



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)

Interim Report

2023

中期報告



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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*

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISOR

Haiwen & Partners LLP

PRINCIPAL BANKERS

China CITIC Bank Corporation Limited
 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*

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

海問律師事務所

主要往來銀行

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

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		
		2023 2023年 RMB'000 人民幣千元	2022 2022年 RMB'000 人民幣千元	Change in percentage 百分比變動
Revenue	營業額	1,535,704	1,847,152	-16.9%
Gross profit	毛利	706,732	967,029	-26.9%
Gross profit margin	毛利率	46.0%	52.4%	
Operating profit/(loss)	營運盈利/(虧損)	260,740	(141,776)	+283.9%
EBITDA margin [*]	EBITDA率 [*]	28.2%	34.2%	
EBIT margin ^{**}	EBIT率 ^{**}	17.0%	-7.7%	
Adjusted EBIT margin [#]	經調整後EBIT率 [#]	18.0%	25.6%	
Profit/(loss) for the period	本期間盈利/(虧損)	200,353	(233,031)	+186.0%
Adjusted profit for the period [#]	經調整後之本期間盈利 [#]	215,300	381,300	-43.5%
Profit/(loss) attributable to the equity holders of the Company	本公司權益持有人應佔盈利/(虧損)	153,970	(313,531)	+149.1%
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 [#]	168,917	300,800	-43.8%
Net cash generated from operating activities	營運活動產生之現金淨額	351,235	111,799	+214.2%
		RMB cents 人民幣分	RMB cents 人民幣分	
Basic and diluted earnings/(loss) per share	每股基本及攤薄盈利/(虧損)	4.77	(9.71)	+149.1%
Adjusted basic and diluted earnings per share [#]	調整後之每股基本及攤薄盈利 [#]	5.23	9.31	-43.8%
		HK cents 港幣仙	HK cents 港幣仙	
Paid special dividend per share	已派每股特別股息	-	3.38	
Proposed interim dividend per share	擬派每股中期股息	1.60	-	
Proposed special dividend per share	擬派每股特別股息	1.90	-	

^{*} "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 RMB14,947,000 for the six months ended 30 June 2023 and 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2023年6月30日止六個月之商譽減值人民幣14,947,000元及截至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

GENERAL OVERVIEW

During the Reporting Period, China's economic activities gradually recovered as a result of the lift of the pandemic control. According to data released by China's National Bureau of Statistics, gross domestic product grew by 5.5% year-on-year in the first half of the year, which exceeded the government's full-year target of 5% economic growth. The macroeconomic recovery has led to a rebound in consumption, with some sectors, such as tourism and catering, seeing relatively more significant growth. Nevertheless, the three-year-long pandemic has made domestic consumers more cautious in spending, while demand from overseas markets has declined due to the economic downturn. The instability and volatility of demand in both the domestic and international markets have caused enterprises to adopt a wait-and-see attitude towards expanding production and new investments. The slowdown in GDP growth in the second quarter from the previous quarter reflects signs of a slowdown in the economic recovery, and there remains considerable pressure on overall economic recovery.

In the face of a difficult operating environment, the Group coordinated its business segments to formulate plans in R&D, production, and sales in accordance with the actual market situation, and to promote business development in a stable and orderly manner. The Group actively promoted the "Lean Production" program in each business segment to reduce operating costs and improve production efficiency. In order to implement the "Plan for Huabao's Sustainable Development Goals", the Group attached great importance to the ESG and organised a number of relevant trainings during the Reporting Period with an objective to raise the awareness of employees on sustainable development so as to facilitate the sustainable development of the business.

INDUSTRY OVERVIEW

Overview of the tobacco industry

According to the National Bureau of Statistics, China's cigarette production reached 26.932 million cases during the Reporting Period, representing a year-on-year increase of 1.7%. The stable production of the tobacco industry reflected the strong anti-cyclical and stability of the tobacco industry. In the backdrop of increasing economic uncertainty at home and abroad, it is obvious that the stable development of the tobacco industry plays an important role in national tax revenues and improving the living standards of rural residents.

管理層討論及分析

總述

報告期內，中國放開疫情管控，各項經濟活動逐步恢復向好。根據中國國家統計局公佈的數據，上半年國民生產總值同比增長5.5%，好於政府制定的全年5%的經濟增速目標。宏觀經濟回暖促使消費有一定反彈，部分行業諸如旅遊、餐飲迎來較大幅度增長。雖然如此，持續三年才結束的疫情使國內消費者在消費時更加謹慎，海外市場則因經濟衰退導致需求下滑，國際國內兩個市場需求的不穩定及波動使企業對擴大生產、新增投資採取觀望態度。第二季度國民生產總值環比增長速度放緩，反映出經濟復甦出現放緩的跡象，宏觀經濟復甦的壓力依然不小。

面對艱巨的經營環境，本集團根據市場的實際情況，組織各個業務板塊制定研發、生產、銷售計劃，穩定、有序地推進業務發展。本集團在各個板塊積極推進「精益生產」計劃，降低經營成本，提高生產效率。為貫徹落實「華寶可持續發展目標規劃」，本集團高度重視環境、社會及企業管治工作，於報告期內，組織了多次相關的培訓，提升員工的可持續發展意識，推動業務可持續發展。

行業概況

煙草行業概況

根據國家統計局數據，報告期內，中國捲煙產量達到2,693.2萬箱，同比增長1.7%。煙草行業產量穩定，反映出煙草行業強勁的抗週期性和穩定性。在中國內外經濟不確定性增大的環境下，煙草行業的穩定發展對國家稅收、提升農村居民生活水平起到的作用和重要性更加明顯。

Management Discussion and Analysis (cont'd)

In the first half of 2023, the STMA carried out special inspections to regulate the e-cigarette market. The STMA conducted a comprehensive inspection of e-cigarette manufacturers, wholesalers and retailers, to ensure that they were operating legally and in compliance with the law. The inspections have helped e-cigarette market participants to recognise the importance of learning and implementing e-cigarette-related policies, resulting in a more regulated e-cigarette market. Meanwhile, some e-cigarette companies with financial strength and product competitiveness began to put in more resources in developing overseas markets, so as to increase market share and expand revenue sources.

In regard to HNB cigarettes, international tobacco companies continued to increase their investment in R&D and branding in this area, resulting in favourable product promotion and sales performance. Nevertheless, the popularity of HNB cigarettes has also led to increased scrutiny of the product's safety and promotional accuracy by regulatory agencies in overseas countries and territories. International tobacco companies have to devote more resources and effort to respond to regulatory requirements.

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

In the first half of 2023, the pandemic prevention and control were substantially relaxed, and people were able to have free access to a variety of different venues, with an increase in consumption for foods and beverages and a corresponding increase in consumer demand. According to the National Bureau of Statistics, the added value of the food manufacturing industry grew by 2.7% year-on-year, and the added value of the wine, beverage and refined tea manufacturing industry grew by 0.2% year-on-year. The three-year pandemic has led to a significant increase in consumer demand for the quality, safety and nutrition of food and beverages, and consumers have developed the habit of purchasing a variety of food and beverage products online. In the daily-use chemical industry, product sales rebounded, as offline sales channels for daily-use chemical brands recovered with online sales channels empowering offline channels. However, as consumers became more cautious in their spending after the pandemic, various brands had to attract customers and boost sales through more discounts, adding more intense competition to the industry with great pressure on the operations of small and medium-sized brands.

管理層討論及分析 (續)

2023年上半年，國家煙草專賣局開展了規範電子煙市場秩序的專項檢查工作。國家煙草專賣局對電子煙生產企業、批發企業以及零售商是否合法合規展開經營活動進了全面的檢查。檢查工作使電子煙市場的參與者進一步認識到學習和執行電子煙相關政策的重要性，電子煙市場的運作更加規範。同時，部分具備資金實力和產品競爭力的電子煙企業開始投入更多資源開發海外市場，以增加市場份額，擴大收入來源。

加熱不燃燒捲煙方面，國際煙草公司在該領域的研發和品牌投入繼續增加，取得了良好的產品推廣效果和銷售成績。雖然如此，加熱不燃燒捲煙的流行也使海外國家和地區的監管機構加強了對該產品安全性和宣傳準確性的審查，國際煙草公司需要投入更多資源和精力應對監管要求。

食品飲料和日化行業概況

2023年上半年，疫情防控大幅度放鬆，居民可以自由出入各種不同的場所，食品飲料的消費場景增多，消費需求相應增加。根據國家統計局數據，食品製造業增加值同比增長2.7%，酒、飲料和精製茶製造業增加值同比增長0.2%。三年疫情讓消費者對食品飲料的質量、安全和營養水平要求大幅提升，消費者也養成了在線購買各種食品和飲料產品的習慣。日化行業方面，日化品牌的線下銷售渠道恢復，線上銷售渠道賦能線下渠道，產品銷售反彈。然而，由於疫情後消費者消費更加謹慎，品牌方不得不通過更多的折扣吸引客戶、提升銷量，行業競爭更加激烈，並對中小品牌的經營構成很大的壓力。

Management Discussion and Analysis (cont'd)

Overview of the condiment industry

During the Reporting Period, the catering industry witnessed a strong recovery as people had free access to various food and beverage establishments for dining. According to the National Bureau of Statistics, the revenue of the catering industry in the first half of the year was RMB2,432.9 billion, representing a year-on-year increase of 21.4%. Compared with the pre-pandemic year of 2019 (1H 2019: RMB2,127.9 billion), there was an increase of 14.3% year-on-year, the performance of the catering industry has already surpassed that of the pre-pandemic period. The recovery of the catering industry has driven the demand for the products of the upstream condiment enterprises, which in turn have invested more in product development, distribution network and marketing with an aim to expanding their customer base and increasing sales. Despite the recovery of the catering industry, the demand for cost reduction and efficiency enhancement in the catering industry remained strong, as consumers became more cautious in their spending and catering enterprises had to increase sales through high volumes and thin profit margins. For the condiment enterprises, the key to enhancing their competitiveness is finding ways to help their customers to improve their order fulfilment efficiency, maintain their quality and tastes of dishes and develop standardised products.

RESULTS

During the Reporting Period, the Group achieved a revenue of approximately RMB1,536 million (1H 2022: approximately RMB1,847 million), representing a year-on-year decrease of 16.9%; gross profit margin of 46.0% (1H 2022: 52.4%), representing a year-on-year decrease of 6.4 percentage points; operating profit of approximately RMB261 million (1H 2022: operating loss of approximately RMB142 million); profit attributable to the equity holders of the Company of approximately RMB154 million (1H 2022: loss attributable to the equity holders of the Company of approximately RMB314 million); basic earnings per share of approximately RMB4.77 cents (1H 2022: basic loss per share of approximately RMB9.71 cents).

Excluding the impact of goodwill impairment of RMB614 million in relation to the Jiahao CGU in the first half of 2022 and the goodwill impairment of RMB14.947 million in relation to the aroma raw materials segment for the first half of 2023, an adjusted operating profit amounted to approximately RMB276 million (1H 2022: adjusted operating profit of approximately RMB473 million) was recorded for the Reporting Period, representing a year-on-year decrease of 41.7%; adjusted profit attributable to the equity holders of the Company was approximately RMB169 million (1H 2022: adjusted profit attributable to the equity holders was approximately RMB301 million), representing a year-on-year decrease of 43.8%; adjusted basic earnings per share was approximately RMB5.23 cents (1H 2022: adjusted basic earnings per share was approximately RMB9.31 cents), representing a year-on-year decrease of 43.8%.

管理層討論及分析 (續)

調味品行業概況

報告期內，居民可以自由出入各種餐飲場所就餐，餐飲行業迎來強勁復甦。根據國家統計局數據，上半年餐飲行業收入人民幣2,432.9億元，同比增長21.4%。與疫情前的2019年（2019年上半年：人民幣2,127.9億元）相比，同比增長14.3%，餐飲行業的景氣度已經超過疫情前。餐飲行業的復甦帶動了對上游調味品企業產品的需求，調味品企業投入更多資金在產品開發、經銷網絡及市場營銷上，以期擴大客戶群、提升銷售收入。雖然餐飲行業復甦，但由於消費者在消費時更加謹慎，餐飲企業不得不通過薄利多銷的方式提升銷售收入，餐飲企業降本增效的需求仍然強勁。對調味品企業而言，如何利用產品幫助客戶提升出菜效率、維持菜品口味穩定性、協助客戶開發標準化的產品成為提升競爭力的關鍵。

業績

報告期內，本集團實現銷售收入約人民幣15.36億元（2022年上半年：約人民幣18.47億元），同比減少16.9%；毛利率46.0%（2022年上半年：52.4%），同比減少6.4個百分點；營運盈利約人民幣2.61億元（2022年上半年：營運虧損約人民幣1.42億元）；本公司權益持有人應佔盈利約人民幣1.54億元（2022年上半年：本公司權益持有人應佔虧損約人民幣3.14億元）；每股基本盈利約人民幣4.77分（2022年上半年：每股基本虧損約人民幣9.71分）。

如果撇除2022年上半年嘉豪CGU商譽減值人民幣6.14億元及2023年上半年香原料板塊商譽減值1,494.7萬元之影響，報告期內經調整營運盈利約人民幣2.76億元（2022年上半年：經調整營運盈利約人民幣4.73億元），同比減少41.7%；經調整本公司權益持有人應佔盈利約人民幣1.69億元（2022年上半年：經調整權益持有人應佔盈利約人民幣3.01億元），同比減少43.8%；經調整每股基本盈利約人民幣5.23分（2022年上半年：經調整每股基本盈利約人民幣9.31分），同比減少43.8%。

Management Discussion and Analysis (cont'd)

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 RMB681 million (1H 2022: approximately RMB888 million), representing a year-on-year decrease of 23.3%, and accounting for approximately 44.3% (1H 2022: 48.0%) of the Group's total revenue. The decrease in revenue from the business segment was mainly due to changes in market demand and increased market competition. Operating profit of the segment amounted to approximately RMB238 million (1H 2022: RMB469 million), representing a year-on-year decrease of 49.2%; and operating profit margin was approximately 34.9% (1H 2022: 52.8%), representing a year-on-year decrease of 17.9 percentage points. The decline in operating profit margin was primarily attributable to changes in product mix.

(1) Flavours

In terms of tobacco flavours, the Group has developed special flavouring products that can be used in cooling materials for HNB cigarettes. These products are available in different forms and flavours to meet the diversified needs of customers. For food flavours, the Group has produced tea, milk and syrup flavours for food and beverage customers in response to their demand for new flavours, to help them win the hearts and minds of consumers. In addition, the bakery market has a large capacity and rapid growth, resulting in a high demand for food flavours. However, the bakery market is characterised by intense competition and rapid product updates, which requires high demands on the ability of flavour manufacturers to provide customised products and adapt to changes. The Group monitors the development characteristics and trends of the bakery market and strives to develop more new customers.

For overseas markets, Warlbor Asia Pacific Pte Ltd in Singapore is actively developing customers in Malaysia, Thailand, Indonesia, and etc., and its products have been tested and certified by local regulatory authorities. The Group has established formulations and databases of flavouring products based on the needs of local customers, so as to better analyse the flavour preferences of local customers and optimise its product development and promotion strategies.

管理層討論及分析 (續)

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6.81億元（2022年上半年：約人民幣8.88億元），同比減少23.3%，佔本集團的總收入約44.3%（2022年上半年：48.0%）。板塊收入下滑的主要原因是由於市場需求變化及市場競爭所致。板塊營運盈利約人民幣2.38億元（2022年上半年：人民幣4.69億元），同比減少49.2%；營運盈利率約34.9%（2022年上半年：52.8%），同比減少17.9個百分點。營運盈利率下滑主要是由於產品結構變化所致。

(1) 食用香精

煙用香精方面，集團開發了能夠應用在加熱不燃燒捲煙降溫材料中的特製香精產品，這些產品有不同的形態和風味，能夠滿足客戶多元化的需求。食品用香精方面，食品飲料客戶推出新風味的產品，集團根據客戶的需求，為客戶生產了茶味、奶味、糖漿味等產品，協助客戶贏得消費者的青睞。另外，烘焙市場容量大、增長快，對香精的需求大。但烘焙市場競爭激烈、產品更新速度快，對香精製造商提供定制化產品的能力和適應變化的能力要求高。集團監測烘焙市場的發展特點和趨勢，努力開發更多的客戶。

海外市場方面，位於新加坡的亞太華寶正積極地在馬來西亞、泰國、印度尼西亞等地開拓客戶，產品也得到當地監管部門的檢測合格認證。集團根據當地客戶的需求，建立起香精產品的配方和數據庫，從而更好的分析當地客戶的風味偏好，優化產品研發和推廣策略。

Management Discussion and Analysis (cont'd)

(2) *Fragrances*

After the end of the pandemic, market demand for fumigation and decontamination products declined. The Group shifted its development focus to personal care, oral care and pet care. For overseas markets, the Group has also been actively developing customers in the European and African markets to increase revenue sources and promote the internationalisation of its business.

(3) *Food ingredients*

The operations of the food ingredients segment resumed to normal in the first half of the year as demand from the downstream food, beverage and catering markets rebounded. In order to enhance the competitiveness of the food ingredients business, the Group provided financing, technical, regulatory and management support to the business and assisted the business segment in developing overseas markets, with an aim to improving the performance of the business in the future.

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

In April 2021 and April 2023, the Group adjusted the use of the proceeds raised from the IPO 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 cease the construction of "Huabao Yingtan Flavours and Ingredients Production Base Project" and 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").

As of 30 June 2023, the cumulative amount dedicated for the Huabao TechInno Project was approximately RMB7.5463 million (31 December 2022: approximately RMB5.0323 million), representing an investment progress of 1.68% (31 December 2022: 1.1%). The cumulative amount dedicated for the Huabao Digital Project was approximately RMB19.0878 million (31 December 2022: approximately RMB17.5898 million), representing an investment progress of 31.81% (31 December 2022: 29.3%). As of 30 June 2023, the balance of unused IPO proceeds (including accumulated interest income received) amounted to approximately RMB1,648 million (31 December 2022: approximately RMB1,668 million). As of 30 June 2023, the IPO proceeds utilized amounted to approximately RMB940 million (31 December 2022: approximately RMB901 million), accounting for 40.7% (31 December 2022: 39.0%) of the total proceeds from the IPO in 2018 of approximately RMB2,310 million.

管理層討論及分析 (續)

(2) *日化香精*

疫情結束後，市場對熏香消殺類產品的需求下降。集團將發展重點轉向個人護理、口腔護理、寵物護理領域。海外市場方面，集團也積極開拓歐洲和非洲市場的客戶，增加收入來源，推進業務國際化。

(3) *食品配料*

由於下游食品、飲料、餐飲市場需求反彈，食品配料板塊在上半年的經營恢復正常。為了提升食品配料業務的競爭力，集團向該業務提供了融資、技術、法規、管理方面的支持，並且協助該業務部分開發海外市場，期望能夠在未來提升該業務的表現。

(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月及2023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。本集團將終止「華寶鷹潭食品用香精及食品配料生產基地項目」及「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」）。

截至2023年6月30日，華寶科創項目累計投入約人民幣754.63萬元（2022年12月31日：約503.23萬元），投資進度為1.68%（2022年12月31日：1.1%）。華寶數字項目累計投入約人民幣1,908.78萬元（2022年12月31日：約人民幣1,758.98萬元），投資進度為31.81%（2022年12月31日：29.3%）。截至2023年6月30日，尚未使用的首次公開募集資金餘額（包括累計收到的利息收入）約人民幣16.48億元（2022年12月31日：約人民幣16.68億元）。截至2023年6月30日，已使用的首次公開募集資金金額約人民幣9.4億元（2022年12月31日：約人民幣9.01億元），佔2018年首次公開募股資金約人民幣23.1億元的40.7%（2022年12月31日：39.0%）。

Management Discussion and Analysis (cont'd)

Review of the tobacco raw materials business

During the Reporting Period, revenue of the Group's tobacco raw materials business was approximately RMB187 million (1H 2022: approximately RMB192 million), representing a year-on-year decrease of 2.3%, and accounting for approximately 12.2% (1H 2022: approximately 10.4%) of the Group's total revenue. The decline in segment revenue was mainly due to decline in sales of tobacco new materials. Operating profit of the business segment was approximately RMB44.272 million (1H 2022: approximately RMB19.365 million), representing a year-on-year increase of 128.6%; operating profit margin was approximately 23.6% (1H 2022: 10.1%), representing a year-on-year increase of 13.5 percentage points. The increase in operating profit was mainly due to strict control of costs.

(1) RTL

During the Reporting Period, the Group's co-operative relationship with its RTL customers was stable. With oversupply in the domestic market, the growth of the RTL business mainly came from the development of overseas business. In Indonesia, the Group's HNB RTL plant achieved mass production and volume sales, and the quality of the products and services provided by the team were recognised by customers. The team is able to develop and produce HNB RTL that suits customers' products according to their needs. As a result of the customer's recognition, the Group has decided to increase investment to increase the production capacity of HNB RTL in Indonesia from the current 1,000 tonnes per annum to 3,000 tonnes per annum. The construction of the new production line is expected to be completed by the third quarter of 2024. The Group will continue to assess the market demand to determine whether it is necessary to further increase production capacity.

(2) Tobacco new materials

Tobacco new materials mainly include cigarette capsules and filters. The decline in revenue from cigarette capsules was mainly attributable to the decrease in selling prices due to weak market demand and fierce competition in the domestic market. Meanwhile, since the cost controls by customers and the proportion of sales of products with lower profit margins increased, the overall profit margin of tobacco capsule products dropped accordingly. For cigarette filters, as the market for HNB cigarettes has not yet been opened up in Mainland China, the Group focused its efforts on improving the production efficiency for existing products, strengthening production management, and the R&D in news products.

管理層討論及分析 (續)

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1.87億元（2022年上半年：約人民幣1.92億元），同比下降2.3%，佔本集團總收入約12.2%（2022年上半年：10.4%）。板塊收入下降主要是由於捲煙新材料銷售收入下滑。板塊營運盈利約人民幣4,427.2萬元（2022年上半年：約人民幣1,936.5萬元），同比增長128.6%；營運盈利率約23.6%（2022年上半年：10.1%），同比增長13.5個百分點。營運盈利率增長是由於嚴控費用所致。

(1) 再造煙葉

報告期內，集團與再造煙葉客戶的合作關係穩定。在國內市場供過於求的情況下，再造煙葉業務的增長點主要來自於海外業務的開發。在印度尼西亞，集團的加熱不燃燒再造煙葉工廠實現批量化生產和銷售，產品的品質和團隊的服務質量得到了客戶的認可。團隊能夠根據客戶需求，研發和生產適合客戶產品的加熱不燃燒再造煙葉。由於客戶的認可，集團決定增加投資，將在印度尼西亞加熱不燃燒再造煙葉的產能由目前的1000噸提升至3,000噸。新的生產線預計將在2024年第三季度完成建設。集團會持續評估市場需求，以決定是否需要進一步增加產能。

(2) 捲煙新材料

捲煙新材料業務的產品主要是煙用膠囊和濾棒。煙用膠囊銷售收入下滑，主要是由於國內的市場需求疲軟及競爭激烈導致價格下滑造成的。同時，由於客戶控制成本，利潤率較低的產品銷售佔比上升，拉低了煙用膠囊產品整體利潤率。濾棒方面，在當前國內加熱不燃燒捲煙市場還沒有開放的情況下，集團的工作重點主要集中在提升現有產品生產效率、強化生產管理以及新產品研發。

Management Discussion and Analysis (cont'd)

Review of the aroma raw materials business

During the Reporting Period, revenue of the aroma raw materials business of the Group was approximately RMB290 million (1H 2022: approximately RMB478 million), representing a year-on-year decrease of 39.3%, and accounting for approximately 18.9% (1H 2022: 25.9%) of the Group's total revenue. The decrease in segment revenue was mainly attributable to decline in domestic and foreign market demand. Operating loss of the business segment was approximately RMB9.968 million (1H 2022: operating profit of RMB44.775 million). Excluding the impairment of RMB14.947 million for first half of 2023, the adjusted operating profit was approximately RMB4.979 million, representing a year-on-year decrease of 88.9%; the adjusted operating profit margin was 1.7% (1H 2022: operating profit margin: 9.4%), representing a year-on-year decrease of 7.7 percentage points. The decrease in adjusted operating profit and operating profit margin were mainly due to decrease in revenue and change in product mix.

During the Reporting Period, demand for the aroma raw materials segment declined in both overseas and domestic markets. In the overseas markets, the weak economy of major economies and high inventories led to a decline in demand growth. In the domestic market, end-consumers became more cautious and conservative in consumption, triggering the effect to the upstream of the industry chain, which reduced the demand for upstream aroma raw material products. To boost the product's sales in the face of overall reduced demand, market participants adopted price reduction strategies, which put downward pressure on the sales prices of products. The decline in both product volume and selling prices resulted in lower revenue for the segment. However, the fixed costs of the segment did not decrease, resulting in a significant decrease in the segment's operating profit and operating profitability.

