



HUABAO INTERNATIONAL HOLDINGS LIMITED

華寶國際控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號：00336)



2022

Interim Report

中期報告

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. CHU Lam Yiu (*Chairlady & CEO*)
 Mr. LAM Ka Yu (*Co-Chairman*)
 Mr. XIA Liqun (*Vice Chairman & President*)
 Mr. POON Chiu Kwok (*Vice President & Company Secretary*)
 Ms. LAM Ka Yan
 Ms. CHOY Man Har

Independent Non-executive Directors

Mr. LEE Luk Shiu
 Mr. Jonathan Jun YAN
 Mr. HOU Haitao

AUDIT COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
 Mr. Jonathan Jun YAN
 Mr. HOU Haitao

REMUNERATION COMMITTEE

Mr. LEE Luk Shiu (*Chairman*)
 Mr. HOU Haitao
 Mr. XIA Liqun

NOMINATION COMMITTEE

Ms. CHU Lam Yiu (*Chairlady*)
 Mr. LEE Luk Shiu
 Mr. Jonathan Jun YAN
 Mr. HOU Haitao
 Ms. LAM Ka Yan

COMPANY SECRETARY

Mr. POON Chiu Kwok *FCG, HKFCG, FCPA (Aust.)*

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISOR

Herbert Smith Freehills

PRINCIPAL BANKERS

China CITIC Bank Corporation Limited
 China Merchants Bank Co., Ltd.
 China Minsheng Banking Corp., Ltd.
 Industrial Bank Co., Ltd.
 United Overseas Bank Limited

公司資料

董事會

執行董事

朱林瑤女士 (*主席兼首席執行官*)
 林嘉宇先生 (*聯席主席*)
 夏利群先生 (*副主席兼總裁*)
 潘昭國先生 (*副總裁兼公司秘書*)
 林嘉妍女士
 蔡文霞女士

獨立非執行董事

李祿兆先生
 Jonathan Jun YAN先生
 侯海濤先生

審核委員會

李祿兆先生 (*主席*)
 Jonathan Jun YAN先生
 侯海濤先生

薪酬委員會

李祿兆先生 (*主席*)
 侯海濤先生
 夏利群先生

提名委員會

朱林瑤女士 (*主席*)
 李祿兆先生
 Jonathan Jun YAN先生
 侯海濤先生
 林嘉妍女士

公司秘書

潘昭國先生 *FCG, HKFCG, FCPA (Aust.)*

核數師

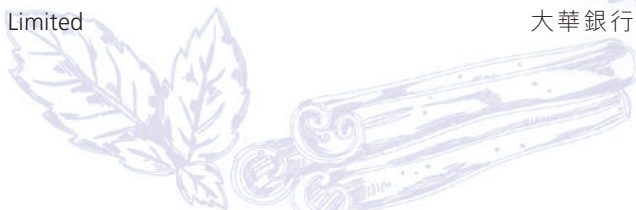
羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

法律顧問

史密夫斐爾律師事務所

主要往來銀行

中信銀行股份有限公司
 招商銀行股份有限公司
 中國民生銀行股份有限公司
 興業銀行股份有限公司
 太華銀行有限公司



Corporate Information (cont'd)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL SHARE REGISTRAR

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

BRANCH SHARE REGISTRAR

Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong Limited: 00336

COMPANY WEBSITE

www.huabao.com.hk

公司資料 (續)

總部及香港主要營業地點

香港
灣仔
港灣道18號
中環廣場30樓
3008室

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

主要股份過戶登記處

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

股份過戶登記分處

卓佳登捷時有限公司
香港
夏慤道16號
遠東金融中心17樓

股份代號

香港聯合交易所有限公司：00336

公司網址

www.huabao.com.hk



Financial Highlights

財務摘要

		Unaudited 未經審核		
		For the six months ended 30 June		
		截至6月30日止六個月		
		2022	2021	Change in percentage 百分比變動
		2022年	2021年	
		RMB'000 人民幣千元	RMB'000 人民幣千元	
Revenue	營業額	1,847,152	1,763,675	+4.7%
Gross profit	毛利	967,029	1,053,981	-8.2%
Gross profit margin	毛利率	52.4%	59.8%	
Operating (loss)/profit	營運(虧損)/盈利	(141,776)	733,573	-119.3%
EBITDA margin [≠]	EBITDA率 [≠]	34.2%	49.4%	
EBIT margin ^{≠≠}	EBIT率 ^{≠≠}	-7.7%	41.6%	
Adjusted EBIT margin [#]	經調整後EBIT率 [#]	25.6%	41.6%	
(Loss)/profit for the period	本期間(虧損)/盈利	(233,031)	581,465	-140.1%
Adjusted profit for the period [#]	經調整後之本期間盈利 [#]	381,300	581,465	-34.4%
(Loss)/profit attributable to the equity holders of the Company	本公司權益持有人應佔(虧損)/盈利	(313,531)	481,129	-165.2%
Adjusted profit attributable to the equity holders of the Company [#]	經調整後之本公司權益持有人應佔盈利 [#]	300,800	481,129	-37.5%
Net cash generated from operating activities	營運活動產生之現金淨額	111,799	485,403	-77.0%
		RMB cents 人民幣分	RMB cents 人民幣分	
Basic and diluted (loss)/earnings per share	每股基本及攤薄(虧損)/盈利	(9.71)	15.48	-162.7%
Adjusted basic and diluted earnings per share [#]	調整後之每股基本及攤薄盈利 [#]	9.31	15.48	-39.8%
		HK cents 港幣仙	HK cents 港幣仙	
Paid interim dividend per share	已派每股中期股息	-	6.4	
Proposed special dividend per share	擬派每股特別股息	3.38	-	

≠ "EBITDA margin" equals to "Earnings before taxes, interest, depreciation, amortisation, share-based compensation expenses and impairment of goodwill" divided by "Revenue".

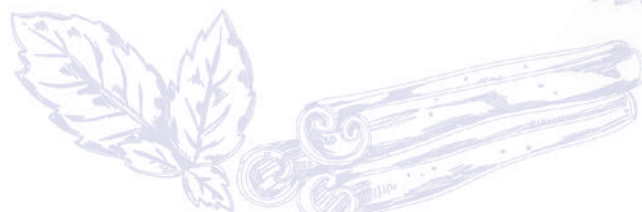
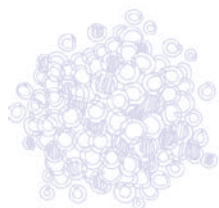
≠≠ "EBIT margin" equals to "Earnings before taxes and interest" divided by "Revenue".

Excluding impairment of goodwill of RMB614,331,000 for the six months ended 30 June 2022.

≠ 「EBITDA率」等於「除稅、利息、折舊、攤銷、股份為基礎之酬金及商譽減值前的盈利」除以「營業額」。

≠≠ 「EBIT率」等於「除稅及利息前的盈利」除以「營業額」。

撇除截至2022年6月30日止六個月之商譽減值人民幣614,331,000元。



Management Discussion and Analysis

During the Reporting Period, from the view of the demand side, the consumer confidence in global major economies continued to slide. In Mainland China, the Pandemic resurged and each provinces' Pandemic prevention and control policies had a certain negative impact on enterprises' normal operation, and consumers' willingness to spend was very weak. From the view of the supply side, the geopolitical conflict caused the increase in the price of major commodities and led to the increase in inflation, and the major economies' loosening monetary policies furthered the inflation, which caused the increase in the production cost of the manufacturing companies. Overall, global and Chinese economy have been suffering from great pressure. Facing the big challenges, the Group adhered to the development philosophy of "Green, Healthy, and Nutritious", and enforced refined and digital management to strive to lower cost and improve efficiency, and kept stable operation and achieved the growth in revenue.

INDUSTRY OVERVIEW

Overview of the tobacco industry

According to the National Bureau of Statistics, China's cigarette production reached 26.4714 million cases in the first half of 2022, representing a year-on-year increase of 2.5%, reflecting a stable production in the tobacco industry. In the backdrop of increasing downward pressure on the macro economy, the tobacco industry played a positive role in contributing to the country's fiscal revenue and promoting people's livelihood and economic development.

During the Reporting Period, the State Tobacco Monopoly Administration officially issued and implemented "The Administrative Measures for Electronic Cigarettes", which set out the production standards and requirements for e-cigarette products and the pipeline management for the sale of e-cigarettes, enabling the development of the e-cigarette industry to be regulated by law, thereby creating a quality business environment for the sustainable development of the e-cigarette industry and gaining wide support and recognition from participants in the e-cigarette market. In terms of the HNB cigarettes, most local tobacco companies in China have launched HNB cigarette products which are only available in some overseas countries and regions and are not yet allowed to be sold in China. Companies and investors in the tobacco industry chain are very concerned about the future development and policy direction of HNB cigarettes, and are looking for more opportunities to invest and develop their business in HNB cigarettes.

管理層討論及分析

報告期內，從需求端看，全球各個主要經濟體的消費者信心持續下滑，疫情在中國內地反覆出現，而各省市嚴格的疫情防控政策對消費市場以及企業的正常營運造成了一定的負面影響，消費者的消費意願非常疲弱；從供給端看，地緣政治衝突爆發導致主要大宗商品價格上漲並推高通脹，全球主要經濟體採取寬鬆的貨幣政策則進一步加劇了通脹水平，這使得製造業企業的生產成本上升。總體而言，全球及中國經濟都承受著很大的壓力。在面臨著巨大困難的情況下，集團堅持「綠色、健康、營養」的發展理念，通過實施精細化、數字化管理，努力降本增效，保持穩健經營，實現了銷售收入的增長。

行業概況

煙草行業概況

根據國家統計局數據，2022年上半年，中國捲煙產量達到2,647.14萬箱，同比增加2.5%；煙草行業生產穩健。在宏觀經濟下行壓力日漸增大的環境下，煙草行業在為國家貢獻財政收入、促進民生和經濟發展方面起到了積極作用。

報告期內，國家煙草專賣局正式發佈並實施《電子煙管理辦法》。《電子煙管理辦法》訂立了電子煙產品的生產標準和要求、銷售電子煙的渠道管理，使電子煙行業的發展做到有法可依，為電子煙行業的可持續發展建造了優質營商環境，得到了電子煙市場參與者的廣泛支持和認可。加熱不燃燒捲煙方面，國內大部分地方煙草公司都推出了加熱不燃燒捲煙產品，但是這些產品僅在部分海外國家和地區進行銷售，在國內則尚未允許銷售。煙草產業鏈上的企業以及投資人都對加熱不燃燒捲煙未來的發展和政策走向保持著很高的關注度，並希望能夠有更多投資和發展加熱不燃燒捲煙業務的機會。



Management Discussion and Analysis (cont'd)

Overview of the food and beverage industry and daily-use chemical industry

During the Reporting Period, the Chinese government adhered to its philosophy of “people and their lives first” and took stringent measures to prevent and control the Pandemic. Although these preventive and control measures had a negative impact on the operations of enterprises in many different sectors, the food and beverage industry, which is an essential consumer product for the population, still recorded growth, demonstrating the strong resilience of the food and beverage sector. According to the National Bureau of Statistics, in the first half of the year, the industrial added value of the agricultural product processing industry with enterprises of designated size or above grew by 3.3% year-on-year, the industrial added value of the food processing industry grew by 4.1% year-on-year and the industrial added value of the alcohol, beverage and refined tea processing industry grew by 8.4% year-on-year.

During the Reporting Period, the resurgence of Pandemic in various provinces and regions led to an increase in the frequency of consumer consumption at home and a rise in consumer demand for frozen foods and prepared foods. A well-made frozen food and prepared food requires strong supply chain development and management capabilities in order to stabilize product taste, reduce product costs and promote consumers’ re-purchase of products. As a result of the Pandemic, consumers are more concerned about the “functionality” of foods and beverages, such as weight management, stress reduction, sleep aid and sugar control. Products with labels such as “natural” and “probiotic” are more likely to attract consumers’ attention and led to purchase. Meanwhile, innovations and fusion of flavours in food and beverage products have become more appealing to young consumers’ interests and desire to buy. The food and beverage industry is going further in the concepts of ‘healthy’, ‘nutritious’ and ‘tasty’, and the competition is becoming increasingly intense.

In the daily-use chemical industry, consumer awareness of personal hygiene has increased significantly as a result of the Pandemic, and consumer demand for strong antibacterial and bactericidal personal care and fabric washing products has increased significantly, driving demand for related fragrances products. At the same time, the government and the public have developed the habit of disinfecting their homes on a regular basis to better prevent and control the Pandemic, resulting in a significant reduction in the number of mosquitoes and insects. As a result, the growth of insect-repelling incense products slowed down.

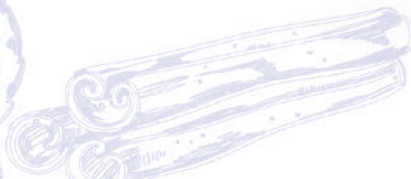
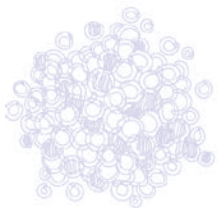
管理層討論及分析 (續)

食品飲料和日化行業概況

報告期內，中國政府恪守「生命至上、人民至上」的執政理念，採取嚴格的措施防控疫情。雖然這些防控措施對很多不同行業的企業運營造成了一定的負面影響，但作為居民必需消費品的食品飲料行業仍然錄得增長，體現出食品飲料板塊的強勁韌性。根據國家統計局數據，上半年規模以上農副食品加工業增加值同比增長3.3%，食品製造業增加值同比增長4.1%，酒、飲料和精製茶製造業增加值同比增長8.4%。

報告期內，由於疫情在多個省份和地區反彈，導致消費者居家消費場景的頻次增多，消費者對速凍食品和預制菜的需求上升。做好速凍食品和預制菜，需要企業具備強勁的供應鏈建設和管理能力，才能穩定產品口味、降低產品成本、實現消費者對產品的復購。受到疫情影響，消費者更加關注食品飲料的「功能性」例如體重管理、減壓、助眠、控糖，具備「天然」、「益生菌」等標籤的產品更能夠引起消費者的注意和購買。同時，食品飲料產品在口味上的創新和融合也更加能夠引起年輕消費者的好奇心和購買慾。食品飲料行業正在朝向「健康」、「營養」、「美味」的方向發展，競爭也日趨激烈。

日化行業方面，疫情使消費者的個人衛生意識大幅增強，消費者對於具備強勁抗菌、殺菌的個人護理和織物洗滌的需求大幅增加，拉動了對相關香精產品的需求。與此同時，為了更好地防控疫情，政府及公眾養成了定期對居所進行消毒的習慣，使蚊蟲數量大幅減少。因此，熏香消殺類的日化產品增長速度放緩。



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Overview of the condiment industry

調味品行業概況

In the first half of 2022, several cities and regions in Mainland China experienced a resurgence of the Pandemic. To protect people's lives, the Chinese government adopted very stringent lockdown measures, including mobility restriction, business suspension and dine-in bans. These measures were effective in controlling the Pandemic, but they also had a negative impact on the catering industry, which is mainly focused on crowd consumption, resulting in a significant drop in revenue for catering enterprises. According to the National Bureau of Statistics, in the first half of 2022, the revenue of the catering industry was RMB2,004 billion, a decrease of 7.7% year-on-year, and a decrease of 5.8% year-on-year compared to 2019, the year before the Pandemic. The Pandemic has again hit China's catering industry, which has not yet recovered to pre-pandemic levels.

2022年上半年，中國內地多個城市和地區先後出現疫情復發。為了保護人民的生命安全，中國政府採取了非常嚴格的封控措施，包括限制人員流動、商戶暫停營業、禁止堂食。這些措施有效控制了疫情，但也對以聚集性消費為主的餐飲行業產生了負面影響，導致餐飲企業收入大幅下降。根據國家統計局數據，2022年上半年，餐飲業收入人民幣20,040億元，同比下降7.7%；與疫情發生前的2019年相比，同比下降5.8%，疫情又再次打擊中國餐飲業，餐飲業仍未復甦至疫情前水平。

The catering industry is a major customer of condiment companies. With the normalization of Pandemic prevention and control, condiment companies have had to re-analyze the consumption scenario of condiments and diversify their revenue stream by developing customers other than catering customers such as food processors and products such as prepared foods. In addition, the profitability of condiment companies has come under greater downward pressure due to the increase in production costs as a result of higher raw materials prices caused by inflation.

餐飲業是調味品企業的主要客戶，在疫情防控常態化的情況下，調味品企業不得不重新分析調味品的消費場景，開發除餐飲客戶以外的客戶例如食品加工企業和產品例如預制菜，從而多元化收入來源。此外，由於通脹導致原材料價格上漲，調味品企業的生產成本也相應增加，調味品企業的盈利能力承受著較大的下滑壓力。



Management Discussion and Analysis (cont'd)

RESULTS

During the Reporting Period, the Group achieved a revenue of approximately RMB1,847 million (1H 2021: approximately RMB1,764 million), representing a year-on-year increase of 4.7%; gross profit margin of approximately 52.4% (1H 2021: 59.8%), representing a year-on-year decrease of 7.4 percentage points; operating loss of approximately RMB142 million (1H 2021: operating profit of approximately RMB734 million); loss attributable to the equity holders of the Company of approximately RMB314 million (1H 2021: profit attributable to the equity holders of the Company of approximately RMB481 million), representing a year-on-year decrease of 165.2%; basic loss per share of approximately RMB9.71 cents (1H 2021: basic earnings per share of approximately RMB15.48 cents), representing a year-on-year decrease of 162.7%.

During the Reporting Period, based on the applicable accounting principles on a prudent basis, the management recognised an impairment of goodwill of approximately RMB614 million for the CGU of Jiahao. For details of the goodwill impairment of Jiahao CGU, please refer to the section "Analysis of Jiahao CGU's goodwill impairment". The Board considers that the valuation methodology and key assumptions used in the impairment tests on goodwill of Jiahao CGU have been consistently adopted by the Company, and are fair and reasonable. Meanwhile, the basis of the calculation and the key assumptions used have been projected and determined by the management based on the past performance of Jiahao CGU, and in conjunction with the management's knowledge and experience of the market and the actual situation, which are fair and reasonable.

In comparison to the operating profit of the first half of 2021, the Group's operating profit recorded a decrease of approximately RMB875 million for the Reporting Period. The amount in decrease includes the goodwill impairment of Jiahao CGU, the decrease in the income from the changes in fair value of financial assets at fair value through profit and loss ("FVPL"), and the loss in changes in fair value of previously held interests in a jointly controlled entity upon acquisition as a subsidiary, as well as the decrease in gross profit.

Excluding the goodwill impairment of Jiahao CGU of approximately RMB614 million, the income from the changes in fair value of financial assets at FVPL of approximately RMB21.025 million and RMB100.845 million for the Reporting Period and the corresponding period last year respectively (representing a year-on-year decrease of RMB79.82 million), and the loss in changes in fair value of previously held interests in a jointly controlled entity upon acquisition as a subsidiary of approximately RMB24.083 million, the Group would have achieved an operating profit of approximately RMB476 million (1H 2021: RMB633 million), representing a year-on-year decrease of 24.8% and the decrease was mainly attributable to the decrease in gross profit and the increase in the selling and marketing expense in response to the intense market competition.

管理層討論及分析 (續)

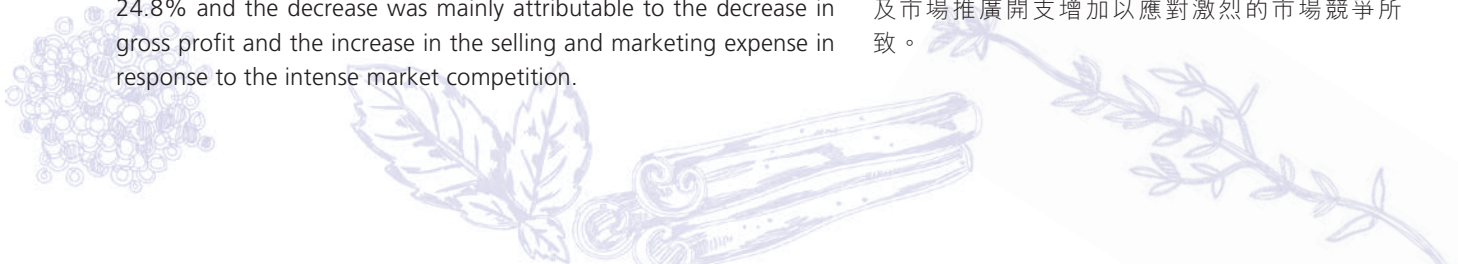
業績

報告期內，本集團實現銷售收入約人民幣18.47億元（2021年上半年：約人民幣17.64億元），同比增加4.7%；毛利率約52.4%（2021年上半年：59.8%），同比下降7.4個百分點；營運虧損約人民幣1.42億元（2021年上半年：營運盈利約人民幣7.34億元）；本公司權益持有人應佔虧損約人民幣3.14億元（2021年上半年：本公司權益持有人應佔盈利約人民幣4.81億元），同比下滑165.2%；每股基本虧損約人民幣9.71分（2021年上半年：每股基本盈利約人民幣15.48分），同比下滑162.7%。

報告期內，基於審慎及適用會計原則，管理層對嘉豪CGU的商譽確認了約人民幣6.14億元的減值。有關嘉豪CGU商譽減值詳情，請參閱「嘉豪CGU商譽減值分析」章節。董事會確認在嘉豪CGU商譽減值測試中所採用的估值方法和關鍵假設是公司一直沿用的，乃公平合理。同時，計算的基準和使用的關鍵假設是由管理層根據嘉豪CGU過往業績、對市場的了解和經驗、並結合實際情況而預測和制定的，乃公平合理。

與2021年上半年營運盈利相比，本集團在報告期內實現的營運盈利下降了約人民幣8.75億元，下降金額的構成主要包括嘉豪CGU商譽的減值、以公允價值計量且其變動計入損益之金融資產公允價值變動收益減少、之前持有共同控制實體權益於成為附屬公司時之公允價值變動虧損，以及公司經營毛利的減少。

撇除嘉豪CGU商譽減值約人民幣6.14億元、報告期和去年同期的以公允價值計量且其變動計入損益之金融資產公允價值變動收益分別為約人民幣2,102.5萬元和人民幣10,084.5萬元（同比減少了人民幣7,982.0萬元）、和之前持有共同控制實體權益於成為附屬公司時之公允價值變動虧損約人民幣2,408.3萬元的影響，本報告期的營運盈利約為人民幣4.76億元（2021年上半年：人民幣6.33億元），同比下降了24.8%，主要因為本報告期毛利下跌以及銷售及市場推廣開支增加以應對激烈的市場競爭所致。



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

BUSINESS REVIEW

Review of F&F and food ingredients business

During the Reporting Period, revenue of the F&F and food ingredients business of the Group amounted to approximately RMB888 million (1H 2021: approximately RMB910 million), representing a year-on-year decrease of 2.5%, and accounting for approximately 48.0% (1H 2021: 51.6%) of the Group's total revenue. The decrease in revenue from the business segment was mainly due to lower sales volume as a result of increased competition in the market. Operating profit of the segment for the Reporting Period amounted to approximately RMB469 million (1H 2021: approximately RMB576 million), representing a year-on-year decrease of 18.7%; and EBIT margin was approximately 52.8% (1H 2021: 63.3%), representing a year-on-year decrease of approximately 10.5 percentage points. The decline in EBIT margin was primarily attributable to lower gross margin as a result of changes in product mix and increase in the price of raw materials.

(1) Flavours

In terms of tobacco flavours, the Group has a stable cooperative relationship with customers. The Group has strengthened its technology in tobacco extracts to better enhance the taste of cigarette products for customers. The Group maintained its focus on the HNB cigarette market and conducted in-depth research on the supply chain, technology and market prospect of HNB tobacco flavours to enhance its insight and competitiveness in this field and build a solid foundation for the future development of this fast-growing business. In terms of food flavours, the Company has stabilized its cooperation with existing customers while developing new and growing brands and customers in the functional beverage and leisure foods sectors, which have broad market prospects and scale. The Group's R&D center and business team in Singapore are already in operation, actively analyzing the needs of customers in Singapore, Malaysia and Indonesia and providing them with customized products to facilitate the internationalization of the Group's business.

(2) Fragrances

During the Reporting Period, the Group further strengthened its technology and product innovation in the areas of microcapsules and oral care flavours, and actively developed the product needs of online e-commerce brands to provide them with comprehensive flavour solutions. In addition, the Group also initiated exchanges with international flavour companies to share market insights in the field of daily chemical fragrances, thereby enhancing its R&D and customer development capabilities in the field of daily chemical fragrances.

業務回顧

香精及食品配料業務回顧

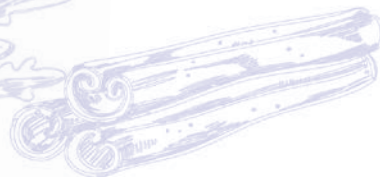
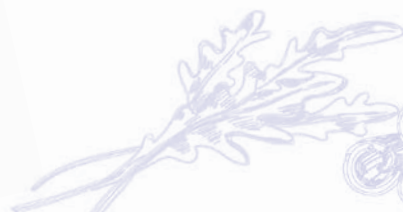
報告期內，本集團香精及食品配料業務銷售收入約人民幣8.88億元（2021年上半年：約人民幣9.10億元），同比減少2.5%，佔本集團的總收入約48.0%（2021年上半年：51.6%）。板塊收入下滑的主要原因是由於市場競爭加劇導致銷量減少。報告期內，板塊營運盈利約人民幣4.69億元（2021年上半年：約人民幣5.76億元），同比減少18.7%；EBIT率約52.8%（2021年上半年：63.3%），同比減少10.5個百分點，EBIT率下滑的主要原因是由於產品結構變化和原材料價格上漲導致毛利率下降。

(1) 食用香精

煙用香精方面，集團與客戶合作關係穩定。集團強化了自身在煙草提取物方面的技術，更好的提升客戶捲煙產品的口感。集團保持對加熱不燃燒捲煙市場的關注，深入研究加熱不燃燒煙用香精的供應鏈、技術、市場前景，全面提升自身在該領域的洞察力和競爭力，為將來發展該快業務建立了堅實的基礎。食品用香精方面，公司穩定與既有客戶的合作，同時開發一些新興起的成長型品牌和客戶，這些品牌和客戶集中在功能性飲料、休閒食品等領域，具備廣闊的市場前景和規模。集團在新加坡的研發中心和業務團隊已經投入工作，積極分析在新加坡、馬來西亞、印度尼西亞的客戶需求，向他們提供定制化的產品，以推進集團業務國際化。

(2) 日化用香精

報告期內，集團進一步強化在微膠囊香精、口腔護理香精領域的技術和產品的創新，積極開發線上電商品牌的產品需求，向他們提供全面的香精解決方案。此外，集團還與國際香精公司展開交流，互相分享在日化用香精領域的市場洞察，從而提升在日化用香精領域的研發及客戶開發能力。



Management Discussion and Analysis (cont'd)

(3) Food Ingredients

On 9 August 2021, the Group completed the acquisition of 40% stake of Shanghai Yifang. On 8 March 2022, the Group further acquired 27% stake of Shanghai Yifang. As at the end of the Reporting Period, the Group held a total of 67% stake of Shanghai Yifang and became the controlling shareholder of Shanghai Yifang, and Shanghai Yifang becomes a subsidiary of the Group. As a leading food ingredients manufacturer, Shanghai Yifang has its own agricultural and production bases, and its natural fruits jam, fruits particles, fruits tea are widely used in the products of foods and beverages clients, bringing health and delicious joy to customers. The acquisition of Shanghai Yifang could further expand the Group's capabilities in R&D, production, and sales in the natural foods ingredients, and diversity the Group's business and sources of income.

During the Reporting Period, the Group carried out in-depth cooperation with a number of leading customers such as Orion and Mondelez on food ingredient solutions, covering puffed food, baking, hot and spicy, catering and other fields. At the same time, the Group further strengthened R&D in customized products that meet customer needs. The Group attaches great importance to the layout of the food ingredients industry chain, and actively promotes the adjustment of industrial structure, so as to obtain incremental opportunities for future layout in the niche market.

(4) Investment progress of the proceeds raised by Huabao Flavours

In April 2021, the Group adjusted the use of the funds raised from the initial public offering of Huabao Flavours in 2018 and the implementation plans for the investment projects in order to better respond to the industry changes and the Company's development. The Group will continue the construction of "Huabao Yingtan Flavours and Ingredients Production Base Project" ("Huabao Yingtan Project"), cease the "Lhasa Pure Land Healthy Food Project" and transform the "Huabao H&K Food Flavours and Food Technology Development Project" into the "Huabao Technology Innovation Center and Supporting Facilities Project" ("Huabao TechInno Project"), as well as launch the new "Huabao Digital Transformation Project" ("Huabao Digital Project").

管理層討論及分析 (續)

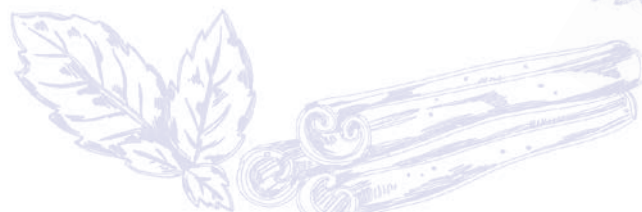
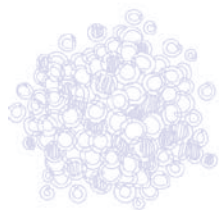
(3) 食品配料

2021年8月9日，集團完成收購上海奕方40%股權。2022年3月8日，集團進一步收購上海奕方27%股權。於報告期末，集團合計持有上海奕方67%的股權，成為上海奕方的控股股東，上海奕方成為集團的附屬公司。作為一家領先的食品配料生產商，上海奕方擁有自有的農業基地和生產基地，其生產的一系列的天然果醬、果粒、果茶類產品廣泛應用在食品飲料客戶的產品中，為消費者帶來健康和美味的享受。對上海奕方的收購能夠進一步拓展集團在天然食品配料領域的研發、生產、銷售能力，使集團業務多元化發展，豐富收入來源。

報告期內，集團與好麗友、億滋等多個頭部客戶在食品配料解決方案上展開深入合作，覆蓋膨化食品、烘焙、濕辣、餐飲等諸多領域，同時，進一步加強符合客戶需求的定制產品研發。集團高度重視在食品配料產業鏈的佈局，積極推進產業結構調整，為未來在細分市場佈局獲得增量機會。

(4) 華寶股份募集資金投資進度

為了更好地應對行業變革和公司發展的需要，2021年4月本集團對2018年華寶股份首次公開募股資金用途和項目實施方案進行了調整。本集團將繼續建設「華寶鷹潭食品用香精及食品配料生產基地項目」（「華寶鷹潭項目」），終止「華寶拉薩淨土健康食品項目」，將「華寶孔雀食品用香精及食品技術研發項目」調整為「華寶股份科技創新中心及配套設施項目」（「華寶科創項目」），並新建「華寶股份數字化轉型項目」（「華寶數字項目」）。



Management Discussion and Analysis (cont'd)

As of 30 June 2022, the cumulative amount dedicated for the Huabao Yingtan Project was approximately RMB191 million (31 December 2021: approximately RMB158 million), representing an investment progress of approximately 18.47% (31 December 2021: 15.29%). The cumulative amount dedicated for the Huabao TechInno Project was approximately RMB2.13 million (31 December 2021: RMB1.68 million), representing an investment progress of 0.47% (31 December 2021: 0.37%). The cumulative amount dedicated for the Huabao Digital Project was RMB8.03 million (31 December 2021: RMB3.53 million), representing an investment progress of 13.38% (31 December 2021: 5.89%). As of 30 June 2022, the balance of unused IPO Proceeds (including accumulated interest income received) amounted to approximately RMB1,676 million (31 December 2021: approximately RMB1,685 million). As of 30 June 2022, the IPO Proceeds utilized amounted to approximately RMB869 million (31 December 2021: approximately RMB832 million), accounting for approximately 37.0% of the total proceeds from the initial public offering in 2018 of RMB2,310 million.

