



Honworld Group Limited

老恒和釀造有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 2226

老
恒
和

Interim Report 中期報告

2020

* For identification purposes only 僅供識別

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

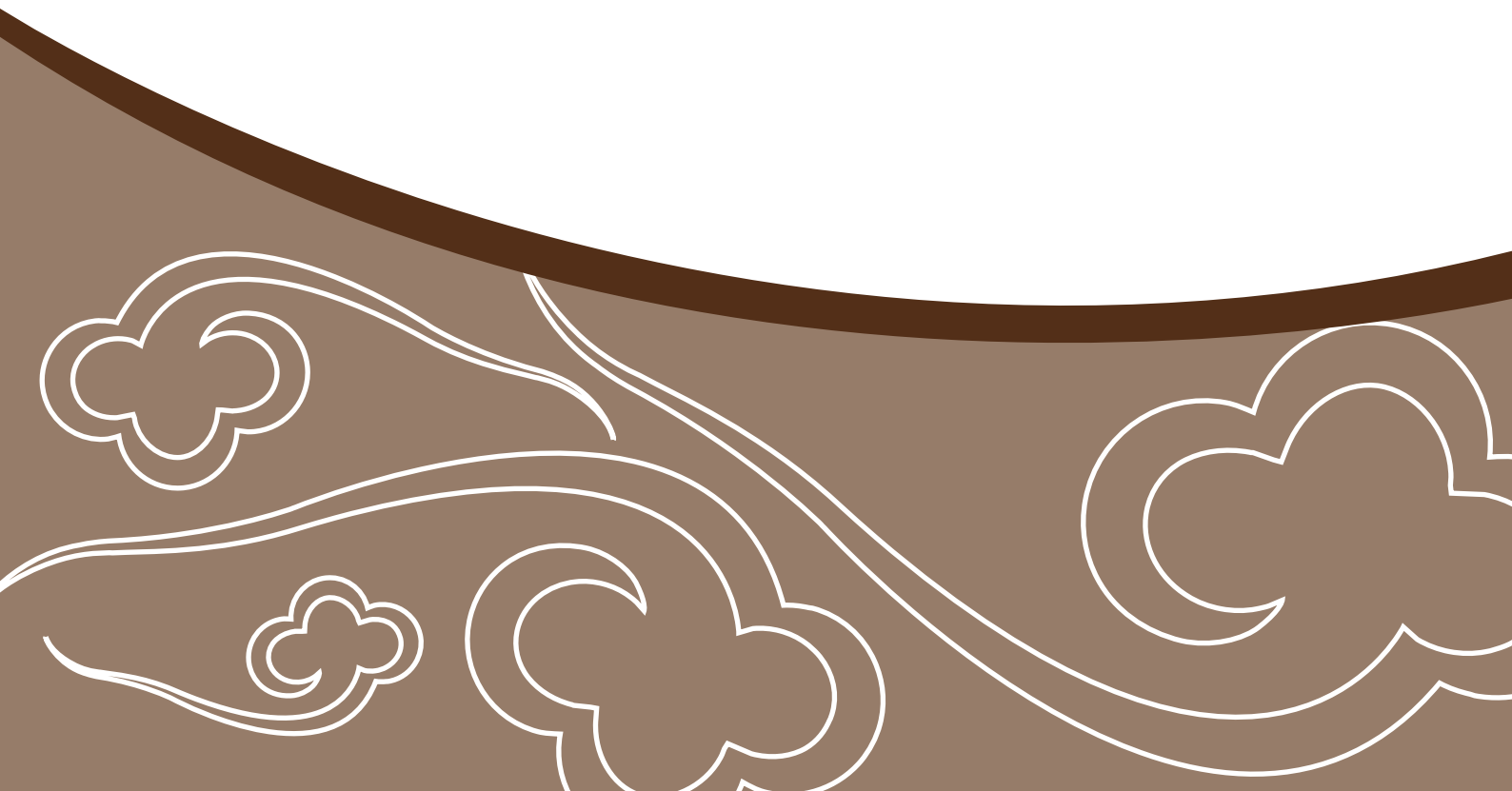
「老恒和」，源自傳承，品牌歷史超過130年
巴拿馬博覽會金獎產品



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Wei (*Chairman*)
(appointed on 11 September 2020)
Mr. Chen Weizhong (*CEO*)
(resigned as the Chairman on 11 September 2020)
Mr. Sheng Mingjian
Mr. Wang Chao (resigned on 11 September 2020)

Non-executive Directors

Mr. He Yuanchuan (resigned on 28 August 2020)
Mr. Gu Wei (appointed on 2 September 2020)

Independent Non-executive Directors

Mr. Shen Zhenchang
Mr. Ng Wing Fai
Mr. Sun Jiong

COMPANY SECRETARY

Mr. Au Wai Keung

AUTHORISED REPRESENTATIVES

Mr. Chen Weizhong
Mr. Au Wai Keung

AUDIT COMMITTEE

Mr. Ng Wing Fai (*Chairman*)
Mr. Sun Jiong
Mr. Shen Zhenchang
Mr. He Yuanchuan (resigned on 28 August 2020)
Mr. Gu Wei (appointed on 2 September 2020)

REMUNERATION COMMITTEE

Mr. Shen Zhenchang (*Chairman*)
Mr. Ng Wing Fai
Mr. Sun Jiong

NOMINATION COMMITTEE

Mr. Sun Jiong (*Chairman*)
Mr. Ng Wing Fai
Mr. Shen Zhenchang

董事會

執行董事

陳偉先生(*主席*)
(於二零二零年九月十一日獲委任)
陳衛忠先生(*首席執行官*)
(於二零二零年九月十一日辭任主席一職)
盛明健先生
王超先生(於二零二零年九月十一日辭任)

非執行董事

何源川先生(於二零二零年八月二十八日辭任)
顧偉先生(於二零二零年九月二日獲委任)

獨立非執行董事

沈振昌先生
吳榮輝先生
孫頌先生

公司秘書

區偉強先生

授權代表

陳衛忠先生
區偉強先生

審核委員會

吳榮輝先生(*主席*)
孫頌先生
沈振昌先生
何源川先生(於二零二零年八月二十八日辭任)
顧偉先生(於二零二零年九月二日獲委任)

薪酬委員會

沈振昌先生(*主席*)
吳榮輝先生
孫頌先生

提名委員會

孫頌先生(*主席*)
吳榮輝先生
沈振昌先生

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

AUDITORS

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

REGISTERED OFFICE

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

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

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1303, 13/F
Hua Fu Commercial Building
111 Queen's Road West
Sheung Wan
Hong Kong

PRINCIPAL BANKERS

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

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

核數師

安永會計師事務所
執業會計師
香港
中環
添美道1號
22樓

註冊辦事處

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

中華人民共和國(「中國」) 總部及主要營業地點

中國浙江省
湖州市吳興區
八里店鎮食品工業園
郵編：313000

香港主要營業地點

香港
上環
皇后大道西111號
華富商業大廈
13樓1303室

主要往來銀行

中國農業銀行股份有限公司
湖州市分行
中國
浙江省湖州市
吳興區
人民路88號

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

CORPORATE INFORMATION (CONTINUED)

公司資料(續)

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

中國銀行股份有限公司
湖州市分行
中國
浙江省湖州市
人民路208號

LEGAL ADVISER AS TO HONG KONG LAW

Chungs Lawyers in association with DeHeng Law Offices
28/F, Henley Building
5 Queen's Road Central
Central, Hong Kong

香港法律顧問

鍾氏律師事務所與德恒律師事務所聯營
香港中環
皇后大道中5號
衡怡大廈28樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

主要股份過戶登記處

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

HONG KONG SHARE REGISTRAR

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

香港證券登記處

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

STOCK CODE

Stock code: 2226
Board lot: 500

股份代號

股份代號：2226
買賣單位：500

WEBSITE

<http://www.hzlaohenghe.com>

網址

<http://www.hzlaohenghe.com>

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

Honworld Group Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**” or “**we**”) are one of the leading manufacturers of condiment products in the People’s Republic of China (the “**PRC**” or “**China**”). We offer high quality and healthy brewed cooking wine as well as other condiments, including naturally-brewed soy sauce, naturally-brewed vinegar, soybean paste and fermented bean curd. In the first half of 2020, we attained the following achievements:

1. We were awarded the “2019 Excellent Cultural Inheritance Enterprise (2019年度優秀文化傳承企業)” by Zhejiang Time-Honored Enterprises Association (浙江省老字號企業協會);
2. We were awarded the “Model Enterprise for the Construction of Integrity Management System in the Food Industry of Zhejiang Province (浙江省食品工業企業誠信管理體系建設示範企業)” by the Zhejiang Food Organization (浙江省食品工業協會);
3. According to the analysis and statistics on the offline market by “FMCG Annual Guide Magazine (快消品年度指南雜誌)”, our cooking wine products have always maintained a relatively high market share of over 12%; and
4. According to the data published by the China Condiment Association in the “Top 100 Chinese Condiment Renowned Brands (中國調味品著名品牌企業100強)”, sales volume and growth rate of our cooking wine products have remained on top in the industry for six consecutive years.

As condiment products related to people’s livelihood are daily necessities, their market condition remained stable in spite of the outbreak of the novel coronavirus (COVID-19) pandemic in the first half of 2020. While adhering to prevention and control amid the pandemic, the Group actively adapted to changes in the market. By upholding its fundamental principle of “focusing on traditional cooking wine industry and refining other industries”, the Group promoted its marketing reform and project construction in an orderly manner centering around the sales target set at the beginning of the year.

業務回顧

老恒和釀造有限公司(「本公司」)及其附屬公司(統稱「本集團」或「我們」)是中華人民共和國(「中國」)的領先調味品生產商之一。我們提供優質、健康的釀造料酒以及其他調味品，包括原釀醬油、原釀醋、黃豆醬、腐乳等產品。於二零二零年上半年，我們取得如下成就：

- 一、我們被浙江省老字號企業協會授予「2019年度優秀文化傳承企業」的稱號；
- 二、我們被浙江省食品工業協會授予「浙江省食品工業企業誠信管理體系建設示範企業」的稱號；
- 三、據「快消品年度指南雜誌」對線下市場的分析統計，我們的料酒產品始終保持超過12%的較高市場佔有率；及
- 四、據中國調味品協會在「中國調味品著名品牌企業100強」發表的數據顯示，我們的料酒銷量及增長率連續六年在行業中始終保持第一。

於二零二零年上半年，雖受新冠疫情影响，但由於與民生相關的調味品產品是日常生活必需品，其市場態勢依然穩健。在堅持疫情防控的同時，本集團積極順應市場的變化，貫徹「聚焦傳統料酒產業，其他產業做精做細」的基本原則，圍繞年初制定的銷售目標，有序推進營銷變革和項目建設等各項工作。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

In the first half of 2020, the Group achieved a sales revenue of approximately RMB299.7 million, representing a decrease of approximately RMB102.5 million or around 25.5% from the same period in 2019. On one hand, the decline in social activities, traffic control and the suspension of upstream and downstream enterprises caused by the pandemic have affected the production and sales activities of the Group's products, leading to a decrease of approximately RMB108.2 million or around 27.3% in the supermarket and distribution channels as well as the catering channels under development of the Group as compared with the same period in 2019. On the other hand, due to the consumers' shift to online consumption patterns during the pandemic period, the sales of e-commerce channels directly benefited from the growth of household consumption. The sales of the Group's e-commerce channels increased by approximately RMB5.7 million or around 98.8% as compared to the same period in 2019. The sales performance of the Group's sales channels began to show a gradual improvement in the second quarter.

In the first half of 2020, cooking wine products remained as the major source of our revenue, accounting for approximately 67.8% of our total revenue. In addition, with the gradual release of our production capacity of soy sauce, sales of our soy sauce products in the first half of 2020 were approximately RMB59.8 million, accounting for approximately 19.9% of our total revenue. In terms of market strategy, we continued the market penetration strategy being implemented in 2019 with an aim to cope with the adverse impact of the pandemic on the business environment by strengthening our distribution network. We have maintained the number of distributors at approximately 1,250, and fully extended the network to cover fourth- and fifth-tier cities in 30 provinces, autonomous regions and municipalities across the country. In order to cope with the aforementioned market penetration strategy and to deal with the adverse effects of the pandemic, the Group adjusted its product structure to increase the proportion of sales of mid-end and low-end products with relatively lower gross profit margins. As a result, the gross profit margin of the Group's products decreased from 51.3% as of 30 June 2019 to 45.7% as of 30 June 2020.

