acquisition date) to 30 September 2018.

While the revenue for the current reporting period was increased by 19.1% as compared with RMB1,738,121,000 (unreviewed management accounts) for the six months ended 30 June 2018 from continuing operations, out of which flavours and fragrances increased by 2.0%, aroma raw materials increased by 10.2% and the addition of new condiment business, but the increase was partly offset by the tobacco raw materials which was decreased by 20.9%.

Cost of goods sold

The Group's cost of goods sold amounted to RMB758,856,000 for the six months ended 30 June 2019, representing an increase of 32.8% as compared with RMB571,553,000 for the six months ended 30 September 2018 from continuing operations.

Gross profit and gross profit margin

The Group's gross profit from continuing operations increased from RMB1,080,003,000 for the six months ended 30 September 2018 to RMB1,310,461,000 for the six months ended 30 June 2019, representing an increase of 21.3%. The Group's gross profit margin for the current reporting period is about 63.3%, which was decreased by 2.1 percentage points from 65.4% of the six months ended 30 September 2018. It was mainly attributable to the sales revenue of aroma raw materials and condiment products with relatively lower gross profit margin accounted for a higher proportion.

財務狀況回顧

截至2019年6月30日止六個月的中期業績分析

營業額

截至2019年6月30日止六個月，本集團的營業額達到人民幣2,069,317,000元，較截止2018年9月30日止六個月來自持續經營業務的人民幣1,651,556,000元增加了25.3%。營業額的增加，主要是由於在2018年9月新收購的嘉豪食品的業績併進集團以及香原料業務收入有所增加，但被煙用原料收入的下降抵銷了部份升幅。與截至2018年9月30日止六個月比較，本報告期香精的營業額達人民幣967,408,000元，收入保持穩定；煙用原料的營業額減少了14.9%至人民幣366,109,000元；香原料的營業額增加了57.3%至人民幣359,453,000元；調味品的營業額較2018年9月4日（收購日）至2018年9月30日期間增加了人民幣349,356,000元至人民幣376,141,000元。

而本報告期較截至2018年6月30日止六個月的來自持續經營業務的營業額約人民幣1,738,121,000元（未經審閱管理賬），上升了19.1%，其中香精上升了2.0%，香原料上升了10.2%，以及新增的調味品業務，但部份升幅被下跌了20.9%的煙用原料所抵銷了。

銷售成本

截至2019年6月30日止六個月，本集團的銷售成本為人民幣758,856,000元，較截至2018年9月30日止六個月來自持續經營業務的人民幣571,553,000元增加了32.8%。

毛利和毛利率

本集團來自持續經營業務的毛利由截至2018年9月30日止六個月的人民幣1,080,003,000元增加至截至2019年6月30日止六個月的人民幣1,310,461,000元，增加約21.3%。而本集團本報告期的毛利率達63.3%，比截止2018年9月30日止六個月的65.4%減少了約2.1個百分點，主要是因為毛利率稍低的香原料和調味品業務佔比有所上升。

Other income and other gains – net

Other income and other gains (net) of the Group was RMB106,582,000 for the six months ended 30 June 2019, representing an increase of RMB18,980,000 as compared with RMB87,602,000 for the six months ended 30 September 2018 from continuing operations. The increase in other income and other gains was mainly due to the increase in government grants for the current reporting period.

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 for the six months ended 30 June 2019 was RMB187,160,000, representing an increase of 57.6% as compared with RMB118,729,000 for the six months ended 30 September 2018 from continuing operations. It was mainly attributable to expenses of the new condiment segment incurred during current period. Selling and marketing expenses to total revenue for the current reporting period amounted to approximately 9.0%, representing an increase of 1.8 percentage points as compared with approximately 7.2% for the six months ended 30 September 2018. The increase in such ratio was mainly attributable to the ratio of selling and marketing expenses to total revenue for the condiment business was higher than that for the other businesses of the Group, which caused the Group's composite ratio increased.

Administrative expenses

The Group's administrative expenses amounted to RMB416,160,000 for the six months ended 30 June 2019, representing an increase of 22.5% as compared with RMB339,746,000 for the six months ended 30 September 2018 from continuing operations. It was mainly attributable to expenses of the new condiment segment incurred during current period. The ratio of administrative expenses to total revenue for the current reporting period was approximately 20.1%, representing a slight decrease of 0.5 percentage point as compared with 20.6% for the six months ended 30 September 2018.

Operating profit

The Group's operating profit for the six months ended 30 June 2019 was RMB806,098,000, representing an increase of approximately 13.4% as compared with RMB711,101,000 for the six months ended 30 September 2018 from continuing operations, while the operating profit margin decreased by 4.1 percentage points to approximately 39.0% during the current reporting period from approximately 43.1% for the six months ended 30 September 2018. The increase in operating profit was mainly attributable to the addition of new condiment segment and the increase from flavours and fragrances segment and aroma raw materials segment, but it was partly offset by lower operating profit from tobacco raw materials segment and higher head office's expenses.

其他收入及其他收益－淨額

截至2019年6月30日止六個月，本集團的其他收入及其他收益(淨額)為人民幣106,582,000元，較截至2018年9月30日止六個月來自持續經營業務的人民幣87,602,000元增加了人民幣18,980,000元。其他收入及其他收益的增加主要是由於本期間政府津貼增加所致。

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2019年6月30日止六個月的銷售及市場推廣開支為人民幣187,160,000元，較截至2018年9月30日止六個月來自持續經營業務的人民幣118,729,000元增加了57.6%，主要因為本期新增調味品板塊的開支。而本報告期的銷售及推廣開支所佔營業總額的比例為約9.0%，比截至2018年9月30日止六個月的約7.2%增加了1.8個百分點，該比例的增加主要是由於調味品業務的銷售及市場推廣開支所佔營業額的比例比集團其他業務的高，因此拉高了集團的綜合比例。

行政開支

本集團的行政開支在截至2019年6月30日止六個月為人民幣416,160,000元，與截止2018年9月30日止六個月來自持續經營業務的人民幣339,746,000元增加了22.5%，主要因為本期新增調味品板塊的開支。而本報告期的行政開支所佔營業總額的比例為約20.1%，比截止2018年9月30日止六個月的約20.6%稍微下降了0.5個百分點。

營運盈利

本集團的營運盈利在截至2019年6月30日止六個月為人民幣806,098,000元，較截止2018年9月30日止六個月來自持續經營業務的人民幣711,101,000元，增加了約13.4%。而本集團在本報告期的營運盈利率約39.0%，比截止2018年9月30日止六個月的43.1%下降了4.1個百分點。營運盈利的增加主要是由於新增調味品板塊對營運盈利的貢獻，以及香精及香原料板塊的營運盈利上升，但部份升幅被煙用原料的營運盈利下降和總部開支增加所抵銷了。

While the operating profit of the current reporting period was decreased by 2.0% as compared with RMB822,683,000 (unreviewed management accounts) for the six months ended 30 June 2018 from continuing operations, out of which the operating profit of flavours and fragrances was increased by 8.6%, tobacco raw materials was dropped by 40.4%, aroma raw materials was dropped by 25.6%, and the addition of operating profit from the new condiment business of RMB103,695,000.

Profit before income tax

Profit before income tax of the Group for the six months ended 30 June 2019 was RMB805,290,000, representing an increase of 2.0% as compared with RMB789,384,000 for the six months ended 30 September 2018 from continuing operations. It was mainly due to the tremendous increase in finance costs for the current reporting period resulted from the new bank loans for the acquisition of Jiahao Foodstuff, which have offset most of the increase in operating profit.

While the profit before income tax for the current reporting period was decreased by 11.9% as compared with RMB913,900,000 (unreviewed management accounts) for the six months ended 30 June 2018 from continuing operations. It was mainly attributable to the decrease in operating profit of tobacco raw materials and aromas raw materials during the current reporting period.

Income tax expenses

The income tax expenses of the Group for the six months ended 30 June 2019 was RMB196,117,000, representing an increase of 12.1% as compared with RMB174,911,000 for the six months ended 30 September 2018 from continuing operations. Income tax rate of the current reporting period was approximately 24.4%, representing an increase of 2.2 percentage points as compared with approximately 22.2% for the six months ended 30 September 2018. It was mainly attributable to the increase in withholding income tax on dividends distribution by subsidiaries in mainland during the current reporting period.

Profit attributable to the equity holders of the Company

Profit attributable to the equity holders of the Company was RMB480,289,000 for the six months ended 30 June 2019, which was similar with RMB477,125,000 for the six months ended 30 September 2018 from continuing and discontinued operations.

而本報告期較截至2018年6月30日止六個月的來自持續經營業務的營運盈利約人民幣822,683,000元(未經審閱管理賬),下跌了2.0%,其中香精增長了約8.6%,煙用原料下跌了約40.4%,香原料下跌了約25.6%,以及新增加的調味品營運盈利約人民幣103,695,000元。

除稅前盈利

截至2019年6月30日止六個月,本集團的除稅前盈利達人民幣805,290,000元,比截至2018年9月30日止六個月來自持續經營業務的人民幣789,384,000元,上升了2.0%,主要是因為收購嘉豪食品而新增銀行貸款令到本報告期的融資成本大幅上升,抵銷了大部份營運盈利的升幅。

而本報告期較截至2018年6月30日止六個月來自持續經營業務的除稅前盈利約人民幣913,900,000元(未經審閱管理賬),下跌了11.9%,主要是因為煙用原料及香原料的營運盈利下跌所致。

稅務開支

本集團的稅務開支在截至2019年6月30日止六個月為人民幣196,117,000元,較截至2018年9月30日止六個月來自持續經營業務的人民幣174,911,000元,增加了約12.1%。本期所得稅稅率約為24.4%,較截至2018年9月30日止六個月的約22.2%增加了2.2個百分點,主要由於本報告期國內附屬公司因分派股息而產生的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盈利在截至2019年6月30日止六個月為人民幣480,289,000元,與截至2018年9月30日止六個月本公司權益持有人應佔持續經營和終止經營業務盈利的人民幣477,125,000元相若。

Net current asset value and financial resources

As at 30 June 2019, the net current asset value of the Group was RMB6,932,478,000 (31 December 2018: RMB7,734,866,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 30 June 2019, the Group's cash and bank balances amounted to RMB5,878,798,000 (31 December 2018: RMB7,142,391,000). The Group held bank financial products (classified as financial assets at fair value through profit or loss) of RMB408,374,000 (31 December 2018: RMB515,177,000).