During the Reporting Period, national regulatory bodies placed great emphasis on the ability of chemical enterprises in production safety. The Group conducted an overall inspection of the segment's safety production management system and production competency, and provided a number of specialised trainings on production safety for its employees to raise their awareness of risk prevention and established a safe production and working environment.

管理層討論及分析 (續)

香原料業務回顧

報告期內，本集團香原料業務銷售收入約人民幣2.90億元（2022年上半年：約人民幣4.78億元），同比下降39.3%，佔本集團的總收入約18.9%（2022年上半年：25.9%）。板塊收入下滑主要是由於國內外市場需求下滑。板塊營運虧損約人民幣996.8萬元（2022年上半年：營運盈利約人民幣4,477.5萬元）。撇除香原料板塊2023年上半年商譽減值人民幣1,494.7萬元之影響，經調整營運盈利約人民幣497.9萬元，同比下滑88.9%；經調整營運盈利率1.7%（2022年上半年：營運盈利率：9.4%），同比下滑7.7個百分點。經調整營運盈利及營運盈利率下滑主要是由於收入下降和產品結構變化。

報告期內，香原料板塊在海外及國內市場的需求下滑。在海外市場，主要經濟體經濟疲軟以及庫存高企造成新增需求下滑。在國內市場，終端消費者消費更加謹慎保守，並傳導至產業鏈上游，減少了對上游香原料產品的需求。在整體需求減少的情況下，為了銷售更多的產品，市場參與者採取降價策略，使產品的銷售價格承壓下滑。產品銷量和銷售價格雙雙下滑導致板塊銷售收入降低。然而，板塊的固定成本並未減少，導致板塊的營運盈利和營運盈利率大幅下降。

報告期內，國家監管機構非常重視精細化工企業安全生產的能力。集團對板塊安全生產管理制度、生產資質進行了排查，對員工進行了多次安全生產的專題培訓，提高了員工的風險防範意識，建立了安全的生產和工作環境。

Management Discussion and Analysis (cont'd)

Review of the condiment business

During the Reporting Period, revenue of the Group's condiment business was approximately RMB375 million (1H 2022: approximately RMB289 million), representing a year-on-year increase of 29.5%, and accounting for approximately 24.4% (1H 2022: 15.7%) of the Group's total revenue. The operating profit of the segment was approximately RMB71.426 million (1H 2022: operating loss of approximately RMB586 million); operating profit margin was 19.1%. Excluding the impact of the impairment of the goodwill of approximately RMB614 million of Jiahao CGU for the first half of 2022, operating profit increased by 151.9% year-on-year (1H 2022: adjusted operating profit was approximately RMB28.357 million), operating profit margin (1H 2022: adjusted operating profit margin 9.8%), increased by 9.3 percentage points on a year-on-year basis. The increase in the segment's revenue was mainly due to increased demand in the market as a result of the recovery of the catering industry, while the increase in operating profit and operating profit margin was mainly due to increased revenue and operating cost control. During the Reporting Period, the pandemic was finally over and the catering industry rebounded strongly as it resumed normal business. Purchasing demand from customers of the catering industry grew and product sales rose. The Group adopted the refined management model to reduce the selling and administrative expenses, resulting in improved profitability in the condiment business.

In terms of products, sales of core products such as chicken sauce, wasabi and fruit juices all recorded year-on-year growth. In order to further diversify the product mix and assist chefs in improving the efficiency and quality of their dishes, the R&D team launched the new product "Chinese Chef's Bone Broth" soup base, which is extracted and blended with high-quality raw materials with Tetra Pak packaging to preserve the taste and flavour of the soup base for a long period of time at room temperature. The launch of new products is a reflection of the continuous innovation and experimentation of the condiment segment, enhancing the segment's comprehensive competitiveness and sources of income.

In terms of sales channels, the rapid recovery of the catering industry improved distributors' willingness to increase their inventories for more sales. The Group's sales and marketing teams capitalised on the opportunity of the industry recovery and expanded its sales network, increasing the number of Tier 1 distributors to approximately 600. The increase in the number of distributors and the expansion of their coverage provided sufficient momentum for the recovery and growth of the segment's sales.

In terms of marketing strategy, all offline marketing activities resumed after the end of the pandemic. The sales team visited the end-customers to understand their experience in using the products and collected their feedback as basis for product improvements and enhancement of the product competitiveness and service quality. The sales team also actively participated in major exhibitions in the catering industry to promote products to users in various countries and regions, taking the opportunity to enhance our brand exposure and awareness.

管理層討論及分析 (續)

調味品業務回顧

報告期內，本集團調味品業務銷售收入約人民幣3.75億元（2022年上半年：約人民幣2.89億元），同比增加29.5%，佔集團總收入約24.4%（2022年上半年：15.7%）。板塊營運盈利約人民幣7,142.6萬元（2022年上半年：營運虧損約人民幣5.86億元）；營運盈利率19.1%。撇除2022年上半年嘉豪CGU商譽減值約人民幣6.14億元之影響，營運盈利（2022年上半年：經調整營運盈利約人民幣2,835.7萬元）同比增加151.9%，營運盈利率（2022年上半年：經調整營運盈利率9.8%）同比增加9.3個百分點。板塊收入增長主要是由於餐飲業復甦使市場需求增加，營運盈利和營運盈利率增加主要是由於收入增加及營運成本控制。報告期內，疫情終於結束，餐飲業恢復正常營業，強勁反彈。餐飲客戶採購需求增長，產品銷量上升。集團採取精細化管理模式，減少了銷售和管理費用，調味品業務利潤率得到提升。

產品方面，核心產品雞汁、芥辣、果汁銷售額都同比實現增長。為了進一步豐富產品類別，協助廚師提高出菜的效率和品質，研發團隊推出了新產品「中廚骨湯」湯底，該款湯底採用高品質的原料進行萃取和調配，並採用利樂包裝，讓湯底的口感和風味能夠長時間常溫保存。新產品的推出是調味品板塊不斷創新和嘗試的體現，提升了板塊的綜合競爭力，多元化了板塊的收入來源。

銷售渠道方面，餐飲行業快速復甦，帶動了經銷商的進貨和銷售意願。集團銷售和市場團隊利用行業復甦機會，擴大銷售網，使一級經銷商數量增加至約600家。經銷商數量增多，覆蓋面擴大，為板塊銷售的恢復和增長提供了充足動力。

營銷策略方面，疫情結束後，線下各項市場營銷活動重啟。銷售團隊拜訪終端客戶，瞭解他們在產品使用過程中的感受，並收集他們的反饋作為改進產品的依據，提升產品的競爭力和服務質量。銷售團隊還積極參加餐飲行業的重大展會，將產品推介給各個國家和地區的用戶，並藉機提升品牌曝光度和知名度。

Management Discussion and Analysis (cont'd)

Review of R&D

During the Reporting Period, the Group's investment in R&D was approximately RMB116 million (1H 2022: approximately RMB111 million). R&D expenses accounted for approximately 7.6% (1H 2022: 6.0%) of revenue, representing an increase of 1.6 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 2022: Nil).

During the Reporting Period, the F&F and Food Ingredients segment was granted 4 utility model patents and 4 invention patents, including "A Kind of Flavouring and Fragrance for Oral Tobacco and Its Preparation and Application", "An Emulsifying Tank for the Production of Small Amount of Flavours and Fragrance", "A Kind of Sandalwood Flavour and Fragrance with High Temperature Resistance and Its Preparation and Application", and "A Kind of Feeding Device for High Pressure Homogenizer and High Pressure Homogenizer". These patents cover flavours and fragrances for cigarettes, food, daily chemicals and food ingredients, strengthening the production process and competitiveness of the F&F and Food Ingredients segment.

In respect of tobacco raw materials, the Group has invested more resources in the R&D of innovative tobacco products and product technology, as the growth point of the segment's products and business. During the Reporting Period, Shenzhen Huabao Collaborative Innovation Technology Research Institute applied for a total of 35 patents, including "A Kind of HNB Heating Device", "A Kind of Dry Process for RTL and HNB Cigarettes", "A Kind of Thickened Pulp Process for RTL, Its Preparation Method and Cigarettes", and "Thermally Stable Natural Plant Materials for HNB Cigarettes and Its Production Method". These patents mainly focused on the core materials for HNB cigarettes, which consolidated the Group's competitiveness in the field of innovative tobacco products. In addition, Guangdong Golden Leaf Technology Development Co., Ltd. was awarded the "Third Prize of China Tobacco Corporation Standard Innovation Contribution Prize" issued by China National Tobacco Corporation and the "Special Thin RTL Selected as Famous Hi-Tech Product of Guangdong Province" issued by Guangdong Hi-Tech Enterprise Association.

管理層討論及分析 (續)

研發回顧

報告期內，本集團投入研發費用約人民幣1.16億元（2022年上半年：約人民幣1.11億元）。研發費用佔銷售收入的比例約為7.6%（2022年上半年：6.0%），與去年同期相比增加1.6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（2022年上半年：無）。

報告期內，香精及食品配料板塊獲得了4項實用新型專利和4項發明專利，包括《一種口含煙用香精及其制備方法和應用》、《一種適用於少量香精生產的乳化罐》、《一種耐高溫檀香香精及其制備方法和應用》、《一種用於高壓均質機的進料裝置及高壓均質機》。這些專利覆蓋煙用香精、食品用香精、日化用香精、食品配料，強化了香精及食品配料板塊的生產工藝和競爭力。

煙用原料方面，集團將新型煙草相關產品和業務作為板塊的增長點，投入了更多資源在新型煙草產品技術和產品的研發上。報告期內，深圳華寶協同創新技術研究院一共申請了35項專利，包括《一種HNB加熱器具》、《一種干法再造煙葉及加熱不燃燒捲煙》、《一種稠漿法再造煙葉及其制備方法和捲煙》、《用於加熱捲煙的熱穩定性天然植物材料及其製作方法》等。這些專利主要集中在加熱不燃燒捲煙的核心材料之上，鞏固了集團在新型煙草產品領域的競爭力，此外，廣東金葉科技開發有限公司獲得了中國煙草總公司頒發的《中國煙草總公司標準創新貢獻獎三等獎》以及廣東省高新技術企業協會頒布的《特種薄片被評選為廣東省名優高新技術產品》。

Management Discussion and Analysis (cont'd)

In the aroma raw materials business, Jiangxi Xianghai was granted 2 utility model patents and 3 invention patents, including “A Kind of Evaporation and Concentration Device for Preparation of Furanone” and “A Kind of Substitute Reactor for Furanone Synthesis and Processing Method”. Zhaoqing Perfumery Co., Ltd was awarded the [Certificate of Professional, Advanced, Specialized and New SME of Guangdong Province] as well as the [Certificate of Top 50 Technology Innovation Enterprises in Zhaoqing].

In terms of condiments, the Group was granted an invention patent for “A Kind of Preparation of Thermally Processed Concentrated Citrus Fruit Juice with Inhibition of Non-enzymatic Browning”. The patent can effectively inhibit and slow down the browning of fruit juices during storage, extend the storage time and make fruit juice products easier to preserve, which is of significant commercial value to the Group. During the Reporting Period, the Group launched its new soup base products, and its invention patent of “A Kind of Concentrated Soup Base Preparation using Boiling and Complex Enzymolysis Process” has entered the approval stage.

Human Resources and Corporate Culture Construction

As at 30 June 2023, the Group employed a total of 4,003 (as at 31 December 2022: 3,875) employees in Mainland China, Hong Kong, Germany, Indonesia, Singapore and other places.

During the Reporting Period, the Mainland China officially declared the end of the pandemic. However, due to the long duration, the psychological and mental health of people from all walks of life were negatively affected to varying degrees. To minimise the negative impact of the pandemic on the physical and mental health of our employees during the pandemic, the Group had prepared sufficient pandemic prevention materials for free use by our employees, allowed infected employees to work at home, and provided them with various benefits as usual, creating a comfortable working environment for our employees and enable them to work with peace of mind. After the pandemic, the Group's business resumed normal. In order to supply high-quality talents for business development, the Human Resources Department organised targeted knowledge and skills training for each business segment to enhance employees' ability to identify and solve problems. Expanding overseas markets is one of the Group's priorities. The Human Resources Department worked with colleagues from relevant business units to develop an international management trainee programme, with an objective to build a talent reserve for the Group's development of international markets. In addition, the Group has optimised its performance appraisal system and remuneration system to motivate employees' work efficiency and work quality.

管理層討論及分析 (續)

香原料方面，江西香海獲得了2項實用新型專利，3項發明專利，包括《一種呋喃酮制備用蒸發濃縮裝置》、《一種呋喃酮合成用代反應釜及加工方法》等。廣東肇慶香料廠有限公司獲得了《廣東省專精特新中小企業證書》以及《肇慶市科技創新企業50強證書》。

調味品方面，集團獲得了《一種抑制非酶褐變的熱加工濃縮柑橘類果汁的制備》的發明專利授權。該項專利能夠有效抑制和減緩果汁在儲藏期間的褐變，延長了果汁儲藏時間，使果汁類產品更容易保存，對集團果汁類產品具有重要的商業價值。報告期內，集團新推出了湯底類產品，《一種熬煮濃縮與復合酶解結合的濃縮湯底制備方法》的發明專利已經進入審核階段。

人力資源及企業文化建設

於2023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4,003人（截至2022年12月31日：3,875人）。

報告期內，中國內地正式宣佈疫情結束。然而，由於疫情持續時間長，各行各業人士的心理和精神健康都受到不同程度的負面影響。為了降低疫情對員工身心的負面影響，集團準備了充分的防疫物資供員工免費使用，同時允許感染的員工居家辦公，並如常發放各項福利，為員工創造一個舒適的工作環境，使員工能夠安心工作。疫情過後，集團各項業務恢復正常運作。為了為業務發展提供高素質的人才，人力資源部為各個板塊組織了針對性的知識和技能培訓，提升員工發現問題、解決問題的能力。拓展海外市場是集團的重點工作之一，人力資源部和相關業務部門同事合作，制定國際管理培訓生項目，為集團開拓國際市場儲備人才。此外，集團優化了績效考核制度、薪酬制度來激勵員工高效、高質量地完成工作。

Management Discussion and Analysis (cont'd)

The Group emphasizes the importance of corporate culture development, believing that an excellent corporate culture can enhance corporate brand image, improve team communication and stimulate the employees' potentials. The Group strictly enforces the established press and publicity governance system and regularly publishes news on product R&D, business development, staff activities and ESG management on its website and WeChat public account, so as to keep its staff abreast of the Company's development. The Group has news correspondents in each business segment, and rewards and recognises correspondents with news of high quality and high volume of articles. With the internationalisation of the Group's business, the Group is placing increasing emphasis on overseas staff's knowledge and understanding of the Group's corporate culture. The Group conducts comprehensive surveys and analyses of the business environment and culture of overseas markets to understand the needs and characteristics of local employees at work, thereby facilitating smoother communication with overseas staff, promoting teamwork and enhancing work efficiency.

Digital Transformation

2023 is the second year of the Group's digital transformation, and after the first year of structural construction, the digital transformation work moved forward steadily. During the Reporting Period, more subsidiaries input data on procurement, production and sales into the SAP ERP system, which further enriched the database and provided more comprehensive data for automated analyses. After training, the financial staff of subsidiaries were able to use the electronic financial system more proficiently for data entry and reconciliation, which enhanced the efficiency of preparing financial statements and strengthened the preparation efficiency of the Group's consolidated statements, financial management and analysis capabilities. The fund management system has enabled more standardised management of receipts and payments, as well as timely and visual enquiries on fund balances. The Product Lifecycle Management (PLM) system has been applied to the management of F&F formulations and the R&D project management of tobacco raw materials, and the team has been able to make use of the PLM system to better check the patents and regulations involved in the R&D process of the products and to enhance the compliance of the products in terms of intellectual property rights.

The Group attaches great importance to digital transformation efforts and believes that digital transformation can bring positive impact to the development of the organisation and its employees. The management has conducted training on artificial intelligence and Chat GPT for its staff to enable them to understand the impact and challenges of technology on the operational efficiency of the business as well as personal productivity. The Group has also set up an artificial intelligence related technology company to facilitate the study on the development and application of smart F&F preparation technology. The Group's efforts in digital transformation have been recognised by professional organisations and was awarded the "SAP Global Innovation Award" presented by SAP.

管理層討論及分析 (續)

集團重視企業文化建設工作，相信優秀的企業文化可以提升企業品牌形象、增進團隊溝通、激發員工潛能。集團嚴格執行制定的新聞宣傳管治制度，定期在網站及微信公眾號上發佈產品研發、業務發展、員工活動、ESG管理等方面的新聞，讓員工及時瞭解公司的發展動態。集團在各個業務板塊都設有新聞通訊員，對新聞質量高、撰稿量大的通訊員，集團給予物質獎勵和表彰。隨著業務國際化，集團越來越重視海外員工對公司企業文化的認識和理解。集團對海外市場的商業環境和文化進行全面的調查和分析，瞭解當地員工的工作需求和特點，從而在與海外員工溝通時能夠更加順暢，促進團隊合作，提升工作效率。

數字化轉型

2023年是集團數字化轉型的第二年，經過第一年的架構搭建，數字化轉型工作穩定的向前推進。報告期內，更多的子公司將採購、生產、銷售的數據錄入到SAP ERP系統，進一步豐富了數據庫，為自動化分析提供了更加全面的數據；在經過培訓後，子公司財務人員能夠更加熟練地使用電子化財務系統進行數據的錄入和核對，提升了編製財務報表的效率，也強化了集團合併報表的編制效率、財務管理和分析能力；資金管理系統使收付款管理更加規範，還能夠及時可視化地查詢資金餘額；產品生命週期管理(PLM)系統已經應用到香精配方管理和煙用原料研發項目管理，團隊能夠利用PLM系統更好的檢查產品在研發過程中所涉及到的專利和法規，提升了產品在知識產權方面的合規性。

集團重視數字化轉型工作，相信數字化轉型能為企業和員工的發展帶來正面的影響。管理層為員工進行了關於人工智能和Chat GPT的培訓，使員工瞭解科技對企業經營效率及個人工作效率的影響及挑戰。集團還成立了人工智能相關的科技公司，以更好的研究智能調香技術的發展和應用。集團在數字化轉型方面的工作得到了專業機構的認可，獲得了由思愛普(SAP)頒發的「SAP全球創新獎」。



Management Discussion and Analysis (cont'd)

OUTLOOK

China's economic growth still remains at a relatively high level despite the slowdown in the world's major economies. However, the Chinese economy is also facing the risk of insufficient and declining internal and external consumer demand, with corporate profitability likely to come under greater pressure. In the second half of the year, the Chinese government has indicated that it will intensify its macroeconomic policies in uplifting domestic demand, boosting confidence, and promoting the economy to achieve effective qualitative improvement and reasonable quantitative growth. The Group will capitalise on the opportunities brought about by the macro policies to tap into more consumption needs and strive to develop the number of customers. Overall, the management maintains a prudent and conservative view on the Group's business in the second half of 2023.

In terms of flavours and fragrance and food ingredients, the Group will strive to grow the number of customers for food flavours, fragrances and food ingredients. In response to the market demand for healthy and natural products, the Group will provide total solutions to its customers by developing its business from product supply to creativity and co-operation, enhancing added value and competitiveness of its products and services.

As the market demand for products in the tobacco raw material business in China is saturated, the Group will focus on developing overseas customers. The Group's new production line in Indonesia has been put into construction, and the Group will steadily push forward the construction of the production line in accordance with the plan.

In terms of aroma raw materials, the recovery of market demand in the second half of the year will remain difficult due to the global macroeconomic downturn together with uncertain recovery of the domestic consumer demand. The Group will continue to optimise its supply chain, reduce consolidated operating costs and enhance operating efficiency of the segment to minimise the adverse impact of the external environment on its operations.

For condiments, the management believes that the catering industry can maintain a sustained recovery in the second half of the year and demand is expected to grow continuously. The Group will focus on the demand of the catering industry as the core to expand its market share and increase sales revenue by enhancing the competitiveness of its R&D, products, channels and sales.

管理層討論及分析 (續)

展望

在世界主要經濟體經濟增速放緩的情況下，中國經濟增速仍然維持在相對較高的水平。但中國經濟也面臨著內部和外部消費需求不足和下滑的風險，企業的盈利空間有可能進一步受壓下降。進入下半年，中國政府表示將會加大宏觀政策調控力度來擴大內需、提振信心，推動經濟實現質的有效提升和量的合理增長。集團將把握宏觀政策帶來的機遇，挖掘更多消費需求，努力開發更多客戶。總的來說，管理層對集團2023年下半年業務維持審慎保守的看法。

香精及食品配料方面，集團將努力開發食品用香精、日化用香精及食品配料的客戶。集團響應市場對健康天然產品的需求，為客戶提供整體解決方案，使業務從產品供應向創意及合作方向發展，提升產品和服務的附加價值和競爭力。

煙用原料方面，煙用原料板塊的產品在國內的市場需求已經飽和，集團將集中精力開發海外客戶。集團在印度尼西亞新的生產線已經投入建設，集團將按照建設計劃，穩健地推進生產線的建設。

香原料方面，受到全球宏觀經濟不景氣以及國內消費需求復甦不確定性影響，下半年市場需求恢復仍然具備較大的難度。集團將繼續優化供應鏈，降低綜合營運成本，提升板塊的營運效率，盡可能減少外部環境對營運的不利影響。

調味品方面，管理層認為下半年餐飲行業能夠維持持續復甦的態勢，需求有望繼續增長。集團將圍繞餐飲行業的需求為核心，通過提升研發、產品、渠道、銷售的競爭力，擴大市場份額，增加銷售收入。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

ANALYSIS OF PROVISION FOR IMPAIRMENT RELATING TO THE INVESTMENT IN AN ASSOCIATE

與聯營公司投資相關的減值準備分析

DESCRIPTION OF INVESTMENT IMPAIRMENT OF JUNJIESHANG IN 2022

駿杰尚2022年投資減值的情況說明

Background of investment impairment of Junjieshang

駿杰尚投資減值的背景

The Group provided a capital contribution of RMB350 million to Junjieshang in November 2021, and held a 10% equity interests in Junjieshang after the contribution. Junjieshang is a vertical ecosystem collaboration platform in the hairdressing industry, working with hair salons in more than 50 cities across the country. Through the electronic screen devices installed in the shops and the APP promoted by Junjieshang, it not only provides advertising services for brands, but also offers digital platform services for hair salons and consumers including time-of-use pricing service, SaaS platform service and SaaS e-commerce service (a software for users to use as needed upon request). Hair salon is the main consumption scenario of Junjieshang's business model.

本集團於2021年11月以人民幣3.5億元向駿杰尚注資，並於注資後持有駿杰尚10%股權。駿杰尚為基於美髮行業的垂直生態聯盟平台。駿杰尚在全國50多個城市與理髮店合作，通過其在店裡安裝的電子螢幕終端和駿杰尚推廣的APP，為品牌商提供廣告業務的同時，提供面向美髮店及消費者的數位化平台業務，包括分時定價服務、SaaS平台服務、SaaS電商服務等（註：SaaS為使用者按需要即用軟體，一經要求，即可使用），美髮店是駿杰尚商業模式的核心消費場景。

As Shanghai implemented epidemic lockdown measures in March 2022, major cities across the country went into lockdown one after another. After the release of lockdowns at the end of the year, the epidemic broke out again in major cities across the country. Since the headquarters and data center of Junjieshang are in Shanghai, the management team, R&D, customer service and broadcast control teams of Junjieshang could not work normally, and Junjieshang could not release advertisements normally. In the second half of the year, important cities such as Beijing, Zhengzhou, Shijiazhuang, Xi'an, Qingdao and Guangzhou were also closed one after another. The nationwide epidemic prevention and control measures, including the city closure, have led to the closure of many barbershops, and also caused a considerable number of sales staffs of Junjieshang to be quarantined at home. On the other hand, during the epidemic period, due to the reduction of investment by Junjieshang's advertisers, Junjieshang's advertising orders were greatly reduced, which eventually led to a sharp drop in the Junjieshang's revenue. However, in order to stabilize the team, the management of Junjieshang paid salaries to employees as usual, and provided assistance such as materials and psychological counseling to employees, so Junjieshang's expenses have not decreased with income. As a result, the annual operating revenue of Junjieshang declined by 87% in 2022. However, in order to maintain its business stability and continuity, the operating cost of Junjieshang only reduced by 40% as compared to 2021, resulting in an increase of 116% in Junjieshang's net loss in 2022 and the investment in Junjieshang showed signs of impairment. Therefore, the Group engaged an independent valuer to conduct an impairment test on the investment in Junjieshang as at 31 December 2022 and an investment impairment of RMB139 million was recognized. After impairment, the investment balance of Junjieshang amounted to RMB204 million.