Review of the tobacco raw materials business

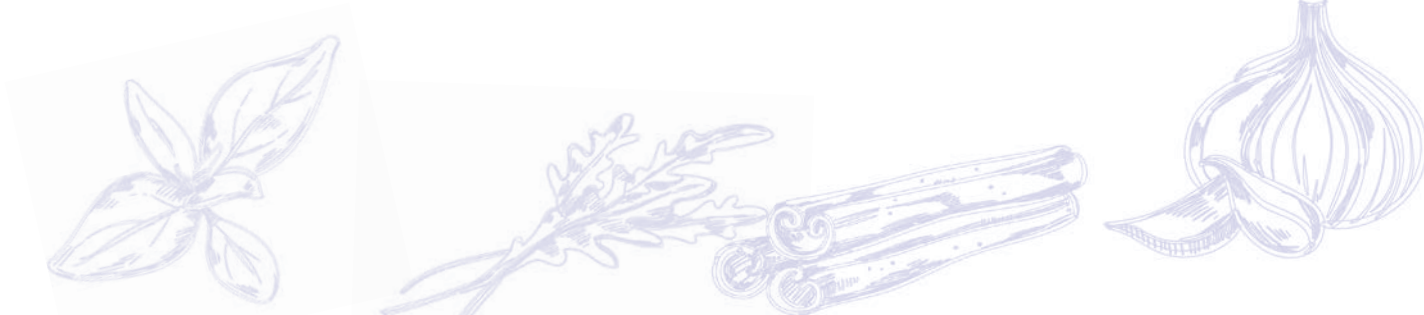
During the Reporting Period, revenue of the Group's tobacco raw materials business was approximately RMB192 million (1H 2021: approximately RMB209 million), representing a year-on-year decrease of 8.1%, and accounting for approximately 10.4% (1H 2021: approximately 11.8%) of the Group's total revenue. Operating profit of the business segment reached approximately RMB19.365 million (1H 2021: approximately RMB61.291 million), representing a year-on-year decrease of approximately 68.4%; operating profit margin was approximately 10.1% (1H 2021: 29.4%), representing a year-on-year decrease of approximately 19.3 percentage points. The decrease in the segment revenue and operating profit was mainly due to lower demand for traditional RTL and lower selling prices for tobacco capsules.

管理層討論及分析 (續)

截至2022年6月30日，華寶鷹潭項目累計投入約人民幣1.91億元（2021年12月31日：約人民幣1.58億元），投資進度為18.47%（2021年12月31日：15.29%）。華寶科創項目累計投入約人民幣213萬元（2021年12月31日：168萬元），投資進度為0.47%（2021年12月31日：0.37%）。華寶數字項目累計投入約人民幣803萬元（2021年12月31日：人民幣353萬元），投資進度為13.38%（2021年12月31日：5.89%）。截至2022年6月30日，尚未使用的募集資金餘額（包括累計收到的利息收入）約人民幣16.76億元（2021年12月31日：約人民幣16.85億元）。截至2022年6月30日，已使用的募集資金金額約人民幣8.69億元（2021年12月31日：約人民幣8.32億元），佔2018年首次公開募股資金約人民幣23.1億元約37.0%。

煙用原料業務回顧

報告期內，本集團煙用原料業務銷售收入約人民幣1.92億元（2021年上半年：約人民幣2.09億元），同比下降8.1%，佔本集團的總收入約10.4%（2021年上半年：11.8%）。板塊營運盈利約人民幣1,936.5萬元（2021年上半年：約人民幣6,129.1萬元），同比下降68.4%；營運盈利率約10.1%（2021年上半年：29.4%），同比下降19.3個百分點。板塊收入和營運盈利下降主要是由於傳統再造煙葉需求減少和煙用膠囊銷售價格下滑。



Management Discussion and Analysis (cont'd)

(1) RTL

During the Reporting Period, overcapacity and weak customer demand in the traditional RTL industry continued, with production and sales volume of traditional RTL declining year-on-year. For the RTL business, the Group has shifted its development focus to the HNB sector. Domestically, the Group's R&D team has maintained cooperation with Chinese tobacco companies in the development and production of customized RTL for Chinese tobacco companies' HNB cigarette products. The Group mainly uses slurry and dry techniques to produce HNB RTL in China with a combined production capacity of 1,600 tonnes. Overseas, the Group's HNB RTL plant in Indonesia has completed the construction of its core production line and has commenced production and recorded sales. The plant has a designed capacity of 1,000 tonnes per year and has already signed long-term orders with international customers. The Group believes that HNB RTL has a large global market and will gradually replace traditional RTL, and the penetration rate will steadily increase in the future. The Group's planning in the HNB RTL sector will be one of the growth drivers of the Group's future results.

(2) Tobacco new materials

Due to intensified competition, the selling price of tobacco capsules continued to decline. The Group applied its experience and insight in flavouring to the development of food capsule products and successfully attained food customers. The share of food capsules in capsule products increased year-on-year, providing a sufficient growth momentum. For cigarette filters, Hunan Jishou Minzu Materials Co., Ltd has optimized its production line and provided more training to enable the staff to familiarize themselves with the production process and techniques, which has improved the output and quality of cigarette filters as well as the profit margin due to the economies of scale. At the same time, a new cigarette filter production line has been established in Indonesia, where the products from this line will serve international customers in the future.

Despite the decline in revenue and earnings of the tobacco raw materials segment in the past few years, the Group has made efforts to improve the performance of its tobacco raw materials business in the future by enhancing its R&D technologies, optimizing its operational strategies and developing new products, markets and customers. The Group has full confidence in the development of the tobacco raw materials business.

管理層討論及分析 (續)

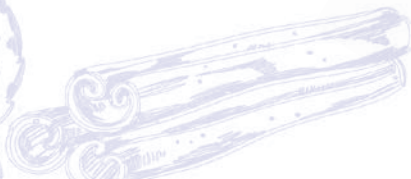
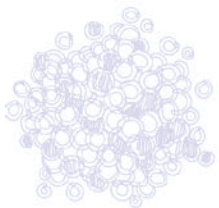
(1) 再造煙葉

報告期內，傳統再造煙行業產能過剩、客戶需求疲弱的情況仍然持續，傳統再造煙葉的產量和銷量同比下滑。對於再造煙葉業務，集團已經將發展的重心轉向加熱不燃燒領域。在國內，集團的研發團隊與中煙公司保持研發方面的合作，為中煙公司加熱不燃燒捲煙產品研發和生產專用的再造煙葉。集團在國內主要使用稠漿法和干法工藝製造加熱不燃燒再造煙葉，合計產能達到1,600噸。在國外，集團在印度尼西亞的加熱不燃燒再造煙葉工廠已經完成核心生產線的建設，並實現生產和銷售。該工廠設計產能1,000噸／年，已經與國際客戶簽訂了長期合作的訂單。集團認為，加熱不燃燒再造煙葉在全球的市場規模大，並且將逐步替代傳統再造煙葉，滲透率將會在未來逐步提升。集團在加熱不燃燒再造煙葉領域的佈局將會是集團未來業績的增長動力之一。

(2) 捲煙新材料

由於競爭加劇，煙用膠囊的銷售價格持續下滑，集團將自身在調味方面的經驗和洞察應用在開發食品用膠囊產品之上，並成功開發食品用客戶。食品用膠囊在膠囊產品的佔比同比提升，發展動能充足。濾棒方面，湖南吉首市民族煙材有限公司對生產線進行了優化，並對員工進行了更多的培訓，使員工能夠熟悉生產過程和工藝，提升了濾棒的出貨量、品質以及因規模效應而導致的利潤率提高。同時，集團在印度尼西亞也新建了濾棒生產線，該生產線的產品在未來會服務國際客戶。

儘管煙用原料板塊在過去幾年的收入和盈利下降，但是集團提升研發技術、優化營運策略，開發新產品、新市場、新客戶，努力提升煙用原料業務在未來的表現。集團對煙用原料業務的發展充滿信心。



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Review of the aroma raw materials business

香原料業務回顧

During the Reporting Period, revenue of the aroma raw materials business of the Group was approximately RMB478 million (1H 2021: approximately RMB320 million), representing a year-on-year increase of 49.3%, and accounting for approximately 25.9% (1H 2021: 18.2%) of the Group's total revenue. The increase in segment revenue was mainly attributable to the mass production in Jiangxi Xianghai during the Reporting Period. Operating profit of the business segment reached approximately RMB44.775 million (1H 2021: RMB22.435 million), representing an increase of 99.6% year-on-year; and EBIT margin was 9.4% (1H 2021: 7.0%), representing an increase of approximately 2.4 percentage points year-on-year. The increase in operating profit margin was mainly due to the economies of scale as a result of the mass production of Jiangxi Xianghai.

報告期內，本集團香原料業務銷售收入約人民幣4.78億元（2021年上半年：約人民幣3.20億元），同比上升49.3%，佔本集團的總收入約25.9%（2021年上半年：18.2%）。板塊收入提升主要是由於江西香海於報告期內實現規模化生產所致。板塊營運盈利約人民幣4,477.5萬元（2021年上半年：人民幣2,243.5萬元），同比增加99.6%；EBIT率約9.4%（2021年上半年：7.0%），同比增加約2.4個百分點。營運盈利率提升主要是由於江西香海實現規模化生產而導致規模經濟所致。

During the Reporting Period, international commodities' prices increased, resulting in higher production costs for aroma raw materials. On the other hand, due to the fierce competition in the market, it was difficult to offset the impact of rising costs by continuously increasing the selling price of aroma raw materials, and the profit margin of aroma raw materials products was pressured. After three years of construction, Jiangxi Xianghai has been put into full production and operation, becoming the main source of revenue growth for the segment. As the production base of the aroma raw materials segment, Jiangxi Xianghai attaches great importance to safe production. The management and employees of the Company has cooperated with the local government regulatory authorities many times to ensure that the company's various safety facilities, processes and response mechanisms meet the regulatory requirements to secure the Company's production safety and achieve sustainable development.

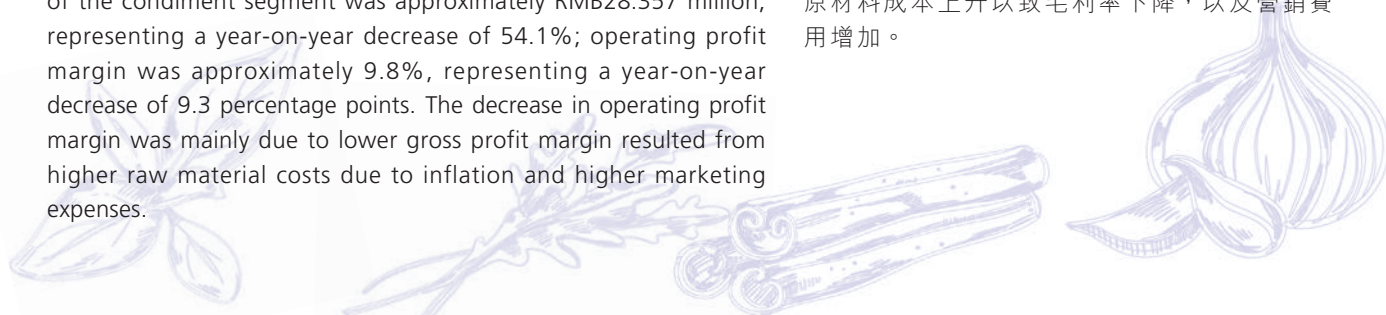
報告期內，國際大宗商品價格上漲，導致香原料生產成本上升。另外一方面，由於市場競爭激烈，香原料產品的銷售價格很難通過持續上漲的方式抵銷成本上漲的影響，香原料產品的利潤空間受到擠壓。經過三年的建設，江西香海全面投入生產和運營，成為板塊收入增長的主要來源。作為香原料板塊的生產基地，江西香海高度重視安全生產的重要性，公司多次組織管理層和員工與地方政府監管部門展開合作，確保公司各項安全設施、流程、應對機制符合監管要求，保障公司生產安全，實現可持續發展。

Review of the condiment business

調味品業務回顧

During the Reporting Period, revenue of the Group's condiment business was approximately RMB289 million (1H 2021: approximately RMB324 million), representing a year-on-year decrease of 10.8%, and accounting for approximately 15.7% (1H 2021: 18.4%) of the Group's total revenue. The operating loss was approximately RMB586 million (1H 2021: operating profit of approximately RMB61.814 million). The decrease in revenue of the condiment segment was mainly due to the decrease in customer demand as a result of the impact of the Pandemic on the catering industry, and the operating loss was mainly due to the impairment of the goodwill of approximately RMB614 million of Jiahao CGU. Excluding the impact of goodwill impairment, the operating profit of the condiment segment was approximately RMB28.357 million, representing a year-on-year decrease of 54.1%; operating profit margin was approximately 9.8%, representing a year-on-year decrease of 9.3 percentage points. The decrease in operating profit margin was mainly due to lower gross profit margin resulted from higher raw material costs due to inflation and higher marketing expenses.

報告期內，本集團調味品業務銷售收入約人民幣2.89億元（2021年上半年：約人民幣3.24億元），同比下降10.8%，佔集團總收入約15.7%（2021年上半年：18.4%）。營運虧損約人民幣5.86億元（2021年上半年：營運盈利約人民幣6,181.4萬元）。調味品板塊收入下降主要由於疫情影響餐飲行業導致客戶需求減少，營運虧損主要由於嘉豪CGU商譽減值人民幣6.14億元。撇除商譽減值影響，調味品板塊營運盈利約人民幣2,835.7萬元，同比下降約54.1%；營運盈利率約9.8%，同比下降約9.3個百分點，營運盈利率下降主要由於通脹導致原材料成本上升以致毛利率下降，以及營銷費用增加。



Management Discussion and Analysis (cont'd)

In terms of product mix, the Group's seasoning products such as chicken sauce, chicken powder and chicken essence are the main sources of revenue. In addition, the R&D team analyzed the popular market flavours and launched new products such as "red oil chili sauce", "mustard sauce" and "Jinba spicy mustard", which can be well-applied to the dishes of Sichuan and Hunan cuisines, quickly enhancing the taste and color of the products as well as the efficiency to prepare the dishes. These new products have strengthened the Group's flavouring capabilities in the "hot and sour" area, enriched the Group's product range for condiments and created more possibilities for the Group to increase revenue.

In terms of sales channel, the recession in the catering industry caused by the resurgence of the Pandemic has weakened distributors' willingness to purchase inventories and their ability to sell. Therefore, the Group has strengthened proactive communication with distributors to help them better promote and sell their products. As of 30 June 2022, the Group had approximately 420 Tier 1 distributors covering all provinces, autonomous regions and direct-controlled municipality except for Taiwan Province.

In terms of marketing strategy, the Group has defined its brand positioning as the "Expert of China Flavour". Under this brand positioning, the Group introduced products of different Chinese flavour categories to customers through thematic marketing activities. With the resurgence of the Pandemic affecting the form and scale of offline marketing activities, the Group has turned to platforms such as WeChat, TikTok, and Kwai to share with customers the use of condiments and cooking techniques, so that customers can experience the value of the Group's services, enhance the Group's brand influence and drive sales growth.

Analysis of Jiahao CGU's goodwill impairment

The background of Jiahao CGU's goodwill impairment

In September 2018, the Group completed the acquisition of 100% interest in Jiahao from an independent third party for approximately RMB4,745 million and Jiahao has since become a CGU of the Group. Jiahao is principally engaged in the production, sale, marketing and distribution of condiment products in China. Upon completion of the acquisition, the Group will focus on the ancillary products of taste-based FMCG products, including F&F products, additives, ingredients and packaging materials, condiments and other products in the market segments, which are expected to create synergies. The goodwill arising from the acquisition of approximately RMB3,635 million is attributable to the synergies and operating benefits expected to arise from the integration of the operations of the Group and Jiahao.

管理層討論及分析 (續)

產品結構方面，集團的調鮮類產品雞汁、雞粉、雞精是收入的主要來源。此外，研發團隊對市場流行風味進行分析，推出了「紅油酸辣汁」、「芥末大拌汁」、「勁霸青芥辣」等新產品，這些產品能夠很好的應用於川菜和湘菜這兩大類菜系的菜品當中，快速提升產品的味道和色澤，使客戶製作菜品的效率大大提高。這些新產品鞏固了集團在「酸辣」領域的調味能力，豐富了集團調味品的產品類別，為集團提升收入創造了更多可能。

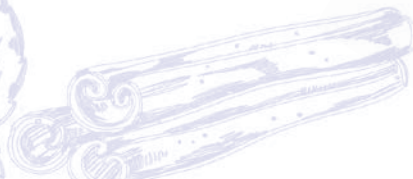
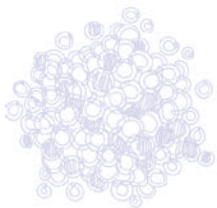
銷售渠道上，疫情反覆導致餐飲行業不景氣，削弱了經銷商的進貨意願和銷售能力。因此，集團加強了與經銷商的主動溝通，協助經銷商更好的推介和銷售產品。截至2022年6月30日，集團的一級經銷商數量約420家，覆蓋全國際台灣省以外的所有省、自治區和直轄市。

營銷策略方面，集團明確自身作為「中國味道專家」的品牌定位。在此品牌定位下，集團通過主題式營銷活動，向客戶推介不同中國風味類別的產品。在疫情反覆出現影響線下營銷活動形式和規模的情況下，集團轉向微信公眾號、抖音、快手等平台，與客戶分享調味品的使用方法、菜品的烹飪技巧，讓客戶感受到集團服務的價值，提升集團的品牌影響力，推動銷售的增長。

嘉豪CGU商譽減值分析

嘉豪CGU商譽減值的背景

集團於2018年9月以約人民幣47.45億元向獨立第三方完成收購嘉豪100%權益，嘉豪自此成為本集團的CGU。嘉豪主要在中國從事生產、銷售、營銷及分銷調味品產品。收購完成後，本集團將聚焦味覺系快消品之配套產品，包括香精產品、添加劑、配料及包裝材料、調味品等細分市場之產品，預期可發揮協同效應作用。收購產生的商譽約人民幣36.35億元乃來自於整合本集團及嘉豪之經營後預期產生的協同效應和經營效益。



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

During early 2020, the outbreak of the Pandemic in China and its subsequent national outbreaks, the Chinese government took various contingency measures such as extending the Chinese New Year holidays, imposing travel and work restrictions and suspending various daily consumption activities (including retail and catering), which resulted in a significant decline in the revenue of Jiahao for the six months ended 30 June 2020 and indications of impairment of Jiahao's goodwill. Accordingly, the Group has engaged a valuer to conduct an impairment test on the goodwill of Jiahao CGU as at 30 June 2020 and recognised an impairment of goodwill of approximately RMB495 million. After the impairment, the remaining balance of Jiahao CGU's goodwill is approximately RMB3,140 million. For details, please refer to the section headed "Analysis of Jiahao CGU's goodwill impairment in the Interim Period" in the "Management Discussion and Analysis" of the Group's 2020 annual report.

於2020年初期間，新冠肺炎疫情在中國爆發乃至其後擴散全國，中國政府採取了各種應急措施，例如延長春節假期，施行差旅及工作限制，暫停各種（包括零售及餐飲）日常消費活動，令到嘉豪於截至2020年6月30日止六個月的營業額大幅下降，嘉豪CGU的商譽出現減值跡象。因此，集團聘請了評估師對嘉豪CGU於2020年6月30日的商譽進行減值測試，並確認了約人民幣4.95億元的商譽減值。減值後，嘉豪CGU的商譽餘額約為人民幣31.40億元。詳情請參考本集團2020年年報「管理層分析和討論」中「嘉豪CGU商譽於中期的減值分析」一節。

The reasons for Jiahao CGU's goodwill impairment

嘉豪CGU商譽減值的原因

The Group originally expected the catering industry to start recovering rapidly in 2022 as the outbreak control stabilised. Unexpectedly, the Pandemic resurfaced in many cities and regions in Mainland China. To protect people's lives, the Chinese government adopted strict lockdown measures, including mobility restriction, business suspension and dine-in bans. These measures were effective in controlling the Pandemic, but they also had a negative impact on the catering industry, which is mainly focused on crowd consumption, as the recovering catering industry had to suspend normal business once again, resulting in a significant drop in revenue for catering enterprises. Revenue from the catering industry dropped by 7.7% year-on-year in the first half of 2022, and by 5.8% compared to the first half of 2019 before the Pandemic.

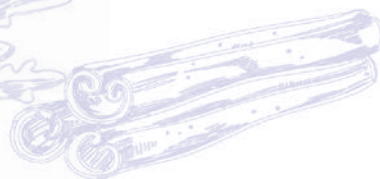
集團原本預期隨著疫情防控穩定，餐飲業會在2022年開始快速復甦。意想不到的是，新冠疫情在中國內地多個城市和地區捲土重來，為了保護人民的生命安全，中國政府採取了非常嚴格的封控措施，包括限制人員流動、商戶暫停營業、禁止堂食。這些措施有效控制了疫情，但也對以聚集性消費為主的餐飲行業產生了負面影響，原本正處於復甦的餐飲行業不得不再次暫停正常營業，導致餐飲企業收入大幅下降。2022年上半年餐飲行業收入同比下降了7.7%，與疫情發生前的2019年上半年相比下降了5.8%。

In addition, the first half of 2022 saw the increase in raw material costs due to inflation, which increased production and operating costs for enterprises and increased downward pressure on profits. Lastly, the highly contagious and evolving nature of the novel coronavirus, has created additional challenges and uncertainties for the upcoming economic recovery and normal operations of the catering business.

此外，2022年上半年，通脹導致原材料成本上升，企業的生產和經營成本上升，利潤下行壓力增大。最後，新冠病毒傳播力強、不斷演變，為接下來經濟復甦和餐飲企業正常經營也帶來了更多的挑戰和不確定性。

For the above reasons, the Group considers that the recovery and subsequent development of the catering industry will be below the Group's expectation as at 31 December 2021 and will affect the subsequent performance of the condiment business. In accordance with prudent and appropriate accounting principles, the management performed an impairment test on Jiahao CGU and ultimately recognised the impairment.

基於以上原因，集團認為餐飲業的復甦和接下來的發展遜於集團於2021年12月31日的預期，並會影響到調味品業務接下來的業績表現。基於審慎及適當會計原則，管理層對嘉豪CGU進行減值測試，並最終確認減值。



Management Discussion and Analysis (cont'd)

Impairment test of goodwill

In accordance with HKAS 36, the Company performed a goodwill impairment test and conducted a value analysis on Jiahao CGU as at 30 June 2022, the valuation benchmark date, to determine the recoverable amount of Jiahao CGU. According to the standard, the recoverable amount of the CGU is determined on the higher of the fair value less the costs of disposal ("FVLCO") and value in use ("VIU"). In the goodwill impairment test conducted by the valuer, market approach and income approach were used to assess the FVLCO and VIU of the Jiahao CGU respectively. Based on the results of the tests, the VIU amount was higher than the FVLCO amount and the VIU amount was therefore adopted as the recoverable amount of Jiahao CGU, which was approximately RMB614 million lower than the carrying value of Jiahao CGU. For this purpose, an impairment loss of approximately RMB614 million on goodwill was recognised in the Group's consolidated income statement for the six months ended 30 June 2022.

The methodology, key assumptions and basis used in calculating Jiahao CGU's VIU

The Company has engaged a valuer to conduct an impairment test on goodwill of Jiahao CGU as at 30 June 2022. The Valuer used the income approach to assess the VIU of Jiahao CGU, which is consistent with the valuation methodology used for the impairment test of Jiahao CGU as at 31 December 2021. It is based on a five-year net cash-flow projection of Jiahao CGU. Cash flows beyond the five-year period were calculated using the terminal growth rate, and the present value of such net cash-flows were calculated using an appropriate discount rate.

The key assumptions and basis used in calculating Jiahao CGU's VIU are as follows:

1. Forecast growth rate – as determined by the management based on past performance, the latest external economy and industry business environment, combined with their projections of market development;
2. Terminal growth rate – long-term average growth rate of Jiahao CGU as estimated by the management;
3. Budgeted gross profit margin – as determined by the management based on the past performance and the expected development of the market;
4. Pre-tax discount rate – the discount rate for impairment test, with reference to the actual situation of Jiahao CGU, the market condition of the same industry and its specific risk premium, calculated with the applicable cost of equity capital and cost of debt capital to come up with weighted average cost of capital ("WACC") based on the company's capital structure.

管理層討論及分析 (續)

商譽減值測試

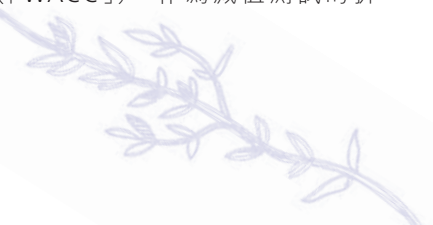
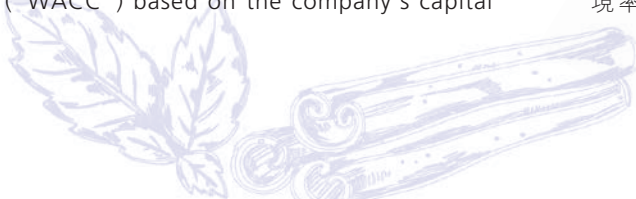
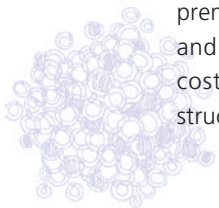
本公司根據香港會計準則第36號進行商譽減值測試，對嘉豪CGU於2022年6月30日為評估基準日進行了價值分析以評估嘉豪CGU的可收回金額。根據準則，現金產生單位的可收回金額為公允價值減去處置費用（「FVLCO」）及其使用價值兩者中取較高者。在評估師進行的商譽減值測試中，分別使用市場法和收益法來評估嘉豪CGU的FVLCO和使用價值。根據測試的結果，使用價值的金額比FVLCO的金額為高，嘉豪CGU的可收回金額因此採用了使用價值的金額，而此金額比嘉豪CGU的賬面價值低約人民幣6.14億元。為此，在截至2022年6月30日止六個月的本集團綜合收益表中確認商譽減值損失約人民幣6.14億元。

計算嘉豪CGU的使用價值所採用的方法、關鍵假設和基準

本公司聘請之評估師為嘉豪CGU於2022年6月30日之商譽進行減值測試。評估師採用收益法來評估嘉豪CGU的使用價值，與嘉豪CGU於2021年12月31日所做的減值測試所採用的評估方法一致。此乃基於嘉豪CGU的五年期的淨現金流量預測，超過五年期的現金流量使用永續年增長率計算，並以合適之折現率來計算該淨現金流之現值。

在計算嘉豪CGU的使用價值所採用的關鍵假設和基準如下：

1. 預計增長率—管理層根據過往業績，最新的外圍經濟和行業經營環境，並結合其對市場發展的預計而確定；
2. 永續年增長率—管理層預計嘉豪CGU的長期平均增長率；
3. 預計毛利率—管理層根據過往業績及其對市場發展的預期而確定；
4. 稅前貼現率—按嘉豪CGU的實際情況，並參考同業市場數據及其特定風險溢價，計算適用的權益資本成本及債務資本成本，再按公司資本結構計算加權平均資本成本（「WACC」），作為減值測試的折現率。



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Changes in major key assumptions

Comparing certain major key assumptions used in determining the VIU of Jiahao CGU as at 30 June 2022 against those used in assessing the VIU of Jiahao CGU as at 31 December 2021, major changes are as follows:

關鍵假設的變動

評估師於釐定嘉豪CGU於2022年6月30日之使用價值時，與評估嘉豪CGU於2021年12月31日之使用價值時所採用的若干關鍵假設有以下主要變動：

Key assumptions 關鍵假設	VIU assessment 使用價值評估	
	As at 30 June 2022 於2022年6月30日	As at 31 December 2021 於2021年12月31日
(1) Forecast five-year sales growth rate 五年預計銷售增長率	3.5% - 26.8%	6.7% - 26.4%

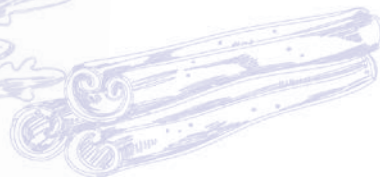
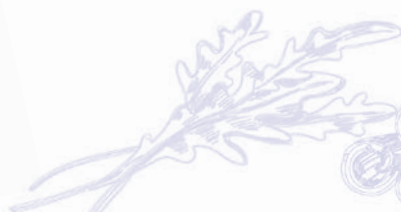
Reasons for change

Revenue of Jiahao CGU for the six months ended 30 June 2022 was approximately RMB289 million, representing a year-on-year decrease of approximately 10.8%. In the first half of 2022, the Pandemic resurfaced in many cities and regions in Mainland China. The Chinese government adopted strict lockdown measures to control the Pandemic, including mobility restriction, business suspension and dine-in bans, resulting in a significant drop in revenue for catering enterprises. Revenue from the catering industry dropped by 7.7% year-on-year in the first half of 2022, and by 5.8% compared to the first half of 2019 before the Pandemic. This, coupled with the highly contagious and evolving nature of the novel coronavirus, has created additional challenges and uncertainties for the upcoming economic recovery and normal operations of the catering business. As a result, the Group's management has re-evaluated the development and growth of the condiment business and has revised downward its revenue for the forecast period of years 2022 to 2026 by 9.4% to 18.1% as compared to the forecast revenue for the same period made at the end of 2021.

變動原因

嘉豪CGU的銷售收入於截至2022年6月30日止六個月約人民幣2.89億元，同比減少約10.8%。2022年上半年新冠疫情在中國內地多個城市和地區捲土重來，中國政府採取了嚴格的封控措施以控制疫情，包括限制人員流動、商戶暫停營業、禁止堂食等，導致餐飲企業收入大幅下降。2022年上半年餐飲行業收入同比下降了7.7%，與疫情發生前的2019年上半年相比下降了5.8%。再加上新冠病毒傳播力強、不斷演變，為接下來經濟復甦和餐飲企業正常經營也帶來了更多的挑戰和不確定性。因此，本集團管理層對調味品業務的發展和增長重新做了評估，並下調預測期間2022年至2026年的銷售收入，相比2021年年底對此預測期間的預測銷售收入下調了約9.4%至18.1%。

Key assumptions 關鍵假設	VIU assessment 使用價值評估	
	As at 30 June 2022 於2022年6月30日	As at 31 December 2021 於2021年12月31日
(2) Budgeted gross profit margin 預計毛利率	56.5% to 57.2%	58.5% to 59.4%



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Reasons for change

Production costs increased due to the higher raw material prices as a result of inflation in the first half of 2022. The gross profit margin of Jiahao CGU decreased to 56.5% for the six months ended 30 June 2022. As a result, the management has adjusted the budgeted gross profit margin for years 2022 to 2026 downwards by approximately 1.3 to 2.9 percentage points from a forecast of 58.5% to 59.4% for this budgeted period at the end of 2021 to a forecast of 56.5% to 57.2% for this budgeted period at the mid-2022.

變動原因

由於2022年上半年，通脹導致原材料價格上升，生產成本亦有所上升。嘉豪CGU於截至2022年6月30日止六個月毛利率下降至56.5%。因此，管理層將2022年至2026年的預測毛利率向下調整約1.3至2.9個百分點，由2021年年底對此預測期間的預測58.5%至59.4%下調至2022年中期對此預測期間的預測56.5%至57.2%。

VIU assessment

使用價值評估

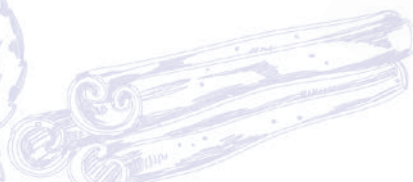
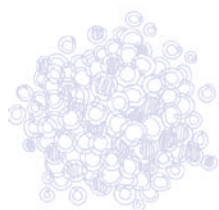
Key assumptions 關鍵假設	As at 30 June 2022 於2022年6月30日	As at 31 December 2021 於2021年12月31日
(3) Pre-tax discount rate 稅前貼現率	Pre-tax discount rate of 14.6% (approximately equivalent to post-tax discount rate of 13.0%) 稅前貼現率 14.6% (約等於稅後貼現率 13.0%)	Pre-tax discount rate of 13.5% (approximately equivalent to post-tax discount rate of 12.0%) 稅前貼現率13.5% (約等於稅後貼現率12.0%)

Reasons for change

The Valuer determined the post-tax discount rate based on WACC. Considering that in the first half of 2022, several cities and regions in Mainland China experienced a resurgence of the Pandemic. Chinese government adopted very stringent lockdown measures which were effective in controlling the Pandemic, but they also had a negative impact on the catering industry, which is mainly focused on crowd consumption, resulting in a significant drop in revenue for catering enterprises. In the first half of 2022, the revenue of the catering industry dropped by 7.7% year-on-year, and by 5.8% year-on-year compared to 2019, the year before the Pandemic. The catering industry is a major customer of the condiment business, and considering that the Pandemic's impact on the condiment business will last for a long period, so the external risk of Jiahao CGU has increased. Taking into account the combined effect of other factors, the post-tax discount rate was calculated as 13.0%, which is a 1.0 percentage point increase over the post-tax discount rate of 12.0% adopted at the end of 2021. With reference to the post-tax discount rate, the valuer calculated the corresponding pre-tax discount rate according to pre-tax cash flows through an iterative process.