Bank borrowings and gearing ratio

As at 30 June 2019, the Group had bank borrowings of RMB3,692,914,000 (31 December 2018: RMB3,690,139,000), of which secured loan amounted to RMB2,859,212,000 (31 December 2018: RMB2,888,092,000) was due within five years, and the unsecured loans amounted to RMB833,702,000 (31 December 2018: RMB802,047,000) were due within one to two years. For the six months ended 30 June 2019, the average annual interest rate of the secured loan was 5.70%, and the average annual interest rate of the unsecured loans were 3.67% (six months ended 30 September 2018: 3.83%). As at 30 June 2019, the Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests) was 32.2%, which was slightly increased by 0.8 percentage point from 31.4% as of 31 December 2018.

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 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 June 2019, the Group's average trade receivables turnover period was 98 days, which was the same as that for the nine months ended 31 December 2018. The ratio remained basically stable.

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. For the six months ended 30 June 2019, the Group's average trade payables turnover period was 79 days, which remained basically stable as compared with 78 days for the nine months ended 31 December 2018.

流動資產淨值和財務資源

於2019年6月30日，本集團的流動資產淨值為人民幣6,932,478,000元（2018年12月31日：人民幣7,734,866,000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2019年6月30日，本集團的銀行及庫存現金為人民幣5,878,798,000元（2018年12月31日：人民幣7,142,391,000元）。本集團持有之銀行財富管理產品（列示為以公允價值計量且其變動計入損益之金融資產）金額為人民幣408,374,000元（2018年12月31日：人民幣515,177,000元）。

銀行貸款及負債比率

於2019年6月30日，本集團的銀行借貸總額為人民幣3,692,914,000元（2018年12月31日：人民幣3,690,139,000元），當中有抵押貸款為人民幣2,859,212,000元（2018年12月31日：人民幣2,888,092,000元），並於五年內到期償還；而無抵押貸款為人民幣833,702,000元（2018年12月31日：人民幣802,047,000元），並於一至兩年內到期償還。截至2019年6月30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3.67厘（截至2018年9月30日止六個月：3.83厘）。於2019年6月30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32.2%，較2018年12月31日的31.4%稍微上升了0.8個百分點。

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2019年6月30日止六個月，本集團的平均應收賬周轉期為98日，與截至2018年12月31日止九個月的98日持平，指標基本保持穩定。

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2019年6月30日止六個月，本集團的平均應付賬周轉期為79日，與截至2018年12月31日止九個月的78日基本持平。

Inventory and inventory turnover period

As at 30 June 2019, the Group's inventory balance amounted to RMB905,926,000, representing a slight increase of RMB9,683,000 as compared with the balance of RMB896,243,000 as at 31 December 2018. The inventory balance remains stable. For the six months ended 30 June 2019, 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) was 214 days, representing an increase of 15 days as compared with 199 days for the nine months ended 31 December 2018, but a decrease of 29 days as compared with 243 days for the six months ended 30 September 2018.

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 June 2019, 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 RMB2.859 billion.

Capital Commitments

As at 30 June 2019, the Group had capital commitments in respect of the purchase of property, plant, equipment, intangible assets, financial assets at fair value through other comprehensive income and investments in an associate, contracted for but not provided in the financial statements amounted to approximately RMB324,844,000 (31 December 2018: RMB363,516,000), which was mainly for the purchase of property, plant and equipment amounted to RMB139,014,000.

Contingent liabilities

According to the information available to the Board, the Group had no contingent liabilities as at 30 June 2019.

存貨和存貨周轉期

本集團的存貨結餘於2019年6月30日為人民幣905,926,000元，比2018年12月31日的人人民幣896,243,000元，稍微上升了人民幣9,683,000元，存貨結餘保持穩定。在截至2019年6月30日止六個月，本集團的存貨周轉期(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214日，比較截至2018年12月31日止九個月的199日上升了15日，但較截至2018年9月30日止六個月的243日下降了29日。

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準上保持基本穩定。

資產抵押

於2019年6月30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28.59億元銀行貸款之抵押。

資本承擔

於2019年6月30日，本集團就已訂約購買的物業、廠房、設備、無形資產、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324,844,000元(2018年12月31日：人民幣363,516,000元)，主要為物業、機器及設備的合同約人民幣139,014,000元。

或然負債

根據可供董事會查閱的資料，本集團於2019年6月30日並無任何重大的或然負債。

Human Resources and Corporate Culture Construction

As at 30 June 2019, the Group employed more than 3,400 employees in the mainland China, Hong Kong, Germany, U.S., Botswana and Korea. During the Reporting Period, the human resources department carried out various tasks based on the Group's strategic plans and business model, with an objective of achieving steady growth of the Company, continuous growth of the employees as well as giving back to the society.

The Group has always upheld the corporate spirit of being "innovative, pragmatic, loyal and cooperative". It looks after the physical and mental health of the employees and their career development and continues to deepen their understanding and recognition of the Group's corporate spirit and culture. Through training and two-way communication, the Group continuously improves the employees' capabilities in market-oriented operation, international business development and innovation so as to assist the development of the Company. With the exploration of the partnership model, the Group promotes and materialises the concept of "joint-creation, joint-responsibilities and sharing", maximising the value of talents. Also, through the improvement of various human resources systems, it strengthens the foundation and uplifts the level of management capabilities so as to promote the sustainable development of the Group.

人力資源及企業文化建設

於2019年6月30日，本集團在中國內地、香港、德國、美國、博茨瓦納及韓國等國家及地區共聘用員工逾3,400人。報告期內，人力資源部圍繞集團的戰略規劃及業務模式，以公司穩健發展、員工持續成長、積極回饋社會為目標開展各項工作。

集團始終堅持「創新、務實、忠誠、協作」的企業精神，關注員工的身心健康與職業發展，持續深化員工對企業精神及文化的理解和認同度。通過培訓交流等多種方式，不斷提升員工的市場化經營能力、國際業務拓展能力及創新能力，協助公司發展。通過合夥人機制的探索，推動「共創、共擔、共享」理念的落地，最大化發揮人才價值。通過對各項人力資源制度的完善，夯實管理基礎，提升管理水平，以促進集團的持續發展。

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2019, 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), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives are taken or deemed to have under such provisions of the SFO) or which are required to be and are recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in ordinary shares of the Company

Name of Director(s)	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) 透過受控制公司持有 ^(附註)	2,293,408,900	73.79%

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.

董事於股份、相關股份及債券之權益

於2019年6月30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根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例之條文董事及最高行政人員被當作或視作為擁有的權益及淡倉）；或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聯交所之權益及淡倉如下：

本公司之普通股好倉

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。

Save as disclosed above, as at 30 June 2019, the Company is not aware of any of the Directors or 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.

除上文所披露者外，於2019年6月30日，本公司並不知悉有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。

SHARE OPTION SCHEME

Pursuant to a share option scheme (the "2016 Share Option Scheme") adopted on 9 August 2016 ("Adoption Date"), the 2016 Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date (can be terminated before expiration). As at 30 June 2019, the share options granted by the Company pursuant to the 2016 Share Option Scheme which were valid and outstanding amounted to 11,000,000.

Details of share options granted, exercised, cancelled and lapsed during the reporting period under the 2016 Share Option Scheme are set out as follows:

Grantee	Grant Date	Exercise Price	Exercisable Period	Number of Share Options				Balance as at 30 June 2019
				Balance as at 1 January 2019	Granted during the reporting period	Exercised during the reporting period	Cancelled/lapsed during the reporting period	
承授人	授出日期	行使價	可行使日期	於2019年1月1日結餘	報告期內批授	報告期內行使	報告期內註銷/失效	於2019年6月30日結餘
		HKD 港幣						
Other Participants	6 May 2019	3.708	5/11/2019-30/6/2020 (Both days inclusive)	-	5,500,000	-	-	5,500,000
<i>其他參與者</i>	2019年5月6日		(首尾兩日包括在內)					
	6 May 2019	3.708	5/5/2020-30/6/2020 (Both days inclusive)	-	5,500,000	-	-	5,500,000
	2019年5月6日		(首尾兩日包括在內)					
Total 合計				-	11,000,000	-	-	11,000,000

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in Note 13 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.

其他資料(續)

購股權計劃

根據本公司於2016年8月9日(採納日期)採納的一項購股權計劃(「2016購股權計劃」)，2016購股權計劃自採納日期起10年內有效(可提前終止)。於2019年6月30日，本公司根據2016購股權計劃授出而仍然有效及未被行使的購股權數目合共11,000,000股。

於報告期內，根據2016購股權計劃批授、行使、註銷及失效的購股權詳情如下：

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13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。

Other Information (cont'd)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Save as disclosed, the Company is not aware of any other person (other than the interests disclosed in the section headed "Directors' interests in shares, underlying shares and debentures") who has any interests or short positions in 5% or more of the issued share capital of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

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.

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.

其他資料(續)

主要股東之權益

除已披露者外，本公司並不知悉有任何其他人士(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)於本公司擁有須遵照證券及期貨條例第336條記錄於根據該條例存置之登記冊內的已發行股本5%或以上的權益或淡倉。

根據上市規則第13.21條作出披露

於2018年8月17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。

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。

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, Chairlady 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.

Environmental, Social and Governance Reporting

The Environmental, Social and Governance ("ESG") Report which contains our ESG information for 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 13 March 2019 (being the date of approval of the Company's 2018 Annual Report) and 23 August 2019 (being the date of approval of this Interim Report) of the Company are set out below:

1. Ms. CHU Lam Yiu ceased to act as Director of Huabao Flavours (shares of which are listed on the ChiNext of Shenzhen Stock Exchange) with effect from 10 May 2019.