2022年3月，上海實行疫情封控政策，隨後全國各大城市陸續實行封控。年末解封後，全國主要城市又遭遇了疫情集中爆發。由於駿杰尚總部及資料中心在上海，導致駿杰尚管理層、研發、客服及播控團隊無法正常開展工作，駿杰尚也無法進行廣告的正常發佈。下半年北京、鄭州、石家莊、西安、青島和廣州等重要城市也陸續封城。全國範圍內包括封城在內的疫情防控措施導致眾多理髮店閉店歇業，也導致駿杰尚有相當部分銷售人員被隔離在家。另一方面，在疫情期間，駿杰尚的廣告客戶出於縮減投入的原因，使得駿杰尚獲得的廣告訂單大幅縮減，這些最終導致駿杰尚營收大幅下降。但是，駿杰尚管理層為穩定團隊向員工照常發放了薪酬，並為員工提供物資、心理疏導等援助，因此駿杰尚費用未隨著收入而下降。這些使得駿杰尚2022年年度營業收入下滑87%，但為保持駿杰尚業務的穩定和延續性，駿杰尚營運成本較2021年只減少40%，從而導致2022年公司實現的淨虧損增加116%，駿杰尚投資出現減值跡象。因此，集團聘請了獨立評估師對駿杰尚於2022年12月31日的投資進行減值測試，並確認了人民幣1.39億元的投資減值。減值後，駿杰尚的投資餘額為人民幣2.04億元。

Management Discussion and Analysis (cont'd)

Reasons for impairment of investment in Junjieshang

As Shanghai implemented epidemic lockdown measures in March 2022, major cities across the country went into lockdown one after another. In July 2022, the Group conducted follow-up discussions with the management of Junjieshang after the investment. The management of Junjieshang explained the impacts of the epidemic on Junjieshang in the first half of the year and the counter-measures, and presented plans to explore new businesses in the second half of the year. The management of Junjieshang stated that the business goals for the first half of 2022 could not be achieved, however, they believed that it was still possible to achieve the business goals in the second half of the year.

In the second half of 2022, the pandemic further spread in many provinces and regions and most hair salons were closed. In November 2022, the management of both the Group and Junjieshang conducted discussions in the Shanghai headquarters of Junjieshang on the business operation in 2022. The management of Junjieshang explained the situation and reasons for the drop in revenue of Junjieshang for the year and briefed on the business plans for 2023.

On 7 December 2022, the National Health Commission announced the full relaxation of the nationwide lockdown. Yet, China's economic growth was still slower than expected. According to the National Bureau of Statistics, the national total retail sales of consumer goods from January to February 2023 increased by 2.9% year-on-year and decreased by 0.02% from January to February. According to the statistics of CTR Media Intelligence under CCTV on advertisements in the national media industry, from January to February 2023, the national omni-media advertising market fell by 6.7% year-on-year, of which the advertising market spending in February fell by 11.9% year-on-year and 23.3% month-on-month.

管理層討論及分析 (續)

駿杰尚投資減值的原因

2022年3月，上海實行了疫情封控政策，隨後全國各大城市也陸續實行封控。2022年7月，集團與駿杰尚管理層進行了投資後的後續溝通。駿杰尚管理層介紹了駿杰尚上半年受疫情的影響以及應對措施，並介紹了下半年開拓新業務的計劃。駿杰尚管理層表示無法實現2022年上半年的經營目標，但當時認為下半年經營目標還是有可能完成。

2022年下半年，疫情進一步在多個省份和地區擴散，絕大部分美髮店處於關店停業狀態。2022年11月，集團管理層與駿杰尚管理層於駿杰尚上海總部就2022年度經營情況進行了溝通。駿杰尚管理層介紹了駿杰尚本年度營收下降的情況及原因，並初步介紹了2023年的營業規劃。

2022年12月7日衛健委宣佈全國全面解封。儘管如此，中國經濟增長仍低於預期。根據國家統計局資料，2023年1-2月全國商品零售總額同比增漲2.9%，2月比1月環比下降0.02%。根據中央電視台所屬的全國媒體行業廣告統計：CTR媒介智訊，2023年1-2月，全國全媒體廣告市場同比下降6.7%，其中2月份廣告市場花費同比下跌11.9%，月度花費環比下跌23.3%。

Management Discussion and Analysis (cont'd)

Compared with the performance at the time of investment, the significant drop in Junjieshang's results made it unable to realize the profit forecast for 2022 as anticipated. Therefore, the management of Junjieshang made strategic adjustments and postponed its overall development plan. Also, based on the re-evaluation of the macroeconomic and market prospects, the management of Junjieshang forecasted the future performance prospects in a more cautious manner. In view of this, the Group believed that the business performance and development of Junjieshang was worse than those forecasted on 29 November 2021. According to the prudent and appropriate accounting principles, the Group performed an impairment test on the investment in Junjieshang with the assistance of an independent valuer and recognized an impairment of RMB139 million on the investment in Junjieshang as of 31 December 2022.

Investment impairment test

In accordance with HKAS 36, the Company performed an investment impairment test on Junjieshang on 31 December 2022 (the valuation benchmark date), and conducted a value analysis to determine the recoverable amount of Junjieshang. According to the standard, the recoverable amount is determined on the higher of the FVLCOD and VIU. Since Junjieshang is an unlisted company, under the current market environment of global economic recession, low consumer confidence and significant reduction in market transaction activities, there were no comparable assets sold among market participants engaging in similar industries or activities on or around the assessment benchmark date. Therefore, an orderly transaction price was not available to provide a basis for reliable estimation of FVLCOD. As it was not practical to arrive at the FVLCOD calculations, VIU was adopted in the evaluation. According to the test result, the recoverable amount of Junjieshang was RMB203,892,000. An investment impairment loss of RMB139 million was recognised in the consolidated income statement of the Group for the year ended 31 December 2022.

Methodology, key assumptions and basis used in calculating the VIU of Junjieshang

The Company has engaged an independent valuer to carry out an impairment test on the investment in Junjieshang as at 31 December 2022. The valuer used the estimated future discounted cash flow approach to assess the VIU of Junjieshang, which was consistent with the valuation methodology used in calculating the enterprise value of Junjieshang as at 29 November 2021. It was based on a free cash-flow projection of Junjieshang in the forecast period and cash flows beyond the forecast period were calculated using the terminal growth rate, and the net present value of such flow cash-flows was calculated using an appropriate discount rate.

管理層討論及分析 (續)

相較於投資時，駿杰尚業績的嚴重下滑使得2022年度的盈利預測無法按時實現。因此，駿杰尚管理層在戰略上做了調整，將發展規劃整體向後推延。且基於對宏觀經濟及市場前景的重新判斷，駿杰尚管理層對未來的業績前景做了更加謹慎的預測。鑒於此，集團認為駿杰尚業務的表現和發展遜於2021年11月29日的預期。基於審慎及適當會計原則，集團在獨立評估師協助下對駿杰尚投資進行減值測試，並最終對駿杰尚截至2022年12月31日的投資金額確認減值為人民幣1.39億元。

投資減值測試

本公司根據香港會計準則第36號對駿杰尚進行投資減值測試，對駿杰尚於2022年12月31日為評估基準日進行價值分析以評估駿杰尚的可回收價值。根據準則，可收回金額為FVLCOD及使用價值兩者中取較高者。由於駿杰尚屬於非上市公司，且在當前全球經濟面臨衰退、消費者信心不足、市場交易活躍度大幅降低市場環境下，在評估基準日前後時間沒有在市場參與者之間出售的可比資產具有相似行業和相似業務，所以未能獲取有序交易價格以作為可靠估計FVLCOD的基礎，故FVLCOD的獲取是在本次評估值是不可行的，所以本次選取使用價值的金額。根據測試結果，駿杰尚的可收回金額為人民幣203,892,000元。在截至2022年12月31日止年度的本集團綜合收益表中確認投資減值損失為人民幣1.39億元。

計算駿杰尚的使用價值所採用的方法、關鍵假設和基準

本公司聘請之獨立評估師為駿杰尚於2022年12月31日之投資進行減值測試。評估師採用預計未來現金流量折現法來評估駿杰尚的使用價值。與駿杰尚於2021年11月29日計算企業價值時所採用的評估方法一致。此乃基於駿杰尚於預測期的自由現金流量預測，超逾預測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自由現金流量之淨現值。

Management Discussion and Analysis (cont'd)

The key assumptions and basis used in calculating Junjieshang's VIU were as follows:

- 1) Revenue forecast: as determined by the management of Junjieshang based on its competitive advantages in the industry, combined with their projections of future market development.
- 2) Post-tax discount rate: the discount rate for impairment test, with reference to the market information of the same industry and its specific risk premium, calculated by the valuer with the applicable cost of equity capital and cost of debt capital to come up with weighted average cost of capital ("WACC") based on Junjieshang's capital structure.
- 3) Terminal CAGR: long-term average growth rate of Junjieshang as estimated by its management with reference to its current market expansion progress and existing market share.

Changes in key assumptions and reasons for change

Key assumptions 關鍵假設

As at 29 November 2021
於2021年11月29日

Revenue forecast

收入預測

Advertising revenue 廣告收入	CAGR of 55.7% during the profit forecast period 盈利預測期內複合增長率55.7%
SaaS e-commerce service SaaS電商服務	CAGR of 113.8% during the profit forecast period 盈利預測期內複合增長率113.8%
SaaS platform service SaaS平台服務	CAGR of 27.7% during the profit forecast period 盈利預測期內複合增長率27.7%

For advertising revenue forecasting, at the time of investment, the management forecasted the advertising revenue based on expected advertising orders. However, in view of the impact of the pandemic, Junjieshang expected that there will be greater uncertainty in the advertising orders in the future; and due to the closure of hair salons, there will be greater uncertainty in advertising revenue. Therefore, the management of Junjieshang adopted a more cautious forecasting model which was based on various dimensions including the type and price, the number of screens and the release time of brand advertisements. Compared with the forecast at the time of investment, the CAGR of advertising revenue dropped by 60% during the profit forecast period.

管理層討論及分析 (續)

在計算駿杰尚的使用價值所採用的關鍵假設和基準如下：

- 1) 收入預測：駿杰尚管理層根據公司在行業的競爭優勢，並結合其對未來市場發展預計而確定。
- 2) 稅後貼現率：評估師根據同業市場資料及其特定風險溢價，計算適用的權益資本成本及債務資本成本，再按駿杰尚資本結構計算加權平均資本成本（「WACC」），作為減值測試的稅後貼現率。
- 3) 永續階段複合增長率：根據現有開拓市場進展情況以及現有市場佔有率情況，駿杰尚管理層預計公司未來的長期平均增長率。

關鍵假設的變動及變動原因

As at 31 December 2022
於2022年12月31日

CAGR of 22.3% during the profit forecast period 盈利預測期內複合增長率22.3%
CAGR of 121.2% during the profit forecast period 盈利預測期內複合增長率121.2%
CAGR of 115.4% during the profit forecast period 盈利預測期內複合增長率115.4%

針對廣告收入預測，投資時管理層採取以預計的廣告訂單為基礎的廣告收入預算，但是鑒於疫情影響，駿杰尚預計未來廣告訂單將存在較大的不確定性，且由於受到理髮店關店等影響，廣告收入存在較大的不確定性，因此駿杰尚管理層採取了更謹慎的預測模式，從品牌廣告發佈類型及單價、發佈屏數以及發佈時間這幾個維度進行預測。相比投資時的預計，盈利預期內廣告類收入複合增長率下降了60%。

Management Discussion and Analysis (cont'd)

In the face of uncertainty in advertising revenue, the management of Junjieshang adjusted its strategic direction to try to focus on promoting the innovative business of the SaaS platform. As for SaaS e-commerce service, during the forecast period, the priority will be placed on providing revenue-generating services for owners of hair salons and promoting the SaaS platform to all such owners, and then gradually strengthening the integration of supply chains and expanding the centralized procurement business for hair salons to eventually cover all hairdressing products and achieving economies of scale, thereby enhancing Junjieshang's gain from the spread of commodity prices in the business. Meanwhile, the management of Junjieshang will optimize the 2C business model, offer local procurement services to registered C-end users and provide consumers with local-based brands and services. Compared with the forecast at the time of investment, the CAGR of SaaS e-commerce revenue increased by 7.4 percentage points during the profit forecast period.

Regarding SaaS platform service, Junjieshang mainly provides SaaS platform services and quasi-financial services to owners of off-line hair salons at the time of investment. SaaS platform service includes basic services and value-added services such as on-demand, reservation, evaluation and store management services. Quasi-financial services mainly include provision of hairdressing industry supply chain financial services for hair salon owners, including store decoration, revenue system and hairdressing supplies and equipment. As of 31 December 2022, although the pandemic has come to its end, the operation of the hairdressing industry has been significantly affected by the pandemic and some hair salons were even closed or bankrupt. Therefore, to better serve the owners of hair salons, the management of Junjieshang optimized the business model, suspended quasi-financial services and reduced the originally planned platform service content, and opened the originally paid platform modules to hair salon owners for free. Meanwhile, Junjieshang focuses on the development of time-of-use pricing system for the platform service, launching a series of activities through the platform during the non-peak hours of the hair salons to attract traffic to and increase the revenue of the hair salons, and charges certain service fee based on such service. Considering that Junjieshang is a company operating a vertical ecosystem platform in the hairdressing industry with high industry barriers and its promotion targets are mainly C-end users, along with the rigid demand and high consumer stickiness of the hairdressing industry, it is expected to have a multiplier effect once the number of registered C-end users has reached a certain scale in the future. The management of Junjieshang expects that the number of registered C-end users will continue to increase rapidly during the forecast period. Therefore, the management of Junjieshang has adjusted the SaaS platform service business model and revenue forecast. Compared with the forecast at the time of investment, the CAGR of platform service revenue increased by 87.7 percentage points during the profit forecast period.

管理層討論及分析 (續)

在廣告收入存在不確定的情況下，駿杰尚管理層調整戰略方向，將嘗試著重推廣SaaS平台這個創新性業務。就SaaS電商服務，於預測期內，將首先關注為美髮店業主提供引流增收服務，面向所有美髮店業主推廣SaaS平台，其次將逐步加強整合供應鏈，拓展針對理髮店的集中採購業務，最終覆蓋全部美髮用品並實現規模效應，提高駿杰尚在該塊業務上獲取商品差價的空間。同時駿杰尚管理層將優化2C業務模式，向C端註冊用戶推出本地購業務，為消費者提供基於本地的品牌與服務。相比投資時的預計，在盈利預測期內SaaS電商類收入複合增長率增加了7.4百分點。

就SaaS平台服務，投資時駿杰尚主要面向線下美髮店業主提供SaaS平台服務和類金融服務。其中SaaS平台服務包括基礎服務和點播、預約、評價、店鋪管理等增值服務。類金融服務主要包括為美髮店業主提供涉及店鋪裝修、營收系統、美髮用品與美髮設備等在內的美髮行業供應鏈金融服務。截至2022年12月31日，儘管疫情已經結束，但美髮行業自身業務受疫情影響明顯，部分美髮店甚至處於關店破產狀態。因此，為更好的服務美髮店業主，駿杰尚管理層優化了商業模式，暫停了類金融服務並減少了原規劃平台服務內容，並將原需要收費的平台模組免費向美髮店業主開放。同時重點發展分時定價這項平台服務，即在美髮店閒置時間段，通過平台推出一系列活動為美髮店引流，增加美髮店收入，並獲得一定的服務費。考慮到駿杰尚是美髮店行業具備垂直生態鏈的平台公司，並已建立起行業壁壘，推廣物件重點面向C端使用者，同時美髮行業剛性需求與消費粘性明顯，未來C端註冊使用者數達到一定規模後，會出現倍增效應。駿杰尚管理層預計預測期內C端註冊用戶將會持續高速上漲。因此，駿杰尚管理層調整了SaaS平台服務業務模式以及收入預測，相比投資時的預計，在盈利預測期內平台服務類收入複合增長率增加了87.7百分點。

Management Discussion and Analysis (cont'd)

Based on the above revenue assumptions, compared with the forecast at the time of investment, the CAGR of Junjieshang's net profit decreased by 19% and the CAGR of the net present value of free cash flow decreased by 56% since the first year of profitability during the profit forecast period.

Key assumptions 關鍵假設

As at 29 November 2021
於2021年11月29日

As at 31 December 2022
於2022年12月31日

Post-tax discount rate
稅後貼現率

17.2%

25%

The valuer determined the post-tax discount rate based on WACC. Taking into account factors including 2022 actual operating conditions and future financial risks, the valuer added the enterprise-specific risk adjustment coefficient, resulting in a 25% increase in the final WACC.

基於以上收入的假設，相比投資時的預計，盈利預測期內自實現盈利首年起，駿杰尚淨利潤複合增長率降低了19%，自由現金流量淨現值複合增長率降低了56%。

評估師採用了WACC作為稅後貼現率，考慮到2022年的實際經營情況和未來財務風險因素，評估機構增加了企業特定風險調整係數，使最終採用的WACC增加至25%。

Key assumptions 關鍵假設

As at 29 November 2021
於2021年11月29日

As at 31 December 2022
於2022年12月31日

Terminal CAGR
永續階段複合增長率

1%

5%

According to the report of the China Commercial Industry Research Institute, the overall market size of China's hairdressing industry in 2022 was forecasted to be approximately RMB400 billion, with an average annual growth rate of about 5%. Junjieshang is a major vertical ecosystem collaboration platform in the hairdressing industry. Taking account into the long-term development potential of its business, especially the SaaS platform and the existing business network, and with reference to the business plan of Junjieshang's management, the terminal CAGR has been adjusted to 5% in the assessment report.

根據中商產業研究院報告，2022年中國美髮行業整體市場規模預計約人民幣4,000億元，年均增長率約5%。駿杰尚公司是美髮行業主要的垂直生態聯盟平台，考慮到其業務的長期發展空間，特別是SaaS平台以及目前已有的業務網路，並根據駿杰尚管理層業務規劃，本次評估報告中永續階段複合增長率調整為5%。

DESCRIPTION OF INVESTMENT IMPAIRMENT OF JUNJIESHANG IN APRIL 2023

Background of investment impairment of Junjieshang

As one of the Group's common directors at the subsidiary level retired as a director of the subsidiary in April 2023, the Group lost its influence over Junjieshang. In accordance with the relevant accounting standards, the Group is required to transfer the equity investment in Junjieshang at fair value to "Financial assets at fair value through other comprehensive income", therefore the Group engaged an independent valuer to assess the fair value of the equity investment in Junjieshang as at 30 April 2023. Based on the assessment results, the Group recognised an impairment loss on investment of RMB22,291,000, being the difference between the fair value of the equity investment in Junjieshang of RMB179,391,000 as at 30 April 2023 and its carrying amount.

駿杰尚於2023年4月投資減值的情況說明

駿杰尚投資減值的背景

由於本集團在附屬公司層面的一名共同董事於2023年4月退任附屬公司的董事，因而導致本集團失去對駿杰尚的影響力。根據相關的會計準則，本集團須將駿杰尚股權投資以公允價值轉出至「以公允價值計量且其變動計入其他全面收益的金融資產」，因此集團聘請了獨立評估師對駿杰尚在2023年4月30日的股權投資進行公允價值評估。根據評估結果，本集團按駿杰尚股權投資於2023年4月30日的公允價值人民幣179,391,000元與其帳面金額的差異確認人民幣22,291,000元的投資減值損失。

Management Discussion and Analysis (cont'd)

Reasons for investment impairment of Junjieshang during the Period

Since 2023, China's post-pandemic economic recovery has been slow while facing the difficulty of insufficient domestic demand, despite the release of pandemic control. According to the National Bureau of Statistics, total amount of retail sales of consumer goods increased year-on-year in April 2023, but was below market expectations. On a quarter-on-quarter basis, consumer spending grew by 0.49% in April, 0.29 percentage point lower than that in March. The slowing down of consumption for two consecutive months indicates a slowdown in the pace of consumption recovery. From January to April 2023, Junjieshang reported weaker-than-expected revenues and continued to record losses.

In April 2023, the management of the Group had a discussion with the management of Junjieshang and left the situation and reasons for the lower revenue of the company in the first quarter. During the pandemic, many hair salons were in a state of closure or even bankruptcy, coupled with the inconvenience brought about by the closure and control, and the lack of effective maintenance of the screens, resulting in some of the screens being damaged and unable to play normally. In addition, according to the "2023 China Advertisers' Marketing Trend Survey" published by CTR Media Intelligence, an organization affiliated with CCTV, the advertising market is still in the midst of a difficult recovery in 2023, and advertisers are prudent in their marketing budgets. As a result, Junjieshang's advertising clients also reduced their advertising investment. Coupled with intensified competition from peers, while clients preferred to place their advertisements on leading enterprises with stronger coverage, this resulted in the majority of the framework agreements signed by the Company not being implemented. As a result, compared to the forecast made as at 31 December 2022, the decline in Junjieshang's performance from January to April 2023 has made it difficult to realize the profit forecast for the year of 2023.

管理層討論及分析 (續)

本期間駿杰尚投資減值的原因

2023年以來，儘管放開了疫情管控，中國疫情後經濟復蘇緩慢，同時也面臨國內需求不足的困境。根據國家統計局資料，2023年4月社會消費品零售總額同比有所增長，但低於市場預期。且從季度環比來看，4月消費增長0.49%，低於3月0.29個百分點，連續兩個月放緩，顯示消費修復速度放緩。2023年1-4月，駿杰尚營業收入不及預期，並持續錄得虧損。

2023年4月，經過集團管理層與駿杰尚管理層的溝通，得知駿杰尚第一季度營收較低的情況及原因。疫情期間，眾多美髮店處於關店歇業、甚至破產狀態，加之封控帶來的不便，螢幕缺乏有效維護，導致部分螢幕損壞無法正常播放。另外，根據中央電視台所屬機構CTR媒介智訊發佈的《2023中國廣告主行銷趨勢調查》顯示，2023年廣告市場仍在艱難復蘇中，廣告主的行銷預算謹慎。受此影響，駿杰尚廣告客戶也降低廣告投入，加之同行競爭加劇，同時客戶更傾向於將廣告投放到一些覆蓋能力更強的龍頭企業，這導致公司已簽署的框架協議中，大部分未能執行。因此，相較於2022年12月31日時作出的預測，駿杰尚2023年1-4月的業績下滑使得2023年度的盈利預測難以實現。



Management Discussion and Analysis (cont'd)

Fair Value Assessment of Equity Investment in Junjieshang

In accordance with HKAS 36, the Company assessed the fair value of the equity investment in Junjieshang by performing a value analysis of Junjieshang (with 30 April 2023 as the valuation basis date) to assess the recoverable amount of Junjieshang. According to the standard, the recoverable amount is the higher of FVLCOB and the VIU. As Junjieshang is an unlisted company and under the current market environment where the global economy is facing a recession, with low consumer confidence and significantly reduced market transactional activities, there are no comparable assets with similar industries and similar businesses sold among market participants in the time around the valuation basis date, it is not feasible to obtain an orderly transaction price as the basis for a reliable estimation of the FVLCOB, and therefore, the obtaining of the FVLCOB is not feasible in this valuation, so the value-in-use amount was selected for this valuation. Based on the assessment results, the fair value of Junjieshang was RMB179,391,000.

Methodology, key assumptions and basis used in calculating the VIU of Junjieshang

The Company has engaged an independent valuer to carry out an impairment test on the investment in Junjieshang as at 30 April 2023. The valuer used the estimated future discounted cash flow approach to assess the VIU of Junjieshang, which was consistent with the valuation methodology used in calculating the enterprise value of Junjieshang as at 31 December 2022. It was based on a free cash-flow projection of Junjieshang in the forecast period and cash flows beyond the forecast period were calculated using the terminal growth rate, and the net present value of such flow cash-flows was calculated using an appropriate discount rate.

The key assumptions and basis used in calculating Junjieshang's VIU were as follows:

- (1) Revenue forecast: as determined by the management of Junjieshang based on its competitive advantages in the industry, combined with their projections of future market development.
- (2) Post-tax discount rate: the discount rate for impairment test, with reference to the market information of the same industry and its specific risk premium, calculated by the valuer with the applicable cost of equity capital and cost of debt capital to come up with WACC based on Junjieshang's capital structure.
- (3) Terminal CAGR: long-term average growth rate of Junjieshang as estimated by its management with reference to its current market expansion progress and existing market share.