變動原因

評估師是採用WACC作為稅後貼現率。2022年上半年，中國內地多個城市和地區先後出現疫情復發。中國政府採取了非常嚴格的封控措施並有效控制了疫情，但也對以聚集性消費為主的餐飲行業產生了負面影響，導致餐飲企業收入大幅下降。2022年上半年，餐飲業收入同比下降7.7%；與疫情發生前的2019年相比，同比下降5.8%。餐飲業是調味品業務的主要客戶，考慮到疫情對調味品業務的影響會持續一段較長時間，因此嘉豪CGU的外部風險有所上升。經綜合其他因素計算的稅後貼現率為13.0%，比2021年底採用的稅後貼現率12.0%增加了1.0個百分點。參考採用的稅後貼現率，評估師通過一個迭代的過程，按稅前現金流計算對應的稅前折現率。



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Review of R&D

During the Reporting Period, the Group's investment in R&D was approximately RMB111 million (1H 2021: approximately RMB109 million). R&D expenses accounted for approximately 6.0% (1H 2021: 6.2%) of revenue, representing an decrease of 0.2 percentage point as compared to the corresponding period last year. The R&D costs were fully expensed and no R&D costs were capitalized (1H 2021: Nil).

In F&F business, the Group was granted 14 patents, including "A Tobacco Extract and its Preparation Method", "A Method of Preparing Egg Yolk Flavours and Fragrances" and "A Laundry Detergent with Microcapsule Flavour and its Preparation Method". These patents reflect the Group's technological R&D capabilities in fields of tobacco, food and daily-use chemical. Through these patents, the Group has consolidated its flavouring strength in the field of F&F.

In tobacco raw materials business, the Group has applied for a total of 26 patents, which are mainly focused on the pod materials, cooling section and structure of HNB cigarettes. These patents reflect the Group's emphasis on products and technologies related to HNB cigarettes and demonstrate the Group's competitiveness in the field of HNB cigarettes. In addition, the Group cooperated with industry tobacco units to complete the project of "Standardization of RTL Process", which won the "The Seventh Award for Contribution to Standard Innovation" organized by China National Tobacco Corporation, and played a positive role in promoting the standardization of the RTL industry, showing the Group's expertise and accumulation in the RTL industry.

In aroma raw materials business, Jiangxi Xianghai has built a big data center, equipped with personnel positioning system and video monitoring system, and applied the digital capability to production, which has improved the production efficiency and product quality. Jiangxi Xianghai has been awarded the "Xinyu City High Quality Development Special Fund", and the titles of "Xinyu City Aroma Green Synthesis Technology Research Center" and "The Standard Enterprise that Equipped with a Management System integrating Informatization and industrialization (The Standard Enterprise that integrate and develop with Informatization and industrialization)", which reflects Jiangxi Xianghai's digital operation capability and R&D strength.

In condiments business, Jiahao cooperated with Jiangnan University to obtain three invention patents, including "A Fermented Mustard Spicy Sauce Formula Rich in Lemongrass Flavour and its Preparation Method", "A Low Horseradish Green Mustard Spicy Formula with Stable Flavour and its Preparation Method", and "A Salty and Fresh Flavoured Rice Flour-based Snack 3D Printing Material and its Application", strengthening its R&D capability and product power in both fresh and spicy flavour fields.

研發回顧

報告期內，本集團投入研發費用約人民幣1.11億元（2021年上半年：約人民幣1.09億元）。研發費用佔銷售收入的比例約為6.0%（2021年上半年：6.2%），與去年同期相比減少0.2個百分點。研發費用全數作為費用支出，並無任何研發成本資本化（2021年上半年：無）。

香精方面，集團一共獲得了14項專利，包括《一種煙草提取物及其制備方法》、《一種蛋黃香精的制備方法》、《一種微膠囊香精洗衣液及其制備方法》等，這些專利反映出集團在煙草、食品、日化領域的技術研發能力。透過這些專利，集團鞏固了在香精領域的調香實力。

煙用原料方面，集團一共申請了26項專利，這些專利主要集中在加熱不燃燒捲煙的煙芯材料、降溫段和結構方面。這些專利體現出集團對加熱不燃燒捲煙相關產品和技術的重視，展現出集團在加熱不燃燒捲煙領域的競爭力。此外，集團與煙草行業單位合作完成了《再造煙葉工藝規範》項目，該項目獲得了由中國煙草總公司舉辦的《第七屆標準創新貢獻獎》，在推進再造煙葉行業標準化方面起到了積極的促進作用，展現出集團在再造煙葉行業的專長和積累。

香原料方面，江西香海建設了大數據中心，並配備了人員定位系統、視頻監控系統，將數字能力應用到生產中，提升了生產效率和產品質量。江西香海獲得了《新余市高質量發展專項資金》獎勵、《新余市香料綠色合成技術研究中心》和《兩化融合管理體系貫標企業（信息化與工業化融合發展貫徹標準企業）》稱號，體現出江西香海的數字化營運能力和研發實力。

調味品方面，嘉豪與江南大學合作，獲得了3項發明專利，包括《一種富含香茅風味的發酵型芥辣醬配方及其制備方法》、《一種風味穩定的低辣根青芥辣配方及其製作方法》、《一種鹹鮮味米粉類點心3D打印材料及其應用》，強化了其在鮮味和辣味兩個領域的研發能力和產品力。



Management Discussion and Analysis (cont'd)

Human Resources and Corporate Culture Construction

As at 30 June 2022, the Group employed a total of 3,967 (as at 31 December 2021: 3,583) employees in Mainland China, Hong Kong, Germany, Indonesia, Singapore and other places.

In the first half of 2022, there was a rebound of the Pandemic in several provinces and regions in China. In order to protect production and the safety of employees, the Group organized meetings with subsidiaries of each segment, formulated Pandemic prevention and control regulations and plans, stocked up production materials and actively promoted knowledge of Pandemic prevention and control to employees. In April and May, Shanghai, where the Group's headquarter is located, implemented a very strict lockdown control and residents were not allowed to go out at will, resulting in a certain degree of shortage of living materials. The Human Resources Department actively coordinated the resources of various parties and distributed food parcels to the Group's employees in Shanghai to ensure their basic living needs. The Group formulated corresponding measures in accordance with the requirements of different regional governments to ensure the normal operation of production activities. The Group has procured sufficient supplies such as masks and cleansing alcohol for employees for Pandemic prevention, required employees to conduct daily nucleic acid test, and implemented different lunch shifts. These measures enable the Group's employees to work in a safe environment, ensuring the efficiency of employees and the normal operation of production activities.

In regard to corporate culture, the Group has started with award motivation, brand enhancement and cultural activities to enable employees feel that the Group attaches importance to their personal value, ability enhancement and physical and mental health. In terms of awards and motivation, the Group has organized the "Huabao Award" to recognize groups and individuals who have made achievements in various business divisions of the Group, and awarded them with bonuses in recognition of their contributions to the Group. In terms of brand enhancement, the Group is deeply aware of the importance of building and enhancing the Group's brand value, and has provided professional training to the marketing and publicity departments of each of its subsidiaries so that they can provide press releases to the Group on a regular basis and publish them on platforms such as corporate WeChat and the Company's website. These press releases cover a wide range of topics, including industry analysis, introduction of new products, and sharing of work experience of outstanding employees, enabling investors, employees, partners and other stakeholders to gain a timely and comprehensive understanding of the Group's operation and management, effectively raising the Group's brand value. In terms of cultural activities, the Group held events such as "Chinese New Year", "Goddess Festival" and "Huabao's God of Cookery" to celebrate traditional culture and women in power with employees, strengthening the cohesion between employees and the Company.

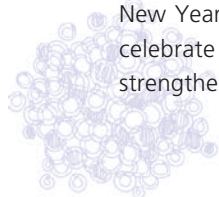
管理層討論及分析 (續)

人力資源及企業文化建設

於2022年6月30日，本集團在中國內地、香港、德國、印度尼西亞、新加坡等地共聘用員工約3,967人(截至2021年12月31日：3,583人)。

2022年上半年，國內多個省份和地區出現疫情反彈。為了保障生產以及員工的生命安全，集團組織各個板塊的附屬公司召開會議，制定出疫情防控規範和方案，儲備好生產物資，積極向員工宣傳防控疫情的知識。集團總部所在地上海在四五月份實施了非常嚴格的封控，居民不能夠隨意外出，出現了一定程度的生活物資短缺的情況。人力資源部積極協調各方的資源，向集團在上海的員工派送了食品大禮包，保障了員工基本的生活需求。集團根據不同地區政府的要求，制定相應的措施，保障生產活動正常運轉。集團為員工採購了充足的口罩、酒精等防疫物資，要求員工每日進行核酸監測，在食堂實施分批用餐，這些舉措讓集團的員工能夠在安全的環境下工作，保證了員工的工作效率和生產活動的正常運轉。

企業文化方面，集團從獎項激勵、品牌提升和文化活動入手，讓員工感受到集團對他們個人價值、能力提升以及身心健康的重視。獎項激勵方面，集團舉辦了「華寶獎」，表彰在集團各個業務部門做出成績的團體和個人，並為他們頒發了獎金，對他們為集團作出的貢獻予以認可。品牌提升方面，集團深刻認識到打造和提升集團品牌價值的重要性，對各個下屬公司的市場和宣傳部提供專業培訓，讓他們定期向集團提供新聞稿，並發佈在企業微信、公司網站等平台上。這些新聞稿覆蓋面廣，包含了行業分析、新產品介紹、優秀員工工作經驗分享等，讓投資人、員工、合作夥伴以及其它利益相關方能夠及時、全面地瞭解集團經營和管理，有效提升了集團的品牌價值。文化活動方面，集團舉辦了「中國年」、「女神節」、「華寶食神」等主題活動，與員工共同慶祝傳統文化、頌揚女性力量，增強員工和公司之間的凝聚力。



Management Discussion and Analysis (cont'd)

The Group believes that “it’s all in the hands of the talents” and that only outstanding talents can drive the development and progress of the Group’s various businesses. In the face of the normalization of the Pandemic, the Group strives to care for its employees by reducing their physical and mental stress through a series of activities, so that they can work with a positive attitude.

Digital Transformation

In order to enhance operational and management efficiency, the Group set up a professional team in 2021 to establish a “data-insight-action” mindset through the introduction of artificial intelligence, big data tools and data analysis technologies, with SAP ERP digital core operating platform as the cornerstone, in order to promote intergroup collaborative business optimization changes, enhance business decision-making efficiency and build an end-to-end enterprise digital ecosystem. In the first half of 2022, the Group gradually implemented the digital transformation plan in four areas: operation, R&D, finance and funds management.

In terms of operation, the Group has integrated material, procurement and production information into a database and displayed it visually, allowing management to better analyze the real-time status of business operations and provide data support for better, faster and more accurate production decisions. In terms of R&D, the Group has officially launched the construction of the PLM (Product Lifecycle Management) project and by standardized management of the R&D data, the Group established a four-stage standardized process of “Requirement - Project - Planning - Execution” to achieve the deep mining of digital assets and effective accumulation. Driven by the workflow in the closed loop, the Group achieved synergistic R&D and repetitive use of formulas across disciplines and geographies. In terms of finance, the Group has built a financial database, and based on the principle of “unified management and hierarchical application”, financial reports are integrated, standardized, automated and expandable, enhancing the efficiency of preparing financial statements and strengthening the ability of financial control. In terms of funds management, the Group has completed the initial construction of a funds management platform, linking bank account management, real-time monitoring of payments and receipts as well as settlement to realize the visualization of funds transactions and enhance the efficiency of funds management.

Digital transformation can effectively improve the Group’s efficiency in R&D, production and sales, and connect more closely with suppliers, employees and customers, enabling the Group to accumulate and analyze operational information, and enabling the management to make decisions more scientifically and efficiently, which is an important driver for the Group to implement its strategies and advance its business development.

管理層討論及分析 (續)

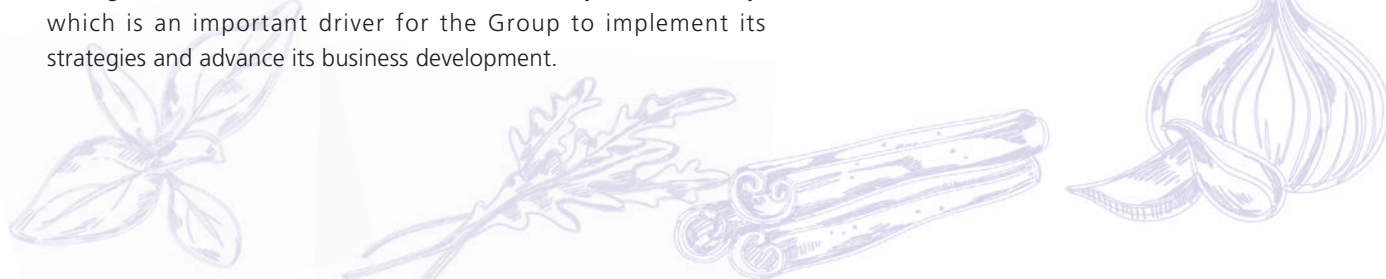
集團相信「事在人為」，優秀的人才才能夠推進集團各項業務的發展和進步。在疫情常態化的情況下，集團努力做好公司員工的關懷，通過一系列活動，減輕員工的身心壓力，讓員工能夠以積極的態度工作。

數字化轉型

為了提升營運和管理效率，集團在2021年組建專業團隊，以SAP ERP數字化核心運營平台為基石，通過引入人工智能、大數據工具並結合數據分析技術，建立「數據－洞察－行動」的工作思路，推進集團業務協同優化變革、提升業務決策效率、構建端到端的企業數字生態。2022年上半年，集團從運營、研發、財務、資金管理四個方面入手，逐步實施數字化轉型方案。

運營方面，集團將物料、採購、生產的數據整合成數據庫，並進行可視化展示，讓管理層更好的分析企業經營的實時狀況，為更好、更快、更準的生產決策提供數據支持。研發方面，集團正式啟動了產品生命週期管理系統 (PLM)項目建設，通過對研發數據的標準化管理，構建了「需求－立項－規劃－執行」四個階段的標準化流程，實現技術資產的深度挖掘和有效沉澱。集團通過閉環的流程驅動，實現多學科、跨地域的協同研發與配方復用。財務方面，集團建設了財務數據庫，以「統一管理、分級應用」為原則，使財務報告實現一體化、規範化、自動化和可拓展化，提升了編製財務報表的效率、強化了財務管控的能力。資金管理方面，集團完成了資金管理平台的初步建設，將銀行賬戶管理、收付款實時監控以及結算連接在一起，實現資金交易的可視化，提升資金管理的效率。

數字化轉型能夠有效提升集團在研發、生產、銷售方面的效率，並更加緊密地連接供應商、僱員以及客戶，讓集團能夠積累和分析運營數據，使管理層能夠更加科學、高效地做決策，是集團實施戰略和推進業務發展的重要引擎。



Management Discussion and Analysis (cont'd)

Outlook

The Group embraces the vision of “flavour your life” and undertakes the mission of “Green, Healthy, and Nutritious”, and continue to implement the concentric and diversified strategy in the taste-based consumption market. The Group strives to develop business in the innovative tobacco field, and at the same time to further its development in the natural and healthy foods and condiments fields by organic growth and mergers and acquisitions. The Group is committed to offering healthy and delicious foods to improve customers’ life quality and health levels, and become a reliable brand and partner of customers.

At present, Pandemic prevention and control in China has been normalized and enterprises have accumulated rich experience in Pandemic prevention and control to minimize the impact of the Pandemic on their normal operations and production. In order to promote further economic recovery, the Chinese government has introduced targeted monetary and fiscal policies to stimulate investment and consumption. The Group believes that China’s economy is resilient and has great potential, and is expected to continue to recover and grow. The Group will formulate strategies to promote the business development of each segment based on their characteristics. The Group is confident in the development of each business in the second half of the year.

For F&F and food ingredients, the Group will focus on cost control and supply assurance, increase investment in product R&D, and actively develop and expand overseas markets to promote the rapid development of its food ingredients business. As for tobacco raw materials, the Group will actively explore the demand of overseas customers for HNB cigarettes RTL, build up reputation with quality products and expand customer base. The Group will promote food capsules to more food and beverage customers to increase the revenue share of food capsules and optimize revenue sources. In terms of aroma raw materials, the Group will further optimize and release the capacity, strengthen safety production, and improve production and operation efficiency. In terms of condiments, the Pandemic prevention and control has become normalized, and the catering industry is turning to the combined operation of “dine-in + take-out”. The Group will examine the product mix, optimize the sales strategy and strengthen the supply chain management, so that the condiment business can operate efficiently and normally. The Pandemic is an unpredictable and unexpected event, which has a significant and prolonged negative impact on the catering industry, thus slowing down its expected development. The Group will cooperate with the government’s Pandemic prevention requirements and closely monitor the development trend and dynamics of the catering and condiment market to enhance its competitiveness and continue to promote its business development.

管理層討論及分析 (續)

展望

集團「以美味生活引領者」為願景，以「綠色、健康、營養」為使命，持續推進在味覺系消費品領域的同心多元化戰略。集團努力發展在新型煙草領域的相關業務，同時通過內生增長和外延併購的方式推進在天然和健康食品及調味品領域的發展。集團致力於提供更加健康美味的產品，改善消費者的生活質量和健康水平，成為值得消費者信賴的品牌和夥伴。

當前，中國疫情防控已經常態化，企業也積累了豐富的疫情防控經驗，能夠將疫情對企業正常經營和生產的影響降到最小。為了推進經濟進一步復甦，中國政府出台了有針對性的貨幣政策和財政政策刺激投資和消費。集團相信中國經濟韌性強、潛力大，有望繼續保持恢復和發展。集團會針對每個板塊的特點，制定策略，推進各個板塊業務發展。集團對各業務下半年的發展充滿信心。

香精及食品配料方面，集團將把精力集中在成本控制和供應保障之上，加大在產品研發方面的投入，積極佈局和拓展海外市場，推進食品配料業務的快速發展。煙用原料方面，集團將會積極開發海外客戶對加熱不燃燒捲煙再造煙葉的需求，用優質的產品建立口碑，擴大客戶群。集團會將食品用膠囊向更多的食品飲料客戶進行推廣，提升食品用膠囊的收入佔比，優化收入來源。香原料方面，集團會進一步優化和釋放產能，加強安全生產、提高生產和經營效率。調味品方面，疫情防控已經步入常態化，餐飲行業正轉向「堂食+外賣」的組合式經營，集團會檢視產品組合、優化銷售策略、加強供應鏈管理，使調味品業務高效正常的運營。新冠疫情屬於不可預測的意外事件，對餐飲行業的負面衝擊大、時間長，拖慢了餐飲行業預期的發展速度。本集團會配合政府防疫要求並密切監測餐飲市場和調味品市場的發展趨勢和動態，提升自身的競爭力，持續推進業務發展。



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

FINANCIAL REVIEW

Analysis of interim results for the six months ended 30 June 2022

Revenue

For the six months ended 30 June 2022, the Group's revenue amounted to RMB1,847,152,000, representing an increase of 4.7% as compared with RMB1,763,675,000 for the corresponding period last year. The increase in the revenue was mainly due to the revenue of aroma raw materials segment increased by RMB157,796,000 or 49.3% year-on-year, resulted from the mass production in Jiangxi Xianghai during the Reporting Period. However, due to lower sales volume as a result of increased competition in the market, the revenue of F&F and food ingredient segment declined by 2.5% year-on-year to RMB887,955,000. Also, due to the lower demand for traditional RTL products and intense competition in the cigarette capsule industry that resulted in a declining sales price of capsule, revenue of tobacco raw materials segment declined by 8.1% year-on-year to RMB191,872,000. In addition, due to the decrease in customer demand as a result of the impact of the Pandemic on the catering industry, revenue of condiment segment decreased significantly by 10.8% year-on-year to RMB289,264,000. As a result, the increase in revenue was offset largely.

Cost of goods sold

The Group's cost of goods sold amounted to RMB880,123,000 for the six months ended 30 June 2022, representing an increase of 24.0% as compared with RMB709,694,000 for the corresponding period last year.

Gross profit and gross profit margin

The Group's gross profit decreased from RMB1,053,981,000 for the six months ended 30 June 2021 to RMB967,029,000 for the six months ended 30 June 2022, representing a decrease of approximately 8.2%. The decrease in gross profit was mainly attributable to the decrease in gross profit margin of the current reporting period. The Group's gross profit margin for the current reporting period was approximately 52.4%, representing a decrease of approximately 7.4 percentage points as compared with 59.8% for the same period last year. It was mainly attributable to the increase in production cost as a result of inflation and the price increase of major commodities, and the changes in products' mix of the Group.

財務狀況回顧

截至2022年6月30日止六個月的中期業績分析

營業額

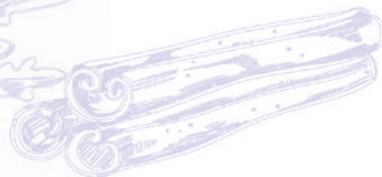
截至2022年6月30日止六個月，本集團的營業額達到人民幣1,847,152,000元，較去年同期的人民幣1,763,675,000元增加了4.7%。營業額的增加，主要因為於報告期內江西香海實現規模化生產，香原料板塊營業額同比增加人民幣157,796,000元，增加了49.3%。但是，由於市場競爭加劇導致銷量減少，香精及食品配料板塊的營業額同比減少了2.5%至人民幣887,955,000元；傳統再造煙葉需求減少和煙用膠囊行業競爭激烈導致銷售價格下滑，煙用原料板塊的營業額同比減少了8.1%至人民幣191,872,000元；以及新冠肺炎疫情影響餐飲行業，導致客戶需求減少，調味品板塊營業額同比大幅減少了10.8%至人民幣289,264,000元，而抵銷了大部份升幅。

銷售成本

截至2022年6月30日止六個月，本集團的銷售成本為人民幣880,123,000元，較去年同期的人民幣709,694,000元增加了24.0%。

毛利和毛利率

本集團的毛利由截至2021年6月30日止六個月的人民幣1,053,981,000元下降至截至2022年6月30日止六個月的人民幣967,029,000元，減少約8.2%。毛利的下跌，主要由於本報告期的毛利率有所下降。本集團本報告期的毛利率約為52.4%，比去年同期的59.8%下降了約7.4個百分點，主要因為通脹和大宗商品價格上漲導致成本增加，以及本集團產品結構有所變化。



Management Discussion and Analysis (cont'd)

Other income and other gains – net

For the six months ended 30 June 2022, other income and other gains (net) of the Group was RMB100,227,000, representing a decrease of RMB121,847,000 as compared with RMB222,074,000 for the corresponding period last year. The decrease in other income and other gains was mainly due to the income from changes in fair values of financial assets at FVPL reached approximately RMB21,025,000 in the current period, representing a decrease of RMB79,820,000 as compared with RMB100,845,000 of the corresponding period last year. Also, a loss of RMB24,083,000 for the changes in fair value of previously held interests in a jointly controlled entity upon acquisition as a subsidiary was recorded in the current period.

Selling and marketing expenses

The selling and marketing expenses of the Group comprised mainly travelling expenses, advertising and promotion expenses, salaries and office expenses, etc. The selling and marketing expenses of the Group for the six months ended 30 June 2022 was RMB174,159,000, representing an increase of 28.2% as compared with RMB135,821,000 for the corresponding period last year. Selling and marketing expenses for the current reporting period accounted for approximately 9.4% of the total revenue, representing an increase of 1.7 percentage points as compared with approximately 7.7% for the six months ended 30 June 2021. The increase in such ratio and the increase in the selling and marketing expenses were mainly attributable to the Group's increase in marketing and promotion expenses in response to the fierce market competition and the increase in staff expenses.

Administrative expenses

The Group's administrative expenses amounted to RMB412,252,000 for the six months ended 30 June 2022, representing an increase of RMB7,463,000 or 1.8% as compared with RMB404,789,000 for the corresponding period last year. Administrative expenses for the current reporting period accounted for approximately 22.3% of the total revenue, which was basically the same as approximately 23.0% for the six months ended 30 June 2021.

Operating profit/loss

For the six months ended 30 June 2022, the Group's operating loss was RMB141,776,000, representing a decrease of RMB875,349,000 as compared with the operating profit of RMB733,573,000 for the six months ended 30 June 2021. It was mainly due to Jiahao's goodwill impairment of RMB614,331,000 and a loss of RMB24,083,000 for the changes in fair value of previously held interests in a jointly controlled entity upon acquisition as a subsidiary were recognised in the current period whereas no such losses were recorded in the same period last year. Also, the income from changes in fair value of financial assets at FVPL decreased by RMB79,820,000 year-on-year, and the decline in gross profit.

管理層討論及分析 (續)

其他收入及其他收益－淨額

截至2022年6月30日止六個月，本集團的其他收入及其他收益(淨額)為人民幣100,227,000元，較去年同期的人民幣222,074,000元減少了人民幣121,847,000元。其他收入及其他收益的減少主要是由於本期錄得以公允價值計量且其變動計入損益之金融資產公允價值變動收益約人民幣21,025,000元，比去年同期的人民幣100,845,000元減少了人民幣79,820,000元。同時，本期錄得之前持有共同控制實體權益於成為附屬公司時之公允價值變動虧損人民幣24,083,000元。

銷售及市場推廣開支

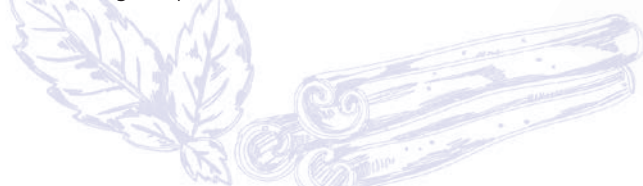
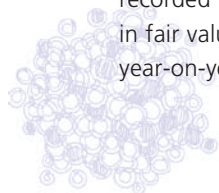
本集團銷售及市場推廣開支主要包括差旅費、廣告及宣傳費、薪金及辦公費用等。本集團截至2022年6月30日止六個月的銷售及市場推廣開支為人民幣174,159,000元，較去年同期的人民幣135,821,000元上升了28.2%。而本報告期的銷售及市場推廣開支所佔營業總額的比例為約9.4%，較截至2021年6月30日止六個月的約7.7%上升了約1.7個百分點。該比例和銷售及市場推廣開支的上升主要是因為本報告期間本集團增加市場推廣費用以應對激烈的市場競爭，以及員工開支有所增加。

行政開支

本集團的行政開支在截至2022年6月30日止六個月為人民幣412,252,000元，較去年同期的人民幣404,789,000元上升了人民幣7,463,000元，上升了1.8%，而本報告期的行政開支所佔營業總額的比例為約22.3%，與截至2021年6月30日止六個月的約23.0%基本持平。

營運盈利／虧損

截至2022年6月30日止六個月，本集團的營運虧損為人民幣141,776,000元，較截至2021年6月30日止六個月的營運盈利人民幣733,573,000元，下跌了人民幣875,349,000元，主要因為本報告期確認了嘉豪商譽減值人民幣614,331,000元和之前持有共同控制實體權益於成為附屬公司時之公允價值變動虧損人民幣24,083,000元而去年同期沒有；同時，以公允價值計量且其變動計入損益之金融資產公允價值變動收益同比減少了人民幣79,820,000元，以及毛利的下跌。



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

If Jiahao's goodwill impairment of RMB614,331,000 and the loss of RMB24,083,000 for the changes in fair value of previously held interests in a jointly controlled entity upon acquisition as a subsidiary were excluded, and the income from changes in fair values of financial assets at FVPL of RMB21,025,000 for the current period and RMB100,845,000 for the corresponding period last year were both excluded respectively, the operating profit for the current reporting period would be RMB475,613,000, representing a decrease of 24.8% as compared with the corresponding period last year of RMB632,728,000 (income from changes in fair values of financial assets at FVPL were excluded); the operating profit margin for the current period would be approximately 25.7%, representing a decrease of 10.2 percentage points as compared with approximately 35.9% (income from changes in fair values of financial assets at FVPL were excluded) for the corresponding period last year, which was mainly due to the decrease in gross profit margin and the increase in the ratio of selling and marketing expenses to revenue.

如果同時撇除嘉豪商譽減值人民幣614,331,000元和之前持有共同控制實體權益於成為附屬公司時之公允價值變動虧損人民幣24,083,000元的影響，以及本報告期和去年同期的以公允價值計量且其變動計入損益之金融資產公允價值變動收益分別為人民幣21,025,000元和人民幣100,845,000元的影響，本報告期的營運盈利為人民幣475,613,000元，比去年同期的人民幣632,728,000元(撇除以公允價值計量且其變動計入損益之金融資產公允價值變動收益後)下跌了24.8%，營運盈利率約為25.7%，比去年同期的約35.9%(撇除以公允價值計量且其變動計入損益之金融資產公允價值變動收益後)下跌了10.2個百分點，主要因為本報告期毛利率下跌以及銷售及市場推廣開支所佔營業額的比例增加所致。

Income tax expenses

For the six months ended 30 June 2022, the income tax expenses of the Group was RMB105,639,000, representing a decrease of 38.5% as compared with RMB171,899,000 for the six months ended 30 June 2021. If Jiahao's goodwill impairment of the current period were excluded, income tax rate of the current reporting period would be approximately 21.7%, representing a decrease of approximately 1.1 percentage points as compared with approximately 22.8% for the six months ended 30 June 2021, which was mainly attributable to the decrease in withholding income tax on dividends distribution by subsidiaries in Mainland in the current reporting period.

稅務開支

截至2022年6月30日止六個月，本集團的稅務開支為人民幣105,639,000元，較截至2021年6月30日止六個月的人民幣171,899,000元，減少了38.5%。如果撇除了本期的嘉豪商譽減值的影響，本期所得稅稅率約為21.7%，較截至2021年6月30日止六個月的約22.8%下跌了約1.1個百分點，主要由於本報告期國內附屬公司因分派股息而產生的預提所得稅有所減少。

Profit/loss for the period

For the six months ended 30 June 2022, the Group's loss for the period was RMB233,031,000, representing a decrease of RMB814,496,000 as compared with the profit for the period of RMB581,465,000 for the six months ended 30 June 2021. It was mainly due to Jiahao's goodwill impairment of RMB614,331,000 and a loss of RMB24,083,000 for the changes in fair value of previously held interests in a jointly controlled entity upon acquisition as a subsidiary were recognised in the current period whereas no such losses were recorded in the same period last year, the income from changes in fair value of financial assets at FVPL decreased by RMB79,820,000, and the decline in gross profit.

本期間盈利／虧損

截至2022年6月30日止六個月，本期間虧損為人民幣233,031,000元，較去年同期的本期間盈利人民幣581,465,000元，下跌了人民幣814,496,000元，主要因為本報告期確認了嘉豪商譽減值人民幣614,331,000元和之前持有共同控制實體權益於成為附屬公司時之公允價值變動虧損人民幣24,083,000元而去年同期沒有，以公允價值計量且其變動計入損益之金融資產公允價值變動收益減少了人民幣79,820,000元，以及毛利的下跌。



Management Discussion and Analysis (cont'd)

If Jiahao's goodwill impairment of RMB614,331,000, the loss of RMB24,083,000 for the changes in fair value of previously held interests in a jointly controlled entity upon acquisition as a subsidiary were excluded, and the income from changes in fair values of financial assets at FVPL of RMB21,025,000 for the current period and RMB100,845,000 for the corresponding period last year were both excluded respectively, the profit for the current reporting period would be RMB384,358,000, representing a decrease of 20.0% as compared with the corresponding period last year of RMB480,620,000 (income from changes in fair values of financial assets at FVPL were excluded).