本集團於二零二零年上半年實現銷售收入約人民幣299.7百萬元，較二零一九年同期下降了人民幣約102.5百萬元，約25.5%。一方面，因疫情導致的社會活動下降、交通管制及上下游企業停工等原因影響了本集團產品的生產及銷售活動，導致本集團的商超、流通渠道及正在開發的餐飲渠道較二零一九年同期下降了人民幣約108.2百萬元，約27.3%；另一方面，受益於疫情導致的消費者線上消費習慣的轉移，電商渠道的銷售情況直接受益於家庭居家消費的增長，本集團的電商渠道的銷售額較二零一九年同期上升了人民幣約5.7百萬元，約98.8%。本集團各銷售渠道的銷售額已於第二季度呈現逐步增長的趨勢。

於二零二零年上半年，料酒系列產品繼續成為我們的主要收入來源，佔總收入約67.8%。另一方面，隨著我們醬油產品產能的陸續釋放，二零二零年上半年我們醬油產品銷售收入約為人民幣59.8百萬元，佔總收入約19.9%。在市場戰略方面，我們延續2019年度的市場滲透戰略，旨在通過增強我們的經銷商網絡而來應對疫情對商業環境的不利影響。我們的經銷商數量保持約1,250家，並已充分下沉至全國三十個省、自治區及直轄市的四、五線城市。為順應前述市場滲透策略以及應對疫情的不利影響，我們調整了本集團的產品結構，更大眾化的毛利相對較低的中低端產品的銷售佔比增加。因此，本集團產品的毛利率從截至二零一九年六月三十日的51.3%下降至二零二零年六月三十日45.7%。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

The profit attributable to ordinary equity holders of the parent company of the Group was approximately RMB42.3 million (30 June 2019: RMB99.3 million), representing a decrease of approximately 57.4% as compared to the corresponding period of 2019, mainly due to the impact of the aforementioned decline in revenue and gross profit. In view of the growing demand of our customers and the anticipated sales growth of soy sauce, rice vinegar and fermented bean curd products brought by the further development of the sales channels, we consider that a rich and diversified condiment products portfolio would be more beneficial to the business development of the Group in the coming years. Thus, we are pursuing in-depth development for the industry chain of the Group's condiment products at multiple levels, thereby establishing Lao Heng He as a diversified condiment manufacturer with cooking wine as a dominant product.

Our profitability mainly depends on product pricing and our cost of sales, marketing strategy and the product structure and mix. We are actively monitoring any potential risk factors that may have impact on our financial results, and trying to mitigate any upward pressure on costs and expenses with more efficient operation, higher profit margins and better product mix and sales channels. The Group faces certain risks in its business development, including: (1) the risk of significant increase in production costs, such as the increase in the prices of subsidiary agricultural products, packaging cost or labour cost; (2) the negative impact on our revenue due to changes in customers' spending habits in condiment products; (3) the greater-than-expected increase in market expansion costs and selling expenses; (4) the possible failure of our new products to obtain market recognition in the short run; (5) the more complicated sales policies and credit terms management due to the rapid increase in the number of distributors; and (6) the adverse effects of the ongoing COVID-19 pandemic.

主要由於上述收入及毛利下降的影響，本集團母公司普通權益持有人應佔利潤約為人民幣42.3百萬元（二零一九年六月三十日：人民幣99.3百萬元），較二零一九年同期下降約57.4%。基於對現有不斷增長的客戶需求和對銷售渠道進一步發展而帶來的醬油、米醋、腐乳等產品的銷售增長預期，我們認為豐富而又多元化的調味品結構將更有利於本集團未來幾年的業務發展。因此我們正多層次地深度開發本集團的調味品產業鏈，將老恆和打造成以料酒為主導產品的多元化調味品製造商。

我們的盈利能力主要受產品訂價及我們的銷售成本、營銷策略、產品架構及組合所影響。我們正積極監控任何可能影響我們財務業績的潛在風險因素，並試圖憑藉更高效的營運及利潤率以更佳的产品組合和銷售渠道緩和成本和費用的增加。然而，本集團在業務發展過程中同樣面臨一定風險，包括：(1)生產成本大幅上漲的風險，如農副產品價格、包裝成本和勞務成本增加；(2)消費者消費調味產品的習慣的轉變，為我們的銷售帶來負面影響；(3)市場的拓展成本和銷售費用較公司預期大幅上升；(4)我們的新產品短期內可能無法獲得市場認可；(5)由於經銷商數量的快速增長，銷售政策及信貸期限管理更加複雜；及(6)新冠疫情持續帶來的不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

GOALS AND STRATEGIES

As the pandemic has intensified the fierce competition in the condiment market, we will adhere to a consumer-oriented sales strategy. By “diversifying” resources to develop products for different sales channels, we are committed to achieving higher customer loyalty. We focus on providing consumers with safer and healthier naturally-brewed condiment products.

Our business goal is to enhance our position in the condiments industry by leveraging on our leading position in the cooking wine industry to diversify the sales channels and conduct sales of portfolio products. On one hand, we will further increase the input in establishing the marketing team and training our staff. On the other hand, we will enrich the product structure of the Company and offer a variety of high-quality products commensurate with the spending power of the general public. In respect of the expansion of distributors, we will continue to cooperate with capable distributors through our diversified sales channels, and continue to actively improve the market share of our “Lao Heng He” brand in the PRC market.

In view of the new spending habits due to the pandemic, we also actively accelerated the development of new retail channels and enriched our online products. A batch of new platforms with strategic cooperation have been formed, such as the online platform of KA (Key Account) malls and supermarkets, the community e-commerce platform, and the e-commerce platform for group-buying members, which achieved multi-dimensional and full coverage of promotional effects through live stream videos, short movie clips and etc. In addition, we also strived to activate the linkage of social e-commerce and the community and create a community distribution model for all shopping guides.

We always pay close attention to and actively address any risks that may come along with the growth of business. In the first half of 2020, we released the vitality of the marketing team by reforming its staffing in response to the possible negative impact caused by the incompetence of our sales teams in the sales of the Group’s products under the influence of the pandemic. Meanwhile, we also continue to further strengthen the credit risk management of customers by strengthening credit approval and establishing an information sharing platform for distributors to deal with the risks caused by the pandemic.

“Lao Heng He” strives to become a preferred choice of consumers.

目標及策略

疫情加劇了調味品市場的激烈競爭，我們的銷售策略仍以消費者為中心，我們的「多元化」地將資源用於開發適合不同銷售渠道的產品，致力實現更高的客戶忠誠度。我們專注於向消費者提供更優質、更安全和更健康的天然釀造的調味品。

我們的經營目標為通過我們在料酒行業的龍頭地位拓展多元化的銷售渠道，進行組合產品的銷售，提升公司在調味品行業的市場地位。一方面，我們將更進一步增加對營銷團隊建設的投入和員工培訓。另一方面，我們將豐富公司的產品結構，推出更多優質的且符合大眾消費能力的各類別產品。在經銷商拓展方面，我們將在不斷地在多元化發展的渠道中與有實力的經銷商合作，繼續積極地提升「老恒和」品牌在中國市場的市場佔有率。

順勢與疫情帶來的新消費習慣的養成，我們亦積極加快新零售渠道開發速度，豐富線上品項，形成了一批具備戰略合作的新平台，如KA商超的線上平台、社區電商平台、團購會員電商平台等。各平台通過線上直播、短片拍攝等方式達到多維度全覆蓋的傳播效果。另外，我們也努力驅動社交電商和社群的聯動，打造全員導購的社群分銷模式。

我們亦時刻關注並積極應對增長可能帶來的風險。二零二零年上半年，我們對營銷架構進行改革，釋放營銷團隊的活力，來應對疫情影響下銷售團隊能力不足可能對本集團產品銷售產生的負面影響。同時，我們還通過加強授信審批及建立經銷商信息共享平台來進一步加強對客戶的信用風險管理應對疫情導致的風險。

「老恒和」矢志成為消費者的首選品牌。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL REVIEW

Overview

The key financial indicators of the Group are as follows:

財務回顧

概覽

本集團主要財務指標如下：

		Six months ended 30 June 截至六月三十日止六個月		Period-to- period change 按期變動
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	
Income statement items	收益表項目			
REVENUE	收入	299,678	402,218	(25.5%)
Gross profit	毛利	136,813	206,226	(33.7%)
Profit attributable to owners of the Company	本公司擁有人應佔利潤	42,335	99,339	(57.4%)
EBITDA	除利息、稅項、折舊及 攤銷前利潤	111,826	178,713	(37.4%)
Earnings per share (RMB cents) (note a) — basic and diluted	每股盈利(人民幣分)(附註a) — 基本及攤薄	7.3	17.2	(57.6%)
Selected financial ratios	節選財務比率			
Gross profit margin (%)	毛利率(%)	45.7%	51.3%	(10.9%)
Net profit margin attributable to owners of the Company (%)	本公司擁有人應佔淨利潤率(%)	14.1%	24.7%	(42.9%)
EBITDA margin (%)	除利息、稅項、折舊及 攤銷前利潤率(%)	37.3%	44.4%	(16.0%)
		30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	Period-to- period change 按期變動
Gearing ratio (note b)	資本負債比率(附註b)	30.6%	31.8%	(3.8%)

Notes:

- (a) Please refer to note 8 to the financial statements for the calculation of earnings per share.
- (b) The gearing ratio is based on net debt divided by total equity and net debt as at 30 June 2020. Net debt includes total debt net of cash and cash equivalents. Total debt includes trade payables, other payables and accruals, lease liabilities, interest-bearing bank and other borrowings and other long-term liabilities.

附註：

- (a) 有關每股盈利的計算方法，請參閱財務報表附註8。
- (b) 於二零二零年六月三十日，資本負債比率按淨債務除以總權益及淨債務計算。淨債務包括總債務減現金及現金等價物。總債務包括應付貿易款項、其他應付款及應計項目、租賃負債、計息銀行及其他借款以及其他長期負債。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Revenue

The revenue of the Group decreased by 25.5% from RMB402.2 million for the six months ended 30 June 2019 to RMB299.7 million for the corresponding period of 2020. This weak performance was primarily caused by the impact of COVID-19. The traffic control and decline in social activities caused by the pandemic has affected the business and operations of the Group and resulted in disruption to our customers, suppliers and staff.

Revenue from the Group's cooking wine products decreased by 28.1% from RMB282.5 million for the six months ended 30 June 2019 to RMB203.1 million for the corresponding period of 2020, primarily due to the abovementioned impact of COVID-19.

Revenue from the Group's soy sauce products decreased by 11.1% from RMB67.3 million for the six months ended 30 June 2019 to RMB59.8 million for the corresponding period of 2020, mainly attributable to the increase in the sales volume of soy sauce, as a result of the combined effect of our expansion of production capacity of soy sauce products and the abovementioned impact of COVID-19.

While introducing new products to the market, we have also continued to adjust our product portfolio of rice vinegar and other products by reducing the production volume of underperforming products during this period. As a result, the revenue from rice vinegar and other products decreased by 29.8% from RMB52.4 million for the six months ended 30 June 2019 to RMB36.8 million for the corresponding period of 2020.

Cost of Sales

The Group's cost of sales, including raw materials, manufacturing overhead and salaries and benefits, decreased by 16.9% from RMB196.0 million for the six months ended 30 June 2019 to RMB162.9 million for the corresponding period of 2020, primarily attributable to decrease in revenue.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by 33.7% from approximately RMB206.2 million for the six months ended 30 June 2019 to approximately RMB136.8 million for the corresponding period of 2020, and the gross profit margin decreased from 51.3% for the six months ended 30 June 2019 to 45.7% for the corresponding period of 2020. The decrease in gross profit margin is primarily due to the combined effects of the adjustment of product structure and the increase in proportion of sales of mid-end and low-end products with relatively lower gross profit margins.

收入

本集團的收入由截至二零一九年六月三十日止六個月的人民幣402.2百萬元減少25.5%至二零二零年同期的人民幣299.7百萬元。表現疲弱主要歸因於新冠疫情所造成的影響。為應對新冠疫情導致的交通管制及社會活動的下降影響本集團的業務及營運，對我們的客戶、供應商及員工亦構成干擾。

本集團料酒產品的收入由截至二零一九年六月三十日止六個月的人民幣282.5百萬元減少28.1%至二零二零年同期的人民幣203.1百萬元，主要由於上述新冠疫情的影響所致。

本集團醬油產品的收入由截至二零一九年六月三十日止六個月的人民幣67.3百萬元減少11.1%至二零二零年同期的人民幣59.8百萬元，主要由於醬油的銷量隨著我們擴大醬油產品的產能而上升及上述新冠疫情影響的綜合作用。

在向市場投放新產品的同時，我們於本期也對我們的米醋和其他產品的產品結構繼續進行調整，縮減了市場表現不好的產品的產量。因此，米醋和其他產品的收入由截至二零一九年六月三十日止六個月的人民幣52.4百萬元減少29.8%至二零二零年同期的人民幣36.8百萬元。

銷售成本

本集團的銷售成本(包括原材料、製造費用及薪金福利)由截至二零一九年六月三十日止六個月的人民幣196.0百萬元減少16.9%至二零二零年同期的人民幣162.9百萬元，主要是由於收入下降所致。

毛利及毛利率

本集團的毛利由截至二零一九年六月三十日止六個月約人民幣206.2百萬元減少33.7%至二零二零年同期約人民幣136.8百萬元，而毛利率由截至二零一九年六月三十日止六個月的51.3%減少至二零二零年同期的45.7%。毛利率下降主要由於我們調整了產品結構，更大眾化的毛利率相對較低的中低端產品的銷售佔比增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Other Income and Gains

Other income and gains increased by 16.0% from approximately RMB7.5 million for the six months ended 30 June 2019 to approximately RMB8.7 million for the corresponding period of 2020. Other income and gains primarily include government subsidies received, gains from sales of materials and interest income. The increase in other income and gains for the period was primarily due to the increase in interest income.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of advertising expenses, marketing expenses, travelling expenses, and remuneration for our sales employees. The Group's selling and distribution expenses decreased by 11.1% from approximately RMB32.5 million for the six months ended 30 June 2019 to approximately RMB28.9 million for the corresponding period of 2020. The Group's selling and distribution expenses as a percentage of the Group's revenue increased from 8.1% for the six months ended 30 June 2019 to 9.6% for the corresponding period of 2020, primarily because the Group did not reduce the size of the sales team considering the need for future business growth.