管理層討論及分析 (續)

駿杰尚股權投資之公允價值評估

本公司根據香港會計準則第36號對駿杰尚股權投資之公允價值進行評估，對駿杰尚於2023年4月30日為評估基準日進行價值分析以評估駿杰尚的可回收價值。根據準則，可收回金額為FVLCOB及使用價值兩者中取較高者。由於駿杰尚屬於非上市公司，且在當前全球經濟面臨衰退、消費者信心不足、市場交易活躍度大幅降低市場環境下，在評估基準日前後時間沒有在市場參與者之間出售的可比資產具有相似行業和相似業務，所以未能獲取有序交易價格以作為可靠估計FVLCOB的基礎，故FVLCOB的獲取是在本次評估是不可行的，所以本次選取使用價值的金額。根據評估結果，駿杰尚的公允價值為人民幣179,391,000元。

計算駿杰尚的使用價值所採用的方法、關鍵假設和基準

本公司聘請之獨立評估師為駿杰尚於2023年4月30日的股權投資之公允價值進行評估。評估師採用預計未來現金流量折現法來評估駿杰尚的使用價值，與駿杰尚於2022年12月31日計算企業價值時所採用的評估方法一致。此乃基於駿杰尚於預測期的自由現金流量預測，超逾預測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自由現金流量之淨現值。

在計算駿杰尚的使用價值所採用的關鍵假設和基準如下：

- (1) 收入預測：駿杰尚管理層根據公司在行業的競爭優勢，並結合其對未來市場發展預計而確定。
- (2) 稅後貼現率：評估師根據同業市場資料及其特定風險溢價，計算適用的權益資本成本及債務資本成本，再按駿杰尚資本結構計算加權平均資本成本，作為減值測試的稅後貼現率。
- (3) 永續階段複合增長率：根據現有開拓市場進展情況以及現有市場佔有率情況，駿杰尚管理層預計公司未來的長期平均增長率。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Changes in key assumptions and reasons for change

關鍵假設的變動及變動原因

Key assumptions

As at 31 December 2022

As at 30 April 2023

關鍵假設

於2022年12月31日

於2023年4月30日

Revenue forecast

收入預測

Advertising revenue

CAGR of 22.3% during the profit forecast period

CAGR of 12% during the profit forecast period

廣告收入

盈利預測期內複合增長率22.3%

盈利預測期內複合增長率12%

SaaS e-commerce service

CAGR of 121.2% during the profit forecast period

CAGR of 118.3% during the profit forecast period

SaaS電商服務

盈利預測期內複合增長率121.2%

盈利預測期內複合增長率118.3%

SaaS platform service

CAGR of 115.4% during the profit forecast period

CAGR of 113.8% during the profit forecast period

SaaS平台服務

盈利預測期內複合增長率115.4%

盈利預測期內複合增長率113.8%

For advertising revenue forecasting, the management forecasted the advertising revenue based on expected advertising orders at the time of investment. However, Junjieshang expected that there will be greater uncertainty in the advertising orders in the future, and due to the closure of hair salons, there will be greater uncertainty in advertising revenue. Coupled with the fact that the revenue from January to April 2023 was lower than the forecast made at 31 December 2022, therefore, the management of Junjieshang followed the adjusted strategic direction in the year 2022 to strengthen its focus on the development of SaaS e-commerce services and platform services in the future, to reduce the proportion of advertising business, and reduce the investment in increasing the number of monitors. In the short term, it plans to replace the screens that have been phased out by replacing them with newer, larger monitors in the form of old-for-new replacements, which will be installed in cooperation with some of the hairdressing salons. Compared to the estimate made as at 31 December 2022, the CAGR of advertising revenues in the forecasted earnings has declined by 46%.

針對廣告收入預測，投資時管理層採取以預計的廣告訂單為基礎的廣告收入預算。駿杰尚預計未來廣告訂單將存在較大的不確定性，且由於受到理髮店關店等影響，廣告收入存在較大的不確定性，加上2023年1-4月營收較2022年12月31日的預期為低，因此駿杰尚管理層根據2022年經調整戰略方向，強化未來繼續著重發展SaaS電商服務與平台服務，減少廣告業務比重，減少增加螢幕的投入，短期內計畫將淘汰的螢幕以舊換新的形式更換為新式的大螢幕，並與部分美髮店鋪合作安裝使用。相比2022年12月31日的預計，盈利預測期內廣告類收入複合增長率下降了46%。

Regarding SaaS e-commerce services and SaaS platform services, based on the judgement that there is insufficient demand in the market and it takes a long time for consumers to recover their consumption power, as well as the fact that the revenue for the period from January to April 2023 was lower than that the forecast as at 31 December 2022, the management of Junjieshang has also scaled-down the trend of the future development of SaaS e-commerce services and platform services, and made slight adjustments to the number of users to be acquired and the rate of conversion in the forecast period. Slight adjustments were made for the forecast period in terms of the number of users acquired and the conversion rate. Compared to the estimates made at 31 December 2022, the compounded growth rate of SaaS e-commerce revenue has decreased by 2.9 percentage points and the CAGR of SaaS platform revenue has decreased by 1.6 percentage points for the earnings forecast period.

就SaaS電商服務及SaaS平台服務，基於市場需求不足及消費者消費能力修復需要漫長過程的判斷，以及2023年1-4月營收較2022年12月31日的預期為低，因此駿杰尚管理層同時下調了未來SaaS電商服務與平台服務的發展趨勢，在預測期對於用戶獲取數量及轉化率方面稍做了調整。相比2022年12月31日時的預計，在盈利預測期內，SaaS電商類收入複合增長率減少了2.9個百分點，SaaS平台類收入複合增長率減少了1.6個百分點。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Key assumptions

關鍵假設

As at 31 December 2022

於2022年12月31日

As at 30 April 2023

於2023年4月30日

Post-tax discount rate

25%

25%

稅後貼現率

The valuer determined the post-tax discount rate based on WACC. Taking into account factors including actual operating conditions and future financial risks, the valuer has maintained the WACC at 25%.

評估師採用了WACC作為稅後貼現率，考慮到公司實際經營情況和未來財務風險因素，評估師維持WACC為25%。

Key assumptions

關鍵假設

As at 31 December 2022

於2022年12月31日

As at 30 April 2023

於2023年4月30日

Terminal CAGR

5%

5%

永續階段複合增長率

Junjieshang is a leading vertical ecosystem collaboration platform in the hairdressing industry. Considering the future development trend of the hairdressing industry in the PRC and the long-term development potential of the business of Junjieshang, the terminal CAGR in the valuation report has been maintained at 5%.

駿杰尚公司是美髮行業領先的垂直生態聯盟平台，考慮到中國美髮行業未來發展趨勢，以及駿杰尚業務的長期發展空間，本次評估報告中永續階段複合增長率維持為5%。

Management Discussion and Analysis (cont'd)

FINANCIAL REVIEW

Analysis of interim results for the six months ended 30 June 2023

Revenue

The Group's revenue amounted to RMB1,535,704,000 for the six months ended 30 June 2023, representing a decrease of 16.9% as compared with RMB1,847,152,000 for the corresponding period last year. The decrease in the revenue is mainly attributable to a decrease in revenue of the F&F and Food ingredients segment by 23.3% year-on-year to RMB680,934,000 as a result of changes in market demand and keen competition in the market during the Reporting Period, and a decrease in revenue of the aroma raw materials segment by 39.3% year-on-year to RMB290,005,000 as a result of a decline in demand in both the domestic and overseas markets. The decrease was partially offset by a 29.5% year-on-year increase in revenue of the condiment segment to RMB374,542,000 due to increased demand in the upstream market as a result of the recovery of the catering industry.

Cost of goods sold

The Group's cost of goods sold amounted to RMB828,972,000 for the six months ended 30 June 2023, representing a decrease of 5.8% as compared with RMB880,123,000 for the corresponding period last year.

Gross profit and gross profit margin

The Group's gross profit decreased from RMB967,029,000 for the six months ended 30 June 2022 to RMB706,732,000 for the six months ended 30 June 2023, representing a decrease of approximately 26.9%. The decrease in gross profit was mainly attributable to the decrease in revenue and gross profit margin for the Reporting Period. The gross profit margin of the Group for the Reporting Period was approximately 46.0%, representing a decrease of approximately 6.4 percentage points as compared to 52.4% for the corresponding period last year. It was mainly attributable to the keen competition in the market as well as changes in the product mix of the Group.

Other income and other gains – net

For the six months ended 30 June 2023, other income and other gains (net) of the Group was RMB89,480,000, representing a decrease of RMB10,747,000 as compared with RMB100,227,000 for the corresponding period last year. The decrease in other income and other gains was mainly due to the decreased income from changes in fair values of financial assets at FVPL in the current period. Meanwhile, a provision for impairment of investments in associates of RMB22,291,000 was recorded in the current period, as compared to a loss of RMB24,083,000 recorded in the same period last year for the changes in the fair value of previously held interests in a jointly controlled entity upon acquisition as a subsidiary.

管理層討論及分析 (續)

財務狀況回顧

截至2023年6月30日止六個月的中期業績分析

營業額

截至2023年6月30日止六個月，本集團的營業額達到人民幣1,535,704,000元，較去年同期的人民幣1,847,152,000元減少了16.9%。營業額的減少，主要因為於報告期內市場需求變化及市場競爭激烈，香精及食品配料板塊的營業額同比減少了23.3%至人民幣680,934,000元；以及由於國內外市場需求下滑，香原料板塊的營業額同比減少了39.3%至人民幣290,005,000元；但是，由於餐飲業復蘇使上游市場需求增加，調味品板塊的營業額同比增加增加了29.5%至人民幣374,542,000元，而抵銷了部份降幅。

銷售成本

截至2023年6月30日止六個月，本集團的銷售成本為人民幣828,972,000元，較去年同期的人民幣880,123,000元減少了5.8%。

毛利和毛利率

本集團的毛利由截至2022年6月30日止六個月的人民幣967,029,000元下降至截至2023年6月30日止六個月的人民幣706,732,000元，減少約26.9%。毛利的下跌，主要由於本報告期的營業額和毛利率有所下降。本集團本報告期的毛利率約為46.0%，比去年同期的52.4%下降了約6.4個百分點，主要因為市場競爭激烈以及本集團產品結構有所變化。

其他收入及其他收益 – 淨額

截至2023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89,480,000元，較去年同期的人民幣100,227,000元減少了人民幣10,747,000元。其他收入及其他收益的減少主要是由於本期間以公允值計量且其變動計入損益的金融資產的收益有所減少。同時，本期間錄得聯營公司投資之減值撥備人民幣22,291,000元，而去年同期則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。

Management Discussion and Analysis (cont'd)

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 2023 was RMB142,021,000, representing a decrease of 18.5% as compared with RMB174,159,000 for the corresponding period last year. Selling and marketing expenses for the Reporting Period accounted for approximately 9.2% of the total revenue, maintaining a similar level as compared with approximately 9.4% for the six months ended 30 June 2022.

Administrative expenses

The Group's administrative expenses amounted to RMB389,526,000 for the six months ended 30 June 2023, representing a decrease of 5.5% as compared with RMB412,252,000 for the corresponding period last year. Administrative expenses for the Reporting Period accounted for approximately 25.4% of the total revenue, representing an increase of 3.1 percentage points, as compared with 22.3% for the six months ended 30 June 2022. The increase in percentage was mainly attributable to the fact that revenue declined at a faster rate than administrative expenses.

Operating profit/(loss)

For the six months ended 30 June 2023, the Group's operating profit was RMB260,740,000, representing an increase of RMB402,516,000 as compared with the operating loss of RMB141,776,000 for the six months ended 30 June 2022. The increase in operating profit was mainly due to the recognition of impairment of goodwill of RMB14,947,000 in aroma raw materials segment for the Reporting Period, whereas an impairment of goodwill of RMB614,331,000 in Jiahao CGU was recognized for the corresponding period last year, resulting in a decrease in impairment of goodwill by RMB599,384,000. However, the impact was partially offset by the decrease in gross profit.

If the effect of goodwill impairment for the Reporting Period and the corresponding period last year of RMB14,947,000 and RMB614,331,000, respectively, was excluded, operating profit for the current Reporting Period was RMB275,687,000, representing a decrease of 41.7% compared with RMB472,555,000 (excluding goodwill impairment) for the corresponding period last year. Operating profit margin was approximately 18.0%, representing a decrease of 7.6 percentage points from approximately 25.6% (after goodwill impairment) for the corresponding period last year, mainly due to the drop in gross profit margin for the Reporting Period.

管理層討論及分析 (續)

銷售及市場推廣開支

本集團銷售及市場推廣開支主要包括差旅費、廣告及宣傳費、薪金及辦公費用等。本集團截至2023年6月30日止六個月的銷售及市場推廣開支為人民幣142,021,000元，較去年同期的人民幣174,159,000元減少了18.5%。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9.2%，與截至2022年6月30日止六個月的約9.4%基本持平。

行政開支

本集團的行政開支在截至2023年6月30日止六個月為人民幣389,526,000元，較去年同期的人民幣412,252,000元減少了5.5%，而本報告期的行政開支所佔營業總額的比例為約25.4%，較截至2022年6月30日止六個月的22.3%上升了3.1個百分點。該比例的上升，主要因為營業額下降的速度快於行政開支下降的速度所致。

營運盈利／(虧損)

截至2023年6月30日止六個月，本集團的營運盈利為人民幣260,740,000元，較截至2022年6月30日止六個月的營運虧損人民幣141,776,000元，上升了人民幣402,516,000元。營運盈利的上升，主要因為本報告期確認香原料板塊商譽減值人民幣14,947,000元，而去年同期確認了嘉豪CGU商譽減值人民幣614,331,000元，商譽減值減少了人民幣599,384,000元。但是被毛利的下跌抵銷了部份影響。

如果同時撇除本報告期和去年同期的商譽減值分別為人民幣14,947,000元和人民幣614,331,000元的影響，本報告期的營運盈利為人民幣275,687,000元，比去年同期的人民幣472,555,000元（撇除商譽減值後）下跌了41.7%，營運盈利率約為18.0%，比去年同期的約25.6%（撇除商譽減值後）下跌了7.6個百分點，主要因為本報告期毛利率下跌所致。

Management Discussion and Analysis (cont'd)

管理層討論及分析 (續)

Income tax expenses

The income tax expenses of the Group for the six months ended 30 June 2023 was RMB86,385,000, representing a decrease of 18.2% as compared with RMB105,639,000 for the six months ended 30 June 2022. If the effect of goodwill impairment in both the Reporting Period and the corresponding period last year was excluded, income tax rate of the Reporting Period would be approximately 28.6%, representing an increase of approximately 6.9 percentage points as compared with approximately 21.7% (excluding goodwill impairment) for the six months ended 30 June 2022, which was mainly attributable to the increase in the amount of tax losses for which no deferred income tax assets were recognized in the Reporting Period as well as higher than expected withholding income tax on dividends distribution by subsidiaries in Mainland during the Reporting Period.

稅務開支

截至2023年6月30日止六個月，本集團的稅務開支為人民幣86,385,000元，較截至2022年6月30日止六個月的人民幣105,639,000元，減少了18.2%。如果同時撇除了本報告期及去年同期的商譽減值的影響，本報告期所得稅稅率約為28.6%，較截至2022年6月30日止六個月的約21.7%（撇除商譽減值後）上升了約6.9個百分點，主要由於本報告期末確認遞延所得稅資產的稅務虧損增加，以及國內附屬公司因分派股息而產生的預提所得稅比預期增加所致。

Profit/(loss) for the period

For the six months ended 30 June 2023, the Group's profit was RMB200,353,000, representing an increase of RMB433,384,000 as compared with the loss of RMB233,031,000 for the corresponding period last year. The year-on-year change was mainly due to the decrease in impairment of goodwill by RMB599,384,000 during the Reporting Period, which was partially offset by the decrease in gross profit.

本期間盈利／(虧損)

截至2023年6月30日止六個月，本集團的盈利為人民幣200,353,000元，較去年同期的虧損人民幣233,031,000元，上升了人民幣433,384,000元，同比變化主要因為本報告期商譽減值同比減少了人民幣599,384,000元，但是毛利的下跌抵銷了部份影響。

If the effect of goodwill impairment for the Reporting Period and the corresponding period last year of RMB14,947,000 and RMB614,331,000, respectively, was excluded, the profit for the current period would be approximately RMB215,300,000, representing a decrease of 43.5% as compared with RMB381,300,000 (excluding goodwill impairment) for the corresponding period last year.

如果同時撇除本報告期及去年同期商譽減值分別為人民幣14,947,000元和人民幣614,331,000元的影響，本期間盈利約為人民幣215,300,000元，比去年同期的人民幣381,300,000元（撇除商譽減值後）下跌了43.5%。

Profit/(loss) attributable to the equity holders of the Company

For the six months ended 30 June 2023, the profit attributable to the equity holders of the Company was RMB153,970,000, representing an increase of RMB467,501,000 as compared with the loss attributable to the equity holders of the Company of RMB313,531,000 in the corresponding period last year. The year-on-year change was mainly attributable to the recognition of impairment of goodwill of RMB14,947,000 in the aroma raw materials segment, whereas there was an impairment of goodwill of RMB614,331,000 in Jiahao CGU was recognized for the corresponding period last year, resulting in a decrease in impairment of goodwill by RMB599,384,000.

本公司權益持有人應佔盈利／(虧損)

截至2023年6月30日止六個月，本公司權益持有人應佔盈利為人民幣153,970,000元，較去年同期本公司權益持有人應佔虧損人民幣313,531,000元，上升了人民幣467,501,000元，同比變化主要因為本報告期確認了香原料板塊商譽減值人民幣14,947,000元，而去年同期確認了嘉豪CGU商譽減值人民幣614,331,000元，商譽減值減少了人民幣599,384,000元所致。

Management Discussion and Analysis (cont'd)

Net current asset value and financial resources

As at 30 June 2023, the net current asset value of the Group was RMB6,980,704,000 (31 December 2022: RMB6,944,129,000). The Group generates its working capital mainly through its operating activities to maintain a sound financial position. As at 30 June 2023, the Group's cash and bank balances (including fixed deposits) amounted to RMB3,384,516,000 (31 December 2022: RMB4,747,978,000), over 70% of which were held in RMB. In addition, the fair value of outstanding bank wealth management products held by the Group as at 30 June 2023 amounted to RMB2,744,103,000 (31 December 2022: RMB1,594,315,000), which was classified as financial assets at FVPL.

Bank borrowings and gearing ratio

As at 30 June 2023, the total bank borrowings of the Group amounted to RMB466,850,000 (31 December 2022: RMB677,700,000), all of which were RMB loans, including secured loans due after one year amounted to RMB15,000,000 (31 December 2022: RMB65,000,000 due within one year) and unsecured loans amounted to RMB451,850,000 (31 December 2022: RMB612,700,000) due within one year. For the six months ended 30 June 2023, the average annual interest rate for secured loans was 4.1% (six months ended 30 June 2022 : 4.4%), while the average annual interest rate for unsecured loans was 2.9% (six months ended 30 June 2022 : 3.2%). As at 30 June 2023, the Group's debt ratio (total loans (including current and non-current loans) divided by total equity, excluding non-controlling interests) was 3.7%, representing a decrease of 1.7 percentage points from 5.4% as at 31 December 2022.

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 strategic development strategies. For the six months ended 30 June 2023, the net cash used in investing activities amounted to RMB1,261,019,000, mainly payments for the purchase of banks' wealth management products. For the six months ended 30 June 2022, the net cash generated from investing activities amounted to RMB1,212,247,000.

Financing activities

For the six months ended 30 June 2023, the net cash used in the Group's financing activities amounted to RMB462,743,000, mainly comprised of repayment of bank loans of RMB490,900,000, payment of cash dividends of approximately RMB148,866,000 to shareholders of the Company, payment of cash dividends of RMB127,885,000 to non-controlling interests, and addition of bank loans of RMB280,050,000. For the six months ended 30 June 2022, the net cash used in financing activities amounted to RMB852,998,000.

管理層討論及分析 (續)

流動資產淨值和財務資源

於2023年6月30日，本集團的流動資產淨值為人民幣6,980,704,000元（2022年12月31日：人民幣6,944,129,000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2023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3,384,516,000元（2022年12月31日：人民幣4,747,978,000元），其中超過70%是以人民幣持有。此外，本集團於2023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2,744,103,000元（2022年12月31日：人民幣1,594,315,000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。

銀行貸款及負債比率

於2023年6月30日，本集團的銀行貸款總額為人民幣466,850,000元（2022年12月31日：人民幣677,700,000元），全部為人民幣貸款，當中有抵押貸款為人民幣15,000,000元且到期日超過一年（2022年12月31日：人民幣65,000,000元且於一年內到期償還），而無抵押貸款為人民幣451,850,000元（2022年12月31日：人民幣612,700,000元）且於一年內到期償還。截至2023年6月30日止六個月，有抵押貸款之平均年息率為4.1厘（截至2022年6月30日止六個月：4.4厘）；而無抵押貸款之平均年息率為2.9厘（截至2022年6月30日止六個月：3.2厘）。於2023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3.7%，較於2022年12月31日的5.4%下降了1.7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2023年6月30日止六個月，投資活動所用的現金淨額為人民幣1,261,019,000元，主要是購入銀行理財產品所用款。而截至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。

融資活動

截至2023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462,743,000元，主要包括償還銀行貸款人民幣490,900,000元、向本公司股東支付約人民幣148,866,000元之現金股息、向非控制性權益支付人民幣127,885,000元之現金股息、及新增銀行貸款人民幣280,050,000元。而截至2022年6月30日止六個月，融資活動所用的現金淨額為人民幣852,998,000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 2023, the Group's average trade receivables turnover period was 102 days, representing an increase of 13 days as compared with 89 days for the last financial year ended 31 December 2022. The increase was mainly due to the decrease in the Group's average turnover during the period was more than the decrease in average trade receivables.

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 2023, the Group's average trade payables turnover period was 57 days, representing a slight increase of 4 days as compared with 53 days for the last financial year ended 31 December 2022. While comparing with 63 days of the corresponding period last year, the ratio has remained stable.

Inventory and inventory turnover period

As at 30 June 2023, the Group's inventory balance amounted to RMB1,061,093,000, representing an increase of RMB41,070,000 as compared with the balance of RMB1,020,023,000 as at 31 December 2022. The increase in inventory balance was the result of an appropriate increase in inventory by the Group as a preparation for future economic growth. For the six months ended 30 June 2023, 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 226 days, increased by 32 days as compared with 194 days of the corresponding period last year. The increase of such ratio was mainly due to the fact that the decrease in the Group's average costs of sales exceeded the decrease in average inventory balance during the Period.

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.

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2023年6月30日止六個月，本集團的平均應收賬周轉期為102日，比較截至2022年12月31日止上一財政年度的89日上升了13日，該指數的上升，主要因為本集團本期間之平均營業額的減幅比平均應收貿易賬款的減幅多。

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2023年6月30日止六個月，本集團的平均應付賬周轉期為57日，比截至2022年12月31日止上一財政年度的53日稍微上升了4天，而與去年同期的63日一樣，指標維持穩定。

存貨和存貨周轉期

本集團的存貨結餘於2023年6月30日為人民幣1,061,093,000元，比2022年12月31日的人民幣1,020,023,000元，上升了人民幣41,070,000元。存貨結餘的上升，是本集團適量增加存貨作為日後經濟增長的準備。截至2023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226日，與去年同期的194天上升了32天，此指標的上升，主要是本集團本期間之平均銷售成本的下降幅度比存貨平均結餘的減幅多。

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區間內保持基本穩定。

Management Discussion and Analysis (cont'd)

Pledge of assets

As at 30 June 2023, the right-of-use assets of Shanghai Yifang Group with total carrying values of RMB10,931,000 (31 December 2022: buildings and right-of-use assets of RMB17,662,000) were used as collateral for bank loans of RMB15,000,000 (31 December 2022: RMB65,000,000).

Capital Commitments

As at 30 June 2023, the Group had capital commitments in respect of the purchase of property, plant, equipment, intangible assets, investment in a jointly controlled entity and investment in financial assets at FVPL, contracted for but not provided in the financial statements amounted to approximately RMB141,368,000 (31 December 2022: RMB215,563,000).

Contingent liabilities

According to the information available to the Board, the Group had no material contingent liabilities as at 30 June 2023.

Reasons for the adoption of the discounted cash flow models in assessing the impairment of goodwill of the RTL CGU, Jiahao CGU and Shanghai Yifang CGU in the 2022 Annual Report

The Company's management reviews the provision for goodwill impairment on an ongoing basis, generally annually and more frequently if there are any events or changes in circumstances that would give rise to potential impairment. The Company uses the income approach (i.e. discounted cash flow models) as the evaluation method for such provision. The reason for adopting this method is that according to HKAS 36 — Impairment of Assets, goodwill impairment assessment usually uses the income approach to determine the use value of a cash generating unit. Cash generating units that have a sufficiently long financial history would have a basis for predicting future results, and in such case, the recoverable amount of goodwill of the cash generating units would be based on the valuation in use. As RTL CGU, Jiahao CGU and Shanghai Yifang CGU are cash generating units having a long financial history which could provide the basis for predicting its future results, it satisfied the criteria for the application of the discounted cash flow models and hence its profitability forecast could be conducted based on historical data. The adoption and application of the income approach for the assessment of goodwill impairment of RTL CGU, Jiahao CGU and Shanghai Yifang CGU was also agreed by the independent valuer. Therefore, the income approach was adopted for such impairment assessment which took the present value of future cash flows of RTL CGU, Jiahao CGU and Shanghai Yifang CGU as the basis of valuation.