其他資料(續)

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2013年4月9日起兼任首席執行官職務，惟董事會定期舉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。

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2018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2019年3月12日(為通過本公司2018年之年度報告當日)至2019年8月23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. 朱林瑤女士不再擔任華寶股份(深圳證券交易所創業板上市公司)之董事，自2019年5月10日生效。

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 June 2019.

DIVIDEND

The Company's final dividends of HK8.8 cents (year ended 31 March 2018: HK15.0 cents) per share and a special dividend of HK18.9 cents (year ended 31 March 2018: Nil) per share, both in cash, amounting to approximately HKD860.9 million (equivalent to approximately RMB756.8 million) in aggregate for the nine months ended 31 December 2018 were paid to Shareholders on 28 May 2019.

The Board has resolved to declare an interim dividend of HK8.8 cents (six months ended 30 September 2018: HK10.0 cents) per share in cash for the six months ended 30 June 2019, which are expected to be paid on or about 18 October 2019 to Shareholders whose names appear on the register of members of the Company on 19 September 2019.

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 16 September 2019 to 19 September 2019, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 13 September 2019.

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

During the six months ended 30 June 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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2019年6月30日止六個月內已遵守標準守則所規定之標準。

股息

本公司截至2018年12月31日止九個月期間之現金期末股息每股港幣8.8仙(截至2018年3月31日止年度：港幣15.0仙)及特別股息每股港幣18.9仙(截至2018年3月31日止年度：無)，共約港幣8.609億元(折合約人民幣7.568億元)，已於2019年5月28日向股東派付。

董事會決議向於2019年9月19日名列本公司股東名冊之股東宣派截至2019年6月30日止六個月之現金中期股息每股港幣8.8仙(截至2018年9月30日止六個月：港幣10.0仙)，預期中期股息約於2019年10月18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2019年9月16日至2019年9月19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2019年9月13日下午四時三十分前送達本公司的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54樓。

購買、出售或贖回本公司之上市證券

於截至2019年6月30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。

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 June 2019 and up to the date of this report as required under the Listing Rules.

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 Yunyan, Mr. WU Chi Keung and Mr. Jonathan Jun YAN. The Audit Committee and the Board have reviewed and approved the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2019. The Group's unaudited condensed consolidated interim financial information has 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

Chairlady and CEO

Hong Kong, 23 August 2019

其他資料(續)**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2019年6月30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。

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，即李祿兆先生（為審核委員會主席）、麻雲燕女士、胡志強先生及Jonathan Jun YAN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2019年6月30日止六個月之未經審核簡明綜合中期財務資料。本集團未經審核之中期簡明綜合財務資料已經由本公司之核數師羅兵咸永道會計師事務所按照HKICPA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，2019年8月23日

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

(incorporated in Bermuda with limited liability)

**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)

INTRODUCTION

We have reviewed the interim financial information set out on pages 29 to 69 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 June 2019 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.

引言

本核數師（以下簡稱「我們」）已審閱列載於第29至69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2019年6月30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，就中期財務資料編製的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」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佈的香港審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據《香港審計準則》進行審計的範圍為小，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。

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".

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根據香港會計準則第34號「中期財務報告」擬備。

PricewaterhouseCoopers
Certified Public Accountants

羅兵咸永道會計師事務所
執業會計師

Hong Kong, 23 August 2019

香港，2019年8月23日

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

(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)

		Note	As at 30 June 2019 於2019年 6月30日 Unaudited 未經審核	As at 31 December 2018 於2018年 12月31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	1,339,874	1,244,569
Right-of-use assets	使用權資產	4	260,822	–
Land use rights	土地使用權	4,8	–	187,310
Intangible assets	無形資產	8	6,852,513	6,899,997
Investments in associates	於聯營公司之投資	9	388,179	396,685
Investment in a jointly controlled entity	於共同控制實體之投資		1,954	7,085
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	6	174,535	159,197
Deferred income tax assets	遞延所得稅資產	10	107,841	111,593
Other non-current assets	其他非流動資產		15,836	15,874
			9,141,554	9,022,310
Current assets	流動資產			
Inventories	存貨		905,926	896,243
Trade and other receivables	貿易及其他應收款項	11	1,541,506	1,540,188
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	6	449,245	574,298
Short-term time deposits	短期定期存款		1,309,074	1,606,790
Cash and cash equivalents	現金及現金等價物		4,569,724	5,535,601
			8,775,475	10,153,120
Total assets	總資產		17,917,029	19,175,430

Condensed Consolidated Statement of Financial Position (cont'd)

簡明綜合財務狀況表(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)

		Note 附註	As at 30 June 2019 於2019年 6月30日 Unaudited 未經審核	As at 31 December 2018 於2018年 12月31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	12	318,636	318,647
Reserves	儲備	14	2,574,975	2,571,885
Retained earnings	保留盈利		8,584,373	8,863,604
			11,477,984	11,754,136
Non-controlling interests	非控制性權益		1,644,038	1,991,282
Total equity	總權益		13,122,022	13,745,418
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	貸款	15	2,714,807	2,756,438
Lease liabilities	租賃負債	4	60,053	–
Deferred income tax liabilities	遞延所得稅負債	10	176,350	254,520
Trade and other payables	貿易及其他應付款項	16	800	800
			2,952,010	3,011,758
Current liabilities	流動負債			
Borrowings	貸款	15	978,107	933,701
Lease liabilities	租賃負債	4	19,835	–
Trade and other payables	貿易及其他應付款項	16	581,125	996,866
Current income tax liabilities	當期所得稅負債		171,665	264,598
Contract liabilities	合同負債		92,265	223,089
			1,842,997	2,418,254
Total liabilities	總負債		4,795,007	5,430,012
Total equity and liabilities	總權益及負債		17,917,029	19,175,430

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

上述簡明綜合財務狀況表應與相應附註一併閱讀。

Condensed Consolidated Income Statement

簡明綜合收益表

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(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 June 2019	30 September 2018
		截至2019年 6月30日 止六個月	截至2018年 9月30日 止六個月
	Note 附註		
Continuing operations:	持續經營業務：		
Revenue	7	2,069,317	1,651,556
Cost of goods sold		(758,856)	(571,553)
Gross profit	毛利	1,310,461	1,080,003
Other income and other gains – net	17	106,582	87,602
Selling and marketing expenses		(187,160)	(118,729)
Administrative expenses		(416,160)	(339,746)
Net (impairment losses)/reversal gains on financial assets		(7,625)	1,971
Operating profit	營運盈利	806,098	711,101
Finance income		96,591	103,521
Finance costs		(99,775)	(27,415)
Finance (costs)/income – net		(3,184)	76,106
Share of results of associates and a jointly controlled entity		2,376	2,177
Profit before income tax	除稅前盈利	805,290	789,384
Income tax expense	19	(196,117)	(174,911)
Profit from continuing operations for the period	持續經營業務之本期間盈利	609,173	614,473
Loss from discontinued operation for the period		–	(46,034)
Profit for the period	本期間盈利	609,173	568,439
Attributable to:	應佔：		
Equity holders of the Company	本公司權益持有人	480,289	477,125
Non-controlling interests	非控制性權益	128,884	91,314
		609,173	568,439
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的每股盈利/(虧損)	RMB cents 人民幣分	RMB cents 人民幣分
Basic and diluted:	基本及攤薄：		
Continuing operations	20	15.45	16.26
Discontinued operation	20	–	(0.91)
		15.45	15.35

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

上述簡明綜合收益表應與相應附註一併閱讀。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

(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 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
Profit for the period	本期間盈利	609,173	568,439
Other comprehensive income:	其他全面收益：		
<i>Items that will not be reclassified to profit or loss</i>	<i>不可重新分類至損益的項目</i>		
Fair value changes of equity investments at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入其他綜合收益之金融資產之除稅後公允價值變動	(8,476)	-
<i>Items that may be reclassified to profit or loss</i>	<i>可重新分類至損益的項目</i>		
Currency translation difference on foreign operations	海外業務之貨幣換算差額	10,070	102,132
Other comprehensive income for the period, net of tax	本期間除稅後其他全面收益	1,594	102,132
Total comprehensive income for the period, net of tax	本期間除稅後全面收益總額	610,767	670,571
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	481,883	573,904
Non-controlling interests	非控制性權益	128,884	96,667
		610,767	670,571
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	481,883	602,308
Discontinued operation	終止經營業務	-	(28,404)
		481,883	573,904

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

上述簡明綜合全面收益表應與相應附註一併閱讀。

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						
Note 附註		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 2018	於2018年4月1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2018年9月30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2018年3月31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 Minzu 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2018年9月30日	318,647	2,442,195	8,671,271	11,432,113	1,915,097	13,347,210
	Balance at 31 December 2018	於2018年12月31日	318,647	2,571,885	8,863,604	11,754,136	1,991,282	13,745,418
	Change in accounting policy	會計政策變動	4	-	(2,022)	(2,022)	(545)	(2,567)
	Restated total equity at 1 January 2019	於2019年1月1日經重列之總權益	318,647	2,571,885	8,861,582	11,752,114	1,990,737	13,742,851
	Total comprehensive income for the six months ended 30 June 2019	截至2019年6月30日止六個月的全面收益總額	-	1,594	480,289	481,883	128,884	610,767
	Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
	Dividends paid to non-controlling interests	向非控制性權益已派付的股息	-	-	-	-	(478,607)	(478,607)
	Final dividends for the nine months ended 31 December 2018 paid to shareholders	已派付截至2018年12月31日止九個月之期末股息	-	-	(756,818)	(756,818)	-	(756,818)
	Appropriations from net profit	自純利撥付	-	708	(708)	-	-	-
	Capital injection from non-controlling interests	非控制性權益注資於附屬公司	-	-	-	-	3,024	3,024
	Cancellation of repurchased shares	註銷已回購之股份	(11)	11	-	-	-	-
	Share-based payment- value of consultancy service	購股權計劃一顧問股權價值	-	777	-	777	-	777
	Unclaimed dividend for forfeited shares	沒收未領取股息	-	-	28	28	-	28
	Total transactions with owners	與擁有人交易總額	(11)	1,496	(757,498)	(756,013)	(475,583)	(1,231,596)
	Balance at 30 June 2019	於2019年6月30日	318,636	2,574,975	8,584,373	11,477,984	1,644,038	13,122,022