Administrative Expenses

Administrative expenses decreased by 5.4% from approximately RMB35.2 million for the six months ended 30 June 2019 to approximately RMB33.3 million for the corresponding period of 2020, mainly due to the combined effect of the following two factors: (i) decrease in research and development expenses; and (ii) decrease in salary of the Group's management personnel.

Finance Costs

Finance costs increased by 10.8% from approximately RMB28.6 million for the six months ended 30 June 2019 to approximately RMB31.7 million for the corresponding period of 2020. The increase in finance costs is primarily attributable to the increase in average borrowing amount.

其他收入及收益

其他收入及收益由截至二零一九年六月三十日止六個月約人民幣7.5百萬元增加16.0%至二零二零年同期約人民幣8.7百萬元。其他收入及收益主要包括收到的政府補貼、物料銷售收益及利息收入。本期其他收入及收益之增加主要由於利息收入增加所致。

銷售及經銷開支

銷售及經銷開支主要包括廣告開支、營銷開支、差旅開支及我們銷售員工的酬金。本集團的銷售及經銷開支由截至二零一九年六月三十日止六個月約人民幣32.5百萬元減少11.1%至二零二零年同期約人民幣28.9百萬元。本集團的銷售及經銷開支佔本集團收入的百分比由截至二零一九年六月三十日止六個月的8.1%增加至二零二零年同期的9.6%，主要由於本集團考慮到未來業務增長需求並未縮減銷售團隊規模。

行政開支

行政開支由截至二零一九年六月三十日止六個月約人民幣35.2百萬元減少5.4%至二零二零年同期約人民幣33.3百萬元，主要由於(i)研發開支減少；及(ii)本集團管理人員薪金下跌兩個因素的綜合影響所致。

融資成本

融資成本由截至二零一九年六月三十日止六個月約人民幣28.6百萬元增加10.8%至二零二零年同期約人民幣31.7百萬元。融資成本增加主要歸因於平均借款金額的上升。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Profit before Tax

As a result of the foregoing, the profit before tax decreased by 58.7% from approximately RMB117.3 million for the six months ended 30 June 2019 to approximately RMB48.4 million for the corresponding period of 2020.

Income Tax Expense

The corporate income tax of the Group in respect of its operations in Mainland China has been provided at the rate of 25% (2019: 25%) on the taxable profits, in accordance with the existing legislation, interpretations and practices. Pursuant to the approval from the National Office of Leading Group for Administration of Hi-tech Enterprise Recognition (全國高新技術企業認定管理工作領導小組辦公室), Huzhou Laohenghe Brewery Co., Limited (湖州老恒和釀造有限公司) and Huzhou Laohenghe Wine Co., Limited (湖州老恒和酒業有限公司), both being wholly-owned subsidiaries of the Company, were granted the "New and Advanced Technology Enterprise" (高新技術企業) qualification and were entitled to the preferential tax rate of 15% for three consecutive years commencing from 2019.

Income tax expenses decreased by 65.9% from approximately RMB17.9 million for the six months ended 30 June 2019 to approximately RMB6.1 million for the corresponding period of 2020, mainly due to the decrease in profit before tax.

Earnings per Share Attributable to Ordinary Equity Holders of the Company

Basic earnings per share decreased from RMB17.2 cents for the six months ended 30 June 2019 to RMB7.3 cents for the corresponding period of 2020, mainly due to the decrease in net profit caused by the reasons stated above.

Net Profit Margin

Net profit margin dropped by 10.6 percentage points from 24.7% for the six months ended 30 June 2019 to 14.1% for the corresponding period of 2020, which was mainly attribute to the decrease in gross profit margin as a result of the aforesaid reasons.

除稅前利潤

由於上述原因，除稅前利潤由截至二零一九年六月三十日止六個月約人民幣117.3百萬元減少58.7%至二零二零年同期約人民幣48.4百萬元。

所得稅開支

有關本集團中國內地經營業務的企業所得稅，已經根據相關現行法律、詮釋及慣例按稅率25%（二零一九年：25%）對應課稅利潤作出撥備。根據全國高新技術企業認定管理工作領導小組辦公室之批准，湖州老恒和釀造有限公司及湖州老恒和酒業有限公司（均為本公司全資附屬公司）獲授「高新技術企業」資格，可自二零一九年起連續三年享有優惠稅率15%。

所得稅開支由截至二零一九年六月三十日止六個月約人民幣17.9百萬元減少65.9%至二零二零年同期約人民幣6.1百萬元，主要由於除稅前利潤減少所致。

本公司普通權益持有人應佔每股盈利

每股基本盈利由截至二零一九年六月三十日止六個月的人民幣17.2分減少至二零二零年同期的人民幣7.3分，主要是由於上述原因導致的淨利潤減少所致。

淨利潤率

淨利潤率由截至二零一九年六月三十日止六個月的24.7%減少10.6個百分點至二零二零年同期的14.1%，主要是由於上述原因導致的毛利率減少所致。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FINANCIAL AND LIQUIDITY POSITION

Working Capital Management

Prepayments

Details of prepayments as at 30 June 2020 and 31 December 2019 are as follows:

財務及流動資金狀況

營運資金管理

預付款項

於二零二零年六月三十日及二零一九年十二月三十一日的預付款項詳情如下：

			30 June 2020	31 December 2019
			二零二零年 六月三十日	二零一九年 十二月三十一日
			RMB'000	RMB'000
			人民幣千元	人民幣千元
		Notes 附註	(Unaudited) (未經審核)	(Audited) (經審核)
Prepayments for non-current assets	非流動資產的預付款項	(i)	313,157	315,345
Prepayments for procurement of base wine and condiment products	採購基酒及調味品的預付款項	(ii)	66,221	68,567
Prepayments for procurement of raw materials	採購原材料的預付款項	(iii)	89,564	128,465
Other prepayments	其他預付款項		2,643	4,965
			471,585	517,342

(i) Prepayments for non-current assets primarily included the following two aspects: (1) prepayments to equipment manufacturers in respect of customised equipment for the Group; and (2) prepayments to the main contractor pursuant to the master construction contracts. The directors estimated that RMB109.6 million and RMB203.6 million of the prepayments for non-current assets would be settled in a period of 12 months and 24 months upon commencement of the corresponding construction/installation projects, respectively.

(ii) Prepayments for procurement of base wine and condiment products primarily included prepayments for procurements of base wine and condiment products from an independent third party manufacturer under a poverty alleviation program led by China Development Bank Zhejiang Branch.

(iii) Prepayments for procurement of raw material primarily included the prepayments for procurements of raw materials from independent third party suppliers to ensure the steady supplies of agriculture products.

(i) 非流動資產的預付款項主要包括如下兩個方面：(1)為本集團定制設備而向設備製造商預付的款項；以及(2)根據框架工程協議向工程主要的承建單位支付的預付款項。董事估計人民幣109.6百萬元及人民幣203.6百萬元的非流動資產的預付款項分別將於相關建設／安裝工程施工後12個月及24個月內核銷完畢。

(ii) 採購基酒及調味品的預付款項主要包括按照國家開發銀行浙江省分行領導的扶貧計劃向獨立第三方製造商採購基酒及調味品的預付款項。

(iii) 採購原材料的預付款項主要包括從獨立第三方供應商採購原材料的預付款項，以確保農產品的穩定供應。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Trade Receivables

Trade receivables primarily represented the receivables for goods sold to the distributors. Trade receivables turnover days increased from 92 days for the year ended 31 December 2019 to 155 days for the six months ended 30 June 2020, which is attributable to the combined effect of the impact brought by COVID-19 and the Group's temporary relaxation of the credit period for some customers with long-term cooperation intentions to consolidate customer base under the sales expectations from customers.

Inventories

Inventories increased from approximately RMB1,403.7 million as at 31 December 2019 to approximately RMB1,500.3 million as at 30 June 2020 primarily due to an increase in work in progress. A substantial part of our inventories are work in progress, mainly represented by semi-finished base wine, base soy sauce, base vinegar, soybean paste and fermented bean curd in the brewing period.

Due to the relatively long production cycle and relatively short sales cycle of cooking wine products, we need to keep an abundant stock of well-aged base wine to cope with the rapid sales growth in the future. On the other hand, given the growing demand from customers of the New Sales Channels (as defined in the 2019 annual report of the Company published on 15 May 2020), we have produced more base soy sauce, base vinegar and fermented bean curd accordingly during the period.

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

Borrowings

As at 30 June 2020, the Group's total borrowings amounted to approximately RMB949.4 million (31 December 2019: RMB1,024.8 million). The Group's principal sources of liquidity include cash generated from business operations, bank and other borrowings. The cash from these sources was primarily used for the Group's working capital and the expansion of production capacity. Presently, the Group does not employ any financial instruments to hedge against the interest rate exposure.

貿易應收款項

貿易應收款項主要指向經銷商售出貨品的應收款項。貿易應收款項的週轉天數由截至二零一九年十二月三十一日止年度的92天增至截至二零二零年六月三十日止六個月的155天，此乃由於新冠疫情影響及為了鞏固我們的客戶基礎，本集團根據對客戶的銷售預期，暫時性地放寬了部分有長期合作意向的客戶的信用期的綜合作用所致。

存貨

存貨由截至二零一九年十二月三十一日約人民幣1,403.7百萬元增至截至二零二零年六月三十日約人民幣1,500.3百萬元，主要由於在製品增加。我們存貨的絕大部分為在製品，主要指處於釀造期的基酒、基醬油、基醋、黃豆醬、腐乳半成品。

由於料酒類產品較長的生產週期及較短的銷售週期，我們需保持大量經過長年陳釀的基酒存貨，以應對未來的銷售增長。另一方面，基於不斷增長的新渠道(定義見本公司於二零二零年五月十五日發佈的二零一九年度報告)客戶需求，我們相應地於本期增加了對基醬油、基醋和腐乳的生產投入。

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

借款

於二零二零年六月三十日，本集團借款總額約為人民幣949.4百萬元(二零一九年十二月三十一日：人民幣1,024.8百萬元)，本集團流動資金的主要來源包括業務經營產生的現金、銀行及其他借款。來自該等來源的現金主要用於本集團的營運資金及擴大產能。目前，本集團並無使用任何金融工具對沖利率風險。

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

Exchange Risk

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

Liquidity and Financial Resources

As at 30 June 2020, the Group had cash and cash equivalents of approximately RMB460.4 million (31 December 2019: RMB410.1 million). As at 30 June 2020, the Group had interest-bearing bank and other borrowings of an aggregate amount of RMB949.4 million (31 December 2019: RMB1,024.8 million), which were denominated in RMB, repayable within four years and bearing interests at 4.75% to 13.11% per annum. As at 30 June 2020, the gearing ratio was 30.6% (31 December 2019: 31.8%). The gearing ratio is calculated based on net debt divided by total equity and net debt as at 30 June 2020. Net debt includes total debt net of cash and cash equivalents. Total debt includes trade payables, other payables and accruals, lease liabilities, interest-bearing bank and other borrowings and other long-term liabilities.

Capital Commitments

Capital commitments as at 30 June 2020 amounted to approximately RMB118.7 million (31 December 2019: RMB121.3 million), mainly related to the contracts of construction in progress relating to expansion of the condiment production factory.

Contingent Liabilities

As at 30 June 2020, the Group did not have any material contingent liability.

Pledge of Assets

Please refer to note 17(a) of interim condensed consolidated financial statements for details of pledge of assets of the Group.

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

外匯風險

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

流動資金及財務資源

於二零二零年六月三十日，本集團現金及現金等價物約為人民幣460.4百萬元(二零一九年十二月三十一日：人民幣410.1百萬元)。於二零二零年六月三十日，本集團計息銀行及其他借款合共為人民幣949.4百萬元(二零一九年十二月三十一日：人民幣1,024.8百萬元)，均以人民幣計值，於四年內償還，年息介乎4.75%至13.11%。於二零二零年六月三十日，資本負債比率為30.6%(二零一九年十二月三十一日：31.8%)。於二零二零年六月三十日，資本負債比率按淨債務除總權益及淨債務計算。淨債務包括總債務減現金及現金等價物。總債務包括應付貿易款項、其他應付款項及應計項目、租賃負債、計息銀行及其他借款以及其他長期負債。

資本承擔

於二零二零年六月三十日，資本承擔約為人民幣118.7百萬元(二零一九年十二月三十一日：人民幣121.3百萬元)，主要與調味品廠房擴建的在建工程合約有關。

或有負債

於二零二零年六月三十日，本集團並無任何重大或有負債。

資產質押

有關本集團資產質押情況，請參閱中期簡明綜合財務報表附註17(a)。

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

管理層討論與分析(續)

FUTURE PROSPECTS

Faced with the uncertainty of COVID-19 and consumers' concerns about the global economic outlook, the proportion of household consumption of condiment products is expected to increase, while the proportion of catering and entertainment consumption is expected to decrease. Therefore, the Company will continue to commit resources to the supermarket, distribution and e-commerce channels related to household consumption in the short term. In the long run, the Group still believes that the catering market will be the main growth point of its future business as the post-pandemic recovery continues in the catering industry. The Group is committed to developing and gradually launching value-for-money products suitable for consumption in the catering market to gain a larger market share.