管理層討論及分析 (續)

資產抵押

於2023年6月30日，本集團以上海奕方集團賬面總值為人民幣10,931,000元的使用權資產（2022年12月31日：物業及使用權資產人民幣17,662,000元）作為人民幣15,000,000元銀行貸款（2022年12月31日：人民幣65,000,000元）之抵押。

資本承擔

於2023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141,368,000元（2022年12月31日：人民幣215,563,000元）。

或然負債

根據可供董事會查閱的資料，本集團於2023年6月30日並無任何重大的或然負債。

於2022年報中採用貼現現金流量模型以評估再造煙葉CGU、嘉豪CGU和上海奕方CGU商譽之減值的原因

本公司管理層持續審查商譽的減值撥備並通常按年審查，如若出現任何可能導致潛在減值的事件或情況變化，則審查頻率會相應提高。本公司採用收益法（亦即貼現現金流量模型）作為有關計提的評估方法。採用這種方法的原因乃根據《香港會計準則第36號 — 資產減值》，商譽減值評估通常採用收益法來確定現金產生單位之價值。具有足夠長時間之財務歷史的現金產生單位則相應具備預測未來業績的基礎，在這種情況下，現金產生單位之商譽的可收回金額將基於使用估值而定。由於再造煙葉CGU、嘉豪CGU和上海奕方CGU是具有較長時間之財務歷史的現金產生單位、具備預測其未來業績的基礎，故滿足使用貼現現金流量模型的條件，因此可以根據歷史數據進行其收益的預測。獨立評估師亦同意採用收益法評估再造煙葉CGU、嘉豪CGU和上海奕方CGU的商譽減值。因此，本次減值評估採用了收益法，即以再造煙葉CGU、嘉豪CGU和上海奕方CGU的未來現金流量現值作為估值基礎。

Other Information

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, 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	Percentage of the issued share capital
董事姓名	身份	持有已發行股份數目	佔已發行股本百分比
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 2023, 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.

其他資料

董事於股份、相關股份及債券之權益

於2023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	Percentage of the issued share capital
持有已發行股份數目	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2023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。

Other Information (cont'd)

SHARE OPTION SCHEME

Pursuant to a share option scheme (the "2016 Share Option Scheme") adopted on 9 August 2016 ("Adoption Date"), the 2016 Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date. At the beginning and at the end of the Reporting Period, and up to the date of this report, the total number of shares available for issue under the 2016 Share Option Scheme shall not exceed 310,665,796 shares, which represents approximately 9.62% of the issued shares of the Company as at the date of this report.

The table below summarises the movement in shares options under the 2016 Share Option Scheme since the adoption thereof and up to the date of this report.

Grantee and description	Number of options granted ⁽ⁱ⁾	Date of grant (day/month/year)	Date of vesting (day/month/year)	exercise period (day/month/year) ⁽ⁱⁱ⁾	Exercise price	Lapse date
承授人及身份	授出的購股權數目 ⁽ⁱ⁾	授出日期 (日/月/年)	歸屬日期 (日/月/年)	行權期間 (日/月/年) ⁽ⁱⁱ⁾	行使價	失效日期

* Independent Business Consultant * 獨立業務顧問	11,000,000	6/5/2019	5/11/2019	5/11/2019 -30/6/2020 5/5/2020-30/6/2020	HK\$3.708 per share 每股3.708港元	30/6/2020
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* Being service provider with options granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue				* 屬於任何12個月期內獲授超逾已發行的相關類別股份0.1%的購股權的服務提供者		
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(i) The number of options granted was 11,000,000 shares options, each share option entitled the Grantee to subscribe for one ordinary share of HK\$0.10 in the share capital of the Company.	(i) 授出的購股權數目為11,000,000份購股權，承授人可憑藉每股購股權認購一股本公司股本中每股0.10港元的普通股股份。
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(ii) The share options granted were exercisable in two tranches (50% of share options granted in each), with the first tranche exercisable from 5 November 2019 to 30 June 2020 (both days inclusive) and the second tranche exercisable from 5 May 2020 to 30 June 2020 (both days inclusive).	(ii) 所授出的購股權可分兩批行使(每批可行使50%的已授予的購股權)，第一批可於2019年11月5日至2020年6月30日(包括首尾兩天)行使，第二批可於2020年5月5日至2020年6月30日(包括首尾兩天)行使。
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(iii) The above granted options lapsed on 30 June 2020 with no options being exercised.	(iii) 上述已授出購股權於2020年6月30日失效，且無購股權獲行使。
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(iv) The closing price of the shares immediately preceding the date on which the options were granted was HK\$3.73.	(iv) 緊接授出購股權日期前的股份收市價為3.73港元。
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The above Grantee is not a director, chief executive or substantial shareholder of the Company, or an associate of any of them.

以上承授人並非本公司董事、最高行政人員或主要股東或任何彼等之聯繫人。

** For further details of the above movement, please refer to the announcement of the Company dated 6 May 2019.	** 有關上述變動的進一步詳情，請參閱本公司日期為2019年5月6日的公告。
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其他資料 (續)

購股權計劃

根據本公司於2016年8月9日(「採納日期」)採納的一項購股權計劃(「2016年購股權計劃」)，2016年購股權計劃自採納日期起十年內有效。於本報告期開始及終結時及至本報告日期，根據2016年購股權計劃可供發行的股份總數將不超過310,665,796股，佔本報告日期本公司已發行股份約9.62%。

下表載列了自採納2016年購股權計劃起至本報告日期該計劃項下購股權的變動情況。

Other Information (cont'd)

Save as disclosed above, no other share options were granted to the following persons under the 2016 Share Option Scheme since the adoption thereof and up to the date of this report:

- (i) each of the directors, chief executive or substantial shareholders of the Company, or their respective associates;
- (ii) each participant with options granted in excess of the 1% individual limit;
- (iii) each related entity participant or service provider with options granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue of the Company;
- (iv) the five highest paid individuals during the financial year; and
- (v) other employee participants, related entity participants and service providers.

The 2016 Share Option Scheme will remain in force for ten years starting from 9 August 2016 (can be terminated before expiration). As at the date of this report, the remaining life of the 2016 Share Option Scheme is less than 4 years.

At the beginning and at the end of the Reporting Period, and up to the date of this report, there were no share options outstanding under the 2016 Share Option Scheme and there were no share options granted, vested, exercised, cancelled or lapsed during the Reporting Period.

The 2016 Share Option Scheme itself did not specify number of share options available for grants to the following participants in any financial year:

- (i) each of the directors, chief executive or substantial shareholders of the Company, or their respective associates;
- (ii) each participant with options to be granted in excess of the 1% individual limit;
- (iii) each related entity participant or service provider with options to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue of the Company;
- (iv) the five highest paid individuals during the financial year; and
- (v) other employee participants, related entity participants and service providers.

其他資料 (續)

除上文所披露者外，自2016年購股權計劃採納之日起至本報告日期，並無根據該計劃向下列人士授出其他購股權：

- (i) 每名本公司董事、最高行政人員或主要股東又或其各自的聯繫人；
- (ii) 每名獲授購股權超逾1%個人限額的參與者；
- (iii) 每名於任何12個月期內獲授超逾本公司已發行的相關類別股份0.1%的購股權的關連實體參與者或服務提供者；
- (iv) 財政年度內總薪酬最高的五名個人；及
- (v) 其他僱員參與者、關連實體參與者及服務提供者。

2016年購股權計劃於2016年8月9日起計十年內有效(可提前終止)。於本報告日期，2016年購股權計劃剩餘期限不足四年。

於本報告期開始及終結時及至本報告日期，概無任何於2016年購股權計劃項下尚未被行使的購股權，亦並無於本報告期內授出、獲歸屬、行使、註銷或失效的購股權。

2016購股權計劃並未載明可於任何財政年度向下列人士授予的期權的數目：

- (i) 每名董事、最高行政人員或主要股東又或其各自的聯繫人；
- (ii) 每名將獲授期權超逾1%個人限額的參與人；
- (iii) 每名於任何12個月期內將獲授超逾本公司已發行的相關類別股份0.1%的期權的關連實體參與者或服務提供者；
- (iv) 財政年度內總薪酬最高的五名個人；及
- (v) 其他僱員參與者、關連實體參與者及服務提供者。



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 as well as a non-principal subsidiary of the Company, approved, adopted and implemented a 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 scheme of a principal subsidiary of a listed issuer under Chapter 17 of the Listing Rules.

For the purpose of the Guangdong Jiahao Share Incentive Scheme, four limited partnerships were 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 1.98% equity interests in Guangdong Jiahao and as at 30 June 2023, those relevant awards have vested in the employees shareholding platforms.

As at 30 June 2023, the Guangdong Jiahao Share Incentive Scheme has covered in total 74 (31 December 2022: 62) participants, including directors and senior management of Guangdong Jiahao. The chairman of Guangdong Jiahao, Mr. XIA Liqun, is also a director of the Company and one of the participants.

Please refer to Note 13 to the condensed interim financial information for further details.

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 until 19 May 2032, unless otherwise terminated. 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.

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及非主要附屬公司），通過了董事書面決議案，批准、採納並執行一項股權激勵計劃（「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章項下之上市發行人的主要附屬公司的股份計劃。

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2023年6月30日參與者通過前述有限合夥企業間接持有廣東嘉豪的約1.98%股權，有關獎勵已歸屬到員工持股平台。

於2023年6月30日，廣東嘉豪股權激勵計劃下的參與者已涵蓋共74人（2022年12月31日：62人），包括廣東嘉豪董事及高管；其中包括其董事長夏利群先生（亦為本公司董事）。

進一步詳情請參閱簡明中期財務資料附註13。

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至2032年5月19日止，為期10年（另行終止除外）。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。

Other Information (cont'd)

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.

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.

Under the terms of the Share Award Scheme, (i) the aggregate number of the Shares that may be awarded by the Board under the Share Award Scheme 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); and (ii) unless specifically approved by the independent shareholders, the aggregate number of new Shares that may 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) is given. As no Scheme Mandate for allotment of new Shares has been obtained, at the beginning and at the end of the Reporting Period, and up to the date of this report, no new Shares were issued pursuant to the Share Award Scheme.

其他資料 (續)

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。

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託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)。

根據該股份獎勵計劃的條款：(i)董事會可能根據該股份獎勵計劃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)；及(ii)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可能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)。由於尚未取得配發新股份的計劃授權，於本報告期開始及終結時及至本報告日期，概無任何可根據股份獎勵計劃發行的新股份。



Other Information (cont'd)

The maximum number of Shares which may be awarded to a Selected Person (i.e. maximum entitlement of) in any twelve months under the Share Award Scheme shall not exceed one percent of the total number of issued Shares as at the Adoption Date unless the proposed grant has been specifically approved by the Shareholders in a general meeting of the Company. The Share Award Scheme does not specify any minimum vesting period nor the grant price which is payable by a Selected Person upon acceptance of an Award. Pursuant to the Share Award Scheme, the Board has the authority to determine, among other things, the vesting schedule, number, the terms and conditions of the Award Shares and the grant price (if any) payable by the Selected Person. The grant price in respect of Awarded Shares under the Share Award Scheme is determined by the Board in its absolute discretion at the time of the grant. As at 30 June 2023, no Awarded Shares have been granted under the Share Award Scheme yet.

As at 30 June 2023, (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 and hence no Shares are available for issue under the Share Award Scheme as at the date of this report.

The Share Award Scheme does not involve the grant of options carrying right to subscribe for any new Shares, so it does not constitute a share option scheme pursuant to the then Chapter 17 of the Listing Rules in force on the Adoption Date, but constitutes a share scheme of the Company under the new Chapter 17 of the Listing Rules which has come into effect on 1 January 2023 (the "Revised Chapter 17 of the Listing Rules"). In particular, whilst no scheme mandate for allotment of new Shares has been obtained, the Share Award Scheme is currently a share scheme that may be funded by existing Shares under the Revised Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements thereunder since 1 January 2023.

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

Given that the Revised Chapter 17 of the Listing Rules governs, among others, all share schemes involving grants of share awards and grants of options carrying right to subscribe for new shares of issuers, the Company is in the course of assessing the implications to the implementation, operation and administration of the Share Award Scheme and will take appropriate steps to comply or re-comply with the relevant provisions of the Listing Rules as may be applicable from time to time.

其他資料 (續)

根據該股份獎勵計劃，在任何十二個月內可授予經甄選人士的最大股份數量（即最大配額）不得超過截至採納日期已發行股份總數的百分之一，除非擬議的授予已經本公司股東大會特別批准。該股份獎勵計劃並未指定任何最短歸屬期或經甄選人士在接受獎勵時須支付的授予價格。根據該股份獎勵計劃，董事會有權釐定（其中包括）獎勵股份的歸屬時間表、數目、條款及條件以及經甄選人士應付的授出價（如有）。該股份獎勵計劃項下獎勵股份的授出價由董事會於授出時全權酌情釐定。截至2023年6月30日，並無根據該股份獎勵計劃授出任何獎勵股份。

於2023年6月30日，(i)未有任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新股份取得計劃授權。因此，根據該股份獎勵計劃，並無可供發行股份。

該股份獎勵計劃不涉及授予任何附帶認購新股份權利的購股權，因此不構成於採納日期當時生效之上市規則第17章項下的一項購股權計劃，但根據於2023年1月1日生效的上市規則新第17章（「經修訂的上市規則第17章」），其構成本公司一項股份計劃。特別是，雖然尚未獲得配發新股份的計劃授權，但該股份獎勵計劃目前是一項股份計劃，可根據經修訂的上市規則第17章由現有股份出資，自2023年1月1日起須遵守其適用的披露規定。

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。

鑑於經修訂的上市規則第17章涵蓋所有涉及上市發行人授出股份獎勵及授出附帶可認購上市發行人新股份權利的購股權的股份計劃，本公司正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或重新遵守可能不時適用的相關上市規則條文。

Other Information (cont'd)

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than disclosed in Note 13 to the condensed consolidated interim financial information, at no time during the Reporting Period was the Company, its ultimate holding companies or any of its subsidiaries a party to any arrangements would enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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. As at 30 June 2023, the Group utilised all of the proceeds, details of which are set out in the table below.

In HK\$ million

Intended use of proceeds	As at 31 December 2022 於2022年 12月31日	Actual use of proceeds 融資款項 實際用途	As at 30 June 2023 於2023年 6月30日
融資款項計劃用途			

Acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise

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)

50

50

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其他資料 (續)

董事認購股份或債券之權利

除於簡明綜合中期財務資料附註13所披露者外，本公司、其最終控股公司或其任何附屬公司於報告期內任何時間均無參與任何安排，致使本公司之董事可藉收購本公司或任何其他法團之股份或債券而獲益。

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2023年6月30日，本集團已悉數使用融資款項，詳情載於下表。

百萬港元

As at 31 December 2022 於2022年 12月31日	Actual use of proceeds 融資款項 實際用途	As at 30 June 2023 於2023年 6月30日



Other Information (cont'd)

SIGNIFICANT EVENTS OR TRANSACTIONS

Investigation Against Directors

References are made to the announcements of Company dated 24 January 2022, 26 January 2022, 27 January 2022, 21 July 2022, 26 July 2022, 20 January 2023, 3 July 2023 and 14 July 2023 respectively, in relation to the investigation for suspected disciplinary violations and residential surveillance at a designated location (指定居所監視居住) against Ms. Chu, the chairlady, chief executive officer, executive director and controlling shareholder (approximately 71% interests in the Company's shares as at the date of this report) and Mr. Lam, an executive director and co-chairman of the Company of the Company.

On 20 January 2023, the Group was advised by Ms. Chu's family member that Anyuan County Police Bureau (安遠縣公安局) had lifted Ms. Chu's residential surveillance and that she was on bail pending further investigation. Concurrently, Ms. Chu was placed under residential surveillance at a designated location by Chongqing Yongchuan District Police Bureau (重慶市永川區公安局).

Performance Undertaking

Reference is made to the Company's announcement dated 8 March 2022. On 8 March 2022, Huabao Flavours, a non-wholly owned subsidiary of the Company, Shanghai Keli Enterprise Management and Consulting Company Limited* (上海克瀝企業管理諮詢有限公司) ("Keli Enterprise"), Qian Rong (錢戎) and Wong Kam Wing (黃錦榮) (the beneficial controllers of Keli Enterprise) and other related parties entered into a shares transfer agreement (the "Share Transfer Agreement") to further acquire 27% equity interest in Shanghai Yifang Rural Technology Holdings Co. Ltd. ("Shanghai Yifang") for a total consideration of RMB121.5 million in cash. Upon completion of the transaction, Huabao Flavours' shareholding in Shanghai Yifang reached 67% and Shanghai Yifang became an indirect non-wholly owned subsidiary of Huabao Flavours and the results of Shanghai Yifang have been consolidated into the financial statements of Huabao Flavours since March 2022.

其他資料 (續)

重大事件或交易

對董事的立案調查

茲提述本公司日期分別為2022年1月24日、2022年1月26日、2022年1月27日、2022年7月21日、2022年7月26日、2023年1月20日、2023年7月3日及2023年7月14日，有關對朱女士(本公司主席、首席執行官、執行董事及控股股東(於本報告日期持有本公司股份約71%))及林先生(本公司執行董事兼聯席主席)的因涉嫌違法問題被立案調查並執行指定居所監視居住的該等公告。

於2023年1月20日，本集團從朱女士家屬處獲悉，安遠縣公安局已解除對朱女士監視居住，採取取保候審。同時，重慶市永川區公安局對朱女士曾執行指定居所監視居住。

業績承諾

茲提述本公司日期為2022年3月8日的公告。於2022年3月8日，本公司的非全資附屬公司華寶股份、上海克瀝企業管理諮詢有限公司(「克瀝企業」)、克瀝企業的實際控制人Qian Rong (錢戎)和黃錦榮及其他相關方簽署《股份轉讓協議》(「股份轉讓協議」)，以總對價人民幣121,500,000元現金收購上海奕方農業科技股份有限公司(以下簡稱「上海奕方」)27%的股權。交易完成後，華寶股份對上海奕方的持股比例達到67%，上海奕方成為華寶股份的間接非全資附屬公司，自2022年3月起其經營業績已於華寶股份的財務報表綜合入賬。

Other Information (cont'd)

Pursuant to the Share Transfer Agreement, among others, Huabao Flavours, Qian Rong and Wong Kam Wing shall fulfill their capital increase obligations as scheduled in proportion to their respective shareholdings in Shanghai Yifang, and Qian Rong and Wong Kam Wing agreed to undertake the performance undertaking and compensation obligations to Huabao Flavours. The performance undertaking period is three years commencing from 1 January 2022 to 31 December 2024 (the "Performance Undertaking Period"). The results of Shanghai Yifang during the Performance Undertaking Period will be a consolidated net profit of not less than RMB41.00 million in 2022, a consolidated net profit of not less than RMB55.00 million in 2023 and a consolidated net profit of not less than RMB74.00 million in 2024. If Shanghai Yifang does not achieve the performance undertaking after the expiry of the Performance Undertaking Period, Qian Rong and Wong Kam Wing shall compensate Huabao Flavours in cash within 15 days after Shanghai Yifang's 2024 annual audit report is issued. As at the date of this report, Qian Rong and Wong Kam Wing have not yet fulfilled their obligations by paying the second instalment of the capital increase amount (RMB7,095,700 in total) under the Share Transfer Agreement, and have not rectified the same within 15 days after they have received the written notice from Huabao Flavours.

In 2022, due to multiple factors including the non-performance of the undertaking, the slowing down of economic growth, the complicated and changing external environment and insufficient external demand, Shanghai Yifang incurred a loss for the year 2022.

For the year ended 31 December 2022, the net loss of Shanghai Yifang amounted to approximately RMB41.94 million. The actual performance of Shanghai Yifang did not meet the guaranteed profits provided by Qian Rong and Wong Kam Wing. The performance shortfall of Shanghai Yifang for the year 2022 amounted to approximately RMB82.94 million.

In the first half of 2023, due to Shanghai Yifang's sales are not as good as expected, Shanghai Yifang continued to suffer a loss.

其他資料 (續)

根據《股份轉讓協議》(其中包括)，華寶股份、Qian Rong (錢戎) 及黃錦榮應按其各自於上海奕方的持股比例如期履行其增資義務，而 Qian Rong (錢戎) 及黃錦榮同意對華寶股份承擔履約承諾及補償義務。業績承諾期為三年，自2022年1月1日起至2024年12月31日止(以下簡稱「業績承諾期」)。在業績承諾期上海奕方的業績為2022年合併淨利潤不低於人民幣41,000,000元；2023年合併淨利潤不低於55,000,000元；2024年合併淨利潤不低於74,000,000萬元。若業績承諾期屆滿後，上海奕方沒有實現業績承諾，則Qian Rong (錢戎) 及黃錦榮應在上海奕方2024年度審計報告出具後的15日內以現金的方式對華寶股份進行補償。於本報告日期，Qian Rong (錢戎) 及黃錦榮尚未履行其在《股份轉讓協議》項下的第二期增資金額(合計人民幣7,095,700元)的繳納義務，且在收到華寶股份書面通知後15日內仍未改正。

於2022年，由於未履行的承諾、經濟增速放緩、外部環境複雜多變、外部需求不足等多重因素衝擊，使上海奕方在2022年度出現虧損。

於截至2022年12月31日止年度，上海奕方錄得淨虧損約為人民幣41,940,000元。上海奕方的實際業績未達到Qian Rong (錢戎) 及黃錦榮提供的保證利潤。上海奕方2022年度的業績差額約為人民幣82,940,000元。

2023年上半年，由於上海奕方銷售未如理想，因此上海奕方持續虧損。



Other Information (cont'd)

EVENTS AFTER THE REPORTING PERIOD

Investigation Against Directors

Subsequent to the reporting period, on 3 July 2023, the Group was advised that Chongqing Yongchuan District Police Bureau (重慶市永川區公安局) had lifted Ms. Chu's residential surveillance. Ms. Chu has resumed work accordingly. On 14 July 2023, the Company was informed that Ms. Chu and Mr. Lam are no longer subject to any bail conditions as imposed by Changsha County Police Bureau (長沙縣公安局). 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.

Update on a Director's Biographical Details

References are made to the Company's announcements dated 5 July 2023 and 6 July 2023 respectively in relation to inside information and change in biographical details of Ms. CHOY Man Har ("Ms. Choy"), an executive director and deputy chief financial officer of the Company.

On 5 July 2023, the Independent Commission Against Corruption of Hong Kong ("ICAC") conducted a search at the business offices of the Company in Hong Kong. The Company provided certain files and records for the purpose of an ICAC investigation.

In addition, the Company has been informed that Ms. Choy was arrested on 5 July 2023 by ICAC in relation to offences under the Prevention of Bribery Ordinance (Cap. 201), Crimes Ordinance (Cap. 200) and the Organized and Serious Crimes Ordinance (Cap. 455) for investigation. On 6 July, Ms. Choy has been released on bail without any charge laid against her. The Company will monitor this matter and take necessary legal advice as appropriate.

The Initiation of Arbitration by a Subsidiary

Reference is made to the announcement of the Company dated 9 August 2023 in relation to the initiation of arbitration by Huabao Flavours against Qian Rong (錢戎) and Wong Kam Wing (黃錦榮) (the beneficial controllers of Keli Enterprise).

其他資料 (續)

報告期後事項

對董事的立案調查

報告期後，於2023年7月3日，本集團接獲通知，重慶市永川區公安局已對朱女士取消指定居所監視居住。朱女士恢復正常工作。於2023年7月14日，本公司接到通知，長沙縣公安局解除對朱女士及林先生的取保候審。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。

更新董事履歷詳情

茲提述本公司日期分別為2023年7月5日及2023年7月6日的公告，內容有關內幕消息及本公司執行董事兼副首席財務官蔡文霞女士(「蔡女士」)的履歷詳情變更。

於2023年7月5日，香港廉政公署(「廉政公署」)於本公司在香港的營業地點進行搜查。本公司提供若干文件及記錄作廉政公署調查之用。

此外，本公司已被告知，蔡女士於2023年7月5日被廉政公署就有關香港法例第201章《防止賄賂條例》、香港法例第200章《刑事罪行條例》、第455章《有組織及嚴重罪行條例》下的罪行拘捕以進行調查。於7月6日，蔡女士已在未被起訴的情況下獲准保釋外出。本公司將監察此事宜，並於適當時候徵詢必要的法律意見。

附屬公司提起仲裁

茲提述本公司日期為2023年8月9日的公告，內容有關對克瀝企業的實際控制人Qian Rong(錢戎)和黃錦榮提起仲裁的公告。

Other Information (cont'd)

Taking into account Shanghai Yifang sustained a loss during the Performance Undertaking Period, Huabao Flavours accordingly terminated the rights and obligations pursuant to the provisions of the Share Transfer Agreement and applied to the Shanghai International Arbitration Center with Qian Rong and Wong Kam Wing as respondents for arbitration (“Arbitration”), requesting Qian Rong and Wong Kam Wing to compensate Huabao Flavours for liquidated damages, loss of expected benefits, and legal fees totaling RMB332.03 million, as well as to bear the corresponding legal costs of the Arbitration. At the same time, Huabao Flavours also applied to the Shanghai International Arbitration Center for property security. Huabao Flavours received the “Notice of Acceptance” issued by the Shanghai International Arbitration Center on 9 August 2023.