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

上述簡明綜合權益變動表應與相應附註一併閱讀。

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 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
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	661,133	570,803
Income tax paid	已付所得稅	(363,033)	(200,222)
Net cash generated from operating activities	營運活動產生之現金淨額	298,100	370,581
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)
Acquisition 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	(23,142)	(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	(200,000)	(500,000)
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	318,070	244,841
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	(177,703)	(151,608)
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	5,465	967
Short-term time deposits released/(placed)	收回/(存入)短期定期存款	297,716	(1,032,767)
Dividend received	已收股息	10,485	10,161
Interest received	已收利息	103,927	92,615
Net cash generated from/(used in) investing activities	投資活動產生/(所用)之現金淨額	334,818	(5,983,114)
Cash flows from financing activities	融資活動之現金流量		
Final dividend for the year ended 31 March 2018 paid to shareholders	向股東支付截至2018年3月31日止年度之期末股息	-	(405,353)
Interim dividend for the six months ended 30 September 2018 paid to shareholders	向股東支付截至2018年9月30日止六個月期間之中期股息	(275,620)	-
Final and special dividend for the nine months ended 31 December 2018 paid to shareholders	向股東支付截至2018年12月31日止九個月期間之期末及特別股息	(756,818)	-
Dividends paid to non-controlling interests	向非控制性權益支付股息	(478,607)	(39,623)
Capital injection from non-controlling interests	非控制性權益持有人注資之所得款	3,024	900
New bank borrowings	新增銀行借款	625,787	3,442,964
Repayment of bank borrowings	償還短期銀行借款	(627,395)	(47,000)
Principal elements of lease payments	支付租賃負債之本金部分	(9,651)	-
Interest paid	已付利息	(97,213)	(46,501)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(1,616,493)	2,905,387
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(983,575)	(2,707,146)
Cash and cash equivalents at the beginning of the period	期初之現金及現金等價物	5,535,601	6,635,651
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	17,698	94,323
Cash and cash equivalents at the end of the period	期末之現金及現金等價物	4,569,724	3,999,022

The above condensed consolidated cash flows statement should be read in conjunction with the accompanying notes. 上述簡明綜合現金流量表應與相應附註一併閱讀。

(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 June 2019.

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 23 August 2019.

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

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2019 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 nine months ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

(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2019年6月30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2019年8月23日獲董事會批准刊發。

本簡明綜合中期財務資料已經審閱，並未經審核。

2. 編製基準

本公司截至2019年6月30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」而編制。本簡明綜合中期財務資料應與本集團根據香港財務報告準則(「香港財務報告準則」)而編製的截至2018年12月31日止九個月期間的綜合財務報表一併閱讀。

(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)

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the nine months ended 31 December 2018, as described in those financial statements, except for the adoption of new and amendments to HKFRSs effective for the financial year beginning 1 January 2019.

- (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 16 "Lease" ("HKFRS 16").

The impact of the adoption of HKFRS 16 are disclosed in Note 4 and the new accounting policies adopted are set out in Note 3(c) below.

- (b) Impact of standards issued but not yet applied by the Group

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:

3. 會計政策

除了採納自2019年1月1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2018年12月31日止九個月期間的年度財務報表所採用的會計政策一致，並已詳列該財務報表內。

- (a) 除了香港財務報告準則第16號「租賃」(「香港財務報告準則第16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16號，本集團須更改會計政策及作出經修訂的追溯調整。採納該準則的影響於附註4披露，而採納的新會計政策載於下文附註3(c)。

- (b) 已發佈但尚未應用於本集團之準則的影響

本集團並無提早採納以下已公佈但仍未生效的新準則及對現有準則的修訂：

Effective for the financial year beginning on or after
於下列日期或之後開始的年度期間起生效

Amendments to HKFRS 3 香港財務報告準則第3號(修改)	"Definition of a business" 「企業之定義」	1 January 2020 2020年1月1日
Amendments to HKAS 1 and HKAS 8 香港會計準則第1及第8號(修改)	"Definition of material" 「重要之定義」	1 January 2020 2020年1月1日
Revised Conceptual Framework for Financial Reporting 修訂後之財務報告概念框架		1 January 2020
HKFRS 17 香港財務報告準則第17號	"Insurance contract" 「保險合同」	2020年1月1日 2021年1月1日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則的修訂	"Sale or contribution of assets between an investor and its associates or joint ventures" 「投資者與其聯營公司或合營企業之間的資產出售或出資」	To be determined 待定

(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)

3. ACCOUNTING POLICIES (continued)

- (b) Impact of standards issued but not yet applied by the Group (continued)

The management is in the process of making an assessment of the impact of the above new and revised standards, amendments and interpretations to existing standards on the Group's consolidated financial statements.

- (c) HKFRS 16 Lease – Accounting policies applied from 1 January 2019

The Group leases various land, properties and motor vehicles. Rental contracts are typically made for fixed periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. Leases of land were classified as land use rights.

From 1 January 2019, leases of property, plant and equipment are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, leases of land are reclassified as right-of-use for land.

3. 會計政策(續)

- (b) 已發佈但尚未應用於本集團之準則的影響(續)

管理層正在評估上述新訂、經修訂準則、修訂及詮釋對集團之綜合財務報表的影響。

- (c) 香港財務報告準則第16號—自2019年1月1日起適用之會計政策

本集團租賃了多處土地、物業及車輛。租賃合同一般為1年至50年的固定期限。每份合同的租賃條款均單獨商定，並且包括眾多不同的條款及條件。租賃協議不包含財務契約條款，但租賃資產不得用作借款抵押。

在2018財政年度以前，物業、廠房和設備租賃一直被歸入經營租賃。在經營租賃下支付的款項(扣除出租人提供的任何租賃激勵)在租賃期內按照直線法計入損益。土地租賃被歸類為土地使用權。

自2019年1月1日起，在本集團預期可使用租賃資產之日，主體應確認一項使用權資產和相應負債。每筆租賃付款額均在相應負債與財務費用之間分攤。財務費用在租賃期限內計入損益，以使各期負債餘額產生的利息率保持一致。使用權資產按照直線法在資產使用壽命與租賃期兩者中較短的一個期間內計提折舊。此外，土地租賃被重分類為土地使用權。

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

- (c) HKFRS 16 Lease – Accounting policies applied from 1 January 2019 (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

(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16號—自2019年1月1日起適用之會計政策(續)

租賃產生的資產及負債按現值基準進行初始計量。租賃負債包括下列租賃付款額的淨現值：

- 固定付款額(包括實質固定付款額)，扣減任何應收租賃激勵
- 基於指數或比率的可變租賃付款
- 剩餘價值擔保項下的承租人預期應付款項
- 購買選擇權的行使價，前提是租人能合理確定將行使該選擇權，及
- 終止租賃的罰款金額，前提是租賃條款反映承租人將行使該終止租賃選擇權

租賃付款額按照租賃內含利率折現。如果無法確定該利率，則應採用承租人的增量借款利率，即承租人為在類似經濟環境下獲得價值相近的資產，以類似條款和條件借入資金而必須支付的利率。

使用權資產按照成本計量，其中成本包括以下項目：

- 租賃負債初始計量金額；
- 在租賃期開始日或之前支付的租賃付款額，扣除收到的租賃激勵；
- 任何初始直接費用，及
- 還原成本。

(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)

3. ACCOUNTING POLICIES (continued)

- (c) HKFRS 16 Lease – Accounting policies applied from 1 January 2019 (continued)

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3. 會計政策(續)

- (c) 香港財務報告準則第16號—自2019年1月1日起適用之會計政策(續)

與短期租賃相關的付款額按照直線法在損益中確認為費用。短期租賃是指租賃期限為12個月或不足12個月的租賃。

4. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019 in note 3(c).

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 ranged between 3.11% to 4.33%. There were no leases classified as finance leases across the Group as at 1 January 2019 and 30 June 2019.

4. 會計政策變動

本附註解釋了採用《香港財務報告準則第16號—租賃》對本集團財務報表的影響，並於附註3(c)披露了自2019年1月1日起適用的新會計政策。

本集團自2019年1月1日起追溯適用香港財務報告準則第16號，並且按照該準則的過渡條款，未重列2018年報告年度的比較數字。因此，因採用新租賃準則而作出的重分類及調整在2019年1月1日期初資產負債表內確認。

因採用香港財務報告準則第16號，本集團為之前根據《香港會計準則第17號—租賃》的原則歸入「經營租賃」的租賃確認了租賃負債。該等租賃負債以剩餘租賃付款額按2019年1月1日的承租人增量借款利率折現的現值計量。2019年1月1日租賃負債適用的承租人加權平均增量借款利率介乎於3.11%至4.33%之間。於2019年1月1日及2019年6月30日，並無租賃被分類為融資租賃。

(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)

**4. CHANGES IN ACCOUNTING POLICIES
(continued)****4. 會計政策變動(續)**

		2019 2019年
Discounted using the lessee's incremental borrowing rate at the date of initial application	首次執行日使用承租人的增量借款利率進行折現	80,151
(Less): short-term leases recognised on a straight-line basis as expense	(減): 按直線法作為費用確認的短期租賃	(7,816)
Lease liability recognised as at 1 January 2019	於2019年1月1日確認的租賃負債	72,335
Of which are:	其中包括:	
Current lease liabilities	流動租賃負債	14,950
Non-current lease liabilities	非流動租賃負債	57,385
		72,335
Lease liability recognised as at 30 June 2019	於2019年6月30日確認的租賃負債	79,888
Of which are:	其中包括:	
Current lease liabilities	流動租賃負債	19,835
Non-current lease liabilities	非流動租賃負債	60,053
		79,888