As for the cooking wine market, the brewing standards of the cooking wine market have been further regulated with the introduction and implementation of the standards for brewing cooking wine. It has become a trend for "pure brewing" to replace the "prepared" and "blended" condiment products in the market. Considering that the growth in sales of brewed cooking wine can be achieved through guiding the consumers' usage habits, the Group will strive to influence consumers from the aspects of raw materials, wine quality, years and brewing technology of its products, aiming at boosting the market share and sales price of the Group's cooking wine products. With the food safety and environmental protection measures deepening, the Group, as a leading player in the cooking wine industry, clearly enjoys more advantages in terms of technology, capital, market and risk resistance over other small and medium-sized enterprises in the market. The Group's outstanding brand awareness, modernised traditional craftsmanship, mature quality control system and comprehensive product research and development system will provide the cooking wine products under "Lao Heng He" brand with more room for development.

In addition to maintaining the leading position of our cooking wine products, we will endeavor to adhere to our strategy of "Diversified" product structure so as to meet the diversified market demand for green, healthy and tasty condiment products. We will also keep expanding our production capacity and achieving automation upgrade to enhance our overall profitability. Leveraging on the product quality and technology of "Lao Heng He" brand as our core-competitiveness, we hope to stand out amid fierce market competition through differentiation in product quality.

From the perspective of future development, the catering industry will resume consumption after the pandemic with a relatively rapid growth rate. We believe that the catering market will continue to be the major market for condiment consumption. In order to better expand into the catering market, we continue to launch new products that offer better value for money and are more suitable for the catering market in the first half of 2020, such as 470ml Lao Heng He Cooking Wine, 470ml Lao Heng He Glutinous Rice Huadiao Wine, 1.75L Lao Heng He Scallion and Ginger Cooking Wine and 1.9L Lao Heng He Cooking Wine (Three Years), which are welcomed by the market. We expect to continue to increase our investment in the catering channels and products to gain a larger market share.

Therefore, we believe that our "Lao Heng He" products will continue to grow in China.

未來前景

面對當前新型冠狀病毒疫情的不確定性及消費者對全球經濟前景感到擔憂，調味品產品的家庭居家消費比重將預期會有所增加，相應的，在餐飲娛樂消費的比重將預期會有所下降。因此，公司將會在短期保持家庭消費相關的商超、流通和電商等渠道的資源投入。而從長遠發展看，隨著餐飲業在疫情後的持續回暖，本集團依舊認為餐飲市場將會是本集團未來業務的主要增長點，正在致力於開發並逐步推出性價比高的適合餐飲市場消費的產品以獲取更大的市場份額。

對於料酒市場，一方面，隨著釀造料酒標準的出台實施，料酒市場的釀造標準的進一步規範，「純釀造」取代市場中的「配製」及「勾兌」的調味品產品已經成為趨勢。考慮到消費者使用習慣的教育將會帶來釀造料酒銷量的增加，我們將致力於從本集團產品的原料、酒質、年份及釀造工藝等方面影響消費者帶來本集團料酒產品的市場份額和銷售價格的雙提升。另一方面，隨著食品安全及環境保護措施的深化，本集團作為料酒行業內的龍頭企業相對於中小企業在技術、資金、市場及抗風險能力的優勢日益明顯。本集團優秀的品牌知名度、現代化的傳統工藝、成熟的質量管控體系和完善的產品研發體系，將會為「老恒和」品牌的料酒產品提供更多的發展空間。

除了繼續保持料酒產品的龍頭地位外，我們仍舊不斷堅持「多元化」產品結構的戰略以便應對市場上對綠色健康及口味優質的調味品多樣化的需求，我們亦將不斷擴大產能和提高自動化水平來提升我們整體利潤率水平。產品質量和技術含量仍舊為「老恒和」品牌的核心競爭力，我們希望通過產品品質的差異化在激烈的市場競爭中脫穎而出。

從未來發展看，餐飲業將在疫情後恢復消費，並且具有較快速的增長速度。我們認為餐飲市場還是會繼續成為調味品消費的主要市場，為了更好的切入餐飲市場，於二零二零年上半年，我們繼續推出性價比較高、適合餐飲市場、消費的新品，如470ml老恒和料酒、470ml老恒和糯米花雕酒、1.75L老恒和蔥姜料酒、1.9L老恒和料酒(三年陳)等，受到了市場的歡迎，我們預計會繼續加大在餐飲渠道端及產品端的投入，以獲取更大的市場份額。

因此，我們認為我們的「老恒和」品牌的產品在中國將繼續增長。

SUPPLEMENTARY INFORMATION

補充資料

SUPPLEMENTARY INFORMATION

Director Nomination Policy

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industrial and regional experience. The Nomination Committee would review the implementation of the Board Diversity Policy in achieving the objectives set for the benefits of the Company.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

Material Event(s) After the Reporting Period

There was no material subsequent event undertaken by the Company or the Group after 30 June 2020.

Employees & Remuneration Policies

As at 30 June 2020, the Group had a total of 494 employees (31 December 2019: 538). The employees' cost (excluding directors' and chief executive's remuneration) of the Group was RMB20.3 million during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB24.2 million). The remuneration policies, bonus and training programs for employees of our Group were implemented continuously according to the policies disclosed in the Group's annual report for the year ended 31 December 2019 and no change has been made during the six months ended 30 June 2020.

Significant Investments Held

The Group did not hold any significant investments as at 30 June 2020 (31 December 2019: nil).

Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures

There was no material acquisition and disposal of subsidiaries, associates or joint ventures during the six months ended 30 June 2020.

補充資料

董事提名政策

在評估董事會的組成時，提名委員會將考慮董事會多元化政策中規定的各個方面，包括但不限於性別、年齡、文化和教育背景、專業資格、技能、知識和行業以及區域經驗。提名委員會將審核董事會多元化政策的實施狀況，以實現以本公司得益為重的目標。

在確定及物色合適的董事候選人時，提名委員會會在考慮候選人的特徵、資格、經驗、獨立性和旨在補足企業策略及實現董事會多元化(如適用)的其他相關標準後，方向董事會提出建議。

報告期後重大事項

於二零二零年六月三十日之後，本公司或本集團並無進行任何重大期後事項。

僱員及薪酬政策

於二零二零年六月三十日，本集團共聘有494名僱員(二零一九年十二月三十一日：538名)。本集團截至二零二零年六月三十日止六個月的僱員成本(不包括董事及最高行政人員薪酬)為人民幣20.3百萬元(截至二零一九年六月三十日止六個月：人民幣24.2百萬元)。本集團僱員的薪酬政策、花紅及培訓計劃繼續按照本集團截至二零一九年十二月三十一日止年度的年度報告披露的政策執行且於截至二零二零年六月三十日止六個月並無變動。

所持重大投資

於二零二零年六月三十日，本集團概無持有任何重大投資(二零一九年十二月三十一日：無)。

附屬公司、聯營公司及合營企業重大收購及出售

截至二零二零年六月三十日止六個月，概無進行任何附屬公司、聯營公司及合營企業的重大收購及出售。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

Purchase, Redemption or Sale of Listed Securities of the Company

During the six months ended 30 June 2020, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

Plans for Material Investments or Capital Assets

There was no future plan for material investments or capital assets as at 30 June 2020.

Dividend Policy

Policy on payment of dividend of the Company is in place setting out the factors in the determination of dividend payment of the Company, including the Company's long-term earning capacity and expected cash inflow and outflow, the frequency and form of dividend payments. The policy shall be reviewed periodically and submitted to the Board for approval if amendments are required.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2020.

Corporate Governance

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

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

Save for the deviation explained below, the Company has complied with the Code for the six months ended 30 June 2020.

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

購買、贖回或出售本公司上市證券

截至二零二零年六月三十日止六個月，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

重大投資或資本資產計劃

於二零二零年六月三十日，概無涉及重大投資或資本資產的未來計劃。

股息政策

本公司已制定股息派付政策，載明釐定本公司股息派付的因素，包括本公司的長期盈利能力及預期現金流入及流出、股息派付的頻率及形式。該政策應予定期檢討及提交董事會批准是否需要修改。

中期股息

董事會議決不就截至二零二零年六月三十日止六個月宣派任何中期股息。

企業管治

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

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

除下述偏離外，截至二零二零年六月三十日止六個月，本公司已遵守守則。

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

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

During the six months ended 30 June 2020, the positions of the Chairman and the CEO of the Company were held by Mr. Chen Weizhong, which deviates from the practice in provision A.2.1 of the Code.

However, the aforesaid deviation has been rectified and the Code Provision A.2.1 has been complied with following the resignation of Mr. Chen Weizhong as the Chairman and the appointment of Mr. Chen Wei as the Chairman and an executive Director both with effect from 11 September 2020.

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

Model Code for Securities Transactions

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

Upon specific enquiry, all the Directors confirm that they have complied with the Model Code during the six months ended 30 June 2020. In addition, the Company is not aware of any noncompliance of the Model Code by the senior management of the Group during the six months ended 30 June 2020.

Change in Corporate Positions

With effect from 28 August 2020, Mr. He Yuanchuan has resigned as a non-executive Director and ceased to be a member of the audit committee of the Board; with effect from 2 September 2020, Mr. Gu Wei has been appointed as a non-executive Director and a member of the audit committee of the Board; and with effect from 11 September 2020, Mr. Chen Weizhong has resigned as the chairman of the Board, Mr. Wang Chao has resigned as an executive Director and Mr. Chen Wei has been appointed as the chairman of the Board and an executive Director.

截至二零二零年六月三十日止六個月，本公司的主席及首席執行官職務均由陳衛忠先生擔任，此情況偏離守則第A.2.1條規定。

然而，繼陳衛忠先生辭任主席及陳偉先生獲委任為主席兼執行董事(同於二零二零年九月十一日生效)後，上述偏離情況已獲糾正，並符合守則第A.2.1條規定。

董事會將繼續檢討及監控本公司的常規，旨在維持及實行高水平的企業管治常規。

證券交易標準守則

本公司已採納載列於上市規則附錄十的「上市發行人董事進行證券交易的標準守則」(「**標準守則**」)，作為董事及本集團高級管理層(因為其職位或僱傭關係，乃有可能持有有關本集團或本公司證券之內幕消息)關於本公司證券交易的行為守則。

經過特定諮詢後，全體董事已確認彼等於截至二零二零年六月三十日止六個月已遵守標準守則。此外，本公司並無獲悉於截至二零二零年六月三十日止六個月本集團高級管理層有任何違反標準守則的行為。

公司職位變更

自二零二零年八月二十八日起，何源川先生辭任非執行董事，並不再擔任董事會轄下審核委員會的成員；自二零二零年九月二日起，顧偉先生獲委任為非執行董事兼董事會轄下審核委員會的成員；及自二零二零年九月十一日起，陳衛忠先生辭任董事會主席、王超先生辭任執行董事，以及陳偉先生獲委任為董事會主席兼執行董事。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

As at 30 June 2020, the interests or short positions of the Directors, the chief executives of the Company (the “**Chief Executives**”) and their associates in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”) (the “**Associated Corporations**”), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests and short positions in Shares and underlying Shares of the Company as at 30 June 2020

Name of Director	Long/Short Position	Type of interest	Number of shares or underlying shares held	Approximate percentage of the Company's issued share capital
董事姓名	好倉/淡倉	權益類型	持有股份或相關股份數目	佔本公司已發行股本概約百分比
Chen Weizhong 陳衛忠	Long Position 好倉	Interest of a controlled corporation (Note) 受控法團權益(附註)	283,018,750 (L)	48.90%
		Beneficial interest 實益權益	2,682,000 (L)	0.46%

(L): represents long position

Note: These shares are held by Key Shine Global Holdings Limited (“**Key Shine**”). The entire issued share capital are held by Chen Weizhong. Chen Weizhong is deemed to be interested in the shares held by Key Shine under the SFO.