As of the date of this report, as the Arbitration is still in its initial stage, the Group is unable to accurately predict the final outcome of the Arbitration or evaluate the impact of the Arbitration on the Group’s financial position. Should there be any further information regarding the Arbitration, the Company will make further announcements to inform the shareholders and the public as and when appropriate in accordance with relevant requirements.

Save as disclosed above and elsewhere in this report, there were no significant events after the Reporting Period.

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.

其他資料 (續)

考慮到上海奕方在業績承諾期內持續虧損，因此，華寶股份依據股份轉讓協定的約定終止該份協議的權利義務關係，以錢戎、黃錦榮為被申請人，向上海國際仲裁中心申請仲裁（「仲裁」），請求裁決錢戎、黃錦榮向華寶股份賠償違約金、預期利益損失、律師費合計人民幣3.3203億元，並承擔相應仲裁費用。同時華寶股份向上海國際仲裁中心申請了財產保全。華寶股份於2023年8月9日收到上海國際仲裁中心出具的《受理通知》。

截至本報告日期，由於仲裁尚在起始階段，本集團無法準確預測仲裁的最終結果或評估仲裁對本集團財務狀況的影響。倘若仲裁有任何進一步的消息，本公司將根據相關要求於適當時候作出進一步公告，以知會股東及公眾人士。

除上文所披露者及本報告另行披露外，報告期後並無重大事項。

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。

Other Information (cont'd)

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.2.1 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 40 of this report. The responsibilities under code provisions C.2.1 during the Reporting Period were shared and undertaken by the Co-Chairman (Mr. LAM Ka Yu), Vice Chairman & President, the Vice President & Company Secretary and other directors. In addition, due to the reasons discussed above, Ms. Chu did not attend the annual general meeting of the Company held on 15 May 2023 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 provision:

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 and undertaken by the Co-Chairman, Vice Chairman (also as 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，其職務由本集團聯席主席、副主席（兼任本集團總裁）、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>

ESG Reporting

The ESG Report which contains our ESG information for 2022 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).

其他資料 (續)

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.2.1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40頁之「對董事的立案調查」一節。於報告期內，守則條文第C.2.1的職責由聯席主席（林嘉宇先生）、副主席兼總裁、副總裁兼公司秘書和其他董事共同承擔。此外，由於以上原因，朱女士沒有按守則條文第F.2.2條規定出席本公司於2023年5月15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：

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2022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。

Other Information (cont'd)

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 30 March 2023 (being the date of approval of the Company's 2022 Annual Report) and 25 August 2023 (being the date of approval of this report) are set out below:

1. Changes of Ms. CHU Lam Yiu's biographical details, please refer to page 42 of this report under section "EVENTS AFTER THE REPORTING PERIOD"
2. Changes of Mr. LAM Ka Yu's biographical details, please refer to page 42 of this report under section "EVENTS AFTER THE REPORTING PERIOD"
3. Mr. POON Chiu Kwok ("Mr. Poon") retired as independent non-executive director of Yankuang Energy Group Company Limited (Hong Kong stock code: 01171) and Changan Minsheng APLL Logistics Co., Ltd. (Hong Kong stock code: 01292) with effect from 30 June 2023 and 30 June 2023 respectively. Mr. Poon appointed as independent non-executive director of China Isotope & Radiation Corporation (Hong Kong stock code: 01763) with effect from 30 June 2023.
4. Changes of Ms. CHOY Man Har's biographical details, please refer to page 42 of this report under section "EVENTS AFTER THE REPORTING PERIOD"

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 2023.

INTERIM DIVIDEND AND SPECIAL DIVIDEND

The Board has resolved to declare an interim dividend of HK1.6 cents per share (2022: nil) and a special dividend of HK1.9 cents per share (2022: HK3.38 cents) both in cash for the six months ended 30 June 2023, which are expected to be paid on or about 12 October 2023 to Shareholders whose names appear on the register of members of the Company on 20 September 2023.

其他資料 (續)

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2023年3月30日（為通過本公司2022年之年度報告當日）至2023年8月25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. 有關朱林瑤女士的履歷詳情變更，請參閱本報告第42頁「報告期後事項」一節
2. 有關林嘉宇先生的履歷詳情變更，請參閱本報告第42頁「報告期後事項」一節
3. 潘昭國先生（「潘先生」）退任兗礦能源集團股份有限公司（香港股份代號：01171）及重慶長安民生物流股份有限公司（香港股份代號：01292）獨立非執行董事，分別自2023年6月30日及2023年6月30日起生效。潘先生獲委任為中國同輻股份有限公司（香港股份代號：01763）獨立非執行董事，自2023年6月30日起生效。
4. 有關蔡文霞女士的履歷詳情變更，請參閱本報告第42頁「報告期後事項」一節

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2023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

董事會決議就截至2023年6月30日止六個月宣派現金中期股息每股港幣1.6仙（2022年：無）及特別股息每股港幣1.9仙（2022年：港幣3.38仙），預期中期及特別股息約於2023年10月12日或前後派發予於2023年9月20日名列本公司股東登記冊的股東。

Other Information (cont'd)

CLOSE OF REGISTER OF MEMBERS

In order to determine Shareholders who qualify for the interim and special dividends, the register of members of the Company will be closed from 15 September 2023 to 20 September 2023, 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 2023.

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

During the six months ended 30 June 2023, 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 2023 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 2023.

By Order of the Board

LAM Ka Yu
Co-Chairman

Hong Kong, 30 August 2023

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中期及特別股息，本公司將由2023年9月15日至2023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2023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2023年6月30日止六個月內，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2023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2023年6月30日止六個月之未經審核簡明綜合中期財務資料。

承董事會命

林嘉宇
聯席主席

香港，2023年8月30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)

			As at 30 June 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022年 12月31日 Audited 經審核
		Note 附註		
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	7	2,158,831	2,042,644
Right-of-use assets	使用權資產		383,322	385,498
Investment properties	投資性物業		29,079	27,332
Intangible assets	無形資產	7	4,270,044	4,322,720
Investments in associates	於聯營公司之投資	8	428,230	691,748
Investments in jointly controlled entities	於共同控制實體之投資	9	20,548	19,802
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	191,745	16,006
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	254,038	253,058
Deferred income tax assets	遞延所得稅資產	10	144,865	152,524
Other non-current assets	其他非流動資產		442	8,634
			7,881,144	7,919,966
Current assets	流動資產			
Biological assets	生物資產		4,319	1,470
Inventories	存貨		1,061,093	1,020,023
Trade and other receivables	貿易及其他應收款項	11	976,092	1,242,178
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	4,515	49,794
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	2,772,623	1,637,613
Cash and bank balances	現金及銀行存款		3,384,516	4,747,978
			8,203,158	8,699,056
Total assets	總資產		16,084,302	16,619,022

Condensed Consolidated Statement of Financial Position (cont'd)

簡明綜合財務狀況表(續)

(All amounts in RMB thousands unless otherwise stated)

(除另有指明者外，所有金額均以人民幣千元列示)

		Note 附註	As at 30 June 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022年 12月31日 Audited 經審核
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔股本及儲備			
Share capital	股本	12	328,619	328,619
Reserves	儲備	14	4,432,585	4,380,460
Retained earnings	保留盈利		7,945,690	7,941,787
			12,706,894	12,650,866
Non-controlling interests	非控制性權益		1,832,625	1,906,572
Total equity	總權益		14,539,519	14,557,438
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	貸款	16	15,000	–
Put option liability	認沽期權負債	15	139,457	131,836
Lease liabilities	租賃負債		36,110	37,290
Deferred income tax liabilities	遞延所得稅負債	10	120,157	125,368
Trade and other payables	貿易及其他應付款項	17	11,605	12,163
			322,329	306,657
Current liabilities	流動負債			
Borrowings	貸款	16	451,850	677,700
Lease liabilities	租賃負債		21,772	23,480
Trade and other payables	貿易及其他應付款項	17	563,226	722,135
Current income tax liabilities	當期所得稅負債		116,402	215,650
Contract liabilities	合同負債		69,204	115,962
			1,222,454	1,754,927
Total liabilities	總負債		1,544,783	2,061,584
Total equity and liabilities	總權益及負債		16,084,302	16,619,022

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	2023 2023年	2022 2022年
Revenue	營業額	6	1,535,704	1,847,152
Cost of goods sold	銷售成本		(828,972)	(880,123)
Gross profit	毛利		706,732	967,029
Other income and other gains – net	其他收入及其他收益－淨額	18	89,480	100,227
Selling and marketing expenses	銷售及市場推廣開支		(142,021)	(174,159)
Administrative expenses	行政費用		(389,526)	(412,252)
Impairment of goodwill	商譽減值	7	(14,947)	(614,331)
Net impairment reversal/(losses) on financial assets	金融資產減值沖回/(損失)淨額		11,022	(8,290)
Operating profit/(loss)	營運盈利/(虧損)		260,740	(141,776)
Finance income	財務收入		48,194	31,640
Finance costs	融資成本		(15,440)	(12,204)
Finance income – net	財務收入－淨額		32,754	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	8,9	(6,756)	(5,052)
Profit/(loss) before income tax	除稅前盈利/(虧損)		286,738	(127,392)
Income tax expense	所得稅	20	(86,385)	(105,639)
Profit/(loss) for the period	本期間盈利/(虧損)		200,353	(233,031)
Attributable to:	應佔：			
Equity holders of the Company	本公司權益持有人		153,970	(313,531)
Non-controlling interests	非控制性權益		46,383	80,500
			200,353	(233,031)
Earnings/(loss) per share 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盈利/(虧損)		RMB cents 人民幣分	RMB cents 人民幣分
Basic and diluted	基本及攤薄	21	4.77	(9.71)

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	
		2023	2022
		2023年	2022年
Profit/(loss) for the period	本期間盈利／(虧損)	200,353	(233,031)
Other comprehensive income:	其他全面收益：		
<i>Items that will not be reclassified to profit or loss</i>	不可重新分類至損益的項目		
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	(3,104)	-
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	58,735	56,389
<i>Items that may be reclassified to profit or loss</i>	可重新分類至損益的項目		
Currency translation differences of foreign operations	海外業務之貨幣換算差額	3,314	501
Other comprehensive income for the period, net of tax	本期間除稅後其他全面收益	58,945	56,890
Total comprehensive income/(loss) for the period, net of tax	本期間除稅後全面收益／(虧損)總額	259,298	(176,141)
Total comprehensive income/(loss) attributable to:	應佔全面收益／(虧損)總額：		
Equity holders of the Company	本公司權益持有人	203,010	(270,915)
Non-controlling interests	非控制性權益	56,288	94,774
		259,298	(176,141)

The above condensed consolidated statement of comprehensive income 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 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				Non-Controlling interests 非控制性權益	Total equity 總權益
		Share Capital 股本	Reserves 儲備	Retained earnings 保留盈利	Total 總計		
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
Balance at 1 January 2023	於2023年1月1日	328,619	4,380,460	7,941,787	12,650,866	1,906,572	14,557,438
Total comprehensive income for the six months ended 30 June 2023	截至2023年6月30日止六個月的全面收益總額	-	49,040	153,970	203,010	56,288	259,298
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	-	-	-	-	(2,365)	(2,365)
Dividends paid to non-controlling interests	向非控制性權益支付的股息	-	-	-	-	(127,885)	(127,885)
Special dividends for the year ended 31 December 2022 paid to shareholders	向股東支付截至2022年12月31日止年度特別股息	-	-	(148,866)	(148,866)	-	(148,866)
Appropriations from net profit	自純利撥付	-	1,201	(1,201)	-	-	-
Share-based payment – value of employee services	股份為基礎的支付 – 僱員服務價值	-	1,884	-	1,884	15	1,899
Total transactions with owners	與擁有人交易總額	-	3,085	(150,067)	(146,982)	(130,235)	(277,217)
Balance at 30 June 2023	於2023年6月30日	328,619	4,432,585	7,945,690	12,706,894	1,832,625	14,539,519

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	
		2023	2022
		2023年	2022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	533,871	323,344
Income tax paid	已付所得稅	(182,636)	(211,545)
Net cash generated from operating activities	營運活動產生之現金淨額	351,235	111,799
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)
Proceeds from disposal of associates	出售聯營公司所得款	10,590	-
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	(8,306,254)	(6,546,986)
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	7,188,679	8,331,873
Purchase of property, plant and equipment and intangible assets	購入物業、機器及設備及無形資產	(208,396)	(179,740)
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	(7,196)	(21,165)
Proceeds from disposal of property, plant and equipment, intangible assets and right-of-use assets	出售物業、機器及設備，無形資產所得款項及使用權資產	8,432	3,102
Time deposits placed	存入定期存款	-	(320,304)
Dividend received	已收股息	5,006	5,454
Interest received	已收利息	48,120	27,446
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額	(1,261,019)	1,212,247
Cash Flows from financing activities	融資活動的現金流量		
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	-	(54,821)
Special dividend for the year ended 31 December 2022 paid to shareholders	向股東支付截至2022年12月31日止年度之特別股息	(148,866)	-
Dividends paid to non-controlling interests	向非控制性權益支付股息	(127,885)	(176,024)
Refund of deposit paid for note receivables discounted between the subsidiaries	退回附屬公司間貼現應收票據保證金	75,800	
Payment of deposit paid for note receivables discounted between the subsidiaries	支付附屬公司間貼現應收票據保證金	(30,090)	
New bank borrowings raised	新增銀行貸款	280,050	107,790
Repayment of bank borrowings	償還銀行貸款	(490,900)	(702,144)
Principal elements of lease payments	支付租賃付款之本金部分	(13,054)	(14,598)
Interest elements of lease payments	支付租賃付款之利息部分	(56)	(636)
Interest paid related to bank borrowings and others	與銀行貸款及其他相關之已付利息	(7,742)	(12,565)
Net cash used in financing activities	融資活動所用之現金淨額	(462,743)	(852,998)

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	
		2023 2023年	2022 2022年
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(1,372,527)	471,048
Cash and cash equivalents at the beginning of the period	期初之現金及現金等價物	4,668,475	3,541,425
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	46,139	49,858
Cash and cash equivalents at the end of the period	期末之現金及現金等價物	3,342,087	4,062,331

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

(a) 與簡明綜合財務狀況表對賬:

		As at 30 June 2023 於2023年 6月30日 Unaudited 未經審核
Cash and cash equivalents	現金及現金等價物	3,342,087
Add: restricted bank balances	加：受限的銀行存款	42,429
Cash and bank balances	現金及銀行存款	3,384,516

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 (“R&D”), 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 (“Ms. Chu”), who is the Chairlady of the Board of Directors, holds approximately 71% beneficial equity interest in the Company as at 30 June 2023.

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 30 August 2023.

This unaudited condensed consolidated interim financial information has been reviewed and approved by the Company’s audit committee together with the Board.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2023 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 2022 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

簡明綜合中期財務資料附註

(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(「研發」)、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2023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2023年8月30日獲董事會批准刊發。

本未經審核之簡明綜合中期財務資料已經由本公司審核委員會連同董事會審閱並批准。

2. 編製基準

本公司截至2023年6月30日止六個月的簡明綜合中期財務資料已根據香港會計師公會頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」而編制。本簡明綜合中期財務資料應與本集團根據香港財務報告準則(「香港財務報告準則」)而編製的截至2022年12月31日止年度的綜合財務報表一併閱讀。

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

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

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those financial statements.

(a) New or amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period. None of these amendments have had a material impact on how the Group's results and financial position for the current period have been prepared or presented in the interim financial report. The Group did not change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

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

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

3. 會計政策

除下列所述外，編製本中期財務資料所採用之會計政策與截至2022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) 本集團已採納的新準則或對現有準則的修訂

新準則或對現有準則的修訂已開始適用於本報告期內。該等變化對本集團於中期財務報告如何編制或呈列當前期間的業績及財務狀況並無造成重大影響。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。

(b) 已發佈但尚未應用於本集團之準則的影響

本集團並無提早採納以下已公佈但仍未生效的新準則及對現有準則的修訂

		Effective for the financial year beginning on or after 於下列日期或 之後開始的年度 期間起生效
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
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分類	2024年1月1日
Amendments to HKAS 1	Classification of liabilities as Current or Non-current	1 January 2024
香港會計準則第1號修訂	流動負債及非流動負債之分類	2024年1月1日
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 January 2024
香港會計準則第1號修訂	有承諾條款之非流動負債	2024年1月1日
Amendments to HKAS 1	Disclosure of Accounting Policies	1 January 2024
香港會計準則第1號修訂	會計政策披露	2024年1月1日
Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
香港財務報告準則第16號修訂	售後回租之租賃負債	2024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

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

(All amounts in RMB thousands unless otherwise stated)

3. ACCOUNTING POLICIES (continued)

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

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

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 5.3 and Note 7(a), 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 2022.

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) 已發佈但尚未應用於本集團之準則的影響

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。

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5.3及附註7(a)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2022年12月31日止年度之綜合財務報表所應用的相同。

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 interest rate risk 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 2022. There have been no changes in the risk management policies since 31 December 2022.

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 2023 and 31 December 2022.

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、現金流量之利率風險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2022年12月31日止年度的年度財務報表一併閱讀。自2022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2023年6月30日及2022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 2023 and 31 December 2022:

下表列示本集團於2023年6月30日及2022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 2023					
Financial assets at fair value through profit or loss ("FVPL")	於2023年6月30日 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	28,520	–	–	28,520
– Wealth management products	– 財富管理產品	–	– 2,744,103	–	2,744,103
– Unlisted equity investments	– 非上市權益投資	–	–	190,548	190,548
– Contingent consideration	– 或有業績補償	–	–	63,490	63,490
Financial assets at fair value through other comprehensive income ("FVOCI")	於2023年6月30日 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	–	–	191,745	191,745
– Debt investments	– 債務投資	–	–	4,515	4,515
		28,520	–	3,194,401	3,222,921
		Level 1 第一層	Level 2 第二層	Level 3 第三層	Total 共計
At 31 December 2022					
Financial assets at FVPL	於2022年12月31日 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	43,298	–	–	43,298
– Wealth management products	– 財富管理產品	–	– 1,594,315	–	1,594,315
– Unlisted equity investments	– 非上市權益投資	–	–	189,568	189,568
– Contingent consideration	– 或有業績補償	–	–	63,490	63,490
Financial assets at FVOCI	於2022年12月31日 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	–	–	16,006	16,006
– Debt investments	– 債權投資	–	–	49,794	49,794
		43,298	–	1,913,173	1,956,471

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

(All amounts in RMB thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (continued)

5.3 Fair value estimation (continued)

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 2023. There are no other financial instruments that were measured at fair value as at 30 June 2023 and 31 December 2022.

The financial assets of level 1 within the fair value hierarchy as at 30 June 2023 and 31 December 2022 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.

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)

5.3 公允價值估計(續)

截至2023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2023年6月30日及2022年12月31日，並無其他金融工具乃按公允價值計量。

於2023年6月30日及2022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。

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)

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

The financial assets of level 3 within the fair value hierarchy as at 30 June 2023 and 31 December 2022 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 2023:

5.4 使用重大不可觀察輸入的公允價值計量(第三層)

於2023年6月30日及2022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2023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 investments 債務投資	Contingent consideration 或有業績補償	Total 共計
At 1 January 2023	於2023年1月1日	205,574	1,594,315	49,794	63,490	1,913,173
Additions	添置	6,254	8,300,000	60,907	-	8,367,161
Transfer from investments in associates	由於聯營公司之投資轉入	179,391	-	-	-	179,391
Disposals	出售	(4,632)	(7,184,047)	(106,186)	-	(7,294,865)
Changes in fair value 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	(4,166)	33,835	-	-	29,669
Changes in fair value recognised in other comprehensive income	於其他全面收益中確認之公允價值變動	(3,652)	-	-	-	(3,652)
Currency translation differences	貨幣換算差額	3,524	-	-	-	3,524
At 30 June 2023	於2023年6月30日	382,293	2,744,103	4,515	63,490	3,194,401

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)

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

5.4 使用重大不可觀察輸入的公允價值計量(第三層)(續)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

下表列出使用於公允價值層級第三層金融資產中的不可觀察輸入數據。

Description 描述	Fair value 公允價值		Unobservable inputs 不可觀察輸入數據	Range of inputs 數據範圍		Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值的關係
	30 June 2023 2023年 6月30日	31 December 2022 2022年 12月31日		30 June 2023 2023年 6月30日	31 December 2022 2022年 12月31日	
Unlisted equity investments 非上市權益投資	382,293	205,574	Discount for lack of marketability 缺乏市場流動性折扣	4%-18%	9%-19%	The higher the Discount for lack of marketability, the lower the fair value 缺乏市場流動性折扣越高，公允價值越低
Enterprise Value/Sales multiple of peers 市場乘數EV/Sales			1.60-3.65	1.60-3.65	The higher the Enterprise Value/Sales multiple, the higher the fair value 市場乘數EV/Sales越高，公允價值越高	
Price/Sales multiple of peers 市場乘數 P/S			4.43	4.43-6.80	The higher the Price/Sales multiples, the higher the fair value 市場乘數P/S越高，公允價值越高	
Price/Earnings multiple of peers 市場乘數 P/E			20.00	20.00	The higher the Price/Earnings multiples, the higher the fair value 市場乘數P/E越高，公允價值越高	
Wealth management products 財富管理產品	2,744,103	1,594,315	Expected rate of return 預期回報率	2.30%-3.45%	1.00%-4.71%	The higher the Expected rate of return, the higher the fair value 預期回報率越高，公允價值越高
Debt investments 債權投資			4,515	49,794	Risk-adjusted discount rate 風險調整貼現率	2.65%
Contingent consideration 或有業績補償	63,490	63,490	Risk-adjusted discount rates 風險調整貼現率	12.86%-14.95%	12.86%-14.95%	The higher the Risk-adjusted discount rates, the lower the fair value 風險調整貼現率越高，公允價值越低
Revenue growth rates 收入增長率			5.00%-65%	5.00%-65%	The higher the Revenue growth rate, the higher the fair value 收入增長率越高，公允價值越高	
Gross margin 毛利率			20.24%-28.08%	20.24%-28.08%	The higher the Gross margin, the higher the fair value 毛利率越高，公允價值越高	

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

(All amounts in RMB thousands unless otherwise stated)

5. FINANCIAL RISK MANAGEMENT (continued)

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. 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)

5.5 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 R&D, production and sale of flavours and fragrances products, and food ingredient products.
- (2) Tobacco raw materials segment includes R&D, 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 R&D, 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、生產及銷售香精產品及食品配料產品。
- (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 2023 is presented below:

6. 營業額及分部資料(續)

截至2023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 2023 截至2023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	693,024	199,753	293,155	374,542	2,744	1,563,218
Inter-segment revenue	分部間營業額	(12,090)	(12,274)	(3,150)	-	-	(27,514)
Segment revenue – net	分部營業額－淨額	680,934	187,479	290,005	374,542	2,744	1,535,704
Segment result	分部業績	237,967	44,272	(9,968)	71,426	(82,957)	260,740
Finance income	財務收入						48,194
Finance costs	融資成本						(15,440)
Finance income – net	財務收入－淨額						32,754
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						(6,756)
Profit before income tax	除稅前盈利						286,738
Income tax expense	所得稅						(86,385)
Profit for the period	本期間盈利						200,353
Depreciation	折舊	34,440	25,025	32,012	7,397	2,465	101,339
Amortisation	攤銷	5,780	4,249	5,878	37,294	660	53,861
		Unaudited 未經審核 As at 30 June 2023 於2023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	8,115,777	2,089,126	1,485,755	3,147,266	1,246,378	16,084,302

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
		Audited 經審核 As at 31 December 2022 於2022年12月31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	8,982,722	2,017,984	1,446,564	3,305,516	866,236	16,619,022