Profit/loss attributable to the equity holders of the Company

For the six months ended 30 June 2022, the loss attributable to the equity holders of the Company was RMB313,531,000, representing a decrease of RMB794,660,000 as compared with the profit attributable to the equity holders of the Company of RMB481,129,000 in the same period last year. It was mainly due to Jiahao's goodwill impairment of RMB614,331,000 and the loss of RMB24,083,000 for the changes in fair value of previously held interests in a jointly controlled entity upon acquisition as a subsidiary were recognised in the current period whereas no such losses were recorded in the same period last year, the income from changes in fair value of financial assets at FVPL decreased by RMB79,820,000, and the decline in gross profit.

Net current asset value and financial resources

As at 30 June 2022, the net current asset value of the Group was RMB6,899,443,000 (31 December 2021: RMB6,738,947,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 30 June 2022, the Group's cash and bank balances (including fixed deposit) amounted to RMB4,406,236,000 (31 December 2021: RMB3,553,409,000), over 70% of which were held in RMB. In addition, the Group held bank wealth management products amounted to RMB1,512,359,000 (31 December 2021: RMB3,256,499,000) which was classified as financial assets at fair value through profit or loss.

管理層討論及分析 (續)

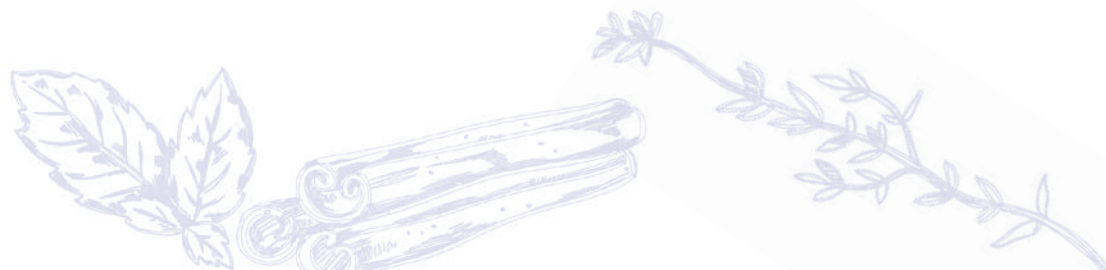
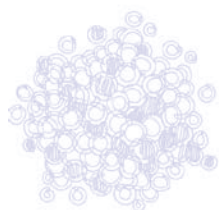
如果同時撇除嘉豪商譽減值人民幣614,331,000元和之前持有共同控制實體權益於成為附屬公司時之公允價值變動虧損人民幣24,083,000元的影響，以及本報告期和去年同期的以公允價值計量且其變動計入損益之金融資產公允價值變動收益分別為人民幣21,025,000元和人民幣100,845,000元的影響，本期間盈利約為人民幣384,358,000元，比去年同期的人民幣480,620,000元（撇除以公允價值計量且其變動計入損益之金融資產公允價值變動收益後）下跌了20.0%。

本公司權益持有人應佔盈利／虧損

截至2022年6月30日止六個月，本公司權益持有人應佔虧損為人民幣313,531,000元，較去年同期本公司權益持有人應佔盈利人民幣481,129,000元，下跌了人民幣794,660,000元，主要因為本報告期確認了嘉豪商譽減值人民幣614,331,000元和之前持有共同控制實體權益於成為附屬公司時之公允價值變動虧損人民幣24,083,000元而去年同期沒有，以公允價值計量且其變動計入損益之金融資產公允價值變動收益減少了人民幣79,820,000元，以及毛利的下跌。

流動資產淨值和財務資源

於2022年6月30日，本集團的流動資產淨值為人民幣6,899,443,000元（2021年12月31日：人民幣6,738,947,000元）。本集團主要透過經營業務提供營運資金，維持穩健財務狀況。於2022年6月30日，本集團的銀行及庫存現金（包括定期存款）為人民幣4,406,236,000元（2021年12月31日：人民幣3,553,409,000元），其中超過70%是以人民幣持有。此外，本集團於2022年6月30日持有仍未到期之銀行財富管理產品之公允值為人民幣1,512,359,000元（2021年12月31日：人民幣3,256,499,000元），此項以公允價值計量且其變動計入損益之金融資產列示。



Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Bank borrowings and gearing ratio

As at 30 June 2022, the Group had bank borrowings of RMB507,009,000 (31 December 2021: RMB962,774,000), of which secured loans amounted to RMB65,000,000 (31 December 2021: nil) and the unsecured loans amounted to RMB442,009,000 (31 December 2021: RMB962,774,000), all of which were due within one year. Out of the total bank borrowings, approximately RMB421,490,000 (31 December 2021: RMB459,950,000) of which was denominated in RMB and approximately RMB85,519,000 (31 December 2021: RMB502,824,000) of which was denominated in HKD. For the six months ended 30 June 2022, the average annual interest rate of the secured loan was 4.4% (six months ended 30 June 2021: 5.7%), and the average annual interest rate of the unsecured loans was 3.2% (six months ended 30 June 2021: 2.2%). As at 30 June 2022, the Group's gearing ratio (total borrowings, include current and non-current borrowings, divided by total equity (excludes non-controlling interests)) was 3.8%, which was decreased by 3.1 percentage points from 6.9% as of 31 December 2021.

Investing activities

The Group's investing activities included the purchase of property, plant and equipment, financial assets investment and merger & acquisition activities related to the strategical development strategies. For the six months ended 30 June 2022, the net cash generated from investing activities amounted to RMB1,212,247,000, mainly the proceeds from wealth management products upon expiry. For the six months ended 30 June 2021, the net cash used in investing activities amounted to RMB172,382,000.

Financing activities

For the six months ended 30 June 2022, the net cash used in financing activities amounted to RMB852,998,000, mainly comprised of repayment of bank loans of RMB702,144,000, payment of cash dividends of approximately RMB54,821,000 to shareholders of the Company, cash dividends of RMB176,024,000 paid to non-controlling interests, and addition of bank loans of RMB107,790,000. For the six months ended 30 June 2021, the net cash used in financing activities amounted to RMB1,332,942,000.

銀行貸款及負債比率

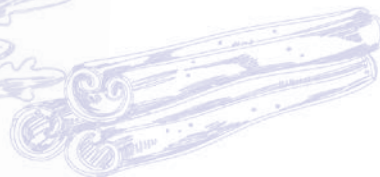
於2022年6月30日，本集團的銀行貸款總額為人民幣507,009,000元（2021年12月31日：人民幣962,774,000元），當中有抵押貸款為人民幣65,000,000元（2021年12月31日：無），而無抵押貸款為人民幣442,009,000元（2021年12月31日：人民幣962,774,000元），全部於一年內到期償還。銀行貸款總額當中，人民幣貸款約為人民幣421,490,000元（2021年12月31日：人民幣459,950,000元）而港幣貸款約為人民幣85,519,000元（2021年12月31日：人民幣502,824,000元）。截至2022年6月30日止六個月，有抵押貸款之平均年息率為4.4厘（截至2021年6月30日止六個月：5.7厘）；而無抵押貸款之平均年息率為3.2厘（截至2021年6月30日止六個月：2.2厘）。於2022年6月30日，本集團之負債比率（總貸款（包括流動及非流動貸款）除以總權益，不含非控制性權益）為3.8%，較於2021年12月31日的6.9%下降了3.1個百分點。

投資活動

本集團的投資活動主要包括購買物業、機器及設備；金融資產投資和與戰略性發展策略有關的收購兼併活動。截至2022年6月30日止六個月，投資活動產生的現金淨額為人民幣1,212,247,000元，主要是銀行理財產品到期所得款。而截至2021年6月30日止六個月，投資活動所用的現金淨額為人民幣172,382,000元。

融資活動

截至2022年6月30日止六個月，本集團融資活動所用的現金淨額為人民幣852,998,000元，主要包括償還銀行貸款人民幣702,144,000元、向本公司股東支付約人民幣54,821,000元之現金股息、向非控制性權益支付人民幣176,024,000元之現金股息、及新增銀行貸款人民幣107,790,000元。而截至2021年6月30日止六個月，融資活動所用的現金淨額為人民幣1,332,942,000元。



Management Discussion and Analysis (cont'd)

Trade receivables turnover period

Trade receivables turnover period is calculated on the basis of the average amount of trade receivables as at the beginning and at the end of a relevant financial period divided by the total revenue for the corresponding period and multiplied by 180 days. The Group generally offers its customers a credit period of approximately 0-180 days, depending on the business volume of, and the length of business relationship with the customers. For the six months ended 30 June 2022, the Group's average trade receivables turnover period was 91 days, representing an increase of 4 days as compared with 87 days for the last financial year ended 31 December 2021, while representing a decrease of 3 days as compared with 94 days of the corresponding period last year. The ratio basically remained stable.

Trade payables turnover period

Trade payables turnover period is calculated on the basis of the average amount of trade payables as at the beginning and at the end of a relevant financial period divided by the cost of goods sold for the corresponding period and multiplied by 180 days. Credit periods granted by suppliers to the Group ranged from 0-180 days. For the six months ended 30 June 2022, the Group's average trade payables turnover period was 63 days, representing a decrease of 2 days as compared with 65 days for the last financial year ended 31 December 2021, while representing a decrease of 3 days as compared with 66 days of the corresponding period last year. The ratio basically remained stable.

Inventory and inventory turnover period

As at 30 June 2022, the Group's inventory balance amounted to RMB1,001,984,000, representing an increase of RMB104,758,000 as compared with the balance of RMB897,226,000 as at 31 December 2021. For the six months ended 30 June 2022, the Group's inventory turnover period (calculated on the basis of the average amount of inventory balances as at the beginning and at the end of a relevant financial period divided by the total cost of goods sold for the corresponding period and multiplied by 180 days) was 194 days, decreased by 31 days as compared with 225 days of the corresponding period last year. The decrease of such ratio was mainly due to the Group's effective management of inventory. Such ratio was basically remained stable as compared with 199 days of the last financial year ended 31 December 2021.

管理層討論及分析 (續)

應收賬周轉期

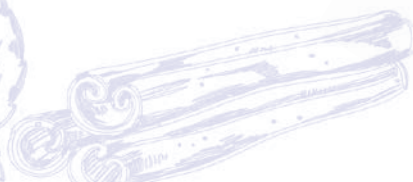
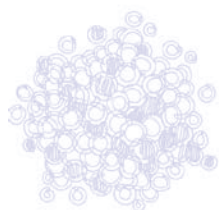
應收賬周轉期乃通過將有關財政年度期初及期末經扣除撥備的應收貿易賬款平均金額除以相應期間的營業總額再乘以180天計算。本集團一般給予客戶約0至180日的信貸期，根據客戶業務量的大小和業務關係時間長短而定。截至2022年6月30日止六個月，本集團的平均應收賬周轉期為91日，比較截至2021年12月31日止上一財政年度的87日稍微上升了4日，而比去年同期的94日下降了3天，指標維持穩定。

應付賬周轉期

應付賬周轉期乃通過將有關財政年度期初及期末的應付貿易賬款平均金額除以相應期間的銷售成本再乘以180天計算。供應商給予本集團的信貸期介乎0至180日。截至2022年6月30日止六個月，本集團的平均應付賬周轉期為63日，比截至2021年12月31日止上一財政年度的65日下降了2天，而比去年同期的66日下降了3天，指標維持穩定。

存貨和存貨周轉期

本集團的存貨結餘於2022年6月30日為人民幣1,001,984,000元，比2021年12月31日的人民幣897,226,000元，上升了人民幣104,758,000元。截至2022年6月30日止六個月，本集團的存貨周轉期（將有關財政年度期初及期末的存貨平均結餘除以相應期間的銷售成本總額再乘以180天計算）為194日，與去年同期的225天大幅下降了31天，此指標的下降，主要是本集團有效管理庫存所致。此指標與截至2021年12月31日止上一財政年度的199天基本保持穩定。



Management Discussion and Analysis (cont'd)

Foreign exchange and exchange rate risk

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

Pledge of assets

As at 30 June 2022, certain buildings and right-of-use for land of Shanghai Yifang Group with total carrying values of RMB18,158,000 were used as collateral for bank loans of RMB65,000,000 (31 December 2021: nil).

Capital Commitments

As at 30 June 2022, the Group had capital commitments in respect of the purchase of property, plant, equipment, intangible assets, investment in a jointly controlled entity and financial assets at FVPL, contracted for but not provided in the financial statements amounted to approximately RMB202,767,000 (31 December 2021: RMB251,181,000).

Contingent liabilities

According to the information available to the Board, the Group had no contingent liabilities as at 30 June 2022.

管理層討論及分析 (續)

外匯及匯率風險

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

資產抵押

於2022年6月30日，本集團以上海奕方集團賬面值為人民幣18,158,000元的物業及土地使用權作為人民幣65,000,000元銀行貸款之抵押（2021年12月31日：無）。

資本承擔

於2022年6月30日，本集團就已訂約購買的物業、廠房、設備、無形資產、於共同控制實體之投資、以公允價值計量且其變動計入損益之金融資產之投資但並未於財務報表撥備的資本承擔約人民幣202,767,000元（2021年12月31日：人民幣251,181,000元）。

或然負債

根據可供董事會查閱的資料，本集團於2022年6月30日並無任何重大的或然負債。



Other Information

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, the interests and short positions of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives are taken or deemed to have under such provisions of the SFO) or which are required to be and are recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in ordinary shares of the Company

Name of Director(s)	Capacity	Number of issued Shares held 持有已發行股份數目	Percentage of the issued share capital 佔已發行股本百分比
董事姓名	身份		
CHU Lam Yiu 朱林瑤	Held through controlled corporations (Note) 透過受控制公司持有 (附註)	2,293,408,900	71.00%
CHOY Man Har 蔡文霞	Beneficial owner 實益擁有人	3,000	0.00%

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

Save as disclosed above, as at 30 June 2022, the Company is not aware of any of the Directors or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its subsidiaries or associated companies as defined in the SFO.

SHARE OPTION SCHEME

Pursuant to a share option scheme (the "Share Option Scheme") adopted on 9 August 2016 ("2016 Scheme Adoption Date"), the Share Option Scheme shall be valid and effective for a period of ten years commencing on the 2016 Scheme Adoption Date (can be terminated before expiration). The Company did not grant any share options under the Share Option Scheme during the Reporting Period. As at 30 June 2022, there were no outstanding share options granted by the Company under the Share Option Scheme and there were no share options exercised, cancelled or lapsed during the Reporting Period under the Share Option Scheme.

其他資料

董事於股份、相關股份及債券之權益

於2022年6月30日，董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例之條文董事及最高行政人員被當作或視作為擁有的權益及淡倉）；或本公司根據證券及期貨條例第352條規定所存置之登記冊所記錄之權益及淡倉；或擁有根據標準守則規定而須知會本公司及聯交所之權益及淡倉如下：

本公司之普通股好倉

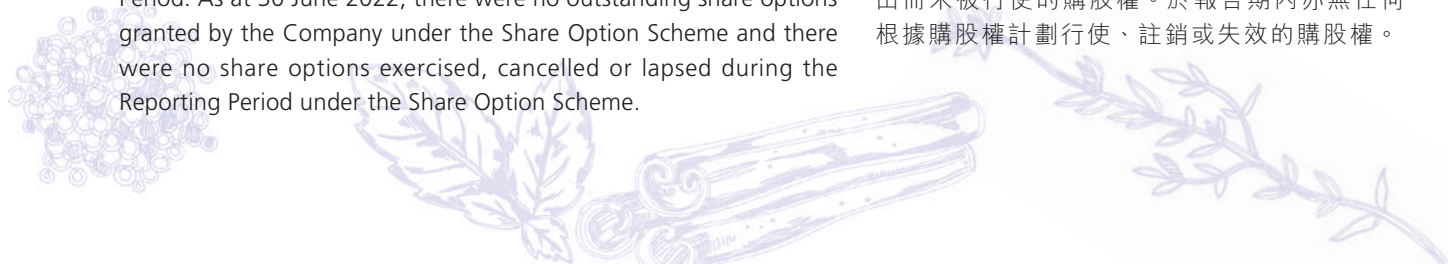
Number of issued Shares held 持有已發行股份數目	Percentage of the issued share capital 佔已發行股本百分比
2,293,408,900	71.00%
3,000	0.00%

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

除上文所披露者外，於2022年6月30日，本公司並不知悉有任何董事或彼等之緊密聯繫人於本公司或其任何附屬公司或相聯法團（定義見證券及期貨條例）之任何股份、相關股份或債券中擁有任何權益或淡倉。

購股權計劃

根據本公司於2016年8月9日（「2016年計劃採納日期」）採納的一項購股權計劃（「購股權計劃」），購股權計劃自2016年計劃採納日期起十年內有效（可提前終止）。本公司於報告期內並無根據購股權計劃授出任何購股權。於2022年6月30日，本公司無任何根據購股權計劃授出而未被行使的購股權。於報告期內亦無任何根據購股權計劃行使、註銷或失效的購股權。



Other Information (cont'd)

GUANGDONG JIAHAO SHARE INCENTIVE SCHEME

Pursuant to a written resolution of the directors of Guangdong Jiahao passed on 15 October 2020, Guangdong Jiahao, an indirect non-wholly-owned subsidiary of the Company, approved, adopted and implemented the Guangdong Jiahao Share Incentive Scheme (the “Guangdong Jiahao Share Incentive Scheme”), pursuant to which eligible participants will be entitled to participate. The Guangdong Jiahao Share Incentive Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules.

For the purpose of the Guangdong Jiahao Share Incentive Scheme, four limited partnerships have been established, namely Yingtan Xiangshan Corporate Advisory Centre (Limited Partnership) (鷹潭香山企業諮詢中心(有限合夥)), Yingtan Zhonghao Corporate Advisory Centre (Limited Partnership) (鷹潭中豪企業諮詢中心(有限合夥)), Yingtan Guanghao Corporate Advisory Centre (Limited Partnership) (鷹潭廣豪企業諮詢中心(有限合夥)) and Yingtan Huajia Corporate Advisory Centre (Limited Partnership) (鷹潭華嘉企業諮詢中心(有限合夥)), through which the participants indirectly hold approximately 1.75% equity interests in Guangdong Jiahao and the relevant awards have vested in the employees shareholding platforms as at 30 June 2022.

As at 30 June 2022, the Guangdong Jiahao Share Incentive Scheme has covered in total 67 participants, including directors and senior management of Guangdong Jiahao. The chairman of Guangdong Jiahao, XIA Liquan, is also a director of the Company and one of the participants.

SHARE AWARD SCHEME

The Company adopted the share award scheme (the “Share Award Scheme”) on 20 May 2022 (the “Adoption Date”) for a term of 10 years from the Adoption Date. The purposes and objectives of the Share Award Scheme are to recognise, reward, remunerate, compensate and motivate the contribution of certain participants and to provide incentives and help the Group in retaining its existing employees and recruiting suitable personnel as additional employees to further the operation and development of the Group, by providing them with a direct economic interest in attaining the Group’s long-term business objectives, implementing the Group’s long-term business strategy, enhancing the Group’s values and promoting the Group’s growth and development.

The Share Award Scheme shall be subject to the administration of the Board in accordance with the rules related to the Share Award Scheme, the respective trust deed(s) relevant to the establishment of the trust(s) to support and facilitate the operation of the Share Award Scheme, and all applicable laws and regulations.

其他資料 (續)

廣東嘉豪股權激勵計劃

於2020年10月15日，廣東嘉豪（一家本公司間接持有之非全資附屬公司），通過了董事書面決議案，批准採納並執行廣東嘉豪股權激勵計劃（「廣東嘉豪股權激勵計劃」）。其中，合資格參與者將有權參與。廣東嘉豪股權激勵計劃不構成於上市規則第17章項下之股份期權計劃。

為廣東嘉豪股權激勵計劃之目的，設有鷹潭香山企業諮詢中心（有限合夥）、鷹潭中豪企業諮詢中心（有限合夥）、鷹潭廣豪企業諮詢中心（有限合夥）、鷹潭華嘉企業諮詢中心（有限合夥）四個有限合夥企業，於2022年6月30日激勵對象通過前述有限合夥企業間接持有廣東嘉豪的約1.75%股權，有關獎勵已歸屬到員工持股平台。

於2022年6月30日，廣東嘉豪股權激勵計劃下的激勵對象已涵蓋共67人，包括廣東嘉豪董事及高管；其中包括其董事長夏利群（亦為本公司董事）。

股份獎勵計劃

本公司於2022年5月20日（「採納日期」），採納一項股份獎勵計劃（「該股份獎勵計劃」）有效期自採納日期起計10年。該股份獎勵計劃目的及目標是為嘉許、獎勵、報酬、補償及激勵若干參與者的貢獻，並透過向彼等提供直接經濟利益，以實現本集團的長遠業務目標、實施本集團的長遠業務策略、提升本集團的價值及推進本集團的增長及發展，並提供獎勵及協助本集團挽留其現有僱員及招聘合適人員作為額外僱員，以促進本集團的經營及發展。

該股份獎勵計劃須由董事會根據該股份獎勵計劃相關規則、與設立信託相關的信託契約以支持和促進該股份獎勵計劃的運作以及所有適用的法律法規進行管理。



Other Information (cont'd)

Participants of the Share Award Scheme cover any employee, officer or director of any member of the Group or of any affiliate of the Company, and any person (including advisor, consultant or other service provider) who provides services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group as determined by the Remuneration Committee and other person as permitted under the Listing Rules whom the Board in its sole discretion considers may contribute or have contributed to the Group.

Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at its sole and absolute discretion designate an award ("Award" and collectively "Awards") to be made to a selected person among the participants ("Selected Person" and collectively "Selected Persons"). Awards may be satisfied by (i) existing Shares to be acquired by the trustee(s) engaged by the Company for the purpose of administering the Share Award Scheme (the "Trustee(s)"), from the market, or (ii) new Shares to be issued and allotted to the Trustee(s) by the Company, in each case the Shares will be held on trust by the Trustee(s) for the Selected Persons until the end of each vesting period subject to fulfilment of the vesting conditions (if any) in accordance with the provisions of the Share Award Scheme.

The aggregate number of the Shares awarded by the Board shall not exceed 10% of the issued share capital of the Company as at the Adoption Date (or such other limit, if any, prescribed by the Listing Rules from time to time). Unless specifically approved by the independent shareholders, the aggregate number of new Shares to be granted as Awards annually under the Share Award Scheme shall not exceed 3% of the issued share capital of the Company as at the date on which the Shareholders' approval of a mandate for issue and allotment of new Shares under the Share Award Scheme (the "Scheme Mandate") (or such other limit, if any, prescribed by the Listing Rules from time to time).

The Share Award Scheme does not involve the grant of options over any new Shares, and does not constitute a share option scheme pursuant to the prevailing Chapter 17 of the Listing Rules.

As at 30 June 2022, (i) no Trustee has been appointed for the purpose of the Share Award Scheme, (ii) no Award has been granted under the Share Award Scheme, and (iii) the Company has not yet obtained the approval from its shareholders with respect to the Scheme Mandate for issue and allotment of new Shares under the Share Award Scheme.

For more details of the Share Award Scheme, please refer to the Company's announcement dated 21 May 2022.

其他資料 (續)

該股份獎勵計劃的參與者涵蓋本集團任何成員公司或本公司任何聯屬公司的僱員、高級職員或董事，及由薪酬委員會釐定在本集團任何成員公司的日常及一般業務過程中持續或經常性地提供服務的任何人士（包括顧問、諮詢人員或其他服務提供者），而該服務對本集團長遠發展具有重大意義，以及上市規則不時允許的其他人士而其為董事會全權及絕對酌情認為可能或已經為本集團做出貢獻的人士。

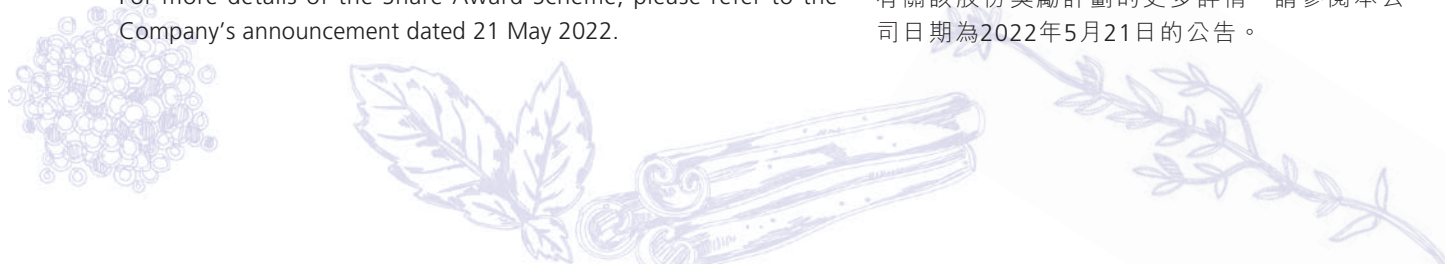
根據該股份獎勵計劃的條款，董事會可不時全權酌情指定向參與者中的經甄選人士（「經甄選人士」）作出獎勵（「獎勵」）。該等獎勵可由(i)本公司為管理該股份獎勵計劃的目的聘用的受託人（「受託人」）在公開市場上購買的現有股份支付，或(ii)本公司向受託人發行及配發的新股份，在各情況下股份將由受託人以信托形式為經甄選人士持有，直至歸屬期完結並受限於根據該股份獎勵計劃條文滿足歸屬條件（如有）。

董事會獎授的股份總數不得超過本公司於採納日期已發行股本的10%（或上市規則不時規定的其他限額，如有）。除非獲得獨立股東的特定批准，否則根據該股份獎勵計劃每年授予作為獎勵股份的新股份總數不得超過本公司於股東批准在該股份獎勵計劃下發行及配發新股份之計劃授權（「計劃授權」）日期本公司已發行股本的3%（或上市規則不時訂明的該其他限額，如有）。

該股份獎勵計劃並不涉及授出任何新股份的購股權並且不構成於現行上市規則第17章項下之股份期權計劃。

於2022年6月30日，(i)未有任何信託人為該股份獎勵計劃的目的而獲委任，(ii)概無根據該股份獎勵計劃授出獎勵，及(iii)本公司尚未獲得股東批准為在該股份獎勵計劃下發行及配發股份取得計劃授權。

有關該股份獎勵計劃的更多詳情，請參閱本公司日期為2022年5月21日的公告。



Other Information (cont'd)

Separately, the Company noted that the Stock Exchange has published conclusions to its consultation on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers on 29 July 2022 and in respect of which the Stock Exchange will introduce, among others, amendments to Chapter 17 of the Listing Rules which will be effective on 1 January 2023. As the proposed amendments include extending Chapter 17 to govern all share schemes involving grants of share awards and grants of options to acquire new shares of issuers, the Company will assess the implications thereof on the implementation, operation and administration of the Share Award Scheme and will take appropriate steps to comply with the relevant provisions of the Listing Rules as may be applicable from time to time. Further announcement will be published in this respect as and when appropriate.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

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

USE OF THE PROCEEDS FROM SHARE PLACEMENT

The Group completed the top-up placing and subscription on 13 December 2021 and 20 December 2021, respectively, and the Company received net proceeds (i.e. after deducting the commission payable to the placing agents, professional fee and other related costs and expenses in relation to the top-up placing and subscription) from the top-up subscription of approximately HK\$2.16 billion and the number of issued shares of the Company was increased to 3,229,926,876. The net price for each top-up placing share was HK\$17.67. On 31 January 2022, the Company changed its unutilised use of proceeds of approximately HK\$886 million. For details, please refer to the section headed "Change in Use of the Unutilised Net Proceeds" on page 35 of this report.

其他資料 (續)

另外，本公司注意到，聯交所已於2022年7月29日頒佈有關上市發行人股份計劃的《上市規則》條文修訂建議的諮詢意見總結，聯交所並將就其引入(當中包括)對上市規則第17章的修訂，而該等修訂將自2023年1月1日生效。因為建議修訂包括將第17章擴大至涵蓋所有涉及上市發行人授出股份獎勵及授出可認購上市發行人新股份的股份期股權的股份計劃，本公司將評估其對該股份獎勵計劃的實施、運作及管理造成的影響，並將採取適當措施遵守可能不時適用的相關上市規則條文。本公司將適時就此刊發進一步的公告。

董事認購股份或債券之權利

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

主要股東之權益

除已披露者外，本公司並不知悉有任何其他人士(除於「董事於股份、相關股份及債券之權益」一節所披露之權益外)於本公司擁有須遵照證券及期貨條例第336條記錄於根據該條例存置之登記冊內的已發行股本5%或以上的權益或淡倉。

股份配售融資用途

本集團先舊後新配售及認購事項分別於2021年12月13日及2021年12月20日完成，本公司收到所得款項淨額(即經於先舊後新認購事項中扣除應付配售代理之佣金、與先舊後新配售及認購事項有關之專業費用及其他相關費用及開支後)約21.6億港元而本公司已發行股份數目亦增加至3,229,926,876股。每股先舊後新配售股份的淨價為17.67港元。於2022年1月31日，公司更改用途約8.86億港元的未動用所得款項淨額，詳細請參考本報告第35頁「未使用淨收益用途的變化」一節。



Other Information (cont'd)

As at 30 June 2022, the Group utilised approximately HK\$1,931 million of the proceeds representing approximately 89.4% of the net proceeds, and the unutilised proceeds amounted to approximately HK\$229 million. As at 30 June 2022, all of the unutilised proceeds were deposited in licensed banks in Hong Kong. Taking into consideration the Group's operations and the market conditions then, the Group expects that the unutilised net proceeds will be fully utilised by 31 December 2023, details of which are set out in the table below.

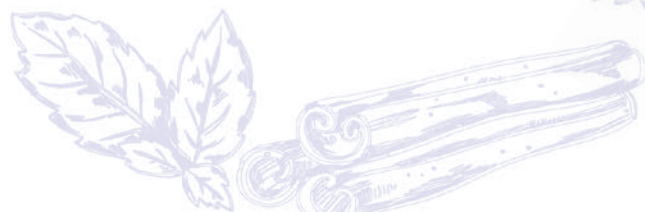
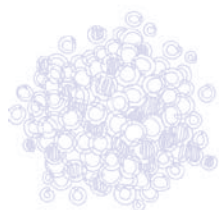
Use of proceeds (in HK\$ million)

Intended use of proceeds	As at 31 December 2021 於2021年 12月31日	Change of use of unutilised net proceeds 未動用所得 款項淨額 更改用途	Actual use of proceeds 融資款項 實際用途	As at 30 June 2022 於2022年 6月30日	Expected timeline of use 預計使用 時間表
Repayment of bank loans ("Bank Loans Repayment") 償還銀行貸款(「償還銀行貸款」)	257	358	515	100	Before December 2022 2022年12月前
Acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise ("Acquisition and/or Investments") 收購及／或投資得以利用本集團 競爭優勢的業務(如有合適機遇) (「收購及／或投資」)	300	(158)	43	99	Before December 2023 2023年12月前
General working capital requirements and expansion of existing businesses ("General Working Capital") 一般營運資金的需求及現有業務 擴張(「一般營運資金」)	329	(200)	99	30	Before June 2023 2023年6月前
Total 總計	886	—	657	229	

其他資料 (續)

於2022年6月30日，本集團已使用融資款項約19.31億港元，佔融資淨額約89.4%，未使用融資款項約2.29億港元。截至2022年6月30日，所有未使用的募集資金均存放於香港持牌銀行。取決於本集團營運及市場情況，本集團預計未動用所得款項淨額將於2023年12月31日前全部使用完畢，詳情載於下表。

融資款項用途(單位：百萬／港元)



Other Information (cont'd)

SIGNIFICANT EVENTS OR TRANSACTIONS

Change in Use of the Unutilised Net Proceeds

Reference is made to the Company's announcement dated 31 January 2022 in relation to the change in use of the unutilised net proceeds of approximately HK\$886 million. Having considered, among others, the likely completion of the bond purchase by the Federal Reserve of the U.S. in March 2022, the expectation of the three times in the interest rate hikes in 2022 and the recent development of the Group, the Board considered to adopt a more prudent approach regarding the cash resources management to maintain the financial stability of the Group by early repayment of part of its bank borrowings. As such, the Board resolved to reallocate the remaining unutilised net proceeds from Acquisition and/or Investments and General Working Capital to Bank Loans Repayment in manner as set out in the table below. The Board was of the view that the reallocation would allow the Group to utilise its financial resources in a more flexible, beneficial and effective way and to meet its operational needs and provide more buffer to cope with the economic uncertainties in the future.