Save as disclosed above, as at 30 June 2020, none of the Directors, the Chief Executives nor their associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及最高行政人員於證券的權益及淡倉

於二零二零年六月三十日，董事、本公司最高行政人員(「最高行政人員」)及彼等的聯繫人於本公司或其相聯法團(「相聯法團」)(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所(包括根據證券及期貨條例有關條文彼等被視為或被當作擁有的權益及淡倉);或(b)根據證券及期貨條例第352條須記錄於該條所述登記冊內;或(c)根據標準守則須知會本公司及聯交所的權益或淡倉如下:

於二零二零年六月三十日於本公司股份及相關股份的權益及淡倉

(L): 指好倉

附註: 該等股份由Key Shine Global Holdings Limited(「Key Shine」)持有。全部已發行股本則由陳衛忠持有。根據證券及期貨條例，陳衛忠被視為於Key Shine所持有股份中擁有權益。

除上文所披露者外，於二零二零年六月三十日，概無董事、最高行政人員及彼等的聯繫人於本公司或其任何相聯法團的股份、相關股份或債券中擁有根據證券及期貨條例第352條須予以記錄或根據標準守則須知會本公司及聯交所的權益或淡倉。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SECURITIES

主要股東於證券的權益及淡倉

So far as is known to any Director or Chief Executive, as at 30 June 2020, the following corporations/persons (other than the Directors or Chief Executive) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

據任何董事或最高行政人員所知，於二零二零年六月三十日，下列法團／人士(不包括董事或最高行政人員)於本公司根據證券及期貨條例第336條須備存的登記冊中登記的本公司股份及相關股份中擁有權益或淡倉，直接或間接擁有或被視為擁有本公司已發行股本5%或以上權益：

Interests and short positions in the Shares and underlying Shares of the Company as at 30 June 2020

於二零二零年六月三十日於本公司股份及相關股份的權益及淡倉

Name	姓名／名稱	Nature of interests	Number of shares or underlying shares held	Approximate percentage of the Company's issued share capital ⁽¹⁾
		權益性質	持有股份或相關股份數目	佔本公司已發行股本概約百分比 ⁽¹⁾
Key Shine ⁽²⁾	Key Shine ⁽²⁾	Beneficial owner 實益擁有人	283,018,750 (L)	48.90%
Ms. Xing Liyu ⁽³⁾	邢利玉女士 ⁽³⁾	Interest of spouse 配偶權益	285,700,750 (L)	49.37%
Wuxing City Investment HK Company Limited ⁽⁴⁾	Wuxing City Investment HK Company Limited ⁽⁴⁾	Person having a security interest in shares 擁有股份質押權益的人士	229,424,000 (L)	39.64%
Huzhou Wuxing Chengshi Touzi Fazhan Jituan Youxian Gongsi ⁽⁴⁾	湖州吳興城市投資發展集團有限公司 ⁽⁴⁾	Person having a security interest in shares 擁有股份質押權益的人士	229,424,000 (L)	39.64%
Huzhou Wuxingqu State-owned Assets Supervision and Administration Services Centre ⁽⁴⁾	湖州市吳興區國有資本監督管理服務中心 ⁽⁴⁾	Person having a security interest in shares 擁有股份質押權益的人士	229,424,000 (L)	39.64%
Hwabao Overseas Markets Investment No. 2 QDII Single Unit Trust Plan 32-8 ⁽⁵⁾	華寶•境外市場投資2號系列32-8期QDII單一資金信託計劃 ⁽⁵⁾	Beneficial owner 實益擁有人	72,625,000 (L)	12.55%
Chongqing Zhongxin Rongbang Investment Center (Limited Partnership) ⁽⁵⁾	重慶中新融邦投資中心(有限合伙) ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	72,625,000 (L)	12.55%
Chongqing Zhongxin Rongchuang Investment Limited ⁽⁵⁾	重慶中新融創投資有限公司 ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	72,625,000 (L)	12.55%

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

Name	姓名／名稱	Nature of interests 權益性質	Number of shares or underlying shares held 持有股份或相關股份數目	Approximate percentage of the Company's issued share capital ⁽¹⁾ 佔本公司已發行股本概約百分比 ⁽¹⁾
China Innovative Capital Management Limited ⁽⁵⁾	中新融創資本管理有限公司 ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	72,625,000 (L)	12.55%
Beijing Zhonghai Jiacheng Capital Management Limited ⁽⁵⁾	北京中海嘉誠資本管理有限公司 ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	72,625,000 (L)	12.55%
Mr. Xie Zhikun ⁽⁵⁾	解直錕先生 ⁽⁵⁾	Interest of a controlled corporation 受控法團權益	72,625,000 (L)	12.55%
Natural Seasoning International (HK) Limited (formerly known as China Seasoning International (HK) Limited) ⁽⁶⁾	Natural Seasoning International (HK) Limited (前稱 China Seasoning International (HK) Limited) ⁽⁶⁾	Beneficial owner 實益擁有人	60,000,000 (L)	10.37%
Natural Seasoning International Limited (formerly known as China Seasoning International Limited) ⁽⁶⁾	Natural Seasoning International Limited (前稱 China Seasoning International Limited) ⁽⁶⁾	Interest of a controlled corporation 受控法團權益	60,000,000 (L)	10.37%
Lunar Capital Partners IV LP ⁽⁶⁾	Lunar Capital Partners IV LP ⁽⁶⁾	Interest of a controlled corporation 受控法團權益	60,000,000 (L)	10.37%
Lunar Capital Partners IV GP, LP ⁽⁶⁾	Lunar Capital Partners IV GP, LP ⁽⁶⁾	Interest of a controlled corporation 受控法團權益	60,000,000 (L)	10.37%
LCM-IV General Partner Ltd. ⁽⁶⁾	LCM-IV General Partner Ltd. ⁽⁶⁾	Interest of a controlled corporation 受控法團權益	60,000,000 (L)	10.37%
MERIDIAN HARVEST LIMITED ⁽⁷⁾	MERIDIAN HARVEST LIMITED ⁽⁷⁾	Person having a security interest in shares 擁有股份質押權益的人士	52,000,000 (L)	8.98%
Mr. Mao Huixin ⁽⁷⁾	茅惠新先生 ⁽⁷⁾	Person having a security interest in shares 擁有股份質押權益的人士	52,000,000 (L)	8.98%

(L): represents long position

(L): 指好倉

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

Notes:

- (1) The percentage of shareholding is calculated on the basis of 578,750,000 issued shares of the Company as at 30 June 2020.
- (2) The entire issued share capital of Key Shine is legally and beneficially owned by Mr. Chen Weizhong.
- (3) Ms. Xing Liyu is the spouse of Mr. Chen Weizhong. Under the SFO, Ms. Xing Liyu is deemed to be interested in the same number of shares in which Mr. Chen Weizhong is interested.
- (4) Key Shine charged 229,424,000 Shares to Wuxing City Investment HK Company Limited. Wuxing City Investment HK Company Limited is wholly owned by Huzhou Wuxing Chengshi Touzi Fazhan Jituan Youxian Gongsì (湖州吳興城市投資發展集團有限公司) which is in turn wholly-owned by Huzhoushi Wuxingqu State-owned Assets Supervision and Administration Services Centre (湖州市吳興區國有資本監督管理服務中心). Accordingly, Huzhou Wuxing Chengshi Touzi Fazhan Jituan Youxian Gongsì (湖州吳興城市投資發展集團有限公司) and Huzhoushi Wuxingqu State-owned Assets Supervision and Administration Services Centre (湖州市吳興區國有資本監督管理服務中心) is deemed to be interested in the 229,424,000 Shares which Wuxing City Investment HK Company Limited interested in.
- (5) These shares are held by Hwabao Overseas Markets Investment No. 2 QDII Single Unit Trust Plan 32-8 (華寶•境外市場投資2號系列32-8期QDII單一資金信託計劃) ("Hwabao Trust"), which is entrusted by Chongqing Zhongxin Rongbang Investment Center (Limited Partnership) (重慶中新融邦投資中心(有限合夥)) ("Chongqing Zhongxin (LLP)"), which is managed by Chongqing Zhongxin Rongchuang Investment Limited (重慶中新融創投資有限公司) ("Chongqing Zhongxin"). Chongqing Zhongxin is controlled by China Innovative Capital Management Limited (中新融創資本管理有限公司) ("China Innovative Capital"), as to 95.00%. China Innovative Capital is controlled by Beijing Zhonghai Jiacheng Capital Management Limited (北京中海嘉誠資本管理有限公司) ("Beijing Zhonghai Jiacheng"), as to 99.98%. Beijing Zhonghai Jiacheng is controlled by Mr. Xie Zhikun as to 99.00%. By virtue of the SFO, each of Mr. Xie Zhikun, Beijing Zhonghai Jiacheng, China Innovative Capital, Chongqing Zhongxin, Chongqing Zhongxin (LLP) is deemed to be interested in the shares held by Hwabao Trust.
- (6) These shares are held by Natural Seasoning International (HK) Limited. Natural Seasoning International (HK) Limited is a direct wholly-owned subsidiary of Natural Seasoning International Limited, which is a limited liability company incorporated in the British Virgin Islands and is majorly owned by Lunar Capital Partners IV LP. Lunar Capital Partners IV LP, a Cayman exempted limited partnership managed by Lunar Capital Partners IV GP, LP (as sole general partner), which is managed by LCM-IV General Partner Ltd. (as sole general partner). By virtue of the SFO, each of LCM-IV General Partner Ltd., Lunar Capital Partners IV GP, LP, Lunar Capital Partners IV LP and Natural Seasoning International Limited is deemed to be interested in the shares held by Natural Seasoning International (HK) Limited.
- (7) Key Shine charged 52,000,000 Shares in favour of Meridian Harvest Limited and Mr. Mao Huixin.

附註:

- (1) 股權百分比乃基於本公司於二零二零年六月三十日的578,750,000股已發行股份計算。
- (2) Key Shine的全部已發行股本由陳衛忠先生合法實益擁有。
- (3) 邢利玉女士為陳衛忠先生的配偶。根據證券及期貨條例，邢利玉女士被視為於陳衛忠先生所擁有股份中擁有相同股份數目的權益。
- (4) Key Shine將229,424,000股股份質押予Wuxing City Investment HK Company Limited。Wuxing City Investment HK Company Limited由湖州吳興城市投資發展集團有限公司全資擁有，而湖州吳興城市投資發展集團有限公司則由湖州市吳興區國有資本監督管理服務中心全資擁有。因此，湖州吳興城市投資發展集團有限公司及湖州市吳興區國有資本監督管理服務中心被視為於Wuxing City Investment HK Company Limited所擁有229,424,000股股份中擁有權益。
- (5) 該等股份由華寶•境外市場投資2號系列32-8期QDII單一資金信託計劃(「華寶信託」)持有，該計劃由重慶中新融邦投資中心(有限合夥)(「重慶中新(有限合夥)」)委託，而重慶中新(有限合夥)由重慶中新融創投資有限公司(「重慶中新」)管理。重慶中新由中新融創資本管理有限公司(「中新融創資本」)控制95.00%的權益。中新融創資本由北京中海嘉誠資本管理有限公司(「北京中海嘉誠」)控制99.98%的權益。北京中海嘉誠由解直錕先生控制99.00%的權益。根據證券及期貨條例，解直錕先生、北京中海嘉誠、中新融創資本、重慶中新及重慶中新(有限合夥)均被視為於華寶信託所持有股份中擁有權益。
- (6) 該等股份由Natural Seasoning International (HK) Limited持有。Natural Seasoning International (HK) Limited為Natural Seasoning International Limited的直接全資附屬公司，而Natural Seasoning International Limited為一家於英屬處女群島註冊成立的有限公司，並由Lunar Capital Partners IV LP擁有大部分權益。Lunar Capital Partners IV LP(一家開曼群島豁免的有限合夥企業)乃由Lunar Capital Partners IV GP, LP(作為唯一普通合夥人)管理，而Lunar Capital Partners IV GP, LP則由LCM-IV General Partner Ltd.(作為唯一普通合夥人)管理。根據證券及期貨條例，LCM-IV General Partner Ltd.、Lunar Capital Partners IV GP, LP、Lunar Capital Partners IV LP及Natural Seasoning International Limited均被視為於Natural Seasoning International (HK) Limited所持有股份中擁有權益。
- (7) Key Shine將52,000,000股股份質押予Meridian Harvest Limited及茅惠新先生。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

Save as disclosed above, as at 30 June 2020, there were no other corporations/persons (other than the Directors or Chief Executives) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

Arrangements to purchase shares or debentures

At no time during the six months ended 30 June 2020 was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of the Company or any other body corporate.

AUDIT COMMITTEE

The audit committee of the Board as of the date of this report (the “**Audit Committee**”) is comprised of three independent non-executive Directors, namely Mr. Ng Wing Fai (chairman), Mr. Shen Zhenchang and Mr. Sun Jiong.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial information, financial reporting system, internal control and risk management system of the Group, to oversee the audit process, to develop and review the Group’s policies and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has reviewed the accounting principles and policies adopted by the Group together with the management and discussed auditing, internal controls and financial reporting matters.

REMUNERATION COMMITTEE

To comply with the Code, a remuneration committee has been established with specific written terms of reference which deal clearly with its authority and duties. The members of the remuneration committee comprises Mr. Shen Zhenchang (chairman), Mr. Ng Wing Fai and Mr. Sun Jiong. All members of the remuneration committee are independent non-executive directors.