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 in 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, time deposits, and 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 2023 and 31 December 2022 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 2023 amounted to 4.7% (for the six months ended 30 June 2022: 6.3%) 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開支、融資成本、財務收入及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、機器及設備、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、定期存款以及現金和現金等價物。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2023年6月30日及2022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2023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4.7%（2022年6月30日：6.3%）。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							
		Other property, plant and equipment 其他物業、 機器及設備	Mature bearer plants 成熟的生產 性植物	Immature bearer plants 未成熟的 生產性植物	Construction in progress 在建工程	Total property, plant and equipment 物業、機器及 設備總計	Goodwill 商譽	Other intangible assets 其他無形 資產	Total intangible assets 無形資產 總計
For the six months ended 30 June 2022	截至2022年6月30日止六個月								
At 1 January 2022	於2022年1月1日	1,393,428	-	-	249,138	1,642,566	5,078,741	768,566	5,847,307
Acquisition of equity interest in Shanghai Yifang	收購上海奕方之股權	94,767	38,130	84,944	802	218,643	49,418	22,844	72,262
Additions	添置	19,932	-	267	157,583	177,782	-	2,225	2,225
Transfers	轉移	34,189	-	-	(34,189)	-	-	-	-
Disposals	出售	(5,139)	-	-	-	(5,139)	-	-	-
Depreciation and amortisation	折舊及攤銷	(93,764)	(701)	-	-	(94,465)	-	(46,124)	(46,124)
Impairment of goodwill (Note (a))	商譽減值(附註(a))	-	-	-	-	-	(614,331)	-	(614,331)
Currency translation differences	貨幣換算差額	4	-	-	528	532	-	-	-
At 30 June 2022	於2022年6月30日	1,443,417	37,429	85,211	373,862	1,939,919	4,513,828	747,511	5,261,339
At 31 December 2022	於2022年12月31日								
Cost	成本	3,132,112	38,541	92,271	407,107	3,670,031	5,953,293	1,442,475	7,395,768
Accumulated depreciation, amortisation and impairment	累計折舊、攤銷及減值	(1,593,822)	(1,791)	-	(31,774)	(1,627,387)	(2,332,844)	(740,204)	(3,073,048)
Net book amount	賬面淨值	1,538,290	36,750	92,271	375,333	2,042,644	3,620,449	702,271	4,322,720
For the six months ended 30 June 2023	截至2023年6月30日止六個月								
At 1 January 2023	於2023年1月1日	1,538,290	36,750	92,271	375,333	2,042,644	3,620,449	702,271	4,322,720
Additions	添置	77,740	675	862	121,028	200,305	-	8,091	8,091
Transfers	轉移	112,484	-	-	(114,146)	(1,662)	-	1,662	1,662
Disposals	出售	(3,444)	-	-	-	(3,444)	-	-	-
Depreciation and amortisation	折舊及攤銷	(87,068)	(1,209)	-	-	(88,277)	-	(47,508)	(47,508)
Impairment of goodwill (Note (a))	商譽減值(附註(a))	-	-	-	-	-	(14,947)	-	(14,947)
Currency translation differences	貨幣換算差額	7,317	-	-	1,948	9,265	-	26	26
At 30 June 2023	於2023年6月30日	1,645,319	36,216	93,133	384,163	2,158,831	3,605,502	664,542	4,270,044
At 30 June 2023	於2023年6月30日								
Cost	成本	3,318,807	39,216	93,133	415,937	3,867,093	5,953,293	1,452,254	7,405,547
Accumulated depreciation, amortisation and impairment	累計折舊、攤銷及減值	(1,673,488)	(3,000)	-	(31,774)	(1,708,262)	(2,347,791)	(787,712)	(3,135,503)
Net book amount	賬面淨值	1,645,319	36,216	93,133	384,163	2,158,831	3,605,502	664,542	4,270,044

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 ("CGUs") identified within the operating segment. The goodwill is allocated in CGUs as follows:

		As at 30 June 2023 於2023年6月30日					As at 31 December 2022 於2022年12月31日				
		Flavours Subgroup	RTL	Jiahao	Others (including Shanghai Yifang) 其他(包括 上海奕方)	Total	Flavours Subgroup	RTL	Jiahao	Others (including Shanghai Yifang) 其他(包括 上海奕方)	Total
		香精	再造煙葉	嘉豪		總計	香精	再造煙葉	嘉豪		總計
Goodwill	商譽	1,186,344	356,168	1,969,377	93,613	3,605,502	1,186,344	356,168	1,969,377	108,560	3,620,449

The Company's management reviews the provision for goodwill impairment on an ongoing basis, generally annually and more frequently if there are any events or changes in circumstances that would give rise to potential impairment. The Company uses the income approach (i.e. discounted cash flow models) as the evaluation method for such provision. The reason for adopting this method is that according to HKAS 36 — Impairment of Assets, goodwill impairment assessment usually uses the income approach to determine the use value of a CGU. CGU that have a sufficiently long financial history would have a basis for predicting future results, and in such case, the recoverable amount of goodwill of the CGU would be based on the value in use ("VIU"). As each of the Group's CGUs is CGU having a long financial history which could provide the basis for predicting its future results, it satisfied the criteria for the application of the discounted cash flow models and hence its profitability forecast could be conducted based on historical data.

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：

本公司管理層持續審查商譽的減值撥備並通常按年審查，如若出現任何可能導致潛在減值的事件或情況變化，則審查頻率會相應提高。本公司採用收益法(亦即貼現現金流量模型)作為有關計提的評估方法。採用這種方法的原因乃根據《香港會計準則第36號—資產減值》，商譽減值評估通常採用收益法來確定CGU之價值。具有足夠長時間之財務歷史的CGU則相應具備預測未來業績的基礎，在這種情況下，CGU之商譽的可收回金額將基於使用價值(「VIU」)而定。由於集團各個CGUs均為具有較長時間之財務歷史的CGU、具備預測其未來業績的基礎，故滿足使用貼現現金流量模型的條件，因此可以根據歷史數據進行其收益的預測。

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 recoverable amount of a CGU is determined based on the higher of VIU and the fair value less the costs of disposal ("FVLCO"). As at 31 December 2022, management recalculated the recoverable amounts of all CGUs. The VIU results of CGUs other than the CGU of Reconstituted Tobacco Leaves ("RTL"), the CGU of Jiahao Foodstuff Limited and its subsidiaries ("Jiahao") and the CGU of Shanghai Yifang were assessed to be exceed their carrying amounts as at 31 December 2022. Based on the results of the Group's discussion with customers at the end of 2022, 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 2022, 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 RMB293,195,000 was recognised for the CGU of RTL, resulted in a reduction in the carrying amount of the goodwill of RTL from RMB649,363,000 to RMB356,168,000 as at 31 December 2022.

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)

CGU的可收回金額乃根據VIU與公允價值減去處置費用(「FVLCO」)兩者中的較高者釐定。於2022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，嘉豪食品有限公司及其附屬公司(「嘉豪」)CGU及上海奕方CGU外，其餘CGUs的VIU結果被評估為超過其賬面值。基於本集團於2022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2022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293,195,000元，導致再造煙葉的商譽賬面值由人民幣649,363,000元減少至於2022年12月31日的人民幣356,168,000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)

Given that the revenue and the operating profit of Jiahao had dropped significantly in 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's CGU is expected. As at 31 December 2022, management engaged an independent valuer to conduct an impairment test on goodwill of CGU of Jiahao. According to the test results, an impairment of goodwill of approximately RMB1,170,675,000 were recognised for the CGU of Jiahao, resulted in a reduction in the carrying amount of the goodwill of Jiahao from RMB3,140,052,000 to RMB1,969,377,000 as at 31 December 2022.

Following the decrease in revenue and operating profit of the CGU of Shanghai Yifang after the acquisition by the Group due to the impact of multiple factors such as slowing economic growth, pandemic in the PRC, complex and changeable external environment, and weakened market demand in 2022. Based on prudent and conservative principles, the Group has lowered its earnings forecast for Shanghai Yifang in the future, and an impairment loss on goodwill of Shanghai Yifang's CGU is expected. As at 31 December 2022, management engaged an independent valuer to conduct an impairment test on CGU of Shanghai Yifang. According to the test results, an impairment of goodwill of approximately RMB43,840,000 was recognised for the CGU of Shanghai Yifang, resulted in a reduction in the carrying amount of the goodwill of Shanghai Yifang from RMB49,418,000 to RMB5,578,000 as at 31 December 2022.

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)

鑑於2022年嘉豪的收入和營運盈利大幅下降，且受疫情影響，中國調味品市場未來存在較大不確定性，預計嘉豪CGU的商譽將出現減值損失。於2022年12月31日，管理層聘請獨立評估師對嘉豪CGU的商譽進行減值測試。根據測試結果，嘉豪CGU確認商譽減值約人民幣1,170,675,000元，導致嘉豪的商譽賬面值由人民幣3,140,052,000元減少至於2022年12月31日的人民幣1,969,377,000元。

集團在完成收購上海奕方後，2022年面對經濟增速放緩、國內疫情、外部環境複雜多變以及市場需求減弱等多重因素衝擊，上海奕方CGU於2022年的銷售收入及營運盈利下滑。基於審慎和保守的原則，集團下調了上海奕方在未來的盈利預測並預計上海奕方CGU之商譽將出現減值。於2022年12月31日，管理層聘用獨立評估師為上海奕方的CGU進行減值測試，根據測試結果，上海奕方CGU確認商譽減值人民幣43,840,000元，導致上海奕方的商譽賬面值由人民幣49,418,000元減少至於2022年12月31日的人民幣5,578,000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)

As at 30 June 2023, management reassessed the recoverable amount of all CGUs and engaged an independent valuer to conduct impairment tests for the CGU of RTL and the CGU of Jiahao. Based on the assessment results, except for the CGU of Yancheng City Chunzhu Aroma Co., Ltd (“Yancheng Chunzhu”) and the CGU of Jiangxi Xianghai Biological Technology Co., Ltd (“Jiangxi Xianghai”), the VIU results of the remaining CGUs were assessed to be in excess of their carrying amounts, and the Group considered that there was no additional impairment of goodwill. Because of the slow recovery of the global economy after the pandemic and the decline in the demand for aroma raw material products in both domestic and overseas markets, and at the same time, the price drop of aroma raw material products due to fierce competition and increased tariff for exports, our competitive edge in the international market has been weakened and profit margins were squeezed. As a result, the performance of the CGU of Yancheng Chunzhu and the CGU of Jiangxi Xianghai, under the Group’s aroma raw materials segment, were directly affected. For the six months ended 30 June 2023, the sales revenue of the CGU of Yancheng Chunzhu and the CGU of Jiangxi Xianghai decreased by 47.8% and 16.4% year-on-year respectively, and there were signs of impairment of goodwill. On 30 June 2023, the management conducted an impairment test on the CGU of Yancheng Chunzhu and the CGU of Jiangxi Xianghai and based on the results of the test, the CGU of Yancheng Chunzhu and the CGU of Jiangxi Xianghai recognised impairment of goodwill of approximately RMB8,995,000 and RMB5,952,000, respectively.

The VIU calculations were based on pre-tax cash flow projections from 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.

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)

於2023年6月30日，管理層再次評估所有CGUs的可收回金額，並聘請獨立評估師為再造煙葉CGU與嘉豪CGU進行減值測試。根據評估結果，除了鹽城市春竹香料有限公司(「鹽城春竹」)CGU和江西香海生物科技有限公司(「江西香海」)CGU外，其餘CGUs的VIU結果被評估為超過其賬面值，本集團認為並無額外商譽減值。由於疫情，全球經濟恢復緩慢，國內外市場對香原料產品的需求下滑，同時，由於競爭激烈，香原料產品價格下降，出口方面關稅增加，降低了國際競爭優勢，擠壓了利潤空間，導致本集團香原料板塊旗下的鹽城春竹CGU和江西香海CGU的業績直接受到影響。截至2023年6月30日止六個月，鹽城春竹CGU和江西香海CGU的銷售收入同比分別下降了47.8%和16.4%，商譽出現了減值跡象。於2023年6月30日，管理層對鹽城春竹CGU和江西香海CGU進行減值測試，根據測試結果，鹽城春竹CGU和江西香海CGU分別確認商譽減值約人民幣8,995,000元及人民幣5,952,000元。

VIU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量。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。

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 key assumptions used for VIU calculations are as follows:

(a) 商譽減值(續)

計算VIU的關鍵假設列示如下：

		As at 30 June 2023 於2023年6月30日				As at 31 December 2022 於2022年12月31日			
		Flavours Subgroup	RTL	Jiahao	Others (including Shanghai Yifang)	Flavours Subgroup	RTL	Jiahao	Others (including Shanghai Yifang)
		香精	再造煙葉	嘉豪	(包括上海奕方)	香精	再造煙葉	嘉豪	(包括上海奕方)
Forecast growth rate	預計增長率	-41.0%-0.0%	-3.7%-35.6%	7.8%-22.7%	-36.3%-84.7%	-14.0%-0.0%	-6.0%~20.1%	7.8%~22.7%	-27.2%~82.4%
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	82.6%	47.3%-50.7%	53.7%-55.1%	8.4%-44.9%	82.6%	51.9%-54.9%	53.7%-55.6%	13.4%-44.9%
Pre-tax discount rate	稅前貼現率	14.4%	18.1%	15.4%	15.3%-20.0%	14.6%	19.0%	15.9%	15.0%-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 are as follows:

香精業務的CGU、再造煙葉的CGU和嘉豪的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：

		As at 30 June 2023 於2023年6月30日			As at 31 December 2022 於2022年12月31日		
		Flavours Subgroup	RTL	Jiahao	Flavours Subgroup	RTL	Jiahao
		香精	再造煙葉	嘉豪	香精	再造煙葉	嘉豪
Recoverable amount	可收回金額	6,651,013	1,038,301	3,189,737	8,643,717	910,991	3,065,913
Headroom	不減值空間	1,572,338	98,036	244,794	3,564,620	-	-

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

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的CGU的可收回金額將等同於其賬面值：

		30 June 2023 於2023年6月30日						31 December 2022 於2022年12月31日													
		Flavours Subgroup		RTL		Jiahao		Flavours Subgroup		RTL		Jiahao									
		From	To	From	To	From	To	From	To	From	To	From	To								
Forecast growth rate	預計增長率	-41.0%	-0.0%	-20.1%	-61.5%	-3.7%	-35.6%	-6.0%	-33.3%	7.8%	-22.7%	5.6%	-20.5%	-14.0%	-0.0%	-107.0%	-121.8%	NA	NA	NA	NA
Terminal growth rate*	永續年增長率*	NA	NA	NA	3.0%	3.0%	1.0%	3%	1.8%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Budgeted gross profit margin	預計毛利率	82.6%	55.1%	47.3%	-50.7%	44.5%	-47.9%	53.7%	-55.1%	51.2%	-52.6%	82.6%	38.5%	NA	NA	NA	NA	NA	NA	NA	
Pre-tax discount rate	稅前貼現率	14.4%	31.6%	18.1%	19.3%	15.4%	16.6%	14.6%	65.6%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	

* 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)

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

The Group has interests in seven (31 December 2022: ten) individually immaterial associates as at 30 June 2023. The following table analyses 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:

8. 於聯營公司之投資

於2023年6月30日，本集團於七個(2022年12月31日：十個)並非個別重大的聯營公司擁有權益。下表分析本集團於該等聯營公司投資之賬面值變動及其應佔該等聯營公司的業績。

於聯營公司的權益投資變動分析如下：

	附註	Unaudited 未經審核 For the six months ended 30 June 2023 截至2023年 6月30日 止六個月
At 1 January	於1月1日	691,748
Provision for impairment relating to the investment in Junjieshang Network Technology Co., Ltd ("Junjieshang")	投資駿杰尚網絡科技有限公司(「駿杰尚」)之減值撥備	(22,291)
Due to the loss of significant influence over Junjieshang, the fair value of investment in Junjieshang was transferred out to financial assets at FVOCI	因失去對駿杰尚的重大影響力而將對其投資之公允價值轉出至以公允價值計量且其變動計入其他全面收益的金融資產	(179,391)
Disposal of Yunnan Ruisheng Tobacco Technology Group Co., Ltd. ("Yunnan Ruisheng")	處置雲南瑞升煙草技術(集團)有限公司(「雲南瑞升」)	(48,771)
Disposal of Shenzhen Ruili Technology Co., Ltd. ("Shenzhen Ruili")	處置深圳市銳麗科技有限公司(「深圳銳麗」)	(3,100)
Share of results of associates	應佔聯營公司業績	(7,502)
Dividends received	已收股息	(3,088)
Exchange difference	匯兌差異	625
At 30 June	於6月30日	428,230

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 2023, the Group had interests in the following associates:

8. 於聯營公司之投資(續)

- (a) 於2023年6月30日，本集團於以下聯營公司擁有權益：

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
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") (i) 雲南紅塔藍鷹紙業有限公司 (「紅塔藍鷹」)(i)	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 Nongkan 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
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 and its subsidiaries ("Broad Far Group") 博遠(香港)有限公司及其附屬公司(「博遠集團」)	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 household chemical products 生產及銷售日用化學產品
Hunan Jiapinjiawei Technology Development Group Co., Ltd. ("Hunan Jiapinjiawei") 湖南省嘉品嘉味科技發展集團有限公司(「湖南嘉品嘉味」)	PRC 中國	40.57%	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

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 2023, 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) As one of the common directors at the subsidiary level retired as a director of the subsidiary on 30 April 2023, the Group lost its influence over Junjieshang. The Group engaged an independent valuer to carry out a fair value assessment of the equity investment in Junjieshang as at 30 April 2023 in accordance with the relevant accounting standards. Based on the results of the valuer's assessment, an impairment of investment of RMB22,291,000 was recognised in respect of the difference between the fair value and the carrying amount of the equity investment in Junjieshang as at 30 April 2023, and the fair value of the equity investment in Junjieshang of RMB179,391,000 was transferred to "Financial assets at FVOCI". Please refer to the "Management's Discussion and Analysis" in the Interim Report for the background of the impairment of investment in Junjieshang, the methodology, key assumptions and basis used for the impairment test.

These associates are private entities with no quoted prices in the open market.

9. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

The Group has interests in two (31 December 2022: two) immaterial joint ventures as at 30 June 2023. The following table analyses the movement of the carrying amount of the Group's investments in these jointly controlled entities and its share of results of these jointly controlled entities and its share of results of these jointly controlled entities.

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2023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，對此等公司有重大影響力。
- (ii) 由於在附屬公司層面的一名共同董事於2023年4月30日退任附屬公司的董事，因而導致本集團失去對駿杰尚的影響力。本集團根據相關的會計準則，聘請了獨立評估師對駿杰尚在2023年4月30日的股權投資進行公允價值評估，根據評估師的評估結果，對駿杰尚股權投資於2023年4月30日的公允價值與帳面金額的差異確認了人民幣22,291,000元的投資減值，並按駿杰尚股權投資的公允價值人民幣179,391,000元轉出至「以公允價值計量且其變動計入其他全面收益的金融資產」。關於駿杰尚投資減值的背景，減值測試所採用的方法，關鍵假設和基準，請參閱本中期報告中之「管理層討論及分析」。

此等聯營公司為私人實體，並無公開市場報價。

9. 於共同控制實體之投資

於2023年6月30日，本集團於兩個(2022年12月31日：兩個)並非個別重大的共同控制實體擁有權益。下表分析本集團於該等共同控制實體的投資之賬面值變動及其應佔該等共同控制實體之業績。

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)

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

9. 於共同控制實體之投資(續)

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 2023 截至2023年 6月30日 止六個月
At 1 January	於1月1日	19,802
Share of results of jointly controlled entities	應佔共同控制實體業績	746
At 30 June	於6月30日	20,548

(a) As at 30 June 2023, the Group had interests in the following jointly controlled entities:

(a) 於2023年6月30日，本集團於以下共同控制實體擁有權益：

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
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夥企業(有限合夥)	中國	40.00%	股權投資，投資管理及資產管理等活動
Shanghai Miou Food Technology Co., Ltd ("Shanghai Miou")	PRC	20.00%	Purchase and sale of agricultural products
上海米偶食品科技有限公司(「上海米偶」)	中國	20.00%	採購及銷售食用農產品

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。

These jointly controlled entities are private entities with no quoted prices in the open market.

此等共同控制實體為私人實體，並無公開市場報價。

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：

	Note	Unaudited 未經審核				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		Deferred income tax liabilities 遞延所得稅負債		Total
	附註	Unrealised profits arising from intra-group sales 集團內公司間銷售所產生的集團內未變現盈利	Recoverable tax loss 可彌補虧損	Others 其他	Total 總計	Valuation surplus of assets and recognition of intangible assets 資產評估盈餘及無形資產的確認	Withholding income tax on dividends expected to be remitted from group entities incorporated in the PRC 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	Total 總計
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	20	(2,405)	3,072	(8,229)	(13,224)	(10,009)	(23,233)
Gross amount at 30 June 2022	於2022年6月30日總額	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
Gross amount at 1 January 2023	於2023年1月1日總額	84,258	50,189	32,391	166,838	139,682	-	139,682
Set-off of deferred income tax assets/liabilities	相抵消之遞延所得稅資產／負債				(14,314)			(14,314)
At 1 January 2023	於2023年1月1日				152,524			125,368
Gross amount at 1 January 2023	於2023年1月1日總額	84,258	50,189	32,391	166,838	139,682	-	139,682
Recognised in the income statement	於損益表確認	20	(7,785)	1,094	(2,338)	(9,029)	(6,033)	(6,033)
Recognised in other comprehensive income	於其他全面收益中確認		-	548	548	-	-	-
Gross amount at 30 June 2023	於2023年6月30日總額	76,473	51,283	30,601	158,357	133,649	-	133,649
Set-off of deferred income tax assets/liabilities	相抵消之遞延所得稅資產／負債				(13,492)			(13,492)
At 30 June 2023	於2023年6月30日				144,865			120,157

As at 30 June 2023, deferred income tax liabilities of RMB220,042,000 (31 December 2022: RMB226,563,000) have not been recognised for the withholding tax that would otherwise be payable on the undistributed profits of certain PRC subsidiaries.

於2023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220,042,000元（2022年12月31日：人民幣226,563,000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. TRADE AND OTHER RECEIVABLES

11. 貿易及其他應收款項

		Note	As at 30 June 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022年 12月31日 Audited 經審核
Trade receivables	貿易應收款項	(a)	695,486	1,038,189
Less: provision for impairment of trade receivables	減：貿易應收款項減值撥備		(31,394)	(27,704)
Trade receivables – net	貿易應收款項－淨額		664,092	1,010,485
Notes receivable	應收票據		46,948	27,574
Prepayments and other receivables	預付款項及其他應收款項		263,933	228,234
Advances to staff	員工墊款		5,549	2,532
Others	其他		1,392	1,318
Less: provision for impairment of other receivables	減：其他應收款項減值撥備		(5,822)	(27,965)
			976,092	1,242,178

Except for prepayments of RMB44,715,000 (31 December 2022: RMB62,427,000), 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44,715,000元(2022年12月31日：人民幣62,427,000元)外，貿易及其他應收款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)

(All amounts in RMB thousands unless otherwise stated)

11. TRADE AND OTHER RECEIVABLES (continued)

- (a) The credit period generally granted to customers ranges from 0 to 180 days. At 30 June 2023 and 31 December 2022, the ageing analysis of the trade receivables (including amounts due from related parties which are trade in nature) based on the invoice dates was as follows:

		As at 30 June 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022年 12月31日 Audited 經審核
0 – 90 days	0至90日	433,615	764,775
91 – 180 days	91至180日	86,581	112,752
181 – 360 days	181至360日	67,441	59,268
Over 360 days	360日以上	107,849	101,394
		695,486	1,038,189

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2023, a provision for impairment of RMB31,394,000 was made against the gross amounts of trade receivables (31 December 2022: RMB27,704,000).

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。於2023年6月30日，已對貿易應收款項總額作出人民幣31,394,000元之減值撥備（於2022年12月31日：人民幣27,704,000元）。

12. SHARE CAPITAL

		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 31 December 2022, 1 January 2023 and 30 June 2023	於2022年12月31日，2023年1月1日及2023年6月30日	3,229,926,876	328,619

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

11. 貿易及其他應收款項(續)

- (a) 授予客戶的信貸期一般為0至180日。於2023年6月30日及2022年12月31日，貿易應收款項(包括關聯方的貿易應收款項)根據發票日期的賬齡分析如下：

12. 股本

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

(All amounts in RMB thousands unless otherwise stated)

13. 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 2023, approximately 1.98% equity interest in Guangdong Jiahao was granted to 74 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 2023 was RMB1,899,000 (six months ended 30 June 2022: 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)

13. 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2023年6月30日在僱員股權計劃下，74名被授予人獲授約1.98%廣東嘉豪的股權。

截至2023年6月30日止六個月期間，本集團將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1,899,000元。（截至2022年6月30日止六個月：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	
		2023 2023年	2022 2022年
Employee share scheme	僱員購股權計劃	1,899	2,740

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)

14. RESERVES

14. 儲備

		Unaudited 未經審核									
		Contributed surplus	Merger reserve	Share premium	Capital reserve	Capital redemption reserve	Share-based compensation reserve 以股份為基礎的酬金儲備	Currency translation reserve	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	的酬金儲備	貨幣換算儲備	法定儲備	其他儲備	總計
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
At 1 January 2023	於2023年1月1日	296,853	(628,438)	2,183,766	2,411	4,760	9,996	190,154	843,031	1,477,927	4,380,460
Fair value changes of 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	-	-	-	-	-	-	-	-	(3,104)	(3,104)
Appropriations from net profit	自純利撥付	-	-	-	-	-	-	-	1,201	-	1,201
Share-based payment - value of employee services	股份為基礎的支付—僱員服務價值	-	-	-	-	-	1,884	-	-	-	1,884
Currency translation differences	貨幣換算差額	-	-	-	-	-	-	52,144	-	-	52,144
At 30 June 2023	於2023年6月30日	296,853	(628,438)	2,183,766	2,411	4,760	11,880	242,298	844,232	1,474,823	4,432,585

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

(All amounts in RMB thousands unless otherwise stated)

15. PUT OPTION LIABILITY

Present value of liability in relation to a put option granted to non-controlling shareholder of a subsidiary	授予一附屬公司非控股股東的認沽期權相關的負債現值
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According to the "Equity Transfer Agreement in respect of Shanghai Yifang", the non-controlling shareholders of Shanghai Yifang after Huabao Flavours & Fragrances Co., Ltd. ("Huabao Flavours")'s 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 RMB139,457,000 as at 30 June 2023. For the six months ended June 30, 2023, the increase in put option liabilities amounted to approximately RMB7,621,000 and has been recognised in financial expenses.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

15. 認沽期權負債

	As at 30 June 2023 於2023年 6月30日 Unaudited 未經審計	As at 31 December 2022 於2022年 12月31日 Audited 經審計
Present value of liability in relation to a put option granted to non-controlling shareholder of a subsidiary	139,457	131,836

根據《上海奕方股權轉讓協議》，華寶香精股份有限公司（「華寶股份」）於上述收購後，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2023年6月30日已增加至約人民幣139,457,000元，截至2023年6月30日止六個月，認沽期權負債增加金額約人民幣7,621,000元並已確認於財務費用中。

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)

16. BORROWINGS

16. 貸款

			As at 30 June 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022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	15,000
Less: current portion	減：流動部份		–	(15,000)
			15,000	–
Current	流動			
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)	451,850	612,700
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
			451,850	677,700
Total borrowings	總貸款		466,850	677,700

(a) The Group's secured bank borrowings as at 30 June 2023 of RMB15,000,000 (31 December 2022: RMB65,000,000) were repayable within two years (31 December 2022: repayable within one year) and secured by certain right-of-use assets of Shanghai Yifang with carrying amount of approximately RMB10,931,000 (31 December 2022: secured by certain buildings and right-of-use assets of Shanghai Yifang with total carrying amount of approximately RMB17,662,000). For the six months ended 30 June 2023, the average interest rate was 4.1% (six months ended 30 June 2022: 4.4%) per annum.