The associated right-of-use assets for all leases were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

所有租賃的相關使用權資產在追溯的基礎上進行計量，即視同該等資產始終適用新準則。本集團的租賃合同均為非虧損合同，不需要在首次執行日對使用權資產進行調整。

(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)

4. CHANGES IN ACCOUNTING POLICIES (continued)

4. 會計政策變動(續)

The recognised right-of-use assets relate to the following types of assets:

已確認的使用權資產與以下資產類別相關：

		As at 30 June 2019 於2019年 6月30日	As at 1 January 2019 於2019年 1月1日
Right-of-use for land (Note a)	土地使用權(附註a)	184,220	187,310
Properties	物業	76,458	69,092
Motor vehicles	汽車	144	230
Total right-of-use assets	使用權資產合計	260,822	256,632

(a) Right-of-use for land

(a) 土地使用權

	Note	For the six months ended 30 June 2019 截至2019年 6月30日 止六個月
At 31 December 2018		-
Reclassify from land use rights to right-of-use assets	8	187,310
At 1 January 2019		187,310
Amortisation		(3,097)
Currency translation differences		7
At 30 June 2019		184,220

(All amounts in RMB thousands unless otherwise stated)

4. CHANGES IN ACCOUNTING POLICIES (continued)

(a) Right-of-use for land (continued)

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets – increase by RMB256,632,000
- land use rights – decrease by RMB187,310,000
- deferred income tax assets – increase by RMB446,000
- lease liabilities – increase by RMB72,335,000
- non-controlling interests – decrease by RMB545,000

The net impact on retained earnings on 1 January 2019 was a decrease of RMB2,022,000.

(i) Impact on earnings per share

The impact on the earnings per share for the six months to 30 June 2019 as a result of the adoption of HKFRS 16 was immaterial.

(ii) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;

(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)

(a) 土地使用權(續)

會計政策變更影響2019年1月1日資產負債表的下列項目：

- 使用權資產－增加人民幣256,632,000元
- 土地使用權－減少人民幣187,310,000元
- 遞延所得稅資產－增加人民幣446,000元
- 租賃負債－增加人民幣72,335,000元
- 非控制性權益－減少人民幣545,000元

2019年1月1日保留盈利淨額減少人民幣2,022,000元。

(i) 對每股盈利之影響

在截至2019年6月30日的六個月期間，採用香港財務報告準則第16號對每股盈利並無重大影響。

(ii) 所採用的實務簡易處理方法

在首次執行香港財務報告準則第16號的過程中，本集團使用了該準則允許採用的下列實務簡易處理方法：

- 對具有合理相似特徵的租賃組合採用單一折現率；
- 前期評估租賃合同是否是虧損性的；
- 截至2019年1月1日的剩餘租賃期短於12個月的經營租賃作為短期租賃處理；

(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)

4. CHANGES IN ACCOUNTING POLICIES (continued)

4. 會計政策變動(續)

(a) Right-of-use for land (continued)

(a) 土地使用權(續)

(ii) Practical expedients applied (continued)

(ii) 所採用的實務簡易處理方法(續)

- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

- 首次採用日計量使用權時扣除初始直接費用；以及
- 如果合同包含續租或終止租賃的選擇權，則可在選擇後才確定租賃期。

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease”.

本集團已選擇不在首次採用日重新評估一項合同是否為租賃合同或是否包含租賃。對於在過渡日之前簽訂的合同，本集團根據香港會計準則第17號和香港(國際財務報告解釋委員會)一解釋第4號「確定一項安排是否包含租賃」評估。

5. ESTIMATES

5. 估計

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.

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。

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

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2018年12月31日止九個月之財務報表所應用的相同。

(All amounts in RMB thousands unless otherwise stated)

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 nine months ended 31 December 2018.

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

6.2 Liquidity risk

As at 30 June 2019, the Group's net debt is zero (31 December 2018: zero), which is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents.

6.3 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).

(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

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2018年12月31日止九個月的年度財務報表一併閱讀。

自2018年12月31日以來，風險管理政策並無任何變動。

6.2 流動性風險

於2019年6月30日，本集團之債務淨額為零（2018年12月31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 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）。

(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)

6. FINANCIAL RISK MANAGEMENT (continued)**6. 財務風險管理(續)****6.3 Fair value estimation (continued)****6.3 公允價值估計(續)**

The table presents the Group's financial assets measured and recognised at fair value at 30 June 2019 and 31 December 2018:

下表列示本集團於2019年6月30日及2018年12月31日按公允價值計量及確認的金融資產：

		Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
At 30 June 2019	於2019年6月30日				
Financial assets at fair value through profit or loss (FVPL)	以公允價值計量且其變動計入損益之金融資產				
– Listed equity investments	– 上市權益投資	40,871	–	–	40,871
– Wealth management products	– 財富管理產品	–	–	408,374	408,374
Financial assets at fair value through other comprehensive income (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				
– Unlisted equity investments in the PRC	– 於中國的非上市權益投資	–	–	54,140	54,140
– Unlisted equity investments in Cayman Islands	– 於開曼群島的非上市權益投資	–	–	34,834	34,834
– Unlisted equity investments in Israel	– 於以色列的非上市權益投資	–	–	64,524	64,524
– Unlisted equity investments in British Virgin Islands (BVI)	– 於英屬維爾京群島的非上市權益投資	–	–	21,037	21,037
		40,871	–	582,909	623,780
		Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
At 31 December 2018	於2018年12月31日				
Financial assets at FVPL	以公允價值計量且其變動計入損益之金融資產				
– Listed equity investments	– 上市權益投資	59,121	–	–	59,121
– Wealth management products	– 財富管理產品	–	–	515,177	515,177
Financial assets at 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				
– Unlisted equity investments in the PRC	– 於中國的非上市權益投資	–	–	51,640	51,640
– Unlisted equity investments in Cayman Islands	– 於開曼群島的非上市權益投資	–	–	34,776	34,776
– Unlisted equity investments in Israel	– 於以色列的非上市權益投資	–	–	72,781	72,781
		59,121	–	674,374	733,495

(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)

6. FINANCIAL RISK MANAGEMENT (continued)**6. 財務風險管理(續)****6.3 Fair value estimation (continued)**

There were no transfers into or out of level 3.

6.3 公允價值估計(續)

概無任何金融資產於第三層架構類別轉入或轉出。

There are no other financial instruments that were measured at fair value as at 30 June 2019 and 31 December 2018.

於2019年6月30日及2018年12月31日，並無其他金融工具乃按公允價值計量。

Market approach is adopted in valuation of the financial assets of level 3. There were no changes in valuation techniques for the six months ended 30 June 2019.

第三類公允價值架構內之金融資產的估值乃採用市場法。截至2019年6月30日止六個月之估值方法並無改變。

6.4 Fair value measurements using significant unobservable inputs (Level 3)**6.4 使用重大不可觀察輸入的公允價值計量(第三層)**

**Financial assets at FVOCI
and financial assets at 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 January 2019	於2019年1月1日	674,374
Additions	新增	223,142
Disposals	出售	(312,000)
Fair value change	公允價值變動	(3,279)
Currency translation differences	貨幣換算差額	672
At 30 June 2019	於2019年6月30日	582,909

There were no changes in valuation techniques for the six months ended 30 June 2019.

截至2019年6月30日止六個月，估值技巧並無變動。

6.5 Group's valuation processes

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

6.5 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。

6.6 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.

6.6 按攤銷成本計量的金融資產及負債之公允價值

按攤銷成本計量的金融資產和負債的公允價值乃與其賬面值相若。

(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

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.

The Innovative tobacco products segment has been classified as a discontinued operation in the interim report for the six month ended 30 September 2018.

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

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。

新型煙草製品分部已於截至2018年9月30日止六個月的中期報告中被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。

(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)

The segment information for the six months ended 30 June 2019 is presented below:

7. 營業額及分部資料(續)

截至2019年6月30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 June 2019 截至2019年6月30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	Total 總計
Total revenue	總營業額	976,060	366,925	363,054	376,141	206	2,082,386
Inter-segment revenue	分部間銷售	(8,652)	(816)	(3,601)	-	-	(13,069)
Segment revenue – net	分部營業額－淨額	967,408	366,109	359,453	376,141	206	2,069,317
Segment result	分部業績	581,089	132,068	63,573	103,695	(74,327)	806,098
Finance income	財務收入						96,591
Finance costs	融資成本						(99,775)
Finance cost – net	融資成本－淨額						(3,184)
Share of results of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之業績						2,376
Profit before income tax	除稅前盈利						805,290
Income tax expense	所得稅						(196,117)
Profit for the period	本期間盈利						609,173
Depreciation	折舊	20,125	43,390	10,395	4,184	2,915	81,009
Amortisation	攤銷	644	5,098	8,325	36,809	120	50,996
		Unaudited 未經審核 As at 30 June 2019 於2019年6月30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	Total 總計
Segment assets	分部資產	7,654,893	3,006,288	959,736	5,182,825	1,113,287	17,917,029

(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)

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

7. 營業額及分部資料(續)

截至2018年9月30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2018年9月30日止六個月								
		Flavours and fragrances	Tobacco raw materials	Aroma raw materials	Condiment	Others	Continuing operation (total)	Innovative tobacco products (Discontinued operation)	Total	
		香精	煙用原料	香原料	調味品	其他	持續經營業務總計	新型煙草製品(終止經營)	總計	
Total revenue	總營業額	974,056	430,385	231,018	26,785	10	1,662,254	120,586	1,782,840	
Inter-segment revenue	分部間銷售	(8,157)	-	(2,541)	-	-	(10,698)	-	(10,698)	
Segment revenue – 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 results of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之業績						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	
		Audited 經審核 As at 31 December 2018 於2018年12月31日								
		Flavours and fragrances	Tobacco raw materials	Aroma raw materials	Condiment	Others	Total			
		香精	煙用原料	香原料	調味品	其他	總計			
Segment assets	分部資產		9,625,781	3,089,171	890,893	5,201,045	368,540	19,175,430		

(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 June 2019 and 31 December 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 June 2019 amounted to 12% (30 September 2018: 14%) of the Group's total revenue. These revenues are attributable to flavours and fragrances segment.