除上文所披露者外，於二零二零年六月三十日，概無其他法團／人士(不包括董事或最高行政人員)於本公司根據證券及期貨條例第336條須備存的登記冊中登記的本公司股份或相關股份中擁有權益或淡倉。

購買股份或債券的安排

於截至二零二零年六月三十日止六個月內任何時間，本公司、其控股公司或其任何附屬公司概無參與任何安排，致令董事可藉購入本公司或任何其他法人團體的股份或債務證券(包括債券)而獲益。

審核委員會

截至本報告日期，董事會轄下審核委員會(「**審核委員會**」)由三名獨立非執行董事組成，即吳榮輝先生(主席)、沈振昌先生及孫頌先生。

審核委員會的主要職責為協助董事會就本集團的財務資料、財務申報系統、內部監控及風險管理系統的有效性提供獨立審閱，以監督審核程序、制定及審閱本集團的政策，並履行董事會賦予的其他職責及責任。審核委員會已連同管理層審閱本集團所採納的會計準則及政策並已就審計、內部監控及財務申報等事宜進行討論。

薪酬委員會

為符合守則，本公司已成立薪酬委員會，並以書面清楚說明委員會的權限及職責。薪酬委員會成員包括沈振昌先生(主席)、吳榮輝先生及孫頌先生。薪酬委員會的全體成員均為獨立非執行董事。

SUPPLEMENTARY INFORMATION (CONTINUED)

補充資料(續)

NOMINATION COMMITTEE

To comply with the Code, a nomination committee has been established with specific written terms of reference which deal clearly with its authority and duties. The members of nomination committee comprises Mr. Sun Jiong (chairman), Mr. Ng Wing Fai and Mr. Shen Zhenchang. All members of the nomination committee are independent non-executive directors.

SUFFICIENCY OF PUBLIC FLOAT

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

提名委員會

為符合守則，本公司已成立提名委員會，並以書面清楚說明委員會的權限及職責。提名委員會成員包括孫頴先生(主席)、吳榮輝先生及沈振昌先生。提名委員會的全體成員均為獨立非執行董事。

足夠公眾持股量

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

中期簡明綜合損益表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

		Six months ended 30 June		
		截至六月三十日止六個月		
		2020	2019	
		二零二零年	二零一九年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
	Notes 附註			
REVENUE	收入	4	299,678	402,218
Cost of sales	銷售成本		(162,865)	(195,992)
Gross profit	毛利		136,813	206,226
Other income and gains	其他收入及收益	4	8,722	7,509
Selling and distribution expenses	銷售及經銷開支		(28,873)	(32,465)
Administrative expenses	行政開支		(33,338)	(35,242)
(Impairment losses)/reversal of impairment losses of financial assets	金融資產(減值虧損)/撥回減值虧損	5	(1,285)	243
Other expenses	其他開支		(1,966)	(405)
Finance costs	融資成本	6	(31,679)	(28,590)
PROFIT BEFORE TAX	除稅前利潤	5	48,394	117,276
Income tax expense	所得稅開支	7	(6,059)	(17,937)
PROFIT FOR THE PERIOD	期內利潤		42,335	99,339
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通權益持有人應佔每股盈利			
Basic and diluted	基本及攤薄	8	RMB7.3 cents	RMB17.2 cents
			人民幣 7.3 分	人民幣 17.2 分

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

中期簡明綜合全面收益表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
PROFIT FOR THE PERIOD	期內利潤	42,335	99,339
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:	可能於其後期間重新分類至損益的其他全面收益：		
Exchange differences:	匯兌差額：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	2,732	573
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收益總額	45,067	99,912

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明綜合財務狀況表

30 June 2020 二零二零年六月三十日

			30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	10	1,039,430	1,061,878
Right-of-use assets	使用權資產		54,245	55,245
Other intangible assets	其他無形資產		1,078	1,045
Prepayments for items of property, plant and equipment	物業、廠房及設備項目的 預付款項	13	348,706	345,570
Deferred tax assets	遞延稅項資產		6,974	4,741
Total non-current assets	非流動資產總值		1,450,433	1,468,479
CURRENT ASSETS	流動資產			
Inventories	存貨	11	1,500,334	1,403,731
Trade receivables	應收貿易款項	12	259,809	254,811
Prepayments, other receivables and other assets	預付款項、其他應收款項及 其他資產	13	321,540	378,953
Pledged deposits	已抵押存款	14	-	67,039
Cash and cash equivalents	現金及現金等價物	14	460,368	410,107
Total current assets	流動資產總值		2,542,051	2,514,641
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易款項	15	76,536	78,587
Other payables and accruals	其他應付款項及應計項目	16	342,783	269,938
Interest-bearing bank and other borrowings	計息銀行及其他借款	17	835,681	917,147
Lease liabilities	租賃負債	17	511	994
Tax payable	應繳稅項		88,527	81,067
Total current liabilities	流動負債總額		1,344,038	1,347,733
NET CURRENT ASSETS	流動資產淨值		1,198,013	1,166,908
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		2,648,446	2,635,387

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

中期簡明綜合財務狀況表(續)

30 June 2020 二零二零年六月三十日

		Notes	30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
		附註		
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借款	17	110,519	103,827
Lease liabilities	租賃負債	17	2,705	2,846
Other long term liabilities	其他長期負債	18	136,912	136,948
Deferred tax liabilities	遞延稅項負債		31,624	30,792
Total non-current liabilities	非流動負債總額		281,760	274,413
Net assets	資產淨值		2,366,686	2,360,974
EQUITY	權益			
Share capital	股本	19	1,767	1,767
Reserves	儲備		2,364,919	2,359,207
Total equity	權益總額		2,366,686	2,360,974

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

中期簡明綜合權益變動表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

		Share capital	Share premium	Merger reserve	Capital reserve	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Total equity
		股本	股份溢價	合併儲備	資本儲備	法定盈餘儲備	匯兌波動儲備	保留利潤	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2020 (Unaudited)	於二零二零年一月一日 (未經審核)	1,767	856,556	(1,000)	7,003	24,262	19,186	1,453,200	2,360,974
Profit for the period	期內利潤	-	-	-	-	-	-	42,335	42,335
Other comprehensive income for the period:	期內其他全面收益：								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	2,732	-	2,732
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	2,732	42,335	45,067
Final 2019 dividend declared (note 9)	已宣派二零一九年末期股息 (附註9)	-	(39,355)	-	-	-	-	-	(39,355)
At 30 June 2020 (Unaudited)	於二零二零年六月三十日 (未經審核)	1,767	817,201	(1,000)	7,003	24,262	21,918	1,495,535	2,366,686

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED) 中期簡明綜合權益變動表(續)

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

		Share capital	Share premium	Merger reserve	Capital reserve	Statutory surplus reserve	Exchange fluctuation reserve	Retained profits	Total equity
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	合併儲備 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	法定 盈餘儲備 RMB'000 人民幣千元	匯兌 波動儲備 RMB'000 人民幣千元	保留利潤 RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
At 31 December 2018 (Audited)	於二零一八年十二月三十一日 (經審核)	1,767	897,069	(1,000)	7,003	24,262	16,616	1,258,213	2,203,930
Effect of adoption of IFRS 16	採納國際財務報告準則 第16號的影響	-	-	-	-	-	-	(307)	(307)
At 1 January 2019 (Restated/unaudited)	於二零一九年一月一日 (重列/未經審核)	1,767	897,069	(1,000)	7,003	24,262	16,616	1,257,906	2,203,623
Profit for the period	期內利潤	-	-	-	-	-	-	99,339	99,339
Other comprehensive income for the period:	期內其他全面收益:								
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	-	-	573	-	573
Total comprehensive income for the period	期內全面收益總額	-	-	-	-	-	573	99,339	99,912
Final 2018 dividend declared	已宣派二零一八年末期股息	-	(40,513)	-	-	-	-	-	(40,513)
At 30 June 2019 (Unaudited)	於二零一九年六月三十日 (未經審核)	1,767	856,556	(1,000)	7,003	24,262	17,189	1,357,245	2,263,022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

中期簡明綜合現金流量表

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量		
Profit before tax	除稅前利潤	48,394	117,276
Adjustments for:	就下列各項調整：		
Finance costs	融資成本	6	28,590
Interest income	利息收入	4	(1,472)
Depreciation	折舊	5	31,935
Depreciation of right-of-use assets	使用權資產折舊	5	1,000
Amortisation of intangible assets	無形資產攤銷	5	126
Impairment losses/(reversal of impairment losses) of financial assets	金融資產減值虧損/(撥回減值虧損)	5	1,285
		110,051	176,998
Increase in inventories	存貨增加	(96,603)	(9,263)
Increase in trade receivables	應收貿易款項增加	(6,283)	(22,163)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)	45,310	(57,385)
Decrease in trade payables	應付貿易款項減少	(2,051)	(11,998)
Increase in other payables and accruals	其他應付款項及應計項目增加	33,008	37,429
Decrease in other long term liabilities	其他長期負債減少	(36)	(59)
Cash from operations	來自經營的現金	83,396	113,559
Interest received	已收利息	3,186	1,472
Interest paid	已付利息	(88)	-
Interest element of finance lease rental payments	融資租賃租金付款的利息部分	(777)	(4,694)
Income tax paid	已付所得稅	-	(771)
Net cash flows from operating activities	來自經營活動的淨現金流量	85,717	109,566

Notes
附註

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

For the six months ended 30 June 2020 截至二零二零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
	Note 附註		
Net cash flows from operating activities	來自經營活動的淨現金流量	85,717	109,566
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量		
Purchases of items of property, plant and equipment	收購物業、廠房及設備項目	(5,636)	(1,664)
Additions to intangible assets	添置無形資產	(159)	(784)
Decrease in pledged deposits	已抵押存款減少	67,039	1,269
Net cash flows from/(used in) investing activities	來自/(用於)投資活動的 淨現金流量	61,244	(1,179)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Addition in interest-bearing bank and other borrowings	計息銀行及其他借款增加	351,885	390,040
Repayment of interest-bearing bank and other borrowings	償還計息銀行及其他借款	(409,536)	(295,147)
Return of secured deposit placed for sales and leaseback transactions	退回就售後租回交易存入的 已抵押按金	6,780	-
Principal portion of lease payments/finance lease rental payments	租賃付款/融資租賃租金付款的 本金部分	(17,747)	(16,433)
Interest paid	已付利息	(30,814)	(23,807)
Net cash flows (used in)/from financing activities	(用於)/來自融資活動的 淨現金流量	(99,432)	54,653
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	47,529	163,040
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	410,107	345,188
Effect of foreign exchange rate changes, net	匯率變動的影響淨額	2,732	573
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	期末現金及現金等價物	460,368	508,801
	14		
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	460,368	508,801
	14		

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

中期簡明綜合財務報表附註

30 June 2020 二零二零年六月三十日

1. CORPORATE INFORMATION

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

The Company is an investment holding company. During the six months ended 30 June 2020, the Company and its subsidiaries (collectively known as the “**Group**”) were principally engaged in the manufacture and sale of condiment products under the brand name of “Lao Heng He” in the People’s Republic of China (the “**PRC**”).

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

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Basis of preparation

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2020 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019.

1. 公司資料

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

本公司為一間投資控股公司。截至二零二零年六月三十日止六個月，本公司及其附屬公司(統稱「本集團」)主要於中華人民共和國(「中國」)從事「老恒和」牌調味品的製造與銷售業務。

本公司股份自二零一四年一月二十八日起在香港聯合交易所有限公司主板上市。

2. 編製基準及會計政策與披露的變動

編製基準

截至二零二零年六月三十日止六個月的未經審核中期簡明綜合財務資料乃根據國際會計準則第34號「中期財務報告」編製。中期簡明綜合財務資料不包括年度財務報表所規定的全部資料及披露，且應與本集團截至二零一九年十二月三十一日止年度的年度綜合財務報表一併閱覽。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(Continued)

Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following revised standards and interpretations for the first time for the current period's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions (early adopted)</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The new and revised HKFRSs do not have material impact on the unaudited interim condensed consolidated financial statements of the Group.