Revised use of the unutilised proceeds (in HK\$ million)

Intended use of proceeds		Intended use of unutilised proceeds	Reallocation of unutilised proceeds for intended use	Revised use of unutilised proceeds
融資款項計劃用途		未使用融資款項計劃用途	未使用融資款項計劃用途重新分配金額	經調整未使用融資款項用途
Bank Loans Repayment	償還銀行貸款	257	358	615
Acquisition and/or Investments	收購及／或投資	300	(158)	142
General Working Capital	一般營運資金	329	(200)	129
Total	總計	886	-	886

其他資料 (續)

重大事件或交易

未使用淨收益用途的變化

茲提述本公司日期為2022年1月31日的公告，有關更改用途約8.86億港元的未動用所得款項淨額。考慮到(其中包括)美國聯邦儲備委員會可能在2022年3月完成債券購買，預計2022年將加息三次以及集團近期的發展，董事會認為在現金資源管理方面採取更為審慎的態度，以提早償還部分銀行借款以維持本集團的財務穩定。因此，董事會決定以下表所列方式將剩餘未使用的收購和／或投資淨收益和一般營運資金重新分配給銀行貸款償還。董事會認為，重新分配將使本集團能夠以更靈活、有利和有效的方式運用其財務資源，滿足其經營需要，並提供更多緩衝以應對未來的經濟不確定性。

經調整未使用融資款項用途(單位：百萬／港元)



Other Information (cont'd)

Investigation Against Directors

During late January 2022, the Company has been informed by Huabao Flavours, that Ms. Chu (defined below) and Mr. Lam (defined below) were under investigation for suspected disciplinary violations and were placed under residential surveillance at designated locations (指定居所監視居住). Ms. CHU Lam Yiu ("Ms. Chu") is the mother of Mr. LAM Ka Yu and Ms. LAM Ka Yan, the controlling shareholder of the Company, the Chairlady of the Board, the CEO and an executive Director of the Company, and Mr. LAM Ka Yu ("Mr. Lam") is the son of Ms. Chu, the brother of Ms. LAM Ka Yan, an executive Director and Co-Chairman of the Company and a director of Huabao Flavours.

On 21 July 2022, the Group was informed by Mr. Lam that he had been notified by Changsha County Police Bureau (長沙縣公安局) that they had lifted his residential surveillance and that he was on bail pending further investigation.

On 26 July 2022, the Group learned from Ms. Chu's family that Changsha County Police Bureau (長沙縣公安局) had lifted Ms. Chu's residential surveillance and that she was on bail pending further investigation. Concurrently, the Company had received a Case Filing Notice from Xinfeng County Supervisory Committee (信豐縣監察委員會立案通知書) that Xinfeng County Supervisory Committee had decided to file an investigation against Ms. Chu (進行立案調查) and the Company also had been informed by Ms. Chu's family that Ms. Chu is currently placed under residential surveillance at a designated location (指定居所監視居住) by Anyuan County Police Bureau (安遠縣公安局).

For details, please refer to the Company's announcements dated 24 January 2022, 26 January 2022, 27 January 2022, 21 July 2022 and 26 July 2022 respectively.

Up to the date of this report, the Company has not been provided with any details of the nature of the suspected violations of Ms. Chu and/or Mr. Lam that were being investigated. The production and business operation of the Group remains normal. Further announcement(s) will be made to keep the shareholders of the Company and the public informed of the development in this matter in due course.

其他資料 (續)

對董事的立案調查

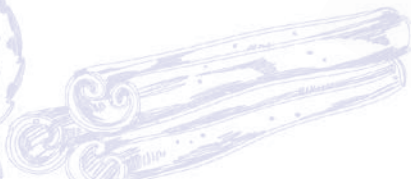
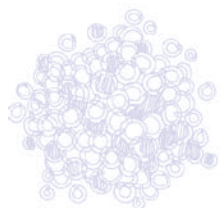
本公司於2022年1月下旬，接獲華寶股份的通知，朱女士(定義如下)和林先生(定義如下)在中國境內因涉嫌違法接受立案調查，並已被執行指定居所監視居住。朱林瑤女士(「朱女士」)為林嘉宇先生及林嘉妍女士之母親、本公司控股股東、董事會主席、首席執行官及執行董事而林嘉宇先生(「林先生」)為朱女士的兒子、林嘉妍女士之胞兄、本公司執行董事兼聯席主席及華寶股份董事。

於2022年7月21日，本集團收到林先生通知，其接長沙縣公安局通知，決定解除對其的監視居住，採取取保候審。

於2022年7月26日，本集團從朱女士家屬處獲悉，長沙縣公安局已解除對朱女士監視居住，採取取保候審。同時，本公司亦獲信豐縣監察委員會立案通知書，信豐縣監察委員會決定對朱女士進行立案調查，及本公司從朱女士家屬處獲悉，安遠縣公安局對朱女士執行指定居所監視居住。

詳情請參考本公司日期分別為2022年1月24日、2022年1月26日、2022年1月27日、2022年7月21日及2022年7月26日的公告。

截至本報告日止，本公司並未獲提供有關朱女士及／或林先生當時接受調查所涉嫌違法事宜的性質之任何詳情。本集團的生產和業務經營目前保持正常。本公司將作出進一步公告，以知會本公司股東及公眾人士有關事宜的進展。



Other Information (cont'd)

Acquisition of Part of the Equity Interests in Shanghai Yifang by Huabao Flavours

Reference is made to the Company's announcement dated 8 March 2022 in relation to the acquisition of part of the equity interests in Shanghai Yifang by Huabao Flavours.

On 9 August 2021, Huabao Flavours acquired 40% equity interests in Shanghai Yifang from independent third parties for a total consideration of RMB180 million in cash (the "Previous Transaction"). Shanghai Yifang was established in the PRC on 7 January 1999 and is primarily engaged in the promotion and consulting services of agricultural technology, cultivation of fruits and vegetables; research and development of food additives; food production, etc.

Huabao Flavours on 8 March 2022 further acquired 27% equity interests in Shanghai Yifang from independent third parties for a total consideration of RMB121.5 million in cash (the "Acquisition"). After the completion of the Acquisition, Huabao Flavours' shareholding in Shanghai Yifang, in aggregate, reached 67% and Shanghai Yifang becomes a controlling subsidiary of Huabao Flavours and the accounts of Shanghai Yifang would be included in the scope of Huabao Flavours' consolidated statements and as such Shanghai Yifang had been indirectly included in the scope of the Company's consolidated financial statements.

The Acquisition also included a performance undertaking provided by the vendors in favour of Huabao Flavours, the capital increase and the put option. Please refer to the Company's announcement dated 8 March 2022 for further details.

As one or more than one of the applicable percentage ratios for the transaction, when aggregated with the Previous Transaction, the capital increase and the put option as a whole, is more than 5% and below 25%, the transaction, when aggregated with the Previous Transaction, the capital increase and the put option as a whole, constitute a discloseable transaction of the Company, and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

其他資料 (續)

關於華寶股份收購上海奕方部分股權

茲提述本公司於2022年3月8日發佈有關華寶股份收購上海奕方部分股權的公告。

於2021年8月9日，華寶股份以總對價人民幣1.8億元的現金向獨立第三方收購其合計持有的上海奕方的40%股權（「前次交易」）。上海奕方於1999年1月7日在中國成立，主要從事農業技術的推廣和諮詢服務、果蔬種植、研究開發食品添加劑、食品生產等。

於2022年3月8日，華寶股份以人民幣12,150萬元現金總對價向獨立第三方進一步收購其合計持有的上海奕方27%的股權（「收購事項」）。同日，華寶股份簽署股份轉讓協議。收購事項成後，華寶股份對上海奕方合計的持股比例達到67%，上海奕方成為華寶股份的控股子公司，上海奕方賬目亦納入華寶股份合併報表範圍而上海奕方已間接納入本公司合併報表範圍。

收購事項亦包括由賣方提供並有利於華寶股份的業績承諾、增資及認沽期權。詳情請參閱本公司日期為2022年3月8日的公告。

由於本次交易的一個或多個適用百分比率，當與前次交易、增資及認沽期權整體合計時，超過5%但低於25%，根據上市規則第14章，當本次交易與前次交易、增資及認沽期權整體合計時，構成本公司的須予披露交易，因此須遵守通知及公告規定，惟豁免遵守股東批准規定。



Other Information (cont'd)

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code

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

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

Save and except as disclosed below, the Company had complied with the code provisions in the CG Code and, where appropriate, adopted the recommended best practices as set out in the CG Code throughout the Reporting Period.

The Company has not fully complied with the code provisions C.2 and F.2.2 as the performance of the chairman's duties by Ms. Chu has been affected to a certain extent since late January 2022 as Ms. Chu was placed under residential surveillance at a designated location (指定居所監視居住). For details, please refer to the section headed "Investigation Against Directors" on page 36 of this report. The responsibilities of code provisions C.2 during the Reporting Period were shared by the Vice Chairman & President and the Vice President & Company Secretary. In addition, due to the reasons discussed above, Ms. Chu and Mr. Lam did not attend the annual general meeting of the Company held on 20 May 2022 in accordance with code provision F.2.2. Notwithstanding the above, the Company has adopted the following alternative actions and steps during the Reporting Period to redress the deficiencies in the relevant code provisions:

其他資料 (續)

企業管治

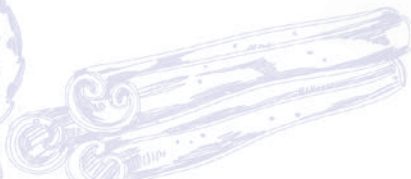
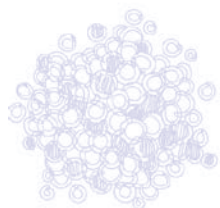
遵守《企業管治守則》

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

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

除下文所披露者外，於報告期內，本公司已遵守企業管治守則之守則條文，並在適當的情況下採納企業管治守則所載之建議最佳常規。

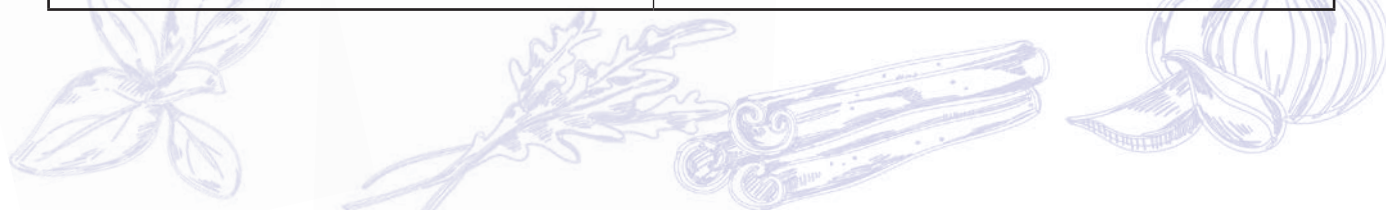
本公司未能完全遵守守則條文第C.2條及F.2.2條的規定，由於朱女士自2022年1月下旬起被執行指定居所監視居住，因此彼主席職責的履行受到了一定影響。詳情請參閱本報告第36頁之「對董事的立案調查」一節。於報告期內，守則條文第C.2的職責由副主席兼總裁和副總裁兼公司秘書共同承擔。此外，由於以上原因，朱女士及林先生沒有按守則條文第F.2.2條規定出席本公司於2022年5月20日舉行之股東週年大會。儘管如此，本公司於報告期內所採取的替代行動和步驟以糾正相關守則條文的不足之處如下：



Other Information (cont'd)

其他資料 (續)

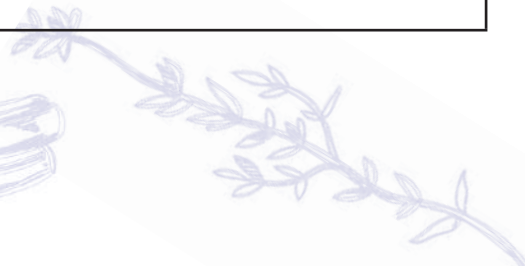
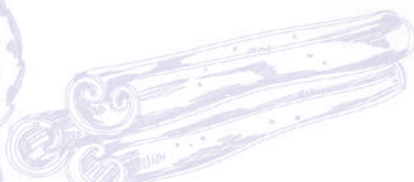
Code Provision 守則條文	Alternative actions and steps taken during the Reporting Period 於報告期內所採取的替代行動和步驟
<p>C.2.1: The roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.</p> <p>C.2.1 主席與行政總裁的角色應有區分，並不應由一人同時兼任。主席與行政總裁之間職責的分工應清楚界定並以書面列載。</p>	<p>Ms. Chu's duties as Chairlady and CEO were shared by the Vice Chairman & President of the Group, the Vice President & Company Secretary and other directors, including presiding over the daily business meetings and meetings of the board of directors, participating in the general meeting of shareholders, and implementing the formulated business strategies, etc.</p> <p>朱女士作為主席兼首席執行官，其職務由本集團副主席兼總裁、副總裁兼公司秘書及其他董事共同協助分擔包括主持日常經營會議及董事會、參加股東大會、執行已制定的經營策略等。</p>
<p>C.2.2 The chairman should ensure that all directors are properly briefed on issues arising at board meetings.</p> <p>C.2.2 主席應確保董事會會議上所有董事均適當知悉當前的事項。</p>	<p>The Vice Chairman & President of the Group, with the assistance of the Vice President & Company Secretary and its team, ensures that the Board operates effectively and discharges its due responsibilities, and promptly discusses all important and appropriate matters and establishes good corporate governance practices and procedures. The Vice President & Company Secretary prepares the agenda of the board of directors according to the annual schedule of the board meeting and communicates with all directors in a timely manner, including but not limited to daily announcement disclosure, annual budget review, annual corporate management report, audit matters and risk and internal control audit, etc. The Vice Chairman & President of the Group, with the assistance of the Vice President & Company Secretary and its team, has also sent board papers, including but not limited to, records of minutes of the board meetings to Ms. Chu and Mr. Lam to keep them apprised of the developments of the Group.</p> <p>本集團副主席兼總裁在副總裁兼公司秘書及其團隊協助下確保董事會有效地運作，且履行應有職責，並及時就所有重要的適当事項進行討論及制定良好的企業管治常規及程序。副總裁兼公司秘書按年度董事會會議時間表預備董事會議程及與各董事及時溝通包括但不限於日常公告披露、年度預算審議、年度企業管治報告、審計事宜及風險及內控審計等。本集團副主席兼總裁在副總裁兼公司秘書及其團隊協助下亦將董事會文件，包括但不限於董事會會議記錄，發送予朱女士及林先生以便了解公司情況。</p>
<p>C.2.3 The chairman should be responsible for ensuring that directors receive, in a timely manner, adequate information, which must be accurate, clear, complete and reliable.</p> <p>C.2.3 主席應負責確保董事及時收到充分的資訊，而有關資訊亦必須準確清晰及完備可靠。</p>	<p>Refer to C.2.2 above.</p> <p>請參閱以上C.2.2。</p>



Other Information (cont'd)

其他資料 (續)

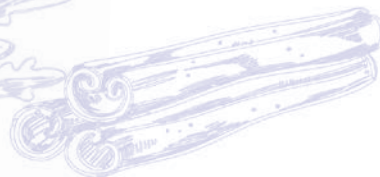
Code Provision 守則條文	Alternative actions and steps taken during the Reporting Period 於報告期內所採取的替代行動和步驟
<p>C.2.4 One of the important roles of the chairman is to provide leadership for the board. The chairman should ensure that the board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner. The chairman should be primarily responsible for drawing up and approving the agenda for each board meeting. The chairman should take into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate this responsibility to a designated director or the company secretary.</p> <p>C.2.4 主席其中一個重要角色是領導董事會。主席應確保董事會有效地運作，且履行應有職責，並及時就所有重要的適當事項進行討論。主席應主要負責釐定並批准每次董事會會議的議程，並在適當情況下計及其他董事提議加入議程的任何事項。主席可將這項責任轉授指定的董事或公司秘書。</p>	<p>The Company conceived and formulated a three-year strategic plan from 2021 to 2023 in September 2020, and Ms. Chu participated in and led the strategic planning including the formulation of the three-year strategic plan and the approval of the plans submitted by various departments. In September 2021, the plan was finalized and introduced and announced to the executives by the Vice Chairman & President of the Group, who then delegated it to executive Directors and unit leaders for implementation.</p> <p>本公司於2020年9月構思及制定2021年至2023年的三年策略規劃，而朱女士參與及主導了有關策略規劃包括構思三年策略規劃及審批各部門提交的計劃。於2021年9月，規劃敲定並由副主席兼集團總裁向高管介紹及宣佈，期間交由執行董事及單位負責人落實執行。</p> <p>During the Reporting Period, the Company continued and successfully implemented the three-year strategic plan from 2021 to 2023. During the Reporting Period, Ms. Chu's duties were shared by the Vice Chairman & President of the Group, the Vice President & Company Secretary and other directors.</p> <p>於報告期內，本公司繼續並順利地執行2021年至2023年的三年策略規劃。於報告期內，朱女士的職務由本集團副主席兼總裁、副總裁兼公司秘書及其他董事共同協助分擔。</p>
<p>C.2.5 The chairman should take primary responsibility for ensuring that good corporate governance practices and procedures are established.</p> <p>C.2.5 主席應負主要責任，確保公司制定良好的企業管治常規及程序。</p>	<p>Refer to C.2.2 above. 請參閱以上C.2.2。</p>
<p>C.2.6 The chairman should encourage all directors to make a full and active contribution to the board's affairs and take the lead to ensure that it acts in the best interests of the issuer. The chairman should encourage directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus.</p> <p>C.2.6 主席應鼓勵所有董事全力投入董事會事務，並以身作則，確保董事會行事符合發行人最佳利益。主席應鼓勵持不同意見的董事均表達出本身關注的事宜、給予這些事宜充足時間討論，以及確保董事會的決定能公正反映董事會的共識。</p>	<p>Refer to C.2.2 above. 請參閱以上C.2.2。</p>



Other Information (cont'd)

其他資料 (續)

Code Provision 守則條文	Alternative actions and steps taken during the Reporting Period 於報告期內所採取的替代行動和步驟
<p>C.2.7 The chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors.</p> <p>C.2.7 主席應至少每年與獨立非執行董事舉行一次沒有其他董事出席的會議。</p>	<p>The Vice President & Company Secretary and its team had been acting as a communication channel between the Chairlady, the President of the Group and the independent non-executive directors, including but not limited to the latest development of the Group's business, risk management and internal control system review and corporate governance system updates.</p> <p>副總裁兼公司秘書及其團隊會作為主席及集團總裁和獨立非執行董事之溝通橋樑包括但不限於本集團業務最新發展情況、風險管理及內控系統審查及企業管治系統最新情況等事宜作互相交流。</p>
<p>C.2.8 The chairman should ensure that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the board as a whole.</p> <p>C.2.8 主席應確保採取適當步驟保持與股東有效聯繫，以及確保股東意見可傳達到整個董事會。</p>	<p>There have been no changes to the existing Shareholders' Communication Policy. The Vice Chairman & President of the Group and the Vice President & Company Secretary and its team have considered that such Shareholders' Communication Policy remains effective given that there is no barrier for the shareholders to communicate their views to the board as a whole.</p> <p>現有的股東通訊政策沒有任何變化。鑑於股東在向整個董事會傳達意見時沒有障礙，因此本集團副主席兼總裁及副總裁兼公司秘書及其團隊認為該股東通訊政策仍然有效。</p>
<p>C.2.9 The chairman should promote a culture of openness and debate by facilitating the effective contribution of non-executive directors in particular and ensuring constructive relations between executive and non-executive directors.</p> <p>C.2.9 主席應提倡公開、積極討論的文化，促進董事(特別是非執行董事)對董事會作出有效貢獻，並確保執行董事與非執行董事之間維持建設性的關係。</p>	<p>Refer to C.2.2 above.</p> <p>請參閱以上C.2.2。</p>



Other Information (cont'd)

Environmental, Social and Governance Reporting

The Environmental, Social and Governance (“ESG”) Report which contains our ESG information for 2021 and the requirements under the ESG Reporting Guidelines of the Listing Rules had been published by the Company on websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.huabao.com.hk).

Changes in Information in respect of Directors

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 25 March 2022 (being the date of approval of the Company’s 2021 Annual Report) and 26 August 2022 (being the date of approval of this report) are set out below:

1. Mr. Jonathan Jun YAN was appointed as independent director of HICHAIN LOGISTICS CO., LTD., whose shares are listed on the ChiNext Market of Shenzhen Stock Exchange in the PRC (stock code: 300873), with effect from 13 May 2022.
2. Ms. MA Yunyan retired as independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 20 May 2022.
3. Mr. HOU Haitao was appointed as independent non-executive Director and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 20 May 2022.

Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted the Model Code as the code of conduct regarding dealing in the securities of the Company by the Directors. Based on the information that was available and having received Directors’ written confirmations, the Company considered that Directors have complied with the required standard as set out in the Model Code throughout the six months ended 30 June 2022.

INTERIM DIVIDEND AND SPECIAL DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2022. However, to reward Shareholders for their support for the Company, the Board has resolved to declare a special dividend of HK3.38 cents per Share in cash for the six months ended 30 June 2022 (six months ended 30 June 2021: interim dividend of HK6.4 cents per Share and no special dividend), representing approximately 31.0% of the adjusted earnings per share of RMB9.31 cents. The special dividend is expected to be paid on or about 6 October 2022 to Shareholders whose names appear on the register of members of the Company on 20 September 2022.

其他資料 (續)

環境、社會及管治報告

本公司之環境、社會及管治(「環境、社會及管治」)報告已於聯交所網站(www.hkexnews.hk)及公司網站(www.huabao.com.hk)刊登，當中載列我們於2021年度在環境、社會及管治方面的資料，並已遵照上市規則有關環境、社會及管治指引的要求。

董事資料更新

根據上市規則第13.51B(1)條，按照第13.51(2)條(a)至(e)和(g)段要求，於2022年3月25日(為通過本公司2021年之年度報告當日)至2022年8月26日(為通過本報告當日)期間，本公司的董事資料變動載列如下：

1. Jonathan Jun YAN先生獲委任為江蘇海農物流股份有限公司(其股份於中國深圳證券交易所創業板上市(股份代碼：300873))獨立董事，自2022年5月13日起生效。
2. 麻雲燕女士退任獨立非執行董事及審計委員會、薪酬委員會及提名委員會成員，於2022年5月20日起生效。
3. 侯海濤先生獲委任為獨立非執行董事及審計委員會、薪酬委員會及提名委員會成員，自2022年5月20日起生效。

上市發行人董事進行證券交易的標準守則

本公司已採納標準守則，作為本公司董事進行本公司證券交易的操守準則。根據可得到的資料並已收到的董事書面確認，本公司認為彼等於截至2022年6月30日止六個月內已遵守標準守則所規定之標準。

中期股息及特別股息

董事會決議不就截至2022年6月30日止六個月宣派任何中期股息。但為了回報股東對本公司的支持，董事會決議向於2022年9月20日名列本公司股東名冊之股東宣派截至2022年6月30日止六個月之現金特別股息每股港幣3.38仙(截至2021年6月30日止六個月：中期股息每股港幣6.4仙及無特別股息)，佔經調整的每股基本盈利人民幣9.31分的約31.0%。預期特別股息約於2022年10月6日或前後派發。

Other Information (cont'd)

CLOSE OF REGISTER OF MEMBERS

In order to determine Shareholders who qualify for the special dividend, the register of members of the Company will be closed from 15 September 2022 to 20 September 2022, both days inclusive, during which no transfer of shares will be effected. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 14 September 2022.

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

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

Based on the information that was publicly available and to the best belief and knowledge of the Directors, the Company had maintained the prescribed public float throughout the six months ended 30 June 2022 and up to the date of this report as required under the Listing Rules.

AUDIT COMMITTEE

The Board has formed an Audit Committee in accordance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company. The Audit Committee members currently comprise all of the INEDs of the Company, namely Mr. LEE Luk Shiu (the Chairman of Audit Committee), Mr. Jonathan Jun YAN and Mr. HOU Haitao. The Audit Committee and the Board have reviewed and approved the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2022. The Group's unaudited condensed consolidated interim financial information has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

By Order of the Board

XIA Liqun

President

Hong Kong, 26 August 2022

其他資料 (續)

暫停辦理股份過戶登記手續

為確保股東有資格獲派特別股息，本公司將由2022年9月15日至2022年9月20日止(首尾兩日包括在內)暫停辦理股份過戶登記手續。所有填妥的過戶表格連同有關股票最遲須於2022年9月14日下午4時30分前送達本公司的香港股份過戶登記分處卓佳登捷時有限公司，地址為香港夏慤道16號遠東金融中心17樓。

購買、出售或贖回本公司之上市證券

於截至2022年6月30日止六個月期間內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

公眾持股量

根據可供公眾查閱之資料以及據董事所知和所信，於截至2022年6月30日止六個月內及截至本報告日，本公司已維持上市規則所規定之公眾持股量。

審核委員會

董事會已根據上市規則成立了審核委員會，以履行檢討及監察本公司財務匯報程序及內部監控之職責。審核委員會委員由本公司所有獨立非執行董事，即李祿兆先生(為審核委員會主席)、Jonathan Jun YAN先生及侯海濤先生組成。審核委員會連同董事會已審閱並批准本集團截至2022年6月30日止六個月之未經審核簡明綜合中期財務資料。本集團未經審核之中期簡明綜合財務資料已經由本公司之核數師羅兵咸永道會計師事務所按照香港會計師公會頒佈之審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。

承董事會命

夏利群

總裁

香港，2022年8月26日



Review Report

審閱報告



羅兵咸永道

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

(incorporated in Bermuda with limited liability)

中期財務資料的審閱報告
致華寶國際控股有限公司董事會

(於百慕達註冊成立的有限公司)

INTRODUCTION

We have reviewed the interim financial information set out on pages 46 to 98 which comprises the condensed consolidated statement of financial position of Huabao International Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2022 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

本核數師(以下簡稱「我們」)已審閱列載於第46至98頁的中期財務資料，此中期財務資料包括華寶國際控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)於2022年6月30日的簡明綜合財務狀況表與截至該日止六個月期間的相關簡明綜合收益表、簡明綜合全面收益表、簡明綜合權益變動表和簡明綜合現金流量表，以及附註，包括主要會計政策和其他解釋信息。香港聯合交易所有限公司證券上市規則規定，就中期財務資料擬備的報告必須符合以上規則的有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」擬備及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並僅按照我們協定的業務約定條款向閣下(作為整體)報告我們的結論，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

SCOPE OF REVIEW

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

審閱範圍

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

Review Report (cont'd)

審閱報告 (續)

CONCLUSION

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

結論

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 August 2022

羅兵咸永道會計師事務所
執業會計師

香港，二零二二年八月二十六日

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Note 附註	As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	7	1,939,919	1,642,566
Right-of-use assets	使用權資產		343,241	251,963
Intangible assets	無形資產	7	5,261,339	5,847,307
Investments in associates	於聯營公司之投資	8	831,729	806,407
Investment in jointly controlled entities	於共同控制實體之投資	9	19,644	202,831
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他全面收益之金融資產	5	17,870	17,870
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產	5	202,160	215,679
Deferred income tax assets	遞延所得稅資產	10	154,786	167,542
Other non-current assets	其他非流動資產		2,673	133
			8,773,361	9,152,298
Current assets	流動資產			
Biological assets	生物資產	11	5,658	–
Inventories	存貨		1,001,984	897,226
Trade and other receivables	貿易及其他應收款項	12	1,332,858	1,081,046
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他全面收益之金融資產	5	21,938	48,785
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益之金融資產	5	1,559,968	3,292,365
Time deposits	定期存款		320,304	–
Cash and bank balances excluding time deposits	現金及銀行存款(不包括定期存款)		4,085,932	3,553,409
			8,328,642	8,872,831
Total assets	總資產		17,102,003	18,025,129

Condensed Consolidated Statement of Financial Position (cont'd)

簡明綜合財務狀況表(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Note	As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	13	328,619	328,619
Reserves	儲備	15	4,322,903	4,387,519
Retained earnings	保留盈利		8,804,848	9,168,518
			13,456,370	13,884,656
Non-controlling interests	非控制性權益		1,926,342	1,834,163
Total equity	總權益		15,382,712	15,718,819
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Put option liability	認沽期權負債	16	124,515	–
Lease liabilities	租賃負債		22,511	22,176
Deferred income tax liabilities	遞延所得稅負債	10	131,138	149,450
Trade and other payables	貿易及其他應付款項	18	11,928	800
			290,092	172,426
Current liabilities	流動負債			
Borrowings	貸款	17	507,009	962,774
Lease liabilities	租賃負債		24,252	18,751
Trade and other payables	貿易及其他應付款項	18	662,364	748,245
Current income tax liabilities	當期所得稅負債		156,847	237,169
Contract liabilities	合同負債		78,727	166,945
			1,429,199	2,133,884
Total liabilities	總負債		1,719,291	2,306,310
Total equity and liabilities	總權益及負債		17,102,003	18,025,129

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

上述簡明綜合財務狀況表應與相應附註一併閱讀。

Condensed Consolidated Income Statement

簡明綜合收益表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核		
		For the six months ended 30 June 截至6月30日止六個月		
		Note 附註	2022 2022年	2021 2021年
Revenue	營業額	6	1,847,152	1,763,675
Cost of goods sold	銷售成本		(880,123)	(709,694)
Gross profit	毛利		967,029	1,053,981
Other income and other gains – net	其他收入及其他收益—淨額	19	100,227	222,074
Selling and marketing expenses	銷售及市場推廣開支		(174,159)	(135,821)
Administrative expenses	行政費用		(412,252)	(404,789)
Impairment of goodwill	商譽減值	7	(614,331)	–
Net impairment losses on financial assets	金融資產減值損失淨額		(8,290)	(1,872)
Operating (loss)/profit	營運(虧損)/盈利		(141,776)	733,573
Finance income	財務收入		31,640	65,483
Finance costs	融資成本		(12,204)	(49,628)
Finance income – net	財務收入—淨額		19,436	15,855
Share of results of associates and jointly controlled entities	應佔聯營公司及共同控制實體之業績		(5,052)	3,936
(Loss)/profit before income tax	除稅前(虧損)/盈利		(127,392)	753,364
Income tax expense	所得稅	21	(105,639)	(171,899)
(Loss)/profit for the period	本期間(虧損)/盈利		(233,031)	581,465
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		(313,531)	481,129
Non-controlling interests	非控制性權益		80,500	100,336
			(233,031)	581,465
(Loss)/earnings per share for (loss)/profit attributable to the Company's equity holders for the period	本期間本公司權益持有人應佔的每股(虧損)/盈利		RMB cents 人民幣分	RMB cents 人民幣分
Basic and diluted	基本及攤薄	22	(9.71)	15.48

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

上述簡明綜合收益表應與相應附註一併閱讀。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核	
		For the six months ended	
		30 June	
		截至6月30日止六個月	
		2022	2021
		2022年	2021年
(Loss)/profit for the period	本期間(虧損)/盈利	(233,031)	581,465
Other comprehensive income:	其他全面收益：		
<i>Items that will not be reclassified to profit or loss</i>	<i>不可重新分類至損益的項目</i>		
Fair value changes of equity investments at fair value through other comprehensive income, net of tax	以公允價值計量且其變動計入其他全面收益之權益投資之除稅後公允價值變動	-	(195)
Currency translation differences of the Company and its non-foreign operations	本公司及其非海外業務之貨幣換算差額	56,389	(732)
<i>Items that may be reclassified to profit or loss</i>	<i>可重新分類至損益的項目</i>		
Currency translation differences of foreign operations	海外業務之貨幣換算差額	501	3,887
Other comprehensive income for the period, net of tax	本期間除稅後其他全面收益	56,890	2,960
Total comprehensive (loss)/income for the period, net of tax	本期間除稅後全面(虧損)/收益總額	(176,141)	584,425
Total comprehensive (loss)/income attributable to:	應佔全面(虧損)/收益總額：		
Equity holders of the Company	本公司權益持有人	(270,915)	487,732
Non-controlling interests	非控制性權益	94,774	96,693
		(176,141)	584,425