(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2019年6月30日及2018年12月31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2019年6月30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12%（2018年9月30日：14%）。這些收入是由香精分部產生的。

(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)	Construction in progress	Total property, plant and equipment	Land use rights	Goodwill	Other intangible assets	Total intangible assets
附註	物業、機器及設備(不含在建工程)	在建工程	物業、機器及設備總計	土地使用權	商譽	其他無形資產	無形資產總計
For the six months ended 30 September 2018		截至2018年9月30日止六個月					
At 1 April 2018		於2018年4月1日					
	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 Limited and its subsidiaries ("Jiahao Foodstuff")	107,063	-	107,063	16,620	3,635,550	906,009	4,541,559
Acquisition of equity interest in Hunan Jishou	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	(9,063)	-	(9,063)	-	-	(139,627)	(139,627)
Disposals	(967)	-	(967)	-	-	-	-
Depreciation and amortisation	(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
For the six months ended 30 June 2019		截至2019年6月30日止六個月					
At 31 December 2018		於2018年12月31日					
	1,029,327	215,242	1,244,569	187,310	5,867,509	1,032,488	6,899,997
Adjustment on adoption of HKFRS 16	-	-	-	(187,310)	-	-	-
At 1 January 2019	1,029,327	215,242	1,244,569	-	5,867,509	1,032,488	6,899,997
Additions	26,809	149,921	176,730	-	-	973	973
Transfers	124,093	(124,093)	-	-	-	-	-
Disposals	(6,795)	-	(6,795)	-	-	(558)	(558)
Depreciation and amortisation	(72,610)	-	(72,610)	-	-	(47,899)	(47,899)
Currency translation differences	(2,032)	12	(2,020)	-	-	-	-
At 30 June 2019	1,098,792	241,082	1,339,874	-	5,867,509	985,004	6,852,513

(All amounts in RMB thousands unless otherwise stated)

9. INVESTMENTS IN ASSOCIATES

The Group has interests in six individually immaterial associates as at 30 June 2019. 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:

(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2019年6月30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：

		Unaudited 未經審核 For the six months ended 30 June 2019 截至2019年 6月30日 止六個月
At 1 January	於1月1日	396,685
Share of results of associates	應佔聯營公司業績	2,906
Dividends received	宣派股息	(10,485)
Adjustment for transactions between the Group and associates	調整集團與聯營公司之交易	(927)
At 30 June	於6月30日	388,179

(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)

9. INVESTMENTS IN ASSOCIATES

- (a) As at 30 June 2019, the Group had interests in the following associates:

9. 於聯營公司之投資

- (a) 於2019年6月30日，本集團於以下聯營公司擁有權益：

Name 名稱	Country of incorporation 註冊成立國家	% of ownership Interests 所持權益百分比	Principal activities 主要業務
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. ("Hongta Blue Eagle") 雲南紅塔藍鷹紙業有限公司 (「紅塔藍鷹」)	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 Wuyu Technology 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
Shenzhen Delion Food Service Limited ("Delion") (i) 深圳市德立安食品有限公司 (「德立安」) (i)	PRC 中國	15%	Sales of food service and provide professional food service solutions 銷售食材及提供專業食材解決方案
Hunan Golden Leaf Reconstituted Tobacco Leaves Co., Ltd ("Hunan Golden Leaf") (i) 湖南金葉煙草薄片有限責任公司 (「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

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

- (i) 本集團通過在湖南金葉、雲南瑞升和德立安的董事會中委任董事，對這三間公司有重大影響力。

(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)

10. DEFERRED INCOME TAX ASSETS/LIABILITIES

The movements in the deferred income tax are as follows:

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 2018	於2018年4月1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2018年9月30日	66,279	12,069	21,037	99,385	168,030	47,671	215,701	
At 31 December 2018	於2018年12月31日	67,073	21,766	22,754	111,593	165,751	88,769	254,520	
Adjustment on adoption of HKFRS 16	因採用香港財務報告準則第16號之調整	-	-	446	446	-	-	-	
At 1 January 2019	於2019年1月1日	67,073	21,766	23,200	112,039	165,751	88,769	254,520	
Recognised in the income statement	於損益表確認	1,337	(8,290)	2,755	(4,198)	(6,812)	(71,369)	(78,181)	
Currency translation differences	貨幣換算差額	-	-	-	-	11	-	11	
At 30 June 2019	於2019年6月30日	68,410	13,476	25,955	107,841	158,950	17,400	176,350	

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 financial assets at 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或合併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之無形資產，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而產生。

(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)

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 June 2019, deferred income tax liabilities of RMB172,390,000 (31 December 2018: RMB227,378,000) have not been recognised for the withholding tax that would otherwise be payable on the undistributed profits of certain PRC subsidiaries.

10. 遞延所得稅資產／負債(續)

根據全國人民代表大會於2007年3月16日通過的中國企業所得稅法，由2008年1月1日，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2019年6月30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 172,390,000 元（2018年12月31日：人民幣 227,378,000 元）。

(All amounts in RMB thousands unless otherwise stated)

11. TRADE AND OTHER RECEIVABLES

		Note	As at 30 June 2019 於2019年 6月30日 Unaudited 未經審核	As at 31 December 2018 於2018年 12月31日 Audited 經審核
Trade receivables	貿易應收款項	(a)	1,089,109	1,159,052
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備		(12,446)	(9,334)
Trade receivables – net	貿易應收款項－淨額		1,076,663	1,149,718
Notes receivable	應收票據		222,473	128,312
Prepayments and other receivables	預付款項及其他應收款項		230,984	244,977
Advances to staff	員工墊款		8,905	4,092
Others	其他		26,445	33,782
Less: provision for impairment of other receivables	減：其他應收款項減值撥備		(23,964)	(20,693)
			1,541,506	1,540,188

Except for prepayments of RMB50,547,000 (31 December 2018: RMB54,214,000), trade and other receivables balances are categorised as “financial assets 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.

除預付賬款人民幣 50,547,000 元（2018 年 12 月 31 日：人民幣 54,214,000 元）外，貿易及其他應收款被分類為「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。

(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

(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)

11. TRADE AND OTHER RECEIVABLES (continued)

- (a) The credit period granted to customers generally ranges from 0 to 180 days. At 30 June 2019 and 31 December 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:

11. 貿易及其他應收款項(續)

- (a) 授予客戶的信貸期一般為0至180日。於2019年6月30日及2018年12月31日，貿易應收款項(包括關聯人士的貿易應收款項)根據發票日期的賬齡分析如下：

		As at 30 June 2019 於2019年 6月30日 Unaudited 未經審核	As at 31 December 2018 於2018年 12月31日 Audited 經審核
0 – 90 days	0至90日	895,964	1,029,914
91 – 180 days	91至180日	106,080	88,053
181 – 360 days	181至360日	62,514	23,781
Over 360 days	360日以上	24,551	17,304
		1,089,109	1,159,052

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. For the six months ended 30 June 2019, a provision of RMB4,381,000 (six months ended 30 September 2018: a reversal of RMB218,000) were made against the gross amounts of trade receivables.

本集團採用簡化方法並根據香港財務報告準則第9號所規定計提預期信貸虧損。截至2019年6月30日止六個月，已對貿易應收款項總額作出人民幣4,381,000元之撥備(截至2018年9月30日止六個月：沖回人民幣218,000元)。

(All amounts in RMB thousands unless otherwise stated)

12. SHARE CAPITAL

		Unaudited 未經審核	
		Number of shares 股份數目	RMB'000 人民幣千元
		Note 附註	
Ordinary shares, issued and fully paid:	已發行及繳足：		
At 1 April 2018, 30 September 2018 and 1 January 2019	於2018年4月1日，2018年9月30日及2019年1月1日		3,107,962,876
Cancellation of repurchased shares	註銷已回購股份	(a)	(126,000)
At 30 June 2019	於2019年6月30日		3,107,836,876

(a) For the nine months ended 31 December 2018, the Company repurchased a total of 126,000 shares of its own ordinary shares through the Stock Exchange at an aggregate consideration of approximately HKD402,000 (equivalent to approximately RMB352,000, excluding transaction costs). The 126,000 shares with total par value of HKD12,600 (equivalent to approximately RMB11,000) repurchased are recorded as "treasury shares" at 31 December 2018, which were subsequently cancelled on 14 January 2019.

13. SHARE-BASED PAYMENT**Share option scheme**

On 6 May 2019, the Group granted 11,000,000 share options with an exercise price of HKD3.708 per share and vesting periods of 0.5 to 1 year to an eligible participant, being an independent business consultant of the Group (the "Grantee"). The share options shall be valid from the respective exercisable date to 30 June 2020.