2. 編製基準及會計政策與披露的變動(續)

會計政策與披露的變動

除於本期間財務報表首次採納以下經修訂準則及詮釋外，編製中期簡明綜合財務報表所採納會計政策與編製本集團截至二零一九年十二月三十一日止年度經審核綜合財務報表所遵從者一致。

香港財務報告準則第3號	業務的定義
(修訂本)	
香港財務報告準則第9號、	利率基準改革
香港會計準則第39號及	
香港財務報告準則	
第7號(修訂本)	
香港財務報告準則	Covid-19-相關
第16號(修訂本)	租金優惠
	(提早採納)
香港會計準則第1號及	重大的定義
香港會計準則第8號	
(修訂本)	

新訂及經修訂香港財務報告準則對本集團未經審核中期簡明綜合財務報表並無重大影響。

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

3. OPERATING SEGMENT INFORMATION

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

- the food segment that manufactures and sells condiment products

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

Information about major customers

Revenue amounting to 10 percent or more of the Group's revenue derived from sales to a single customer for the six months ended 30 June 2020 is set out in the following table:

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Customer X	客戶X	37,800	45,953
Customer Y	客戶Y	34,263	42,825
		72,063	88,778

3. 經營分部資料

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

- 生產及銷售調味品的食品分部

由於本集團全部收入均來自向於中國的客戶銷售其產品，且本集團全部可識別非流動資產均位於中國，故並無呈列國際財務報告準則第8號「經營分部」所規定的地域資料。

有關主要客戶之資料

下表載列截至二零二零年六月三十日止六個月，佔本集團收入10%或以上向個別客戶銷售所產生的收入：

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

4. REVENUE, OTHER INCOME AND GAINS

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

4. 收入、其他收入及收益

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

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue from contracts with customers	客戶合約收益		
Sale of goods	銷售貨品	299,678	402,218

Revenue from contracts with customers

(i) Disaggregated revenue information

For the six months ended 30 June 2020

客戶合約收益

(i) 分列收益資料

截至二零二零年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Type of goods	貨品種類		
Condiment products	調味品	299,678	402,218
Timing of revenue recognition	收益確認時間		
Goods transferred at a point in time	於某一時點轉讓的貨品	299,678	402,218

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

4. REVENUE, OTHER INCOME AND GAINS (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery/receipt of the products and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Other income and gains

4. 收入、其他收入及收益(續)

客戶合約收益(續)

(ii) 履約責任

有關本集團履約責任的資料概述如下：

銷售產品

履約責任於交付／收訖產品後達成，付款一般在交付後30至90天內到期，而新客戶則通常需要提前付款。

其他收入及收益

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Subsidy received	已收補貼	4,893	5,764
Interest income	利息收入	3,186	1,472
Gain from sale of materials	材料銷售收益	557	187
Rental income	租金收入	86	86
		8,722	7,509

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(credit):

5. 除稅前利潤

本集團除稅前利潤乃經扣除/(計入)下列各項：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Cost of inventories sold	售出存貨成本	162,865	195,992
Depreciation	折舊	30,753	31,935
Depreciation of right-of-use assets	使用權資產折舊	1,000	833
Amortisation of intangible assets	無形資產攤銷	126	79
Lease payments not included in the measurement of lease liabilities	並無計入租賃負債計量的租賃付款	-	1,277
Employee benefit expenses (excluding directors' remuneration):	僱員福利開支 (不包括董事酬金):		
Wages and salaries	工資及薪金	18,835	22,330
Pension scheme contributions	退休金計劃供款	1,498	1,845
		19,750	23,698
Foreign exchange loss, net	匯兌虧損淨額	1,663	407
Donations	捐款	55	-
Research and development costs	研究與開發成本	17,420	17,987
(Impairment losses)/reversal of impairment losses of financial assets	金融資產(減值虧損)/撥回減值虧損	1,285	(243)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

6. FINANCE COSTS

6. 融資成本

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Interest on bank loans and other borrowings	銀行貸款及其他借款利息	30,814	26,388
Interest on finance leases	融資租賃利息	777	2,113
Interest on lease liabilities	租賃負債利息	88	89
		31,679	28,590

7. INCOME TAX EXPENSE

7. 所得稅開支

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current — PRC	即期 — 中國		
Charge for the period	期內支出	7,460	16,096
Deferred	遞延	(1,401)	1,841
Tax charge for the period	期內稅務支出	6,059	17,937

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 578,750,000 (six months ended 30 June 2019: 578,750,000) in issue during the six months ended 30 June 2020.

8. 本公司普通權益持有人應佔每股盈利

每股基本盈利金額的計算乃基於本公司普通權益持有人應佔期內利潤及截至二零二零年六月三十日止六個月已發行普通股加權平均數578,750,000股(截至二零一九年六月三十日止六個月：578,750,000股)。

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Profit attributable to ordinary equity holders of the Company (RMB'000)	本公司普通權益持有人應佔利潤(人民幣千元)	42,335	99,339
Weighted average number of ordinary shares in issue (in thousands)	已發行普通股加權平均數(千股)	578,750	578,750
Earnings per share attributable to ordinary equity holders of the Company — Basic and diluted (RMB cents)	本公司普通權益持有人應佔每股盈利 — 基本及攤薄(人民幣分)	7.3	17.2

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 June 2020 and 2019 in respect of a dilution as the Group has no potential dilutive ordinary shares in issue.

由於本集團期內並無已發行的具潛在攤薄作用的普通股，故並無就攤薄而對截至二零二零年及二零一九年六月三十日止期間呈列的每股基本盈利金額作出調整。

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9. DIVIDEND

No interim dividend was proposed for the six months ended 30 June 2020.

The proposed 2019 final dividend of RMB6.80 cents per share, totalling RMB39,355,000, was approved by the Company's shareholders at the annual general meeting on 29 June 2020. It was recorded in "other payables and accruals" in the interim condensed consolidated statement of financial position and was subsequently distributed in August 2020.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group purchased property, plant and equipment with an aggregate cost of RMB8,305,000 (six months ended 30 June 2019: RMB21,591,000).

11. INVENTORIES

9. 股息

本公司並無建議就截至二零二零年六月三十日止六個月派發中期股息。

二零一九年建議末期股息每股人民幣6.80分(合共人民幣39,355,000元)已獲本公司股東於二零二零年六月二十九日在股東週年大會上批准。有關股息記入中期簡明綜合財務狀況表的「其他應付款項及應計項目」,並隨後於二零二零年八月派發。

10. 物業、廠房及設備

截至二零二零年六月三十日止六個月,本集團購買總成本為人民幣8,305,000元(截至二零一九年六月三十日止六個月:人民幣21,591,000元)的物業、廠房及設備。

11. 存貨

		30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Raw materials	原材料	20,478	26,248
Work in progress	在製品	1,463,744	1,353,886
Finished goods	成品	16,112	23,597
Total inventories	存貨總額	1,500,334	1,403,731

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30 June 2020 二零二零年六月三十日

12. TRADE RECEIVABLES

12. 應收貿易款項

		30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	應收貿易款項	263,288	257,005
Impairment	減值	(3,479)	(2,194)
Trade receivables	應收貿易款項	259,809	254,811

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

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

An ageing analysis of the trade receivables of the Group based on the invoice date, is as follows:

本集團與客戶間的貿易條款以信貸交易為主。信貸期通常為一至三個月，而長期客戶的信貸期可獲延長。

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

本集團應收貿易款項按發票日期的賬齡分析如下：

		30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Within 3 months	3個月以內	236,445	238,458
3 to 6 months	3至6個月	6,212	14,085
6 months to 1 year	6個月至1年	17,146	1,585
Over 1 year	1年以上	6	683
Total	總計	259,809	254,811

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中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

13. 預付款項、按金及其他應收款項

		30 June 2020	31 December 2019
		二零二零年 六月三十日	二零一九年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Prepayments (note)	預付款項(附註)	471,585	517,342
Value-added tax recoverable	可收回增值稅	154,879	165,288
Deposits and other receivables	按金及其他應收款項	43,782	41,893
		670,246	724,523
Less:	減：		
Portion classified as non-current assets	獲分類為非流動資產的部分	(348,706)	(345,570)
Current portion included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的流動部分	321,540	378,953

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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30 June 2020 二零二零年六月三十日

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Note:

Details of prepayments as at 30 June 2020 and 31 December 2019 are as follows:

			30 June 2020	31 December 2019
			二零二零年 六月三十日	二零一九年 十二月三十一日
		notes 附註	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Audited) (經審核)
Prepayments for fixed assets	固定資產的預付款項	(i)	313,157	315,345
Prepayments for procurements of condiment products	採購調味品的預付款項	(ii)	66,221	68,567
Prepayments for procurements of raw materials	採購原材料的預付款項	(iii)	89,564	128,465
Other prepayments	其他預付款項		2,643	4,965
			471,585	517,342

- (i) Prepayments for fixed assets include (i) prepayment for the construction of Phase II plant premise amounting to RMB203.6 million; and (ii) prepayment for the production equipment for the Phase II premise amounting to RMB109.6 million.
- (ii) Prepayments for procurements of condiment products primarily included prepayments for procurements of condiment products from an independent third party manufacturer under a poverty alleviation program led by China Development Bank Zhejiang Branch.
- (iii) Prepayments for procurements of raw material primarily included the prepayments for procurements of raw materials from independent third party suppliers to ensure the steady supplies of agriculture products.

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

13. 預付款項、按金及其他應收款項(續)

附註：

於二零二零年六月三十日及二零一九年十二月三十一日的預付款項詳情如下：

	30 June 2020	31 December 2019
	二零二零年 六月三十日	二零一九年 十二月三十一日
notes 附註	RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元 (Audited) (經審核)
(i)	313,157	315,345
(ii)	66,221	68,567
(iii)	89,564	128,465
	2,643	4,965
	471,585	517,342

- (i) 固定資產的預付款項包括(i)興建第二期廠房的預付款項人民幣203.6百萬元；及(ii)第二期廠房生產設備的預付款項人民幣109.6百萬元。
- (ii) 採購調味品的預付款項主要包括按照國家開發銀行浙江省分行領導的扶貧計劃向獨立第三方製造商採購調味品的預付款項。
- (iii) 採購原材料的預付款項主要包括從獨立第三方供應商採購原材料的預付款項，以確保農產品的穩定供應。

上述結餘為無抵押、免息及並無固定還款年期。董事認為，毋須就預付款項、按金及其他應收款項計提減值撥備。

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中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

14. CASH AND CASH EQUIVALENTS AND TIME DEPOSITS

14. 現金及現金等價物以及定期存款

		30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Cash and bank balances	現金及銀行結餘	460,368	410,107
Time deposits	定期存款	–	67,039
		460,368	477,146
Less:	減：		
Pledged for bank loans	抵押以獲取銀行貸款	–	(67,039)
Cash and cash equivalents	現金及現金等價物	460,368	410,107
Cash and cash equivalents are denominated in:	現金及現金等價物以下列貨幣計值：		
RMB	人民幣	459,286	409,241
Hong Kong Dollar (HK\$)	港元(「港元」)	667	676
USD	美元	415	190
Cash and cash equivalents	現金及現金等價物	460,368	410,107

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15. TRADE PAYABLES

An ageing analysis of the trade payables of the Group based on the transaction date, is as follows:

		30 June 2020	31 December 2019
		二零二零年 六月三十日	二零一九年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Within 3 months	3個月以內	27,536	39,514
3 to 6 months	3至6個月	13,790	13,198
Over 6 months	6個月以上	35,210	25,875
		76,536	78,587

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

15. 應付貿易款項

本集團應付貿易款項按交易日期的賬齡分析如下：

	30 June 2020	31 December 2019
	二零二零年 六月三十日	二零一九年 十二月三十一日
	RMB'000	RMB'000
	人民幣千元	人民幣千元
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
Within 3 months	27,536	39,514
3 to 6 months	13,790	13,198
Over 6 months	35,210	25,875
	76,536	78,587

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

16. OTHER PAYABLES AND ACCRUALS

			30 June 2020	31 December 2019
			二零二零年 六月三十日	二零一九年 十二月三十一日
			RMB'000	RMB'000
			人民幣千元	人民幣千元
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
Contract liabilities	合約負債	(a)	7,462	6,727
Other tax payables	其他應付稅項		193,021	166,260
Other payables and accruals	其他應付款項及應計項目	(b)	109,632	60,723
Due to the ultimate holding company	應付最終控股公司款項	21(b)	22,392	22,002
Salary payables	應付薪金		10,276	14,226
			342,783	269,938

16. 其他應付款項及應計項目

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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30 June 2020 二零二零年六月三十日

16. OTHER PAYABLES AND ACCRUALS

(Continued)

Notes:

- (a) Details of contract liabilities are as follows:

	30 June 2020 二零二零年 六月三十日 RMB'000 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 (Audited) (經審核)
Short-term advances received from customers 自客戶收取的短期墊款		
Sale of goods 銷售貨品	7,462	6,727

- (b) Other payables are non-interest-bearing and have an average term of three months.