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

上述簡明綜合全面收益表應與相應附註一併閱讀。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核					
		Attributable to equity holders of the Company 本公司權益持有人應佔					
		Share Capital	Reserves	Retained earnings	Total	Non- Controlling interests 非控制 性 權益	Total equity 總權益
		股本	儲備	保留盈利	總計		
Balance at 1 January 2021	於2021年1月1日	318,636	2,633,732	8,918,688	11,871,056	1,823,193	13,694,249
Total comprehensive income for the six months ended 30 June 2021	截至2021年6月30日止六個月的全面收益總額	-	6,603	481,129	487,732	96,693	584,425
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
Dividends payable to non-controlling interests	向非控制性權益宣派的股息	-	-	-	-	(3,728)	(3,728)
Dividends paid to non-controlling interests	向非控制性權益支付的股息	-	-	-	-	(193,624)	(193,624)
Final dividends for the year ended 31 December 2020 paid to shareholders	向股東支付截至2020年12月31日止年度期末股息	-	-	(229,479)	(229,479)	-	(229,479)
Appropriations from net profit	自純利撥付	-	684	(684)	-	-	-
Share-based payment - value of employee services	股份為基礎的支付 - 僱員服務價值	-	3,004	-	3,004	-	3,004
Total transactions with owners	與擁有人交易總額	-	3,688	(230,163)	(226,475)	(197,352)	(423,827)
Balance at 30 June 2021	於2021年6月30日	318,636	2,644,023	9,169,654	12,132,313	1,722,534	13,854,847
Balance at 1 January 2022	於2022年1月1日	328,619	4,387,519	9,168,518	13,884,656	1,834,163	15,718,819
Total comprehensive (loss)/income for the six months ended 30 June 2022	截至2022年6月30日止六個月的全面(虧損)/收益總額	-	42,616	(313,531)	(270,915)	94,774	(176,141)
Transactions with owners in their capacity as owners:	與本公司擁有人的交易：						
Dividends paid to non-controlling interests	向非控制性權益支付的股息	-	-	-	-	(176,024)	(176,024)
Acquisition of equity interest in Shanghai Yifang Rural Technology Holdings Co., Ltd. and its subsidiaries ("Shanghai Yifang")	收購上海奕方農業科技股份有限公司及其附屬公司(「上海奕方」)	-	-	-	-	165,777	165,777
Final dividends for the year ended 31 December 2021 paid to shareholders	向股東支付截至2021年12月31日止年度期末股息	-	-	(54,821)	(54,821)	-	(54,821)
Appropriations from net profit	自純利撥付	-	(4,682)	4,682	-	-	-
Share-based payment - value of employee services	股份為基礎的支付 - 僱員服務價值	-	2,740	-	2,740	-	2,740
Additional investment in a non-wholly-owned subsidiary	額外注資於非全資附屬公司	-	(6,530)	-	(6,530)	6,530	-
Disposal of Xinjiang Huabao Natural Biological Technology Co., LTD ("Xinjiang Huabao")	處置新疆華寶天然生物科技股份有限公司(「新疆華寶」)	-	-	-	-	1,122	1,122
Put option liability arising from business combination	業務合併產生之認沽期權負債	-	(124,515)	-	(124,515)	-	(124,515)
Dilution of investment in an associate	於聯營公司之投資的股權稀釋	-	25,755	-	25,755	-	25,755
Total transactions with owners	與擁有人交易總額	-	(107,232)	(50,139)	(157,371)	(2,595)	(159,966)
Balance at 30 June 2022	於2022年6月30日	328,619	4,322,903	8,804,848	13,456,370	1,926,342	15,382,712

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

上述簡明綜合權益變動表應與相應附註一併閱讀。

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年	2021 2021年
Cash flows from operating activities	經營活動之現金流量		
Cash generated from operations	營運產生之現金	323,344	694,332
Income tax paid	已付所得稅	(211,545)	(208,929)
Net cash generated from operating activities	營運活動產生之現金淨額	111,799	485,403
Cash flows from investing activities	投資活動的現金流量		
Acquisition of a subsidiary	收購附屬公司	(79,233)	-
Acquisition of equity interest in associates	購入聯營公司之股權	(8,200)	(18,152)
Proceeds from disposal of an associate	出售聯營公司所得款	-	6,320
Purchases of financial assets at fair value through profit or loss	購入以公允價值計量且其變動計入損益之金融資產	(6,546,986)	(2,803,379)
Proceeds from disposals of financial assets at fair value through profit or loss	出售以公允價值計量且其變動計入損益之金融資產所得款項	8,331,873	1,346,203
Purchase of property, plant and equipment and intangible assets	購入物業、機器及設備及無形資產	(179,740)	(163,470)
Purchases of right-of-use assets for land use rights	購入土地使用權相關之使用權資產	(21,165)	(4,140)
Proceeds from disposal of property, plant and equipment and intangible assets	出售物業、機器及設備及無形資產所得款項	3,102	7,368
Time deposits placed	存入定期存款	(320,304)	-
Short-term time deposits released	提取短期定期存款	-	1,357,540
Dividend received	已收股息	5,454	4,696
Interest received	已收利息	27,446	94,632
Net cash generated from/(used in) investing activities	投資活動產生/(所用)之現金淨額	1,212,247	(172,382)

Condensed Consolidated Cash Flow Statement (cont'd)

簡明綜合現金流量表(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月	
		2022 2022年	2021 2021年
		Note 附註	
Cash flows from financing activities	融資活動的現金流量		
Final dividend for the year ended 31 December 2020 paid to shareholders	向股東支付截至2020年12月31日 止年度之期末股息		(229,479)
Final dividend for the year ended 31 December 2021 paid to shareholders	向股東支付截至2021年12月31日 止年度之期末股息		–
Dividends paid to non-controlling interests	向非控制性權益支付股息		(193,624)
New bank borrowings raised	新增銀行貸款		1,210,280
Repayment of bank borrowings	償還銀行貸款		(2,056,935)
Principal elements of lease payments	支付租賃付款之本金部分		(11,422)
Interest elements of lease payments	支付租賃付款之利息部分		(1,188)
Interest paid related to bank borrowings and others	與銀行貸款及其他相關之已付利息		(50,574)
			(12,565)
Net cash used in financing activities	融資活動所用之現金淨額		(852,998)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額		471,048
Cash and cash equivalents at the beginning of the period	期初之現金及現金等價物		4,921,756
Effects of currency translation on cash and cash equivalents	貨幣換算對現金及現金等價物的影響		(11,635)
			49,858
Cash and cash equivalents at the end of the period	期末之現金及現金等價物	(a)	4,062,331

(a) Reconciliation to condensed consolidated statement of financial position:

(a) 與簡明綜合財務狀況表對賬：

		As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核
Cash and cash equivalents	現金及現金等價物	4,062,331
Add: restricted bank balances	加：受限的銀行存款	23,601
Cash and bank balances excluding time deposits	現金及銀行存款(不包括定期存款)	4,085,932

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

上述簡明綜合現金流量表應與相應附註一併閱讀。

Notes to the Condensed Consolidated Interim Financial Information

(All amounts in RMB thousands unless otherwise stated)

1. GENERAL INFORMATION

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

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

The Company is an investment holding company. The Company and its subsidiaries (collectively the “Group”) are mainly engaged in the research and development, production, distribution and sale of flavours and fragrances, and food ingredients, tobacco raw materials, aroma raw materials and condiment products in the People’s Republic of China (the “PRC”). Ms. Chu Lam Yiu, who is the Chairlady of the Board of Directors, holds approximately 71% beneficial equity interest in the Company as at 30 June 2022.

This condensed consolidated interim financial information is presented in thousands of units of RMB (“RMB’000”) unless otherwise stated and it has been approved for issue by the Board of Directors on 26 August 2022.

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

On 9 August 2021, Huabao Flavours & Fragrances Co., Ltd. (“Huabao Flavours”), a non-wholly owned subsidiary of the Group, acquired 40% equity interests in Shanghai Yifang for a total consideration of RMB180,000,000 in cash. On 8 March 2022, Huabao Flavours further acquired 27% equity interests in Shanghai Yifang for a total consideration of RMB121,500,000 in cash. After the completion of the Acquisition, Huabao Flavours’ shareholding in Shanghai Yifang in aggregate reaches 67% and Shanghai Yifang becomes a subsidiary of Huabao Flavours.

Shanghai Yifang is primarily engaged in the promotion and consulting services of agricultural technology, cultivation of fruits and vegetables; research and development of food additives; food production, etc.

Further details are set out in Note 24 to the condensed consolidated interim financial information.

簡明綜合中期財務資料附註

(除另有指明者外，所有金額均以人民幣千元列示)

1. 一般資料

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

本公司的股份主要於香港聯合交易所有限公司上市。

本公司為投資控股公司。本公司及其附屬公司（「本集團」）之業務主要在中華人民共和國（「中國」）研究及發展、生產、分銷及銷售香精、食品配料、煙用原料、香原料及調味品產品。朱林瑤女士（「朱女士」）乃本公司之董事局主席，於2022年6月30日，朱女士持有本公司約71%之權益。

本簡明綜合中期財務資料除另有指明者外，均以人民幣千元（「人民幣千元」）列示。本簡明綜合中期財務資料已於2022年8月26日獲董事會批准刊發。

本簡明綜合中期財務資料已經審閱，並未經審核。

於2021年8月9日，華寶香精股份有限公司（「華寶股份」），本集團一非全資附屬公司，以現金總代價人民幣180,000,000元收購上海奕方40%股權，並於2022年3月8日以總代價人民幣121,500,000元現金進一步收購上海奕方27%股權。本次收購完成後，華寶股份在上海奕方的持股比例合計達到67%，上海奕方自此成為華寶股份的附屬公司。

上海奕方主要從事農業技術的推廣和諮詢服務，果蔬種植；食品添加劑的研發；食品生產等。

詳情載於簡明綜合中期財務資料附註24。

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

(All amounts in RMB thousands unless otherwise stated)

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants. This condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2021 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2021, as described in those financial statements.

(a) Initial application of HKAS 41 “Agriculture”

In March 2022, Shanghai Yifang became a subsidiary of Huabao Flavours.

- Property, plant and equipment

Shanghai Yifang holds lemon trees, grapefruit trees, mulberry trees, orange trees and blueberry trees (collectively the “fruit trees”) with aggregate carrying amounts of approximately RMB122,640,000 as at 30 June 2022. Shanghai Yifang’s fruit trees qualify as bearer plants under the definition in HKAS 41 “Agriculture” and are therefore accounted for under the rules for plant and equipment. Fruit trees are classified as immature until the fruits can be commercially harvested. At that point they are reclassified as mature and depreciation commences. Immature fruit trees are measured at accumulated cost.

All property, plant and equipment, including fruit trees is recognised at historical cost less depreciation. Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, with no residual values, over the shorter of their estimated useful lives or lease term as follows:

Bearer plants	21.5-25 years
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簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

2. 編製基準

本公司截至2022年6月30日止六個月的簡明綜合中期財務資料已根據香港會計師公會頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」而編制。本簡明綜合中期財務資料應與本集團根據香港財務報告準則(「香港財務報告準則」)而編制的截至2021年12月31日止年度的綜合財務報表一併閱讀。

3. 會計政策

除下列所述外，編製本中期財務資料所採用之會計政策與截至2021年12月31日止年度的年度財務報表所採用的會計政策一致，並已詳列於該財務報表內。

(a) 首次採納的香港會計準則第41號「農業」

於2022年3月，上海奕方成為華寶股份的一間控股附屬公司。

- 物業、機器及設備

截至2022年6月30日，上海奕方擁有檸檬樹、西柚樹、桑樹、橙樹及藍莓樹(統稱為「果樹」)總賬面價值約為人民幣122,640,000元。上海奕方的果樹符合香港會計準則第41號農業的生產性植物定義，因此根據機器及設備規則入賬。果樹被定義為尚未成熟的，直至完成商業收成才定義為產品。此時，果樹會重分類為成熟的並開始折舊。未成熟的果樹以累計成本計量。

所有物業、機器及設備，包括果樹按歷史成本扣除折舊確認。折舊以直線法按可使用年期或租賃年期以較短者計算(沒有剩餘價值)以分配其成本或重估金額，如下：

生產性植物	21.5至25年
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Notes to the Condensed Consolidated Interim Financial Information (cont'd)

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

(a) Initial application of HKAS 41 "Agriculture" (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

- Biological assets

Biological assets consist of the growing produce before harvest on fruit trees. Harvested fruits are transferred to inventory raw materials when harvested. Fruit trees are bearer plants and are accounted for as property, plant and equipment.

Biological assets are measured at fair value less cost to sell on initial recognition and at the end of each reporting period, except where fair value cannot be measured reliably due to unavailability of quoted market prices and no reliable alternative estimates exist to determine fair value, in which case the assets are carried at cost less impairment loss. Once the fair value becomes reliably measurable, the biological assets are measured at fair value less costs to sell and changes in fair value are recognised in profit or loss.

The agricultural produce harvested from fruit trees is measured at fair value less costs to sell at the time of harvest, which is determined based on market prices of similar agricultural produce prevailing in the market as at or close to the harvest dates in the local market. The fair value less costs to sell at the time of harvest is deemed as the cost of the inventories for sales. Costs to sell are the incremental costs directly attributable to sell the assets but excludes finance costs and income taxes. Biological assets that are expected to be realised in the next harvest within the next twelve months are classified under current assets.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策(續)

(a) 首次採納的香港會計準則第41號「農業」(續)

於各報告期末檢討資產的殘值及可使用年期並適當調整。如果資產的賬面值高於其估計可收回金額，資產的賬面值將立即減值至其可收回金額。

- 生物資產

生物資產包括果樹進行收成前之成長中農產品。在收成時，已收成的果類會轉入為庫存原材料。因此果樹乃生產性植物並作為物業、機器及設備入賬。

於初始確認及每個報告期末，生物資產以公允價值扣除出售成本計量。除非因無法獲得市場報價及不存在可靠的替代方法決定其公允價值而無法可靠計量公允價值，在這情況下，生物資產按成本扣除減值虧損列賬。當公允價值能可靠計量時，生物資產以公允價值扣除出售成本計量，而公允價值變動在損益中確認。

農產品從果樹收成後會以收成日之公允價值扣除出售成本計量，收成日之公允價值乃根據當地市場在收成日或接近收成日之市場上同類農產品價格值而確定。收成日之公允價值扣除出售成本被視為存貨之出售成本。出售成本是直接歸屬於出售資產的增量成本，但不包含融資成本及所得稅。若預期於未來十二個月內取得下一次收成的生物資產應被分類為流動資產。

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

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

(b) Put option liability

Put option is the financial instrument granted by the Group that the counterparty may have the right to request the Group to purchase the equity instrument that held by the counterparty for cash or other financial assets when certain conditions are met. If the Group does not have the unconditional right to avoid delivering cash or another financial assets under the put option, it is reclassified from equity and has to recognise a financial liability with a reduction of parent equity at the present value of the estimated future cash outflows under the put option. Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect actual and revised estimated cash outflows. The Group will recalculate the carrying amount by computing the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate and the adjustments will be recognised as changes in parent equity in the condensed consolidated statement of changes in equity. If the put option expires without delivery, the carrying amount of the liability is reclassified to equity. The put option liabilities are classified as current liabilities unless the put option can only be exercised 12 months after the end of the reporting period.

(c) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

3. 會計政策(續)

(b) 認沽期權負債

認沽期權乃金融工具，是由是本集團授予交易對手在滿足一定條件時，交易對手有權要求本集團以現金或其他金融資產來購買其擁有之權益工具。若本集團在認沽期權內沒有避免無條件交付現金或其他金融資產的權利，則從權益重分類並按照認沽期權所預計未來現金流出之現值確認為金融負債。隨後，若本集團對其支付之估算作修訂，本集團將調整金融資產之賬面值以反映實際及修訂之估算現金流出。本集團按金融工具原始有效利率計算經修訂之預計未來現金流出之現值來重新計算賬面值，並將調整於簡明綜合權益變動表中確認為母公司之權益變動。若認沽期權到期但未有交付，則負債的賬面值應重分類至權益。除非認沽期權只能在報告期末12個月後才可以行使，否則認沽期權負債應分類為流動負債。

(c) 本集團已採納的新準則及對現有準則的修訂

新準則及對現有準則的修訂已開始適用於本報告期內。本集團無須就採納新的會計政策修訂而更改其會計政策或作出追溯調整。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

3. ACCOUNTING POLICIES (continued)

(d) Impact of standards issued but not yet applied by the Group:

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

3. 會計政策(續)

(d) 已發佈但尚未應用於本集團之準則的影響：

本集團並無提早採納以下已公佈但仍未生效的新準則及對現有準則的修訂：

		Effective for the financial year beginning on or after 於下列日期或 之後開始的年度 期間起生效
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
香港會計準則第1號修訂	負債分類為流動及非流動	2023年1月1日
HKFRS 17	Insurance contract	1 January 2023
香港財務報告準則第17號	保險合同	2023年1月1日
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
香港會計準則第1號修訂及香港財務報告準則實務說明第2號	會計政策的披露	2023年1月1日
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
香港會計準則第8號修訂	會計估計的定義	2023年1月1日
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
香港會計準則第12號修訂	與單一交易所產生的資產及負債相關之遞延所得稅	2023年1月1日
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associates or joint ventures	To be determined
香港財務報告準則第10號及香港會計準則第28號修訂	投資者與其聯營公司或合營企業之間的資產出售或出資	待定
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	When applies Amendments to HKAS 1
香港詮釋第5號(2020年)財務報表之呈列	借款人對有償還要求條款之有期貨款之歸類	採用香港會計準則第1號修訂時生效

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

管理層正在評估以上新訂、經修改之準則、修訂及對現有準則的詮釋對本集團綜合財務報表的影響。

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

(All amounts in RMB thousands unless otherwise stated)

4. ESTIMATES

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

In preparing this condensed consolidated interim financial information, except for those described in note 7(a) and the estimates below, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

(a) Estimation of put option liability

The Group granted put option to the non-controlling interest owners that they have the right to request the Group to further acquire the equity interests in a non-wholly owned subsidiary that held by the non-controlling interest owners when certain conditions are met. The Group initially recognise a financial liability with a reduction of parent equity at the present value of the estimated future cash outflows under the put option arrangement, and at the end of each subsequent period, the Group will review their estimations. If the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect actual and revised estimated cash outflows and the adjustments will be recognized as changes in parent equity in the condensed consolidated statement of changes in equity.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

4. 估計

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

在編製此等簡明綜合中期財務資訊時，除了附註7(a)及下列估計所述外，管理層應用本集團會計政策時作出的重大判斷和估計不確定性的關鍵來源，與2021年12月31日止年度之綜合財務報表所應用的相同。

(a) 認沽期權負債之估計

本集團向非控制性權益擁有人授予認沽期權，在滿足一定條件時，非控制性權益擁有人有權要求本集團進一步購買一非全資附屬公司的股權。本集團初始按認沽期權安排下預計未來現金流出的現值確認一項減少母公司權益的金融負債，及在每個後續期末時，本集團將重新審視估計。若本集團修改支付估計，本集團會調整金融負債之賬面值以反映實際及經修訂之估計現金流出。此調整將在簡明綜合權益變動表中確認為母公司之權益變動。

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

(All amounts in RMB thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2021. There have been no changes in the risk management policies since 31 December 2021.

5.2 Liquidity risk

The Group's net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. No debt-to-equity ratio is presented as the Group had net cash surplus as at 30 June 2022 and 31 December 2021.

5.3 Fair value estimation

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

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

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

5. 財務風險管理

5.1 財務風險因素

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

簡明綜合中期財務資料並未包括年度財務資料規定的所有財務風險管理信息和披露，此中期財務報表應與本集團截至2021年12月31日止年度的年度財務報表一併閱讀。自2021年12月31日以來，風險管理政策並無任何變動。

5.2 流動性風險

本集團之債務淨額為總借貸（包括流動及非流動貸款）減去現金及現金等價物。由於本集團於2022年6月30日及2021年12月31日擁有淨現金盈餘，故未呈現債務淨額。

5.3 公允價值估計

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

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

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

5. FINANCIAL RISK MANAGEMENT (continued)

5. 財務風險管理(續)

5.3 Fair value estimation (continued)

5.3 公允價值估計(續)

The following tables present the Group's financial assets measured and recognised at fair value at 30 June 2022 and 31 December 2021:

下表列示本集團於2022年6月30日及2021年12月31日按公允價值計量及確認的金融資產：

		Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
At 30 June 2022	於2022年6月30日				
Financial assets at fair value through profit or loss ("FVPL")	以公允價值計量且其變動計入損益之金融資產				
– Listed equity investments	– 上市權益投資	47,609	–	–	47,609
– Wealth management products	– 財富管理產品	–	–	1,512,359	1,512,359
– Unlisted equity investments	– 非上市權益投資	–	–	202,160	202,160
Financial assets at fair value through other comprehensive income ("FVOCI")	以公允價值計量且其變動計入其他全面收益之金融資產				
– Unlisted equity investments in the PRC	– 於中國的非上市權益投資	–	–	17,870	17,870
– Debt securities	– 債務證券	–	–	21,938	21,938
		47,609	–	1,754,327	1,801,936
		Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
At 31 December 2021	於2021年12月31日				
Financial assets at FVPL	以公允價值計量且其變動計入損益之金融資產				
– Listed equity investments	– 上市權益投資	35,866	–	–	35,866
– Wealth management products	– 財富管理產品	–	–	3,256,499	3,256,499
– Unlisted equity investments	– 非上市權益投資	–	–	215,679	215,679
Financial assets at FVOCI	以公允價值計量且其變動計入其他全面收益之金融資產				
– Unlisted equity investments in the PRC	– 於中國的非上市權益投資	–	–	17,870	17,870
– Debt securities	– 債務證券	–	–	48,785	48,785
		35,866	–	3,538,833	3,574,699

There were no transfers of financial assets between level 1, level 2 and level 3 fair value hierarchy classifications for the six months ended 30 June 2022. There are no other financial instruments that were measured at fair value as at 30 June 2022 and 31 December 2021.

截至2022年6月30日止六個月，概無金融資產於第一層、第二層和第三層架構類別之間轉入或轉出。於2022年6月30日及2021年12月31日，並無其他金融工具乃按公允價值計量。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

5. FINANCIAL RISK MANAGEMENT (continued)

5. 財務風險管理(續)

5.3 Fair value estimation (continued)

The financial assets of level 1 within the fair value hierarchy as at 30 June 2022 and 31 December 2021 were the listed equity investments included in financial assets at FVPL. The fair value of these financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets of level 1 held by the Group is the current bid price.

5.3 公允價值估計(續)

於2022年6月30日及2021年12月31日，公允價值層級中的第一層金融資產是計入以公允價值計量且其變動計入當期損益的金融資產中的上市權益投資。在活躍市場中交易的這些金融工具的公允價值基於報告日的市場報價。如果可以從交易所，交易商，經紀人，行業組織，定價服務或監管機構隨時獲得定期報價，則這些市場被認為是活躍的，並且這些價格代表了獨立交易基礎上的實際和定期發生的市場交易。本集團持有的第一層金融資產使用的市場報價為當前買入價。

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

The financial assets of level 3 within the fair value hierarchy as at 30 June 2022 and 31 December 2021 were financial assets at FVOCI and financial assets at FVPL. The following table presents the changes of the Group's financial assets of level 3 within the fair value hierarchy for the six months ended 30 June 2022:

5.4 使用重大不可觀察輸入的公允價值計量(第三層)

於2022年6月30日及2021年12月31日，公允價值層級中的第三層金融資產為以公允價值計量且其變動計入其他全面收益的金融資產和以公允價值計量且其變動計入當期損益的金融資產。下表列出了本集團截至2022年6月30日止六個月的公允價值層級中第三層金融資產的變化：

		Unlisted equity investment 非上市權益投資	Wealth management products 財富管理產品	Debt securities 債務證券	Total 共計
At 1 January 2022	於2022年1月1日	233,549	3,256,499	48,785	3,538,833
Additions	添置	3,986	6,543,000	127,255	6,674,241
Disposals	出售	–	(8,320,227)	(154,102)	(8,474,329)
Fair value change recognised in other income and other gains – net	於其他收入和其他收益—淨額中確認之公允價值變動	(21,848)	33,087	–	11,239
Currency translation differences	貨幣換算差額	4,343	–	–	4,343
At 30 June 2022	於2022年6月30日	220,030	1,512,359	21,938	1,754,327

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

(All amounts in RMB thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (continued)

5.4 Fair value measurements using significant unobservable inputs (Level 3) (continued)

Asset-based approach and market based approach are adopted in valuation the financial assets of level 3. There were no changes in valuation techniques for the six months ended 30 June 2022.

The expected return rates used in determining the fair value of the wealth management products of RMB1,512,359,000 as at 30 June 2022 were between 2.8% to 3.1% (31 December 2021: 1.0% to 3.9%). The fair value of unlisted equity investments is based on asset-based approach and market based approach with no quantitative unobservable inputs developed.

5.5 Group's valuation processes

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

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

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

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

5. 財務風險管理(續)

5.4 使用重大不可觀察輸入的公允價值計量(第三層)(續)

第三層金融資產的估值採用資產法及市場法，截至2022年6月30日止六個月估值技術未發生變化。

於2022年6月30日財富管理產品的公允價值為人民幣1,512,359,000元，而用於確定其公允價值的預期收益率在2.8%至3.1%之間(2021年12月31日：1.0%至3.9%之間)。其他非上市權益投資的公允價值乃基於資產法及市場法，並無按量化的不可觀察輸入來估計。

5.5 本集團的估值過程

本集團之財務部設有一個小組，負責就財務報告事宜執行對金融資產的估值，包括有關第三層公允價值，而當需要時集團亦會邀請第三方獨立評估師參與估值工作。此小組直接向財務總監(「財務總監」)匯報。財務總監及評估小組乃按本集團之報告日期即每半年舉行一次討論估值流程與其結果。

5.6 按攤銷成本計量的金融資產及負債之公允價值

按攤銷成本計量的金融資產和負債的公允價值乃與其賬面值相若。

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

(All amounts in RMB thousands unless otherwise stated)

6. REVENUE AND SEGMENT INFORMATION

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

- (1) Flavours and fragrances, and food ingredients ("F&F and food ingredients");
- (2) Tobacco raw materials;
- (3) Aroma raw materials; and
- (4) Condiment.

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

The Executive Directors consider the business from the operation's perspective and assess the performance of F&F and food ingredients, tobacco raw materials, aroma raw materials and condiment segments.

- (1) F&F and food ingredients segment includes research and development, production and sale of flavours and fragrances products, and food ingredients.
- (2) Tobacco raw materials segment includes research and development, production and sale of paper-making reconstituted tobacco leaves and new materials products that are innovative, functional and applicable to tobacco industry.
- (3) Aroma raw materials segment includes research and development, manufacture and sale of aroma raw materials products that are extracted from natural materials or generated from chemical process.
- (4) Condiment segment includes production, sales, marketing and distribution of condiments.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料

本集團的經營分為四項主要營運分部：

- (1) 香精及食品配料；
- (2) 煙用原料；
- (3) 香原料；及
- (4) 調味品。

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

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

- (1) 香精及食品配料業務包括研發、生產及銷售香精及食品配料產品。
- (2) 煙用原料業務包括研發、生產及銷售造紙法再造煙葉產品及創新、具功能性等適用於煙草行業的新材料產品。
- (3) 香原料業務包括研發、生產及銷售香原料產品，香原料乃通過化學反應合成或天然提取的「帶香物質」。
- (4) 調味品業務包括生產、銷售、營銷及分銷調味品產品。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

6. REVENUE AND SEGMENT INFORMATION (continued)

The segment information for the six months ended 30 June 2022 is presented below:

6. 營業額及分部資料(續)

截至2022年6月30日止六個月的分部資料呈列如下：

		Unaudited 未經審核 For the six months ended 30 June 2022 截至2022年6月30日止六個月					
		F&F and food ingredients 香精及食品配料	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Total revenue	總營業額	897,113	198,268	479,918	289,264	-	1,864,563
Inter-segment revenue	分部間營業額	(9,158)	(6,396)	(1,857)	-	-	(17,411)
Segment revenue – net	分部營業額－淨額	887,955	191,872	478,061	289,264	-	1,847,152
Segment result	分部業績	468,824	19,365	44,775	(585,974)	(88,766)	(141,776)
Finance income	財務收入						31,640
Finance costs	融資成本						(12,204)
Finance income – net	財務收入－淨額						19,436
Share of results of associates and jointly controlled entities	應佔聯營公司及共同控制實體之業績						(5,052)
Loss before income tax	除稅前虧損						(127,392)
Income tax expense	所得稅						(105,639)
Loss for the period	本期間虧損						(233,031)
Depreciation	折舊	31,017	41,810	25,564	5,270	2,474	106,135
Amortisation	攤銷	2,875	4,506	5,646	37,306	393	50,726
		Unaudited 未經審核 As at 30 June 2022 於2022年6月30日					
		F&F and food ingredients 香精及食品配料	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	8,245,239	2,328,659	1,309,515	3,861,863	1,356,727	17,102,003

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

6. REVENUE AND SEGMENT INFORMATION (continued)

The segment information for the six months ended 30 June 2021 is presented below:

6. 營業額及分部資料(續)

截至2021年6月30日止六個月的分部資料呈列如下：

		Unaudited 未經審核 For the six months ended 30 June 2021 截至2021年6月30日止六個月					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Total revenue	總營業額	916,678	221,059	322,370	324,206	20	1,784,333
Inter-segment revenue	分部間營業額	(6,241)	(12,312)	(2,105)	-	-	(20,658)
Segment revenue – net	分部營業額－淨額	910,437	208,747	320,265	324,206	20	1,763,675
Segment result	分部業績	576,461	61,291	22,435	61,814	11,572	733,573
Finance income	財務收入						65,483
Finance costs	融資成本						(49,628)
Finance income – net	財務收入－淨額						15,855
Share of results of associates and a jointly controlled entity	應佔聯營公司及共同控制實體之業績						3,936
Profit before income tax	除稅前盈利						753,364
Income tax expense	所得稅						(171,899)
Profit for the period	本期間盈利						581,465
Depreciation	折舊	19,041	42,334	13,524	5,951	3,520	84,370
Amortisation	攤銷	833	4,496	7,580	36,895	11	49,815
		Audited 經審核 As at 31 December 2021 於2021年12月31日					
		Flavours and fragrances 香精	Tobacco raw materials 煙用原料	Aroma raw materials 香原料	Condiment 調味品	Others 其他	Total 總計
Segment assets	分部資產	8,389,135	2,314,894	1,344,664	4,586,505	1,389,931	18,025,129

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

(All amounts in RMB thousands unless otherwise stated)

6. REVENUE AND SEGMENT INFORMATION (continued)

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

Segment assets consist primarily of property, plant and equipment, right-of-use assets, intangible assets, investments in associates, investments in jointly controlled entities, financial assets at FVPL and financial assets at FVOCI that are managed by the Finance Department, deferred income tax assets, other non-current assets, inventories, trade and other receivables, short-term time deposits, cash and cash equivalents. They exclude financial assets at FVOCI and financial assets at FVPL that are managed by the Investment Department and intersegment eliminations.

Non-current assets other than financial instruments and deferred tax assets of the Group as at 30 June 2022 and 31 December 2021 are mainly located in the PRC.

Revenues from external customers are derived from the sales of F&F and food ingredients, tobacco raw materials, aroma raw materials and condiments to customers mainly of whom located in the PRC.