(除另有指明者外，所有金額均以人民幣千元列示)

12. 股本

		Unaudited 未經審核	
		Number of shares 股份數目	RMB'000 人民幣千元
		Note 附註	
Ordinary shares, issued and fully paid:	已發行及繳足：		
At 1 April 2018, 30 September 2018 and 1 January 2019	於2018年4月1日，2018年9月30日及2019年1月1日		3,107,962,876
Cancellation of repurchased shares	註銷已回購股份	(a)	(126,000)
At 30 June 2019	於2019年6月30日		3,107,836,876

(a) 截至2018年12月31日止九個月，本公司透過聯交所總代價約港幣402,000元（相等於約人民幣352,000元，不包括交易成本）回購合共126,000股自有普通股，該等回購的總賬面值為港幣12,600元（相等於約人民幣11,000元）的股份於2018年12月31日仍未註銷且已記入「庫存股份」內，並已於2019年1月14日註銷。

13. 股份為基礎的支付**購股權**

於2019年5月6日，本公司向一名獨立業務顧問（「承授人」）授出11,000,000股購股權（「購股權」），行使價為每股港幣3.708元及歸屬期為0.5年至1年。購股權的有效期限從可行使日起至2020年6月30日止。

(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)

13. SHARE-BASED PAYMENT (continued)

Share option scheme (continued)

Movements in the number of shares options outstanding for the six months ended 30 June 2019 and their related weighted average exercise prices are set out below:

13. 股份為基礎的支付(續)

購股權(續)

截至2019年6月30日止六個月，未行使的購股權數目之變動及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 June 2019 截至2019年6月30日 止六個月	
		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 January	於1月1日		
Granted	授出	3,708	11,000
Exercised	行使	-	-
At 30 June	於6月30日	3,708	11,000

Share options outstanding as at 30 June 2019 are analysed as follows:

於2019年6月30日未行使購股權之分析如下：

Grantee		Exercise prices In HKD per share 行使價 港元(每股計)	Number of share options (‘000) 購股權數目 (股數以千計)	Expiry date
承授人				失效日期
Consultant	業務顧問	3,708	11,000	30 June 2020

Out of the 11,000,000 share options outstanding as at 30 June 2019, none is currently exercisable.

於2019年6月30日未行使的11,000,000股購股權中，沒有於現在可予行使。

The fair values of the share options granted for the six months ended 30 June 2019 are determined using the Binomial Option Pricing Model. The major assumptions are as follows:

於截至2019年6月30日止六個月內授出之購股權公允值乃按二項式期權定價模型計算，其主要假設列示如下：

Volatility	32.9%	預期波動率	32.9%
Dividend yield	7.1%	股息率	7.1%
Risk free rate	1.82%	無風險利率	1.82%
Expected life	1.15 years	預期壽命	1.15年

(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)

14. RESERVES

14. 儲備

		Unaudited 未經審核									
		Contributed surplus	Treasury shares	Merger reserve	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve 以股份為基礎的酬金儲備	Currency translation reserve	Other reserves	Total
		實繳盈餘	庫存股份	合併儲備	股份溢價	資本儲備	資本贖回儲備		貨幣換算儲備	其他儲備	總計
At 1 April 2018	於2018年4月1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2018年9月30日	296,853	-	(628,438)	429,861	2,411	4,749	-	(2,958)	2,339,717	2,442,195
At 1 January 2019	於2019年1月1日	296,853	(11)	(628,438)	429,861	2,411	4,760	-	27,795	2,438,654	2,571,885
Fair value changes on financial assets at FVOCI, net of tax	以公允價值計量且變動計入其他綜合收益之金融資產之除稅後的公允價值變動	-	-	-	-	-	-	-	-	(8,476)	(8,476)
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	-	708	708
Cancellation of repurchased shares	註銷已回購之股份	-	11	-	-	-	-	-	-	-	11
Share-based payment- value of consultancy service	購股權計劃-顧問股權價值	-	-	-	-	-	-	777	-	-	777
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	-	10,070	-	10,070
At 30 June 2019	於2019年6月30日	296,853	-	(628,438)	429,861	2,411	4,760	777	37,865	2,430,886	2,574,975

(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)

15. BORROWINGS

15. 貸款

		Note	As at 30 June 2019 於2019年 6月30日 Unaudited 未經審核	As at 31 December 2018 於2018年 12月31日 Audited 經審核
Non-current	非流動			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	2,859,212	2,888,092
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	–	12,751
Less: current portion	減：流動部份		(144,405)	(144,405)
			2,714,807	2,756,438
Current	流動			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	144,405	144,405
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	833,702	789,296
			978,107	933,701
Total borrowings	總貸款		3,692,914	3,690,139

(a) The Group's secured bank borrowings as at 30 June 2019 of RMB2,859,212,000 (31 December 2018: RMB2,888,092,000) were repayable within five years and secured by certain buildings, right-of-use for land and the equity interest in Jiahao Foodstuff Limited and Guangdong Jiahao Foodstuff Co., Ltd, of the Group with total carrying values of RMB93,527,000 (31 December 2018: RMB95,197,000). For the six months ended 30 June 2019, the average interest rate of the loan was 5.70% (six months ended 30 September 2018: 5.70%) per annum.

(b) The Group's unsecured bank borrowings are repayable within one to two year. For the six months ended 30 June 2019, the average interest rate was 3.67% (six months ended 30 September 2018: 3.83%) 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.

(a) 本集團於2019年6月30日的有抵押銀行借款為人民幣2,859,212,000元(2018年12月31日：人民幣2,888,092,000元)，該貸款於五年內償還，並以嘉豪食品有限公司及廣東嘉豪食品有限公司總賬面值為人民幣93,527,000元(2018年12月31日：人民幣95,197,000元)的樓宇，土地使用權及其股權作為抵押。截至2019年6月30日止六個月，該貸款之平均利息為每年5.70厘(截至2018年9月30日止六個月：5.70厘)。

(b) 集團之無抵押銀行貸款需於一年至兩年內到期償還。截至2019年6月30日止六個月，該貸款平均利息為每年3.67厘(截至2018年9月30日止六個月：3.83厘)。

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

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

(All amounts in RMB thousands unless otherwise stated)

15. BORROWINGS (continued)

Interest expense on bank borrowings for the six months ended 30 June 2019 amounted to RMB98,250,000 (six months ended 30 September 2018: RMB27,415,000).

16. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項	(a)	330,083	338,697
Dividends payable	應付股息		–	272,320
Wages payable	應付工資		56,163	93,537
Other taxes payable	其他應付稅項		56,176	144,941
Accruals for expenses	應計開支		14,644	17,931
Other payables	其他應付款項		124,859	130,240

Except for other taxes payable of RMB56,176,000 (31 December 2018: RMB144,941,000) and wages payable of RMB56,163,000 (31 December 2018: RMB93,537,000), 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.

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. 貸款(續)

截至2019年6月30日止六個月的銀行貸款利息開支約為人民幣98,250,000元(截至2018年9月30日止六個月：人民幣27,415,000元)。

16. 貿易及其他應付款項

			As at 30 June 2019 於2019年 6月30日 Unaudited 未經審核	As at 31 December 2018 於2018年 12月31日 Audited 經審核
		Note 附註		
Trade payables	貿易應付款項	(a)	330,083	338,697
Dividends payable	應付股息		–	272,320
Wages payable	應付工資		56,163	93,537
Other taxes payable	其他應付稅項		56,176	144,941
Accruals for expenses	應計開支		14,644	17,931
Other payables	其他應付款項		124,859	130,240
			581,925	997,666

除其他應付稅款人民幣56,176,000元(2018年12月31日：人民幣144,941,000元)及應付工資人民幣56,163,000元(2018年12月31日：人民幣93,537,000元)外，貿易及其他應付款項乃金融負債被分類為「按攤銷成本計量的金融負債」。貿易及其他應付款項的公允價值與其賬面值相若。

(All amounts in 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)

16. TRADE AND OTHER PAYABLES (continued)

- (a) As at 30 June 2019 and 31 December 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:

16. 貿易及其他應付款項(續)

- (a) 於2019年6月30日及2018年12月31日，貿易應付款項(包括關聯人士的貿易應付款項)根據發票日期的賬齡分析如下：

		As at 30 June 2019 於2019年 6月30日 Unaudited 未經審核	As at 31 December 2018 於2018年 12月31日 Audited 經審核
0 – 90 days	0至90日	263,933	296,844
91 – 180 days	91至180日	32,696	24,839
181 – 360 days	181至360日	23,763	5,678
Over 360 days	360日以上	9,691	11,336
		330,083	338,697

17. OTHER INCOME AND OTHER GAINS – NET

17. 其他收入及其他收益 – 淨額

		Unaudited 未經審核 For the six months ended	
		30 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
Changes in fair value of financial assets at FVPL	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	(12,986)	–
Government grants	政府津貼	117,857	67,496
Currency exchange (loss)/gain – net	貨幣匯兌(虧損)/收益 – 淨額	(1,462)	16,401
Gain on disposal of financial assets at FVPL	出售以公允價值計量且其變動計入損益之金融資產的收益	6,070	2,035
Others	其他	(2,897)	1,670
		106,582	87,602

(All amounts in RMB thousands unless otherwise stated)

18. 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	
	Note	30 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
	附註		
Depreciation	折舊	71,756	55,856
Amortisation	攤銷	49,286	18,553
Employee benefit expenses	僱員福利開支	198,572	162,624
Research and development expenses	研究及發展開支	133,907	125,768
Lease rentals	租金	8,812	14,454
Travelling expenses	差旅開支	36,607	21,949
Utility expenses	公共設施開支	45,920	30,589
Delivery expenses	運輸開支	28,830	17,836

(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	
	Note	30 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
	附註		
Depreciation	折舊	9,253	10,138
Amortisation	攤銷	1,710	1,566
Employee benefit expenses	僱員福利開支	73,458	63,795

(除另有指明者外，所有金額均以人民幣千元列示)

18. 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	
	Note	30 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
	附註		
Depreciation	折舊	71,756	55,856
Amortisation	攤銷	49,286	18,553
Employee benefit expenses	僱員福利開支	198,572	162,624
Research and development expenses	研究及發展開支	133,907	125,768
Lease rentals	租金	8,812	14,454
Travelling expenses	差旅開支	36,607	21,949
Utility expenses	公共設施開支	45,920	30,589
Delivery expenses	運輸開支	28,830	17,836

(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	
	Note	30 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
	附註		
Depreciation	折舊	9,253	10,138
Amortisation	攤銷	1,710	1,566
Employee benefit expenses	僱員福利開支	73,458	63,795

(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)