16. 其他應付款項及應計項目

(續)

附註：

- (a) 合約負債詳情如下：

	30 June 2020 二零二零年 六月三十日 RMB'000 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 (Audited) (經審核)
Short-term advances received from customers 自客戶收取的短期墊款		
Sale of goods 銷售貨品	7,462	6,727

- (b) 其他應付款項為不計息，平均期限為三個月。

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17. INTEREST-BEARING BANK AND OTHER BORROWINGS

17. 計息銀行及其他借款

		2020 二零二零年			2019 二零一九年		
		Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期	RMB'000 人民幣千元
Current	即期						
Lease liabilities	租賃負債	4.75–4.90	2021 二零二一年	511	4.75–4.90	–	994
Bank loans – secured	銀行貸款 – 有抵押	5.00–6.00	on demand 按要求	245,000	4.35–6.09	on demand 按要求	466,540
Bank loans – secured	銀行貸款 – 有抵押	4.79–5.87	2021 二零二一年	443,650	4.79–5.87	2020 二零二零年	391,210
Other borrowing – secured	其他借款 – 有抵押	6.74–13.11	2021 二零二一年	136,192	–	–	–
Other borrowing – unsecured	其他借款 – 無抵押	–	–	–	6.74–7.97	2020 二零二零年	31,435
Finance lease payables	應付融資租賃款項	6.74	2021 二零二一年	10,839	6.74	2020 二零二零年	27,962
				836,192			918,141
Non-current	非即期						
Lease liabilities	租賃負債	4.75–4.90	2022–2029 二零二二年至 二零二九年	2,705	4.75–4.90	2021–2029 二零二一年至 二零二九年	2,846
Bank loans – secured	銀行貸款 – 有抵押	5.23	2021 二零二一年	20,000	5.23	2021 二零二一年	52,000
Other borrowing – secured	其他借款 – 有抵押	6.74–13.11	2023 二零二三年	90,519	–	–	–
Other borrowing – unsecured	其他借款 – 無抵押	–	–	–	6.74–7.97	2021 二零二一年	51,827
				113,224			106,673
Total	總計			949,416			1,024,814

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

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

		Carrying values 賬面值	
		30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Property, plant, and equipment	物業、廠房及設備	449,677	317,838
Right-of-use assets	使用權資產	51,384	51,967
Inventories	存貨	641,423	682,279
Pledged deposits	已抵押存款	-	67,039
		1,142,484	1,119,123

- (b) Certain of the Group's bank loans were guaranteed by Mr. Chen Weizhong, the Director of the Company, Ms. Xing Liyu, spouse of Mr. Chen Weizhong, Mr. Chen Weidong, brother of Mr. Chen Weizhong and related companies of the Group (note 21(d)).
- (c) As at 30 June 2020, the Group's bank loans amounting to approximately RMB245,000,000 (31 December 2019: RMB466,540,000) were not in compliance with certain financial loan covenants. The maturity of the aforesaid bank loans as at 30 June 2020 were all within 12 months and have already been classified as current liabilities.

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

17. 計息銀行及其他借款(續)

- (a) 以下資產已抵押作為計息銀行及其他借款的擔保：

- (b) 本集團若干銀行貸款由本公司董事陳衛忠先生、陳衛忠先生的配偶邢利玉女士、陳衛忠先生的胞兄弟陳衛東先生及本集團的關聯公司擔保(附註21(d))。
- (c) 於二零二零年六月三十日，本集團的銀行貸款約人民幣245,000,000元(二零一九年十二月三十一日：人民幣466,540,000元)並不符合若干金融貸款契約。於二零二零年六月三十日，上述全部銀行貸款均於12個月內到期，並已被歸類為流動負債。

本集團銀行及其他借款的賬面值與其公平值相若。

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30 June 2020 二零二零年六月三十日

18. OTHER LONG TERM LIABILITIES

18. 其他長期負債

			30 June 2020 二零二零年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核)
Other long term payables	其他長期應付款項	(a)	133,000	133,000
Special payables	應付專項款項		3,912	3,948
			136,912	136,948

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

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

(a) 於二零一六年五月六日，本公司兩間全資附屬公司湖州陳氏天釀管理諮詢有限公司(「湖州陳氏」)及湖州老恒和釀造有限公司(「湖州老恒和」，亦為湖州陳氏的全資附屬公司)與國開發展基金有限公司(「國開發展基金」)訂立注資協議(「注資協議」)。根據注資協議，國開發展基金同意以人民幣133百萬元之現金總代價認購湖州老恒和3.5%的股本權益(「資本投入」)，而湖州老恒和須自該協議日期起每年按相當於資本投入1.2%之固定金額向國開發展基金支付回報。此外，湖州陳氏承擔合約責任，須根據注資協議的還款時間表於八年內購回國開發展基金所擁有湖州老恒和的全部股本權益。有關注資協議的進一步詳情已分別於本公司日期為二零一六年五月九日及二零一六年六月二十九日的公佈披露。

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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18. OTHER LONG TERM LIABILITIES

(Continued)

(a) (Continued)

The balance of other long term payables was analysed as follows:

		30 June 2020	31 December 2019
		二零二零年 六月三十日	二零一九年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Amounts repayable: 1 to 5 years	應償還款項： 1至5年	133,000	133,000

18. 其他長期負債(續)

(a) (續)

其他長期應付款項結餘的分析如下：

19. SHARE CAPITAL

Shares

19. 股本

股份

		30 June 2020	31 December 2019
		二零二零年 六月三十日	二零一九年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Authorised: 1,000,000,000 ordinary shares of US\$0.0005 (RMB0.00305) each	法定： 1,000,000,000 股每股面值 0.0005 美元(人民幣 0.00305 元) 的普通股	3,050	3,050
Issued and fully paid: 578,750,000 ordinary shares of US\$0.0005 (RMB0.00305) each	已發行及繳足： 578,750,000 股每股面值 0.0005 美元(人民幣 0.00305 元) 的普通股	1,767	1,767

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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30 June 2020 二零二零年六月三十日

20. COMMITMENTS

The Group had capital commitments as follows:

		30 June 2020	31 December 2019
		二零二零年 六月三十日	二零一九年 十二月三十一日
		RMB'000	RMB'000
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Contracted, but not provided for:	已訂約但未計提撥備：		
Plant and machinery	廠房及機器	44,136	46,361
Building	樓宇	74,591	74,945
		118,727	121,306

20. 承擔

本集團有下列資本承擔：

21. RELATED PARTY TRANSACTIONS

(a) Name and relationship of related parties

Name 姓名／名稱	Relationship 關係
Mr. Chen Weizhong 陳衛忠先生	The executive director of the Company 本公司執行董事
Mr. Chen Weidong 陳衛東先生	Brother of Mr. Chen Weizhong 陳衛忠先生的胞兄弟
Ms. Xing Liyu 邢利玉女士	Spouse of Mr. Chen Weizhong 陳衛忠先生的配偶
Mr. Chen Jinhao 陳衛忠先生	Son of Mr. Chen Weizhong 陳衛忠先生的兒子
Zhejiang Zhongwei Brewery Limited 浙江中味釀造有限公司	Company significantly influenced by Mr. Chen Jinhao, son of Mr. Chen Weizhong 陳衛忠先生的兒子 Chen Jinhao 先生具有重大影響力的公司
Key Shine Key Shine	The Company's ultimate holding Company 本公司的最終控股公司

21. 與關聯方交易

(a) 關聯方的姓名／名稱及關係

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

21. RELATED PARTY TRANSACTIONS

(Continued)

(b) In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the six months ended 30 June 2020:

- (i) Certain advances with maximum amount outstanding of RMB1,220,000 during the six months ended 30 June 2020 were made to Zhejiang Zhongwei Brewery Limited, which had been fully settled by the end of the reporting period.
- (ii) As at 30 June 2020, the Group's balance with Key Shine was RMB22,392,000, which were unsecured, interest free and repayable on demand. During the year ended 31 December 2019, the Group's maximum amount outstanding with Key Shine was RMB22,392,000.

(c) Compensation of key management personnel of the Group

21. 與關聯方交易(續)

(b) 除該等綜合財務報表其他部分詳述的交易外，本集團於截至二零二零年六月三十日止六個月有以下與關聯方的交易：

- (i) 截至二零二零年六月三十日止六個月，本公司向浙江中味釀造有限公司作出未償還款項最多人民幣1,220,000元的若干墊款，有關款項已於報告期末前悉數結清。
- (ii) 於二零二零年六月三十日，本集團有結欠Key Shine的結餘人民幣22,392,000元，有關款項為無抵押、免息及按要求償還。截至二零一九年十二月三十一日止年度，本集團結欠Key Shine的款項最多為人民幣22,392,000元。

(c) 本集團主要管理人員的酬金

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	295	293
Pension scheme contributions	退休金計劃供款	12	40
Total compensation paid to key management personnel	支付予主要管理人員的酬金總額	307	333

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

30 June 2020 二零二零年六月三十日

21. RELATED PARTY TRANSACTIONS

(Continued)

(d) Provision of guarantees by related parties:

21. 與關聯方交易(續)

(d) 關聯方所提供的擔保：

	30 June 2020	31 December 2019
	二零二零年 六月三十日	二零一九年 十二月三十一日
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Bank loans guaranteed by:		
Mr. Chen Weizhong, Mr. Chen Weidong and Ms. Xing Liyu	70,000	70,000
Mr. Chen Weizhong and Ms. Xing Liyu	439,650	589,850
Zhejiang Zhongwei Brewery Limited	55,000	55,000
Mr. Chen Weizhong, Ms. Xing Liyu and Zhejiang Zhongwei Brewery Limited	-	20,000
Mr. Chen Weizhong, Ms. Xing Liyu, Mr. Chen Jinhao and Zhejiang Zhongwei Brewery Limited	50,000	55,000
Mr. Chen Weizhong, Ms. Xing Liyu and Mr. Chen Jinhao	34,000	-
	648,650	789,850

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

中期簡明綜合財務報表附註(續)

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22. CONTINGENCIES

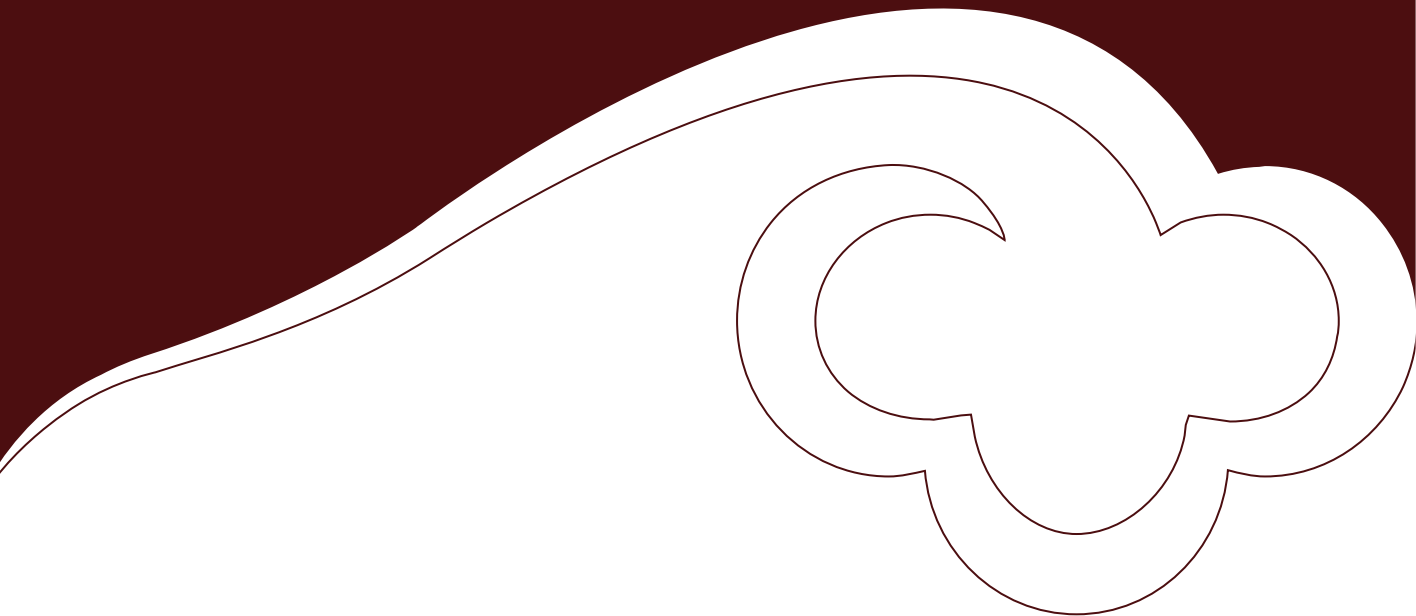
On 6 December 2019, the Company received a writ of summons by Natural Seasoning International (HK) Limited (the “**Plaintiff**”) against, among others, the Company, Mr. Chen Weizhong and Key Shine as defendants, on the ground that Key Shine and Mr. Chen Weizhong have been in breach of certain agreements in relation to, among others, the operation of the Company and restrictions on disposal of shares in the Company (the “**Litigation**”). Details of the Litigation were set out in the announcement of the Company dated 16 December 2019.

Subject to receipt of further evidences or details of claim from the Plaintiff; and after having taken into account, amongst other factors, the fact that the Company is not a party to the agreements leading to the Litigation, the Company does not consider that the Litigation will have any material adverse impact on the business and/or operations of the Group and accordingly have not made any provision for any claim arising from the Litigation, other than the related legal and other costs.

22. 或然事項

於二零一九年十二月六日，本公司接獲 Natural Seasoning International (HK) Limited (「原告」)向(其中包括)本公司、陳衛忠先生及 Key Shine (作為被告)發出的法院傳票，理由為 Key Shine 及陳衛忠先生已違反有關(其中包括)本公司營運及出售本公司股份限制的若干協議(「該訴訟」)。該訴訟的詳情載於本公司日期為二零一九年十二月十六日的公佈。

由於須接獲更多證據或有關原告索償的更多詳情，並考慮到(其中包括)本公司並非引致該訴訟的協議的訂約方，故此本公司並不認為該訴訟會對本集團業務及／或營運造成任何重大不利影響，繼而並無就該訴訟提出的任何索償(相關法律及其他成本除外)計提撥備。



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