Revenue derived from sales made to the single largest external customer for the six months ended 30 June 2022 amounted to 6.3% (for the six months ended 30 June 2021: 7.9%) of the Group's total revenue. These revenues are attributable to F&F and food ingredients segment.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

6. 營業額及分部資料(續)

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

分部資產主要包括物業、廠房及設備、使用權資產、無形資產、對聯營公司的投資、對共同控制實體的投資、由財務部管理之按公允價值計量且其變動計入損益和按公允價值計量且其變動計入其他全面收益的金融資產、遞延所得稅資產、其他非流動資產、存貨、貿易和其他應收款、短期定期存款、現金和現金等價物。它們不包括由投資部門管理的以公允價值計量且其變動計入其他全面收益和以公允價值計量且其變動計入損益的金融資產，及分部間抵銷。

除金融工具和遞延所得稅資產以外，於2022年6月30日及2021年12月31日本集團的非流動資產主要位於中國。

來自外部客戶的收入主要來自銷售香精及食品配料、煙用原料、香原料以及調味品予國內客戶。

截至2022年6月30日止六個月期間，來源於最大外部單一客戶的收入佔集團總收入的6.3%（2021年6月30日：7.9%）。這些收入是由香精及食品配料分部產生的。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

7. 物業、機器及設備及無形資產

		Unaudited 未經審核							
	Note	Other property, plant and equipment	Mature bearer plants	Immature bearer plants	Construction in progress	Total property, plant and equipment	Goodwill	Other intangible assets	Total intangible assets
	附註	其他物業、機器及設備	成熟的生產性植物	未成熟的生產性植物	在建工程	物業、機器及設備總計	商譽	其他無形資產	無形資產總計
For the six months ended 30 June 2021		截至2021年6月30日止六個月							
At 1 January 2021		1,091,407	-	-	296,850	1,388,257	5,372,011	854,351	6,226,362
Additions		17,781	-	-	140,502	158,283	-	5,187	5,187
Transfers		175,855	-	-	(175,855)	-	-	-	-
Other disposals		(2,709)	-	-	-	(2,709)	-	-	-
Depreciation and amortisation		(71,941)	-	-	-	(71,941)	-	(47,114)	(47,114)
Currency translation differences		(355)	-	-	-	(355)	-	-	-
At 30 June 2021		1,210,038	-	-	261,497	1,471,535	5,372,011	812,424	6,184,435
At 31 December 2021		於2021年12月31日							
Cost		2,799,351	-	-	249,138	3,048,489	5,903,875	1,414,307	7,318,182
Accumulated depreciation, amortisation and impairment		(1,405,923)	-	-	-	(1,405,923)	(825,134)	(645,741)	(1,470,875)
Net book amount		1,393,428	-	-	249,138	1,642,566	5,078,741	768,566	5,847,307
For the six months ended 30 June 2022		截至2022年6月30日止六個月							
At 1 January 2022		1,393,428	-	-	249,138	1,642,566	5,078,741	768,566	5,847,307
Acquisition of equity interest in Shanghai Yifang	24	94,767	38,130	84,944	802	218,643	49,418	22,844	72,262
Additions		19,932	-	267	157,583	177,782	-	2,225	2,225
Transfers		34,189	-	-	(34,189)	-	-	-	-
Other disposals		(5,139)	-	-	-	(5,139)	-	-	-
Depreciation and amortisation		(93,764)	(701)	-	-	(94,465)	-	(46,124)	(46,124)
Impairment of goodwill	(a)	-	-	-	-	-	(614,331)	-	(614,331)
Currency translation differences		4	-	-	528	532	-	-	-
At 30 June 2022		1,443,417	37,429	85,211	373,862	1,939,919	4,513,828	747,511	5,261,339
At 30 June 2022		於2022年6月30日							
Cost		3,002,858	44,716	85,211	373,862	3,506,647	5,953,293	1,439,375	7,392,668
Accumulated depreciation, amortisation and impairment		(1,559,441)	(7,287)	-	-	(1,566,728)	(1,439,465)	(691,864)	(2,131,329)
Net book amount		1,443,417	37,429	85,211	373,862	1,939,919	4,513,828	747,511	5,261,339

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

(All amounts in RMB thousands unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (continued)

(a) Impairment of goodwill

Goodwill is mainly attributable to the anticipated profitability of operations, the anticipated future operating synergies and enlarged market share. Goodwill arising from prior year is allocated to the Group's cash-generating units ("CGU"s) identified within the operating segment. The goodwill is allocated in CGUs as follows:

		As at 30 June 2022 於2022年6月30日				As at 31 December 2021 於2021年12月31日					
		Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他	Total 總計	Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他	Total 總計
Goodwill	商譽	1,186,344	649,363	2,525,721	152,400	4,513,828	1,186,344	649,363	3,140,052	102,982	5,078,741

The recoverable amount of a CGU is determined based on the higher of value in use ("VIU") and the fair value less the costs of disposal ("FVL COD"). As at 31 December 2021, management recalculated the recoverable amounts of all CGUs. The value in use results of CGUs other than the CGU of Reconstituted Tobacco Leaves ("RTL") were assessed to be exceed their carrying amounts as at 31 December 2021. Based on the results of the Group's discussion with customers at the end of 2021, the management of the Group re-evaluated the supply and demand situation of the traditional RTL industry and considered that the oversupply in the traditional RTL would remain for a longer period of time, while based on the principle of prudence and conservatism, a conservative forecast on the future sales of the traditional RTL was made. As at 31 December 2021, management engaged an independent valuer to conduct an impairment test on goodwill of CGU of RTL. According to the test results, an impairment of goodwill of approximately RMB293,270,000 was recognised for the CGU of RTL, resulted in a reduce in the carrying amount of the goodwill of RTL from RMB942,633,000 to RMB649,363,000 as at 31 December 2021.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

7. 物業、機器及設備及無形資產(續)

(a) 商譽減值

商譽主要由經營活動的預期盈利狀況、預期的未來經營協同效應和擴大的市場份額決定。本集團於以前年度產生之商譽主要根據其業務分部分配至多個現金產生單位(「CGUs」)。商譽分配至CGUs呈列如下：

CGU的可收回金額乃根據使用價值與公允價值減處置費用(「FVL COD」)兩者中的較高者釐定。於2021年12月31日，管理層再次評估所有CGUs的可收回金額，除了再造煙葉CGU外，其餘CGUs的使用價值結果被評估為超過其賬面值。基於本集團於2021年年底與客戶的溝通結果，本集團管理層對傳統再造煙葉行業供需情況重新做了評估，認為傳統再造煙葉行業供大於求仍將維持一段較長時間，基於審慎和保守的原則，對傳統再造煙葉未來的銷售做了保守的預測。於2021年12月31日，管理層聘用獨立評估師為再造煙葉的CGU進行減值測試。根據測試結果，再造煙葉的CGU確認了商譽減值為人民幣293,270,000元，導致再造煙葉的商譽賬面值於2021年12月31日由人民幣942,633,000元減少至人民幣649,363,000元。

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

(All amounts in RMB thousands unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (continued)

(a) Impairment of goodwill (continued)

Following the decrease in revenue and operating profit of the CGU of Jiahao Foodstuff Limited and its subsidiaries ("Jiahao Foodstuff") due to the impact of the resurgence of Novel Coronavirus Pneumonia Pandemic ("Pandemic") in the PRC in the first half of 2022, which hindered the logistics and supply chains of raw materials, while various daily consumption activities including those of retail and catering sectors were adversely affected, thereby resulting in decrease in demand and increase in the operating costs. Given that the revenue and the operating profit of Jiahao Foodstuff had dropped significantly during the first half of 2022, and there is great uncertainty in the future of the Chinese condiment market due to the Pandemic, an impairment loss on goodwill of Jiahao Foodstuff's CGU is expected. As at 30 June 2022, management engaged an independent valuer to conduct an impairment test on goodwill of CGU of Jiahao Foodstuff. In the goodwill impairment test carried out by the valuer, FVLCO and VIU of the CGU of Jiahao Foodstuff was assessed by using market approach and income approach respectively. According to the result of the test, VIU was higher than FVLCO and therefore VIU was adopted to be the recoverable amount of the CGU of Jiahao Foodstuff. According to the test results, an impairment of goodwill of approximately RMB614,331,000 was recognised for the CGU of Jiahao Foodstuff, resulted in a reduction in the carrying amount of the goodwill of Jiahao Foodstuff from RMB3,140,052,000 to RMB2,525,721,000 as at 30 June 2022.

Other than the CGU of Jiahao Foodstuff, as at 30 June 2022, management reassessed the key assumptions for impairment testing of goodwill of all CGUs and engaged an independent valuer to conduct impairment test on the CGU of RTL. Based on the assessment, the Group considered that no additional impairment of goodwill was required.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

7. 物業、機器及設備及無形資產(續)

(a) 商譽減值(續)

嘉豪食品有限公司及其附屬公司(「嘉豪食品」)所屬CGU的營業額和營運盈利下跌，因為2022年上半年新型冠狀病毒肺炎疫情(「新冠肺炎疫情」)在中國復燃的影響，原材料的物流和供應鏈受阻，而包括零售和餐飲在內的各種日常消費活動受到較大的不利影響，導致需求減少及營運成本增加。鑑於嘉豪食品於2022年上半年的銷售收入及營運盈利大幅下降且未來中國調味品市場受新冠肺炎疫情影響存在較大不確定性，故預期嘉豪食品CGU將出現商譽減值虧損。於2022年6月30日，管理層聘用獨立評估師為嘉豪食品的CGU進行減值測試，是次測試分別採用市場法及收益法來評估嘉豪食品CGU的FVLCO和使用價值。根據此測試結果，使用價值高於其FVLCO，嘉豪食品CGU的可收回金額因此採用了使用價值的金額。根據測試結果，嘉豪食品CGU確認了商譽減值人民幣614,331,000元，導致嘉豪食品的商譽賬面值由人民幣3,140,052,000元減少至於2022年6月30日的人民幣2,525,721,000元。

除了嘉豪食品CGU外，於2022年6月30日，管理層再次評估所有CGUs在商譽減值測試中的關鍵假設，並聘用獨立評估師為再造煙葉的CGU進行減值測試。根據評估，本集團認為並無額外商譽減值。

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

(All amounts in RMB thousands unless otherwise stated)

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (continued)

(a) Impairment of goodwill (continued)

The VIU calculations use pre-tax cash flow projections based on financial budgets prepared by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated terminal growth rates below. The terminal growth rate does not exceed the long-term average growth rate for the businesses in which the CGU operates. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments or entities as below. Management determined budgeted gross margin based on past performance and their expectations for the market development.

The key assumptions used for value in use calculations are as follows:

		As at 30 June 2022 於2022年6月30日				As at 31 December 2021 於2021年12月31日			
		Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他	Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品	Others 其他
Forecast growth rate	預計增長率	-3.0%-0.0%	3.8%-27.0%	3.5%-26.8%	-19.6%-222.9%	-3.0%-0.0%	3.9%-20.6%	6.7%-26.4%	-5.5%-137.8%
Terminal growth rate	永續年增長率	0.0%	3.0%	3.0%	0.0%-3.0%	0.0%	3.0%	3.0%	0.0%-3.0%
Budgeted gross profit margin	預計毛利率	83.0%	50.0%-54.8%	56.5%-57.2%	16.0%-45.0%	83.0%	49.1%-54.3%	58.5%-59.4%	22.0%-45.0%
Pre-tax discount rate	稅前貼現率	16.2%	16.2%	14.6%	15.3%-19.7%	14.3%	16.5%	13.5%	14.9%-19.8%

The recoverable amounts and the headrooms available (the excess of the recoverable amounts over the carrying amounts) of the CGU of Flavours Subgroup, CGU of RTL and CGU of Jiahao Foodstuff are as follows:

		As at 30 June 2022 於2022年6月30日			As at 31 December 2021 於2021年12月31日		
		Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品	Flavours Subgroup 香精	RTL 再造煙葉	Jiahao Foodstuff 嘉豪食品
Recoverable amount	可收回金額	8,666,465	1,372,951	3,722,806	9,438,095	1,187,631	4,414,130
Headroom	不減值空間	3,601,090	193,729	-	4,087,668	-	101,116

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

7. 物業、機器及設備及無形資產(續)

(a) 商譽減值(續)

使用價值是基於管理層編制的五年期財務預算而預計之稅前現金流量計算。超逾五年期的現金流量使用以下的預計永續年增長率去推斷。該永續年增長率不會超過CGU之業務分部營運的長期平均增長率。所用之貼現率為稅前貼現率並反映各有關營運分部或公司之特定風險並列示如下。管理層根據過往的業績及其對市場發展的預期確定預計毛利率。

計算使用價值的關鍵假設如下：

香精業務的CGU、再造煙葉的CGU和嘉豪食品的CGU之可收回金額及不減值空間(可收回金額超過賬面值部份)列示如下：

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (continued)

7. 物業、機器及設備及無形資產(續)

(a) Impairment of goodwill (continued)

The recoverable amount of the CGU of Flavours Subgroup, CGU of RTL and CGU of Jiahao Foodstuff would equal its carrying amount if the key assumptions were to change as follows:

(a) 商譽減值(續)

若關鍵假設變更如下，香精業務的CGU的可收回金額、再造煙葉的CGU的可收回金額和嘉豪食品的CGU的可收回金額將等同於其賬面值：

		30 June 2022 於2022年6月30日						31 December 2021 於2021年12月31日					
		Flavours Subgroup 香精		RTL 再造煙葉		Jiahao Foodstuff 嘉豪食品		Flavours Subgroup 香精		RTL 再造煙葉		Jiahao Foodstuff 嘉豪食品	
		From	To	From	To	From	To	From	To	From	To	From	To
		由	至	由	至	由	至	由	至	由	至	由	至
Forecast growth rate	預計增長率	-3.0%-0.0%	-62.1%-59.1%	3.8%-27.0%	2.6%-25.8%	NA	NA	-3.0%-0.0%	-18.9%-22.3%	NA	NA	6.7%-26.4%	5.9%-25.6%
Terminal growth rate*	永續年增長率*	NA	NA	3.0%	0.0%	NA	NA	NA	NA	NA	NA	3.0%	2.7%
Budgeted gross profit margin	預計毛利率	83.0%	36.2%	50.0%-54.8%	45.8%-50.6%	NA	NA	83.0%	46.3%	NA	NA	58.5%-59.4%	57.7%-58.6%
Pre-tax discount rate	稅前貼現率	16.2%	38.2%	16.2%	18.1%	NA	NA	14.3%	54.4%	NA	NA	13.5%	13.7%

* The management have considered and assessed reasonably possible changes for terminal growth rate and have not identified any other instances that could cause the carrying amount of the CGU of Flavours Subgroup to exceed its recoverable amount.

* 管理層經考慮及評估永續年增長率的合理可能變動，並無發現其他情況可能導致香精業務的CGU的賬面值超過其可收回金額。

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

(All amounts in RMB thousands unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES

The Group has interests in ten (31 December 2021: nine) individually immaterial associates as at 30 June 2022. The following table analyses, in aggregate, the movements of the carrying amount of the Group's investments in these associates, and its share of results of these associates.

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

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

8. 於聯營公司之投資

於2022年6月30日，本集團於十個(2021年12月31日：九個)並非個別重大的聯營公司擁有權益。下表為本集團於該等聯營公司的投資及其於該等聯營公司應佔業績的合計賬面值變動的分析。

於聯營公司的權益投資變動分析如下：

		Unaudited 未經審核 For the six months ended 30 June 2022 截至2022年 6月30日 止六個月
At 1 January	於1月1日	806,407
Acquisition of equity interest in Shenzhen Ruili Technology Co., Ltd. ("Shenzhen Ruili")	購入深圳市銳麗科技有限公司(「深圳銳麗」)之股權	4,000
Increase investment in Hunan Jiapinjiawei Technology development Group Co., Ltd. ("Hunan Jiapinjiawei")	增資湖南省嘉品嘉味科技發展集團有限公司(「湖南嘉品嘉味」)	5,200
Share of results of associates	應佔聯營公司業績	(4,994)
Dividends received	已收股息	(5,110)
Adjustment for transactions between the Group and associates	調整本集團與聯營公司之交易	(349)
Dilution of investment in an associate	投資聯營公司之股權稀釋	25,755
Exchange difference	匯兌差異	820
At 30 June	於6月30日	831,729

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

8. INVESTMENTS IN ASSOCIATES (continued)

- (a) As at 30 June 2022, the Group had interests in the following associates:

8. 於聯營公司之投資(續)

- (a) 於2022年6月30日，本集團於以下聯營公司擁有權益：

Name 名稱	Place of incorporation 註冊成立地點	% of ownership Interests 所持權益 百分比	Principal activities 主要業務
Guizhou Huangguoshu Golden Leaf Technology Co., Ltd. (“Huangguoshu Golden Leaf”) 貴州黃果樹金葉科技有限公司 (「黃果樹金葉」)	PRC 中國	40.00%	Produce and sell RTL 生產和銷售再造煙葉
Yunnan Hongta Blue Eagle Paper Co., Ltd. (“Hongta Blue Eagle”) 雲南紅塔藍鷹紙業有限公司 (「紅塔藍鷹」)	PRC 中國	25.10%	Manufacture and sales of cigarette paper and auxiliary products 生產和銷售捲煙用紙及輔助品
Yunnan Ruisheng Tobacco Technology Group Co., Ltd. (“Yunnan Ruisheng”) (i) 雲南瑞升煙草技術(集團)有限公司 (「雲南瑞升」) (i)	PRC 中國	6.72%	Research, develop, produce and sell flavours and additives 研發、生產和銷售香精香料及添加劑
Yunnan Nongken Gaoyuan Food Co., Ltd. 雲南農墾高原食品有限公司	PRC 中國	30.00%	Purchase and sale of agricultural products, coffee and tea raw materials 採購及銷售農業產品、咖啡及茶原料
Junjieshang Network Technology Co., Ltd. (“Junjieshang”) (ii) 駿杰尚網絡科技有限公司 (「駿杰尚」) (ii)	PRC 中國	10.00%	Technology development and promotion in the field of internet technology, advertisement design and production 互聯網科技領域內的技術開發、技術推廣、廣告設計及製作
Xiamen Fengtao Ceramics Co., Ltd. (“Xiamen Fengtao”) (i) 廈門蜂濤陶瓷有限公司 (「廈門蜂濤」) (i)	PRC 中國	13.04%	Manufacture special ceramic products, special machinery for water resources and special equipment for environmental protection 生產特種陶瓷製品、水資源專用機械及環保專用設備
Broad Far (Hong Kong) Limited (“Broad Far”) 博遠(香港)有限公司 (「博遠」)	Hong Kong 香港	21.06%	Research, develop, produce and sale of heat-not-burn tobacco products 研發、生產和銷售加熱不燃燒煙草產品
Yingtian Dongwu Technology Co. Ltd. (“Yingtian Dongwu”) 鷹潭東霧科技有限責任公司 (「鷹潭東霧」)	PRC 中國	35.00%	Produce and sell electronic atomized cigarette products 生產及銷售電子霧化煙產品
Hunan Jiapinjiawei 湖南嘉品嘉味	PRC 中國	40.00%	Research, develop, produce and sell health food and biological products 研發、生產及銷售保健食品及生物製品
Shenzhen Ruili 深圳銳麗	PRC 中國	34.00%	Research, develop, produce and sell atomizer products 研發、生產及銷售霧化類產品

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

(All amounts in RMB thousands unless otherwise stated)

8. INVESTMENTS IN ASSOCIATES (continued)

- (a) As at 30 June 2022, the Group had interests in the following associates: (continued)
- (i) The Group has significant influence over these companies by representations on its board of directors.
- (ii) The Group has significant influence over Junjieshang by the appointment of its executive director.

9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

The Group has interests in two (31 December 2021: three) immaterial joint ventures as at 30 June 2022. The following table analyses the movement of the carrying amount of the Group's investments in these jointly controlled entities.

An analysis of the movements of equity investments in jointly controlled entities is as follows:

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

8. 於聯營公司之投資(續)

- (a) 於2022年6月30日，本集團於以下聯營公司擁有權益：(續)
- (i) 本集團通過在公司的董事會中委任董事，對此公司有重大影響力。
- (ii) 本集團通過在駿杰尚委任執行董事，對此公司有重大影響力。

9. 於共同控制實體之投資

於2022年6月30日，本集團於兩個(2021年12月31日：三個)並非個別重大的共同控制實體擁有權益。下表為本集團於該等共同控制實體的投資之賬面值變動分析。

於共同控制實體的權益投資變動分析如下：

		Unaudited 未經審核 For the six months ended 30 June 2022 截至2022年 6月30日 止六個月
At 1 January	於1月1日	202,831
Transfer to investments in subsidiaries upon gaining control over Shanghai Yifang	取得對上海奕方的控制權後轉入對附屬公司之投資	(183,129)
Share of results of jointly controlled entities	應佔共同控制實體業績	(58)
At 30 June	於6月30日	19,644

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

9. 於共同控制實體之投資(續)

- (a) As at 30 June 2022, the Group had interests in the following jointly controlled entities:

- (a) 於2022年6月30日，本集團於以下共同控制實體擁有權益：

Name	Place of incorporation	% of ownership Interests	Principal activities
名稱	註冊成立地點	所持權益百分比	主要業務
Wuxi Jintou Huikai Emerging Industry Venture Capital Fund Partnership (Limited Partnership)	PRC	40.00%	Equity investment, investment management, asset management and other activities
無錫金投惠開新興產業創業投資基金合作企業(有限合伙)	中國		股權投資，投資管理及資產管理等活動
Shanghai Miou Food Technology Co., Ltd	PRC	20.00%	Purchase and sale of agricultural products
上海米偶食品科技有限公司	中國		採購及銷售農產品

The above entities are accounted for as jointly controlled entities of the Group, whereby the Group and the counterparty have joint control and rights to the net assets of the arrangement, pursuant to Article of Association.

根據《公司章程》，上述主體作為本集團的共同控制實體入賬，本集團與交易對手對該安排的淨資產具有共同控制權利。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

10. DEFERRED INCOME TAX ASSETS/LIABILITIES

The movements in the deferred income tax are as follows:

10. 遞延所得稅資產／負債

遞延所得稅變動如下：

		Unaudited 未經審核						
		Deferred income tax assets 遞延所得稅資產			Deferred income tax liabilities 遞延所得稅負債			
	Note	Unrealised profits arising from intra-group sales	Recoverable tax loss	Others	Total	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC		Total
	附註	集團內公司間銷售所產生的集團內未變現盈利	可彌補虧損	其他	總計	資產評估盈餘及無形資產的確認	集團內位於中國國內的公司預期匯出的股息所產生之預提所得稅	總計
At 1 January 2021	於2021年1月1日	89,992	35,213	35,242	160,447	139,513	31,023	170,536
Recognised in the income statement	於損益表確認	(9,181)	632	3,106	(5,443)	10,619	(12,180)	(1,561)
At 30 June 2021	於2021年6月30日	80,811	35,845	38,348	155,004	150,132	18,843	168,975
At 1 January 2022	於2022年1月1日	83,484	50,260	33,798	167,542	136,558	12,892	149,450
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	-	-	3,448	3,448	13,054	-	13,054
Disposal of Xinjiang Huabao	處置新疆華寶	-	-	(509)	(509)	-	-	-
Recognised in the income statement	於損益表確認	(2,405)	3,072	(8,229)	(7,562)	(13,224)	(10,009)	(23,233)
Total	總計	81,079	53,332	28,508	162,919	136,388	2,883	139,271
Set-off of deferred income tax assets/liabilities	相抵消之遞延所得稅資產／負債				(8,133)			(8,133)
At 30 June 2022	於2022年6月30日				154,786			131,138

As at 30 June 2022, deferred income tax liabilities of RMB213,988,000 (31 December 2021: RMB194,886,000) have not been recognised for the withholding tax that would otherwise be payable on the undistributed profits of certain PRC subsidiaries.

於2022年6月30日，本集團並未就若干中國大陸附屬公司之未分派盈利可能產生的預提所得稅確認遞延所得稅負債人民幣213,988,000元（2021年12月31日：人民幣194,886,000元）。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

11. BIOLOGICAL ASSETS

11. 生物資產

		As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審計
At 1 January	於1月1日	-	-
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	4,104	-
Increase due to plantation	因種植而增加	1,554	-
At 30 June	於6月30日	5,658	-

As at 30 June 2022, the growing fruits including lemon, grape, mulberry, orange and blueberry were in premature stage, future economic benefit and expected harvest quantity could not be reliably estimated for fair value measurement as this would involve adoption of subjective assumptions, such as weather conditions, natural disaster and effectiveness of fertilizers and pesticides. As such, management considered that the fair value of these fruit at the end of the reporting period could not be measured reliably and no reliable alternative estimates existed to determine their fair value. Therefore, these biological assets were stated at cost as at 30 June 2022, representing cultivation cost incurred, mainly comprising fertilisers, pesticides and labour costs. The group recognised no provision for impairment in respect of the biological assets as at 30 June 2022.

於2022年6月30日，檸檬、柚子、桑椹、橙、藍莓等種植性農產品尚處於早熟期，因公允價值計量涉及主觀假設，無法可靠估計未來經濟效益和預期收穫量，如天氣狀況、自然災害以及化肥和殺蟲劑的有效性。據此，管理層認為該等水果於報告期末之公允值無法可靠計量，亦無可靠替代估計可釐定其公允值。因此，該等生物資產於2022年6月30日按成本列賬，金額為已發生的種植成本，主要包括化肥、農藥及人工成本。於2022年6月30日，本集團並未需要就生物資產計提減值準備。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

12. TRADE AND OTHER RECEIVABLES

12. 貿易及其他應收款項

		Note	As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
Trade receivables	貿易應收款項	(a)	1,006,955	863,357
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備		(10,584)	(13,237)
Trade receivables – net	貿易應收款項－淨額		996,371	850,120
Notes receivable	應收票據		50,146	27,493
Advances to staff	員工墊款		9,430	9,865
Others	其他		22,437	18,240
Prepayments and other receivables	預付款項及其他應收款項		291,742	204,893
Less: provision for impairment of other receivables	減：其他應收款項減值撥備		(37,268)	(29,565)
			1,332,858	1,081,046

Except for prepayments of RMB83,261,000 (31 December 2021: RMB51,480,000), trade and other receivables are financial assets categorised as “financial assets measured at amortised cost”. All trade and other receivables are either repayable within one year or on demand.

除預付賬款人民幣83,261,000元(2021年12月31日：人民幣51,480,000元)外，貿易及其他應收款項乃金融資產被分類為「以攤銷成本計量的金融資產」。所有貿易及其他應收款項乃於一年內或於通知時清還。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

12. TRADE AND OTHER RECEIVABLES (continued)

- (a) The credit period granted to customers generally ranges from 0 to 180 days. At 30 June 2022 and 31 December 2021, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on the invoice date was as follows:

		As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
0 – 90 days	0至90日	724,023	756,502
91 – 180 days	91至180日	117,524	75,511
181 – 360 days	181至360日	123,095	15,097
Over 360 days	360日以上	42,313	16,247
		1,006,955	863,357

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. For the six months ended 30 June 2022, a provision for impairment of RMB470,000 (six months ended 30 June 2021: RMB1,376,000) was made against the gross amount of trade receivables and a write-off as uncollectible of RMB4,059,000 (six months ended 30 June 2021: no amount was written off as uncollectible).

本集團採用簡化方法並根據香港財務報告準則第9號所規定計提預期信貸虧損。截至2022年6月30日止六個月，已對貿易應收款項總額作出人民幣470,000元之減值撥備(截至2021年6月30日止六個月：人民幣1,376,000元)及沖銷無法收回之款項人民幣4,059,000元(截至2021年6月30日止六個月：沒有無法收回之款項需予沖銷)。

13. SHARE CAPITAL

13. 股本

		Unaudited 未經審核	
		Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元
Ordinary shares, issued and fully paid:		普通股，已發行及繳足：	
At 1 January 2021 and 30 June 2021	於2021年1月1日及2021年6月30日	3,107,836,876	318,636
Issuance of new shares	發行新股	122,090,000	9,983
At 31 December 2021, 1 January 2022 and 30 June 2022	於2021年12月31日，2022年1月1日及2022年6月30日	3,229,926,876	328,619

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

(All amounts in RMB thousands unless otherwise stated)

14. SHARE-BASED PAYMENT

(a) Employee share scheme

On 1 December 2020, shares of Guangdong Jiahao Foodstuff Co., Ltd. ("Guangdong Jiahao"), a subsidiary of the Group, were granted to 80 eligible employees (the "Grantees") of Guangdong Jiahao and its subsidiary (the "Employee Share Plan"). Four limited partnerships controlled by the Group were incorporated in the PRC under the Law of the People's Republic of China on Partnerships as a vehicle to hold the ordinary shares for the Grantees under the Employee Share Plan. Under this plan, approximately 1.98% equity interest in Guangdong Jiahao was granted to the Grantees through their interests in the four limited partnerships with consideration of approximately RMB46,496,000 and will be vested if certain services conditions are met.

As at 30 June 2022, approximately 1.75% equity interest in Guangdong Jiahao was granted to 67 Grantees under the Employee Share Plan.

The amounts of share-based compensation recognised as expenses with a corresponding credit to reserves of the Group for the six months ended 30 June 2022 was RMB2,740,000.

(b) Expenses arising from share-based payment transactions

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

14. 股份為基礎的支付

(a) 僱員購股權計劃

於2020年12月1日，廣東嘉豪食品有限公司（「廣東嘉豪」），本集團之附屬公司，授予80名廣東嘉豪及其附屬公司的合資格僱員（「被授予人」）廣東嘉豪的股份（「僱員股權計劃」）。根據《僱員股權計劃》，四家由本集團控制的並根據《中華人民共和國合夥企業法》在中國註冊成立的有限合夥企業，會作為被授予人持有普通股的持股平台。根據該計劃，被授予人通過其在四家有限合夥企業的權益獲授予約1.98%廣東嘉豪的股權，代價約為人民幣46,496,000元；而股權將會歸屬如果滿足某些服務條件。

於2022年6月30日在僱員股權計劃下，67名被授予人獲授予約1.75%廣東嘉豪的股權。

截至2022年6月30日止六個月期間，本集團以股份為基礎的酬金確認為支出，並相應計入儲備之金額為人民幣2,740,000元。

(b) 以股份為基礎的支付產生之費用

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2022 2022年	2021 2021年
Employee share scheme	僱員股權計劃	2,740	3,004

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

15. RESERVES

15. 儲備

		Unaudited 未經審核									
		Contributed surplus	Merger reserve	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve	Currency translation reserve	Statutory Reserve	Other reserves	Total
		實繳盈餘	合併儲備	股份溢價	資本儲備	資本贖回儲備	以股份為基礎的酬金儲備	貨幣換算儲備	法定儲備	其他儲備	總計
At 1 January 2021	於2021年1月1日	296,853	(628,438)	429,861	2,411	4,760	536	76,035	790,912	1,660,802	2,633,732
Fair value changes on financial assets at FVOCI, net of tax	以公允價值計量且其變動計入其他全面收益之金融資產之除稅後的公允價值變動	-	-	-	-	-	-	-	-	(195)	(195)
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	684	-	684
Share-based payment-value of employee services	股份為基礎的支付- 僱員服務價值	-	-	-	-	-	3,004	-	-	-	3,004
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	6,798	-	-	6,798
At 30 June 2021	於2021年6月30日	296,853	(628,438)	429,861	2,411	4,760	3,540	82,833	791,596	1,660,607	2,644,023
At 1 January 2022	於2022年1月1日	296,853	(628,438)	2,183,766	2,411	4,760	6,283	92,638	821,508	1,607,738	4,387,519
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	(4,682)	-	(4,682)
Share-based payment-value of employee services	股份為基礎的支付- 僱員服務價值	-	-	-	-	-	2,740	-	-	-	2,740
Additional investment in a non-wholly-owned subsidiary	額外注資於非全資附屬公司	-	-	-	-	-	-	-	-	(6,530)	(6,530)
Put option liability arising from business combination	業務合併產生之認沽期權負債	-	-	-	-	-	-	-	-	(124,515)	(124,515)
Dilution of investment in an associate	於聯營公司之投資的股權稀釋	-	-	-	-	-	-	-	-	25,755	25,755
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	42,616	-	-	42,616
At 30 June 2022	於2022年6月30日	296,853	(628,438)	2,183,766	2,411	4,760	9,023	135,254	816,826	1,502,448	4,322,903

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

(All amounts in RMB thousands unless otherwise stated)

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

16. PUT OPTION LIABILITY

16. 認沽期權負債

	As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
Present value of liability in relation to a put option granted to non-controlling shareholder of a subsidiary	124,515	-

授予一附屬公司非控股股東的認沽期權相關的負債現值

On 8 March 2022, Huabao Flavours further acquired 27% equity interests in Shanghai Yifang. Its total equity interests in Shanghai Yifang reaches 67% and Shanghai Yifang becomes a subsidiary of Huabao Flavours. According to the "Equity Transfer Agreement in respect of Shanghai Yifang", the non-controlling shareholders of Shanghai Yifang after Huabao Flavours' above acquisition, shall have the right to request Huabao Flavours to further acquire non-controlling shareholders' equity interests in Shanghai Yifang when certain conditions are met. The further acquisition price was determined by making reference to the net profit to be generated by Shanghai Yifang in future periods. Accordingly, the put option liability was initially recognised at present value of redemption amount of approximately RMB119,887,000 by the Huabao Flavours with reference to the present value of the estimated future cash outflows under the put option arrangement and was accreted to redemption amount of approximately RMB124,515,000 as at 30 June 2022. The accretion charge of the put option liabilities recorded in the Huabao Flavours Group's reserves was amounting to approximately RMB4,628,000 for the six months ended 30 June 2022.