(b) The Group's unsecured bank borrowings are repayable within one year. For the six months ended 30 June 2023, the average interest rate was 2.9% (six months ended 30 June 2022: 3.2%) per annum.

(a) 於2023年6月30日，本集團之有抵押銀行貸款為人民幣15,000,000元（2022年12月31日：人民幣65,000,000元），該貸款需於兩年內償還（2022年12月31日：一年內償還），並以上海奕方賬面值約為人民幣10,931,000元的若干使用權資產作抵押（2022年12月31日：以上海奕方賬面值約為人民幣17,662,000元的若干物業及使用權資產作抵押）。截至2023年6月30日止六個月，該貸款平均利息為每年4.1厘（截至2022年6月30日止六個月：4.4厘）。

(b) 本集團之無抵押銀行貸款需於一年內到期償還。截至2023年6月30日止六個月，該貸款平均利息為每年2.9厘（截至2022年6月30日止六個月：3.2厘）。

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

(All amounts in RMB thousands unless otherwise stated)

16. BORROWINGS (continued)

Borrowings are financial liabilities categorised under “financial liabilities measured at amortised cost”.

Interest expense on bank borrowings for the six months ended 30 June 2023 amounted to approximately RMB7,377,000 (six months ended 30 June 2022: RMB10,760,000). No interest expense was capitalised during the six months ended 30 June 2023 and 2022.

17. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項	(a)	249,846	277,249
Notes payable	應付票據		5,000	–
Wages payable	應付工資		67,940	97,021
Other taxes payable	其他應付稅項		45,923	98,107
Accruals for expenses	應計開支		9,069	9,677
Other payables	其他應付款項		185,448	240,481
Deferred income from government grants	政府補貼產生之遞延收入		11,605	11,763

Except for other taxes payable of RMB45,923,000 (31 December 2022: RMB98,107,000), wages payable of RMB67,940,000 (31 December 2022: RMB97,021,000) and deferred income from government grants of RMB11,605,000 (31 December 2022: RMB11,763,000), trade and other payables are financial liabilities categorised under “financial liabilities measured at amortised cost”.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

16. 貸款(續)

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2023年6月30日止六個月的銀行貸款利息開支約為人民幣7,377,000元(截至2022年6月30日止六個月：人民幣10,760,000元)。截至2023年和2022年6月30日止六個月並無利息開支資本化。

17. 貿易及其他應付款項

			As at 30 June 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022年 12月31日 Audited 經審核
Trade payables	貿易應付款項	(a)	249,846	277,249
Notes payable	應付票據		5,000	–
Wages payable	應付工資		67,940	97,021
Other taxes payable	其他應付稅項		45,923	98,107
Accruals for expenses	應計開支		9,069	9,677
Other payables	其他應付款項		185,448	240,481
Deferred income from government grants	政府補貼產生之遞延收入		11,605	11,763
			574,831	734,298

除其他應付稅款人民幣45,923,000元(2022年12月31日：人民幣98,107,000元)，應付工資人民幣67,940,000元(2022年12月31日：人民幣97,021,000元)及政府補貼產生之遞延收入人民幣11,605,000元(2022年12月31日：人民幣11,763,000元)外，貿易及其他應付款乃金融負債被分類為「按攤銷成本計量的金融負債」。

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. TRADE AND OTHER PAYABLES (continued)

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

17. 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 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022年 12月31日 Audited 經審核
Non-current	非流動	11,605	12,163
Current	流動	563,226	722,135
		574,831	734,298

(a) As at 30 June 2023 and 31 December 2022, 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2023年6月30日及2022年12月31日，貿易應付款項(包括關聯方的貿易應付款項)根據發票日期的賬齡分析如下：

		As at 30 June 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022年 12月31日 Audited 經審核
0 – 90 days	0至90日	220,603	245,146
91 – 180 days	91至180日	12,375	9,721
181 – 360 days	181至360日	2,604	5,113
Over 360 days	360日以上	14,264	17,269
		249,846	277,249

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. OTHER INCOME AND OTHER GAINS – NET

18. 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	
		2023 2023年	2022 2022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	14,072	21,025
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	1,918	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
Loss on disposal of associates	出售聯營公司之虧損	(3,442)	–
Provision for impairment relating to the investment in Junjiesheng	投資駿杰尚之減值撥備	(22,291)	–
Gain on disposal of a subsidiary	出售附屬公司之收益	–	6,433
Government grants	政府津貼	91,953	89,252
Currency exchange gain/(loss) – net	貨幣匯兌收益／(虧損) — 淨額	1,102	(3,373)
Net gain/(losses) 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收益／(虧損)	3,589	(293)
Change in fair value of previously held interest in a jointly controlled entity upon acquisition as a subsidiary	以前於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	2,579	(724)
		89,480	100,227

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

(All amounts in RMB thousands unless otherwise stated)

19. EXPENSES BY NATURE

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

		Unaudited 未經審核 For the six months ended 30 June 截至6月30日止六個月		
		Note 附註	2023 2023年	2022 2022年
Depreciation	折舊	6	92,992	98,456
Amortisation	攤銷	6	50,302	47,852
Employee benefit expenses	僱員福利開支		309,362	308,506
R&D expenses	研發開支	(a)	116,321	110,663
Short-term lease rentals	短期租賃租金		11,211	6,278
Travelling expenses	差旅開支		13,105	6,816
Utility expenses	公共設施開支		50,416	36,880
Delivery expenses	運輸開支		16,025	20,369

(a) Depreciation, amortisation and employee benefit expenses included in R&D expenses are set out below:

		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	2023 2023年	2022 2022年
Depreciation	折舊	6	8,347	7,679
Amortisation	攤銷	6	3,559	2,874
Employee benefit expenses	僱員福利開支		72,108	60,231

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

19. 按性質分類的開支

費用包括銷售成本、銷售及市場推廣開支及行政費用，並根據其性質(除附註(a)按照性質所單獨列示的「研發開支」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 附註	2023 2023年	2022 2022年
Depreciation	折舊	6	92,992	98,456
Amortisation	攤銷	6	50,302	47,852
Employee benefit expenses	僱員福利開支		309,362	308,506
R&D expenses	研發開支	(a)	116,321	110,663
Short-term lease rentals	短期租賃租金		11,211	6,278
Travelling expenses	差旅開支		13,105	6,816
Utility expenses	公共設施開支		50,416	36,880
Delivery expenses	運輸開支		16,025	20,369

(a) 研發開支中包括的折舊、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 附註	2023 2023年	2022 2022年
Depreciation	折舊	6	8,347	7,679
Amortisation	攤銷	6	3,559	2,874
Employee benefit expenses	僱員福利開支		72,108	60,231

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)

20. INCOME TAX EXPENSE

20. 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		
		Note 附註	2023 2023年	2022 2022年
Current income tax	即期稅項			
– PRC corporate income tax	– 中國企業所得稅	(a)	83,269	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)	1	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)	119	3
Deferred income tax	遞延所得稅	10	2,996	(15,671)
			86,385	105,639

(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 2022: 16.5%) on the estimated assessable profit for the year. Under the current Hong Kong Inland Revenue Ordinance, with effect from the Year of Assessment 2018/2019 onwards, profits tax is payable at the rate of 8.25% on the first HK\$2,000,000 of the assessable profits of subsidiaries located in Hong Kong and at the rate of 16.5% on the portion of assessable profits in excess of HK\$2,000,000.

(c) Botswana company income tax has been provided at the rate of 15.0% (six months ended 30 June 2022: 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 2022: 15.0%) on the estimated assessable profit for the period.

(e) Indonesia company income tax has been provided at the rate of 22.0% (six months ended 30 June 2022: 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 2023 and 2022.

(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) 香港所得稅按本年度估計應課稅盈利以稅率16.5% (截至2022年6月30日止六個月：16.5%) 撥備。根據現行香港稅務條例，自2018/2019課稅年度起，位於香港之附屬公司首港幣2,000,000元應評稅利潤之部分按8.25%的稅率繳納利得稅，而應評稅利潤超過港幣2,000,000元之部分則按16.5%的稅率繳納利得稅。

(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2022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2022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% (截至2022年6月30日止六個月：22.0%) 撥備。

(f) 本集團於截至2023年及2022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)

21. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue for the six months ended 30 June 2023 and 2022.

21. 每股盈利／(虧損)

(a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)乃根據本期間本公司權益持有人應佔盈利／(虧損)，除以截至2023年及2022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	
		2023 2023年	2022 2022年
Profit/(loss) attributable to equity holders of the Company	本公司權益持有人應佔盈利／(虧損)	153,970	(313,531)
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	3,229,927
Basic earnings/(loss) per share attributable to equity holders of the Company (RMB cents per share)	本公司權益持有人應佔每股基本盈利／(虧損)(每股人民幣分)	4.77	(9.71)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the six months ended 30 June 2023 and 2022 was the same as basic earnings/(loss) per share, since the Company did not have any potential ordinary share outstanding that has dilution effect.

(b) 每股攤薄盈利／(虧損)

截至2023及2022年6月30日止六個月的每股攤薄盈利／(虧損)與每股基本盈利／(虧損)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)

22. DIVIDENDS

22. 股息

		Unaudited 未經審核	
		For the six months ended 30 June	
		截至6月30日止六個月	
		2023 2023年	2022 2022年
Paid special dividend of HK3.38 cents per share for the six months ended 30 June 2022	已付截至2022年6月30日止六個月之特別股息每股港幣3.38仙	-	95,840
Proposed interim dividend of HK1.60 cents per share for the six months ended 30 June 2023	擬派截至2023年6月30日止六個月之中期股息每股港幣1.60仙	47,647	-
Proposed special dividend of HK1.90 cents per share for the six months ended 30 June 2023	擬派截至2023年6月30日止六個月之特別股息每股港幣1.90仙	56,580	-
		104,227	95,840

Special dividend of approximately HK\$109,172,000 (equivalent to approximately RMB95,840,000) for the six months ended 30 June 2022 was paid in October 2022. Special dividend of approximately HK\$164,726,000 (equivalent to approximately RMB148,866,000) for the year ended 31 December 2022 was paid in June 2023.

As the interim and special dividend was declared after the balance sheet date, they have not been recognised as dividend payable as at 30 June 2023.

截至2022年6月30日止六個月之特別股息約港幣109,172,000元(折合約人民幣95,840,000元)已於2022年10月支付。截至2022年12月31日止年度之特別股息約港幣164,726,000元(折合約人民幣148,866,000元)已於2023年6月支付。

由於中期及特別股息乃於結算日後宣派，此應付股息並未確認於2023年6月30日之應付股息內。

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)

23. CAPITAL COMMITMENTS

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

23. 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 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022年 12月31日 Audited 經審核
Property, plant and equipment	物業、機器及設備	86,977	139,761
Intangible assets	無形資產	13,027	23,878
Right-of-use assets	使用權資產	–	4,760
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	13,364	19,164
		141,368	215,563

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. RELATED PARTY TRANSACTIONS

24. 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 Group 博遠集團	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
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
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
Shanghai Miou 上海米偶	A jointly controlled entity indirectly held by the Company 本公司間接持有的共同控制實體
Yingtian Weizhijia Food. Ltd. ("Weizhijia") 鷹潭味之家食品有限公司及其附屬公司(「味之家」)	An entity controlled by the Company's ultimate holder 本公司最終持有人控制之公司
(i) The Group disposed of Yunnan Ruisheng, an associate indirectly held by the Company, in February 2023 and since then it was no longer a related party.	(i) 集團於2023年2月處置雲南瑞升，一家由本公司間接持有之聯營公司，自此不再是關聯方。
(ii) The Group disposed of Shenzhen Ruili, an associate indirectly held by the Company, in June 2023 and since then it was no longer a related party.	(ii) 集團於2023年6月處置深圳銳麗，一家由本公司間接持有之聯營公司，自此不再是關聯方。

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. RELATED PARTY TRANSACTIONS (continued)

24. 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	
		2023	2022
		2023年	2022年
<i>Sales of goods and services:</i>	<i>銷售貨品及服務：</i>		
– Huangguoshu Golden Leaf	– 黃果樹金葉	1,184	2,096
– Yingtian Dongwu	– 鷹潭東霧	–	799
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	216	140
– Broad Far Group	– 博遠集團	5,650	3,131
– Shanghai Miou	– 上海米偶	1	–
		7,051	6,166
<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
– Yunnan Ruisheng	– 雲南瑞升	21	41
– Hunan Jiapinjiawei	– 湖南嘉品嘉味	125	14
– Broad Far Group	– 博遠集團	–	15
– Shanghai Miou	– 上海米偶	422	–
– Weizhijia	– 味之家	310	–
		878	172
<i>Dividend income:</i>	<i>股息收入：</i>		
– Hongta Blue Eagle	– 紅塔藍鷹	3,088	5,110
<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)

24. RELATED PARTY TRANSACTIONS (continued)

24. 關聯方交易(續)

(c) Balances with related parties

(c) 關聯方結餘

		As at 30 June 2023 於2023年 6月30日 Unaudited 未經審核	As at 31 December 2022 於2022年 12月31日 Audited 經審核
<i>Balances 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	5,077	6,553
– Broad Far Group	– 博遠集團		
– trade and other receivables	– 貿易及其他應收款	3,008	8,815
– Yunnan Ruisheng	– 雲南瑞升		
– other receivables (Note a(i))	– 其他應收款(附註a(i))	–	35
– Yingtan Dongwu	– 鷹潭東霧		
– trade receivables	– 貿易應收款	504	504
– Hunan Jiapinjiawei	– 湖南嘉品嘉味		
– trade and other receivables	– 貿易及其他應收款	148	21
		8,737	15,928
<i>Balances 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	–	36
– Broad Far Group	– 博遠集團		
– other payables	– 其他應付款	383	353
– Yunnan Ruisheng	– 雲南瑞升		
– other payables (Note a(i))	– 其他應付款(附註a(i))	–	31
– Hunan Jiapinjiawei	– 湖南嘉品嘉味		
– trade payables	– 貿易應付款	167	127
– Shenzhen Ruili	– 深圳銳麗		
– trade payables (Note a(ii))	– 貿易應付款(附註a(ii))	–	136
		550	683

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)

24. 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 2023 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)

24. 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2022年及2023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	
		2023	2022
		2023年	2022年
Fees, salaries and bonus	工資、薪酬及花紅	31,044	31,567
Employer's contributions to retirement benefit scheme	僱主就退休計劃供款	1,112	955
Share-based benefits	以股份為基礎之福利	481	935
Other Benefits	其他福利	260	184
		32,897	33,641

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

(All amounts in RMB thousands unless otherwise stated)

25. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Investigation Against Directors

Subsequent to the reporting period, on 3 July 2023, the Group was advised that Chongqing Yongchuan District Police Bureau (重慶市永川區公安局) had lifted Ms. Chu's residential surveillance. Ms. Chu has resumed work accordingly.

On 14 July 2023, the Company was informed that Ms. Chu and Mr. LAM Ka Yu are no longer subject to any bail conditions as imposed by Changsha County Police Bureau (長沙縣公安局).

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 matter, the Group conducted an inspection of the outstanding bank loan contracts as at the date of this report and found that the loan contracts of approximately RMB201,200,000 (the "Loans") contained clauses referring to the occurrence of an event similar to the one described above "which may, or has, endangered or prejudiced the borrower's rights and interests under the loan contracts" or "may affect the performance of the borrower's obligations under the loan contracts", and which entitles the bank to demand early repayment of the Loans. At present, the Group has not received any form of early repayment notice from the relevant banks. The Group has sufficient cash readily available for the repayment of the loans.

Update on a Director's Biographical Details

References are made to the Company's announcements dated 5 July 2023 and 6 July 2023 respectively in relation to inside information and change in biographical details of Ms. CHOY Man Har ("Ms. Choy"), an executive director and deputy chief financial officer of the Company.

On 5 July 2023, the Independent Commission Against Corruption of Hong Kong ("ICAC") conducted a search at the business offices of the Company in Hong Kong. The Company provided certain files and records for the purpose of an ICAC investigation.

In addition, the Company has been informed that Ms. Choy was arrested on 5 July 2023 by ICAC in relation to offences under the Prevention of Bribery Ordinance (Cap. 201), Crimes Ordinance (Cap. 200) and the Organized and Serious Crimes Ordinance (Cap. 455) for investigation. On 6 July, Ms. Choy has been released on bail without any charge laid against her. The Company will monitor this matter and take necessary legal advice as appropriate.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

25. 報告期後事項

對董事的立案調查

報告期後，於2023年7月3日，本集團接獲通知，重慶市永川區公安局已對朱女士取消指定居所監視居住。朱女士恢復正常工作。

於2023年7月14日，本公司接到通知，長沙縣公安局解除對朱女士及林嘉宇先生的取保候審。

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。

針對該事項，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 201,200,000 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。

更新董事履歷詳情

茲提述本公司日期分別為2023年7月5日及2023年7月6日的公告，內容有關內幕消息及本公司執行董事兼副首席財務官蔡文霞女士（「蔡女士」）的履歷詳情變更。

於2023年7月5日，香港廉政公署（「廉政公署」）於本公司在香港的營業地點進行搜查。本公司提供若干文件及記錄作廉政公署調查之用。

此外，本公司已被告知，蔡女士於2023年7月5日被廉政公署就有關香港法例第201章《防止賄賂條例》、香港法例第200章《刑事罪行條例》、第455章《有組織及嚴重罪行條例》下的罪行拘捕以進行調查。於7月6日，蔡女士已在未被起訴的情況下獲准保釋外出。本公司將監察此事宜，並於適當時候徵詢必要的法律意見。

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

(All amounts in RMB thousands unless otherwise stated)

25. EVENTS OCCURRING AFTER THE REPORTING PERIOD (continued)

The Initiation of Arbitration by a Subsidiary

Reference is made to the announcement of the Company dated 9 August 2023 in relation to the initiation of arbitration by Huabao Flavours against Qian Rong (錢戎) and Wong Kam Wing (黃錦榮) (the beneficial controllers of Keli Enterprise).

Taking into account Shanghai Yifang sustained a loss during the Performance Undertaking Period, Huabao Flavours accordingly terminated the rights and obligations pursuant to the provisions of the Share Transfer Agreement and applied to the Shanghai International Arbitration Center with Qian Rong and Wong Kam Wing as respondents for arbitration ("Arbitration"), requesting Qian Rong and Wong Kam Wing to compensate Huabao Flavours for liquidated damages, loss of expected benefits, and legal fees totaling RMB332.03 million, as well as to bear the corresponding legal costs of the Arbitration. At the same time, Huabao Flavours also applied to the Shanghai International Arbitration Center for property security. Huabao Flavours received the "Notice of Acceptance" issued by the Shanghai International Arbitration Center on 9 August 2023.

As of the date of this report, as the Arbitration is still in its initial stage, the Group is unable to accurately predict the final outcome of the Arbitration or evaluate the impact of the Arbitration on the Group's financial position. Should there be any further information regarding the Arbitration, the Company will make further announcements to inform the shareholders and the public as and when appropriate in accordance with relevant requirements.

簡明綜合中期財務資料附註(續)

(除另有指明者外，所有金額均以人民幣千元列示)

25. 報告期後事項(續)

附屬公司提起仲裁

茲提述本公司日期為2023年8月9日的公告，內容有關對克瀝企業的實際控制人 Qian Rong (錢戎) 和黃錦榮提起仲裁的公告。

考慮到上海奕方在業績承諾期內持續虧損，因此，華寶股份依據股份轉讓協定的約定終止該份協議的權利義務關係，以錢戎、黃錦榮為被申請人，向上海國際仲裁中心申請仲裁(「仲裁」)，請求裁決錢戎、黃錦榮向華寶股份賠償違約金、預期利益損失、律師費合計人民幣3.3203億元，並承擔相應仲裁費用。同時華寶股份向上海國際仲裁中心申請了財產保全。華寶股份於2023年8月9日收到上海國際仲裁中心出具的《受理通知》。

截至本報告日期，由於仲裁尚在起始階段，本集團無法準確預測仲裁的最終結果或評估仲裁對本集團財務狀況的影響。倘若仲裁有任何進一步的消息，本公司將根據相關要求於適當時候作出進一步公告，以知會股東及公眾人士。

Glossary

詞彙

Board	The board of directors of the Company	董事會	本公司的董事會
Broad Far	Broad Far Limited	博遠	博遠有限公司
Broad Far Group	Broad Far and its subsidiaries and related companies	博遠集團	博遠及其附屬公司與關聯公司
CAGR	compound annual growth rate	複合增長率	複合增長率
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
Corresponding Period Last Year	the six months ended 30 June 2022	去年同期	截至2022年6月30日止六個月
Director(s)	The director(s) of the Company	董事	本公司董事
ESG	environmental, social and corporate governance	環境、社會及企業管治	環境、社會及企業管治
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	Fellow member of the Hong Kong Institute of Certified Public Accountants	FCPA	香港會計師公會資深會員
FVPL	Fair value through profit or loss	以公允值計量且其變動計入損益	以公允值計量且其變動計入損益
FVLCOD	fair value less the costs of disposal	公允價值減去處置費用	公允價值減去處置費用
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

Glossary (cont'd)

詞彙 (續)

HKFCG	Fellow member of The Hong Kong Chartered Governance Institute	HKFCG	香港公司治理公會資深會員
HKICPA	Hong Kong Institute of Certified Public Accountants	香港會計師公會	香港會計師公會
HKAS	Hong Kong Accounting Standard	香港會計準則	香港會計準則
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
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited	香港聯交所	香港聯合交易所有限公司
Huabao Flavours	Huabao Flavours & Fragrances Co., Ltd., a joint stock limited company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company	華寶股份	華寶香精股份有限公司，於中國成立的股份有限公司，為本公司間接擁有的非全資附屬公司
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
Interim Period	For the six months ended 30 June 2023	中期	截至2023年6月30日止六個月
IPO	Initial Public Offering	首次公開募股	首次公開募股
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 Co., Ltd.	江西香海	江西香海生物科技有限公司
Junjieshang	Junjieshang Network Technology Co., Ltd.	駿杰尚	駿杰尚網路科技有限公司
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

Glossary (cont'd)

詞彙 (續)

Mr. Lam	Mr. LAM Ka Yu, the son of Ms. Chu, the brother of Ms. LAM Ka Yan, the Co-chairman and executive Director of the Company, and a director of Huabao Flavours	林先生	林嘉宇先生，朱女士之兒子、本公司之聯席主席、執行董事兼華寶股份董事
Ms. Chu	Ms. CHU Lam Yiu, the mother of Mr. Lam 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	朱女士	朱林瑤女士，林先生及林嘉忻女士之母、本公司控股股東、董事會主席、首席執行官及執行董事
Reporting Period	the six months ended 30 June 2023	報告期	截至2023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
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
Shenzhen Stock Exchange	Shenzhen Stock Exchange in the PRC	深圳證券交易所	中國深圳證券交易所
SaaS	Software as a Service	軟件即服務	軟件即服務
STMA	State Tobacco Monopoly Administration	國煙局	國家煙草專賣局
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
VIU	value in use	使用價值	使用價值
WACC	weighted average cost of capital	加權平均資本成本	加權平均資本成本

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