19. INCOME TAX EXPENSE

19. 所得稅

		Unaudited 未經審核	
		For the six months ended	
	Note	30 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
	附註		
Current income tax:	即期稅項：		
– PRC corporate income tax	– 中國企業所得稅	(a) 264,663	179,030
– Hong Kong profits tax	– 香港所得稅	(b) 5,169	5,561
– Botswana company income tax	– 博茨瓦納企業所得稅	(c) 268	648
– Germany company income tax	– 德國企業所得稅	(d) –	121
Deferred income tax	遞延所得稅	10 (73,983)	(10,449)
		196,117	174,911

- | | |
|---|--|
| <p>(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.</p> | <p>(a) 中國企業所得稅撥備按本集團在中國大陸企業於本期間估計應課稅盈利以其適用的稅率而定。</p> |
| <p>(b) Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2018: 16.5%) on the estimated assessable profit for the period.</p> | <p>(b) 香港所得稅按本期間估計應課稅盈利以稅率16.5% (截至2018年9月30日止六個月：16.5%)撥備。</p> |
| <p>(c) Botswana company income tax has been provided at the rate of 15% (six months ended 30 September 2018: 15%) on the estimated assessable profit for the period.</p> | <p>(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% (截至2018年9月30日止六個月：15%)撥備。</p> |
| <p>(d) Germany company income tax has been provided at the rate of 15% (six months ended 30 September 2018: 15%) on the estimated assessable profit for the period.</p> | <p>(d) 德國企業所得稅按本期間估計應課稅盈利以稅率15% (截至2018年9月30日止六個月：15%)撥備。</p> |
| <p>(e) No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions for the six months ended 30 June 2019 and 30 September 2018.</p> | <p>(e) 本集團於截至2019年6月30日止及2018年9月30日止六個月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。</p> |

(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)

20. 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 for the six months ended 30 June 2019 and 30 September 2018.

20. 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），除以截至2019年6月30日止及2018年9月30日止六個月期間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 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
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	480,289	505,478
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)
Profit attributable to equity holders of the Company	本公司權益持有人應佔盈利	480,289	477,125
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數(千計)	3,107,837	3,107,963
Basic and diluted earnings/(loss) per share attributable to owners 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	15.45	16.26
From discontinued operation	來自終止經營業務	-	(0.91)
		15.45	15.35

For the six months ended 30 June 2019, the outstanding share options granted by the Company have no potential dilutive effect on the basic earnings/(loss) per share.

截至2019年6月30日止六個月，公司授出之尚未行使之購股權對每股基本盈利／（虧損）沒有攤薄效應。

(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)

21. DIVIDENDS

21. 股息

		Unaudited 未經審核	
		For the six months ended	
		30 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
Proposed/paid interim dividend of HK8.8 cents (six months ended 30 September 2018: HK10.0 cents) per share	擬派/已付中期股息每股港幣8.8仙(截至2018年9月30日止六個月：港幣10.0仙)	240,578	275,620

Interim dividend of approximately HKD310,796,000 (equivalent to approximately RMB275,620,000) for the six months ended 30 September 2018 was paid in January 2019. Final and special dividend of approximately HKD860,871,000 (equivalent to approximately RMB756,818,000) for the nine months ended 31 December 2018 was paid in May 2019.

截至2018年9月30日止六個月之中期股息約港幣310,796,000元(折合約人民幣275,620,000元)已於2019年1月支付。截至2018年12月31日止九個月之期末及特別股息約港幣860,871,000元(折合約人民幣756,818,000元)已於2019年5月支付。

As the interim dividend was declared after the balance sheet date, they have not been recognised as dividend payable as at 30 June 2019.

由於中期股息乃於結算日後宣派，此應付股息並未確認於2019年6月30日之應付股息內。

22. COMMITMENTS

Capital commitments

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

22. 承擔

資本承擔

於結算日已批准但未簽約及已簽約但仍未發生的資本開支如下：

		As at 30 June 2019 於2019年 6月30日 Unaudited 未經審核	As at 31 December 2018 於2018年 12月31日 Audited 經審核
Authorised but not provided for: Property, plant and equipment	已批准但未簽約：物業、機器及設備	16,250	-
Contracted but not provided for: Property, plant and equipment	已簽約但仍未撥備：物業、機器及設備	139,014	193,080
Intangible assets	無形資產	1,492	-
Investment in an associate	於聯營公司之投資	43,420	43,420
Financial assets at 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	124,668	127,016
		324,844	363,516

(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)

23. RELATED PARTY TRANSACTIONS**23. 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
Hongta Blue Eagle 紅塔藍鷹	An associate indirectly held by the Company 本公司間接持有的聯營公司
Hunan Golden Leaf 湖南金葉	An associate indirectly held by the Company 本公司間接持有的聯營公司
Yunnan Ruisheng 雲南瑞升	An associate indirectly held by the Company 本公司間接持有的聯營公司
Dianhua Benxiang	A jointly controlled entity indirectly held by the Company 本公司間接持有的共同控制實體
滇華本香	An entity controlled by the Company's ultimate holder 朱女士擁有控制權之公司
Yingtian Weizhijia Food Co. Ltd. ("Weizhijia")	
鷹潭味之家食品有限公司(「味之家」)	

(b) Transactions with related parties**(b) 與關聯人士的交易**

		Unaudited 未經審核 For the six months ended	
		30 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
<i>Sales of goods:</i>	<i>銷售貨品：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	3,324	7,235
– Hongta Blue Eagle	– 紅塔藍鷹	9	21
– Hunan Golden Leaf	– 湖南金葉	294	341
– Dianhua Benxiang	– 滇華本香	19,117	–
– Weizhijia	– 味之家	18,661	–
		41,405	7,597
<i>Purchase of goods and services:</i>	<i>購買原材料及服務：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	62	15
– Yunnan Ruisheng	– 雲南瑞升	41	82
– Dianhua Benxiang	– 滇華本香	8,808	2,006
– Weizhijia	– 味之家	4,953	–
		13,864	2,103
<i>Dividend revenue:</i>	<i>股息收入：</i>		
– Hongta Blue Eagle	– 紅塔藍鷹	10,485	–

(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)

23. RELATED PARTY TRANSACTIONS (continued)**23. 關聯人士交易(續)****(c) Balances with related parties****(c) 關聯人士結餘**

		As at 30 June 2019 於2019年 6月30日 Unaudited 未經審核	As at 31 December 2018 於2018年 12月31日 Audited 經審核
<i>Balance due from related parties:</i>	<i>應收關聯人士結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	9,182	14,630
– trade and other receivables	– 貿易及其他應收款		
– Dianhua Benxiang	– 滇華本香	38,492	21,305
– trade receivables	– 貿易應收款		
– Weizhijia	– 味之家	4,953	10,500
– prepayments	– 預付款		
		52,627	46,435
<i>Balance due to related parties:</i>	<i>應付關聯人士結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	46	40
– trade payables	– 貿易應付款		
– Yunnan Ruisheng	– 雲南瑞升	64	–
– trade payables	– 貿易應付款		
– Dianhua Benxiang	– 滇華本香	11,987	12,971
– trade payables	– 貿易應付款		
– Weizhijia	– 味之家	700	13
– trade and other payables	– 貿易及其他應付款		
– contract liabilities	– 合同負債	466	2,900
		13,263	15,924

The balance with related parties was 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。

(d) 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 June 2019 and 30 September 2018 are shown below:

(d) 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2019年6月30日及2018年9月30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 June 2019 截至2019年 6月30日 止六個月	30 September 2018 截至2018年 9月30日 止六個月
Fees, salaries and bonus	工資、薪酬及花紅	32,546	24,411
Employer's contributions to retirement benefit scheme	僱主就退休計劃供款	312	741
		32,858	25,152

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
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	The People's Republic of China	中國或國內	中華人民共和國
Company or Huabao	Huabao International Holdings Limited	本公司或華寶	華寶國際控股有限公司
Corresponding Period Last Year	the six months ended 30 June 2018	去年同期	截至2018年6月30日止六個月
Director(s)	The director(s) of the Company	董事	本公司董事
EPS	Earnings per share	每股盈利	每股盈利
Executive Director(s)	Executive director(s) of the Company	執行董事	本公司之執行董事
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 Zhaoqing	Zhaoqing Perfumery Co., Ltd.	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
HNB	Heat-not-burn	加熱不燃燒	加熱不燃燒

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
Huabao Kongque	Shanghai H&K Flavours & Fragrances Co., Ltd.	華寶孔雀	上海華寶孔雀香精香料有限公司
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 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 Kongque	Jiangxi H&K 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
Jiangxi Xianghai	Jiangxi Xianghai Biological Technology Co.,Ltd.	江西香海	江西香海生物科技有限公司
Listing Rules	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange	上市規則	聯交所主板證券上市規則
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules	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
Reporting Period	the six months ended 30 June 2019	報告期	截至2019年6月30日止六個月
RMB	Renminbi, the lawful currency of the PRC	人民幣	人民幣，中國法定貨幣
R&D	Research and development	研發	研究及發展
RTL	Reconstituted Tobacco Leaves	煙草薄片	再造煙葉
SFO	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong	證券及期貨條例	香港法例第571章證券及期貨條例
Shareholder(s)	Shareholder(s) of the Company	股東	本公司之股東
Share(s) or ordinary share(s)	Ordinary share(s) of HKD0.10 each in the capital of the Company	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
Shenzhen Stock Exchange	Shenzhen Stock Exchange in the PRC	深圳證券交易所	中國深圳證券交易所
Stock Exchange	The Stock Exchange of Hong Kong Limited	聯交所	香港聯合交易所有限公司
U. S.	United States of America	美國	美利堅合眾國
USD	US dollars, the lawful currency of the United States of America	美元	美元，美國法定貨幣

Weizhijia	Yingtian Weizhijia Food Co., Ltd.	味之家	鷹潭味之家食品有限公司
Yancheng Chunzhu	Yancheng City Chunzhu Aroma Co., Ltd.	鹽城春竹	鹽城市春竹香料有限公司
Yongzhou Shangxiang	Yongzhou Shangxiang Flavour Co., Ltd.	永州山香	永州山香香料有限公司
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Huabao International Holdings Limited
華寶國際控股有限公司