於2022年3月8日，華寶股份進一步收購上海奕方27%的股權，達到67%的股權，上海奕方自此成為華寶股份的附屬公司。根據《上海奕方股權轉讓協議》，華寶股份於收購後，上海奕方的非控股股東有權在滿足一定條件時要求華寶股份進一步購買非控股股東在上海奕方的股權。進一步購買價格乃參考上海奕方於未來期間的淨利潤確定。據此，認沽期權負債初步確認為贖回金額之現值約人民幣119,887,000元，乃由華寶股份參考認沽期權安排下預計未來現金流出的現值，而贖回金額於2022年6月30日已增加至約人民幣124,515,000元。截至2022年6月30日止六個月，認沽期權負債之增值金額約人民幣4,628,000元並已確認於華寶股份集團之儲備中。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

17. BORROWINGS

17. 貸款

		Note 附註	As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
Non-current	非流動			
Long-term bank borrowings	長期銀行貸款			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	15,000	–
Less: current portion	減：流動部份		(15,000)	–
			–	–
Current	流動			
Current portion of non-current liabilities	非流動負債下之流動部份			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	15,000	–
Short-term bank borrowings	短期銀行貸款			
– Secured bank borrowings	– 有抵押銀行貸款	(a)	50,000	–
– Unsecured bank borrowings	– 無抵押銀行貸款	(b)	442,009	962,774
			507,009	962,774
Total borrowings	總貸款		507,009	962,774

(a) The Group's secured bank borrowings as at 30 June 2022 of RMB65,000,000 (31 December 2021: the Group's secured bank borrowings were fully repaid) were repayable within one year and secured by certain buildings, right-of-use for land of Shanghai Yifang with total carrying values of approximately RMB18,158,000. For the six months ended 30 June 2022, the average interest rate was 4.4% (six months ended 30 June 2021: 5.7%) per annum.

(b) The Group's unsecured bank borrowings are repayable within one year. For the six months ended 30 June 2022, the average interest rate was 3.2% (six months ended 30 June 2021: 2.2%) per annum.

Borrowings are financial liabilities categorised under "financial liabilities measured at amortised cost".

Interest expense on bank borrowings for the six months ended 30 June 2022 amounted to approximately RMB10,760,000 (six months ended 30 June 2021: RMB48,300,000). No interest expense was capitalised during the six months ended 30 June 2022 and 2021.

(a) 於2022年6月30日，本集團之有抵押銀行貸款為人民幣65,000,000元（2021年12月31日：集團之有抵押銀行貸款已全數清還），該貸款需於一年內償還，並以上海奕方賬面值約為人民幣18,158,000元的物業及土地使用權作抵押。截至2022年6月30日止六個月，該貸款平均利息為每年4.4厘（截至2021年6月30日止六個月：5.7厘）。

(b) 本集團之無抵押銀行貸款需於一年內到期償還。截至2022年6月30日止六個月，該貸款平均利息為每年3.2厘（截至2021年6月30日止六個月：2.2厘）。

貸款乃金融負債被分類為「按攤銷成本計量的金融負債」。

截至2022年6月30日止六個月的銀行貸款利息開支約為人民幣10,760,000元（截至2021年6月30日止六個月：人民幣48,300,000元）。截至2022年和2021年6月30日止六個月並無利息開支資本化。

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

(All amounts in RMB thousands unless otherwise stated)

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

18. TRADE AND OTHER PAYABLES

18. 貿易及其他應付款項

		Note	As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
Trade payables	貿易應付款項	(a)	316,664	302,330
Notes payables	應付票據		8,000	–
Wages payable	應付工資		63,686	112,220
Other taxes payable	其他應付稅項		89,329	134,206
Accruals for expenses	應計開支		8,429	9,985
Other payables	其他應付款項		176,656	190,304
Deferred income from grants	政府補貼產生之遞延收入		11,528	–
			674,292	749,045

Except for other taxes payable of RMB89,329,000 (31 December 2021: RMB134,206,000) and wages payable of RMB63,686,000 (31 December 2021: RMB112,220,000), trade and other payables are financial liabilities categorised under “financial liabilities measured at amortised cost”.

除其他應付稅款人民幣89,329,000元(2021年12月31日：人民幣134,206,000元)及應付工資人民幣63,686,000元(2021年12月31日：人民幣112,220,000元)外，貿易及其他應付款項乃金融負債被分類為「按攤銷成本計量的金融負債」。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

18. TRADE AND OTHER PAYABLES (continued)

The non-current and current portion of trade and other payables was as follows:

18. 貿易及其他應付款項(續)

貿易及其他應付款的非流動及流動部份如下：

		As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
Non-current	非流動	11,928	800
Current	流動	662,364	748,245
		674,292	749,045

(a) As at 30 June 2022 and 31 December 2021, the ageing analysis of the trade payables (including amounts due to related parties which are trade in nature) based on the invoice dates was as follows:

(a) 於2022年6月30日及2021年12月31日，貿易應付款項(包括關聯人士的貿易應付款項)根據發票日期的賬齡分析如下：

		As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
0 – 90 days	0至90日	281,291	271,535
91 – 180 days	91至180日	17,210	15,326
181 – 360 days	181至360日	4,616	3,589
Over 360 days	360日以上	13,547	11,880
		316,664	302,330

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

19. OTHER INCOME AND OTHER GAINS – NET

19. 其他收入及其他收益－淨額

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2022 2022年	2021 2021年
Changes in fair value of financial assets at FVPL	以公允價值計量且其變動計入損益的金融資產的公允價值變動	21,025	100,845
Dividend income from financial assets at FVPL	以公允價值計量且其變動計入損益的金融資產的股息收入	344	–
Gains on disposal of financial assets at FVPL	出售以公允價值計量且其變動計入損益之金融資產的收益	11,646	200
Gain on disposal of an associate	出售聯營公司之收益	–	16,720
Gain on disposal of a subsidiary	出售附屬公司之收益	6,433	–
Government grants	政府津貼	89,252	109,571
Currency exchange loss – net	貨幣匯兌虧損－淨額	(3,373)	(10,597)
Net (losses)/gains on disposal of property, plant and equipment and intangible assets	出售物業、機器及設備及無形資產之淨(虧損)/收益	(293)	4,659
Change in fair value of previously held interest in a jointly controlled entity upon acquisition as a subsidiary	以前持有共同控制實體之權益於成為附屬公司時的公允價值變動	(24,083)	–
Others	其他	(724)	676
		100,227	222,074

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

20. EXPENSES BY NATURE

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

20. 按性質分類的開支

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

		Unaudited 未經審核		
		For the six months ended 30 June		
		截至6月30日止六個月		
		Note	2022	2021
		附註	2022年	2021年
Depreciation	折舊	6	98,456	75,560
Amortisation	攤銷	6	47,852	48,735
Employee benefit expenses	僱員福利開支		308,506	273,494
Research and development expenses	研究及發展開支	(a)	110,663	108,511
Short-term lease rentals	短期租賃租金		6,278	4,545
Travelling expenses	差旅開支		6,816	14,466
Utility expenses	公共設施開支		36,880	28,994
Delivery expenses	運輸開支		20,369	26,384

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

(a) 研究及發展開支中包括的折舊、攤銷及僱員福利開支列示如下：

		Unaudited 未經審核		
		For the six months ended 30 June		
		截至6月30日止六個月		
		Note	2022	2021
		附註	2022年	2021年
Depreciation	折舊	6	7,679	8,810
Amortisation	攤銷	6	2,874	1,080
Employee benefit expenses	僱員福利開支		60,231	54,374

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

(All amounts in RMB thousands unless otherwise stated)

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

21. INCOME TAX EXPENSE

21. 所得稅

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2022 2022年	2021 2021年
		Note 附註	
Current income tax:	即期稅項：		
– PRC corporate income tax	– 中國企業所得稅	(a)	120,340
– Hong Kong profits tax	– 香港所得稅	(b)	824
– Botswana company income tax	– 博茨瓦納企業所得稅	(c)	143
– Germany company income tax	– 德國企業所得稅	(d)	–
– Indonesia company income tax	– 印度尼西亞企業所得稅	(e)	3
Deferred income tax	遞延所得稅	10	(15,671)
			105,639
			171,899

(a) PRC corporate income tax has been calculated on the estimated assessable profit for the period at the tax rates applicable to respective companies of the Group.

(b) Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2021: 16.5%) on the estimated assessable profit for the period.

(c) Botswana company income tax has been provided at the rate of 15.0% (six months ended 30 June 2021: 15.0%) on the estimated assessable profit for the period.

(d) Germany company income tax has been provided at the rate of 15.0% (six months ended 30 June 2021: 15.0%) on the estimated assessable profit for the period.

(e) Indonesia company income tax has been provided at the rate of 22.0% on the estimated assessable profit for the period.

(f) No provision for income tax in other jurisdictions has been made as the Group had no assessable profit in other jurisdictions for the six months ended 30 June 2022 and 2021.

(a) 中國企業所得稅按本集團在中國大陸企業於本期間估計應課稅盈利以其適用的稅率計算。

(b) 香港所得稅按本期間估計應課稅盈利以稅率16.5% (截至2021年6月30日止六個月：16.5%)撥備。

(c) 博茨瓦納企業所得稅按本期間估計應課稅盈利以稅率15.0% (截至2021年6月30日止六個月：15.0%)撥備。

(d) 德國企業所得稅按本期間估計應課稅盈利以稅率15.0% (截至2021年6月30日止六個月：15.0%)撥備。

(e) 印度尼西亞企業所得稅按本期間估計應課稅盈利以稅率22.0%撥備。

(f) 本集團於截至2022年及2021年6月30日止六個月期間在其他司法權區並無取得應課所得稅收入，故無為其他司法權區的所得稅作出撥備。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

22. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 June 2022 and 2021.

22. 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利乃根據本期間本公司權益持有人應佔(虧損)/盈利，除以截至2022年及2021年6月30日止六個月期間已發行普通股的加權平均數目計算。

		Unaudited 未經審核	
		For the six months ended	
		30 June	
		截至6月30日止六個月	
		2022	2021
		2022年	2021年
(Loss)/profit attributable to equity holders of the Company	本公司權益持有人應佔(虧損)/盈利	(313,531)	481,129
Weighted average number of ordinary shares in issue ('000)	已發行之普通股之加權平均數(千計)	3,229,927	3,107,837
Basic (loss)/earnings per share attributable to equity holders of the Company (RMB cents per share)	本公司權益持有人應佔每股基本(虧損)/盈利(每股人民幣分)	(9.71)	15.48

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the six months ended 30 June 2022 and 2021 was the same as basic (loss)/earnings per share, since the Company did not have any potential ordinary share outstanding that has dilution effect.

(b) 每股攤薄(虧損)/盈利

截至2022及2021年6月30日止六個月的每股攤薄(虧損)/盈利與每股基本(虧損)/盈利相同，因為本公司沒有任何潛在的具有稀釋作用的已發行普通股。

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

(All amounts in RMB thousands unless otherwise stated)

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

23. DIVIDENDS

23. 股息

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2022 2022年	2021 2021年
Paid interim dividend of HK6.4 cents per share for the six months ended 30 June 2021	已付截至2021年6月30日止六個月之中期股息每股港幣6.4仙	–	165,226
Proposed special dividend of HK3.38 cents per share for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil)	擬派截至2022年6月30日止六個月之特別股息每股港幣3.38仙 (截至2021年6月30日止六個月：無)	93,362	–
		93,362	165,226

Interim dividend of approximately HKD198,902,000 (equivalent to approximately RMB165,226,000) for the six months ended 30 June 2021 was paid in October 2021. Final dividend of approximately HKD64,599,000 (equivalent to approximately RMB54,821,000) for the year ended 31 December 2021 was paid in June 2022.

As the special dividend was declared after the balance sheet date, they have not been recognised as dividend payable as at 30 June 2022.

截至2021年6月30日止六個月之中期股息約港幣198,902,000元(折合約人民幣165,226,000元)已於2021年10月支付。截至2021年12月31日止年度之期末股息約港幣64,599,000元(折合約人民幣54,821,000元)已於2022年6月支付。

由於特別股息乃於結算日後宣派，此應付股息並未確認於2022年6月30日之應付股息內。

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

(All amounts in RMB thousands unless otherwise stated)

24. BUSINESS COMBINATIONS

Acquisition of Shanghai Yifang

On 9 August 2021, Huabao Flavours acquired 40% equity interests in Shanghai Yifang from independent third parties with a total consideration of RMB180,000,000 in cash. On 8 March 2022, Huabao Flavours further acquired 27% equity interests in Shanghai Yifang with a total consideration of RMB121,500,000 in cash (the "Acquisition").

After the completion of the Acquisition, Huabao Flavours' shareholding in Shanghai Yifang, in aggregate, reaches 67% and Shanghai Yifang becomes a subsidiary of Huabao Flavours.

Shanghai Yifang is primarily engaged in the promotion and consulting services of agricultural technology, cultivation of fruits and vegetables; research and development of food additives; food production, etc.

The Group has yet to undertake a detailed assessment of the fair value of assets and liabilities arising from the acquisition as at the acquisition dates. As a result, the goodwill of RMB49,418,000 is calculated based on the provisional fair value of Shanghai Yifang's net assets. The goodwill arising from the acquisition is attributable to the synergy and economics of scale expected from combining the operations of the Group and Shanghai Yifang. None of the goodwill recognised is expected to be deductible for income tax purposes.

Details of net assets acquired and goodwill are as follows:

Consideration	收購對價	
– Fair value of previously held interests in Shanghai Yifang	– 先前持有的上海奕方權益的公允價值	159,046
– Cash paid for acquisition of an additional 27% equity interest	– 收購額外27%股權所支付的現金	121,500
Less: fair value of identifiable net assets acquired – shown below	減：收購可辨認淨資產之公允價值 – 詳列如下	(231,128)
<hr/>		
Goodwill (Note 7)	商譽(附註7)	49,418

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

24. 業務合併

收購上海奕方

於2021年8月9日，華寶股份以總對價人民幣180,000,000元的現金向獨立第三方收購上海奕方的40%股權。於2022年3月8日，華寶股份以總對價人民幣121,500,000元現金向獨立第三方進一步收購上海奕方的27%股權(「本次收購」)。

本次收購完成後，華寶股份持有上海奕方的股權累計達到67%，上海奕方成為華寶股份的附屬公司。

上海奕方主要從事農業技術的推廣和諮詢服務，果疏種植；食品添加劑的研發；糧食生產等。

本集團將會對收購產生的資產及負債於收購日的公允價值進行詳細評估。根據上海奕方的淨資產的暫時公允價值計算出商譽為人民幣49,418,000元。此收購產生的商譽乃來自於整合本集團及上海奕方之經營後預期產生的協同效應和規模經濟效益。確認的商譽預期不可用於抵扣所得稅。

收購之淨資產及商譽詳情如下：

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

24. BUSINESS COMBINATIONS (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

24. 業務合併(續)

因收購而確認之資產及負債如下：

Property, plant and equipment (Note 7)	物業、機器及設備(附註7)	218,643
Right-of-use assets	使用權資產	85,394
Intangible assets (Note 7)	無形資產(附註7)	22,844
Deferred income tax assets (Note 10)	遞延所得稅資產(附註10)	3,448
Inventories	存貨	61,865
Trade and other receivables	貿易及其他應收款項	207,384
Cash and cash equivalents	現金及現金等價物	42,267
Deferred tax liabilities (Note 10)	遞延所得稅負債(附註10)	(13,054)
Borrowings	貸款	(134,500)
Lease liabilities	租賃負債	(19,069)
Trade and other payables	貿易及其他應付款	(77,001)
Current income tax liabilities	當期所得稅負債	(1,298)
Contract liabilities	合同負債	(18)
Less: non-controlling interests	減：非控制性權益	(165,777)
Fair value of identifiable net assets acquired	收購之可辨認淨資產的公允價值	231,128
Outflow of cash to acquire business during current period (net of cash acquired)	於本期收購業務之現金流出(扣除收購之淨現金)	
Consideration – cash paid	以現金支付收購代價	121,500
Cash and cash equivalents in a subsidiary acquired	收購附屬公司內的現金及現金等價物	(42,267)
Net cash outflow on acquisition during current period	於本期收購的淨現金流出	79,233

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

(All amounts in RMB thousands unless otherwise stated)

24. BUSINESS COMBINATIONS (continued)

Non-controlling interest in Shanghai Yifang are measured at the present ownership interest's proportionate share in the recognised amount of Shanghai Yifang's identifiable net assets.

Acquisition-related costs of RMB121,000 have been charged to administrative expenses in the condensed consolidated income statement for the period ended 30 June 2022.

The acquired business contributed revenue of approximately RMB93,629,000 and net loss after tax of approximately RMB7,177,000 to the Group for the period from 8 March 2022 to 30 June 2022. If the acquisition had occurred on 1 January 2022, consolidated revenue and consolidated net loss after tax would have been increased by approximately RMB138,606,000 and RMB7,530,000 respectively. These amounts have been calculated using the subsidiary's results and adjusting them for the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 January 2022, together with the consequential tax effects.

25. CAPITAL COMMITMENTS

Capital expenditures contracted for but not recognised as liabilities at the end of the period/year are as follows:

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

24. 業務合併(續)

上海奕方的非控制性權益乃按其擁有人的現有股權比例根據上海奕方之可供辨識淨資產計算。

收購相關成本人民幣121,000元已計入截至2022年6月30日止期間的簡明綜合收益表的行政開支。

該業務自收購日即2022年3月8日至2022年6月30日止，為本集團分別帶來的銷售收入約人民幣93,629,000元和稅後虧損約人民幣7,177,000元。如果收購在2022年1月1日發生，綜合收入和綜合稅後淨虧損將分別增加約人民幣138,606,000元和人民幣7,530,000元。此等金額乃根據子公司的業績並假設物業、機器和設備以及無形資產從2022年1月1日起進行公允價值調整並計提額外折舊和攤銷，以及隨之而來的稅收影響。

25. 資本承擔

於期末／年末已簽約但仍未確認為負債的資本開支如下：

		As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
Property, plant and equipment	物業、機器及設備	125,532	169,196
Intangible assets	無形資產	27,341	29,043
Investment in a jointly controlled entity	於共同控制實體之投資	28,000	28,000
Financial assets at FVPL	以公允價值計量且變動計入 損益之金融資產	21,894	24,942
		202,767	251,181

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

26. RELATED PARTY TRANSACTIONS

26. 關聯方交易

(a) Name and relationship with related parties

(a) 關聯方名稱與關係

Name 名稱	Relationship 關係
Huangguoshu Golden Leaf 黃果樹金葉	An associate indirectly held by the Company 本公司間接持有的聯營公司
Hongta Blue Eagle 紅塔藍鷹	An associate indirectly held by the Company 本公司間接持有的聯營公司
Broad Far 博遠	An associate indirectly held by the Company and an entity controlled by the Company's ultimate holder 本公司間接持有的聯營公司及本公司最終持有人控制之公司
Yunnan Ruisheng 雲南瑞升	An associate indirectly held by the Company 本公司間接持有的聯營公司
Yingtian Dongwu 鷹潭東霧	An associate indirectly held by the Company 本公司間接持有的聯營公司
Xiamen Fengtao 廈門蜂濤	An associate indirectly held by the Company 本公司間接持有的聯營公司
Hunan Jiapinjiawei 湖南嘉品嘉味	An associate indirectly held by the Company 本公司間接持有的聯營公司
Shenzhen Ruili 深圳銳麗	An associate indirectly held by the Company 本公司間接持有的聯營公司
Bojie (Shanghai) Management Consulting Co., Ltd. ("Bojie") 博頤(上海)管理諮詢有限公司(「博頤」)	An entity controlled by the Company's ultimate holder 本公司最終持有人控制之公司
The Group disposed Yunnan Dianhua Benxiang Technology Co. Ltd. ("Dianhua Benxiang"), a jointly controlled entity indirectly held by the Company in July 2021, and since then it was no longer a related party.	集團於2021年7月處置雲南滇華本香科技有限公司(「滇華本香」)，一家由本公司間接持有之共同控制實體，自此不再是關聯方。
The Group further acquired 27% equity interests in Shanghai Yifang in March 2022, and Shanghai Yifang becomes a subsidiary of the Group.	集團於2022年3月收購上海奕方額外27%股權後，上海奕方成為本集團之附屬公司。

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

26. RELATED PARTY TRANSACTIONS (continued)

26. 關聯方交易(續)

(b) Transactions with related parties

(b) 與關聯方的交易

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2022	2021
		2022年	2021年
<i>Sales of goods:</i>	<i>銷售貨品：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	2,096	1,948
– Dianhua Benxiang	– 滇華本香	–	4,529
– Yingtan Dongwu	– 鷹潭東霧	799	–
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	140	–
– Bojie	– 博頡	2	–
– Broad Far	– 博遠	3,129	1,779
		6,166	8,256
<i>Purchase of goods and services:</i>	<i>購買商品及服務：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	102	11
– Yunnan Ruisheng	– 雲南瑞升	41	–
– Dianhua Benxiang	– 滇華本香	–	5,508
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	14	–
– Bojie	– 博頡	15	–
		172	5,519
<i>Dividend income:</i>	<i>股息收入：</i>		
– Hongta Blue Eagle	– 紅塔藍鷹	5,110	4,031
<i>Investment in associate:</i>	<i>於聯營公司之投資：</i>		
– Broad Far	– 博遠	–	18,152
<i>Sales of property, plant and equipment:</i>	<i>出售物業、機器及設備：</i>		
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	44	–

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

簡明綜合中期財務資料附註(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

26. RELATED PARTY TRANSACTIONS (continued)

26. 關聯方交易(續)

(c) Balances with related parties

(c) 關聯方結餘

		As at 30 June 2022 於2022年 6月30日 Unaudited 未經審核	As at 31 December 2021 於2021年 12月31日 Audited 經審核
<i>Balance due from related parties:</i>	<i>應收關聯方結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade and other receivables	– 貿易及其他應收款	9,714	13,109
– Broad Far	– 博遠		
– trade receivables	– 貿易應收款	–	3
– Yingtian Dongwu	– 鷹潭東霧		
– trade receivables	– 貿易應收款	504	504
– Shanghai Yifang	– 上海奕方		
– trade receivables	– 貿易應收款	–	59
– Hunan Jiapinjiawei	– 湖南嘉品嘉味		
– trade and other receivables	– 貿易及其他應收款	85	1
		10,303	13,676
<i>Balance due to related parties:</i>	<i>應付關聯方結餘：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉		
– trade payables	– 貿易應付款	102	970
– Xiamen Fengtao	– 廈門蜂濤		
– other payables	– 其他應付款	–	9,560
– Shanghai Yifang	– 上海奕方		
– trade payables	– 貿易應付款	–	160
– Shenzhen Ruili	– 深圳銳麗		
– other payables	– 其他應付款	1,000	–
– Hunan Jiapinjiawei	– 湖南嘉品嘉味		
– other payables	– 其他應付款	38	–
		1,140	10,690

The balance with related parties was unsecured, interest-free and repayable on demand.

所有關聯方結餘均為無抵押、免息及須於通知時清還。

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

(All amounts in RMB thousands unless otherwise stated)

26. RELATED PARTY TRANSACTIONS (continued)

(d) Key management compensation

Key management includes directors (executive, non-executive and independent non-executive) and senior management. The amounts of compensation paid and payable to key management for employee services during the six months ended 30 June 2022 and 2021 are shown below:

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

26. 關聯方交易(續)

(d) 主要管理人員酬金

主要管理人員包括董事(執行董事、非執行董事與獨立非執行董事)和高級管理人員。截至2021年及2022年6月30日止六個月內，向主要管理人員支付作為僱員服務的已付及應付酬金如下：

		Unaudited 未經審核	
		For the six months ended	
		30 June	
		截至6月30日止六個月	
		2022	2021
		2022年	2021年
Fees, salaries and bonus	工資、薪酬及花紅	31,567	50,176
Employer's contributions to retirement benefit scheme	僱主就退休計劃供款	955	957
Share-based benefits	以股份為基礎之福利	935	935
Other Benefits	其他福利	184	-
		33,641	52,068

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

(All amounts in RMB thousands unless otherwise stated)

27. EVENTS OCCURRING AFTER THE REPORTING PERIOD

In July 2022, the Company was informed by Ms. Chu's family (Ms. Chu, the chairlady, CEO, executive Director and controlling shareholder of the Company) and Mr. LAM Ka Yu ("Mr. Lam"), the son of Ms. Chu, the co-chairman and executive director of the Company, and a director of Huabao Flavours that they had been notified by the Changsha County Police Bureau that they had lifted his residential surveillance and that they were on bail pending further investigation. Concurrently, the Company had received a Case Filing Notice from Xinfeng County Supervisory Committee that Xinfeng County Supervisory Committee had decided to file an investigation against Ms. Chu. The Company also had been informed by Ms. Chu's family that Ms. Chu is currently placed under residential surveillance at a designated location by Anyuan County Police Bureau (the above events are collectively referred as "the Event").

Up to the date of this report, the Company has not been provided with any details of the nature of the suspected violations of Ms. Chu that were being investigated. The production and business operation of the Group remains normal. Further announcement(s) will be made to keep the shareholders of the Company and the public informed of the development in this matter in due course.

In response to the Event, the Group has conducted a review of the bank loan contracts that had not expired as at the date of this report and found that there were loan contracts of approximately RMB180 million (the "Loans") which contained clauses referring to the occurrence of similar events and that such occurrence "may endanger or impair the lender's rights and interests under the Loan Contracts" or "may affect the performance of the borrower's obligations under the loan contracts" and entitles the bank the right to demand early repayment. The Group has not received any form of early repayment notice from the relevant banks. The Group has sufficient cash readily available for repayment of the Loans.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

27. 報告期後事項

於2022年7月，本集團接獲朱女士(朱女士為本公司主席、首席執行官、執行董事及控股股東)之家屬及林嘉宇先生(「林先生」)，朱女士的兒子(本公司執行董事兼聯席主席以及華寶股份的董事)通知，長沙縣公安局已解除對他們監視居住，採取取保候審。同時，本公司亦獲信豐縣監察委員會立案通知書，信豐縣監察委員會決定對朱女士進行立案調查，及本公司從朱女士家屬處獲悉，安遠縣公安局對朱女士執行指定居所監視居住。(以上事件統稱為「該事件」)。

截至本報告日止，本公司並未獲提供有關朱女士當時接受調查所涉嫌違法事宜的性質之任何詳情。本集團的生產和業務經營目前保持正常。本公司將作出進一步公告，以知會本公司股東及公眾人士有關事宜的進展。

針對該事件，本集團對截止本報告日尚未到期的銀行貸款合同進行檢查，發現其中有約人民幣1.8億元(「該等貸款」)的貸款合同內有提及類似該事件的發生「可能或已經危及或損害貸款人在貸款合同下的權益」或「可能影響到借款人在借款合同下義務的履行」而賦予銀行有權要求提前還款的條款。目前本集團沒有收到相關銀行任何形式的提前還款通知。本集團有充足的現金可隨時用於償還該等貸款。

Glossary

詞彙

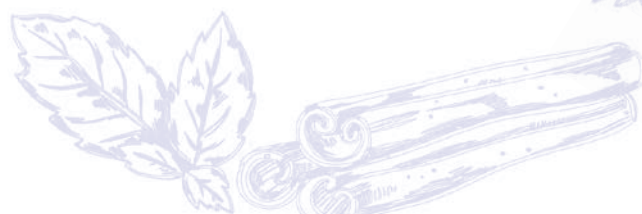
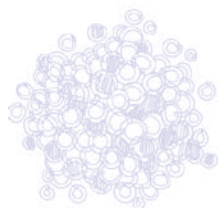
Board	The board of directors of the Company	董事會	本公司的董事會
CEO	Chief Executive Officer	首席執行官	首席執行官
CG Code	Corporate Governance Code as set out in Appendix 14 of the Listing Rules	企業管治守則	上市規則附錄十四所列的企業管治守則
CGU	Cash-generating unit	CGU	現金產生單位
China, Mainland China or PRC	The People's Republic of China	中國或國內	中華人民共和國
Company or Huabao	Huabao International Holdings Limited	本公司或華寶	華寶國際控股有限公司
Director(s)	The director(s) of the Company	董事	本公司董事
Executive Director(s)	Executive director(s) of the Company	執行董事	本公司之執行董事
FCG	Fellow member of The Chartered Governance Institute	FCG	英國特許公司治理公會資深會員
FCPA (Aust.)	Fellow member of CPA Australia Ltd.	FCPA (Aust.)	澳洲資深註冊會計師
Group or Huabao Group	the Company and its subsidiaries	本集團或華寶集團	本公司及其附屬公司
HKD or HK\$	Hong Kong dollars, the lawful currency of Hong Kong	港幣或港元	港幣，香港法定貨幣
HKFCG	Fellow member of The Hong Kong Chartered Governance Institute	HKFCG	香港公司治理公會資深會員
1H 2021	the first half of 2021	2021年上半年	2021年上半年
HKICPA	Hong Kong Institute of Certified Public Accountants	香港會計師公會	香港會計師公會
Hong Kong or HKSAR	Hong Kong Special Administrative Region of the People's Republic of China	香港	中華人民共和國香港特別行政區
HNB	Heat-not-burn	加熱不燃燒	加熱不燃燒
Huabao Flavours	Huabao Flavours & Fragrances Co., Ltd., a joint stock limited company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company	華寶股份	華寶香精股份有限公司，於中國成立的股份有限公司，為本公司間接擁有的非全資附屬公司
INED(s)	Independent Non-executive Director(s) of the Company	獨立非執行董事	本公司之獨立非執行董事



Glossary (cont'd)

詞彙 (續)

Jiahao	Jiahao Foodstuff Limited and its subsidiaries	嘉豪	嘉豪食品有限公司及其附屬公司
Jiahao Foodstuff	Jiahao Foodstuff Limited	嘉豪食品	嘉豪食品有限公司
Jiangxi Xianghai	Jiangxi Xianghai Biological Technology Company Limited	江西香海	江西香海生物科技有限公司
Listing Rules	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange	上市規則	聯交所主板證券上市規則
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules	標準守則	上市規則附錄十所列的上市發行人董事進行證券交易的標準守則
Pandemic	Novel Coronavirus Pneumonia pandemic	疫情／ 新冠肺炎疫情	新型冠狀病毒肺炎疫情
Reporting Period	the six months ended 30 June 2022	報告期	截至2022年6月30日止六個月
RMB	Renminbi, the lawful currency of the PRC	人民幣	人民幣，中國法定貨幣
R&D	research and development	研發	研究及發展
RTL	Reconstituted Tobacco Leaves	再造煙葉	再造煙葉
SFO	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong	證券及期貨條例	香港法例第571章證券及期貨條例
Shanghai Yifang	Shanghai Yifang Rural Technology Holdings Co.,Ltd.	上海奕方	上海奕方農業科技股份有限公司
Shanghai Yifang Group	Shanghai Yifang Rural Technology Holdings Co.,Ltd. and its subsidiaries	上海奕方集團	上海奕方農業科技股份有限公司及其附屬公司
Shareholder(s)	Shareholder(s) of the Company	股東	本公司之股東
Share(s) or ordinary share(s)	Ordinary share(s) of HK\$0.10 each in the capital of the Company	股份或普通股	本公司股本中每股面值港幣0.10元的普通股
Stock Exchange	The Stock Exchange of Hong Kong Limited	聯交所	香港聯合交易所有限公司
U.S.	United States of America	美國	美利堅合眾國
USD or US\$	US dollars, the lawful currency of the United States of America	美元	美元，美國法定貨幣



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